AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON JULY 22, 1999

REGISTRATION NO. 333-77499

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

AMENDMENT NO. 4 TO

FORM S-4
REGISTRATION STATEMENT UNDER
THE SECURITIES ACT OF 1933

CHARTER COMMUNICATIONS HOLDINGS, LLC

AND
CHARTER COMMUNICATIONS HOLDINGS
CAPITAL CORPORATION
(EXACT NAME OF REGISTRANTS AS SPECIFIED IN THEIR CHARTERS)

DELAWARE	4841	43-1843179
DELAWARE	4841	43-1843177
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	(PRIMARY STANDARD INDUSTRIAL CLASSIFICATION CODE NUMBER)	(FEDERAL EMPLOYER IDENTIFICATION NUMBER)

12444 POWERSCOURT DRIVE
ST. LOUIS, MISSOURI 63131
(314) 965-0555
(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF REGISTRANTS' PRINCIPAL EXECUTIVE OFFICES)

CURTIS S. SHAW, ESQ.
SENIOR VICE PRESIDENT, GENERAL COUNSEL AND SECRETARY
12444 POWERSCOURT DRIVE
ST. LOUIS, MISSOURI 63131
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(NAME, ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF AGENT FOR SERVICE)

COPIES TO:

DANIEL G. BERGSTEIN, ESQ. THOMAS R. POLLOCK, ESQ. PATRICIA M. CARROLL, ESQ. PAUL, HASTINGS, JANOFSKY & WALKER LLP 399 PARK AVENUE NEW YORK, NEW YORK 10022 (212) 318-6000	ALVIN G. SEGEL, ESQ. IRELL & MANELLA LLP 1800 AVENUE OF THE STARS, SUITE 900 LOS ANGELES, CALIFORNIA 90067-4276 (310) 277-1010

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED OFFER TO THE PUBLIC EXCHANGE OFFER: As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. [ ]

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

THE REGISTRANTS HEREBY AMEND THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANTS SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE SECURITIES AND EXCHANGE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.

- --
- --

SUBJECT TO COMPLETION, DATED JULY 22, 1999

$3,575,000,000
OFFER TO EXCHANGE
8.250% SENIOR NOTES DUE 2007,
8.625% SENIOR NOTES DUE 2009 AND 9.920% SENIOR DISCOUNT NOTES DUE 2011
FOR ANY AND ALL OUTSTANDING
8.250% SENIOR NOTES DUE 2007,
8.625% SENIOR NOTES DUE 2009 AND 9.920% SENIOR DISCOUNT NOTES DUE 2011,
RESPECTIVELY, OF

CHARTER COMMUNICATIONS HOLDINGS, LLC
and
CHARTER COMMUNICATIONS HOLDINGS
CAPITAL CORPORATION

- The notes being offered by this prospectus are being issued in exchange for notes sold by us in a private placement in March 1999.

- The exchange offer expires at 5:00 p.m., New York City time, on , 1999, unless extended.

- No public market exists for the original notes or the new notes. We do not intend to list the new notes on any securities exchange or to seek approval for quotation through any automated quotation system.

SEE "RISK FACTORS" BEGINNING ON PAGE 20 FOR A DISCUSSION OF CERTAIN FACTORS THAT SHOULD BE CONSIDERED BY HOLDERS WHO TENDER THEIR ORIGINAL NOTES IN THE EXCHANGE OFFER AND BY PURCHASERS OF THE NOTES FROM PERSONS ELIGIBLE TO USE THIS PROSPECTUS FOR RESALES.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state in which the offer or sale would be unlawful.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-b OF THE NEW HAMPSHIRE UNIFORM SECURITIES ACT WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-b IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY, OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

The date of this prospectus is , 1999.

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SUMMARY

The following summary contains a general discussion of our business, the exchange offer and summary financial information. It likely does not contain all the information that is important to you in making a decision to tender original notes in exchange for new notes. For a more complete understanding of the exchange offer, we encourage you to read this entire prospectus and other documents to which we refer.

OUR BUSINESS

We offer a full range of traditional cable television services and have begun to offer digital cable television services to customers in some of our systems. We have also started to introduce a number of other new products and services, including interactive video programming and high-speed Internet access. We are also exploring opportunities in telephony and electronic commerce. The introduction of these new services represents an important step toward the realization of our "wired world" vision, where cable's ability to transmit voice, video and data at high speeds will enable it to serve as the primary platform for the delivery of new services to the home and workplace. We are accelerating the upgrade of our systems to more quickly provide these new services. As of March 31, 1999, we served approximately 2.3 million cable television service customers in 22 states.

We have grown rapidly over the past five years. During this period, our management team has successfully completed 23 acquisitions, including three acquisitions closed in 1999. In addition, we have entered into five agreements to acquire additional cable systems with approximately 937 million customers. We have also expanded our customer base through significant internal growth. In 1998, our internal customer growth, without giving effect to the cable systems we acquired in that year, was 4.8%, more than twice the national industry average of 1.7%. In 1997, our internal customer growth, without giving effect to the cable systems we acquired in that year, was 3.5%, significantly higher than the national industry average of 2.0%.

Pro forma for our merger with Marcus Cable Holdings, LLC and the acquisitions we completed in 1998 and 1999, our 1998 revenues were approximately $1.2 billion, our earnings before interest, taxes, depreciation and amortization, or EBITDA, was approximately $562 million and our cash flows from operating activities were approximately $319 million. Pro forma for our merger with Marcus Holdings and the acquisitions we completed during 1998 and 1999, for the three months ended March 31, 1999, our revenues were approximately $331 million, our EBITDA was approximately $149 million and our cash flows from operating activities were approximately $60 million.

Our principal executive offices are located at 12444 Powerscourt Drive, St. Louis, Missouri 63131. Our telephone number is (314)965-0555 and our web site is located at www.chartercom.com. The information on our web site is not part of this prospectus.

BUSINESS STRATEGY

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

- rapidly integrate acquired cable systems and apply our core operating strategies to raise the financial and operating performance of these acquired systems;

- expand the array of services we offer to our customers through the implementation of our "wired world" vision;

- upgrade the bandwidth capacity of our systems to 550 megahertz or greater to enable greater channel capacity and add two-way capability to facilitate interactive communication;

- maximize customer satisfaction by providing reliable, high-quality service offerings, superior customer service and attractive programming choices at reasonable rates;

- employ innovative marketing programs tailored to local customer preferences to generate additional sales;

- emphasize local management autonomy to better serve our customers and centralized financial controls, while providing support from regional and corporate offices; and

- improve the geographic clustering of our cable systems by selectively trading or acquiring systems to increase operating efficiencies and improve operating margins.

RECENT EVENTS

We have completed, and are in the process of completing, the acquisitions described below. Certain of these acquisitions were originally acquisitions of Charter Investment. Charter Investment subsequently assigned those acquisitions to us. Charter Investment and other affiliates are making other acquisitions. There is no present intention on their part to assign these other acquisitions to us.

RECENT ACQUISITIONS

In the second quarter of 1999, we completed three transactions in which we acquired cable systems serving a total of approximately 374,000 customers. The total purchase price for these acquisitions was approximately $1.2 billion. For the year ended December 31, 1998, these systems had revenues of approximately $172 million, EBITDA of approximately $76 million and cash flows from operating activities of approximately $42 million. The following table is a breakdown of our recent acquisitions for the three months ended March 31, 1999:

			FOR THE THREE MONTHS ENDED MARCH 31, 1999			
				(DOLLARS IN THOUSANDS)		
RECENT ACQUISITION	CLOSING DATE	PURCHASE PRICE	BASIC SUBSCRIBERS	REVENUE	EBITDA	CASH FLOWS FROM OPERATING ACTIVITIES
American Cable Entertainment, LLC......	4/99	$240 million	68,000	$ 9,151	$ 4,195	$ 2,664
Renaissance Media Group LLC.....................	4/99	459 million	132,000	15,254	8,365	5,390
Cable Systems of Greater Media Cablevision, Inc.	6/99	500 million	174,000	20,394	7,621	5,808
Total.................		$1.2 billion	374,000	$44,799	$20,181	$13,862

PENDING ACQUISITIONS

In addition to the recent acquisitions described above, since the beginning of 1999, we have entered into five agreements to acquire additional cable systems. The total purchase price for these acquisitions will be approximately $3.0 billion. This includes the exchange with another cable service provider of certain of our cable television systems with a fair market value of $0.4 billion for cable systems that we can operate more efficiently because of their geographic proximity to our other systems. As of March 31, 1999, the systems to be acquired by us served, in the aggregate, approximately 937,000 customers. For the year ended December 31, 1998, these systems had revenues of approximately $425 million, EBITDA of approximately $188 million and cash flows from operating activities of approximately $32 million. The following table is a breakdown of our pending acquisitions for the three months ended March 31, 1999:

			FOR THE THREE MONTHS ENDED MARCH 31, 1999			
				(DOLLARS IN THOUSANDS)		
PENDING ACQUISITION	ANTICIPATED CLOSING DATE	PURCHASE PRICE	BASIC SUBSCRIBERS	REVENUE	EBITDA	CASH FLOWS FROM OPERATING ACTIVITIES
Helicon Partners I, L.P. and Affiliates..........	7/99	$550 million	171,000	$ 21,252	$ 8,912	$ 4,056
Cable Systems of InterMedia Capital Partners IV, L.P., InterMedia Partners and Affiliates......	3rd or 4th Quarter 1999	872.7 million + systems' swap	408,000 (142,000) 266,000	48,288	21,427	21,027
Rifkin Acquisition Partners, L.L.L.P. and Interlink Communications Partners, L.L.P.....	3rd or 4th Quarter 1999	1,460 million	463,000	50,914	19,194	(603)
Other................	3rd Quarter	148 million	37,000	3,354	1,760	1,502
Total.............		$3.0 billion	937,000	$123,808	$51,293	$25,982

We expect to finance these pending acquisitions with additional borrowings under our credit facilities and with additional equity.

ORGANIZATION

The chart below sets forth our corporate structure:

[CHARTER COMMUNICATIONS ORGANIZATION CHART]

EXPLANATORY NOTE: Prior to our acquisition by Paul G. Allen on December 23, 1998, our cable systems were operated under four groups. Three of these groups were comprised of Charter companies and the fourth group was comprised of Marcus companies.

A. CHARTER COMPANIES

Prior to Charter Investment acquiring the remaining interests it did not previously own in the various companies as described below, the operating subsidiaries were parties to separate management agreements with Charter Investment pursuant to which Charter Investment provided management and consulting services.

The three groups which formerly comprised the Charter companies were as follows:

(1) Charter Communications Properties Holdings, LLC

CCP Holdings was a wholly owned subsidiary of Charter Investment. The primary subsidiary of CCP Holdings which owned the cable systems was Charter Communications Properties, LLC. In connection with Mr. Allen's acquisition on December 23, 1998, CCP Holdings was merged out of existence. Charter Properties became a direct, wholly owned subsidiary of Charter Investment.

(2) The CCA Group

The controlling interests in the CCA Group were held by affiliates of Kelso & Co. Charter Investment had only a minority interest. On December 21, 1998, prior to Mr. Allen's acquisition, the remaining interests it did not previously own in the CCA Group were acquired by Charter Investment from the Kelso affiliates. Consequently, the companies comprising the CCA Group became wholly owned subsidiaries of Charter Investment.

The CCA Group consisted of the following three sister companies:

(i) CCT Holdings, LLC,

(ii) CCA Holdings, LLC, and

(iii) Charter Communications Long Beach, LLC

The cable systems were owned by the various subsidiaries of these three sister companies. In connection with Mr. Allen's acquisition on December 23, 1998, the three sister companies and some of the non-operating subsidiaries were merged out of existence, leaving certain of the operating subsidiaries owning all of the cable systems under this former group. These operating subsidiaries became indirect, wholly owned subsidiaries of Charter Investment.

(3) CharterComm Holdings, LLC

The controlling interests in CharterComm Holdings were held by affiliates of Charterhouse Group International Inc. Charter Investment had only a minority interest. On December 21, 1998, prior to Mr. Allen's acquisition, the remaining interests it did not previously own in CharterComm Holdings were acquired by Charter Investment from the Charterhouse affiliates. Consequently, CharterComm Holdings became a wholly owned subsidiary of Charter Investment.

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

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

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

B. MARCUS COMPANIES

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

In February 1999, Marcus Holdings was formed and all of Mr. Allen's interests in Marcus Cable were transferred to Marcus Holdings. In March 1999, Mr. Allen acquired the remaining interests in Marcus Cable and assumed voting control, which interests were transferred to Marcus Holdings. In April 1999, Mr. Allen merged Marcus Holdings into us, and the operating subsidiaries of Marcus Holdings and all of the cable systems they own came under the ownership of Charter Holdings.

This explanatory note is intended to explain how:

(1) Charter Properties, the operating companies that formerly comprised the CCA Group, Charter Communications, LLC and the Marcus companies became wholly owned subsidiaries of Charter Operating;

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

(3) Charter Holdings became a wholly owned subsidiary of Charter Holdco; and

(4) Charter Holdco became a wholly owned subsidiary of Charter Investment.

THE EXCHANGE OFFER

Resales Without Further Registration....................	We believe that the new notes issued pursuant to the exchange offer in exchange for original notes may be offered for resale, resold and otherwise transferred by you without compliance with the registration and prospectus delivery provisions of the Securities Act of 1933, provided that: - you are acquiring the new notes issued in the exchange offer in the ordinary course of your business; - you have not engaged in, do not intend to engage in, and have no arrangement or understanding with any person to participate in the distribution of the new notes issued to you in the exchange offer; and - you are not our "affiliate," as defined under Rule 405 of the Securities Act. Each of the participating broker-dealers that receives new notes for its own account in exchange for original notes that were acquired by such broker or dealer as a result of market-making or other activities must acknowledge that it will deliver a prospectus in connection with the resale of the new notes.
Expiration Date.................	5:00 p.m., New York City time, on , 1999, unless we extend the exchange offer.
Exchange and Registration Rights Agreements....................	You have the right to exchange the original notes that you hold for new notes with substantially identical terms. This exchange offer is intended to satisfy these rights. Once the exchange offer is complete, you will no longer be entitled to any exchange or registration rights with respect to your notes.
Accrued Interest on the New Notes and Original Notes........	The new notes will bear interest from March 17, 1999. Holders of original notes which are accepted for exchange will be deemed to have waived the right to receive any payment in respect of interest on such original notes accrued to the date of issuance of the new notes.
Conditions to the Exchange Offer...........................	The exchange offer is conditioned upon certain customary conditions which we may waive and upon compliance with securities laws.

Procedures for Tendering Original Notes	Each holder of original notes wishing to accept the exchange offer must: - complete, sign and date the letter of transmittal, or a facsimile of the letter of transmittal; or - arrange for the Depository Trust Company to transmit certain required information to the exchange agent in connection with a book-entry transfer. You must mail or otherwise deliver such documentation together with the original notes to the exchange agent.
Special Procedures for Beneficial Holders	If you beneficially own original notes registered in the name of a broker, dealer, commercial bank, trust company or other nominee and you wish to tender your original notes in the exchange offer, you should contact such registered holder promptly and instruct them to tender on your behalf. If you wish to tender on your own behalf, you must, before completing and executing the letter of transmittal for the exchange offer and delivering your original notes, either arrange to have your original notes registered in your name or obtain a properly completed bond power from the registered holder. The transfer of registered ownership may take considerable time.
Guaranteed Delivery Procedures	You must comply with the applicable procedures for tendering if you wish to tender your original notes and: - time will not permit your required documents to reach the exchange agent by the expiration date of the exchange offer; or - you cannot complete the procedure for book-entry transfer on time; or - your original notes are not immediately available.
Withdrawal Rights	You may withdraw your tender of original notes at any time prior to 5:00 p.m., New York City time, on the date the exchange offer expires.
Failure to Exchange Will Affect You Adversely	If you are eligible to participate in the exchange offer and you do not tender your original notes, you will not have further exchange or registration rights and your original notes will continue to be subject to some restrictions on transfer. Accordingly, the

	liquidity of the original notes will be adversely affected.
Material United States Federal Income Tax Considerations.....	It is our legal counsel's opinion that the disclosure in this prospectus sets forth all material United States Federal income tax consequences of participating in the exchange offer and in connection with the ownership and disposition of the new notes. The exchange of original notes for new notes pursuant to the exchange offer should not result in a significant modification of the original notes for United States federal income tax purposes. Accordingly, - no gain or loss should be realized by a U.S. holder upon receipt of a new note, - a holder's holding period for new notes should include the holding period for original notes, and - the adjusted tax basis of the new notes should be the same as the adjusted tax basis of the original notes exchanged at the time of such exchange. Paul, Hastings, Janofsky & Walker, LLP has rendered the above-referenced opinion in connection with the exchange offer. See "Material United States Federal Income Tax Considerations."
Exchange Agent..................	Harris Trust Company of New York is serving as exchange agent.
Use of Proceeds.................	We will not receive any proceeds from the exchange offer.

SUMMARY TERMS OF NEW NOTES

Issuers.........................	Charter Communications Holdings, LLC and Charter Communications Holdings Capital Corporation.
Notes Offered...................	$600 million in principal amount of 8.250% Senior Notes due 2007. $1.5 billion in principal amount of 8.625% Senior Notes due 2009. $1.475 billion in principal amount at maturity of 9.920% Senior Discount Notes due 2011. The form and terms of the new notes will be the same as the form and terms of the outstanding notes except that: - the new notes will bear a different CUSIP number from the original notes; - the new notes will have been registered under the Securities Act of 1933 and, therefore, will not bear legends restricting their transfer; and - you will not be entitled to any exchange or registration rights with respect to the new notes. The new notes will evidence the same debt as the original notes. They will be entitled to the benefits of the indentures governing the original notes and will be treated under the indentures as a single class with the original notes.

	MATURITY DATE	ISSUE PRICE	INTEREST
8.250% notes.........	April 1, 2007	99.233% plus accrued interest, if any, from March 17, 1999	8.250% per annum, payable every six months on April 1 and October 1, beginning October 1, 1999
8.625% notes.........	April 1, 2009	99.695%, plus accrued interest, if any, from March 17, 1999	8.625% per annum, payable every six months on April 1, and October 1, beginning October 1, 1999
9.920% notes.........	April 1, 2011	61.394%	Interest to accrete at a rate of 9.920% per annum through April 1, 2004; cash interest every six months on April 1 and October 1 at the rate of 9.920% per annum, beginning October 1, 2004

Ranking......................... The new notes are senior debts. They rank equally with the current and future unsecured and unsubordinated debt, including trade payables, of Charter Holdings, which is a holding company and conducts all of its operations through its subsidiaries. If it defaults, your right to payment under the new notes will rank below all existing and future liabilities, including trade payables, of its subsidiaries. As of March 31, 1999, all of our outstanding indebtedness, other than the notes but including our credit facilities, was incurred by our subsidiaries. As of that date, our subsidiaries' liabilities, on a pro forma basis giving effect for our recent and pending acquisitions, totaled $4 billion. All such liabilities would have ranked senior to the new notes.

Optional Redemption............ We will not have the right to redeem the 8.250% notes prior to their maturity date on April 1, 2007.

Before April 1, 2002, we may redeem up to 35% of the 8.625% notes and the 9.920% notes with the proceeds of certain offerings of equity securities. On or after April 1, 2004, we may redeem some or all of the 8.625% notes and the 9.920% notes at any time.

Mandatory Offer to Repurchase... If we experience certain changes of control, we must offer to repurchase any then-issued notes at

	101% of their principal amount or accreted value, as applicable in each class of notes, plus accrued and unpaid interest.
Basic Covenants of Indentures...	The indentures governing the notes, among other things, restrict our ability and the ability of certain of our subsidiaries to: - borrow money; - create certain liens; - pay dividends on stock or repurchase stock; - make investments; - sell all or substantially all of our assets or merge with or into other companies; - sell assets; - in the case of our restricted subsidiaries, create or permit to exist dividend or payment restrictions with respect to us; and - engage in certain transactions with affiliates. These covenants are subject to important exceptions.

RISK FACTORS

You should carefully consider all of the information in this prospectus. In particular, you should evaluate the specific risk factors under "Risk Factors" for a discussion of certain risks involved with an investment in the new notes.

UNAUDITED SUMMARY PRO FORMA FINANCIAL STATEMENTS

The following Unaudited Summary Pro Forma Financial Statements are based on the financial statements of Charter Holdings, CCA Group, and CharterComm Holdings, LLC, as adjusted to illustrate the estimated effects of our recent acquisitions and pending acquisitions, as if such acquisitions, had occurred on March 31, 1999 for the Balance Sheet Data and Operating Data and for the estimated effects of the following transactions, as if such transactions had occurred on January 1, 1998 for the Statements of Operations and Other Financial Data:

(1) the acquisition of us on December 23, 1998 by Paul G. Allen;

(2) the acquisition of Sonic Communications, Inc. on May 20, 1998 by us;

(3) the acquisition of Marcus Cable on April 23, 1998 by Mr. Allen;

(4) the acquisitions and dispositions during 1998 by Marcus Cable;

(5) our merger with Marcus Holdings;

(6) our recent acquisitions and pending acquisitions; and

(7) the refinancing of all our debt through the issuance of the original notes and funding under our current credit facilities.

The Unaudited Summary Pro Forma Financial Statements reflect the application of the principles of purchase accounting to the transactions listed in items (1) through (4) and (6) of the preceding sentence. In purchase accounting, all separately identifiable assets and liabilities are recorded at fair value with the excess purchase price recorded as franchises. The allocation of the purchase price is based, in part, on preliminary information, which is subject to adjustment upon obtaining complete valuation information of intangible assets. The valuation information is expected to be finalized in the third quarter of 1999. However, no significant adjustments are anticipated.

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

UNAUDITED PRO FORMA STATEMENT OF OPERATIONS
THREE MONTHS ENDED MARCH 31, 1999

	CHARTER HOLDINGS	RECENT ACQUISITIONS	SUBTOTAL	PENDING ACQUISITIONS	REFINANCING ADJUSTMENTS	TOTAL
	(DOLLARS IN THOUSANDS, EXCEPT CUSTOMER DATA)					
Revenues	$ 286,135	$ 44,877	$ 331,012	$ 114,259	$ --	$ 445,271
Operating expenses:						
Operating, general and administrative	152,075	22,605	174,680	61,618	--	236,298
Depreciation and amortization	153,747	22,691	176,438	62,012	--	238,450
Corporate expense charges(a)	5,323	1,757	7,080	--	--	7,080
Management fees	--	275	275	2,507	--	2,782
Total operating expenses	311,145	47,328	358,473	126,137	--	484,610
Loss from operations	(25,010)	(2,451)	(27,461)	(11,878)	--	(39,339)
Interest expense	(71,591)	(15,122)	(86,713)	(38,478)	(12,775)	(137,966)
Interest income	1,733	108	1,841	151	--	1,992
Other income (expense)	15	(16)	(1)	(121)	--	(122)
Net loss	$ (94,853)	$ (17,481)	$ (112,334)	$ (50,326)	$(12,775)	$ (175,435)
OTHER FINANCIAL DATA:						
EBITDA(b)	$ 128,752	$ 20,224	$ 148,976	$ 50,013		$ 198,989
EBITDA margin(c)	45.0%	45.1%	45.0%	43.8%		44.7%
Adjusted EBITDA(d)	134,060	22,272	156,332	52,641		208,973
Cash flows from operating activities	45,824	13,862	59,686	25,982		85,668
Cash interest expense						109,186
Capital expenditures	$ 109,629	$ 7,201	$ 116,830	$ 36,267		$ 153,097
Total debt to annualized EBITDA						8.3x
Total debt to annualized Adjusted EBITDA						7.9
EBITDA to cash interest expense						1.8
EBITDA to interest expense						1.4
Deficiency of earnings to cover fixed charges(e)						$ 175,435
BALANCE SHEET DATA (AT END OF PERIOD):						
Total assets	$8,357,282	$ 187,147	$8,544,429	$3,097,053	$ --	$11,641,482
Total debt	4,754,018	165,480	4,919,498	1,704,822	--	6,624,320
Members' equity	3,326,142	--	3,326,142	1,325,000	--	4,651,142

	THREE MONTHS ENDED MARCH 31, 1999					
	CHARTER HOLDINGS	RECENT ACQUISITIONS	SUBTOTAL	PENDING ACQUISITIONS	REFINANCING ADJUSTMENTS	TOTAL
	(DOLLARS IN THOUSANDS, EXCEPT CUSTOMER DATA)					
OPERATING DATA (AT END OF PERIOD, EXCEPT FOR AVERAGES):						
Homes passed	3.977,000	512,000	4,489,000	1,403,000		5,892,000
Basic customers	2,344,000	374,000	2,718,000	937,000		3,655,000
Basic penetration(f)	58.9%	73.0%	60.5%	66.8%		62.0%
Premium units	1,322,000	230,000	1,552,000	527,000		2,079,000
Premium penetration(g)	56.4%	61.5%	57.1%	56.2%		56.9%
Average monthly revenue per basic customer(h)	$ 40.69	$ 40.00	$ 40.60	$ 40.65		$ 40.61

UNAUDITED PRO FORMA STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 1998

	CHARTER HOLDINGS	MARCUS	RECENT ACQUISITIONS	SUBTOTAL	PENDING ACQUISITIONS	REFINANCING ADJUSTMENTS	TOTAL
	(DOLLARS IN THOUSANDS, EXCEPT CUSTOMER DATA)						
Revenues	$ 611,690	$ 448,192	$ 171,951	$1,231,833	$ 425,490	$ --	$ 1,657,323
Operating expenses:							
Operating, general and administrative	310,100	231,050	88,236	629,386	217,973	--	847,359
Depreciation and amortization	375,899	252,855	90,870	719,624	237,150	--	956,774
Corporate expense charges(a)	16,493	17,042	6,759	40,294	--	--	40,294
Management fees	--	--	1,077	1,077	13,595	--	14,672
Total operating expenses	702,492	500,947	186,942	1,390,381	468,718	--	1,859,099
Loss from operations	(90,802)	(52,755)	(14,991)	(158,548)	(43,228)	--	(201,776)
Interest expense	(207,468)	(137,953)	(60,375)	(405,796)	(153,625)	7,500	(551,921)
Other income (expense)	518	--	(40)	478	(5,822)	--	(5,344)
Net loss	$(297,752)	$(190,708)	$ (75,406)	$ (563,866)	$ (202,675)	$ 7,500	$ (759,041)
OTHER FINANCIAL DATA:							
EBITDA(b)	$ 285,615	$ 200,100	$ 75,839	$ 561,554	$ 188,100		$ 749,654
EBITDA margin(c)	46.7%	44.6%	44.1%	45.6%	44.2%		45.2%
Adjusted EBITDA(d)	301,590	217,142	83,715	602,447	207,517		809,964
Cash flows from operating activities	137,160	139,908	42,230	319,298	32,164		351,462
Cash interest expense							436,432
Capital expenditures	$ 213,353	$ 224,723	$ 7,001	$ 445,077	$ 84,106		$ 529,183
Total debt to EBITDA							8.8x
Total debt to Adjusted EBITDA							8.1
EBITDA to cash interest expense							1.7
EBITDA to interest expense							1.4
Deficiency of earnings to cover fixed charges(e)							$ 759,041
BALANCE SHEET DATA (AT END OF PERIOD):							
Total assets	$7,235,656	$ --	$1,227,725	$8,463,381	$3,123,961	$125,000	$11,712,342
Total debt	3,523,201	--	1,203,940	4,727,141	1,704,821	128,604	6,560,566
Members' equity	3,429,291	--	--	3,429,291	1,325,000	(3,604)	4,750,687

	YEAR ENDED DECEMBER 31, 1998						
	CHARTER HOLDINGS	MARCUS	RECENT ACQUISITIONS	SUBTOTAL	PENDING ACQUISITIONS	REFINANCING ADJUSTMENTS	TOTAL
	(DOLLARS IN THOUSANDS, EXCEPT CUSTOMER DATA)						
OPERATING DATA (AT END OF PERIOD, EXCEPT FOR AVERAGES):							
Homes passed....................	2,149,000	1,743,000	508,000	4,400,000	1,287,000		5,687,000
Basic customers.................	1,255,000	1,062,000	365,000	2,682,000	935,000		3,617,000
Basic penetration(f)............	58.4%	60.9%	71.9%	61.0%	72.6%		63.6%
Premium units...................	845,000	411,000	227,000	1,483,000	584,000		2,067,000
Premium penetration(g)..........	67.3%	38.7%	62.2%	55.3%	62.5%		57.1%
Average monthly revenue per basic customer(h)...................	NM	NM	$ 39.26	$ 38.28	$ 37.92		$ 38.18

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(a) Charter Investment provided corporate management and consulting services to our subsidiaries during 1998 and 1999, and to subsidiaries of Marcus Holdings beginning in October 1998. See "Certain Relationships and Related Transactions."

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

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

(d) Adjusted EBITDA means EBITDA before corporate expenses, management fees and other income (expense) in accordance with the term "Consolidated EBITDA" used in the indentures governing the notes. See "Description of Notes" for a complete presentation of the methodology employed in calculating Adjusted EBITDA. Adjusted EBITDA is presented because it is a widely accepted financial indicator of a cable company's ability to meet its debt payments and because it is used in the indentures to determine compliance with certain covenants. However, Adjusted EBITDA should not be considered as an alternative to income from operations or to cash flows from operating, investing or financing activities, as determined in accordance with generally accepted accounting principles. Adjusted EBITDA should also not be construed as an indication of a company's operating performance or as a measure of liquidity. In addition, because Adjusted EBITDA is not calculated identically by all companies, the presentation here may not be comparable to other similarly titled measures of other companies. Management's discretionary use of funds depicted by Adjusted EBITDA may be limited by working capital, debt service and capital expenditure requirements and by restrictions related to legal requirements, commitments and uncertainties.

(e) Earnings include net income (loss) plus fixed charges. Fixed charges consist of interest expense and an estimated interest component of rent expense.

(f) Basic penetration represents basic customers as a percentage of homes passed. Homes passed are the number of single residence homes, apartments and condominium units passed by the cable distribution network in a given cable system service area.

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

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

See "Notes to the Unaudited Pro Forma Financial Statements."

UNAUDITED SUMMARY HISTORICAL COMBINED FINANCIAL AND OPERATING DATA

The Unaudited Summary Historical Combined Financial and Operating Data for the years ended December 31, 1996, 1997 and 1998 have been derived from the separate financial statements of Charter Holdings, CCA Group, and CharterComm Holdings, which have been audited by Arthur Andersen LLP, independent public accountants, and are included elsewhere in this prospectus. The combined financial and operating data represent the sum of the results of each of our operating subsidiaries. Each of the companies was managed by Charter Investment, under the terms of its respective management agreement with such company during the presented periods. Since our operating subsidiaries were under common management, we believe presenting combined financial information of these companies is informative.

As a result of the acquisition of us by Paul G. Allen, we have applied purchase accounting, whereby all separately identifiable assets and liabilities are recorded at fair value, which had the effect of increasing total assets, total debt and members' equity as of December 23, 1998. In addition, we have retroactively restated our financial statements to include the results of operations of Marcus Cable for the period from December 24, 1998 through December 31, 1998, and the balance sheet of Marcus Cable as of December 31, 1998. As a result of our acquisition by Mr. Allen and our merger with Marcus Holdings, we believe that the periods on or prior to December 23, 1998 are not comparable to the periods after December 23, 1998.

	CHARTER HOLDINGS, CCA GROUP, AND CHARTERCOMM HOLDINGS			CHARTER HOLDINGS
	YEAR ENDED DECEMBER 31,		1/1/98 THROUGH 12/23/98	12/24/98 THROUGH 12/31/98
	1996	1997		
	(DOLLARS IN THOUSANDS, EXCEPT CUSTOMER DATA)			
COMBINED STATEMENT OF OPERATIONS:				
Revenues	$ 368,553	$ 484,155	$570,964	$ 23,450
Operating expenses:				
Operating, general and administrative	190,084	249,419	288,428	12,679
Depreciation and amortization	154,273	198,718	240,294	13,811
Management fees/corporate expense charges(a)	15,094	20,759	38,348	766
Total operating expenses	359,451	468,896	567,070	27,256
Income (loss) from operations	$ 9,102	$ 15,259	$ 3,894	$ (3,806)
CAPITAL EXPENDITURES	$ 110,291	$ 162,607	$195,468	$ 13,672
BALANCE SHEET DATA (AT END OF PERIOD):				
Total assets	$1,660,242	$2,002,181		$7,235,656
Total debt	1,195,899	1,846,159		3,523,201
Members' equity	26,099	(80,505)		3,429,291
OPERATING DATA (AT END OF PERIOD, EXCEPT FOR AVERAGES):				
Homes passed	1,546,000	1,915,000		3,892,000
Basic customers	902,000	1,086,000		2,317,000
Basic penetration(b)	58.3%	56.7%		59.5%
Premium units	517,000	629,000		1,256,000
Premium penetration(c)	57.3%	57.9%		54.2%

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(a) Charter Investment provided corporate management and consulting services to us. CCA Group, and CharterComm Holdings paid fees to Charter Investment as compensation for such services and recorded such fees as expense. See "Certain Relationships and Related Transactions." Charter Holdings recorded charges for actual corporate expenses incurred by Charter Investment on behalf of Charter Holdings. Management fees/corporate expense charges for the period ended December 23, 1998 include $14.4 million of change of control payments under the terms of then-existing equity appreciation rights plans. Such payments were triggered by the acquisition of us by Paul G. Allen. Such payments were made by Charter Investment and were not subject to reimbursement by us but were allocated to us for financial reporting purposes. The equity appreciation rights plans were terminated in connection with our acquisition by Mr. Allen, and these costs will not recur.

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

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

RISK FACTORS

The new notes, like the old notes, entail the following risks. You should carefully consider these risks factors, as well as the other information in this prospectus, before tendering original notes in exchange for new notes.

OUR BUSINESS

WE HAVE SUBSTANTIAL EXISTING DEBT AND WILL INCUR SUBSTANTIAL ADDITIONAL DEBT WHICH COULD ADVERSELY AFFECT OUR FINANCIAL HEALTH AND PREVENT US FROM FULFILLING OUR OBLIGATIONS UNDER THE NOTES.

We have a significant amount of debt. As of March 31, 1999, pro forma for our pending acquisitions and acquisitions completed since that date, our total debt was approximately $6.6 billion, our total members' equity was approximately $4.7 billion, and the deficiency of our earnings available to cover fixed charges was approximately $175 million.

Our substantial debt could have important consequences to you. For example, it could:

- make it more difficult for us to satisfy our obligations to you with respect to the notes and to satisfy our obligations under our credit facilities;

- increase our vulnerability to general adverse economic and cable industry conditions, including interest rate fluctuations, because much of our borrowings are and will continue to be at variable rates of interest;

- require us to dedicate a substantial portion of our cash flow from operations to payments on our debt, which will reduce our funds available for working capital, capital expenditures, acquisitions of additional systems and other general corporate expenses;

- limit our flexibility in planning for, or reacting to, changes in our business and the cable industry generally;

- place us at a disadvantage compared to our competitors that have proportionately less debt; and

- limit our ability to borrow additional funds in the future, if we need them, due to applicable financial and restrictive covenants in such debt.

We anticipate incurring substantial additional debt in the future to fund the expansion, maintenance and the upgrade of our systems. If new debt is added to our current debt levels, the related risks that we and you now face could intensify.

THE AGREEMENTS AND INSTRUMENTS GOVERNING OUR DEBT CONTAIN RESTRICTIONS AND LIMITATIONS WHICH COULD SIGNIFICANTLY IMPACT OUR ABILITY TO OPERATE OUR BUSINESS AND REPAY THE NOTES.

Our credit facilities and the indentures governing the notes contain a number of significant covenants that could adversely impact our business. These covenants, among other things, restrict the ability of our subsidiaries to:

- pay dividends;

- pledge assets;

- dispose of assets or merge;

- incur additional debt;

- issue equity;

- repurchase or redeem equity interests and debt;

- create liens; and

- make certain investments or acquisitions.

In addition, each of our credit facilities requires the particular borrower to maintain cash specified financial ratios and meet financial tests. The ability to comply with these provisions may be affected by events beyond our control. The breach of any of these covenants will result in a default under the applicable debt agreement or instrument.

IF WE DEFAULT UNDER OUR CREDIT FACILITIES, WE MAY NOT HAVE THE ABILITY TO MAKE PAYMENTS ON THE NOTES, WHICH WOULD PLACE US IN DEFAULT UNDER OUR INDENTURES. SUCH DEFAULTS MAY ADVERSELY AFFECT US.

In the event of a default under our credit facilities, lenders could elect to declare all amounts borrowed, together with accrued and unpaid interest and other fees, to be due and payable. In any event, when a default exists under our credit facilities, funds may not be distributed by our subsidiaries to Charter Holdings to pay interest or principal on the notes. If the amounts outstanding under our credit facilities are accelerated, thereby causing an acceleration of amounts outstanding under the notes, we may not be able to repay such amounts or the notes. In addition, under the terms of the Charter Operating credit facilities, if the 8.250% notes are not refinanced at least six months prior to the date of their maturity, the entire amount due under such credit facilities will become due and payable and we may not have the ability to make such payment. Any default under any of our credit facilities or our indentures may adversely affect our growth, our financial condition and our results of operations.

THE NOTES ARE THE OBLIGATIONS OF A HOLDING COMPANY WHICH HAS NO OPERATIONS AND DEPENDS ON ITS OPERATING SUBSIDIARIES FOR CASH. OUR SUBSIDIARIES MAY BE LIMITED IN THEIR ABILITY TO MAKE FUNDS AVAILABLE FOR THE PAYMENT OF AMOUNTS DUE UNDER THE NOTES.

As a holding company, Charter Holdings does not hold substantial assets other than its direct or indirect investments in and advances to our operating subsidiaries. Consequently, our subsidiaries conduct all of our operations and own substantially all of our assets. As a result, our cash flow and our ability to meet our debt payment obligations on the notes will depend upon the cash flow of our subsidiaries and the payment of funds by our subsidiaries to us in the form of loans, equity distributions or otherwise. Our subsidiaries are not obligated to make funds available to us for payment on the notes. In addition, our subsidiaries' ability to make any such loans, equity distributions or other payments to us will depend on their earnings, the terms of their indebtedness, business and tax considerations and legal restrictions.

Because of our holding company structure, the notes will be subordinate to all liabilities of our subsidiaries. Under our credit facilities Charter Operating is the borrower, and our other subsidiaries are guarantors. The lenders under our credit facilities will have the right to be paid before you from any of our subsidiaries' assets. In the event of bankruptcy, liquidation or dissolution of a subsidiary, following payment by such subsidiary of its liabilities, such subsidiary may not have sufficient assets remaining to make payments to us as a shareholder or otherwise.

OUR ABILITY TO GENERATE THE SIGNIFICANT AMOUNT OF CASH NEEDED TO SERVICE OUR DEBT AND GROW OUR BUSINESS DEPENDS ON MANY FACTORS BEYOND OUR CONTROL.

Our ability to make payments on our debt, including the notes, and to fund our planned capital expenditures for upgrading our cable systems and for other purposes will depend on our ability to generate cash and secure financing in the future. This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. If our business does not generate sufficient cash flow from operations, and sufficient future borrowings are not available to us under our credit facilities or from other sources of financing, we may not be able to repay our debt, including the notes, to grow our business or to fund our other liquidity needs.

WE HAVE GROWN RAPIDLY AND HAVE A LIMITED HISTORY OF OPERATING OUR CURRENT SYSTEMS. THIS MAKES IT DIFFICULT FOR YOU TO COMPLETELY EVALUATE OUR PERFORMANCE.

We commenced active operations in 1994 and have grown rapidly since then through acquisitions of cable systems. Giving effect to our merger with Marcus Holdings and our recent and pending acquisitions, our systems currently serve approximately 58% more customers than were served as of December 31, 1998. As a result, historical financial information about us may not be indicative of the future or of results that we can achieve with the cable systems which will be under our control. Our significant recent growth in revenue and growth in EBITDA over our short operating history is not necessarily indicative of future performance.

WE HAVE A HISTORY OF NET LOSSES AND EXPECT TO CONTINUE TO EXPERIENCE NET LOSSES. CONSEQUENTLY, WE MAY NOT HAVE THE ABILITY TO FINANCE OUR FUTURE OPERATIONS.

We have had a history of net losses and expect to continue to report net losses for the foreseeable future. We reported net losses from continuing operations, before extraordinary items, of $157 million for 1997, $200 million for 1998, and $94.9 million for the three months ended March 31, 1999. On a pro forma basis, giving effect to our merger with Marcus Holdings and our recent and pending acquisitions, we had net losses from continuing operations, before extraordinary items of $759 million for 1998. For the three months ended March 31, 1999, on the same pro forma basis, we had net losses from continuing operations, before extraordinary items of $175 million. We expect our net losses to increase as a result of our recent and pending acquisitions. We cannot predict what impact, if any, continued losses will have on our ability to finance our operations in the future.

WE MAY NOT BE ABLE TO OBTAIN CAPITAL SUFFICIENT TO FUND OUR PLANNED UPGRADES AND OTHER CAPITAL EXPENDITURES. THIS COULD ADVERSELY AFFECT OUR ABILITY TO OFFER NEW PRODUCTS AND SERVICES, WHICH COULD ADVERSELY AFFECT OUR GROWTH, FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

We intend to upgrade a significant portion of our cable systems over the coming years and make other capital investments. Over the next three years, we plan to spend approximately $900 million, or $1.2 billion pro forma including our recent and pending acquisitions, to upgrade the systems we own and the systems we have agreed to acquire in our pending acquisitions. We also plan to spend an additional $900 million, or $1.3 billion pro forma for our recent and pending acquisitions, to maintain and expand the systems we own and the systems we will acquire. We cannot assure you that these amounts will be sufficient to accomplish our planned system upgrades, maintenance and expansion. If we cannot obtain the necessary funds from increases in our operating cash flow, additional borrowings or other sources, we may not be able to fund our planned upgrades and expansion and offer new products and services on a timely basis. Consequently, our growth, our financial condition and the results of our operations could suffer materially.

IF WE ARE UNSUCCESSFUL IN IMPLEMENTING OUR GROWTH STRATEGY, WE MAY BE UNABLE TO FULFILL OUR OBLIGATIONS UNDER THE NOTES.

We expect that a substantial portion of our future growth will be achieved through revenues from new products and services and the acquisition of additional cable systems. We may not be able to offer these new products and services successfully to our customers and these new products and services may not generate adequate revenues. In addition, we cannot predict the success of our acquisition strategy. In the past year, the cable television industry has undergone dramatic consolidation which has reduced the number of future acquisition prospects. This consolidation may increase the purchase price of future acquisitions, and we may not be successful in identifying attractive acquisition targets in the future. Additionally, those acquisitions we do complete are not likely to have a positive net impact on our operating results in the near future. If we are unable to grow our cash flow sufficiently, we may be unable to fulfill our obligations to you under the notes or obtain alternative financing.

WE MAY NOT HAVE THE ABILITY TO INTEGRATE THE NEW SYSTEMS THAT WE ACQUIRE AND THE CUSTOMERS THEY SERVE WITH OUR EXISTING SYSTEMS. THIS COULD ADVERSELY AFFECT OUR OPERATING RESULTS AND GROWTH STRATEGY.

Upon the completion of our pending acquisitions, we will own and operate cable systems serving approximately 3.7 million customers, as compared to the cable systems we currently own which serve approximately 2.3 million customers as of March 31, 1999. In addition, we may acquire more cable systems in the future, through system swaps or otherwise. The integration of our new cable systems poses a number of significant risks, including:

- our acquisitions may not have a positive impact on our free cash flow.

- the integration of these new systems and customers will place significant demands on our management and our operations, informational services, and financial, legal and marketing resources. Our current operating and financial systems and controls and information services may not be adequate, and any steps taken to improve these systems and controls may not be sufficient.

- our current information systems may be incompatible with the information systems we have acquired or plan to acquire. We may be unable to integrate these information systems at a reasonable cost or in a timely manner.

- acquired businesses sometimes result in unexpected liabilities and contingencies which could be significant.

- our continued growth will also increase our need for qualified personnel. We may not be able to hire such additional qualified personnel.

We cannot assure you that we will successfully integrate any acquired systems into our operations.

THE FAILURE TO OBTAIN NECESSARY REGULATORY APPROVALS, OR TO SATISFY OTHER CLOSING CONDITIONS, COULD IMPEDE THE CONSUMMATION OF A PENDING ACQUISITION. THIS WOULD PREVENT OR DELAY OUR STRATEGY TO EXPAND OUR BUSINESS AND INCREASE REVENUES.

Our pending acquisitions are subject to federal, state and local regulatory approvals. We cannot assure that we will be able to obtain any necessary approvals. These pending acquisitions are also subject to a number of other closing conditions. There can be no assurance as to when, or if, each such acquisition will be consummated. Any delay, prohibition or modification could adversely affect the terms of a pending acquisition or could require us to abandon an otherwise attractive opportunity and possible forfeit earnest money.

OUR PROGRAMMING COSTS ARE INCREASING. WE MAY NOT HAVE THE ABILITY TO PASS THESE INCREASES ON TO OUR CUSTOMERS, WHICH WOULD ADVERSELY AFFECT OUR CASH FLOW AND OPERATING MARGINS.

Programming has been and is expected to continue to be our largest single expense item. In recent years, the cable industry has experienced a rapid escalation in the cost of programming, particularly sports programming. This escalation may continue and we may not be able to pass programming cost increases on to our customers. In addition, as we upgrade the channel capacity of our systems and add programming to our basic and expanded basic tiers, and reposition premium services to the basic tier, we may face additional market constraints on our ability to pass programming costs on to our customers. The inability to pass these increases on to our customers will have an adverse impact on our cash flow and operating margins.

WE MAY BE UNABLE TO NEGOTIATE CONSTRUCTION CONTRACTS ON FAVORABLE TERMS AND OUR CONSTRUCTION COSTS MAY INCREASE SIGNIFICANTLY. THIS COULD ADVERSELY AFFECT OUR GROWTH, FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The expansion and upgrade of our existing systems and the systems we plan to acquire in our pending acquisitions will require us to hire contractors and enter into a number of construction agreements. We may have difficulty hiring experienced civil contractors, and the contractors we hire may encounter cost overruns or delays in construction. Although we have recently been able to negotiate construction contracts at rates which we believe are competitive relative to the cable industry as a whole, our construction costs may increase significantly over the next few years as existing contracts expire and as demand for cable construction services continues to grow. We cannot assure you that we will be able to construct new systems or expand or upgrade existing or acquired systems in a timely manner or at a reasonable cost. This may adversely affect our growth, financial condition and results of operations.

OUR PRINCIPAL EQUITY HOLDER MAY HAVE INTERESTS ADVERSE TO YOUR INTERESTS.

Paul G. Allen beneficially owns approximately 96% of our outstanding equity interests on a fully diluted basis. Accordingly, Mr. Allen has the ability to control fundamental corporate transactions requiring equity holder approval, including without limitation, election of directors, approval of merger transactions involving us and sales of all or substantially all of our assets. Further, through his effective control of our management and affairs, Mr. Allen could cause us to enter into contracts with another corporation in which he owns an interest, or cause us to decline a transaction that he or an entity in which he owns an interest ultimately enters into.

Mr. Allen may engage in other businesses involving the operation of cable television systems, video programming, high-speed Internet access or electronic commerce, or other businesses that compete or may in the future compete with us through one or more of his affiliates. If he did so, we and Mr. Allen would be competing. In addition, Mr. Allen currently engages and may engage in the future in businesses that are complementary to our cable television business. Accordingly, conflicts could arise with respect to the allocation of corporate opportunities between us and Mr. Allen's affiliates. Current or future agreements between us and Mr. Allen may not be the result of arm's-length negotiations. Consequently, such agreements may be less favorable to us than agreements that we could otherwise have entered into with unaffiliated third parties. Further, many past and future transactions with Mr. Allen or his affiliates are informal in nature and, therefore, costs and benefits are not formally allocated among the parties to the transactions. As a result, there inevitably will be some discretion left to the parties, who are subject to the potentially conflicting interests described above.

We have not instituted any formal plan or arrangement to address potential conflicts of interest or allocation of corporate opportunities that may arise.

OUR MANAGEMENT WILL BE RESPONSIBLE FOR MANAGING OTHER CABLE OPERATIONS AND WILL NOT DEVOTE THEIR FULL TIME TO OUR OPERATIONS. THIS COULD IMPAIR OUR OPERATING RESULTS AND GIVE RISE TO CONFLICTS OF INTEREST.

Mr. Allen and certain other of our affiliates, including our direct parent, Charter Holdco, have agreed to acquire, and may from time to time in the future acquire, cable systems in addition to those owned or acquired by us. To date, such affiliates have signed agreements to purchase cable systems with a total of approximately 2.5 million customers. Although in the past, Charter Investment has assigned certain of their acquisitions to us, there is no present intention on the part of Charter Investment or any of our other affiliates to contribute any additional acquisitions to us or to any of our subsidiaries.

Charter Investment, of which Mr. Allen is the majority owner, as well as some of the officers of Charter Investment who currently manage our cable systems, will have a substantial role in managing these outside systems. Charter Investment and its officers and employees now devote substantially all of their time to managing our systems. However, when such persons begin to manage outside cable systems as well, the time they devote to managing our systems will be correspondingly reduced. This could impair our results of operations. Moreover, allocating managers' time and other resources of Charter Investment between our systems and outside systems held by our affiliates could give rise to conflicts of interest. Charter Investment does not have or plan to create formal procedures for determining whether and to what extent outside cable television systems described above will receive priority with respect to personnel requirements.

THE LOSS OF CERTAIN KEY EXECUTIVES COULD ADVERSELY AFFECT OUR ABILITY TO MANAGE OUR BUSINESS.

Our operations are managed by Charter Investment which, in turn, is managed by a small number of key executive officers, including Jerald L. Kent. The loss of the services of these individuals, and, in particular, of Mr. Kent, could adversely affect our ability to manage our business which, in turn, could adversely affect our financial condition and results of operations.

DATA PROCESSING FAILURES AFTER DECEMBER 31, 1999 COULD SIGNIFICANTLY DISRUPT OUR OPERATIONS, CAUSING A DECLINE IN CASH FLOW AND REVENUES AND OTHER DIFFICULTIES.

The year 2000 problem affects our owned and licensed computer systems and equipment used in connection with internal operations. It also affects our non-information technology systems, including embedded systems in our buildings and other infrastructure. Additionally, since we rely directly and indirectly, in the regular course of business, on the proper operation and compatibility of third party systems, the year 2000 problem could cause these systems to fail, err, or become incompatible with our systems.

Much of our assessment efforts regarding the year 2000 problem has involved, and depends on, inquiries to third party service providers. Some of these third parties that have certified the readiness of their products will not certify that such products have operating compatibility with our systems. If we, or a significant third party with whom we communicate and do business through computers, fails to become year 2000 ready, or if the year 2000 problem causes our systems to become internally incompatible or incompatible with key third party systems, our business could suffer material disruptions. We could also face disruptions if the year 2000 problem causes general widespread problems or an economic crisis. We cannot now estimate the extent of these potential disruptions. We cannot assure you that our efforts to date and our ongoing efforts to prepare for the year 2000 problem will be sufficient to prevent a material disruption of our operations, particularly with respect to systems we may acquire prior to December 31, 1999. As a result of any such disruption our growth, financial condition and results of operations could suffer materially.

THERE SHOULD BE NO EXPECTATION THAT MR. ALLEN WILL FUND OUR OPERATIONS OR OBLIGATIONS IN THE FUTURE.

In the past, Mr. Allen has contributed equity to Charter Investment. In July 1999, Mr. Allen agreed to contribute $500 million on or before July 31, 1999, and $825 million on or before September 1, 1999, to Charter Holdco in exchange for membership interests in Charter Holdco, pursuant to a membership interests purchase agreement. We cannot assure you that Mr. Allen will perform his obligations under the membership interests purchase agreement. If he does not perform his obligations, such funds, which we anticipate using to complete some of our pending acquisitions, will not be available to us. In addition, there can be no expectation that Mr. Allen will continue to contribute funds to us or to our affiliates in the future.

OUR INDUSTRY

WE OPERATE IN A VERY COMPETITIVE BUSINESS ENVIRONMENT WHICH CAN AFFECT OUR BUSINESS AND OPERATIONS.

The industry in which we operate is highly competitive. In some instances we compete against companies with fewer regulatory burdens, easier access to financing, greater personnel resources, greater brand name recognition and long-standing relationships with regulatory authorities. Mergers, joint ventures and alliances among cable television operators, regional telephone companies, long distance telephone service providers, electric utilities, local exchange carriers, providers of cellular and other wireless communications services and others may result in providers capable of offering cable television and other telecommunications services in direct competition with us.

We also face competition within the subscription television industry from non-cable technologies for distributing television broadcast signals and from other communications and entertainment media, including conventional off-air television and radio broadcasting services, newspapers, movie theaters, the Internet, live sports events and home video products. We cannot assure you that upgrading our cable systems will allow us to compete effectively. Additionally, as we expand and introduce new and enhanced services, including additional telecommunications services, we will be subject to competition from other telecommunications providers. We cannot predict the extent to which this competition may affect our business and operations in the future.

WE MAY NOT BE ABLE TO FUND THE CAPITAL EXPENDITURES NECESSARY TO KEEP PACE WITH TECHNOLOGICAL DEVELOPMENTS OR OUR CUSTOMERS' DEMAND FOR NEW PRODUCTS OR SERVICES. THIS COULD LIMIT OUR ABILITY TO COMPETE EFFECTIVELY.

The cable business is characterized by rapid technological change and the introduction of new products and services. We cannot assure you that we will be able to fund the capital expenditures necessary to keep pace with technological developments, or that we will successfully anticipate the demand of our customers for products or services requiring new technology. This type of rapid technological change could adversely affect our plans to upgrade or expand our systems and respond to competitive pressures. Our inability to upgrade, maintain and expand our systems and provide enhanced services in a timely manner, or to anticipate the demands of the market place, could adversely affect our ability to compete. Consequently, our growth, results of operation and financial condition could suffer materially.

WE OPERATE OUR CABLE SYSTEMS UNDER FRANCHISES WHICH ARE NON-EXCLUSIVE. LOCAL FRANCHISING AUTHORITIES CAN GRANT ADDITIONAL FRANCHISES AND CREATE COMPETITION IN MARKET AREAS WHERE NONE EXISTED PREVIOUSLY.

Our cable systems are operated under franchises granted by local franchising authorities. These franchises are non-exclusive. Consequently, such local franchising authorities can grant additional franchises to competitors in the same geographic area. As a result, competing operators may build systems in areas in which we hold franchises. The existence of more than one cable system operating in the same territory is referred to as an overbuild. Overbuilds can adversely affect our operations. We are currently aware of overbuild situations in six of our systems and potential overbuild situations in another four of our systems, together representing a total of approximately 89,000 customers. Additional overbuild situations may occur in other systems.

OUR CABLE SYSTEMS ARE OPERATED UNDER FRANCHISES WHICH SUBJECTS US TO REGULATION BY LOCAL FRANCHISING AUTHORITIES. THIS FURTHER INCREASES OUR EXPENSES.

Our cable systems generally operate pursuant to non-exclusive franchises, permits or licenses typically granted by a municipality or other state or local government controlling the public rights-of-way. Franchises are generally granted for fixed terms and must be periodically renewed. Local franchising authorities may resist granting a renewal if either past performance or the prospective operating proposal is considered inadequate. In many cases, franchises are terminable if the franchisee fails to comply with material provisions set forth in the franchise agreement governing system operations. Many franchises establish specific customer service standards and establish monetary penalties for non-compliance. In addition to the franchise document, cable authorities have also adopted in some jurisdictions cable regulatory ordinances that further regulate the operation of cable systems. This additional regulation increases our expenses in operating our business. We cannot assure you that the local franchising authorities will not impose new and more restrictive requirements.

Local franchising authorities also have the power to reduce rates and order refunds of basic service tier rates paid in the previous twelve-month period determined to be in excess of the maximum permitted rates. As of March 31, 1999, we have refunded an aggregate amount of approximately $453,000 since our inception. We may be required to refund additional amounts in the future.

OUR FRANCHISES ARE SUBJECT TO NON-RENEWAL OR TERMINATION. AUTHORITIES MAY REQUIRE COSTLY CONCESSIONS AS A CONDITION TO RENEWING A FRANCHISE. THE FAILURE TO RENEW A FRANCHISE COULD ADVERSELY AFFECT OUR BUSINESS IN A KEY MARKET.

Our business is dependent on our ability to obtain and renew our franchises. Our franchises are subject to non-renewal or termination. In addition, the franchise authorities often demand concessions or other commitments as a condition to renewal, which have been and may continue to be costly to us. In certain cases, franchises have not been renewed at expiration, and we have operated under either temporary operating agreements or without a license while negotiating renewal terms with the local franchising authorities. You should be aware that the process of renewing these franchises increases our cost of doing business. We cannot assure you that we will be able to renew these franchises. A sustained and material failure to renew a franchise could adversely affect our business in the affected metropolitan area.

OUR BUSINESS IS SUBJECT TO EXTENSIVE GOVERNMENTAL LEGISLATION AND REGULATION. THE APPLICABLE LEGISLATION AND REGULATIONS, AND CHANGES TO THEM, COULD ADVERSELY AFFECT OUR BUSINESS BY INCREASING OUR EXPENSES.

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

- limited rate regulation;

- requirements that, under specified circumstances, a cable system carry a local broadcast station or obtain consent to carry a local or distant broadcast station;

- rules for franchise renewals and transfers; and

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

Additionally, many aspects of such regulation are currently the subject of judicial proceedings and administrative or legislative proposals. There are also ongoing efforts to amend or expand the state and local regulation of some of our cable systems, which may compound the regulatory risks we already face. We expect further efforts, but cannot predict whether any of the states or localities in which we now operate will expand regulation of our cable systems in the future or how they will do so.

WE MAY BE REQUIRED TO PROVIDE ACCESS TO OUR NETWORKS TO OTHER INTERNET SERVICE PROVIDERS. THIS COULD SIGNIFICANTLY INCREASE OUR COMPETITION AND ADVERSELY AFFECT THE UPGRADE OF OUR SYSTEMS OR OUR ABILITY TO PROVIDE NEW PRODUCTS AND SERVICES.

There are proposals before the United States Congress and the Federal Communications Commission to require all cable operators to make a portion of their cable systems' bandwidth available to other Internet service providers, such as telephone companies. Certain local franchising authorities are considering or have already approved such "open access" requirements. A federal district court in Portland, Oregon, recently upheld the legality of an open access requirement. Recently, a number of companies, including telephone companies and Internet service providers, have requested local authorities and the Federal Communications Commission to require cable operators to provide access to cable's broadband infrastructure so that these companies may deliver Internet services directly to customers over cable facilities. Allocating a portion of our bandwidth capacity to other Internet service providers would impair our ability to use our bandwidth in ways that would generate maximum revenues. In addition, our Internet service provider competitors would be strengthened. We may also decide not to upgrade our systems which would prevent us from introducing our planned new products and services. In addition, we cannot assure that if we were required to provide access in this manner, it would not adversely impact our profitability in many ways, including any or all of the following:

- significantly increasing competition;

- increasing the expenses we incur to maintain our systems; and

- increasing the expense of upgrading and/or expanding our systems.

DESPITE RECENT DEREGULATION OF EXPANDED BASIC CABLE PROGRAMMING PACKAGES, WE ARE CONCERNED THAT CABLE RATE INCREASES COULD GIVE RISE TO FURTHER REGULATION. THIS COULD IMPAIR OUR ABILITY TO RAISE RATES TO COVER OUR INCREASING COSTS OR CAUSE US TO DELAY OR CANCEL SERVICE OR PROGRAMMING ENHANCEMENTS.

On March 31, 1999, the pricing guidelines of expanded basic cable programming packages were deregulated, permitting cable operators to set their own rates. This deregulation was not applicable to basic services. However, the Federal Communications Commission and the United States Congress continue to be concerned that cable rate increases are exceeding inflation. It is possible that either the Federal Communications Commission or the United States Congress will again restrict the ability of cable television 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 financial condition and results of operations could be materially adversely affected.

IF WE OFFER TELECOMMUNICATIONS SERVICES, WE MAY BE SUBJECT TO ADDITIONAL REGULATORY BURDENS CAUSING US TO INCUR ADDITIONAL COSTS.

If we enter the business of offering telecommunications services, we may be required to obtain federal, state and local licenses or other authorizations to offer such services. We may not be able to obtain such authorizations in a timely manner, if at all, and conditions could be imposed upon such licenses or authorizations that may not be favorable to us. Furthermore, telecommunications companies, including Internet protocol telephony companies, generally are subject to significant regulation as well as higher fees for pole attachments. In particular, cable operators who provide telecommunications services and cannot reach agreement with local utilities over pole attachment rates in states that do not regulate pole attachment rates will be subject to a methodology prescribed by the Federal Communications Commission for determining the rates. These rates may be higher than those paid by cable operators who do not provide telecommunications services. The rate increases are to be phased in over a five-year period beginning on February 8, 2001. If we become subject to telecommunications regulation or higher pole attachment rates, we may incur additional costs which may be material to our business.

THE OFFERING

THERE IS NO PUBLIC MARKET FOR THE NOTES. AN ACTIVE MARKET MAY NOT DEVELOP CAUSING DIFFICULTIES FOR YOU IF YOU TRY TO RESELL THE NOTES.

The new notes will be new securities for which there is currently no public market. We do not intend to list the new notes on any national securities exchange or quotation system. There can be no assurance as to the development of any market or liquidity of any market that may develop for the new notes. If a trading market does not develop or is not maintained, you may experience difficulty in reselling new notes, or you may be unable to sell them at all.

IF YOU FAIL TO EXCHANGE YOUR ORIGINAL NOTES FOR NEW NOTES, SUCH ORIGINAL NOTES WILL REMAIN SUBJECT TO RESTRICTIONS ON TRANSFER. ACCORDINGLY, THE LIQUIDITY OF THE MARKET FOR THE ORIGINAL NOTES COULD BE ADVERSELY AFFECTED.

Holders of original notes who do not exchange their original notes for new notes pursuant to the exchange offer will continue to be subject to the restrictions on transfer of the original notes set forth in the legend on the original notes. This is a consequence of the issuance of the original notes pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. In general, original notes may not be offered or sold, unless registered under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. If we complete the exchange offer, we will not be required to register the original notes, and we do not anticipate that we will register the original notes, under the Securities Act. Additionally, to the extent that original notes are tendered and accepted in the exchange offer, the aggregate principal amount of original notes outstanding will decrease, with a resulting decrease in the liquidity of the market for the original notes.

WE MAY NOT HAVE THE ABILITY TO RAISE THE FUNDS NECESSARY TO FULFILL OUR OBLIGATIONS UNDER THE NOTES FOLLOWING A CHANGE OF CONTROL OFFER. THIS WOULD PLACE US IN DEFAULT UNDER THE INDENTURES GOVERNING THE NOTES.

Under the indentures governing the notes, upon the occurrence of specified change of control events, we will be required to offer to repurchase all outstanding notes. However, we may not have sufficient funds at the time of the change of control event to make the required repurchase of the notes. In addition, a change of control would require the repayment of borrowings under our credit facilities. Because the credit facilities are obligations of our subsidiaries, the credit facilities would have to be repaid by our subsidiaries before their assets could be used to repurchase the notes. Our failure to make or complete an offer to repurchase the notes would place us in default under the indentures.

THE 9.920% NOTES WILL BE ISSUED WITH ORIGINAL ISSUE DISCOUNT. CONSEQUENTLY, HOLDERS OF 9.920% NOTES WILL GENERALLY BE REQUIRED TO INCLUDE AMOUNTS IN GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES IN ADVANCE OF RECEIVING CASH.

The 9.920% notes will be issued at a substantial discount from their stated principal amount. As a result, purchasers of such notes generally will be required to include the accrued portion of such discount in gross income, as interest, for United States federal income tax purposes in advance of the receipt of cash payments of such interest.

IF A BANKRUPTCY PETITION WERE FILED BY OR AGAINST US, YOU MAY RECEIVE A LESSER AMOUNT FOR YOUR CLAIM THAN YOU WOULD BE ENTITLED TO RECEIVE UNDER THE INDENTURE GOVERNING THE 9.920% NOTES, AND YOU MAY REALIZE TAXABLE GAIN OR LOSS UPON PAYMENT OF YOUR CLAIM.

If a bankruptcy petition were filed by or against us under the U.S. Bankruptcy Code after the issuance of the 9.920% notes, the claim by a holder of such notes for the principal amount of such notes may be limited to an amount equal to the sum of:

(1) the initial offering price for such notes; and

(2) that portion of the original issue discount that does not constitute "unmatured interest" for purposes of the U.S. Bankruptcy Code.

Any original issue discount that was not amortized as of the date of the bankruptcy filing would constitute unmatured interest. Accordingly, holders of 9.920% notes under these circumstances may receive a lesser amount than they would be entitled to receive under the terms of the indenture governing the 9.920% notes, even if sufficient funds are available. In addition, to the extent that the U.S. Bankruptcy Code differs from the Internal Revenue Code in determining the method of amortization of original issue discount, a holder of 9.920% notes may realize taxable gain or loss upon payment of that holder's claim in bankruptcy.

IF WE DO NOT FULFILL OUR OBLIGATIONS TO YOU UNDER THE NOTES, YOU WILL NOT HAVE ANY RECOURSE AGAINST OUR EQUITY HOLDERS OR THEIR AFFILIATES.

The notes will be issued solely by Charter Holdings and Charter Capital. None of our equity holders, directors, officers, employees or affiliates, including Paul G. Allen, will be an obligor or guarantor under the notes. Furthermore, the indentures governing the notes expressly provide that these parties will not have any liability for our obligations under the notes or the indentures. By accepting the notes, you waive and release all such liability as consideration for issuance of the notes. Consequently, if we do not fulfill our obligations to you under the notes, you will have no recourse against any of these parties.

Additionally, our equity holders, including Mr. Allen, will be free to manage other entities, including other cable companies. If we do not fulfill our obligations to you under the notes, you will have no recourse against those other entities or their assets as well.

FORWARD-LOOKING STATEMENTS

This prospectus includes forward-looking statements regarding, among other things, our plans, strategies and prospects, both business and financial. Although we believe that our plans, intentions and expectations reflected in or suggested by these forward-looking statements are reasonable, we cannot assure you that we will achieve or realize these plans, intentions or expectations. Forward-looking statements are inherently subject to risks, uncertainties and assumptions. Important factors that could cause actual results to differ materially from the forward-looking statements we make in this prospectus are set forth under the caption "Risk Factors" and elsewhere in this prospectus, and include, but are not limited to:

- our plans to achieve growth by offering new and enhanced services and through acquisitions;

- our anticipated capital expenditures for our planned upgrades, and the ability to fund such upgrades;

- our beliefs regarding the affects of governmental regulation on our business;

- our ability to effectively compete in a highly competitive environment; and

- our expectations to be ready for any year 2000 problem.

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

USE OF PROCEEDS

This exchange offer is intended to satisfy certain of our obligations under the exchange and registration rights agreements entered into in connection with the offering of the original notes. We will not receive any proceeds from the exchange offer. In consideration for issuing the new notes, we will receive original notes with like original principal amount at maturity. The form and terms of the original notes are the same as the form and terms of the new notes, except as otherwise described in this prospectus. The original notes surrendered in exchange for new notes will be retired and canceled and cannot be reissued. Accordingly, the issuance of the new notes will not result in any increase in our outstanding debt.

We received proceeds totaling approximately $2.99 billion from the private placement of the original notes. Some of these proceeds were used to complete cash tender offers for certain then-outstanding notes of our subsidiaries. Some of these proceeds were also used to pay off a portion of our previous credit facilities, and to fund working capital, capital expenditures and recent acquisitions.

The break-down of the uses of these proceeds are as follows (in billions):

Tender offers:	
CharterComm Holdings (a)	
14.00% Senior Secured Discount Debentures due 2007	$0.14
11.25% Senior Notes due 2006	0.14
Marcus Cable (b)	
13.50% Senior Subordinated Guaranteed Discount Notes due 2004	0.43
14.25% Senior Discount Notes due 2005	0.30
Previous credit facilities:	
Charter Properties Credit Agreement (c)	0.07
CharterComm Holdings Credit Agreements (d)	0.16
CCA Group Credit Agreements (e)	0.27
Marcus Cable Credit Agreement (f):	0.83
Cash used to fund working capital, capital expenditures and recent acquisitions	0.53
Discounts and commissions	0.07
Expenses	0.05
Total	$2.99

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(a) As of December 31, 1998, the effective interest rate of the 14.00% Senior Secured Discount Debentures, which mature March 2007, was 10.7%, and the effective interest rate of the 11.25% Senior Notes, which mature March 2006, was 9.6%.

(b) As of December 31, 1998, the effective interest rate of the 13.50% Senior Subordinated Guaranteed Discount Notes, which mature August 2004, was 10.0%, and the effective interest rate of the 14.25% Senior Discount Notes, which mature December 2005, was 14.1%.

(c) As of December 31, 1998, the variable interest rates of the Charter Properties Credit Agreement, with maturity dates ranging from March 2000 through June 2007, ranged from 7.44% to 8.19%.

(d) As of December 31, 1998, the variable interest rates of the CharterComm Holdings Credit Agreements, with maturity dates ranging from June 2002 through June 2007, ranged from 6.69% to 7.31%.

(e) As of December 31, 1998, the variable interest rates of one of the CCA Group Credit Agreements, with maturity dates ranging from March 2002 through March 2007, ranged from 6.88% to 8.06% and the variable interest rates of the other CCA Group Credit Agreement, with maturity dates ranging from December 1999 through March 2006, ranged from 6.56% to 7.59%.

(f) As of December 31, 1998, the variable interest rates of the Marcus Credit Agreement, with maturity dates ranging from December 2002 through April 2004, ranged from 6.23% to 7.75%.

CAPITALIZATION

The following table sets forth our capitalization as of March 31, 1999 as adjusted to give effect to additional borrowings under our credit facilities and an additional equity contribution in connection with our recent acquisitions and pending acquisitions, as if such transactions had occurred on March 31, 1999.

This table should be read in conjunction with the Unaudited Pro Forma Financial Statements and the accompanying notes included elsewhere in this prospectus.

	AS OF MARCH 31, 1999	
	HISTORICAL	AS ADJUSTED
	(DOLLARS IN THOUSANDS)	
CHARTER HOLDINGS:		
Cash and cash equivalents(a)	$1,038,360	$ 30,464
Long-term debt:		
Credit facilities	$1,750,000	$ 3,512,686
8.250% senior notes	598,398	598,398
8.625% senior notes	1,495,480	1,495,480
9.920% senior discount notes	909,055	909,055
Other(b)	1,085	26,085
10% senior discount notes -- Renaissance(c)	--	82,616
Total long-term debt	4,754,018	6,624,320
Members' equity(d)	3,326,142	4,651,142
Total capitalization	$8,080,160	$11,275,462

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(a) We presented cash and cash equivalents historical of $1 billion since we were required to draw the full amount of the Tranche B term loan under our credit facilities pursuant to the terms of the credit facilities. Therefore, Charter Holdings will have cash available pending application of such amounts to future acquisitions, capital expenditures and other working capital purposes.

(b) Represents the notes of certain subsidiaries not tendered in connection with the tender offers and preferred equity interests.

(c) Represents debt of Renaissance Media Group LLC.

(d) Members' equity, as adjusted, is increased by $1.325 billion, the additional equity that is expected from Paul Allen in connection with our recent and pending acquisitions.

UNAUDITED PRO FORMA FINANCIAL STATEMENTS

The following Unaudited Pro Forma Financial Statements are based on the financial statements of Charter Holdings, CCA Group, and CharterComm Holdings. They are adjusted to illustrate the estimated effects of our recent and pending acquisitions, as if such acquisitions had occurred on March 31, 1999 for the Balance Sheet Data and Operating Data, and for the estimated effects of the following transactions as if they had occurred on January 1, 1998 for the Statement of Operations and Other Financial Data:

(1) the acquisition of us on December 23, 1998 by Paul G. Allen;

(2) the acquisition of Sonic on May 20, 1998 by us;

(3) the acquisition of Marcus Cable on April 23, 1998 by Paul G. Allen;

(4) the acquisitions and dispositions during 1998 by Marcus Cable;

(5) our merger with Marcus Holdings;

(6) our recent and pending acquisitions; and

(7) the refinancing of all the debt of our subsidiaries through the issuance of the original notes and funding under our credit facilities.

The Unaudited Pro Forma Financial Statements reflect the application of the principles of purchase accounting to the transactions listed in items (1) through (4) and (6). The allocation of purchase price is based, in part, on preliminary information which is subject to adjustment upon obtaining complete valuation information of intangible assets. The valuation information is expected to be finalized in the third quarter of 1999. We believe that finalization of the purchase price will not have a material impact on the results of operations or financial position of Charter Holdings.

The unaudited pro forma adjustments are based upon available information and certain assumptions that we believe are reasonable. In particular, the pro forma adjustments assume that the sellers of Rifkin will elect all cash for payment of the Rifkin purchase price. The Rifkin sellers may elect to take up to $240 million of the purchase price in preferred limited liability company interests. The impact of such is disclosed in footnote (f) of Note A to the Unaudited Pro Forma Statement of Operations for the three months ended March 31, 1999 and footnote (f) of Note C to the Unaudited Pro Forma Statement of Operations for the year ended December 31, 1998. The Unaudited Pro Forma Financial Statements and accompanying notes should be read in conjunction with the historical financial statements and other financial information appearing elsewhere in this prospectus, including "Capitalization" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

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

UNAUDITED PRO FORMA STATEMENT OF OPERATIONS
THREE MONTHS ENDED MARCH 31, 1999

	CHARTER HOLDINGS	RECENT ACQUISITIONS (NOTE A)	SUBTOTAL	PENDING ACQUISITIONS (NOTE A)	REFINANCING ADJUSTMENTS (NOTE B)	TOTAL
	(DOLLARS IN THOUSANDS, EXCEPT CUSTOMER DATA)					
Revenues	$ 286,135	$ 44,877	$ 331,012	$ 114,259	$ --	$ 445,271
Operating expenses:						
Operating, general and administrative	152,075	22,605	174,680	61,618	--	236,298
Depreciation and amortization	153,747	22,691	176,438	62,012	--	238,450
Corporate expense charges (Note C)	5,323	1,757	7,080	--	--	7,080
Management fees	--	275	275	2,507	--	2,782
Total operating expenses	311,145	47,328	358,473	126,137	--	484,610
Loss from operations	(25,010)	(2,451)	(27,461)	(11,878)	--	(39,339)
Interest expense	(71,591)	(15,122)	(86,713)	(38,478)	(12,775)	(137,966)
Interest income	1,733	108	1,841	151	--	1,992
Other income (expense)	15	(16)	(1)	(121)	--	(122)
Income (loss) before extraordinary item	$ (94,853)	$(17,481)	$ (112,334)	$ (50,326)	$ (12,775)	$ (175,435)
OTHER FINANCIAL DATA:						
EBITDA (Note D)	$ 128,752	$ 20,224	$ 148,976	$ 50,013		$ 198,989
EBITDA margin (Note E)	45.0%	45.1%	45.0%	43.8%		44.7%
Adjusted EBITDA (Note F)	134,060	22,272	156,332	52,641		208,973
Cash flows from operating activities	45,824	13,862	59,686	25,982		85,668
Cash interest expense						109,186
Capital expenditures	$ 109,629	$ 7,201	$ 116,830	$ 36,267		$ 153,097
Total debt to annualized EBITDA						8.3x
Total debt to annualized Adjusted EBITDA						7.9
EBITDA to cash interest expense						1.8
EBITDA to interest expense						1.4
Deficiency of earnings to cover fixed charges (Note G)						$ 175,435
OPERATING DATA (AT END OF PERIOD, EXCEPT FOR AVERAGES):						
Homes passed	3,977,000	512,000	4,489,000	1,403,000		5,892,000
Basic customers	2,344,000	374,000	2,718,000	937,000		3,655,000
Basic penetration (Note H)	58.9%	73.0%	60.5%	66.8%		62.0%
Premium units	1,322,000	230,000	1,552,000	527,000		2,079,000
Premium penetration (Note I)	56.4%	61.5%	57.1%	56.2%		56.9%
Average monthly revenue per basic customer (Note J)	$ 40.69	$ 40.00	$ 40.60	$ 40.65		$ 40.61

NOTES TO THE UNAUDITED PRO FORMA STATEMENT OF OPERATIONS

NOTE A: Pro forma operating results for our recent acquisitions and pending acquisitions consist of the following (dollars in thousands):

	THREE MONTHS ENDED MARCH 31, 1999								
	RECENT ACQUISITIONS -- HISTORICAL				PENDING ACQUISITIONS -- HISTORICAL				
	RENAISSANCE	AMERICAN CABLE	GREATER MEDIA SYSTEMS	TOTAL RECENT	INTERMEDIA SYSTEMS	HELICON	RIFKIN(a)	OTHER	TOTAL PENDING
Revenues	$15,254	$ 9,151	$20,394	$44,799	$ 48,288	$21,252	$ 50,914	$3,354	$123,808
Operating expenses:									
Operating, general and administrative	6,889	4,681	12,757	24,327	26,080	11,277	27,028	1,594	65,979
Depreciation and amortization	6,655	5,536	2,425	14,616	26,100	6,828	26,187	938	60,053
Management fees	--	275	--	275	781	1,063	841	--	2,685
Total operating expenses	13,544	10,492	15,182	39,218	52,961	19,168	54,056	2,532	128,717
Income (loss) from operations	1,710	(1,341)	5,212	5,581	(4,673)	2,084	(3,142)	822	(4,909)
Interest expense	(4,797)	(2,450)	(157)	(7,404)	(5,778)	(7,821)	(11,414)	(758)	(25,771)
Interest income	90	18	--	108	77	51	--	--	128
Other income (expense)	--	--	(16)	(16)	--	--	(3,851)	--	(3,851)
Income (loss) before income tax expense (benefit)	(2,997)	(3,773)	5,039	(1,731)	(10,374)	(5,686)	(18,407)	64	(34,403)
Income tax (benefit) expense	58	--	2,088	2,146	(1,396)	--	(537)	--	(1,933)
Income (loss) before extraordinary item	$(3,055)	$(3,773)	$ 2,951	$(3,877)	$ (8,978)	$(5,686)	$(17,870)	$ 64	$(32,470)

	THREE MONTHS ENDED MARCH 31, 1999					
	RECENT ACQUISITIONS				PENDING ACQUISITIONS	
		PRO FORMA				PRO FORMA
	HISTORICAL	ACQUISITIONS(B)	ADJUSTMENTS	TOTAL	HISTORICAL	ACQUISITIONS(B)
Revenues	$44,799	$ 78	$ --	$ 44,877	$123,808	$ 6,400
Operating expenses:						
Operating, general and administrative	24,327	35	(1,757)(d)	22,605	65,979	3,541
Depreciation and amortization	14,616	34	8,041(e)	22,691	60,053	1,376
Corporate expense charges	--	--	1,757(d)	1,757	--	--
Management fees	275	--	--	275	2,685	280
Total operating expenses	39,218	69	8,041	47,328	128,717	5,197
Income (loss) from operations	5,581	9	(8,041)	(2,451)	(4,909)	1,203
Interest expense	(7,404)	(25)	(7,693)(f)	(15,122)	(25,771)	(1,309)
Interest income	108	--	--	108	128	23
Other income (expense)	(16)	--	--	(16)	(3,851)	(44)
Income (loss) before income tax expense (benefit)	(1,731)	(16)	(15,734)	(17,481)	(34,403)	(127)
Income tax (benefit) expense	2,146	--	(2,146)(h)	--	(1,933)	(114)
Income (loss) before extraordinary item	$(3,877)	$(16)	$(13,588)	$(17,481)	$(32,470)	$ (13)

	THREE MONTHS ENDED MARCH 31, 1999		
	PENDING ACQUISITIONS		
	PRO FORMA		
	DISPOSITIONS(C)	ADJUSTMENTS	TOTAL
Revenues	$(15,949)	$ --	$114,259
Operating expenses:			
Operating, general and administrative	(7,902)	--	61,618
Depreciation and amortization	(6,883)	7,466(e)	62,012
Corporate expense charges	--	--	--
Management fees	(458)	--	2,507
Total operating expenses	(15,243)	7,466	126,137
Income (loss) from operations	(706)	(7,466)	(11,878)
Interest expense	(4)	(11,394)(f)	(38,478)
Interest income	--	--	151
Other income (expense)	--	3,774(g)	(121)
Income (loss) before income tax expense (benefit)	(710)	(15,086)	(50,326)
Income tax (benefit) expense	--	2,047(h)	--
Income (loss) before extraordinary item	$ (710)	$(17,133)	$(50,326)

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(a) Includes the results of operations of Rifkin Acquisition Partners, L.L.L.P., Rifkin Cable Income Partners L.P., Indiana Cable Associates, Ltd. and R/N South Florida Cable Management Limited Partnership, all under common ownership as follows (dollars in thousands):

	RIFKIN ACQUISITION	RIFKIN CABLE INCOME	INDIANA CABLE	SOUTH FLORIDA	OTHER	TOTAL
Revenues	$24,017	$1,351	$2,102	$ 6,146	$17,298	$ 50,914
Income (loss) from operations	467	404	(361)	(4,523)	871	(3,142)
Income (loss) before extraordinary item	(5,000)	305	(564)	(5,131)	(7,480)	(17,870)

(b) Represents the historical results of operations for the period from January 1, 1999 through the date of purchase for acquisitions completed by Renaissance and Rifkin, and for the period from January 1, 1999 through March 31, 1999 for acquisitions to be completed subsequent to March 31, 1999.

These acquisitions will be accounted for using the purchase method of accounting. A definitive written agreement exists for all acquisitions that have not yet closed. Purchase price and anticipated closing dates are as follows:

	RENAISSANCE ACQUISITION	RIFKIN ACQUISITIONS
Purchase price	$ 2.7 million	$165.0 million
Closing date	Feb. 1999	Feb. 1999
Purchase price		$53.8 million
Closing date		anticipated July 1999

(c) Represents the elimination of the operating results primarily related to the cable systems to be transferred to InterMedia. A definitive written agreement exists for the disposition on these systems. The fair value of our systems to be transferred is $420 million. No material gain or loss is anticipated on the disposition as these systems were recently acquired and recorded at fair value at that time. It is anticipated that this transfer will close during the third or fourth quarter of 1999.

(d) Reflects a reclassification of expenses representing corporate expenses that would have occurred at Charter Investment.

(e) Represents additional amortization of franchises as a result of our recent and pending acquisitions. A large portion of the purchase price was allocated to franchises ($3.6 billion) that are amortized over 15 years. Depreciation and amortization expense consists of the following (in millions):

Amortization of franchises	$60.0
Depreciation	24.7
Total depreciation and amortization	$84.7

(f) Reflects additional interest expense on borrowings of the credit facilities which will be used to finance the acquisitions using a composite current interest rate of 7.4% (See Note B).

(g) Represents the elimination of gain (loss) on sale of assets.

(h) Reflects the elimination of income tax expense as a result of being acquired by a limited liability company.

NOTE B: We have extinguished substantially all of our long-term debt, excluding borrowings of our previous credit facilities, and refinanced all previous credit facilities, and have incurred and plan to incur additional debt in connection with our recent acquisitions and pending acquisitions. See "Capitalization." The refinancing adjustment of greater interest expense consists of the following (dollars in thousands):

DESCRIPTION	INTEREST EXPENSE
$600 million 8.25% senior notes	$12,400
$1,500 million 8.625% senior notes	32,400
$1,475 million 9.92% senior discount notes	22,450
Credit facilities (at composite current rate of 7.4%)	64,250
Amortization of debt issuance costs	3,900
Commitment fee on unused portion of our credit facilities ($624,000 at 0.375%)	575
10% senior discount notes -- Renaissance	2,000
Total pro forma interest expense	137,975
Less -- interest expense (including our recent and pending acquisitions)	125,200
Adjustment	$12,775

An increase in the interest rate of 0.125% would result in an increase in interest expense of $1.1 million. Additionally, the Rifkin sellers may take up to $240 million in equity instead of cash. This would reduce interest expense by up to $4.6 million.

NOTE C: Charter Investment provides corporate management and consulting services to us. See "Certain Relationships and Related Transactions."

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

NOTE E: EBITDA margin represents EBITDA as a percentage of revenues.

NOTE F: Adjusted EBITDA means EBITDA before corporate expenses, management fees and other income (expense) in accordance with the term "Consolidated EBITDA" used in the indentures governing the notes. See "Description of Notes" for a complete presentation of the methodology employed in calculating Adjusted EBITDA. Adjusted EBITDA is presented because it is a widely accepted financial indicator of a cable company's ability to service indebtedness and because it is used in the indentures to determine compliance with certain covenants. However, Adjusted EBITDA should not be considered as an alternative to income from operations or to cash flows from operating, investing or financing activities, as determined in accordance with generally accepted accounting principles. Adjusted EBITDA should also not be construed as an indication of a company's operating performance or as a measure of liquidity. In addition, because Adjusted EBITDA is not calculated identically by all companies, the presentation here may not be comparable to other similarly titled measures of other companies. Management's discretionary use of funds depicted by Adjusted EBITDA may be limited by working capital, debt service and capital expenditure requirements and by restrictions related to legal requirements, commitments and uncertainties.

NOTE G: Earnings include net income (loss) plus fixed charges. Fixed charges consist of interest expense and an estimated interest component of rent expense.

NOTE H: Basic penetration represents basic customers as a percentage of homes passed. Homes passed are the number of single residence homes, apartments and condominium units passed by the cable distribution network in a given cable system service area.

NOTE I: Premium penetration represents premium units as a percentage of basic customers.

NOTE J: Average monthly revenue per basic customer represents revenues divided by the number of months in the period divided by the number of basic customers at March 31, 1999.

UNAUDITED PRO FORMA STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 1998

	CHARTER HOLDINGS (NOTE A)	MARCUS (NOTE B)	RECENT ACQUISITIONS (NOTE C)	SUBTOTAL	PENDING ACQUISITIONS (NOTE C)	REFINANCING ADJUSTMENTS (NOTE D)	TOTAL
	(DOLLARS IN THOUSANDS, EXCEPT CUSTOMER DATA)						
Revenues........................	$ 611,690	$ 448,192	$171,951	$1,231,833	$ 425,490	$ --	$1,657,323
Operating expenses:							
Operating, general and administrative.............	310,100	231,050	88,236	629,386	217,973	--	847,359
Depreciation and amortization................	375,899	252,855	90,870	719,624	237,150	--	956,774
Corporate expense charges (Note E)....................	16,493	17,042	6,759	40,294	--	--	40,294
Management fees...............	--	--	1,077	1,077	13,595	--	14,672
Total operating expenses....	702,492	500,947	186,942	1,390,381	468,718	--	1,859,099
Loss from operations...........	(90,802)	(52,755)	(14,991)	(158,548)	(43,228)	--	(201,776)
Interest (expense) benefit......	(207,468)	(137,953)	(60.375)	(405,796)	(153,625)	7,500	(551,921)
Other income (expense)..........	518	--	(40)	478	(5,822)	--	(5,344)
Net income (loss)..............	$(297,752)	$(190,708)	$(75,406)	$ (563,866)	$(202,675)	$7,500	$ (759,041)
OTHER FINANCIAL DATA:							
EBITDA (Note F).................	$ 285,615	$ 200,100	$ 75,839	$ 561,554	$ 188,100		$ 749,654
EBITDA margin (Note G)..........	46.7%	44.6%	44.1%	45.6%	44.2%		45.2%
Adjusted EBITDA (Note H)........	301,590	217,142	83,715	602,447	207,517		809,964
Cash flows from operating activities....................	137,160	139,908	42,230	319,298	32,164		351,462
Cash interest expense...........							436,432
Capital expenditures............	$ 213,353	$ 224,723	$ 7,001	$ 445,077	$ 84,106		$ 529,183
Total debt to EBITDA...........							8.8x
Total debt to Adjusted EBITDA...							8.1
EBITDA to cash interest expense.......................							1.7
EBITDA to interest expense......							1.4
Deficiency of earnings to cover fixed charges (Note I)........							$ 759,041
OPERATING DATA (AT END OF PERIOD, EXCEPT FOR AVERAGES):							
Homes passed...................	2,149,000	1,743,000	508,000	4,400,000	1,287,000		5,687,000
Basic customers................	1,255,000	1,062,000	365,000	2,682,000	935,000		3,617,000
Basic penetration (Note J)......	58.4%	60.9%	71.9%	61.0%	72.6%		63.6%
Premium units..................	845,000	411,000	227,000	1,483,000	584,000		2,067,000
Premium penetration (Note K)....	67.3%	38.7%	62.2%	55.3%	62.5%		57.1%
Average monthly revenue per basic customer (Note L).......	NM	NM	$ 39.26	$ 38.28	$ 37.92		$ 38.18

See "Notes to the Unaudited Pro Forma Financial Statements."

NOTES TO THE UNAUDITED PRO FORMA STATEMENT OF OPERATIONS

NOTE A: Pro forma operating results for Charter Holdings, including the acquisition of us on December 23, 1998 by Paul G. Allen and the acquisition of Sonic, consist of the following (dollars in thousands):

	1/1/98 THROUGH 12/23/98			12/24/98 THROUGH 12/31/98	1/1/98 THROUGH 5/20/98		
	CCA GROUP	CHARTERCOMM HOLDINGS	CHARTER HOLDINGS		SONIC	ELIMINATIONS	SUBTOTAL
Revenues	$ 324,432	$196,801	$ 49,731	$23,450	$17,276	$ --	$ 611,690
Operating expenses:							
Operating, general and administrative	164,145	98,331	25,952	12,679	8,993	--	310,100
Depreciation and amortization	136,689	86,741	16,864	13,811	2,279	--	256,384
Management fees/corporate expense charges	17,392	14,780	6,176	766	--	--	39,114
Total operating expenses	318,226	199,852	48,992	27,256	11,272	--	605,598
Income (loss) from operations	6,206	(3,051)	739	(3,806)	6,004	--	6,092
Interest expense	(113,824)	(66,121)	(17,277)	(5,051)	(2,624)	1,900	(202,997)(c)
Other income (expense)	4,668	(1,684)	(684)	133	(15)	(1,900)	518(c)
Income (loss) before income taxes	(102,950)	(70,856)	(17,222)	(8,724)	3,365	--	(196,387)
Provision for income taxes	--	--	--	--	1,346	--	1,346
Income (loss) before extraordinary item	$(102,950)	$(70,856)	$(17,222)	$(8,724)	$ 2,019	$ --	$(197,733)

	PRO FORMA	
	ADJUSTMENTS	TOTAL
Revenues	$ --	$ 611,690
Operating expenses:		
Operating, general and administrative		310,100
Depreciation and amortization	119,515(a)	375,899
Management fees/corporate expense charges	(22,621)(b)	16,493
Total operating expenses	96,894	702,492
Income (loss) from operations	(96,894)	(90,802)
Interest expense	(4,471)(d)	(207,468)
Other income (expense)	--	518
Income (loss) before income taxes	(101,365)	(297,752)
Provision for income taxes	(1,346)(e)	--
Income (loss) before extraordinary item	$(100,019)	$(297,752)

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(a) Represents additional amortization of franchises as a result of the acquisition of us by Mr. Allen. A large portion of the purchase price was allocated to franchises ($3.6 billion) that are amortized over 15 years.

(b) Reflects the reduction in corporate expense charges of approximately $8.2 million to reflect the actual costs incurred. Management fees charged to CCA Group and CharterComm Holdings, companies not controlled by Charter Investment at that time exceeded the allocated costs incurred by Charter Investment on behalf of those companies by $8.2 million. Also reflects the elimination of approximately $14.4 million of change of control payments under the terms of then-existing equity appreciation rights plans. Such payments were triggered by the acquisition of us by Mr. Allen. Such payments were made by Charter Investment and were not subject to reimbursement by us, but were allocated to us for financial reporting purposes. The equity appreciation rights plans were terminated in connection with the acquisition of us by Mr. Allen, and these costs will not recur.

(c) Represents the elimination of intercompany interest on a note payable from Charter Holdings to CCA Group.

(d) Reflects additional interest expense on borrowings used to finance the acquisition by us of Sonic, using a 7.4% interest rate.

(e) Reflects the elimination of provision for income taxes, as Charter Holdings will operate as a limited liability company and all income taxes will flow through to the members.

NOTE B: Pro forma operating results for Marcus Cable consist of the following (dollars in thousands):

	JANUARY 1, 1998 THROUGH APRIL 22, 1998	APRIL 23, 1998 THROUGH DECEMBER 23, 1998	PRO FORMA			
			ACQUISITIONS(a)	DISPOSITIONS(b)	ADJUSTMENTS	TOTAL
Revenues	$ 157,763	$ 332,320	$2,620	$(44,511)	$ --	$ 448,192
Operating expenses:						
Operating, general and administrative	84,746	181,347	1,225	(20,971)	(15,297)(c)	231,050
Depreciation and amortization	64,669	174,968	--	--	13,218(d)	252,855
Corporate expense charges		--			17,042(c)	17,042
Management fees	--	3,048	--	--	(3,048)(c)	--
Transaction and severance costs	114,167	16,034	--	--	(130,201)(e)	--
Total operating expenses	263,582	375,397	1,225	(20,971)	(118,286)	500,947
Income (loss) from operations	(105,819)	(43,077)	1,395	(23,540)	118,286	(52,755)
Interest (expense) benefit	(49,905)	(93,103)	--	--	5,055(d)	(137,953)
Other income (expense)	43,662	--	--	(43,662)	--	--
Income (loss) before extraordinary item	$(112,062)	$(136,180)	$1,395	$(67,202)	$ 123,341	$(190,708)

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(a) Represents the results of operations of acquired cable systems prior to their acquisition in 1998 by Marcus Cable.

(b) Represents the elimination of the operating results and corresponding gain on sale of cable systems sold by Marcus Cable during 1998.

(c) Represents a reclassification to reflect the expenses totaling $15.3 million from operating, general and administrative to corporate expenses. Also reflects the elimination of management fees and the addition of corporate expense charges of $1.7 million for actual costs incurred by Charter Investment, on behalf of Marcus Cable. Management fees charged to Marcus Cable exceeded the costs incurred by Charter Investment by $1.3 million.

(d) As a result of the acquisition of Marcus Cable by Paul G. Allen, a large portion of the purchase price was recorded as franchises ($2.5 billion) that are amortized over 15 years. This resulted in additional amortization for the period from January 1, 1998 through April 23, 1998. Additionally, the carrying value of outstanding debt was recorded at estimated fair value, resulting in a debt premium that is to be amortized as an offset to interest expense over the term of the debt. This resulted in a reduction in interest expense for the period from January 1, 1998 through April 23, 1998.

(e) As a result of the acquisition of Marcus Cable by Mr. Allen, Marcus Cable recorded transaction costs of approximately $114.2 million. These costs comprised of approximately $90.2 million paid to employees of Marcus Cable in settlement of specially designated Class B units and approximately $24.0 million of transaction fees paid to certain equity partners for investment banking services. In addition, Marcus Cable recorded costs related to employee and officer stay-bonus and severance arrangements of approximately $16.0 million.

NOTE C: Pro forma operating results for our recent and pending acquisitions consist of the following (dollars in thousands):

	YEAR ENDED DECEMBER 31, 1998								
	RECENT ACQUISITIONS -- HISTORICAL				PENDING ACQUISITIONS -- HISTORICAL				
	RENAISSANCE	AMERICAN CABLE	GREATER MEDIA SYSTEMS	TOTAL RECENT	INTERMEDIA SYSTEMS	HELICON	RIFKIN(a)	OTHER ACQUISITIONS	TOTAL PENDING
Revenues................	$ 41,524	$15,685	$78,635	$135,844	$176,062	$ 75,577	$124,382	$ 9,336	$385,357
Operating expenses:									
Operating, general and administrative......	21,037	7,441	48,852	77,330	86,753	40,179	63,815	4,618	195,365
Depreciation and amortization........	19,107	6,784	8,612	34,503	85,982	24,290	47,657	2,794	160,723
Corporate expense charges.............	--	--	--	--	--	--	--	--	--
Management fees.......	--	471	--	471	3,147	3,496	4,106	--	10,749
Total operating expenses..........	40,144	14,696	57,464	112,304	175,882	67,965	115,578	7,412	366,837
Income from operations............	1,380	989	21,171	23,540	180	7,612	8,804	1,924	18,520
Interest expense........	(14,358)	(4,501)	(535)	(19,394)	(25,449)	(27,634)	(30,482)	(2,375)	(85,940)
Interest income.........	158	122	--	280	341	93	--	--	434
Other income (expense).............	--	--	(493)	(493)	23,030	--	44,959	3	67,992
Income (loss) before income tax expense (benefit).............	(12,820)	(3,390)	20,143	3,933	(1,898)	(19,929)	23,281	(448)	1,006
Income tax (benefit) expense...............	135	--	7,956	8,091	1,623	--	(4,178)	--	(2,555)
Income (loss) before extraordinary item....	$(12,955)	$(3,390)	$12,187	$ (4,158)	$ (3,521)	$(19,929)	$ 27,459	$ (448)	$ 3,561

	YEAR ENDED DECEMBER 31, 1998					
	RECENT ACQUISITIONS				PENDING ACQUISITIONS	
		PRO FORMA				PRO FORMA
	HISTORICAL	ACQUISITIONS(B)	ADJUSTMENTS	TOTAL RECENT	HISTORICAL	ACQUISITIONS(B)
Revenues	$135,844	$36,107	$ --	$171,951	$385,357	$109,841
Operating expenses:						
Operating, general and administrative	77,330	17,665	(6,759)(d)	88,236	195,365	58,180
Depreciation and amortization	34,503	13,987	42,380(e)	90,870	160,723	24,526
Corporate expense charges	--	--	6,759(d)	6,759	--	--
Management fees	471	606	--	1,077	10,749	3,783
Total operating expenses	112,304	32,258	42,380	186,942	366,837	86,489
Income (loss) from operations	23,540	3,849	(42,380)	(14,991)	18,520	23,352
Interest expense	(19,394)	(5,787)	(35,194)(f)	(60,375)	(85,940)	(28,859)
Interest income	280	157	--	437	434	175
Other income (expense)	(493)	112	(96)(g)	(477)	67,992	291
Income (loss) before income tax expense (benefit)	3,933	(1,669)	(77,670)	(75,406)	1,006	(5,041)
Income tax expense (benefit)	8,091	1,191	(9,282)(h)	--	(2,555)	927
Income (loss) before extraordinary item	$ (4,158)	$(2,860)	$(68,388)	$(75,406)	$ 3,561	$ (5,968)

	YEAR ENDED DECEMBER 31, 1998		
	PENDING ACQUISITIONS		
	PRO FORMA		
	DISPOSITIONS(C)	ADJUSTMENTS	TOTAL PENDING
Revenues	$(69,708)	$ --	$ 425,490
Operating expenses:			
Operating, general and administrative	(35,572)	--	217,973
Depreciation and amortization	(40,811)	92,712(e)	237,150
Corporate expense charges	--	--	--
Management fees	(937)	--	13,595
Total operating expenses	(77,320)	92,712	468,718
Income (loss) from operations	7,612	(92,712)	(43,228)
Interest expense	19,543	(58,369)(f)	(153,625)
Interest income	(10)	--	599
Other income (expense)	(380)	(74,324)(g)	(6,421)
Income (loss) before income tax expense (benefit)	26,765	(225,405)	(202,675)
Income tax expense (benefit)	310	1,318(h)	--
Income (loss) before extraordinary item	$ 26,455	$(226,723)	$(202,675)

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(a) Includes the results of operations of Rifkin Acquisition Partners, L.L.L.P., as follows (dollars in thousands):

	RIFKIN ACQUISITION	OTHER	TOTAL
Revenues	$89,921	$34,461	$124,382
Income from operations	1,040	7,764	8,804
Income before extraordinary item	24,419	3,040	27,459

(b) Represents the historical results of operations for the period from January 1, 1998 through the date of purchase for acquisitions completed by Renaissance, the InterMedia systems, Helicon and Rifkin, and for the period from January 1, 1998 through December 31, 1998 for acquisitions to be completed in 1999. A definitive written agreement exists for all acquisitions that have not yet closed.

These acquisitions will be accounted for using the purchase method of accounting. Purchase price and the closing date or anticipated closing date for significant acquisitions are as follows:

	RENAISSANCE ACQUISITIONS	INTERMEDIA ACQUISITION	HELICON ACQUISITION	RIFKIN ACQUISITIONS
Purchase price	$2.7 million	$29.1 million	$26.1 million	$165.0 million
Closing date	Feb. 1999	Dec. 1998	Dec. 1998	Feb. 1999
Purchase price	$309.5 million			$53.8 million
Closing date	April 1999			anticipated July 1999

The InterMedia acquisition above is part of the "swap" depicted in (c) below.

(c) Represents the elimination of the operating results primarily related to the cable systems to be transferred to the InterMedia systems as part of a swap of cable systems and to the sale of several smaller cable systems. A definitive written agreement exists for the disposition on these systems. The fair value of the systems to be transferred is $420 million. No material gain or loss is anticipated on the disposition as these systems were recently acquired and recorded at fair value at that time. It is anticipated that this transfer will close during the third or fourth quarter of 1999.

(d) Reflects a reclassification of expenses representing corporate expenses that would have occurred at Charter Investment.

(e) Represents additional amortization of franchises as a result of our recent and pending acquisitions. A large portion of the purchase price was allocated to franchises ($3.6 billion) that are amortized over 15 years. Depreciation and amortization expense consists of the following (in millions):

Amortization of franchises	$240.0
Depreciation	88.0
Total depreciation and amortization	$328.0

(f) Reflects additional interest expense on borrowings which will be used to finance the acquisitions using a composite current interest rate of 7.4% (see Note D). An increase in the interest rate of 0.125% would result in an increase in interest expense of $4.3 million. Additionally, the Rifkin sellers may take up to $240 million in equity instead of cash. This would reduce interest expense by up to $18.5 million.

(g) Represents the elimination of gain (loss) on the sale of assets.

(h) Reflects the elimination of income tax expense as a result of being acquired by a limited liability company.

NOTE D: We have extinguished substantially all of our long-term debt, excluding borrowings of our previous credit facilities, and refinanced all previous credit facilities, and have incurred and plan to incur additional debt in connection with our recent acquisitions and pending acquisitions. See "Capitalization." The refinancing adjustment of lower interest expense consists of the following (dollars in thousands):

DESCRIPTION	INTEREST EXPENSE
$600 million 8.25% senior notes	$ 49,600
$1,500 million 8.625% senior notes	129,600
$1,475 million 9.92% senior discount notes	89,800
Credit facilities (at composite current rate of 7.4%)	257,000
Amortization of debt issuance costs	15,600
Commitment fee on unused portion of credit facilities ($624,000 at 0.375%)	2,300
10% senior discount notes -- Renaissance	8,000
Total pro forma interest expense	551,900
Less -- interest expense (including Marcus Cable and recent acquisitions and pending acquisitions)	(559,400)
Adjustment	$ (7,500)

NOTE E: Charter Investment provided corporate management and consulting services to Charter Holdings in 1998 and to Marcus Cable beginning in October 1998. See "Certain Relationships and Related Transactions."

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

NOTE G: EBITDA margin represents EBITDA as a percentage of revenues.

NOTE H: Adjusted EBITDA means EBITDA before corporate expenses, management fees and other income (expense) in accordance with the term "Consolidated EBITDA" used in the indentures governing the notes. See "Description of Notes" for a complete presentation of the methodology employed in calculating Adjusted EBITDA. Adjusted EBITDA is presented because it is a widely accepted financial indicator of a cable company's ability to service indebtedness and because it is used in the indentures to determine compliance with certain covenants. However, Adjusted EBITDA should not be considered as an alternative to income from operations or to cash flows from operating, investing or financing activities, as determined in accordance with generally accepted accounting principles. Adjusted EBITDA should also not be construed as an indication of a company's operating performance or as a measure of liquidity. In addition, because Adjusted EBITDA is not calculated identically by all companies, the presentation here may not be comparable to other similarly titled measures of other companies. Management's discretionary use of funds depicted by Adjusted EBITDA may be limited by working capital, debt service and capital expenditure requirements and by restrictions related to legal requirements, commitments and uncertainties.

NOTE I: Earnings include net income (loss) plus fixed charges. Fixed charges consist of interest expense and an estimated interest component of rent expense.

NOTE J: Basic penetration represents basic customers as a percentage of homes passed. Homes passed are the number of single residence homes, apartments and condominium units passed by the cable distribution network in a given cable system service area.

NOTE K: Premium penetration represents premium units as a percentage of basic customers.

NOTE L: Average monthly revenue per basic customer represents revenues divided by the number of months in the period divided by the number of basic customers at December 31, 1998.

UNAUDITED PRO FORMA BALANCE SHEET
AS OF MARCH 31, 1999

	CHARTER HOLDINGS	RECENT ACQUISITIONS (NOTE A)	SUBTOTAL	PENDING ACQUISITIONS (NOTE A)	PRO FORMA TOTAL
	(DOLLARS IN THOUSANDS)				
BALANCE SHEET					
Cash and cash equivalents	$1,038,360	$(1,025,818)	$ 12,542	$ 17,922	$ 30,464
Accounts receivable, net	30,314	4,480	34,794	19,365	54,159
Prepaid expenses and other	15,882	4,869	20,751	7,245	27,996
Total current assets	1,084,556	(1,016,469)	68,087	44,532	112,619
Property, plant and equipment	1,533,197	138,117	1,671,314	542,495	2,213,809
Franchises	5,607,539	1,065,499	6,673,038	2,510,344	9,183,382
Other assets	131,990	--	131,990	(318)	131,672
Total assets	$8,357,282	$ 187,147	$8,544,429	$3,097,053	$11,641,482
Accounts payable and accrued expenses	216,397	17,294	233,691	67,572	301,263
Payables to manager of cable television systems	12,554	--	12,554	--	12,554
Total current liabilities	228,951	17,294	246,245	67,572	313,817
Long-term debt	4,754,018	165,480	4,919,498	1,704,822	6,624,320
Other long-term liabilities	48,171	4,373	52,544	(341)	52,203
Members' equity	3,326,142	--	3,326,142	1,325,000	4,651,142
Total liabilities and equity	$8,357,282	$ 187,147	$8,544,429	$3,097,053	$11,641,482

NOTE A: Pro forma balance sheet for our recent acquisitions, fully described in the "Business" section, and pending acquisitions consists of the following (dollars in thousands):

	AS OF MARCH 31, 1999								
	RECENT ACQUISITIONS -- HISTORICAL				PENDING ACQUISITIONS -- HISTORICAL				
	RENAISSANCE	AMERICAN CABLE	GREATER MEDIA SYSTEMS	TOTAL RECENT	INTERMEDIA SYSTEMS	HELICON	RIFKIN	OTHER	TOTAL PENDING
Cash and cash equivalents	$ 8,901	$ 1,201	$ 2,440	$ 12,542	$ --	$ 11,464	$ 7,580	$ 585	$ 19,629
Accounts receivable, net	1,283	620	2,577	4,480	13,949	1,619	12,009	1,450	29,027
Receivable from related party	--	--	--	--	5,038	--	--	--	5,038
Prepaid expenses and other	381	1,436	3,052	4,869	1,053	2,867	2,789	110	6,819
Deferred income tax asset	--	--	--	--	--	--	--	--	--
Total current assets	10,565	3,257	8,069	21,891	20,040	15,950	22,378	2,145	60,513
Receivable from related party	--	--	--	--	--	--	--	--	--
Property, plant and equipment	64,594	15,327	58,196	138,117	225,682	88,723	283,208	9,934	607,547
Franchises	222,971	143,546	2,653	369,170	240,567	12,096	456,523	55,452	764,638
Deferred income tax assets	--	--	--	--	13,994	--	--	--	13,994
Other assets	16,129	2,334	80	18,543	3,697	83,546	72,148	205	159,596
Total assets	$314,259	$164,464	$68,998	$547,721	$503,980	$ 200,315	$834,257	$67,736	$1,606,288
Accounts payable and accrued expenses	$ 7,649	$ 3,623	$ 6,022	$ 17,294	$ 19,030	$ 16,496	$ 34,486	$ 1,899	$ 71,911
Current deferred revenue	--	--	1,904	1,904	11,944	--	2,092	1,207	15,243
Note payable to related party	--	--	--	--	3,057	--	--	--	3,057
Other current liabilities	--	--	--	--	--	--	--	--	--
Total current liabilities	7,649	3,623	7,926	19,198	34,031	16,496	36,578	3,106	90,211
Deferred revenue	651	--	--	651	3,900	--	--	--	3,900
Deferred income taxes	--	--	--	--	--	--	7,405	--	7,405
Long-term debt	212,503	118,000	--	330,503	--	295,345	541,575	38,914	875,834
Note payable to related party, including accrued interest	135	--	--	135	412,436	5,137	--	--	417,573
Other long-term liabilities, including redeemable preferred shares	755	--	3,618	4,373	14,430	18,708	--	--	33,138
Equity	92,566	42,841	57,454	192,861	39,183	(135,371)	248,699	25,716	178,227
Total liabilities and equity	$314,259	$164,464	$68,998	$547,721	$503,980	$ 200,315	$834,257	$67,736	$1,606,288

	AS OF MARCH 31, 1999					
	RECENT ACQUISITIONS			PENDING ACQUISITIONS		
		PRO FORMA			PRO FORMA	
	HISTORICAL	ADJUSTMENTS	TOTAL	HISTORICAL	ACQUISITIONS(A)	DISPOSITIONS(B)
Cash and cash equivalents	$ 12,542	$(1,038,360)(c)	$(1,025,818)	$ 19,629	$ 90	$ (1,797)
Accounts receivable, net	4,480	--	4,480	29,027	54	(1,671)
Receivable from related party	--	--	--	5,038	--	--
Prepaid expenses and other	4,869	--	4,869	6,819	713	(287)
Total current assets	21,891	(1,038,360)	(1,016,469)	60,513	857	(3,755)
Property, plant and equipment	138,117	--	138,117	607,547	12,975	(78,027)
Franchises	369,170	696,329(f)	1,065,499	764,638	98	(342,844)
Deferred income tax assets	--	--	--	13,994	--	--
Other assets	18,543	(18,543)(h)	--	159,596	--	(523)
Total assets	$547,721	$ (360,574)	$ 187,147	$1,606,288	$13,930	$(425,149)
Accounts payable and accrued expenses	$ 17,294	$ --	$ 17,294	$ 71,911	$ 896	$ (4,280)
Current deferred revenue	1,904	(1,904)(d)	--	15,243	--	--
Note payable to related party	--	--	--	3,057	--	--
Total current liabilities	19,198	(1,904)	17,294	90,211	896	(4,280)
Deferred revenue	651	(651)(d)	--	3,900	173	--
Deferred income taxes	--	--	--	7,405	--	--
Long-term debt	330,503	(165,023)(j)	165,480	875,834	1,260	(420,528)
Note payable to related party, including accrued interest	135	(135)(i)	--	417,573	--	--
Other long-term liabilities	4,373	--	4,373	33,138	--	(341)
Equity	192,861	(192,861)(k)	--	178,227	11,601	--
Total liabilities and equity	$547,721	$ (360,574)	$ 187,147	$1,606,288	$13,930	$(425,149)

	AS OF MARCH 31, 1999	
	PENDING ACQUISITIONS	
	PRO FORMA	
	ADJUSTMENTS	TOTAL
Cash and cash equivalents	--	$ 17,922
Accounts receivable, net	(8,045)(d)	19,365
Receivable from related party	(5,038)(e)	--
Prepaid expenses and other	--	7,245
Total current assets	(13,083)	44,532
Property, plant and equipment	--	542,495
Franchises	2,088,452(f)	2,510,344
Deferred income tax assets	(13,994)(g)	--
Other assets	(159,391)(h)	(318)
Total assets	$1,901,984	$3,097,053
Accounts payable and accrued expenses	$ (955)	$ 67,572
Current deferred revenue	(15,243)(d)	--
Note payable to related party	(3,057)(i)	--
Total current liabilities	(19,255)	67,572
Deferred revenue	(4,073)(d)	--
Deferred income taxes	(7,405)(g)	--
Long-term debt	1,248,256(j)	1,704,822
Note payable to related party, including accrued interest	(417,573)(i)	--
Other long-term liabilities	(33,138)(i)	(341)

Equity	1,135,172(k)	1,325,000
Total liabilities and equity	$1,901,984	$3,097,053

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(a) Represents the historical balance sheets as of March 31, 1999, of our recent and pending acquisitions.

(b) Represents the historical assets and liabilities as of March 31, 1999, of the cable systems to be transferred to InterMedia as part of a swap of cable systems. The cable systems being swapped will be accounted for at fair value. No material gain or loss is anticipated in conjunction with the swap. See the "Business" section.

(c) Represents the use of Charter Holdings cash for the recent and pending acquisitions.

The sources of cash for the recent and pending acquisitions is as follows (in millions):

Charter Holdings historical cash	$1,038.4
Expected equity contribution	1,325.0
Expected credit facilities draw down	1,762.7
10% senior discount notes-Renaissance	82.7
Other	25.0
	$4,233.8

(d) Represents the offset of advance billings against deferred revenue to be consistent with Charter Holdings' accounting policy and the elimination of deferred revenue.

(e) Reflects assets retained by the seller.

(f) Substantial amounts of the purchase price in (c) above have been allocated to franchises based on estimated fair values. This results in an allocation of purchase price as follows (in thousands):

	RENAISSANCE	AMERICAN CABLE	GREATER MEDIA SYSTEMS	INTERMEDIA SYSTEMS	HELICON	RIFKIN	OTHER	TOTAL
Working capital.......	$ 2,916	$ (366)	$ 2,047	$(12,503)	$ 1,364	$ (12,147)	$ 246	$ (18,443)
Property, plant and equipment...........	64,594	15,327	58,196	147,655	88,723	287,217	18,800	680,512
Franchises............	397,085	225,039	443,375	737,202	459,913	1,184,930	128,504	3,575,843
Other.................	(755)	--	(3,618)	341	--	--	--	(24,600)
	$463,840	$240,000	$500,000	$872,695	$550,000	$1,460,000	$147,850	$4,213,312

(g) Represents the elimination of deferred income tax assets and liabilities.

(h) Represents the elimination of the amortized historical cost of various assets based on estimated fair values as follows:

Subscriber lists...	$(104,244)
Noncompete agreements......................................	(14,570)
Deferred financing costs...................................	(18,062)
Goodwill...	(10,339)
Other assets...	(83,079)
	(230,294)
Less-accumulated amortization..............................	52,360
	$(177,934)

(i) Represents liabilities retained by the seller.

(j) Represents the following:

Long-term debt not assumed............................	$ (664,451)
Additional borrowings under our credit facilities......	1,722,684
Other...	25,000
	$1,083,233

(k) Represents the following:

Elimination of historical equity......................	$ (382,689)
Additional contributions..............................	1,325,000
	$ 942,311

UNAUDITED SELECTED HISTORICAL COMBINED FINANCIAL AND OPERATING DATA

The Unaudited Selected Historical Combined Financial and Operating Data for the years ended December 31, 1996, 1997 and 1998 have been derived from the separate financial statements of Charter Holdings, CCA Group and CharterComm Holdings, which have been audited by Arthur Andersen, independent public accountants, and are included elsewhere in this prospectus. The combined financial and operating data represent the sum of the results of each of our then-existing subsidiaries prior to our merger with Marcus Holdings and our recent acquisitions. Each such subsidiary was managed by Charter Investment in accordance with its respective management agreement during the presented periods. Since these subsidiaries were under common management, we believe presenting combined financial information of these companies is informative.

As a result of the acquisition of us by Paul G. Allen, we have applied the purchase accounting method which had the effect of increasing total assets, total debt and members' equity as of December 23, 1998. In addition, we have retroactively restated our financial statements to include the results of operations of Marcus Cable for the period from December 24, 1998, through December 31, 1998, and the balance sheet of Marcus Cable as of December 31, 1998. As a result of the acquisition of us by Mr. Allen and our merger with Marcus Holdings, we believe that the periods on or prior to December 23, 1998 are not comparable to the periods after December 23, 1998.

	CHARTER HOLDINGS, CCA GROUP AND CHARTERCOMM HOLDINGS			CHARTER HOLDINGS
	YEAR ENDED DECEMBER 31,		1/1/98 THROUGH	12/24/98 THROUGH
	1996	1997	12/23/98	12/31/98
	(DOLLARS IN THOUSANDS, EXCEPT CUSTOMER DATA)			
COMBINED STATEMENT OF OPERATIONS:				
Revenues	$ 368,553	$ 484,155	$570,964	$ 23,450
Operating expenses:				
Operating, general and administrative	190,084	249,419	288,428	12,679
Depreciation and amortization	154,273	198,718	240,294	13,811
Management fees/corporate expense charges(a)	15,094	20,759	38,348	766
Total operating expenses	359,451	468,896	567,070	27,256
Income (loss) from operations	$ 9,102	$ 15,259	$ 3,894	$ (3,806)
CAPITAL EXPENDITURES	$ 110,291	$ 162,607	$195,468	$ 13,672
BALANCE SHEET DATA (AT END OF PERIOD):				
Total assets	$1,660,242	$2,002,181		$7,235,656
Total debt	1,195,899	1,846,159		3,523,201
Members' equity	26,099	(80,505)		3,429,291

	CHARTER HOLDINGS, CCA GROUP AND CHARTERCOMM HOLDINGS			CHARTER HOLDINGS
	YEAR ENDED DECEMBER 31,		1/1/98 THROUGH 12/23/98	12/24/98 THROUGH 12/31/98
	1996	1997		
	(DOLLARS IN THOUSANDS, EXCEPT CUSTOMER DATA)			
OPERATING DATA (AT END OF PERIOD, EXCEPT FOR AVERAGES):				
Homes passed	1,546,000	1,915,000		3,892,000
Basic customers	902,000	1,086,000		2,317,000
Basic penetration(b)	58.3%	56.7%		59.5%
Premium units	517,000	629,000		1,256,000
Premium penetration(c)	57.3%	57.9%		54.2%

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(a) Charter Investment provided corporate management and consulting services to us. CCA Group and CharterComm Holdings paid fees to Charter Investment as compensation for such services and recorded management fee expense. See "Certain Relationships and Related Transactions." Charter Holdings recorded actual corporate expense charges incurred by Charter Investment on our subsidiaries' behalf. Management fees and corporate expenses for the year ended December 31, 1998 include $14.4 million of change of control payments under the terms of then-existing equity appreciation rights plans. Such payments were triggered by the acquisition of us by Paul G. Allen. Such payments were made by Charter Investment and were not subject to reimbursement by us, but were allocated to us for financial reporting purposes. The equity appreciation rights plans were terminated in connection with the acquisition of us Mr. Allen, and these costs will not recur.

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

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

SELECTED HISTORICAL FINANCIAL DATA

The selected historical financial data below for the years ended December 31, 1996 and 1997, for the periods from January 1, 1998, through December 23, 1998, and from December 24, 1998 through December 31, 1998, are derived from the consolidated financial statements of Charter Holdings. They have been audited by Arthur Andersen LLP, independent public accountants, and are included elsewhere in this prospectus. The selected historical financial data for the period from October 1, 1995 through December 31, 1995, are derived from the predecessor of Charter Holdings' unaudited financial statements and are not included elsewhere in this prospectus. The selected historical financial data for the year ended December 31, 1994 and for the period from January 1, 1995 through September 30, 1995 are derived from the unaudited financial statements of Charter Holdings' predecessor business and are not included elsewhere in this prospectus. The information presented below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the historical financial statements of Charter Holdings and related notes included elsewhere in this prospectus.

	PREDECESSOR OF CHARTER HOLDINGS		CHARTER HOLDINGS				
				YEAR ENDED DECEMBER 31,			
	YEAR ENDED DECEMBER 31, 1994	1/1/95 THROUGH 9/30/95	10/1/95 THROUGH 12/31/95	1996	1997	1/1/98 THROUGH 12/23/98	12/24/98 THROUGH 12/31/98
	(DOLLARS IN THOUSANDS)						
STATEMENT OF OPERATIONS:							
Revenues	$ 6,584	$ 5,324	$ 1,788	$14,881	$18,867	$ 49,731	$ 23,450
Operating expenses:							
Operating, general and administrative	3,247	2,581	931	8,123	11,767	25,952	12,679
Depreciation and amortization	2,508	2,137	648	4,593	6,103	16,864	13,811
Management fees/corporate expense charges	106	224	54	446	566	6,176	766
Total operating expenses	5,861	4,942	1,633	13,162	18,436	48,992	27,256
Income (loss) from operations	723	382	155	1,719	431	739	(3,806)
Interest expense	--	--	(691)	(4,415)	(5,120)	(17,277)	(5,051)
Interest income	26	--	5	20	41	44	133
Other income (expense)	--	38	--	(47)	25	(728)	--
Net income (loss)	$ 749	$ 420	$ (531)	$(2,723)	$(4,623)	$(17,222)	$ (8,724)
Ratio of Earnings to Fixed Charges(a)	45.14x	34.00x	--	--	--	--	--
BALANCE SHEET DATA (AT END OF PERIOD):							
Total assets	$ 25,511	$26,342	$31,572	$67,994	$55,811	$281,969	$7,235,656
Total debt	10,194	10,480	28,847	59,222	41,500	274,698	3,523,201
Members' equity (deficit)	14,822	15,311	971	2,648	(1,975)	(8,397)	3,429,291

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(a) Earnings include net income (loss) plus fixed charges. Fixed charges consist of interest expense and an estimated interest component of rent expense. Earnings for the period from October 1, 1995 through December 31, 1995, years ended December 31, 1996 and 1997, periods from January 1, 1998 through December 23, 1998, and the period from December 24, 1998 through December 31, 1998 were inadequate to cover fixed charges by $531, $2,723, $4,623, $17,222 and $8,724, respectively.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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

INTRODUCTION

Because of recent and pending significant events, including:

(1) the acquisition of us by Paul G. Allen,

(2) our merger with Marcus Holdings,

(3) our recent and pending acquisitions,

(4) the refinancing of our previous credit facilities, and

(5) the purchase of publicly held notes that had been issued by several of our subsidiaries.

we do not believe that our historical financial condition and results of operations are accurate indicators of future results. Provided below is a discussion of:

(1) our operation and development prior to the acquisition of us by Mr. Allen,

(2) the acquisition of us by Mr. Allen,

(3) our merger with Marcus Holdings, and

(4) our recent acquisitions and pending acquisitions.

Historically, the cable systems owned by the Charter companies were operated under three groups of companies:

(1) CCP Holdings, which is now Charter Properties,

(2) the CCA Group, which is now the operating companies that formerly comprised the CCA Group, and

(3) CharterComm Holdings, which is now Charter Communications, LLC.

See "Summary -- Organization." Charter Investment did not have controlling interests in the CCA Group and CharterComm Holdings. All of the operating companies in all three groups were parties to separate management agreements with Charter Investment pursuant to which Charter Investment provided management and consulting services. In December 1998, Charter Investment acquired remaining interests it did not own previously in the CCA Group and CharterComm Holdings.

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

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

The end result of these events was that:

(1) Charter Properties, the operating companies that formerly comprised the CCA Group and Charter Communications, LLC became wholly owned subsidiaries of Charter Operating;

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

(3) Charter Holdings became a wholly owned subsidiary of Charter Holdco; and

(4) Charter Holdco became a subsidiary of Charter Investment.

Our acquisition by Mr. Allen became effective on December 23, 1998, through a series of transactions in which Mr. Allen acquired approximately 94% of the equity interests of Charter Investment for an aggregate purchase price of $2.2 billion, excluding $2.0 billion in debt we assumed. Charter Properties, the operating companies that formerly comprised the CCA Group and Charter Communications, LLC were contributed to Charter Operating subsequent to Mr. Allen's acquisition. Charter Properties is deemed to be our predecessor. Consequently, the contribution of Charter Properties was accounted for as a reorganization under common control. Accordingly, the accompanying financial statements for periods prior to December 24, 1998, include the accounts of Charter Properties. The contributions of the operating companies that formerly comprised the CCA Group and Charter Communications, LLC were accounted for in accordance with purchase accounting. Accordingly, the financial statements for periods after December 23, 1998, include the accounts of Charter Properties, the CCA Group and CharterComm Holdings.

Our merger with Marcus Holding was accounted for as a reorganization under common control similar to a pooling of interests because of Mr. Allen's controlling interests in Marcus Holdings and Charter Holdings. As such, the accounts of Charter Holdings and Marcus Holdings have been consolidated since December 23, 1998.

In the second quarter of 1999, we acquired American Cable, the Greater Media systems and Renaissance. These acquisitions were funded through excess cash from the issuance of the original notes, additional borrowings under our credit facilities and the assumption of Renaissance notes. Due to the change of control of Renaissance, an offer to purchase the Renaissance notes was made at 101% of their accreted value on the date of purchase, plus accrued interest. Of the $163.175 million face amount of Renaissance notes outstanding, $48.737 million were repurchased.

In addition to these acquisitions, since the beginning of 1999, we have entered into definitive agreements to acquire Helicon, the InterMedia systems, Rifkin, Vista and certain cable assets of Cable Satellite, all as forth in the table below. These acquisitions are expected to be funded through excess cash, additional borrowings under our credit facilities, additional equity contributions and the assumption of Helicon and Rifkin notes. Helicon will receive $25 million in the form of preferred limited liability company interests. Upon the completion of an initial public offering by one of our affiliates, such interests will be convertible into equity of such affiliate. Rifkin sellers could elect to receive some of the purchase price in the form of preferred or common equity of Charter Holdings or, if mutually agreed to by the parties, of a parent of Charter Holdings. If issued, this equity would be valued between approximately $25 million and $240 million. The Helicon notes and the Rifkin notes are expected to be tendered after closing.

As part of the transaction with InterMedia, we will "swap" some of our non-strategic cable systems located in Indiana, Montana, Utah and northern Kentucky, representing

142,000 basic customers, and pay cash of $872.7 million. The InterMedia systems serve approximately 408,000 customers in Georgia, North Carolina, South Carolina and Tennessee.

			AS OF AND FOR THE THREE MONTHS ENDED MARCH 31, 1999			
				(DOLLARS IN THOUSANDS)		
ACQUISITION	DATE(A)	PURCHASE PRICE	BASIC SUBSCRIBERS	REVENUE	EBITDA	CASH FLOWS FROM OPERATING ACTIVITIES
American Cable	4/99	$240 million	68,000	$ 9,151	$ 4,195	$ 2,664
Renaissance	4/99	459 million	132,000	15,254	8,365	5,390
Greater Media Systems	6/99	500 million	174,000	20,394	7,621	5,808
Helicon	7/99	550 million	172,000	21,252	8,912	4,056
InterMedia Systems	3rd or 4th Quarter 1999	872.7 million + systems' swap	408,000 (142,000) 266,000	48,288	21,427	21,027
Rifkin	3rd or 4th Quarter 1999	1,460 million	463,000	50,914	19,194	(603)
Other	3rd Quarter	148 million	36,000	3,354	1,760	1,502
Total		$4,229.7 million	1,311,000	$168,607	$71,474	39,844

(a) Represents the closing date for recent acquisitions and the anticipated closing date for pending acquisitions.

The systems acquired pursuant to these recent and pending acquisitions serve, in the aggregate, approximately 1.3 million customers. In addition, we are negotiating with several other potential acquisition candidates whose systems would further complement our regional operating clusters. We expect to finance our pending acquisitions and any other future acquisitions with additional borrowings under our credit facilities and with additional equity.

OVERVIEW

Approximately 87% of our revenues are primarily attributable to monthly subscription fees charged to customers for our basic, expanded basic and premium cable television programming services, equipment rental and ancillary services provided by our cable television systems. In addition, we derive other revenues from installation and reconnection fees charged to customers to commence or reinstate service, pay-per-view programming, advertising revenues and commissions related to the sale of merchandise by home shopping services. We have generated increases in revenues in each of the past three fiscal years, primarily through internal customer growth, basic and expanded tier rate increases and acquisitions as well as innovative marketing such as our MVP package of premium services. This entitles customers to receive a substantial discount on bundled premium services of HBO, Showtime, Cinemax and The Movie Channel. The MVP package has increased premium revenue by 3.4% and premium cash flow by 5.5% in the initial nine months of this program. We are beginning to offer our customers several other services, which are expected to significantly contribute to our revenue. One of these services is digital cable, which provides subscribers with additional programming options. We are also offering high speed Internet access through cable modems attached to personal computers. Our television based Internet access allows us to offer the services provided by WorldGate, Inc., which provides users with TV based e-mail and other Internet access.

Our expenses primarily consist of operating costs, general and administrative expenses, depreciation and amortization expense and management fees/corporate expense charges. Operating costs primarily include programming costs, cable service related expenses, marketing and advertising costs, franchise fees and expenses related to customer billings.

Programming costs account for approximately 50 percent of our operating costs. Programming costs have increased in recent years and are expected to continue to increase due to additional programming being provided to customers, increased cost to produce or purchase cable programming, inflation and other factors affecting the cable television industry. In each year we have operated, our costs to acquire programming have exceeded customary inflationary increases. A significant factor with respect to increased programming costs is the rate increases and surcharges imposed by national and regional sports networks directly tied to escalating costs to acquire programming for professional sports packages in a competitive market. We have benefited in the past from our membership in an industry cooperative that provides members with volume discounts from programming networks. We believe our membership has minimized increases to our programming costs relative to what the increases would otherwise have been. We also believe that we should derive additional discounts from programming networks due to our increased size. Finally, we were able to negotiate favorable terms with premium networks in conjunction with the premium packages, which minimized the impact on margins and provided substantial volume incentives to grow the premium category. Although we believe that we will be able to pass future increases in programming costs through to customers, there can be no assurance that we will be able to do so.

General and administrative expenses primarily include accounting and administrative personnel and professional fees. Depreciation and amortization expense relates to the depreciation of our tangible assets and the amortization of our franchise costs. Management fees/corporate expense charges are fees paid to or charges from Charter Investment for corporate management and consulting services. Charter Holdings records actual corporate expense charges incurred by Charter Investment on behalf of Charter Holdings. Prior to the acquisition of us by Mr. Allen, the CCA Group and CharterComm Holdings recorded management fees payable to Charter Investment equal to 3.0% to 5.0% of gross revenues plus certain expenses. In October 1998, Charter Investment began managing the cable operations of Marcus Holdings under a management fee arrangement. The Charter Operating credit facilities limit management fees to 3.5% of gross revenues.

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

RESULTS OF OPERATIONS

The following discussion concerns the financial condition and results of operations for

(1) Charter Holdings (comprised of Charter Properties only) for the period from January 1, 1998 through March 31, 1998, and

(2) Charter Holdings (comprised of Charter Properties, the CCA Group, CharterComm Holdings and Marcus Holdings) for the period from January 1, 1999 through March 31, 1999.

The following table sets forth the percentages that items in the statements of income bear to operating revenues for the indicated periods.

	THREE MONTHS ENDED			
	3/31/99		3/31/98	
STATEMENT OF OPERATIONS				
Revenues	$286,135	100.0%	$ 4,782	100.00%
Operating expenses				
Operating, general and administrative costs	152,075	53.1%	2,638	55.2%
Depreciation and amortization	153,747	53.7%	1,605	33.6%
Management fees/corporate expense charges	5,323	1.9%	143	3.0%
Total operating expenses	311,145	108.7%	4,386	91.7%
Income (loss) from operations	(25,010)	(8.7%)	396	8.3%
Interest income	1,733	0.6%	8	0.2%
Interest expense	(71,591)	(25.0%)	(1,329)	(27.8%)
Other income	15	0.0%	2	0.0%
Net loss before extraordinary item	(94,853)	133.1%	$ (923)	(19.3%)
Extraordinary item-loss from early extinguishment of debt	3,604	(1.3%)	--	0.0%
Net loss	$(98,457)	(34.4%)	$ (923)	(19.3%)

PERIOD FROM JANUARY 1, 1999 THROUGH MARCH 31, 1999
COMPARED TO PERIOD FROM JANUARY 1, 1998 THROUGH MARCH 31, 1998

REVENUES. Revenues increased by $281.3 million, or 5,883.6%, from $4.8 million for the period from January 1, 1998 through March 31, 1998 to $286.1 million for the period from January 1, 1999 through March 31, 1999. The increase in revenues primarily resulted from the acquisitions of the CCA Group, CharterComm Holdings and Sonic, and our merger with Marcus Holdings. The revenues of these entities for the three months ended March 31, 1999 were $89.4 million, $53.4 million, $13.1 million and $125.2 million, respectively.

OPERATING, GENERAL AND ADMINISTRATIVE EXPENSES. Operating, general and administrative expenses increased by $149.5 million, or 5.750.0%, from $2.6 million for the period from January 1, 1998 through March 31, 1998 to $152.1 million for the period from January 1, 1999 through March 31, 1999. This increase was due primarily to the acquisitions of the CCA Group, CharterComm Holdings and Sonic, and our merger with Marcus Holdings whose operating, general and administrative expenses were $46.5 million, $26.9 million, $6.9 million and $69.0 million for the three months ended March 31, 1999, respectively.

DEPRECIATION AND AMORTIZATION. Depreciation and amortization expense increased by $152.1 million, or 9,479.3%, from $1.6 million for the period from January 1, 1998 through March 31, 1998 to $153.7 million for the period from January 1, 1999 through March 31, 1999. There was a significant increase in amortization resulting from the acquisitions of the CCA Group, CharterComm Holdings and Sonic, and our merger with Marcus Holdings whose incremental amortization expenses for the three months ended March 31, 1999 were $49.1 million, $32.6 million, $4.3 million and $63.7 million for the three months ended March 31, 1999, respectively.

MANAGEMENT FEES/CORPORATE EXPENSE CHARGES. Management fees/corporate expense charges increased by $5.2 million, or 3,622.4% from $0.1 million for the period from January 1, 1998 through March 31, 1998 to $5.3 million for the period from January 1, 1999 through March 31, 1999. The increase from the period from January 1, 1998 through March 31, 1998 compared to the period from January 1, 1999 through March 31, 1999 was the result of the acquisitions of the CCA Group, CharterComm Holdings and Sonic, and our merger with Marcus Holdings.

INTEREST EXPENSE. Interest expense increased by $70.2 million, or 5,286.8%, from $1.3 million for the period from January 1, 1998 through March 31, 1998 to $71.6 million for the period from January 1, 1999 through March 31, 1999. This increase resulted primarily from the financing of the acquisitions of the CCA Group and CharterComm Holdings, and our merger with Marcus Holdings. The interest expenses resulting from each of these transactions were $14.4 million, $12.0 million, and $26.1 million, respectively.

NET LOSS. Net loss increased by $97.5 million, or 10,567.1%, from $0.9 million for the period from January 1, 1998 through March 31, 1998 to $98.5 million for the period from January 1, 1999 through March 31, 1999.

The increase in revenues that resulted from the acquisitions of the CCA Group, CharterComm Holdings and Sonic, and our merger with Marcus Holdings was not sufficient to offset the significant costs related to the acquisitions.

RESULTS OF OPERATIONS

The following discussion concerns the financial condition and results of operations for

(1) Charter Holdings (comprised of Charter Properties only) for the period from January 1, 1998 through December 23, 1998 and for the years ended December 31, 1997 and 1996, and

(2) Charter Holdings (comprised of Charter Properties, the CCA Group, CharterComm Holdings and Marcus Holdings) for the period from December 24, 1998 through December 31, 1998.

The following table sets forth the percentages that items in the statements of income bear to operating revenues for the indicated periods.

	YEAR ENDED DECEMBER 31, 1996		YEAR ENDED DECEMBER 31, 1997		1/1/98 THROUGH 12/23/98		12/24/98 THROUGH 12/31/98	
	(DOLLARS IN THOUSANDS)							
STATEMENT OF OPERATIONS								
Revenues	$14,881	100.0%	$18,867	100.0%	$ 49,731	100.0%	$23,450	100.0%
Operating expenses								
Operating costs	5,888	39.6%	9,157	48.5%	18,751	37.7%	9,957	42.5%
General and administrative costs	2,235	15.0%	2,610	13.8%	7,201	14.5%	2,722	11.6%
Depreciation and amortization	4,593	30.9%	6,103	32.3%	16,864	33.9%	13,811	58.9%
Management fees/corporate expense charges	446	3.0%	566	3.0%	6,176	12.4%	766	3.3%
Total operating expenses	13,162	88.4%	18,436	97.7%	48,992	98.5%	27,256	116.2%
Income (loss) from operations	1,719	11.6%	431	2.3%	739	1.5%	(3,806)	(16.2%)
Interest income	20	0.1%	41	0.2%	44	0.1%	133	0.6%
Interest expense	(4,415)	(29.7%)	(5,120)	(27.1%)	(17,277)	(34.7%)	(5,051)	(21.5%)
Other income (expense)	(47)	(0.3%)	25	0.1%	(728)	(1.5%)	--	--
Net loss	$(2,723)	(18.3%)	$(4,623)	(24.5%)	$(17,222)	(34.6%)	$(8,724)	(37.2%)

PERIOD FROM DECEMBER 24, 1998, THROUGH DECEMBER 31, 1998

This period is not comparable to any other period presented. The financial statements represent eight days of operations. This period not only contains the results of operations of Charter Properties, but also the results of operations of those entities purchased in the acquisition of us and our merger with Marcus Holdings. As a result, no comparison of the operating results for this eight-day period is presented.

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

REVENUES. Revenues increased by $30.8 million, or 163.6%, from $18.9 million in 1997 to $49.7 million for the period from January 1, 1998 through December 23, 1998. The increase in revenues primarily resulted from the acquisition of Sonic whose revenues for that period were $30.5 million.

OPERATING EXPENSES. Operating expenses increased by $9.6 million, or 104.8%, from $9.2 million in 1997 to $18.8 million for the period from January 1, 1998 through December 23, 1998. This increase was due primarily to the acquisition of Sonic, whose operating expenses for that period were $11.5, partially offset by the loss of $1.4 million on the sale of a cable system in 1997.

GENERAL AND ADMINISTRATIVE EXPENSES. General and administrative expenses increased by $4.6 million, or 175.9%, from $2.6 million in 1997 to $7.2 million for the period from January 1, 1998 through December 23, 1998. This increase was due primarily to the acquisition of Sonic whose general and administrative expenses for that period were $4.4 million.

DEPRECIATION AND AMORTIZATION. Depreciation and amortization expense increased by $10.8 million, or 176.3%, from $6.1 million in 1997 to $16.9 million for the period from January 1, 1998 through December 23, 1998. There was a significant increase in amortization resulting from the acquisition of Sonic. Incremental depreciation and amortization expenses of the acquisition of Sonic were $10.3 million.

MANAGEMENT FEES/CORPORATE EXPENSE CHARGES. Corporate expense charges increased by $5.6 million, or 991.2% from $0.6 million in 1997 to $6.2 million for the period from January 1, 1998 through December 23, 1998. The increase from 1997 compared to the period from January 1, 1998 through December 23, 1998 was the result of additional Charter Investment charges related to equity appreciation rights plans of $3.8 million for the period from January 1, 1998 through December 23, 1998 and an increase of $1.5 million in management services provided by Charter Investment as a result of the acquisition of Sonic.

INTEREST EXPENSE. Interest expense increased by $12.2 million, or 237.4%, from $5.1 million in 1997 to $17.3 million for the period from January 1, 1998 through December 23, 1998. This increase resulted primarily from the indebtedness of $220.6 million, including a note payable for $60.7 million, incurred in connection with the acquisition of Sonic resulting in $12.1 million of additional interest expense.

NET LOSS. Net loss increased by $12.6 million, or 272.5%, from $4.6 million in 1997 to $17.2 million for the period from January 1, 1998 through December 23, 1998.

The increase in revenues that resulted from cable television customer growth was not sufficient to offset the significant costs related to the acquisition of Sonic.

1997 COMPARED TO 1996

REVENUES. Revenues increased by $4.0 million, or 26.8%, from $14.9 million in 1996 to $18.9 million in 1997. The primary reason for this increase is due to the acquisition of 5 cable systems in 1996 that increased customers by 58.9%.

Revenues of Charter Properties, excluding the activity of any other systems acquired during the periods, increased by $0.7 million, or 8.9%, from $7.9 million in 1996 to $8.6 million in 1997.

OPERATING EXPENSES. Operating expenses increased by $3.3 million, or 55.5%, from $5.9 million in 1996 to $9.2 million in 1997. This increase was primarily due to the acquisitions of the cable systems in 1996 and the loss of $1.4 million on the sale of a cable system in 1997.

GENERAL AND ADMINISTRATIVE EXPENSES. General and administrative expenses increased by $0.4 million, or 16.8%, from $2.2 million in 1996 to $2.6 million in 1997. This increase was primarily due to the acquisitions of the cable systems in 1996.

DEPRECIATION AND AMORTIZATION. Depreciation and amortization expense increased by $1.5 million, or 32.9%, from $4.6 million in 1996 to $6.1 million in 1997. There was a significant increase in amortization resulting from the acquisitions of the cable systems in 1996.

MANAGEMENT FEES/CORPORATE EXPENSE CHARGES. Corporate expense charges increased by $0.1 million, or 26.9%, from $0.4 million in 1996 to $0.6 million in 1997. These fees were 3.0% of revenues in both 1996 and 1997.

INTEREST EXPENSE. Interest expense increased by $0.7 million, or 16.0%, from $4.4 million in 1996 to $5.1 million in 1997. This increase resulted primarily from the indebtedness incurred in connection with the acquisitions of several cable systems in 1996.

NET LOSS. Net loss increased by $1.9 million, or 69.8%, from $2.7 million in 1996 to $4.6 million in 1997. The increase in net loss is primarily related to the $1.4 million loss on the sale of a cable system.

SUPPLEMENTAL MANAGEMENT'S DISCUSSION AND ANALYSIS

COMBINED CHARTER COMPANIES OPERATING RESULTS

The following discusses the combined revenues and expenses of Charter Holdings, the CCA Group and CharterComm Holdings, for the years ended December 31, 1996, 1997 and for the period January 1, 1998 through December 23, 1998, and for the period December 24, 1998 through December 31, 1998. The combined revenues and expenses represent the sum of the revenues and expenses of each of the companies managed by Charter Investment during all periods presented. Since the companies in these groups were under common management, we believe presenting combined financial information of those companies is informative. These statements show historical results of Charter Investment managed companies that were acquired in conjunction with the acquisition of us by Paul G. Allen on December 23, 1998. Other expenses, including interest expense, are not presented, as such information was not considered meaningful. The combined revenues and expenses do not reflect any pro forma adjustments related to acquisitions made by the companies in these groups or related to the acquisition of us. The combined revenues and expenses for the period December 24, 1998 through December 31, 1998 include the revenues and expenses for Marcus Cable.

	CHARTER HOLDINGS, CCA GROUP AND CHARTERCOMM HOLDINGS					
	YEAR ENDED DECEMBER 31,				1/1/98 THROUGH 12/23/98	
	1996		1997			
STATEMENT OF OPERATIONS						
Revenues	$ 368,553	100.0%	$ 484,155	100.0%	$ 570,964	100.0%
Operating expenses:						
Operating costs	159,835	43.4%	207,802	42.9%	238,201	41.7%
General and administrative costs	30,249	8.2%	41,617	8.6%	50,227	8.8%
Depreciation and amortization	154,273	41.9%	198,718	41.0%	240,294	42.1%
Management fees/corporate expense charges	15,094	4.1%	20,759	4.3%	38,348	6.7%
Total operating expenses	359,451	97.4%	468,896	96.8%	567,070	99.3%
Income (loss) from operations	$ 9,102	2.6%	$ 15,259	3.2%	$ 3,894	0.7%

	CHARTER HOLDINGS	
	12/24/98 THROUGH 12/31/98	
STATEMENT OF OPERATIONS		
Revenues	$ 23,450	100.0%
Operating expenses:		
Operating costs	12,679	54.1%
General and administrative costs	--	--
Depreciation and amortization	13,811	58.9%
Management fees/corporate expense charges	766	3.3%
Total operating expenses	27,256	116.3%
Income (loss) from operations	$ (3,806)	(16.3%)

PERIOD FROM DECEMBER 24, 1998, THROUGH DECEMBER 31, 1998

This period is not comparable to any other period presented. The financial statements represent eight days of operations of the companies owned by us and Marcus Holdings on a new basis to reflect the push-down of the purchase price in the acquisition of us by Paul G. Allen and the inclusion of Marcus Holdings. The period from January 1, 1998 through December 23, 1998 represents 357 days of operations of the companies owned by us and Marcus Holdings. As a result, no comparison of the operating results for this eight-day period is presented.

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

REVENUES. Revenues increased by $86.8 million, or 17.9%, from $484.2 million in 1997 to $571.0 million for the period from January 1, 1998 through December 23, 1998. Increase in revenues of $30.5 million and $16.8 million resulted from the acquisitions of Sonic in 1998 and Long Beach in 1997, respectively. The remaining increase in revenues is primarily related to internally generated increases in basic subscribers and increases in premium service subscriptions.

We have grown our subscriber base internally as a result of management's marketing efforts to add new customers, increased efforts to retain existing customers and a limited amount of new-build construction to increase the coverage area of our systems.

Premium subscriptions have increased as a result of the acquisition of Sonic and our marketing efforts.

OPERATING EXPENSES. Operating expenses increased by $30.4 million, or 14.6%, from $207.8 million in 1997 to $238.2 million for the period from January 1, 1998 through December 23, 1998. Increases in operating expenses of $11.5 million and $6.0 million resulted from acquisitions of Sonic in 1998 and Long Beach in 1997, respectively. The remaining difference is primarily related to increased programming cost.

GENERAL AND ADMINISTRATIVE EXPENSES. General and administrative expenses increased by $8.6 million, or 20.7%, from $41.6 million in 1997 to $50.2 million for the period from January 1, 1998 through December 23, 1998. Increases in general and administrative expenses of $4.4 million and $1.6 million resulted from acquisitions of Sonic in 1998 and Long Beach in 1997, respectively.

DEPRECIATION AND AMORTIZATION. Depreciation and amortization increased by $41.6 million, or 20.9% from $198.7 million in 1997 to $240.3 million for the period from January 1, 1998 through December 23, 1998. Increases in depreciation and amortization of $10.3 million and $8.4 million resulted from acquisitions of Sonic in 1998 and Long Beach in 1997, respectively. The increase is also attributed to capital expenditures of $195.5 million for the period from January 1, 1998 through December 23, 1998 and $162.6 million during 1997.

MANAGEMENT FEES/CORPORATE EXPENSE CHARGES. Management fees/corporate expense charges increased by $17.6 million, or 84.7% from $20.8 million in 1997 to $38.3 million for the period from January 1, 1998 through December 23, 1998. The increase from 1997 compared to 1998 was primarily the result of additional Charter Investment charges related to the equity appreciation rights plans of $14.4 million for fiscal 1998 and the additional management fees as a result of the Sonic and Long Beach acquisitions of $1.5 million and $0.5 million, respectively.

1997 COMPARED TO 1996

REVENUES. Revenues increased by $115.6 million, or 31.4%, from $368.6 million in 1996 to $484.2 million in 1997. This increase was due to several acquisitions of cable systems in 1996 and 1997, including the acquisition of Long Beach whose incremental revenues were $23.7 million, as well as an increase in the average monthly revenue per basic customer from $34.05 in 1996 to $37.15 in 1997.

OPERATING EXPENSES. Operating expenses increased by $48.0 million, or 30.0%, from $159.8 million in 1996 to $207.8 million in 1997. This increase was primarily due to the acquisitions in 1996 and 1997, most significant being the acquisition of Long Beach whose operating expenses were $10.9 million.

GENERAL AND ADMINISTRATIVE EXPENSES. General and administrative expenses increased by $11.4 million, or 37.6%, from $30.2 million in 1996 to $41.6 million in 1997. This increase was primarily due to the acquisitions acquired in 1996 and 1997, most significant being the acquisition of Long Beach whose general and administrative expenses were $1.9 million.

DEPRECIATION AND AMORTIZATION. Depreciation and amortization increased by $44.4 million, or 28.8%, from $154.3 million in 1996 to $198.7 million in 1997. There was a significant increase in amortization resulting from the acquisitions of several cable systems in 1996 and 1997. In connection, with such acquisitions, the acquired franchises were recorded at fair market value, which resulted in a stepped-up basis upon acquisition. The increase is also attributed to capital expenditures of $162.6 million in 1997 and $110.3 million in 1996.

MANAGEMENT FEES/CORPORATE EXPENSE CHARGES. Management fees/corporate expense charges increased by $5.7 million, or 37.5%, from $15.1 million in 1996 to $20.8 million in fiscal 1997. This increase is primarily the result of an increase in revenues from 1996 and 1997 and additional costs incurred by Charter Investment to provide the management services.

OUTLOOK

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

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

- reduced costs for plant and infrastructure;

- increased leverage for negotiating programming contracts; and

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

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

LIQUIDITY AND CAPITAL RESOURCES

The cable television business has substantial ongoing capital requirements for the construction, expansion and maintenance of plant. Expenditures are primarily made to rebuild and upgrade our existing plants. We also spend capital on plant extensions, new services, converters and system maintenance. Historically, we have been able to meet our capital requirements through our cash flows from operations, equity contributions, debt financings and available borrowings under our credit facilities.

Upgrading our existing plants will enable us to offer new and enhanced services, including additional channels and tiers, expanded pay-per-view options, high-speed Internet access, wide area network and point-to-point services and digital advertising insertion.

Over the next three years, we plan to spend $1.8 billion for capital expenditures, approximately $900 million of which will be used to upgrade our systems to bandwidth capacity of 550 megahertz or greater, so that we may offer advanced services. The remaining $900 million will be used for plant extensions, new services, converters and system maintenance. Capital expenditures for 1999, 2000 and 2001 are expected to be approximately $600 million, $650 million, and $550 million, respectively. If our recent and pending acquisitions are completed over the next three years, we plan to spend an additional $700 million to upgrade our systems to bandwidth capacity of 550 megahertz or greater, so that we may offer advanced cable services. An additional $400 million will be used for plant extensions, new services, converters and system maintenance. We expect to finance the anticipated capital expenditures with distributions generated from operations and additional borrowings under our credit facilities.

For the three months ended March 31, 1999, Charter Holdings made capital expenditures, excluding the acquisitions of cable television systems, of $109.6 million and $29.0 million for all of 1998. The majority of the capital expenditures relate to rebuild of existing cable systems.

On March 17, 1999, Charter Holdings issued the original notes. The proceeds of approximately $2.99 billion, combined with the borrowings under our credit facilities, were used to consummate tender offers for publicly held debt of several of our subsidiaries, as described below, refinance borrowings under our previous credit facilities and for working capital purposes. Semi-annual interest payments with respect to the 8.250% notes and the 8.625% notes will be approximately $89.4 million, commencing on October 1, 1999. No interest on the 9.920% notes will be payable prior to April 1, 2004. Thereafter, semiannual interest payments will be approximately $162.6 million in the aggregate, commencing on October 1, 2004.

Concurrent with the issuance of the original notes, we refinanced substantially all of our previous credit facilities with new credit facilities entered into by Charter Operating. In February and March 1999, we commenced cash tender offers to purchase the 14% senior discount notes issued by Charter Communications Southeast Holdings, LLC, the 11.25% senior notes issued by Charter Communications Southeast, LLC, the 13.50% senior subordinated discount notes issued by Marcus Cable Operating Company, L.L.C., and the 14.25% senior discount notes issued by Marcus Cable. All notes except for $1.1 million were paid off.

The Charter Operating credit facilities provide for two term facilities, one with a principal amount of $1.0 billion that matures September 2008 (Term A), and the other with the principal amount of $1.85 billion that matures on March 2009 (Term B). Our new credit facilities also provide for a $1.25 billion revolving credit facility with a maturity date of September 2008. After giving effect to the pending acquisitions, we have approximately $791 million of borrowing availability under our new credit facilities. In addition, an uncommitted incremental term facility of up to $500 million with terms similar to the terms of the credit facilities is permitted under the credit facilities, but will be conditioned on receipt of additional new commitments from existing and new lenders. Amounts under our new credit facilities bear interest at a base rate or a eurodollar rate, plus a margin up to 2.75%. A quarterly commitment fee of between 0.25% and 0.375% per annum is payable on the unborrowed balance of Term A and the revolving credit facility. The weighted average interest rate for outstanding debt on March 31, 1999 was 7.44%.

We acquired Renaissance in April, 1999. Renaissance has outstanding publicly held debt comprised of 10% senior discount notes due 2008 with a $163.2 million principal amount at maturity and $100.0 million accreted value. The Renaissance notes pay no interest until April 15, 2003. From and after April 15, 2003, the Renaissance notes will bear interest, payable semi-annually in cash, on each April 15 and October 15, commencing October 15, 2003. The Renaissance notes are due on April 15, 2008.

The following table sets forth the sources and uses as of March 31, 1999, as discussed above, giving effect to additional borrowings under our credit facilities and additional equity contributions in connection with refinancing of our previous credit facilities and funding our pending acquisitions as if such transactions had occurred on that date.

SOURCES:		USES:	
Notes:			
8.250% notes	$ 600	14.00% Senior secured discount debentures	$ 109
8.625% notes	1,500	11.25% Senior notes	125
9.920% notes	1,475	13.50% Senior subordinated discount notes	383
Less: Discount	(572)	14.25% Senior discount notes	241
		Add: Unamortized premium	128
		Add: Redemption adjustment	19
Charter Operating Credit Facilities:			
Tranche B	1,850		
Tranche A	1,100		
Revolver	1,250		
Renaissance debt	83	Previous credit facilities	2,535
Other	25	Pending acquisitions	4,230
		Fees and expenses	119
Equity	1,325	Cash and cash equivalents	747
	$8,636		$8,636

Prior to our acquisition by Paul G. Allen, we have received minimal equity contributions. In order to fund a portion of the pending acquisitions, Paul G. Allen has committed to fund $1,325 billion of additional equity.

CERTAIN TRENDS AND UNCERTAINTIES

SUBSTANTIAL LEVERAGE. As of March 31, 1999, pro forma for our pending acquisitions and acquisitions completed since that date, our total debt was approximately $6.6 billion, our total members' equity was approximately $4.7 billion, and the deficiency of our earnings available to cover fixed charges was approximately $197 million. We anticipate incurring substantial additional debt in the future to fund the expansion, maintenance and the upgrade of our systems.

Our ability to make payments on our debt, including the notes, and to fund our planned capital expenditures for upgrading our cable systems will depend on our ability to generate cash and secure financing in the future. This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. Based upon the current levels of operations, we believe that cash flow from operations and available cash, together with available borrowings under our credit facilities, will be adequate to meet our liquidity and capital needs for at least the next several years. However, there can be no assurance our business will generate sufficient cash flow from operations, or that future borrowings will be available to us under our credit facilities or from other sources of financing in an amount sufficient to enable us to repay our debt, to grow our business or to fund our other liquidity and capital needs.

VARIABLE INTEREST RATES. A significant portion of our debt bears interest at variable rates that are linked to short-term interest rates. If interest rates rise, our costs relative to those obligations would also rise.

RESTRICTIVE COVENANTS. Our credit facilities contain a number of significant covenants that, among other things, restrict the ability of our subsidiaries to:

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

In addition, each of our credit facilities requires the particular borrower to maintain cash specified financial ratios and meet financial tests. The ability to comply with these provisions may be affected by events beyond our control. The breach of any of these covenants will result in a default under the applicable debt agreement or instrument, which could permit acceleration of the debt. Any default under our credit facilities or our indentures may adversely affect our growth, our financial condition and our results of operations.

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

MANAGEMENT OF GROWTH. As a result of the acquisition of us by Paul G. Allen, our merger with Marcus Holdings and our recent and pending acquisitions, we have experienced and will continue to experience rapid growth that has placed and is expected to continue to place a significant strain on our management, operations and other resources. Our future success will depend in part on our ability to successfully integrate the operations acquired and to be acquired and to attract and retain qualified personnel. Historically, acquired entities have had minimal employee benefit related cost and all benefit plans have been terminated with acquired employees transferring to our 401(k) plan. No significant severance cost is expected in conjunction with the recent and pending acquisitions. The failure to retain or obtain needed personnel or to implement management, operating or financial systems necessary to successfully integrate acquired operations or otherwise manage growth when and as needed could have a material adverse effect on our business, results of operations and financial condition.

In connection with our pending acquisitions, we have formed multi-disciplinary teams to formulate plans for establishing customer service centers, identifying property, plant and equipment requirements and possible reduction of headends, determining market position and attracting "talented" personnel. Our goals include rapid transition in achieving performance objectives and implementing "best practice" procedures.

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

Cable operators also face significant regulation of their channel capacity. They currently can be required to devote substantial capacity to the carriage of programming that they would not carry voluntarily, including certain local broadcast signals, local public, educational and government access users, and unaffiliated commercial leased access programmers. This carriage burden could increase in the future, particularly if the Federal Communications Commission were to require cable systems to carry both the analog and digital versions of local broadcast signals or if it were to allow unaffiliated internet service providers seeking direct cable access to invoke commercial leased access rights originally devised for video programmers. The Federal Communications Commission is currently conducting proceedings in which it is considering both of these channel usage possibilities.

INTEREST RATE RISK

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

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, 1998 (dollars in thousands):

	EXPECTED MATURITY DATE							FAIR VALUE AT DECEMBER 31, 1998
	1999	2000	2001	2002	2003	THEREAFTER	TOTAL	
DEBT								
Fixed Rate..............	--	--	--	--	--	$ 984,509	$ 984,509	$ 974,327
Average Interest Rate...	--	--	--	--	--	13.5%	13.5%	
Variable Rate...........	$ 87,950	$110,245	$148,950	$393,838	$295,833	$1,497,738	$2,534,554	$2,534,533
Average Interest Rate...	6.0%	6.1%	6.3%	6.5%	7.2%	7.6%	7.2%	
INTEREST RATE INSTRUMENTS								
Variable to Fixed								
Swaps...................	$130,000	$255,000	$180,000	$320,000	$370,000	$ 250,000	$1,505,000	$ (28,977)
Average Pay Rate........	4.9%	6.0%	5.8%	5.5%	5.6%	5.6%	5.6%	
Average Receive Rate....	5.0%	5.0%	5.2%	5.2%	5.4%	5.4%	5.2%	
Caps....................	$ 15,000	--	--	--	--	--	$ 15,000	--
Average Cap Rate........	8.5%	--	--	--	--	--	8.5%	
Collar..................	--	$195,000	$ 85,000	$ 30,000	--	--	$ 310,000	$ (4,174)
Average Cap Rate........	--	7.0%	6.5%	6.5%	--	--	6.8%	
Average Floor Rate......	--	5.0%	5.1%	5.2%	--	--	5.0%	

The notional amounts of interest rate instruments, as presented in the above table, are used to measure interest to be paid or received and do not represent the amount of exposure to credit loss. The estimated fair value approximates the proceeds (costs) to settle the outstanding contracts. Interest rates on variable debt are estimated using the average implied forward LIBOR rates for the year of maturity based on the yield curve in effect at December 31, 1998 plus the borrowing margin in effect for each credit facility at December 31, 1998. While swaps, caps and collars represent an integral part of our interest rate risk management program, their incremental effect on interest expense for the years ended December 31, 1998, 1997, and 1996 was not significant.

In March 1999, substantially all existing long-term debt, excluding borrowings of our previous credit facilities was extinguished, and all previous credit facilities were refinanced with the credit facilities. The following table set forth the fair values and contract terms of the long-term debt maintained by us as of March 31, 1999:

	EXPECTED MATURITY DATE							FAIR VALUE AT MARCH 31, 1999
	1999	2000	2001	2002	2003	THEREAFTER	TOTAL	
DEBT								
Fixed Rate................	--	--	--	--	--	$3,575,000	$3,575,000	$3,004,023
Average Interest Rate.....	--	--	--	--	--	9.0%	9.0%	
Variable Rate.............	--	--	--	$13,125	$17,500	$1,719,375	$1,750,000	$1,750,000
Average Interest Rate.....	--	--	--	5.9%	6.0%	6.4%	6.4%	

Interest rates on variable debt are estimated using the average implied forward LIBOR rates for the year of maturity based on the yield curve in effect at March 31, 1998 plus the borrowing margin in effect for each credit facility at March 31, 1999.

YEAR 2000 ISSUES

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

These problems are expected to increase in frequency and severity as the year 2000 approaches. This issue impacts our owned or licensed computer systems and equipment used in connection with internal operations, including:

- information processing and financial reporting systems;

- customer billing systems;

- customer service systems;

- telecommunication transmission and reception systems; and

- facility systems.

THIRD PARTIES. We also rely directly and indirectly, in the regular course of business, on the proper operation and compatibility of third party systems. The year 2000 problem could cause these systems to fail, err, or become incompatible with our systems.

If we or a significant third party on which we rely fails to become year 2000 ready, or if the year 2000 problem causes our systems to become internally incompatible or incompatible with such third party systems, our business could suffer from material disruptions, including the inability to process transactions, send invoices, accept customer orders or provide customers with our cable services. We could also face similar disruptions if the year 2000 problem causes general widespread problems or an economic crisis. We cannot now estimate the extent of these potential disruptions.

STATE OF READINESS. We are addressing the Year 2000 problem with respect to our internal operations in three stages:

(1) conducting an inventory and evaluation of our systems, components, and other significant infrastructure to identify those elements that reasonably could be expected to be affected by the year 2000 problems. This initiative has been completed;

(2) remediating or replacing equipment that will fail to operate properly in the year 2000. We plan to be finished with the remediation by September 1999; and

(3) testing of the remediation and replacement conducted in stage two. We plan to complete all testing by September 1999.

Much of our assessment efforts in stage one have involved, and depend on, inquiries to third party service providers, who are the suppliers and vendors of various parts or components of our systems. Certain of these third parties that have certified the readiness of their products will not certify their interoperability within our fully integrated systems. We cannot assure you that these technologies of third parties, on which we rely, will be year 2000 ready or timely converted into year 2000 compliant systems compatible with our systems. Moreover, because a full test of our systems, on an integrated basis, would require a complete shut down of our operations, it is not practicable to conduct such testing. However, we are utilizing a third party, in cooperation with other cable operators, to test a "mock-up" of our major billing and plant components, including pay-per-view systems, as an integrated system. We are utilizing another third party to also conduct comprehensive testing on our advertising related scheduling and billing systems. In addition, we are evaluating the potential impact of third party failure and integration failure on our systems.

RISKS AND REASONABLY LIKELY WORST CASE SCENARIOS. The failure to correct a material year 2000 problem could result in system failures leading to a disruption in, or failure of certain normal business activities or operations. Such failures could materially and adversely affect our results of operations, liquidity and financial condition. Due to the general uncertainty inherent in the year 2000 problem, resulting in part from the uncertainty of the year 2000 readiness of third-party suppliers and customers, we are unable to determine at this time whether the consequences of year 2000 failures will have a material impact on our results of operations, liquidity or financial condition. The year 2000 taskforce is expected to significantly reduce our level of uncertainty about the year 2000 problem and, in particular, about the year 2000 compliance and readiness of our material vendors.

We are in the process of acquiring certain cable televisions systems, and have negotiated certain contractual rights in the acquisition agreements relating to the year 2000. We have included the acquired cable television systems in our year 2000 taskforce's plan. We are monitoring the remediation process for systems we are acquiring to ensure completion of remediation before or as we acquire these systems. We have found that these companies are following a three stage process similar to that outlined above and are on a similar time line. We are not currently aware of any likely material system failures relating to the year 2000 affecting the acquired systems.

CONTINGENCY AND BUSINESS CONTINUATION PLAN. The year 2000 plan calls for suitable contingency planning for our at-risk business functions. We normally make contingency plans in order to avoid interrupted service providing video, voice and data products to our customers. The normal contingency planning is being reviewed and will be revised by August 1999, where appropriate, to specifically address year 2000 exposure with respect to service to customers.

COST. We have incurred $4.9 million in costs to date directly related to addressing the year 2000 problem. We have redeployed internal resources and have selectively engaged outside vendors to meet the goals of our year 2000 program. We currently estimate the total cost of our year 2000 remediation program to be approximately $7 million. Although we will continue to make substantial capital expenditures in the ordinary course of meeting our telecommunications system upgrade goals through the year 2000, we will not specifically accelerate those expenditures to facilitate year 2000 readiness, and accordingly those expenditures are not included in the above estimate.

ACCOUNTING STANDARD NOT YET IMPLEMENTED:

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

THE EXCHANGE OFFER

TERMS OF THE EXCHANGE OFFER

GENERAL

We sold the original notes on March 17, 1999 in a transaction exempt from the registration requirements of the Securities Act of 1933. The initial purchasers of the notes subsequently resold the original notes to qualified institutional buyers in reliance on Rule 144A and under Regulation S under the Securities Act of 1933.

In connection with the sale of original notes to the initial purchasers pursuant to the Purchase Agreement, dated March 12, 1999, among us and Goldman, Sachs & Co., Chase Securities Inc., Donaldson, Lufkin & Jenrette Securities Corporation, Bear, Stearns & Co. Inc., NationsBanc Montgomery Securities LLC, Salomon Smith Barney Inc., Credit Lyonnais Securities (USA), Inc., First Union Capital Markets Corp., Prudential Securities Incorporated, TD Securities (USA) Inc., CIBC Oppenheimer Corp. and Nesbitt Burns Securities Inc., the holders of the original notes became entitled to the benefits of the exchange and registration rights agreements dated March 17, 1999, among us and the initial purchasers.

Under the registration rights agreements, the issuers became obligated to file a registration statement in connection with an exchange offer within 90 days after the issue date and cause the exchange offer registration statement to become effective within 150 days after the issue date. The exchange offer being made by this prospectus, if consummated within the required time periods, will satisfy our obligations under the registration rights agreements. This prospectus, together with the letter of transmittal, is being sent to all beneficial holders known to the issuers.

Upon the terms and subject to the conditions set forth in this prospectus and in the accompanying letter of transmittal, the issuers will accept all original notes properly tendered and not withdrawn prior to the expiration date. The issuers will issue $1,000 principal amount of new notes in exchange for each $1,000 principal amount of outstanding original notes accepted in the exchange offer. Holders may tender some or all of their original notes pursuant to the exchange offer.

Based on no-action letters issued by the staff of the Securities and Exchange Commission to third parties we believe that holders of the new notes issued in exchange for original notes may offer for resale, resell and otherwise transfer the new notes, other than any holder that is an affiliate of ours within the meaning of Rule 405 under the Securities Act, without compliance with the registration and prospectus delivery provisions of the Securities Act of 1933. This is true as long as the new notes are acquired in the ordinary course of the holder's business, the holder has no arrangement or understanding with any person to participate in the distribution of the new notes and neither the holder nor any other person is engaging in or intends to engage in a distribution of the new notes. A broker-dealer that acquired original notes directly from the issuers cannot exchange the original notes in the exchange offer. Any holder who tenders in the exchange offer for the purpose of participating in a distribution of the new notes cannot rely on the no-action letters of the staff of the Securities and Exchange Commission and must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction.

Each broker-dealer that receives new notes for its own account in exchange for original notes, where original notes were acquired by such broker-dealer as a result of market-making or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such new notes. See "Plan of Distribution" for additional information.

We shall be deemed to have accepted validly tendered original notes when, as and if we have given oral or written notice of the acceptance of such notes to the exchange agent. The exchange agent will act as agent for the tendering holders of original notes for the purposes of receiving the new notes from the issuers and delivering new notes to such holders.

If any tendered original notes are not accepted for exchange because of an invalid tender or the occurrence of the conditions set forth under "-- Conditions" without waiver by us, certificates for any such unaccepted original notes will be returned, without expense, to the tendering holder of any such original notes as promptly as practicable after the expiration date.

Holders of original notes who tender in the exchange offer will not be required to pay brokerage commissions or fees or, subject to the instructions in the letter of transmittal, transfer taxes with respect to the exchange of original notes, pursuant to the exchange offer. We will pay all charges and expenses, other than certain applicable taxes in connection with the exchange offer. See "-- Fees and Expenses."

SHELF REGISTRATION STATEMENT

Pursuant to the registration rights agreements, if the exchange offer is not completed prior to the date on which the earliest of any of the following events occurs:

(a) applicable interpretations of the staff of the Securities and Exchange Commission do not permit us to effect the exchange offer,

(b) any holder of notes notifies us that either:

(1) such holder is not eligible to participate in the exchange offer, or

(2) such holder participates in the exchange offer and does not receive freely transferable new notes in exchange for tendered original notes, or

(c) the exchange offer is not completed within 180 days after March 17, 1999,

we will, at our cost:

- file a shelf registration statement covering resales of the original notes,
- use our reasonable best efforts to cause the shelf registration statement to be declared effective under the Securities Act of 1933 at the earliest possible time, but no later than 90 days after the time such obligation to file arises, and
- use our reasonable best efforts to keep effective the shelf registration statement until the earlier of two years after the date as of which the Securities and Exchange Commission declares such shelf registration statement effective or the shelf registration otherwise becomes effective, or the time when all of the applicable original notes are no longer outstanding.

If any of the events described occurs, we will refuse to accept any original notes and will return all tendered original notes.

We will, if and when we file the shelf registration statement, provide to each holder of the original notes copies of the prospectus which is a part of the shelf registration statement, notify each holder when the shelf registration statement has become effective and take other actions as are required to permit unrestricted resales of the original notes. A holder that sells original notes pursuant to the shelf registration statement generally must be named as a selling security-holder in the related prospectus and must deliver a prospectus to purchasers, a seller will be subject to civil liability provisions under the Securities Act in connection with these sales. A seller of the original notes also will be bound by applicable provisions of the registration rights agreements, including indemnification obligations. In addition, each holder of original notes must deliver information to be used in connection with the shelf registration statement and provide comments on the shelf registration statement in order to have its original notes included in the shelf registration statement and benefit from the provisions regarding any liquidated damages in the registration rights agreement.

INCREASE IN INTEREST RATE

If we are required to file the shelf registration statement and either

(1) the shelf registration statement has not become effective or been declared effective on or before the 90th calendar day following the date such obligation to file arises, or

(2) the shelf registration statement has been declared effective and such shelf registration statement ceases to be effective, except as specifically permitted in the registration rights agreements, without being succeeded promptly by an additional registration statement filed and declared effective,

the interest rate borne by the original notes will be increased by 0.25% per annum following such default, determined daily, from the date of such default until the date it is cured, and by an additional 0.25% per annum for each subsequent 90-day period. However, in no event will the interest rate borne by the original notes be increased by an aggregate of more than 1.0% per annum.

The sole remedy available to the holders of the original notes will be the immediate increase in the interest rate on the original notes as described above. Any amounts of additional interest due as described above will be payable in cash on the same interest payments dates as the original notes.

EXPIRATION DATE; EXTENSIONS; AMENDMENT

We will keep the exchange offer open for not less than 30 days, or longer if required by applicable law, after the date on which notice of the exchange offer is mailed to the holders of the old notes. The term "expiration date" means the expiration date set forth on the cover page of this prospectus, unless we extend the exchange offer, in which case the term "expiration date" means the latest date to which the exchange offer is extended.

In order to extend the expiration date, we will notify the exchange agent of any extension by oral or written notice and will issue a public announcement of the extension, each prior to 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date.

We reserve the right

(a) to delay accepting any original notes, to extend the exchange offer or to terminate the exchange offer and not accept original notes not previously accepted if any of the conditions set forth under "-- Conditions" shall have occurred and shall not have been waived by us, if permitted to be waived by us, by giving oral or written notice of such delay, extension or termination to the exchange agent, or

(b) to amend the terms of the exchange offer in any manner deemed by us to be advantageous to the holders of the original notes.

Any delay in acceptance, extension, termination or amendment will be followed as promptly as practicable by oral or written notice. If the exchange offer is amended in a manner determined by us to constitute a material change, we promptly will disclose such amendment in a manner reasonably calculated to inform the holders of the original notes of such amendment. Depending upon the significance of the amendment, we may extend the exchange offer if it otherwise would expire during such extension period.

Without limiting the manner in which we may choose to make a public announcement of any extension, amendment or termination of the exchange offer, we will not be obligated to publish, advertise, or otherwise communicate any such announcement, other than by making a timely release to an appropriate news agency.

PROCEDURES FOR TENDERING

To tender in the exchange offer, a holder must complete, sign and date the letter of transmittal, or a facsimile of the letter of transmittal, have the signatures on the letter of transmittal guaranteed if required by instruction 2 of the letter of transmittal, and mail or otherwise deliver such letter of transmittal or such facsimile or an agent's message in connection with a book entry transfer, together with the original notes and any other required documents. To be validly tendered, such documents must reach the exchange agent before 5:00 p.m., New York City time, on the expiration date. Delivery of the original notes may be made by book-entry transfer in accordance with the procedures described below. Confirmation of such book-entry transfer must be received by the exchange agent prior to the expiration date.

The term "agent's message" means a message, transmitted by a book-entry transfer facility to, and received by, the exchange agent, forming a part of a confirmation of a book-entry transfer, which states that such book-entry transfer facility has received an express acknowledgment from the participant in such book-entry transfer facility tendering the original notes that such participant has received and agrees to be bound by the terms of the letter of transmittal and that we may enforce such agreement against such participant.

The tender by a holder of original notes will constitute an agreement between such holder and us in accordance with the terms and subject to the conditions set forth in this prospectus and in the letter of transmittal.

Delivery of all documents must be made to the exchange agent at its address set forth below. Holders may also request their respective brokers, dealers, commercial banks, trust companies or nominees to effect such tender for such holders.

THE METHOD OF DELIVERY OF ORIGINAL NOTES AND THE LETTER OF TRANSMITTAL AND ALL OTHER REQUIRED DOCUMENTS TO THE EXCHANGE AGENT IS AT THE ELECTION AND RISK OF THE HOLDERS. INSTEAD OF DELIVERY BY MAIL, IT IS RECOMMENDED THAT HOLDERS USE AN OVERNIGHT OR HAND DELIVERY SERVICE. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ASSURE TIMELY DELIVERY TO THE EXCHANGE AGENT BEFORE 5:00 P.M. NEW YORK CITY TIME, ON THE EXPIRATION DATE. NO LETTER OF TRANSMITTAL OR ORIGINAL NOTES SHOULD BE SENT TO US.

Only a holder of original notes may tender original notes in the exchange offer. The term "holder" with respect to the exchange offer means any person in whose name original notes are registered on our books or any other person who has obtained a properly completed bond power from the registered holder.

Any beneficial holder whose original notes are registered in the name of its broker, dealer, commercial bank, trust company or other nominee and who wishes to tender should contact such registered holder promptly and instruct such registered holder to tender on its behalf. If such beneficial holder wishes to tender on its own behalf, such registered holder must, prior to completing and executing the letter of transmittal and delivering its original notes, either make appropriate arrangements to register ownership of the original notes in such holder's name or obtain a properly completed bond power from the registered holder. The transfer of record ownership may take considerable time.

Signatures on a letter of transmittal or a notice of withdrawal, must be guaranteed by a member firm of a registered national securities exchange or of the National Association of Securities Dealers, Inc. or a commercial bank or trust company having an office or correspondent in the United States referred to as an "eligible institution", unless the original notes are tendered

(a) by a registered holder who has not completed the box entitled "Special Issuance Instructions" or "Special Delivery Instructions" on the letter of transmittal or

(b) for the account of an eligible institution. In the event that signatures on a letter of transmittal or a notice of withdrawal, are required to be guaranteed, such guarantee must be by an eligible institution.

If the letter of transmittal is signed by a person other than the registered holder of any original notes listed therein, such original notes must be endorsed or accompanied by appropriate bond powers and a proxy which authorizes such person to tender the original notes on behalf of the registered holder, in each case signed as the name of the registered holder or holders appears on the original notes.

If the letter of transmittal or any original notes or bond powers are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, such persons should so indicate when signing, and unless waived by us, evidence satisfactory to us of their authority so to act must be submitted with the letter of transmittal.

All questions as to the validity, form, eligibility, including time of receipt, and withdrawal of the tendered original notes will be determined by us in our sole discretion, which determination will be final and binding. We reserve the absolute right to reject any and all original notes not properly tendered or any original notes our acceptance of which, in the opinion of counsel for us, would be unlawful. We also reserve the right to waive any irregularities or conditions of tender as to particular original notes. Our interpretation of the terms and conditions of the exchange offer, including the instructions in the letter of transmittal, will be final and binding on all parties. Unless waived, any defects or irregularities in connection with tenders of original notes must be cured within such time as we shall determine. None of us, the exchange agent or any other person shall be under any duty to give notification of defects or irregularities with respect to tenders of original notes, nor shall any of them incur any liability for failure to give such notification. Tenders of original notes will not be deemed to have been made until such irregularities have been cured or waived. Any original notes received by the exchange agent that are not properly tendered and as to which the defects or irregularities have not been cured or waived will be returned without cost to such holder by the exchange agent to the tendering holders of original notes, unless otherwise provided in the letter of transmittal, as soon as practicable following the expiration date.

In addition, we reserve the right in our sole discretion to

(a) purchase or make offers for any original notes that remain outstanding subsequent to the expiration date or, as set forth under "-- Conditions," to terminate the exchange offer in accordance with the terms of the registration rights agreements and

(b) to the extent permitted by applicable law, purchase original notes in the open market, in privately negotiated transactions or otherwise. The terms of any such purchases or offers may differ from the terms of the exchange offer.

By tendering, each holder will represent to us that, among other things,

(a) the new notes acquired pursuant to the exchange offer are being obtained in the ordinary course of business of such holder or other person,

(b) neither such holder nor such other person is engaged in or intends to engage in a distribution of the new notes,

(c) neither such holder or other person has any arrangement or understanding with any person to participate in the distribution of such new notes, and

(d) such holder or other person is not our "affiliate," as defined under Rule 405 of the Securities Act, or, if such holder or other person is such an affiliate, will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable.

We understand that the exchange agent will make a request promptly after the date of this prospectus to establish accounts with respect to the original notes at the Depository Trust Company for the purpose of facilitating the exchange offer, and subject to the establishment of such accounts, any financial institution that is a participant in the Depository Trust Company's system may make book-entry delivery of original notes by causing the Depository Trust Company to transfer such original notes into the exchange agent's account with respect to the original notes in accordance with the Depository Trust Company's procedures for such transfer. Although delivery of the original notes may be effected through book-entry transfer into the exchange agent's account at the Depository Trust Company, an appropriate letter of transmittal properly completed and duly executed with any required signature guarantee, or an agent's message in lieu of the letter of transmittal, and all other required documents must in each case be transmitted to and received or confirmed by the exchange agent at its address set forth below on or prior to the expiration date, or, if the guaranteed delivery procedures described below are complied with, within the time period provided under such procedures. Delivery of documents to Depository Trust Company does not constitute delivery to the exchange agent.

GUARANTEED DELIVERY PROCEDURES

Holders who wish to tender their original notes and

(a) whose original notes are not immediately available or

(b) who cannot deliver their original notes, the letter of transmittal or any other required documents to the exchange agent prior to the expiration date, may effect a tender if:

(1) the tender is made through an eligible institution;

(2) prior to the expiration date, the exchange agent receives from such eligible institution a properly completed and duly executed Notice of Guaranteed

Delivery, by facsimile transmission, mail or hand delivery, setting forth the name and address of the holder of the original notes, the certificate number or numbers of such original notes and the principal amount of original notes tendered, stating that the tender is being made thereby, and guaranteeing that, within three business days after the expiration date, the letter of transmittal, or facsimile thereof or agent's message in lieu of the letter of transmittal, together with the certificate(s) representing the original notes to be tendered in proper form for transfer and any other documents required by the letter of transmittal will be deposited by the eligible institution with the exchange agent; and

(3) such properly completed and executed letter of transmittal (or facsimile thereof) together with the certificate(s) representing all tendered original notes in proper form for transfer and all other documents required by the letter of transmittal are received by the exchange agent within three business days after the expiration date.

WITHDRAWAL OF TENDERS

Except as otherwise provided in this prospectus, tenders of original notes may be withdrawn at any time prior to 5:00 p.m., New York City time, on the expiration date, unless previously accepted for exchange in the case where the expiration date has been extended.

To withdraw a tender of original notes in the exchange offer, a written or facsimile transmission notice of withdrawal must be received by the exchange agent at its address set forth in this prospectus prior to 5:00 p.m., New York City time, on the expiration date. Any such notice of withdrawal must:

(a) specify the name of the depositor, who is the person having deposited the original notes to be withdrawn,

(b) identify the original notes to be withdrawn, including the certificate number or numbers and principal amount of such original notes or, in the case of original notes transferred by book-entry transfer, the name and number of the account at Depository Trust Company to be credited,

(c) be signed by the depositor in the same manner as the original signature on the letter of transmittal by which such original notes were tendered, including any required signature guarantees, or be accompanied by documents of transfer sufficient to have the trustee with respect to the original notes register the transfer of such original notes into the name of the depositor withdrawing the tender and

(d) specify the name in which any such original notes are to be registered, if different from that of the depositor. All questions as to the validity, form and eligibility, including time of receipt, of such withdrawal notices will be determined by us, and our determination shall be final and binding on all parties. Any original notes so withdrawn will be deemed not to have been validly tendered for purposes of the exchange offer and no new notes will be issued with respect to the original notes withdrawn unless the original notes so withdrawn are validly retendered. Any original notes which have been tendered but which are not accepted for exchange will be returned to its holder without cost to such holder as soon as practicable after withdrawal, rejection of tender or termination of the exchange offer. Properly withdrawn original notes may be retendered by following one of the procedures described above under "-- Procedures for Tendering" at any time prior to the expiration date.

CONDITIONS

Notwithstanding any other term of the exchange offer, we will not be required to accept for exchange, or exchange, any new notes for any original notes, and may terminate or amend the exchange offer before the expiration date, if the exchange offer violates any applicable law or interpretation by the staff of the Commission.

If we determine in our reasonable discretion that the foregoing condition exists, we may

(1) refuse to accept any original notes and return all tendered original notes to the tendering holders,

(2) extend the exchange offer and retain all original notes tendered prior to the expiration of the exchange offer, subject, however, to the rights of holders who tendered such original notes to withdraw their tendered original notes, or

(3) waive such condition, if permissible, with respect to the exchange offer and accept all properly tendered original notes which have not been withdrawn. If such waiver constitutes a material change to the exchange offer, we will promptly disclose such waiver by means of a prospectus supplement that will be distributed to the holders, and we will extend the exchange offer as required by applicable law.

EXCHANGE AGENT

Harris Trust Company of New York has been appointed as exchange agent for the exchange offer. Questions and requests for assistance and requests for additional copies of this prospectus or of the letter of transmittal should be directed to Harris Trust Company of New York addressed as follows:

For Information by Telephone:
(212) 701-7637

By Hand or Overnight Delivery Service:
Harris Trust Company of New York
Wall Street Plaza
88 Pine Street
19th Floor
New York, New York 10005
Attention: Corporate Trust Department

By Facsimile Transmission:
(212) 701-7624
(Telephone Confirmation)
(212) 701-7637

Harris Trust Company of New York is an affiliate of the trustee under the indentures governing the notes.

FEES AND EXPENSES

We have agreed to bear the expenses of the exchange offer pursuant to the exchange and registration rights agreements. We have not retained any dealer-manager in connection with the exchange offer and will not make any payments to brokers, dealers or others soliciting acceptances of the exchange offer. We, however, will pay the exchange agent reasonable and customary fees for its services and will reimburse it for its reasonable out-of-pocket expenses in connection with providing the services.

The cash expenses to be incurred in connection with the exchange offer will be paid by us. Such expenses include fees and expenses of Harris Trust Company of New York as exchange agent, accounting and legal fees and printing costs, among others.

ACCOUNTING TREATMENT

The new notes will be recorded at the same carrying value as the original notes as reflected in our accounting records on the date of exchange. Accordingly, no gain or loss for accounting purposes will be recognized by us. The expenses of the exchange offer and the unamortized expenses related to the issuance of the original notes will be amortized over the term of the notes.

CONSEQUENCES OF FAILURE TO EXCHANGE

Holders of original notes who are eligible to participate in the exchange offer but who do not tender their original notes will not have any further registration rights, and their original notes will continue to be subject to restrictions on transfer. Accordingly, such original notes may be resold only

- to us, upon redemption of these notes or otherwise,

- so long as the original notes are eligible for resale pursuant to Rule 144A under the Securities Act of 1933, to a person inside the United States whom the seller reasonably believes is a qualified institutional buyer within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A,

- in accordance with Rule 144 under the Securities Act, or under another exemption from the registration requirements of the Securities Act of 1933, and based upon an opinion of counsel reasonably acceptable to us,

- outside the United States to a foreign person in a transaction meeting the requirements of Rule 904 under the Securities Act of 1933, or

- under an effective registration statement under the Securities Act of 1933,

in each case in accordance with any applicable securities laws of any state of the United States.

REGULATORY APPROVALS

We do not believe that the receipt of any material federal or state regulatory approval will be necessary in connection with the exchange offer, other than the effectiveness of the exchange offer registration statement under the Securities Act of 1933.

OTHER

Participation in the exchange offer is voluntary and holders of original notes should carefully consider whether to accept the terms and condition of this exchange offer. Holders of the original notes are urged to consult their financial and tax advisors in making their own decisions on what action to take with respect to the exchange offer.

BUSINESS

GENERAL

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

- basic programming;

- expanded basic programming;

- premium channels; and

- pay-per-view television programming.

As part of our "wired world" vision, we are also beginning to offer an array of new services including:

- digital television;

- high-speed Internet access; and

- interactive video programming.

We are also exploring opportunities in telephony and electronic commerce.

These new products and services will take advantage of the significant bandwidth of our cable systems. We are accelerating the upgrade of our cable systems to more quickly provide these products and services.

As of March 31, 1999, we served approximately 2.3 million cable television service customers in 22 states. We have entered into agreements to acquire additional cable systems that would have increased the number of our customers to 3.7 million as of that date.

For the year ended December 31, 1998, pro forma for our merger with Marcus Holdings and the acquisitions we completed during 1998, our revenues were approximately $1.2 billion, our EBITDA was approximately $562 million and our cash flows from operating activities were approximately $289 million. For the three months ended March 31, 1999, pro forma for our merger with Marcus Holdings and the acquisitions we completed during 1999, our revenues were approximately $331 million, our EBITDA was approximately $150 million and our cash flows from operating activities were approximately $60 million.

Pro forma for our merger with Marcus Holdings and our recent and pending acquisitions, for the year ended December 31, 1998, our revenues would have been approximately $1.7 billion, our EBITDA would have been approximately $750 million and our cash flows from operating activities would have been $351 million. Pro forma for our merger with Marcus Holdings and our recent and pending acquisitions, our revenues would have been $445 million, for the three months ended March 31, 1999, our EBITDA would have been approximately $199 million and our cash flows from operating activities would have been $86 million.

Paul G. Allen, the principal owner of our ultimate parent company and one of the computer industry's visionaries, has long believed in a "wired world" in which cable technology will facilitate the convergence of television, computers and telecommunications. We believe cable's ability to deliver voice, video and data at high speeds will enable it to serve as the primary platform for the delivery of new services to the home and workplace.

BUSINESS STRATEGY

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

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

(1) SYSTEM EVALUATION. We conduct extensive evaluation of each system we are considering acquiring. This process begins prior to reaching an agreement to purchase the system and focuses on the system's:

- business plan;

- customer service standards;

- management capabilities; and

- technological capacity and compatibility.

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

(2) IMPLEMENTATION OF OUR CORE OPERATING STRATEGIES. To achieve high standards for customer satisfaction and financial and operating performance, we:

- attract and retain high quality local management;

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

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

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

- conform billing and customer support systems; and

- share the success of our business among all employees through grants of cash bonuses and stock options.

(3) ONGOING SUPPORT AND MONITORING. We provide local managers with regional and corporate management guidance, marketing and other support for implementation of their business plans. We monitor performance of our acquired cable systems on a frequent basis to ensure that performance goals can be met.

The turn-around in our Fort Worth system, which our management team began to manage in October 1998, is an example of our success in integrating newly acquired cable systems into our operations. We introduced a customer care team to improve customer service and local government relations, and each of our customer service representatives attended a training program. We also conducted extensive training programs for our technical and engineering, dispatch, sales and support, and management personnel. We held a series of sales events and demonstrations to increase customer awareness and enhance our community exposure and reputation. We reduced the new employee hiring process from two to three weeks to three to five days. In the first six months of 1999 compared to the last six months of 1998:

- the average monthly number of calls received by our customer service call center decreased;

- the percentage of calls concerning customer complaints decreased; and

- the percentage of installations requiring follow-up troubleshooting decreased.

OFFER NEW PRODUCTS AND SERVICES. We intend to expand the array of services we offer to our customers to implement our "wired world" vision. Using digital technology, we plan to offer additional channels on our existing service tiers, create new service tiers, introduce multiple packages of premium services and increase the number of pay-per-view channels. We also plan to add digital music services and interactive program guides. In addition to these expanded cable services, we have begun to roll out advanced services, including interactive video programming and high-speed Internet access. We are currently exploring opportunities in telephony, electronic commerce and other interactive services. We have entered into agreements with several providers of high-speed Internet access and other interactive services, including EarthLink Network, Inc., High Speed Access Corp., WorldGate Communications, Inc., Wink Communications, Inc. and At Home Corporation.

UPGRADE THE BANDWIDTH CAPACITY OF OUR SYSTEMS. Over the next three years, we plan to spend approximately $1.2 billion to upgrade to 550 megahertz or greater the bandwidth of the systems we acquire through our pending acquisitions. Upgrading to at least 550 megahertz of bandwidth capacity will allow us to:

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

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

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

As of March 31, 1999, approximately 60% of our customers were served by cable systems with at least 550 megahertz bandwidth capacity, and approximately 35% of our customers had two-way communication capability. By year end 2003, including all recent and pending acquisitions, we expect that approximately 94% of our customers will be served by cable systems with at least 550 megahertz bandwidth capacity and two-way communication capability.

Our planned upgrades will reduce the number of headends from 1,243 in 1999 to 779 in 2003 including our pending acquisitions. Reducing the number of headends will reduce headend equipment and maintenance expenditures and, together with other upgrades, will provide enhanced picture quality and system reliability.

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

EMPLOY INNOVATIVE MARKETING. We have developed and successfully implemented a variety of innovative marketing techniques to attract new customers and increase revenue per customer. Our marketing efforts focus on tailoring Charter branded entertainment and information services that provide value, choice, convenience and quality to our customers. We use demographic "cluster codes" to address specific messages to target audiences through direct mail and telemarketing. In addition, we promote our services on radio, in local newspapers and by door-to-door selling. In many of our systems, we offer discounts to customers who purchase multiple premium services such as Home Box Office or Showtime. We also have a coordinated strategy for retaining customers that includes televised retention advertising to reinforce the link between quality service and the Charter brand name and to encourage customers to purchase higher service levels. We have begun to implement our marketing programs in all of the systems we have recently acquired.

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

- improves our customer service;

- increases our ability to respond to customer needs and programming preferences;

- reduces the need for a large centralized corporate staff;

- fosters good relations with local governmental authorities; and

- strengthens community relations.

Our regional management teams work closely with both local managers and senior management in our corporate office to develop budgets and coordinate marketing, programming, purchasing and engineering activities. Our centralized financial management enables us to set financial and operating benchmarks and monitor them on an ongoing basis. In order to attract and retain high quality managers at the local and regional operating levels, we provide a high degree of operational autonomy and accountability and cash and equity-based compensation. Charter Holdco has adopted a plan to distribute to employees and consultants, including members of corporate management and to key regional and system-level management personnel equity-based incentive compensation based on the equity value of Charter Holdco on a fully-diluted basis.

CONCENTRATE OUR SYSTEMS IN TIGHTER GEOGRAPHICAL CLUSTERS. To improve operating margins and increase operating efficiencies, we seek to improve the geographic clustering of our cable systems by selectively swapping our cable systems for systems of other cable operators or acquiring systems in close proximity to our systems. We believe that by concentrating our systems in clusters, we will be able to generate higher growth in revenues and operating cash flow. Clustering enable us to improve operating efficiencies by consolidating headends and spread fixed costs over a larger subscriber base.

ACQUISITIONS

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

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

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

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

- the technological state of such system; and

- the level of competition within the local market.

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

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

- reduced costs for plant and infrastructure;

- increased leverage for negotiating programming contracts; and

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

See "Description of Certain Indebtedness" for a description of the material debt that we have assumed or intend to assume in connection with our recent and pending acquisitions.

MERGER WITH MARCUS HOLDINGS. On April 7, 1999, the holding company parent of the Marcus companies, Marcus Holdings, merged into Charter Holdings, which was the surviving entity of the merger. The subsidiaries of Marcus Holdings became our subsidiaries. Paul G. Allen had entered into the agreement to purchase the Marcus cable systems in April 1998. During the period of obtaining the requisite regulatory approvals for the transaction, the Marcus systems came under common management with us in October 1998 pursuant to the terms of a management agreement. The Marcus systems continue to be under common management with us.

RECENTLY COMPLETED ACQUISITIONS

AMERICAN CABLE. In April 1999, we purchased American Cable for approximately $240 million. American Cable owns cable systems located in California serving approximately 68,000 customers and is being operated as part of our Western region. For the three months ended March 31, 1999, American Cable had revenues of approximately $9.2 million, EBITDA of approximately $4.2 million and cash flows from operating activities of approximately $2.7 million. For the year ended December 31, 1998, American Cable had revenues of approximately $15.7 million, EBITDA of approximately $7.8 million and cash flows from operating activities of approximately $4.7 million. At year end 1998, none of the American Cable system's customers were served by systems with at least 550 megahertz bandwidth capacity or greater.

RENAISSANCE. In April 1999, we purchased Renaissance for approximately $459 million, consisting of $348 million in cash and $111 million of debt to be assumed. See "Description of Certain Indebtedness." We recently completed a tender offer for this publicly held debt. Holders of notes representing 27% of the outstanding principal amount of notes tendered their notes. Renaissance owns cable systems located in Louisiana, Mississippi and Tennessee, has approximately 132,000 customers and is being operated as part of our Southern region. For the three months ended March 31, 1999, Renaissance had revenues of approximately $15.3 million, EBITDA of approximately $8.4 million and cash flows from operating activities of approximately $5.4 million. For the year ended December 31, 1998, Renaissance had revenues of approximately $41.5 million, EBITDA of approximately $20.6 million and cash flows from operating activities of approximately $22.7 million. At year end 1998, approximately 36% of Renaissance's customers were served by systems with at least 550 megahertz bandwidth capacity.

GREATER MEDIA SYSTEMS. In June 1999, we purchased certain cable systems of Greater Media for approximately $500 million. The Greater Media systems are located in Massachusetts, have approximately 174,000 customers and are being operated as part of our Northeast Region. For the three months ended March 31, 1999, the Greater Media systems had revenues of approximately $20.4 million, EBITDA of approximately $7.6 million and cash flows from operating activities of approximately $5.8 million. For the year ended December 31, 1998, the Greater Media systems had revenues of approximately $78.6 million, EBITDA of approximately $29.3 million and cash flows from operating activities of approximately $31.9 million. At year end 1998, approximately 75% of the Greater Media systems customers were served by systems with at least 550 megahertz bandwidth capacity.

PENDING ACQUISITIONS

HELICON. In March 1999, two of our subsidiaries entered into an agreement to acquire Helicon and affiliates for approximately $550 million, consisting of $410 million in cash, $115 million of debt to be assumed, and $25 million payable in the form of preferred limited liability company interests. Upon completion of an initial public offering by one of our affiliates, such limited liability company interests will be convertible into equity of such affiliate. Helicon owns cable systems located in Alabama, Georgia, New Hampshire, North Carolina, West Virginia, South Carolina, Tennessee, Pennsylvania, Louisiana and Vermont, has approximately 172,000 customers and will be operated as part of our Southeast, Southern and Northeast regions. For the three months ended March 31, 1999, Helicon had revenues of approximately $21.3 million, EBITDA of approximately $8.9 million and cash flows from operating activities of approximately $4.1 million. For the year ended December 31, 1998, Helicon had revenues of approximately $75.6 million, EBITDA of approximately $32.0 million and cash flows from operating activities of approximately $7.1 million. At year end 1998, approximately 69% of Helicon's customers were served by systems with at least 550 megahertz bandwidth capacity. Following regulatory approvals, we anticipate that this transaction will close during the third quarter of 1999. Within 45 days of our acquisition of Helicon, we will be required to make an offer to repurchase the Helicon notes at a price equal to 101% of their principal amount, plus accrued interest, to the date of the purchase.

INTERMEDIA SYSTEMS. In April 1999, two of our subsidiaries, Charter Communications, LLC, and Charter Communications Properties LLC, entered into agreements to purchase certain cable systems of InterMedia in exchange for cash in the amount of $873 and certain of our cable systems. The InterMedia systems serve approximately 408,000 customers in North Carolina, South Carolina, Georgia and Tennessee. As part of this transaction, we will "swap" some of our non-strategic cable systems serving approximately 142,000 customer located in Indiana, Montana, Utah and northern Kentucky. The purchase price of the InterMedia systems, net of the "swap," is approximately $872.7 million. This transaction will result in a net increase of 266,000 customers concentrated in our Southeast and Southern regions. For the three months ended March 31, 1999, the InterMedia systems had revenues of approximately $48.3 million, EBITDA of approximately $21.5 million and cash flows from operating activities of approximately $21.0 million. For the year ended December 31, 1998, the InterMedia systems had revenues of approximately $176.1 million, EBITDA of approximately $109.5 million and cash flows from operating activities of approximately $83.2 million. At year end 1998, approximately 79% of these customers were served by systems with at least 550 megahertz bandwidth capacity. Following regulatory approvals, we anticipate that acquisition of the InterMedia systems will close during the third or fourth quarter of 1999.

RIFKIN. In April 1999, Charter Investment entered into agreements to purchase Rifkin for a purchase price of approximately $1.5 billion in cash and assumed debt. Charter Investment has assigned its rights under such agreements to our subsidiary, Charter Operating. Certain sellers under the agreements could elect to receive some or all of their pro rata portion of the purchase price in the form of preferred or common equity of Charter Holdings or, if mutually agreed to by the parties, of a parent of Charter Holdings. Depending on the level of seller interest, this equity, if issued, would be valued between approximately $25 million and $240 million. The cash portion of the purchase price would be reduced accordingly. However, because such terms have not been finalized, and seller participation has not been determined, we cannot be certain that any such equity will be issued or that the cash portion of the purchase price will be reduced below $1.46 billion. Rifkin owns cable systems primarily in Florida, Georgia, Illinois, Indiana, Tennessee, Virginia and West Virginia serving approximately 463,000 customers. For the three months ended March 31, 1999, Rifkin had revenues of approximately $50.9 million, EBITDA of approximately $19.2 million and cash flows used in operating activities of approximately $0.6 million. For the year ended December 31, 1998, Rifkin had revenues of approximately $124.4 million, EBITDA of approximately $101.4 million and cash flows from operating activities of approximately 40.4 million. At year end 1998, approximately 36% of Rifkin's customers were served by systems with at least 550 megahertz bandwidth capacity. Following regulatory approvals, we anticipate that this transaction will close during the third or fourth quarter of 1999.

OTHER ACQUISITIONS. In addition to the acquisitions described above, Charter Investment and Charter Communications, LLC have entered into definitive agreements for Charter Operating to purchase Vista Broadband Communications, LLC and certain cable assets of Cable Satellite of South Miami, Inc. These cable systems are located in southern California, Georgia and southern Florida, and serve a total of approximately 36,000 customers. The total purchase price for these other acquisitions is approximately $148 million. For the three months ended March 31, 1999, these systems to be acquired had revenues of approximately $3.4 million, EBITDA of approximately $1.8 million and cash flows from operating activities of approximately $1.5 million. For the year ended December 31, 1998, the cable systems to be acquired in connection with these other acquisitions had revenues of $9.3 million, EBITDA of approximately $4.7 million and cash flows from operating activities of approximately $4.1 million.

OUR CABLE SYSTEMS

As of March 31, 1999, the systems we currently own consisted of approximately 65,900 miles of coaxial and approximately 8,500 sheath miles of fiber optic cable passing approximately 4.0 million households and serving approximately 2.3 million customers. As of March 31, 1999, approximately 60% of our customers are served by systems with at least 550 megahertz bandwidth capacity, approximately 40% have at least 750 megahertz bandwidth capacity and approximately 35% are served by systems capable of providing two-way interactive communication capability, such as two-way Internet connections, Wink services and interactive program guides. These amounts do not reflect the impact of our recent or pending acquisitions.

CORPORATE MANAGEMENT. We are managed from the corporate offices of Charter Investment in St. Louis, Missouri. The senior management of Charter Investment at these offices consist of approximately 175 people led by Jerald L. Kent. They are responsible for coordinating and overseeing our operations, including certain critical functions such as marketing and engineering, that are conducted by personnel at the regional and local system level. The corporate office also performs certain financial control functions such as accounting, finance and acquisitions, payroll and benefit administration, internal audit, purchasing and programming contract administration on a centralized basis.

OPERATING REGIONS. To manage and operate our systems, we have established two divisions that contain a total of seven operating regions: Western; Central; MetroPlex (Dallas/Fort Worth); North Central; Northeast; Southeast; and Southern. Each region is managed by a team consisting of a Senior Vice President or a Vice President, supported by operational, marketing and engineering personnel. Each of the two divisions is managed by a Senior Vice President who reports directly to Mr. Kent and is responsible for overall supervision of the operating regions within. Within each region, certain groups of cable systems are further organized into clusters. We believe that much of our success is attributable to our operating philosophy which emphasizes decentralized management, with decisions being made as close to the customer as possible.

The following table provides an overview of selected technical, operating and financial data for each of our operating regions for the three months ended March 31, 1999. The following table does not reflect the impact of our recent or pending acquisitions. Upon completion of our recent and pending acquisitions, our systems will pass approximately 6.1 million homes serving approximately 3.7 million customers.

SELECTED TECHNICAL, OPERATING AND FINANCIAL DATA BY OPERATING REGION
FOR THE THREE MONTHS ENDED MARCH 31, 1999

	WESTERN	CENTRAL	METROPLEX	NORTH CENTRAL	NORTHEAST	SOUTHEAST	SOUTHERN	TOTAL
TECHNICAL DATA:								
Miles of coaxial cable........	7,500	8,800	5,700	10,000	4,600	16,700	12,600	65,900
Density(a)....................	131	65	77	62	31	40	38	59
Headends......................	21	34	16	86	7	60	59	283
Planned headend eliminations................	3	3	1	30	0	11	8	56
Plant bandwidth(b):								
450 megahertz or less.........	21.9%	53.7%	28.0%	41.9%	51.2%	37.9%	58.2%	42.7%
550 megahertz.................	8.0%	10.2%	14.4%	12.9%	33.5%	25.6%	13.8%	16.9%
750 megahertz or greater......	70.1%	36.1%	57.6%	45.2%	15.4%	36.5%	28.0%	40.4%
Two-way capability............	55.6%	45.5%	62.2%	56.2%	15.4%	15.5%	19.8%	35.1%
OPERATING DATA:								
Homes passed..................	993,000	592,000	486,000	603,000	148,000	648,000	507,000	3,977,000
Basic customers...............	502,000	363,000	186,000	399,000	124,000	451,000	319,000	2,344,000
Basic penetration(c)..........	50.6%	61.3%	38.3%	66.2%	83.8%	69.6%	62.9%	58.9%
Premium units.................	316,000	203,000	133,000	146,000	118,000	254,000	152,000	1,322,000
Premium penetration(d)........	62.9%	55.9%	71.5%	36.6%	95.2%	56.3%	47.6%	56.4%
FINANCIAL DATA:								
Revenues, in millions(e)......	$65.7	$47.9	$25.6	$44.6	$15.9	$49.2	$37.2	$286.1
Average monthly total revenue per customer(f).............	$43.63	$43.99	$45.88	$37.26	$42.74	$36.36	$38.87	$40.69

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(a) Represents homes passed divided by miles of coaxial cable.

(b) Represents percentage of basic customers within a region served by the indicated plant bandwidth.

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

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

(e) Gives effect to all acquisitions and dispositions as if they had occurred on January 1, 1999. See "Unaudited Pro Forma Financial Statement and Operating Data."

(f) Represents total revenues divided by three divided by the number of customers at period end.

WESTERN REGION. The Western region consists of cable systems serving approximately 502,000 customers located entirely in the state of California, with approximately 401,000 customers located within the Los Angeles metropolitan area. These customers reside primarily in the communities of Pasadena, Alhambra, Glendale, Long Beach and Riverside. We also have approximately 101,000 customers in central California, principally located in the communities of San Luis Obispo, West Sacramento and Turlock. The Western region will also be responsible for managing the approximately 68,000 customers associated with the recent acquisition of American Cable and 4,000 customers associated with the pending acquisition of Rifkin. According to National Decision Systems, the projected median household growth in the counties currently served by the region's systems is 5.2% for the period ending 2003, which the projected U.S. median household growth for the same period.

The Western region's cable systems have been significantly upgraded with approximately 78% of the region's customers served by cable systems with at least 550 megahertz bandwidth capacity as of March 31, 1999. The planned upgrade of the Western region's cable systems will reduce the number of headends from 21 to 18 by December 31, 2001. We expect that by December 31, 2001, 99% of this region's customers will be served by systems with at least 550 megahertz bandwidth capacity with two-way communication capability.

CENTRAL REGION. The Central region consists of cable systems serving approximately 363,000 customers of which approximately 246,000 customers reside in and around St. Louis County or in adjacent areas in Illinois, and over 94% are served by two headends. The remaining approximately 117,000 of these customers reside in Indiana, and these systems are primarily classic cable systems serving small to medium-sized communities. The Indiana systems will be "swapped" as part of the InterMedia transaction. See "-- Recent Events." The Central region will also be responsible for managing approximately 112,000 customers associated with the pending acquisition of Rifkin. According to National Decision Systems, the projected median household growth in the counties currently served by the region's systems is 4.7% for the period ending 2003, versus the projected U.S. median household growth of 5.2% for the same period.

At March 31, 1999, approximately 46% of the Central region's customers were served by cable systems with at least 550 megahertz bandwidth capacity. The majority of the cable plants in the Illinois systems have been upgraded to 750 megahertz bandwidth capacity. The planned upgrade of the Central region's cable systems will reduce the number of headends from 34 to 31 by December 31, 2001. We have begun a three-year project, scheduled for completion in 2001, to upgrade the cable plant in St. Louis County, serving approximately 175,000 customers, to 870 megahertz bandwidth capability. We expect that by December 31, 2001, approximately 89% of this region's customers will be served by cable systems with at least 550 megahertz bandwidth capacity with two-way communication capability.

METROPLEX REGION. The MetroPlex region consists of cable systems serving approximately 186,000 customers of which approximately 129,000 are served by the Fort Worth system. The systems in this region serve one of the fastest growing areas of Texas. The anticipated population growth combined with the existing low basic penetration rate of approximately 43% offers significant potential to increase the total number of customers and the associated revenue and cash flow in this region. According to National Decision Systems, the projected median household growth in the counties served by the region's systems is 8.4% for the period ending 2003, versus the projected U.S. median household growth of 5.2% for the same period.

The MetroPlex region's cable systems have been significantly upgraded with approximately 72% of the region's customers served by cable systems with at least 550 megahertz bandwidth capacity as of March 31, 1999. In 1997, we began to upgrade the Fort Worth system to 870 megahertz of bandwidth capacity. We expect to complete this project during 1999. The planned upgrade of the MetroPlex region's cable systems will reduce the number of headends from 16 to 15 by December 31, 2001. We expect that by December 31, 2001, approximately 98% of this region's customers will be served by cable systems with at least 550 megahertz bandwidth capacity with two-way communication capability.

NORTH CENTRAL REGION. The North Central region consists of cable systems serving approximately 399,000 customers. These customers are primarily located throughout the state of Wisconsin, along with a small system of approximately 27,000 customers in Rosemont, Minnesota, a suburb of Minneapolis. Within the state of Wisconsin, the four largest operating clusters are located in and around Eau Claire, Fond du Lac, Janesville and Wausau. According to National Decision Systems, the projected median household growth in the counties served by the region's systems is 5.4% for the period ending 2003, versus the projected U.S. median household growth of 5.2% for the same period.

At March 31, 1999, approximately 31.8% of the North Central region's customers were served by cable systems with at least 550 megahertz bandwidth capacity. The planned upgrade of the North Central region's cable systems will reduce the number of headends from 86 to 56 by December 31, 2001. We plan to rebuild much of the region's cable plant, and expect that by December 31, 2001, approximately 93% of this region's customers will be served by cable systems with capacity between 550 megahertz and 750 megahertz of bandwidth capacity with two-way communication capability.

NORTHEAST REGION. The Northeast region consists of cable systems serving approximately 124,000 customers residing in the states of Connecticut and Massachusetts. These systems serve the communities of Newtown and Willimantic, Connecticut, and areas in and around Pepperell, Massachusetts, and are included in the New York, Hartford, and Boston areas of demographic influence. The Northeast region will be responsible for managing the approximately 170,000 customers associated with the recent acquisition of cable systems from Greater Media and approximately 56,000 customers associated with the pending acquisition of Helicon. According to National Decision Systems, the projected median household growth in the counties currently served by the region's systems is 3.7% for the period ending 2003, versus the projected U.S. median household growth of 5.2% for the same period.

At March 31, 1999, approximately 49% of the Northeast region's customers were served by cable systems with at least 550 megahertz of bandwidth capacity. We have begun to rebuild this region's cable plant, and expect that by December 31, 2001, all of this region's customers will be served by cable systems with at least 750 megahertz bandwidth capacity with two-way communication capability.

SOUTHEAST REGION. The Southeast region consists of cable systems serving approximately 451,000 customers residing primarily in small to medium-sized communities in North Carolina, South Carolina, Georgia and eastern Tennessee. There are significant clusters of cable systems in and around the cities and counties of Greenville/Spartanburg, South Carolina; Hickory and Asheville, North Carolina; Henry County, Georgia, a suburb of Atlanta; and Johnson City, Tennessee. These areas have experienced rapid population growth over the past few years, contributing to the high rate of internal customer growth for these systems. According to National Decision Systems, the projected median household growth in the counties currently served by the region's systems is 6.9% for the period ending 2003, versus the projected U.S. median household growth of 5.2% for the same period. In addition, the Southeast region will be responsible for managing an aggregate of 541,000 customers associated with the Helicon, InterMedia, Rifkin, Vista and Cable Satellite acquisitions.

At March 31, 1999, approximately 62% of the Southeast region's customers were served by cable systems with at least 550 megahertz bandwidth capacity. The planned upgrade of the Southeast region's cable systems will reduce the number of headends from 60 to 49 by December 31, 2001. The rebuild program for this region is anticipated to result in approximately 94% of this region's customer base being served by December 31, 2001 served by cable systems with at least 550 megahertz bandwidth capacity with two-way communication capability.

SOUTHERN REGION. The Southern region consists of cable systems serving approximately 319,000 customers located primarily in the states of Louisiana, Alabama, Kentucky, Mississippi and central Tennessee. In addition, the Southern region includes systems in Kansas, Colorado, Utah and Montana. The Southern region has significant clusters of cable systems in and around the cities of Birmingham, Alabama; Nashville, Tennessee; and New Orleans, Louisiana. According to National Decision Systems, the projected median household growth in the counties currently served by the region's systems is 6.3% for the period ending 2003, versus the projected U.S. median household growth of 5.2% for the same period. In addition, the Southern region will be responsible for managing an aggregate of 335,000 customers associated with the Helicon, InterMedia and Rifkin acquisitions.

At March 31, 1999, approximately 42% of the Southern region's customers were served by cable systems with at least 550 megahertz bandwidth capacity. The planned upgrade of the Southeast region's cable systems will reduce the number of headends from 59 to 51 by December 31, 2001. The rebuild program for this region is anticipated to result in approximately 75% of this region's customer base being served by December 31, 2001 by cable systems with at least 550 megahertz bandwidth capacity with two-way communication capability.

PLANT AND TECHNOLOGY OVERVIEW. We have engaged in an aggressive program to upgrade our existing cable plant over the next three years. As such, we intend to invest approximately $1.8 billion through December 31, 2001, with approximately one-half of that amount used to rebuild and upgrade our existing cable plant. The remaining capital will be spent on plant extensions, new services, converters and system maintenance.

The following table describes the current technological state of our systems and the anticipated progress of planned upgrades through 2001, based on the percentage of our customers who will have access to the bandwidth and other features shown:

	LESS THAN 550 MEGAHERTZ	550 MEGAHERTZ	750 MEGAHERTZ OR GREATER	TWO-WAY CAPABILITY
March 31, 1999.............	42.7%	16.9%	40.4%	35.1%
December 31, 1999..........	23.9%	20.1%	56.0%	65.2%
December 31, 2000..........	12.9%	22.2%	64.9%	81.4%
December 31, 2001..........	7.7%	21.5%	70.8%	91.8%

We have adopted the hybrid fiber optic/coaxial architecture, referred to as the HFC architecture, as the standard for our ongoing systems upgrades. The HFC architecture combines the use of fiber optic cable, which can carry hundreds of video, data and voice channels over extended distances, with coaxial cable, which requires a more extensive signal amplification in order to obtain the desired transmission levels for delivering channels. In most systems, we connect fiber optic cable to individual nodes serving an average of 800 homes or commercial buildings. We believe that this network design provides high capacity and superior signal quality, and will enable us to provide the newest forms of telecommunications services to our customers. The primary advantages of HFC architecture over traditional coaxial cable networks include:

- increased channel capacity of cable systems;

- reduced number of amplifiers needed to deliver signals from the headend to the home, resulting in improved signal quality and reliability;

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

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

The HFC architecture will enable us to offer new and enhanced services, including additional channels and tiers, expanded pay-per-view options, high-speed Internet access, wide area network, which permits a network of computers to be connected together beyond an area, point-to-point data services, which can switch data links from one point to another, and digital advertising insertion. The upgrades will facilitate our new services in two primary ways:

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

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

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

PRODUCTS AND SERVICES

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

TRADITIONAL CABLE TELEVISION SERVICES. Approximately 88% of our customers subscribe to both "basic" and "expanded basic" service and generally, receive a line-up of between 33 to 85 channels of television programming, depending on the bandwidth capacity of the system. Customers who pay additional amounts can also subscribe for additional channels, either individually or in packages of several channels, as add-ons to the basic channels. About 29% of our customers subscribe for premium channels, with additional customers subscribing for other special add-on packages. We tailor both our basic line-up and our additional channel offerings to each system in response to demographics, programming preferences, competition, price sensitivity and local regulation.

Our traditional cable television service offerings include the following:

- BASIC CABLE. All of our customers receive basic cable services, which generally consist of local broadcast television, local community programming, including governmental and public access, and limited satellite programming. As of March 31, 1999, the average monthly fee was $11.07 for basic service.

- EXPANDED BASIC CABLE. This expanded tier includes a group of satellite-delivered or non-broadcast channels, such as Entertainment and Sports Programming Network (ESPN), Cable News Network (CNN) and Lifetime Television in addition to the basic channel line. As of March 31, 1999, the average monthly fee was $18.80 for expanded basic service.

- PREMIUM CHANNELS. These channels provide unedited, commercial-free movies, sports and other special event entertainment programming. Home Box Office, Cinemax and Showtime are typical examples. We offer subscriptions to these channels either individually or in premium channel packages. As of March 31, 1999, the average monthly fee was $6.47 per premium subscription.

- PAY-PER-VIEW. These channels allow customers to pay to view a single showing of a recently released movie, a one-time special sporting event or music concerts on an unedited, commercial-free basis. We currently charge a fee that ranges from $3 to $9 for movies. For special events, such as championship boxing matches, we have charged a fee of up to $49.99.

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

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

- digital television and its related enhancements,

- high-speed Internet access, through television set-top converter boxes, cable modems installed in personal computers and traditional telephone Internet access,

- interactive services, such as Wink, and

- Internet protocol telephony and data transmission services.

We believe that we are well positioned to compete with other providers of these services due to the high bandwidth of cable technology and our ability to access homes and businesses.

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

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

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

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

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

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

As part of our current pricing strategy for digital services, we have established a retail rate of $4.95 to $8.95 per month for the digital set-top converter and the delivery of "multiplexes" of premium services, additional pay-per-view channels, digital music and an electronic programming guide. Certain of our systems also offer additional basic and expanded basic tiers of service. These tiers of services retail for $6.95 per month. As of March 31, 1999, we had in excess of 3,000 customers subscribing to digital services offered by eight of our cable systems, which serve approximately 318,000 basic cable customers. By December 31, 1999, we anticipate that approximately 734,000 of our customers will be served by cable systems capable of delivering digital services.

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

(1) through cable modems attached to personal computers, either directly or through an outsourcing contract with an Internet service provider, and

(2) through television access, using a service such as WorldGate.

We also provide Internet access through traditional dial-up telephone modems, using a service provider such as High Speed Access. The principal advantage of cable Internet connections is the high speed of data transfer over a cable system. We currently offer these services to our residential customers over coaxial cable at speeds that can range up to approximately 50 times the speed of a conventional 28.8 kilobits per second telephone modem. Furthermore, a two-way communication cable system using the HFC architecture can support the entire connection at cable modem speeds without any need for a separate telephone line. If the cable system only supports one-way signals from the headend to the customer, the customer must use a separate telephone line to send signals to the provider, although such customer still receives the benefit of high speed cable access when downloading information, which is the primary reason for using cable as an Internet connection. In addition to Internet access over our traditional coaxial cable system, we also provide our commercial customers fiber optic cable access at a price that we believe is generally 20% lower than the price offered by the telephone companies.

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

We currently offer cable modem-based Internet access services in Lanett, Alabama; Los Angeles and Riverside, California; Newtown, Connecticut; Newnan, Georgia; St. Louis, Missouri; Fort Worth, Texas; and Eau Claire, Wisconsin. As of March 31, 1999, we provided Internet access service to approximately 9,300 homes and 130 businesses. The following table indicates the historical and projected availability of Internet access services to our existing customer base as of the dates indicated. These numbers reflect the number of our customers who have access to these services provided through us.

The percentage of these customers who have subscribed for these services is currently a small percentage.

	BASIC CUSTOMERS WITH ADVANCED SERVICES AVAILABLE AS OF	
	MARCH 31, 1999	DECEMBER 31, 1999 (PROJECTED)
High-speed internet access via cable modems:		
EarthLink/Charter Pipeline	413,000	740,000
High Speed Access	15,000	640,000
At Home	131,000	154,000
Total cable modems	559,000	1,534,000
Internet Access via WorldGate	230,000	854,000

- CABLE MODEM-BASED INTERNET ACCESS. Generally, we offer Internet access through cable modems to our customers in systems that have been upgraded to at least 550 megahertz bandwidth capacity. We have an agreement with EarthLink, an independent Internet service provider, to provide as a private label service Charter Pipeline(TM), which is a cable modem-based, high-speed Internet access service we offer. We currently charge a monthly usage fee of between $24.95 and $34.95. Our customers have the option to lease a cable modem for $10 to $15 a month or to purchase a modem for between $300 and $400. As of March 31, 1999, we offered EarthLink Internet access to approximately 421,000 of our homes passed and have approximately 5,300 customers.

We have a relationship with High Speed Access to offer Internet access in some of our smaller systems. High Speed Access also provides Internet access services to our customers under the Charter Pipeline(TM) brand name. Although the Internet access service is provided by High Speed Access, the Internet "domain name" of our customer's e-mail address and web site, if any, is "Charter.net," allowing the customer to switch or expand to our other Internet services without a change of e-mail address. High Speed Access provides turnkey service, bears all capital, operating and marketing costs of providing the service, and seeks to build economies of scale in our smaller systems that we cannot efficiently build ourselves by simultaneously contracting to provide the same services to other small geographically contiguous systems. We receive 50% of the monthly $39.95 service fee. As of March 31, 1999, High Speed Access offers Internet access to approximately 225,000 of our homes passed and approximately 3,000 customers have signed up for the service. During 1999, High Speed Access plans to launch this service in an additional 29 systems, covering approximately 415,000 additional homes passed. Vulcan Ventures, Inc., a company controlled by Paul G. Allen, has an equity investment in High Speed Access. See "Certain Relationships and Related Transactions."

We also have a revenue sharing agreement with At Home, under which At Home currently provides Internet service to customers in our systems serving Fort Worth, University Park and Highland Park, Texas. The At Home network provides high-speed, cable modem-based Internet access using the cable infrastructure. As of March 31, 1999, we offered At Home Internet service to approximately 140,000 of our homes passed and have approximately 2,000 customers.

As of March 31, 1999, we provided Internet access to approximately 100 commercial customers. We actively market our cable modem service to businesses in every one of our systems where we have the capability to offer such service. Our marketing efforts are often door-to-door, and we have established a separate division whose function is to make businesses aware that this type of Internet access is available through us. We also provide several virtual local area networks, or LANs, established for municipal and educational facilities, including Cal Tech, the City of Pasadena and the City of West Covina in our Los Angeles cluster.

- TV-BASED INTERNET ACCESS THROUGH WORLDGATE. We have a non-exclusive agreement with WorldGate to provide its TV-based e-mail and Internet access to our cable customers. WorldGate's technology is only available to cable systems with two-way capability. WorldGate offers easy, low-cost Internet access to customers at connection speeds ranging up to 128 kilobits per second. For a monthly fee, we provide our customers e-mail and Internet access without using a PC, obtaining an additional telephone line or tying up an existing line, or purchasing any additional equipment. Instead, the customer accesses the Internet through the set-top box, which the customer already has on his television set, and a wireless keyboard, that is provided with the service, which interfaces with the box. WorldGate works on both advanced analog and digital platforms and, therefore, can be installed utilizing the analog converters already deployed. In contrast, other converter-based, non-PC Internet access products require a digital platform and a digital converter prior to installation.

Customers who opt for television-based Internet access are generally first-time users who prefer this more user-friendly interface. Of these users, 41% use WorldGate at least once a day, and 77% use it at least once a week. Although the WorldGate service bears the WorldGate brand name, the Internet "domain name" of the customers who use this service is "Charter.net." This allows the customer to switch or expand to our other Internet services without a change of e-mail address.

We first offered WorldGate to customers on the upgraded portion of our systems in St. Louis in April 1998. We are also currently offering this service in our systems in Logan, Utah, Maryville, Illinois and Newtown, Connecticut, and plan to introduce it in eight additional systems by December 31, 1999. Charter Investment owns a minority interest in WorldGate. See "Certain Relationships and Related Transactions." As of March 31, 1999, we provided WorldGate Internet service to approximately 1,800 customers.

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

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

ELECTRONIC COMMERCE. International Data Corp. estimates that commerce over the Internet will increase from approximately $1 trillion worldwide in 2003. Forrester Research estimates that the number of on-line shoppers will increase from 8.7 million U.S. households in 1998 to 40.3 million in 2003. We expect to receive commissions and referral fees from Wink and other companies that sell products and services through our systems.

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

MISCELLANEOUS SERVICES. We also offer paging services to our customers in certain markets. As of March 31, 1999, we had approximately 9,300 paging customers. We also lease our fiber-optic cable plant and equipment to commercial and non-commercial users of data and voice telecommunications services.

CUSTOMER SERVICE AND COMMUNITY RELATIONS

Providing a high level of service to our customers has been a central driver of our historical success. Our emphasis on system reliability, engineering support and superior customer satisfaction is key to our management philosophy. In support of our commitment to customer satisfaction, we operate a 24-hour customer service hotline in most systems and offer on-time installation and service guarantees. It is our policy that if an installer is late for a scheduled appointment the customer receives free installation, and if a service technician is late for a service call the customer receives a $20 credit. Our on-time service call rate was 99.8% in 1997, and 99.7% in 1998.

As of March 31, 1999, we maintained eight call centers located in our seven regions, which are responsible for handling call volume for more than 58% of our customers. They are staffed with dedicated personnel who provide service to our customers 24 hours a day, seven days a week. We believe operating regional call centers allows us to provide "localized" service, which also reduces overhead costs and improves customer service. We have invested significantly in both personnel and in equipment to ensure that these call centers are professionally managed and employ state-of-the-art technology. We also maintain approximately 143 field offices, and employ approximately 1,200 customer service representatives throughout the systems. Our customer service representatives receive extensive training to develop customer contact skills and product knowledge critical to successful sales and high rates of customer retention. We have approximately 2,300 technical employees who are encouraged to enroll in courses and attend regularly scheduled on-site seminars conducted by equipment manufacturers to keep pace with the latest technological developments in the cable television industry. We utilize surveys, focus groups and other research tools as part of our efforts to determine and respond to customer needs. We believe that all of this improves the overall quality of our services and the reliability of our systems, resulting in fewer service calls from customers.

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

SALES AND MARKETING

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

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

- - increase the number of rooms per household with cable;

- - introduce new cable products and services;

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

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

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

- - deepen the penetration of the advanced digital platform within the home;

- - target households based on demographic data;

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

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

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

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

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

Our marketing professionals have also received numerous industry awards within the last two years, including the Cable and Telecommunication Association of Marketers' awards for consumer research and best advertising and marketing programs.

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

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

PROGRAMMING SUPPLY

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

PROGRAMMING SOURCES. We obtain basic and premium programming from a number of suppliers, usually pursuant to a written contract. We obtain approximately 50% of our programming through contracts entered into directly with a programming supplier. We obtain the rest of our programming through TeleSynergy, Inc. which offers its partners contract benefits in buying programming by virtue of volume discounts available to a larger buying base. Programming tends to be made available to us for a flat fee per customer. However, some channels are available without cost to us. In connection with the launch of a new channel, we may receive a distribution fee to support the channel launch, a portion of which is applied to marketing expenses associated with the channel launch. The amounts we receive in distribution fees are not significant. For home shopping channels, we may receive a percentage of the amount spent in home shopping purchases by our customers on channels we carry. In 1998, pro forma for our merger with Marcus Holdings such revenues totalled approximately $5 million.

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

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

- system acquisitions;

- additional programming being provided to customers;

- increased cost to produce or purchase cable programming; and

- inflationary increases.

The combined programming cost of Charter Holdings, CCA Group and CharterComm Holdings were equal to approximately 21% of revenues in 1998. In every year we have operated, our costs to acquire programming have exceeded customary inflationary and cost-of-living type increases. Sports programming costs have increased significantly over the past several years. In addition, contracts to purchase sports programming sometimes contain built-in cost increases for programming added during the term of the contract which we may or may not have the option to add to our service offerings.

Under rate regulation of the Federal Communications Commission, cable operators may increase their rates to customers to cover increased costs for programming, subject to certain limitations. See "Regulation and Legislation." We now contract through TeleSynergy for more approximately 50% of our programming. We believe our partnership in TeleSynergy limits increases in our programming costs relative to what the increases would otherwise be, although given our increased size and purchasing ability, the effect may not be material. This is because some programming suppliers offer advantageous pricing terms to cable operators whose number of customers exceeds threshholds established by such programming suppliers. Our increase in size in 1999 should provide increased bargaining power resulting in an ability to limit increases in programming costs. Management believes it will, as a general matter, be able to pass increases in its programming costs through to customers, although we cannot assure you that it will be possible.

RATES

Pursuant to the FCC's rules, we have set rates for cable-related equipment, such as converter boxes and remote control devices, and installation services based upon actual costs plus a 11.25% rate of return and have unbundled these charges from the charges for the provision of cable service.

Rates charged to customers vary based on the market served and service selected, and are typically adjusted on an annual basis. As of March 31, 1999, the average monthly fee was $11.07 for basic service and $18.80 for expanded basic service. Regulation of the expanded basic service was eliminated by federal law as of March 31, 1999 and such rates are now based on market conditions. A one-time installation fee, which may be waived in part during certain promotional periods, is charged to new customers. We believe our rate practices are in accordance with Federal Communications Commission Guidelines and are consistent with those prevailing in the industry generally. See "Regulation and Legislation."

THEFT PROTECTION

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

FRANCHISES

As of March 31, 1999, our systems operated pursuant to an aggregate of 1,158 franchises, permits and similar authorizations issued by local and state governmental authorities. Each franchise is awarded by a governmental authority and is usually not transferable unless the granting governmental authority consents. Most franchises are subject to termination proceedings in the event of a material breach. In addition, most franchises require us to pay the granting authority a franchise fee of up to 5.0% of gross revenues generated by cable television services under the franchise (i.e., the maximum amount that may be charged under the Communications Act).

Our franchises have terms which range from 4 to more than 32 years. Prior to the scheduled expiration of most franchises, we initiate renewal proceedings with the granting authorities. This process usually takes three years but can take a longer period of time and often involves substantial expense. The Communications Act provides for an orderly franchise renewal process in which granting authorities may not unreasonably withhold renewals. If a renewal is withheld and the granting authority takes over operation of the affected cable system or awards it to another party, the granting authority must pay the existing cable operator the "fair market value" of the system. The Communications Act also established comprehensive renewal procedures requiring that an incumbent franchisee's renewal application be evaluated on its own merit and not as part of a comparative process with competing applications. In connection with the franchise renewal process, many governmental authorities require the cable operator make certain commitments, such as technological upgrades to the system, which may require substantial capital expenditures. We cannot assure you, however, that any particular franchise will be renewed or that it can be renewed on commercially favorable terms. Our failure to obtain renewals of our franchises, especially those in major metropolitan areas where we have the most customers, would have a material adverse effect on our business, results of operations and financial condition. See "Risk Factors--Our Industry--Risks Associated with Regulation of the Cable Industry." The following table summarizes our systems' franchises by year of expiration, and approximate number of basic customers as of March 31, 1999.

YEAR OF FRANCHISE EXPIRATION	NUMBER OF FRANCHISES	PERCENTAGE OF TOTAL FRANCHISES	TOTAL BASIC CUSTOMERS	PERCENTAGE OF TOTAL CUSTOMERS
Prior to December 31, 1999......	127	11%	328,000	14%
2000 to 2002....................	214	18%	516,000	22%
2003 to 2005....................	239	21%	445,000	19%
2006 or after...................	578	50%	1,055,000	45%
Total......................	1,158	100%	2,344,000	100%

Under the 1996 Telecom Act, cable operators are not required to obtain franchises in order to provide telecommunications services, and granting authorities are prohibited from limiting, restricting or conditioning the provision of such services. In addition, granting authorities may not require a cable operator to provide telecommunications services or facilities, other than institutional networks, as a condition of an initial franchise grant, a franchise renewal, or a franchise transfer. The 1996 Telecom Act also limits franchise fees to an operator's cable-related revenues and clarifies that they do not apply to revenues that a cable operator derives from providing new telecommunications services.

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

COMPETITION

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

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

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

Key competitors today include:

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

- DBS. Direct broadcast satellite, known as DBS, has emerged as significant competition to cable systems. The DBS industry has grown rapidly over the last several years, far exceeding the growth rate of the cable television industry, and now serves approximately 10 million subscribers nationwide. DBS service allows the subscriber to receive video services directly via satellite using a relatively small dish antenna. Moreover, video compression technology allows DBS providers to offer more than 100 digital channels, thereby surpassing the typical cable system. DBS, however, is limited in the local programming it can provide because of the current capacity limitations of satellite technology. In addition, existing copyright rules restrict the ability of DBS providers to offer local broadcast programming. Congress is now considering legislation that would remove these legal obstacles. After recent mergers, the two primary DBS providers are DirecTV, Inc., and EchoStar Communications Corporation. America Online Inc., the nation's leading provider of Internet services has recently announced a plan to invest $1.5 billion in Hughes Electronics Corp., DirecTV, Inc.'s parent company, and these companies intend to jointly market America Online's prospective Internet television service to DirecTV's DBS customers.

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

We are aware of overbuild situations in six of our systems located in Newnan, Columbus and West Point, Georgia; Barron, Wisconsin; and Lanett and Valley, Alabama. Approximately 44,000 basic customers, approximately 1.9% of our total basic customers, are passed by these overbuilds. Additionally, we have been notified that franchises have been awarded, and present potential overbuild situations, in four of our systems located in Southlake, Roanoke and Keller, Texas and Willimantic, Connecticut. These potential overbuild areas service an aggregate of approximately 45,000 basic customers or approximately 1.9% of our total basic customers. In response to such overbuilds, these systems have been designated priorities for the upgrade of cable plant and the launch of new and enhanced services. We have upgraded each of these systems to at least 750 megahertz two-way HFC architecture, with the exceptions of our systems in Columbus, Georgia, and Willimantic, Connecticut. Upgrades to at least 750 megahertz two-way HFC architecture with respect to these two systems are expected to be completed by December 31, 2000 and December 31, 2001, respectively.

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

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

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

- SMATV. Additional competition is posed by satellite master antenna television systems known as "SMATV systems" serving multiple dwelling units, referred to in the cable industry as "MDU's". These private cable systems may enter into exclusive agreements with such MDUs, which may preclude operators of franchise systems from serving residents of such private complexes such private cable systems can offer both improved reception of local television stations and many of the same satellite-delivered program services which are offered by cable systems. SMATV systems currently benefit from operating advantages not available to franchised cable systems, including fewer regulatory burdens and no requirement to service low density or economically depressed communities. Exemption from regulation may provide a competitive advantage to certain of our current and potential competitors.

- WIRELESS DISTRIBUTION. Cable television systems also compete with wireless program distribution services such as multi-channel multipoint distribution systems or "wireless cable", known as MMDS. MMDS uses low-power microwave frequencies to transmit television programming over-the-air to paying customers. Wireless distribution services generally provide many of the programming services provided by cable systems, and digital compression technology is likely to increase significantly the channel capacity of their systems both analog and digital MMDS services require unobstructed "line of sight" transmission paths. While no longer as significant a competitor, analog MMDS has impacted our customer growth in Riverside and Sacramento, California and Missoula, Montana. Digital MMDS is a more significant competitor, presenting potential challenges to us in Los Angeles, California and Atlanta, Georgia.

PROPERTIES

Our principal physical assets consist of cable television plant and equipment, including signal receiving, encoding and decoding devices, headend reception facilities, distribution systems and customer drop equipment for each of its cable television systems. Our cable television 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. The physical components of our cable television systems require maintenance and periodic upgrading to keep pace with technological advances. We own or lease real property for signal reception sites and business offices in many of the communities served by its systems and for its principal executive offices. We own most of our service vehicles.

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

All of our properties and assets are subject to liens securing payment of indebtedness under the existing credit facilities. We believe that our properties are in good operating condition and are suitable and adequate for our business operations.

EMPLOYEES

Neither Charter Holdings nor Charter Capital has any employees. As of March 31, 1999, our operating subsiaries had approximately 4,770 full-time equivalent employees of which 265 were represented by the International Brotherhood of Electrical Workers. We believe we have a good relationship with such employees and have never experienced a work stoppage.

INSURANCE

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

LEGAL PROCEEDINGS

We are involved from time to time in routine legal matters incidental to our business. We believe that the resolution of such matters will not have a material adverse impact on our financial position or results of operations.

ADDITIONAL INFORMATION

We have filed with the Securities and Exchange Commission a Registration Statement on Form S-4 to register this exchange offer. This prospectus, which forms a part of the registration statement, does not contain all the information included in that registration statement. For further information about us and the new notes offered in this prospectus, you should refer to the registration statement and its exhibits. You may read and copy any document we file with the Securities and Exchange Commission at the public reference facilities maintained by the Securities and Exchange Commission at Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549, and at the Securities and Exchange Commission's regional offices at 3475 Lenox Road, N.E., Suite 1000, Atlanta, Georgia 30326-1232. Copies of such material may be obtained from the Public Reference Section of the Securities and Exchange Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. You can also review such material by accessing the Securities and Exchange Commission's internet web site at http://www.sec.gov. This site contains reports, proxy and information statements and other information regarding issuers that file electronically with the Securities and Exchange Commission.

We intend to furnish to each holder of the new notes annual reports containing audited financial statements and quarterly reports containing unaudited financial information for the first three quarters of each fiscal year. We will also furnish to each holder of the new notes such other reports as may be required by law.

REGULATION AND LEGISLATION

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

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

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

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

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

As of March 31, 1999, local franchising authorities covering approximately 42% of our systems' subscribers were certified to regulate basic tier rates. The 1992 Cable Act permits communities to certify and regulate rates at any time, so that it is possible that additional localities served by the systems may choose to certify and regulate rates in the future.

The Federal Communications Commission itself directly administers rate regulation of cable programming service tiers which typically contain satellite-delivered programming. Under the 1996 Telecom Act, the Federal Communications Commission can regulate cable programming service tier rates only if a local franchising authority first receives at least two rate complaints from local subscribers and then files a formal complaint with the Federal Communications Commission. When new cable programming service tier rate complaints are filed, the Federal Communications Commission considers only whether the incremental increase is justified and it will not reduce the previously established cable programming service tier rate. We currently have 45 rate complaints relating to approximately 400,000 subscribers pending at the Federal Communications Commission. Significantly, the Federal Communications Commission's authority to regulate cable programming service tier rates expired on March 31, 1999. The Federal Communications Commission has taken the position that it will still adjudicate cable programming service tier complaints filed after this sunset date, but no later than 180 days after the last cable programming service tier rate increase imposed prior to March 31, 1999, and will strictly limit its review, and possibly refund orders, to the time period predating the sunset date. We do not believe any adjudications regarding these pre-sunset complaints will have a material adverse effect on our business. The elimination of cable programming service tier regulation in a prospective basis affords us substantially greater pricing flexibility.

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

As noted above, FCC regulation of cable programming service tier rates for all systems, regardless of size, sunset pursuant to the 1996 Telecom Act on March 31, 1999. Certain legislators, however, have called for new rate regulations if unregulated cost rates increase dramatically. The 1996 Telecom Act also relaxes existing "uniform rate" requirements by specifying that uniform rate requirements do not apply where the operator faces "effective competition," and by exempting bulk discounts to multiple dwelling units, although complaints about predatory pricing still may be made to the Federal Communications Commission.

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

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

INTERNET SERVICE. Although there is at present no significant federal regulation of cable system delivery of Internet services, and the Federal Communications Commission recently issued a report to Congress finding no immediate need to impose such regulation, this situation may change as cable systems expand their broadband delivery of Internet services. In particular, proposals have been advanced at the Federal Communications Commission and Congress that would require cable operators to provide access to unaffiliated Internet service providers and online service providers. Certain Internet service providers also are attempting to use existing commercial leased access provisions to gain access to cable system delivery. A petition on this issue is now pending before the Federal Communications Commission. Finally, some local franchising authorities are considering the imposition of mandatory Internet access requirements as part of cable franchise renewals or transfers. A federal district court in Portland, Oregon recently upheld the legal ability of local franchising authority to impose such conditions, but an appeal has been filed. Other local authorities have imposed or may impose mandatory Internet access requirements on cable operators. These developments could, if they become widespread, burden the capacity of cable systems and complicate our own plans for providing Internet service.

TELEPHONE COMPANY ENTRY INTO CABLE TELEVISION. The 1996 Telecom Act allows telephone companies to compete directly with cable operators by repealing the historic telephone company/cable cross-ownership ban. Local exchange carriers, including the regional telephone companies, can now compete with cable operators both inside and outside their telephone service areas with certain regulatory safeguards. Because of their resources, local exchange carriers could be formidable competitors to traditional cable operators, and certain local exchange carriers have begun offering cable service.

Various local exchange carriers currently are seeking to provide video programming services within their telephone service areas through a variety of distribution methods, including both the deployment of broadband wire facilities and the use of wireless transmission.

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

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

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

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

Pursuant to the 1992 Cable Act, the Federal Communications Commission adopted rules precluding a cable system from devoting more than 40% of its activated channel capacity to the carriage of affiliated national video program services. Although the 1992 Cable Act also precluded any cable operator from serving more than 30% of all U.S. domestic cable subscribers, this provision has been stayed pending further judicial review and Federal Communications Commission rulemaking.

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

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

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

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

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

- equal employment opportunity,
- subscriber privacy,
- programming practices, including, among other things, syndicated program exclusivity, network program nonduplication, local sports blackouts, indecent programming, lottery programming, political programming, sponsorship identification, children's programming advertisements, and closed captioning,
- registration of cable systems and facilities licensing,
- maintenance of various records and public inspection files,
- aeronautical frequency usage,
- lockbox availability,
- antenna structure notification,
- tower marking and lighting,
- consumer protection and customer service standards,
- technical standards,
- consumer electronics equipment compatibility, and
- emergency alert systems.

The Federal Communications Commission recently ruled that cable customers must be allowed to purchase cable converters from third parties and established a multi-year phase-in during which security functions, which would remain in the operator's exclusive control, would be unbundled from basic converter functions, which could then be satisfied by third party vendors. The Federal Communications Commission has the authority to enforce its regulations through the imposition of substantial fines, the issuance of cease and desist orders and/or the imposition of other administrative sanctions, such as the revocation of Federal Communications Commission licenses needed to operate certain transmission facilities used in connection with cable operations.

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

Cable operators distribute locally originated programming and advertising that use music controlled by the two principal major music performing rights organizations, the Association of Songwriters, Composers, Artists and Producers and Broadcast Music, Inc.. The cable industry and Broadcast Music have reached a standard licensing agreement, and negotiations with the Association of Songwriters are ongoing. Although we cannot predict the ultimate outcome of these industry negotiations or the amount of any license fees we may be required to pay for past and future use of association-controlled music, we do not believe such license fees will be significant to our business and operations.

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

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

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

Under the 1996 Telecom Act, cable operators are not required to obtain franchises for the provision of telecommunications services, and local franchising authorities are prohibited from limiting, restricting, or conditioning the provision of such services. In addition, local franchising authorities may not require a cable operator to provide any telecommunications service or facilities, other than institutional networks under certain circumstances, as a condition of an initial franchise grant, a franchise renewal, or a franchise transfer. The 1996 Telecom Act also provides that franchising fees are limited to an operator's cable-related revenues and do not apply to revenues that a cable operator derives from providing new telecommunications services.

MANAGEMENT

Charter Holdings is a holding company with no operations. Charter Capital is a direct wholly owned finance subsidiary of Charter Holdings that exists solely for the purpose of serving as co-obligor of the notes and has no operations. Neither Charter Holdings nor Charter Capital has any employees. We are managed by Charter Investment pursuant to a management agreement between Charter Investment and Charter Operating, covering all of our operating subsidiaries. See "Certain Relationships and Related Transactions."

EXECUTIVE OFFICERS AND DIRECTORS

The following table sets forth certain information regarding the executive officers and directors who are responsible for providing significant services with respect to our management and operations. There are two directors of Charter Holdings, one director of Charter Capital and three directors of Charter Investment.

EXECUTIVE OFFICERS AND DIRECTORS	AGE	POSITION
Paul G. Allen	46	Chairman of the Board of Charter Investment
William D. Savoy	34	Director of Charter Holdings and Charter Investment
Jerald L. Kent	42	President, Chief Executive Officer and Director of Charter Holdings, Charter Capital and Charter Investment
Barry L. Babcock	52	Vice Chairman of Charter Investment
Howard L. Wood	60	Vice Chairman of Charter Investment
David G. Barford	40	Senior Vice President Operations of Charter Investment -- Western Division
Mary Pat Blake	44	Senior Vice President -- Marketing and Programming of Charter Investment
Eric A. Freesmeier	46	Senior Vice President -- Administration of Charter Investment
Thomas R. Jokerst	50	Senior Vice President -- Advanced Technology Development of Charter Investment
Kent D. Kalkwarf	39	Senior Vice President and Chief Financial Officer of Charter Holdings, Charter Capital and Charter Investment
Ralph G. Kelly	42	Senior Vice President -- Treasurer of Charter Holdings, Charter Capital and Charter Investment
David L. McCall	44	Senior Vice President Operations of Charter Investment -- Eastern Division
John C. Pietri	49	Senior Vice President -- Engineering of Charter Investment
Steven A. Schumm	46	Executive Vice President, Assistant to the President of Charter Holdings, Charter Capital and Charter Investment
Curtis S. Shaw	50	Senior Vice President, General Counsel and Secretary of Charter Holdings, Charter Capital and Charter Investment

The following sets forth certain biographical information with respect to the executive officers named in the chart above.

PAUL G. ALLEN is the Chairman of the Board of Directors of Charter Investment. Mr. Allen has been a private investor for more than five years, with interests in a wide variety of companies, many of which focus on multimedia digital communications. Such companies include Interval Research Corporation, of which Mr. Allen is a director, Vulcan Ventures, Inc., of which Mr. Allen is the President, Chief Executive Officer and Chairman of the Board, Vulcan Northwest, Inc., of which Mr. Allen is the Chairman of the Board, and Vulcan Programming, Inc. In addition, Mr. Allen is the owner and the Chairman of the Board of the Portland Trail Blazers of the National Basketball Association, and is the owner and the Chairman of the Board of the Seattle Seahawks of the National Football League. Mr. Allen currently serves as a director of Microsoft Corporation and USA Networks, Inc. and also serves as a director of various private corporations.

WILLIAM D. SAVOY is a director of Charter Holdings and Charter Investment. Mr. Savoy is also Vice President and a director of Vulcan Ventures, President of Vulcan Northwest and President and a director of Vulcan Programming, since 1990. From 1987 until November 1990, Mr. Savoy was employed by Layered, Inc. and became its President in 1988. Mr. Savoy serves on the Advisory Board of DreamWorks SKG and also serves as director of CNET, Inc., Harbinger Corporation, High Speed Access Corp., Metricom, Inc., Telescan, Inc., Ticketmaster Online -- CitySearch, U.S. Satellite Broadcasting Co., Inc., and USA Networks, Inc. Mr. Savoy holds a B.S. in Computer Science, Accounting and Finance from Atlantic Union College.

JERALD L. KENT is a co-founder of Charter Investment, and President and Chief Executive Officer and director of Charter Holdings, Charter Capital and Charter Investment and has previously held the position of Chief Financial Officer of Charter Investment. Prior to co-founding Charter Investment, Mr. Kent was associated with Cencom Cable Associates, Inc., where he served as Executive Vice President and Chief Financial Officer. Mr. Kent also served Cencom as Senior Vice President of Finance from May 1987, Senior Vice President of Acquisitions and Finance from July 1988, and Senior Vice President and Chief Financial Officer from January 1989. Mr. Kent is a member of the Board of Directors of High Speed Access Corp. and Cable Television Laboratories. Prior to that time, Mr. Kent was employed by Arthur Andersen LLP, certified public accountants, where he attained the position of tax manager. Mr. Kent, a certified public accountant, received his undergraduate and M.B.A. degrees with honors from Washington University (St. Louis).

BARRY L. BABCOCK is a co-founder of Charter Investment and Vice Chairman of Charter Investment and has been involved in the cable industry since 1979. Prior to founding Charter Investment in 1994, Mr. Babcock was associated with Cencom, where he served as the Executive Vice President from February 1986 to September 1991, and was named Chief Operating Officer in May of 1986. Mr. Babcock was one of the founders of Cencom Cable Associates, Inc. and, prior to the duties he assumed in early 1986, was responsible for all of Cencom's in-house legal work, contracts and governmental relations. Mr. Babcock serves as the Chairman of the Board of Directors of Community Telecommunications Association. He also serves as a director of the National Cable Television Association, Cable in the Classroom and Mercantile Bank -- St. Louis. Mr. Babcock, an attorney, received his undergraduate and J.D. degrees from the University of Oklahoma.

HOWARD L. WOOD is a co-founder of Charter Investment and Vice Chairman of Charter Investment. Prior to founding Charter Investment, Mr. Wood was associated with Cencom. Mr. Wood joined Cencom as President, Chief Financial Officer and Director and assumed the additional position of Chief Executive Officer effective January 1, 1989. Prior to that time, Mr. Wood was a partner in Arthur Andersen LLP, certified public accountants, where he served as Partner-in-Charge of the St. Louis Tax Division from 1973 until joining Cencom. Mr. Wood is a certified public accountant and a member of the American Institute of Certified Public Accountants. He also serves as a director of VanLiner Group, Inc., First State Bank and Gaylord Entertainment Company. Mr. Wood also serves as Commissioner for the Missouri Department of Conservation. He is also a past Chairman of the Board and former director of the St. Louis College of Pharmacy. Mr. Wood graduated with honors from Washington University (St. Louis) School of Business.

DAVID G. BARFORD is Senior Vice President Operations of Charter Investment -- Western Division, where he has primary responsibility for all cable operations in the Central, Western, North Central and MetroPlex Regions. Prior to joining Charter Investment, he served as Vice President of Operations and New Business Development for Comcast Cable, where he held various senior marketing and operating roles over an eight-year period. Mr. Barford received a B.A. degree from California State University, Fullerton and an M.B.A. from National University in La Jolla, California.

MARY PAT BLAKE is Senior Vice President -- Marketing and Programming of Charter Investment and is responsible for all aspects of marketing, sales and programming and advertising sales. Prior to joining Charter Investment in August 1995, Ms. Blake was active in the emerging business sector, and formed Blake Investments, Inc. in September 1993, which created, operated and sold a branded coffeehouse and bakery. From September 1990 to August 1993, Ms. Blake served as Director -- Marketing for Brown Shoe Company. Ms. Blake has 18 years of experience with senior management responsibilities in marketing, sales, finance, systems, and general management with companies such as The West Coast Group, Pepsico Inc.-Taco Bell Division, General Mills, Inc. and ADP Network Services, Inc. Ms. Blake received a B.S. degree from the University of Minnesota, and an M.B.A. degree from the Harvard Business School.

ERIC A. FREESMEIER joined Charter Investment as Senior Vice President -- Administration in April 1998 and is responsible for human resources, public relations and communications, corporate facilities and aviation. From 1986 until joining Charter Investment, he served in various executive management positions at Edison Brothers Stores, Inc., a specialty retail company. His most recent position was Executive Vice President -- Human Resources and Administration. From 1974 to 1986, Mr. Freesmeier held management and executive positions with Montgomery Ward, a national mass merchandise retailer, and its various subsidiaries. Mr. Freesmeier holds Bachelor of Business degrees in marketing and industrial relations from the University of Iowa and a Masters of Management degree in finance from Northwestern University's Kellogg Graduate School of Management.

THOMAS R. JOKERST is Senior Vice President -- Advanced Technology Development of Charter Investment. Prior to his appointment to this position, Mr. Jokerst held the position of Senior Vice President -- Engineering since December 1993. Prior to joining Charter Investment, from March 1991 to March 1993, Mr. Jokerst served as Vice President -- Office of Science and Technology for CableTelevision Laboratories in Boulder, Colorado. From June 1976 to March 1993, Mr. Jokerst was Director of Engineering for the midwest region of Continental Cablevision. Mr. Jokerst participates in professional activities with the NCTA, SCTE and Cable Television Laboratories. Mr. Jokerst is a graduate of Ranken Technical Institute in St. Louis with a degree in Communications Electronics and Computer Technology and of Southern Illinois University in Carbondale, Illinois with a degree in Electronics Technology.

KENT D. KALKWARF is Senior Vice President and Chief Financial Officer of Charter Holdings, Charter Capital and Charter Investment. Prior to joining Charter Investment, Mr. Kalkwarf was a senior tax manager for Arthur Andersen LLP, from 1982 to July 1995. Mr. Kalkwarf has extensive experience in cable, real estate and international tax issues. Mr. Kalkwarf has a B.S. degree from Illinois Wesleyan University and is a certified public accountant.

RALPH G. KELLY is Senior Vice President -- Treasurer of Charter Holdings, Charter Capital and Charter Investment. Mr. Kelly joined Charter Investment in 1993 as Vice President -- Finance, a position he held until early 1994 when he became Chief Financial Officer of CableMaxx, Inc., a wireless cable television operator. Mr. Kelly returned to Charter Investment as Senior Vice President -- Treasurer in February 1996, and has responsibility for treasury operations, investor relations and financial reporting. From 1984 to 1993, Mr. Kelly was associated with Cencom where he held the positions of Controller from 1984 to 1989 and Treasurer from 1990 to 1993. Mr. Kelly is a certified public accountant and was in the audit division of Arthur Andersen LLP from 1979 to 1984. Mr. Kelly received his undergraduate degree in accounting from the University of Missouri -- Columbia and his M.B.A. from Saint Louis University.

DAVID L. MCCALL is Senior Vice President Operations of Charter Investment -- Eastern Division. Mr. McCall joined Charter Investment in January 1995 as Regional Vice President Operations and he has primary responsibility for all cable system operations managed by Charter Investment in the Southeast, Southern and Northeast Regions of the United States. Prior to joining Charter Investment, Mr. McCall was associated with Crown Cable and its predecessor company, Cencom, from 1983 to 1994. As a Regional Manager of Cencom, Mr. McCall's responsibilities included supervising all aspects of operations for systems located in North Carolina, South Carolina and Georgia, consisting of over 142,000 customers. From 1977 to 1982, Mr. McCall was System Manager of Coaxial Cable Developers (known as Teleview Cablevision) in Simpsonville, South Carolina. Mr. McCall has served as a director of the South Carolina Cable Television Association for the past ten years.

JOHN C. PIETRI joined Charter Investment in November 1998 as Senior Vice President -- Engineering. Prior to joining Charter Investment, Mr. Pietri was with Marcus in Dallas, Texas for eight years, most recently serving as Senior Vice President and Chief Technical Officer. Prior to Marcus, Mr. Pietri served as Regional Technical Operations Manager for West Marc Communications in Denver, Colorado, and before that he served as Operations Manager with Minnesota Utility Contracting. Mr. Pietri attended the University of Wisconsin-Oshkosh.

STEVEN A. SCHUMM is Executive Vice President, Assistant to the President of Charter Holdings, Charter Capital and Charter Investment. Mr. Schumm joined Charter Investment in December 1998 and currently directs the MIS Regulatory and Financial Controls Groups. Prior to joining Charter Investment, Mr. Schumm was managing partner of the St. Louis office of Ernst & Young LLP. Mr. Schumm was with Ernst & Young LLP for 24 years and was a partner of the firm for 14 of those years. Mr. Schumm held various management positions with Ernst & Young LLP, including the Director of Tax

Services for the three-city area of St. Louis, Kansas City and Wichita and then National Director of Industry Tax Services. He served as one of 10 members comprising the Firm's National Tax Committee. Mr. Schumm earned a B.S. degree from St. Louis University with a major in accounting.

CURTIS S. SHAW is Senior Vice President, General Counsel and Secretary of Charter Holdings, Charter Capital and Charter Investment and is responsible for all legal aspects of their businesses, government relations and the duties of the corporate secretary. Mr. Shaw joined Charter Investment in February 1997. Prior to joining Charter Investment, Mr. Shaw served as corporate Counsel to NYNEX since 1988. From 1983 until 1988 Mr. Shaw served as Associate General Counsel for Occidental Chemical Corporation, and, from 1986 until 1988, also as Vice President and General Counsel of its largest operating division. Mr. Shaw has 25 years of experience as a corporate lawyer, specializing in mergers and acquisitions, joint ventures, public offerings, financings, and federal securities and antitrust law. Mr. Shaw received a B.A. with honors from Trinity College and a J.D. from Columbia University School of Law.

DIRECTOR COMPENSATION

The directors of Charter Holdings and Charter Capital are not entitled to any compensation for serving as a director, nor are they paid any fees for attendance at any meeting of the board of directors. Directors may be reimbursed for the actual reasonable costs incurred in connection with attendance at such board meetings.

EXECUTIVE COMPENSATION

None of the executive officers listed above has ever received any compensation from Charter Holdings or Charter Capital, nor do such individuals expect to receive compensation from Charter Holdings or Charter Capital at any time in the future. Such executive officers receive their compensation from Charter Investment, except for Mr. McCall, who is compensated by an operating subsidiary. Charter Investment is entitled to receive management fees from us for providing its management and consulting services. See "Certain Relationships and Related Transactions."

The following table sets forth information regarding the compensation paid by Charter Investment during its last completed fiscal year to the President and Chief Executive Officer and each of the other four most highly compensated executive officers as of December 31, 1998. This compensation was paid to these executive officers by certain of our subsidiaries and affiliates for their services to these entities.

SUMMARY COMPENSATION TABLE

		ANNUAL COMPENSATION			LONG-TERM COMPENSATION AWARD	
NAME AND PRINCIPAL POSITION	YEAR ENDED DEC. 31	SALARY($)	BONUS($)	OTHER ANNUAL COMPENSATION($)	SECURITIES UNDERLYING OPTIONS(#)	ALL OTHER COMPENSATION($)
Jerald L. Kent............ President and Chief Executive Officer	1998	790,481	641,353	--	7,044,127(1)	4,918(2)
Barry L. Babcock.......... Vice Chairman	1998	575,000	925,000(3)	--	--	6,493(4)
Howard L. Wood............ Vice Chairman	1998	575,000	675,000(5)	--	--	8,050(6)
David G. Barford.......... Senior Vice President of Operations -- Western Division	1998	220,000	225,000(7)	--	--	4,347(8)
Curtis S. Shaw............ Senior Vice President, General Counsel and Secretary	1998	190,000	80,000	--	--	3,336(9)

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(1) Shares in Charter Investment granted pursuant to an employment agreement.

(2) Includes $4,000 in 401(k) plan matching contribution and $918 in life insurance premiums.

(3) Includes $500,000 earned as a one-time bonus upon signing of an employment agreement.

(4) Includes $4,000 in 401(k) plan matching contributions and $2,493 in life insurance premiums.

(5) Includes $250,000 earned as a one-time bonus upon signing of an employment agreement.

(6) Includes $4,000 in 401(k) plan matching contributions and $4,050 in life insurance premiums.

(7) Includes $150,000 received as a one-time bonus after completion of three years of employment.

(8) Includes $4,000 in 401(k) plan matching contribution and $347 in life insurance premiums.

(9) Includes $2,529 in 401(k) plan matching contribution and $807 in life insurance premiums.

OPTION GRANTS IN LAST FISCAL YEAR

The following table shows individual grants of stock options made to certain executive officers during the fiscal year ended December 31, 1998. These grants were made by certain of our subsidiaries and affiliates.

NAME	NUMBER OF SECURITIES UNDERLYING OPTIONS GRANTED	% OF TOTAL OPTIONS GRANTED TO EMPLOYEES IN FISCAL YEAR	EXERCISE OR BASE PRICE ($/SH)	EXPIRATION DATE	POTENTIAL REALIZABLE VALUE AT ASSUMED ANNUAL RATES OF STOCK PRICE APPRECIATION FOR OPTION TERM(1) 5%($)	10%($)
Jerald L. Kent.......	7,044,127(2)	100%	20.00	12/22/08	88,600,272	224,530,486
Barry L. Babcock.....	--	--	--	--	--	--
Howard L. Wood.......	--	--	--	--	--	--
David G. Barford.....	--	--	--	--	--	--
Curtis S. Shaw.......	--	--	--	--	--	--

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(1) This column shows the hypothetical gains on the options granted based on assumed annual compound stock price appreciation of 5% and 10% over the full ten-year term of the options. The assumed rates of appreciation are mandated by the Securities and Exchange Commission and do not represent our estimate or projection of future prices.

(2) Options for Charter Holdco units granted pursuant to an employment agreement. The options have a term of 10 years and vest one fourth on December 23, 1998, with the remaining options vesting monthly at a rate of 1/36th on the first of each month for months 13 through 48.

AGGREGATED OPTION EXERCISES AND FISCAL YEAR-END OPTION VALUE TABLE

The following table sets forth for certain executive officers information concerning the exercise of stock options and SARs during fiscal 1998 and the value of unexercised options and SARs as of December 31, 1998. These options were made by certain of our subsidiaries and affiliates.

	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS AT DECEMBER 31, 1998		VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS AT DECEMBER 31, 1998($)(1)	
	EXERCISABLE	UNEXERCISABLE	EXERCISABLE	UNEXERCISABLE
Jerald L. Kent..................	1,761,032	5,283,095	--	--
Barry L. Babcock................	--	--	--	--
Howard L. Wood..................	--	--	--	--
David G. Barford................	--	--	--	--
Curtis S. Shaw..................	--	--	--	--

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(1) Calculated by determining the difference between the fair market value of the securities underlying the options as of December 31, 1998 and the exercise price of the officer's options.

STOCK PLAN

Charter Holdings adopted a plan, which was assumed by Charter Holdco, providing for the grant of options to purchase up to 25,009,798 Charter Holdco membership units, which is equal to 10% of the aggregate equity value of Charter Holdco on February 9, 1999, the date of adoption of the plan. The plan provides for grants of options to employees, officers and consultants of Charter Holdco and its affiliates. The plan is

intended to promote the long-term financial interest of Charter Holdco and its affiliates by encouraging eligible individuals to acquire an ownership position in Charter Holdco and its affiliates and providing incentives for performance. As of June 30, 1999, there were a total of 9,494,081 options granted under the plan. Of those, 9,050,881 options were granted on February 9, 1999 with an exercise price of $20.00 and 443,200 options were granted on April 5, 1999 with an exercise price of $20.73. One-fourth of the options granted on February 9, 1999 vest on April 3, 2000 and the remainder vest 1/45 on each monthly anniversary following April 3, 2000. One-fourth of the options granted on April 5, 1999 vest on the 15 month anniversary from April 5, 1999, with the remainder vesting 1/45 on each monthly anniversary for 45 months following the 15 month anniversary. However, if there has not been a public offering of the equity interests of Charter Holdco or an affiliate, vesting will occur only upon termination of employment for any reason other than for cause, upon death or disability, or immediately prior to the expiration of an option. The options expire after ten years from the date of grant. Under the terms of the plan, following the consummation of the offering, each membership unit held as a result of exercise of options will be exchanged automatically for shares of Class A common stock on a one-for-one basis.

LIMITATION OF DIRECTORS' LIABILITY AND INDEMNIFICATION MATTERS

The limited liability company agreement of Charter Holdings and the certificate of incorporation of Charter Capital limit the liability of their respective directors to the maximum extent permitted by Delaware law. The Delaware General Corporation Law provides that a limited liability company and a corporation may eliminate or limit the personal liability of a director for monetary damages for breach of fiduciary duty as a director, except for liability for:

(1) any breach of the director's duty of loyalty to the corporation and its stockholders;

(2) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;

(3) unlawful payments of dividends or unlawful stock purchases or redemptions; or

(4) any transaction from which the director derived an improper personal benefit.

The limited liability company agreement of Charter Holdings and the by-laws of Charter Capital provide that directors and officers shall be indemnified for acts or omissions performed or omitted that are determined, in good faith, to be in our best interest. No such indemnification is available for actions constituting bad faith, willful misconduct or fraud.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling Charter Holdings and Charter Capital pursuant to the foregoing provisions, we have been informed that in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

MANAGEMENT AGREEMENT WITH CHARTER INVESTMENT

We have a management agreement with Charter Investment. The management agreement provides that Charter Investment will manage us and all of our subsidiaries on a day-to-day basis, in exchange for fees. See "Certain Relationship and Related Transactions."

PRINCIPAL EQUITY HOLDERS

Charter Holdings is a direct, wholly owned subsidiary of Charter Holdco which, in turn, is a direct, wholly owned subsidiary of Charter Investment. The beneficial ownership of the equity of Charter Investment is as set forth in the table below. Charter Capital is a direct, wholly owned finance subsidiary of Charter Holdings.

NAME AND ADDRESS	CLASS HELD	AMOUNT HELD	PERCENTAGE HELD
Paul G. Allen..................... 110 110th Street, N.E. Suite 500 Bellevue, WA 98004	Common Stock	165,347.9488	96.06%
Jerald L. Kent.................... c/o Charter Investment, Inc. 12444 Powerscourt Drive St. Louis, MO 63131	Common Stock	4,029.4359(1)	2.34%
Barry L. Babcock.................. c/o Charter Investment, Inc. 12444 Powerscourt Drive St. Louis, MO 63131	Common Stock	1,962.9574	1.14%
Howard L. Wood.................... c/o Charter Investment, Inc. 12444 Powerscourt Drive St. Louis, MO 63131	Common Stock	785.1830	0.46%

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(1) Includes 1,281.3315 shares of Common Stock issuable upon the exercise of options that are currently exercisable.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The following sets forth certain transactions in which we and our directors, executive officers and affiliates, including the directors and executive officers of Charter Investment, are involved in. We believe that each of the transactions described below was on terms no less favorable to us than could have been obtained from independent third parties.

TRANSACTIONS WITH MANAGEMENT AND OTHERS

MERGER WITH MARCUS

On April 23, 1998, Paul G. Allen acquired approximately 99% of the non-voting economic interests in Marcus Cable, and agreed to acquire the remaining interests in Marcus Cable and assume voting control. The aggregate purchase price was approximately $1.4 billion, excluding $1.8 billion in debt assumed. On March 31, 1999, Mr. Allen completed the acquisition of all remaining interests and assumed voting control of Marcus Cable. On February 22, 1999, Marcus Holdings was formed and all of Mr. Allen's interests in Marcus Cable were transferred to Marcus Holdings.

On December 23, 1998, Mr. Allen acquired approximately 94% of the equity of Charter Investment for an aggregate purchase price of approximately $2.2 billion, excluding $2.0 billion in debt assumed. On February 9, 1999, Charter Holdings was formed as a wholly owned subsidiary of Charter Investment. On February 10, 1999, Charter Operating was formed as a wholly owned subsidiary of Charter Holdings. All of Charter Investment's equity interests in its operating subsidiaries were subsequently transferred to Charter Operating. On May 25, 1999, Charter Holdco was formed as a wholly owned subsidiary of Charter Investment. All of Charter Investment's equity interests in Charter Holdings were transferred to Charter Holdco.

In March 1999, we paid $20,000,000 to Vulcan Northwest, for reimbursement of direct costs incurred in connection with Mr. Allen's acquisition of Marcus Cable. Such costs were principally comprised of financial, advisory, legal and accounting fees.

On April 7, 1999, Mr. Allen merged Marcus Holdings into Charter Holdings. Charter Holdings survived the merger, and the operating subsidiaries of Marcus Holdings became subsidiaries of Charter Holdings.

At the time we issued the original notes, this merger had not yet occurred. Consequently, Marcus Holdings was a party to the indentures governing the notes as a guarantor of our obligations. Charter Holdings loaned some of the proceeds from the sale of the original notes to Marcus Holdings, which amounts were used to complete the cash tender offers for then-outstanding notes of subsidiaries of Marcus Holdings. Marcus Holdings issued a promissory note in favor of Charter Holdings. The promissory note was in the amount of $1,548,630,855, with an interest rate of 9.92% and a maturity date of April 1, 2007. Marcus Holdings guaranteed its obligations under the promissory note by entering into a pledge agreement in favor of Charter Holdings pursuant to which Marcus Holdings pledged all of its equity interests in Marcus Cable as collateral for the payment and performance of the promissory note. Charter Holdings pledged this promissory note to the trustee under the indentures as collateral for the equal and ratable benefit of the holders of the notes. Upon the closing of the merger, and in accordance with the terms of the notes and the indentures:

- the guarantee issued by Marcus Holdings was automatically terminated;

- the promissory note issued by Marcus Holdings was automatically extinguished, with no interest having accrued or being paid; and

- the pledge in favor of Charter Holdings of the equity interests in Marcus Cable as collateral under the promissory note and the pledge in favor of the trustee of the promissory note as collateral for the notes were automatically released.

MANAGEMENT AGREEMENTS

PREVIOUS MANAGEMENT AGREEMENTS. Prior to March 18, 1999, pursuant to a series of management agreements with certain of our subsidiaries, Charter Investment provided management and consulting services to us. In exchange for these services, Charter Investment was entitled to receive management fees of 3% to 5% of the gross revenues of all of our systems plus reimbursement of expenses. However, our previous credit facilities limited such management fees to 3% of gross revenues. The balance of management fees payable under the previous management agreements were accrued. As of March 31, 1999, $12,583 remains unpaid. Payment is at the discretion of Charter Investment. Following the closing of our current credit facilities, the previous management agreements were replaced by a new management agreement. The other material terms of our previous management agreements are substantially similar to the material terms of the new management agreement.

The total management fees, including expenses, earned by Charter Investment under the previous management agreements during the last three years were as follows:

YEAR	FEES PAID	TOTAL FEES EARNED
	(IN THOUSANDS)	
1998	$17,073	$24,159
1997	14,772	20,290
1996	11,792	15,443

Deferred portions of certain management fees bore interest at the rate of 8% per annum.

PREVIOUS MANAGEMENT AGREEMENT WITH MARCUS. On October 6, 1998, Marcus entered into a Management Consulting Agreement with Charter Investment pursuant to which Charter Investment agreed to provide certain management and consulting services to Marcus Cable and its subsidiaries, in exchange for a fee equal to 3% of the gross revenues of Marcus Cable's systems plus reimbursement of expenses. Management fees expensed by Marcus Cable during the period from October 1998 to December 31, 1998 were approximately $3.3 million, which were accrued and unpaid at December 31, 1998 and remain unpaid as of March 31, 1998. Upon our merger with Marcus Holdings and the closing of our current credit facilities, this agreement was terminated and the subsidiaries of Marcus Cable now receive management and consulting services from Charter Investment under the new management agreement.

THE NEW MANAGEMENT AGREEMENT. On February 23, 1999, Charter Investment entered into a new management agreement with Charter Operating, which was amended and restated as of March 17, 1999. Upon the closing of our current credit facilities on March 18, 1999, our previous management agreements and the Management Consulting Agreement with Marcus Cable terminated and the new management agreement became operative. Pursuant to the new management agreement, Charter Investment has agreed to manage and operate the cable television systems owned by our subsidiaries, as well as any cable television systems we may subsequently acquire in the future. The term of the new management agreement is ten years.

The new management agreement provides that we will reimburse Charter Investment for all expenses, costs, losses, liabilities or damages incurred by it in connection with our ownership or operation of our cable television systems. If Charter Investment pays or incurs any such expenses, costs, losses, liabilities or damages, it will be reimbursed. In addition to any reimbursement of expenses, Charter Investment is paid a yearly management fee equal to 3.5% of our gross revenues. Gross revenues include all revenues from the operation of our cable systems, including, without limitation, subscriber payments, advertising revenues, and revenues from other services provided by our cable systems. Gross revenues do not include interest income or income from investments unrelated to our cable systems.

Payment of the management fee to Charter Investment is permitted under our current credit facilities, but ranks below our payment obligations under our current credit facilities. In the event any portion of the management fee due and payable is not paid by us, it is deferred and accrued as a liability. Any deferred amount of the management fee will bear interest at the rate of 10% per annum, compounded annually, from the date it was due and payable until the date it is paid.

The management fee is payable to Charter Investment quarterly in arrears. If the current management agreement is terminated, Charter Investment is entitled to receive the fee payable for an entire quarter, even if termination occurred before the end of that quarter. Additionally, Charter Investment is entitled to receive payment of any deferred amount. Management fees totaled approximately $5,323 for the three months ended March 31, 1999.

Pursuant to the terms of the new management agreement, we have agreed to indemnify and hold harmless Charter Investment and its shareholders, directors, officers and employees. This indemnity extends to any and all claims or expenses, including reasonable attorneys' fees, incurred by them in connection with any action not constituting gross negligence or willful misconduct taken by them in good faith in the discharge of their duties to us.

CONSULTING AGREEMENT

On March 10, 1999, Charter Holdings entered into a Consulting Agreement with Vulcan Northwest and Charter Investment. Pursuant to the terms of the Consulting Agreement, we retained Vulcan Northwest and Charter Investment to provide advisory, financial and other consulting services with respect to acquisitions of the business, assets or stock of other companies by us or by any of our subsidiaries. Such services include participation in the evaluation, negotiation and implementation of these acquisitions. The agreement expires on December 31, 2001, and automatically renews for successive one-year terms unless otherwise terminated.

All reasonable out-of-pocket expenses incurred by Vulcan Northwest and Charter Investment are our responsibility and must be reimbursed. We must also pay Vulcan Northwest and Charter Investment a fee for their services rendered for each acquisition made by us or any of our subsidiaries. This fee equals 1% of the aggregate value of such acquisition. We have also agreed to indemnify and hold harmless Vulcan Northwest and Charter Investment, and their respective officers, directors, stockholders, agents, employees and affiliates, for all claims, actions, demands and expenses that arise out of this Consulting Agreement and the services they provide us.

Mr. Allen owns 100% of Vulcan Northwest and is the Chairman of the Board. William D. Savoy, another of our directors, is the President and a director of Vulcan Northwest.

TRANSACTIONS WITH PAUL G. ALLEN

On December 21, 1998, Mr. Allen contributed $431,042,721.46 to Charter Investment and received non-voting common stock of Charter Investment. Such non-voting common stock was converted to voting common stock on December 23, 1998.

On December 23, 1998, Mr. Allen contributed $1,325,716,305.62 to Charter Investment and received voting common stock of Charter Investment. Additionally, Charter Investment borrowed $6,236,707.05 in the form of a bridge loan from Mr. Allen. This bridge loan was contributed by Mr. Allen to Charter Investment in March 1999. No interest on such bridge loan was accrued or paid by Charter Investment. On the same date, Mr. Allen also contributed $223,502,684.20 to Vulcan Cable II, Inc., a company owned by Mr. Allen. Vulcan II was merged with and into Charter Investment.

On January 5, 1999, Charter Investment borrowed $132,200,000 in the form of a bridge loan from Mr. Allen. This bridge loan was contributed by Mr. Allen to Charter Investment in March 1999. No interest on such bridge loan was accrued or paid by Charter Investment. On the same date, Mr. Allen also acquired additional voting common stock of Charter Investment from Jerald L. Kent, Howard L. Wood and Barry L. Babcock for an aggregate purchase price of $176,738,290.04.

On January 11, 1999, Charter Investment borrowed $25,000,000 in the form of a bridge loan from Mr. Allen. This bridge loan was contributed by Mr. Allen to Charter Investment in March 1999. No interest on such bridge loan was accrued or paid by Charter Investment.

On March 16, 1999, Charter Investment borrowed $124,813,881.39 in the form of a bridge loan from Mr. Allen. This bridge loan was contributed by Mr. Allen to Charter Investment in March 1999. No interest on such bridge loan was accrued or paid by Charter Investment.

In July, 1999, Charter Holdco and Mr. Allen entered into a membership interests purchase agreement pursuant to which Mr. Allen has committed to purchase membership interests of Charter Holdco for a total of $1.325 billion. Mr. Allen will contribute $500 million on or before July 31, 1999, and $825 million on or before September 1, 1999, in exchange for membership interests.

We have agreed and are in the process of finalizing a contract to license to Paul G. Allen the right to use up to eight digital channels in each of our cable systems. The number of channels licensed in each system will depend on the bandwidth of the particular system. We believe that this transaction will be on terms at least as favorable to us as Mr. Allen would negotiate with other cable operators.

ASSIGNMENTS OF ACQUISITIONS

On January 1, 1999, Charter Investment entered into a membership purchase agreement with ACEC Holding Company, LLC for the acquisition of American Cable. On February 23, 1999, Charter Investment assigned its rights and obligations under this agreement to one of our subsidiaries, Charter Communications Entertainment II, LLC, effective as of March 8, 1999, or such earlier date as mutually agreed to by the parties. The acquisition of American Cable was completed in April 1999.

On February 17, 1999, Charter Investment entered into an asset purchase agreement with Greater Media, Inc. and Greater Media Cablevision, Inc. for the acquisition of the Greater Media systems. On February 23, 1999, Charter Investment assigned its rights and obligations under this agreement to one of our subsidiaries, Charter Communications Entertainment I, LLC. The acquisition of the Greater Media systems was completed in April 1999.

On April 26, 1999, Charter Investment entered into,

- a purchase and sale agreement with Rifkin Acquisition Partners, L.L.L.P. and the sellers listed in such purchase and sale agreement,

- a purchase and sale agreement with Interlink Communications Partners, LLLP and the sellers listed in such purchase and sale agreement. and

- an indemnity agreement with the sellers listed in such indemnity agreement,

for the acquisition of Rifkin. On June 30, 1999, Charter Investment assigned is rights and obligations under each of these agreements to Charter Operating. Both Charter Investment and Charter Operating remain liable to the Rifkin sellers for the performance and fulfillment of the covenants, duties and obligations of the buyer under these agreements.

EMPLOYMENT AGREEMENTS

Jerald L. Kent. Effective as of December 23, 1998, Jerald L. Kent entered into an employment agreement with Charter Investment for a three-year term with automatic one-year renewals. Under this agreement, Mr. Kent agrees to serve as President and Chief Executive Officer of Charter Investment, with responsibility for the nationwide general management, administration and operation of all present and future business of Charter Investment and its subsidiaries. During the initial term of the agreement, Mr. Kent will receive a base salary of $1,250,000, or such higher rate as may from time to time be determined by the board of directors in its discretion. In addition, Mr. Kent will be eligible to receive an annual bonus in an aggregate amount not to exceed $625,000, to be determined by the board based on an assessment of the performance of Mr. Kent as well as the achievement of certain financial targets.

Under the agreement, Mr. Kent is entitled to participate in any disability insurance, pension, or other benefit plan afforded to employees generally or executives of Charter Investment. Mr. Kent will be reimbursed by Charter Investment for life insurance premiums up to $30,000 per year. Also under this agreement and a related agreement, Mr. Kent received options to purchase three percent (3%) of the net equity value of Charter Holdco. The options have a term of ten years and will vest twenty-five percent (25%) on December 23, 1998. The remaining seventy-five percent (75%) will vest 1/36 on the first day of each of 36 months commencing on the first day of the thirteenth month following December 23, 1998.

Charter Investment agrees to indemnify and hold harmless Mr. Kent to the maximum extent permitted by law from and against any claims, damages, liabilities, losses, costs or expenses in connection with or arising out of the performance by Mr. Kent of his duties.

In the event of the expiration of the agreement in accordance with its terms as a result of Charter Investment giving Mr. Kent notice of its intention not to extend the initial term, or a termination of the agreement by Mr. Kent for good reason or by Charter Investment without cause, (a) Charter Investment will pay to Mr. Kent an amount equal to the aggregate base salary due to Mr. Kent and the board shall consider additional amounts, if any, to be paid to Mr. Kent and (b) any unvested options of Mr. Kent shall immediately vest.

Barry L. Babcock. Effective as of December 23, 1998, Barry L. Babcock entered into an employment agreement with Charter Investment for a one-year term with automatic one-year renewals. Under this agreement, Mr. Babcock agrees to serve as Vice Chairman of Charter Investment with responsibilities including the government and public relations of Charter Investment. During the initial term of the agreement, Mr. Babcock will receive a base salary of $625,000, or such higher rate as may be determined by the Chief Executive Officer in his discretion. In addition, Mr. Babcock will be eligible to receive an annual bonus to be determined by the board of directors in its discretion. Mr. Babcock received a one time payment as part of his employment agreement of $500,000.

Under the agreement, Mr. Babcock is entitled to participate in any disability insurance, pension or other benefit plan afforded to employees generally or executives of Charter Investment. Charter Investment agrees to grant options to Mr. Babcock to purchase its stock as determined by the board of directors in its discretion, pursuant to an option plan to be adopted by Charter Investment.

Charter Investment agrees to indemnify and hold harmless Mr. Babcock to the maximum extent permitted by law from and against any claims, damages, liabilities, losses, costs or expenses in connection with or arising out of the performance by Mr. Babcock of his duties.

In the event of the termination of the agreement by Charter Investment without cause or by Mr. Babcock for good reason, (a) Charter Investment will pay to Mr. Babcock an amount equal to the aggregate base salary due to Mr. Babcock for the remainder of the term of the agreement and (b) vested options, if any, of Mr. Babcock, will be redeemed for cash for the amount of the spread. Unvested options will be treated as set forth in the option plan to be adopted as discussed above.

Howard L. Wood. Effective as of December 23, 1998, Howard L. Wood entered into an employment agreement with Charter Investment for a one-year term with automatic one-year renewals. Under this agreement, Mr. Wood agrees to be employed as an officer of Charter Investment. During the initial term of the agreement, Mr. Wood will receive a base salary of $312,500, or such higher rate as may be determined by the Chief Executive Officer in his discretion. In addition, Mr. Wood will be eligible to receive an annual bonus to be determined by the board of directors in its discretion. Mr. Wood received a one time payment as part of his employment agreement of $250,000. Under the agreement, Mr. Wood is entitled to participate in any disability insurance, pension or other benefit plan afforded to employees generally or executives of Charter Investment.

Charter Investment agrees to indemnify and hold harmless Mr. Wood to the maximum extent permitted by law from and against any claims, damages, liabilities, losses, costs or expenses in connection with or arising out of the performance by Mr. Wood of his duties.

In the event of the termination of the agreement by Charter Investment without cause or by Mr. Wood for good reason, Charter Investment will pay to Mr. Wood an amount equal to the aggregate base salary due to Mr. Wood for the remainder of the term of the agreement.

INSURANCE

We receive insurance and workers' compensation coverage through Charter Investment. Charter Investment's insurance policies provide coverage for Charter Investment and its

- subsidiaries, and associated, affiliated and inter-related companies,

- majority (51% or more) owned partnerships and joint ventures,

- interest in (or its subsidiaries' interest in) any other partnerships, joint ventures or limited liability companies,

- interest in (or its subsidiaries' interest in) any company or organization coming under its active management or control, and

- any entity or party required to be insured under any contract or agreement,

which may now exist, may have previously existed, or may hereafter be created or acquired.

BUSINESS RELATIONSHIPS

Paul G. Allen or certain affiliates of Mr. Allen, own equity interests or warrants to purchase equity interests in various entities which provide a number of our subsidiaries with services or programming. Among these entities are High Speed Access, WorldGate, Wink, ZDTV, LLC, USA Networks and Oxygen Media, Inc. These affiliates include Charter Investment and Vulcan Ventures. Mr. Allen owns 100% of the equity of Vulcan Ventures, and is the President, Chief Executive Officer and Chairman of the Board. Mr. Savoy is also a Vice President and a director of Vulcan Ventures.

HIGH SPEED ACCESS. High Speed Access is a provider of high-speed Internet access over cable modems. In November 1998, Charter Investment entered into a Systems Access and Investment Agreement with Vulcan Ventures and High Speed Access and a related Network Services Agreement with High Speed Access. Additionally, Vulcan Ventures and High Speed Access entered into a Programming Content Agreement. Under these agreements, High Speed Access will have exclusive access to at least 750,000 of our homes with an installed cable drop from our cable system or which is eligible for a cable drop by virtue of our cable system passing the home. The term of the Systems Access and Investment Agreement continues until midnight of the day High Speed Access ceases to provide High Speed Access services to cable subscribers in any geographic area or region. The term of the Network Services Agreement is, as to a particular cable system, five years from the date revenue billing commences for that cable system and, following this initial term, the Network Services Agreement automatically renews itself on a year-to-year basis. Additionally, we can terminate our exclusivity rights, on a system-by-system basis, if High Speed Access fails to meet performance benchmarks or otherwise breaches the agreements including their commitment to provide content designated by Vulcan Ventures. The Programming Content Agreement is effective until terminated for any breach and will automatically terminate upon the expiration of the Systems Access and Investment Agreement. During the term of the agreements, High Speed Access has agreed not to deploy WorldGate, Web TV, digital television or related products in the market areas of any committed system or in any area in which we operate a cable system. All of Charter Investment's operations take place at the subsidiary level and it is through Charter Investment that we derive our rights and obligations with respect to High Speed Access. Under the terms of the Network Services Agreement, we split revenue with High Speed Access based on set percentages of gross revenues in each category of service. The Programming Content Agreement provides each of Vulcan Ventures and High Speed Access with a license to use certain content and materials of the other on a non-exclusive, royalty-free basis.

Concurrently with entering into these agreements, High Speed Access issued 8 million shares of Series B convertible preferred stock to Vulcan Ventures at a purchase price of $2.50 per share. Vulcan Ventures also subscribed to purchase 2.5 million shares of Series C convertible preferred stock at a purchase price of $5.00 per share on or before November 25, 2000, and received an option to purchase an additional 2.5 million shares of Series C convertible preferred stock at a purchase price of $5.00 per share. In April 1999, Vulcan Ventures purchased the entire 5 million shares of Series C convertible preferred stock for $25 million in cash. The shares of Series B and Series C convertible preferred stock issued to Vulcan Ventures automatically converted at a price of $3.23 per share into 20.15 million shares of common stock upon completion of High Speed Access' initial public offering in June 1999. Additionally, High Speed Access granted Vulcan Ventures warrants to purchase up to 5 million shares of common stock at a purchase price of $5.00 per share. These warrants were converted to warrants to purchase up to approximately 7,739,938 shares of common stock at a purchase price of $3.23 per share upon completion of High Speed Access' initial public offering. Vulcan Ventures subsequently assigned the warrants to Charter Investment.

In addition, Jerald L. Kent, our President and Chief Executive Officer and a director of Charter Holdings, Mr. Savoy and another individual, who performs management services for the issuers, are also directors of High Speed Access Corp.

WORLDGATE. WorldGate is a provider of Internet access through cable television systems. On November 7, 1997, Charter Investment signed an affiliation agreement with WorldGate pursuant to which WorldGate's services will be offered to some of our customers. The term of the agreement is five years unless terminated by either party for failure of the other party to perform any of its obligations or undertakings required under the agreement. The agreement automatically renews for additional successive two year periods upon expiration of the initial five year term. All of Charter Investment's operations take place at the subsidiary level and it is through Charter Investment that we derive our rights and obligations with respect to WorldGate. Pursuant to the agreement, we have agreed to use our reasonable best efforts to deploy the WorldGate Internet access service within a portion of our cable television systems and to install the appropriate headend equipment in all of our major markets in those systems. Major markets for purposes of this agreement include those in which we have more than 25,000 customers. We incur the cost for the installation of headend equipment. In addition, we have agreed to use our reasonable best efforts to deploy such service in all non-major markets that are technically capable of providing interactive pay-per-view service, to the extent we determine that it is economically practical. When WorldGate has a telephone return path service available, we will, if economically practical, use all reasonable efforts to install the appropriate headend equipment and deploy the WorldGate service in our remaining markets. We have also agreed to market the WorldGate service within our market areas. We pay a monthly subscriber access fee to WorldGate based on the number of subscribers to the WorldGate service. We have the discretion to determine what fees, if any, we will charge our subscribers for access to the WorldGate service.

On November 24, 1997, Charter Investment acquired 70,423 shares of WorldGate's Series B Preferred Stock at a purchase price of $7.10 per share. On February 3, 1999, a subsidiary of Charter Holdings acquired 90,909 shares of Series C Preferred Stock at a purchase price of $11.00 per share. As a result of a stock split, each share of Series B Preferred Stock will convert into two-thirds of a share of WorldGate's common stock, and each share of Series C Preferred Stock will convert into two-thirds of a share of WorldGate's common stock. Upon completion of WorldGate's initial public offering, each series of Preferred Stock will automatically convert into common stock.

WINK. Wink offers an enhanced broadcasting system that adds interactivity and electronic commerce opportunities to traditional programming and advertising. Viewers can, among other things, find news, weather and sports information on-demand and order products through use of a remote control. On October 8, 1997, Charter Investment signed a cable affiliation agreement with Wink to deploy this enhanced broadcasting technology in our systems. The term of the agreement is three years. Either party has the right to terminate the agreement for the other party's failure to comply with any of its respective material obligations under the agreement. All of Charter Investment's operations take place at the subsidiary level and it is through Charter Investment that we derive our rights and obligations with respect to Wink. Pursuant to the agreement, Wink granted us the non-exclusive license to use their software to deliver the enhanced broadcasting to all of our cable systems. For the first year of the agreement, we pay a monthly license fee to Wink which is based on the number of our subscribers in our operating areas. After the first year of the agreement we pay a fixed monthly license fee to Wink regardless of the number of our subscribers in our operating areas. We also supply all server hardware required for deployment of Wink services. In addition, we agreed to promote and market the Wink service to our customers within the area of each system in which such service is being provided. We share in the revenue Wink generates from all fees collected by Wink for transactions generated by our customers. The amount of revenue shared is based on the number of transactions per month.

On November 30, 1998, Vulcan Ventures acquired 1,162,500 shares of Wink's Series C Preferred Stock for approximately $9.3 million. In connection with such acquisition, Wink issued to Vulcan Ventures warrants to purchase shares of common stock. Additionally, Microsoft Corporation, of which Mr. Allen is a director, also owns an equity interest in Wink.

ZDTV. ZDTV operates a cable television channel which broadcasts shows about technology and the Internet. Pursuant to a Carriage Agreement which Charter Investment intends to enter into with ZDTV, ZDTV has agreed to provide us with their programming for broadcast via our cable television systems. The term of the proposed Carriage Agreement, with respect to each of our cable systems, is from the date of launch of ZDTV on that cable system until April 30, 2008. The term expires on the same day for each of our cable systems, regardless of when any individual cable system launches ZDTV. All of Charter Investment's operations take place at the subsidiary level and it is through Charter Investment that we derive our rights and obligations with respect to ZDTV. The Carriage Agreement grants us a limited non-exclusive right to receive and to distribute ZDTV to our subscribers in digital or analog format. The Carriage Agreement does not grant us the right to distribute ZDTV over the Internet. We pay a monthly subscriber fee to ZDTV for the ZDTV programming based on the number of our subscribers subscribing to ZDTV. Additionally, we agreed to use commercially reasonable efforts to publicize the programming schedule of ZDTV in each of our cable systems that offers or will offer ZDTV. Upon reaching a specified threshold number of ZDTV subscribers, then, in the event ZDTV inserts any infomercials, advertorials and/or home shopping into in the ZDTV programming, we receive from ZDTV a percentage of net product revenues resulting from our distribution of these services. ZDTV may not offer its services to any other cable operator which serves the same or fewer number of subscribers at a more favorable rate or on more favorable carriage terms.

On February 5, 1999, Vulcan Programming acquired an approximate one-third interest in ZDTV. Mr. Allen owns 100% of Vulcan Programming. Mr. Savoy is the President and a director of Vulcan Programming. The remaining approximate two-thirds interest in ZDTV is owned by Ziff-Davis Inc. Vulcan Ventures acquired approximately 3% of the interests in Ziff-Davis. The total investment made by Vulcan Programming and Vulcan Ventures was $54 million.

USA NETWORKS. USA Networks operates USA Network and The Sci-Fi Channel, which are cable television networks. USA Networks also operates Home Shopping Network, which is a retail sales program available via cable television systems. On May 1, 1994, Charter Investment signed an Affiliation Agreement with USA Networks. Pursuant to this Affiliation Agreement, USA Networks has agreed to provide their programming for broadcast via our cable television systems. The term of the Affiliation Agreement is until December 30, 1999. All of Charter Investment's operations take place at the subsidiary level and it is through Charter Investment that we derive our rights and obligations with respect to USA Networks. The Affiliation Agreement grants us the nonexclusive right to cablecast the USA Network programming service. We pay USA Networks a monthly fee for the USA Network programming service number based on the number of subscribers in each of our systems and the number and percentage of such subscribers receiving the USA Network programming service. Additionally, we agreed to use best efforts to publicize the schedule of the USA Network programming service in the television listings and program guides which we distribute.

Mr. Allen and Mr. Savoy are also directors of USA Networks. As of April 1999, Mr. Allen also owned approximately 12.4%, and Mr. Savoy owned less than 1%, of the common stock of USA Networks.

OXYGEN MEDIA, INC. Oxygen expects to begin providing content aimed at the female audience for distribution over the Internet and cable television systems. Vulcan Ventures has agreed to invest up to $100 million in Oxygen. In addition, Charter Investment has agreed to enter into a carriage agreement with Oxygen pursuant to which we intend to carry Oxygen programming content on our cable systems.

Mr. Allen has numerous investments. We cannot assure you that in the event that we or any of our subsidiaries enter into transactions in the future with any affiliate of Mr. Allen, that such transactions will be on terms as favorable to us as terms we might have obtained from an unrelated third party.

DESCRIPTION OF CERTAIN INDEBTEDNESS

The following description is qualified in its entirety by reference to the credit facilities and related documents governing such debt.

CHARTER OPERATING CREDIT FACILITIES

On March 18, 1999, all of our then-existing senior debt, consisting of seven separate credit facilities, was refinanced with proceeds of the sale of the original notes and proceeds of our initial senior secured credit facilities. The borrower under our initial senior secured credit facilities is Charter Operating. The initial senior secured credit facilities were arranged by The Chase Manhattan Bank, NationsBank, N.A., Toronto Dominion (Texas), Inc., Fleet Bank, N.A. and Credit Lyonnais New York Branch. The initial Charter Operating senior secured credit facilities provided for borrowings of up to $2.75 billion.

The initial Charter Operating senior secured credit facilities were increased on April 30, 1999 by $1.35 billion of additional senior secured credit facilities. Obligations under the Charter Operating credit facilities are guaranteed by Charter Operating's parent, Charter Holdings, and by Charter Operatings' subsidiaries. The obligations under the Charter Operating credit facilities are secured by pledges by Charter Operating of inter-company obligations and the ownership interests of Charter Operating and its subsidiaries, but are not secured by the other assets of Charter Operating or its subsidiaries. The guarantees are secured by pledges of inter-company obligations and the ownership interests of Charter Holdings in Charter Operating, but are not secured by the other assets of Charter Holdings or Charter Operating.

The initial Charter Operating senior secured credit facilities of $4.1 billion consist of:

- an eight and one-half year reducing revolving loan in the amount of $1.25 billion;
- an eight and one-half year Tranche A term loan in the amount of $1.0 billion; and
- a nine-year Tranche B term loan in the amount of $1.85 billion.

The Charter Operating credit facilities provide for the amortization of the principal amount of the Tranche A term loan facility and the reduction of the revolving loan facility beginning on June 30, 2002 with respect to the Tranche A term loan and on March 31, 2004 with respect to the revolving credit facility, with a final maturity date of September 18, 2007. The amortization of the principal amount of the Tranche B term loan facility is substantially "back-ended," with more than ninety percent of the principal balance due in the year of maturity. The Charter Operating credit facilities also provide for an incremental term facility, of up to $500 million which is conditioned upon receipt of additional new commitments from lenders. If the incremental term facility becomes available, 50% of the borrowings under it will be repaid on terms substantially similar to that of the Tranche A term loan and 50% on terms substantially similar to the Tranche B term loan. The Charter Operating credit facilities also contain provisions requiring mandatory loan prepayments under certain circumstances, such as when significant amounts of assets are sold and the proceeds are not promptly reinvested in assets useful in the business.

After an initial period in which interest rate margins will be fixed, interest rates for the Charter Operating credit facilities, as well as a fee payable on unborrowed amounts available under these facilities, will depend upon performance measured by a "leverage ratio," or, the ratio of indebtedness to annualized operating cash flow. Annualized operating cash flow is defined as the immediately preceding quarter's operating cash flow, before management fees, multiplied by four. This leverage ratio is based on the debt of Charter Operating and its subsidiaries, exclusive of the outstanding notes and other debt for money borrowed, of Charter Holdings.

The Charter Operating credit facilities provide Charter Operating with two interest rate options, to which a margin is added: a base rate option, generally, the "prime rate" of interest, and an interest rate option based on the London InterBank Offered Rate. The Charter Operating credit facilities contain representations and warranties, affirmative and negative covenants, information requirements, events of default and financial covenants. The financial covenants, which are generally tested on a quarterly basis, measure performance against standards set for leverage, debt service coverage, and operating cash flow coverage of cash interest expense.

Under most circumstances, acquisitions and investments may be made without the consent of the lenders as long as our operating cash flow for the four complete quarters preceding the acquisition or investment equals or exceeds 1.75 times the sum of our cash interest expense plus any restricted payments, on a pro forma basis after giving effect to the acquisition or investment.

The Charter Operating credit facilities also contain a change of control provision, making it an event of default, and permitting acceleration of the indebtedness, in the event that either:

(1) Mr. Allen, including his estate, heirs and certain other related entities, fails to maintain a 51% direct or indirect voting and economic interest in Charter Operating, provided that after the consummation of an initial public offering by Charter Holdings or an affiliate of Charter Holdings, the economic interest percentage may be reduced to 25%, or

(2) a change of control occurs under the indentures governing the notes.

The various negative covenants place limitations on our ability and the ability of our subsidiaries to, among other things, incur debt, pay dividends, incur liens, make acquisitions, investments or asset sales, or enter into transactions with affiliates. Distributions by Charter Operating under the credit facilities to Charter Holdings to pay interest on the notes are generally permitted, except during the existence of a default under such credit facilities. If the 8.250% notes are not refinanced prior to six months before their maturity date, the entire amount outstanding of the Charter Operating credit facilities will become due and payable.

RENAISSANCE NOTES

The original Renaissance notes and new Renaissance notes were issued by Renaissance Media (Louisiana) LLC, Renaissance Media (Tennessee) LLC and Renaissance Media Capital Corporation, with Renaissance Media Group LLC as the Guarantor, and the United States Trust Company of New York as the Trustee. In October 1998, the issuers exchanged $163.175 million of the original issued and outstanding 10% Senior Discount Notes due 2008 for an equivalent value of 10% Senior Discount Notes due April 15, 2008. Renaissance Media Group LLC, which is the direct or indirect parent company of each other issuer, is a now subsidiary of Charter Operating. The form and terms of the new Renaissance notes are the same in all material respects as the form and terms of the original Renaissance notes except that the issuance of the new Renaissance notes have been registered under the Securities Act.

The Renaissance notes and the Renaissance guarantee are unsecured, unsubordinated debt of the issuers and the guarantor, respectively.

There will not be any payment of interest in respect of the Renaissance notes prior to October 15, 2003. Interest on the new Renaissance notes shall be paid semi-annually in cash at a rate of 10% per annum beginning on October 15, 2003. The new Renaissance notes are redeemable at the option of the issuer, in whole or in part, at any time on or after April 15, 2003, initially at 105% of their principal amount at maturity, plus accrued interest, declining to 100% of the principal amount at maturity, plus accrued interest, on or after April 15, 2006. In addition, at any time prior to April 15, 2001, the issuers may redeem up to 35% of the original aggregate principal amount at maturity of the new Renaissance notes with the proceeds of one or more sales of capital stock at 110% of their accreted value on the redemption date, provided that after any such redemption at least $106 million aggregate principal amount at maturity of Renaissance notes remains outstanding.

Upon a change of control, the issuers will be required to make an offer to purchase the new Renaissance notes at a purchase price equal to 101% of their accreted value on the date of the purchase, plus accrued interest, if any. Our acquisition of Renaissance triggered this requirement. In May 1999, we made an offer to repurchase the Renaissance notes, and the holders of Renaissance, representing 30% of the total principal amount outstanding tendered their Renaissance notes for repurchase.

The indenture contains certain covenants that restrict the ability of the issuers and their restricted subsidiaries to:

- incur additional debt;
- create liens;
- engage in sale-leaseback transactions;
- pay dividends or make contributions in respect of their capital stock;
- redeem capital stock;
- make investments or certain other restricted payments;
- sell assets;
- issue or sell stock of Restricted Subsidiaries;
- enter into transactions with stockholders or affiliates; or
- effect a consolidation or merger.

DEBT TO BE ASSUMED IN CONNECTION WITH OUR PENDING ACQUISITIONS

HELICON NOTES

On November 3, 1993, Helicon Group, L.P. and Helicon Capital Corp. jointly issued $115,000,000 aggregate principal amount of 11% senior secured notes due 2003. On February 3, 1994, the issuers exchanged the original Helicon notes for an equivalent value of new Helicon notes. The form and terms of the new Helicon notes are the same as the form and terms of the corresponding original Helicon notes, except that the new Helicon notes were registered under the Securities Act of 1933 and, therefore, the new Helicon notes do not bear legends restricting their transfer. The Helicon notes bear interest at a rate of 11% per annum.

The Helicon notes are senior obligations of the issuers and are secured by substantially all of the cable assets, subject to a number of exceptions. The Helicon notes may be redeemed at the option of the issuers specified in whole or in part at any time at specified redemption prices plus accrued interest to the date of redemption. Notwithstanding the foregoing, at any time on or before November 1, 1996, the issuers may redeem up to 33 1/3% of the aggregate principal amount of the Helicon notes with the proceeds of one or more equity offerings within 120 days of such equity offering at a redemption price equal to 111% of the accreted value of the Helicon notes, plus accrued interest to the date of redemption. The Helicon notes were issued with original issue discount.

The issuers will be required to redeem $25 million principal amount of the Helicon notes on each of November 1, 2001 and November 1, 2002. Upon specified change of control events, the issuers will be required to make an offer to purchase all of the Helicon notes at a price equal to 101% of their accreted value until November 1, 1996, and at a price equal to 101% of their principal amount thereafter, plus, in each case, accrued interest to the date of purchase. Our acquisition of Helicon will trigger this obligation. We are required under the terms of the Charter Operating credit facilities to use our best efforts to repurchase the Helicon notes within 90 days of the acquisition.

The issuers are obligated to either commence an exchange offer for new Helicon notes that are identical to the original Helicon notes pursuant to an effective registration statement or cause the Helicon notes to be registered for re-sale under the Securities Act. Prior to the effectiveness of the registration statement the Helicon notes will bear interest at the rate of 9 1/2% per annum until November 1, 1996 and at a rate of 11 1/2% thereafter. Upon the effectiveness of the registration statement the interest rate shall be reduced to 9% and 11 1/2%, respectively.

The indenture governing the Helicon notes restrict, among other things, the ability of the issuers and some of their subsidiaries to:

- incur additional debt;

- make specified distributions;

- redeem equity interests;

- enter into transactions with affiliates; and

- merge or consolidate with or sell substantially all of the assets of the issuers.

RIFKIN NOTES

The Rifkin notes were issued by Rifkin Acquisition Partners, L.L.L.P. and Rifkin Acquisition Capital Corp. as issuers, subsidiaries of the partnership other than Rifkin Acquisition Capital Corp. as guarantors, and Marine Midland Bank as trustee. In March 1996, the issuers exchanged $125 million aggregate principal amount of the originally issued and outstanding 11 1/8% senior subordinated notes due 2006 for an equivalent value of new 11 1/8% senior subordinated notes due 2006. The form and terms of the new Rifkin notes are substantially identical to the form and terms of the original Rifkin notes except that the new Rifkin notes have been registered under the Securities Act and, therefore, do not bear legends restricting the transfer thereof. Interest on the Rifkin notes accrues at the rate of 11 1/8% per annum and is payable in cash semi-annually in arrears on January 15 and July 15 of each year, commencing July 15, 1996.

The Rifkin notes are redeemable at the issuers' option, in whole or in part, at any time on or after January 15, 2001, at 105.563% of the principal amount together with accrued and unpaid interest, if any, to the date of the redemption. This redemption premium declines over time to 100% of the principal amount, plus accrued and unpaid interest, if any, on or after 2005. In addition, at any time prior to January 15, 1999, the issuers, at their option, may redeem up to 25% of the aggregate principal amount of the Rifkin notes with the net proceeds of one or more public equity offerings or strategic equity investments in which the issuers receive proceeds of not less than $25 million, at a redemption price equal to 111 1/8% of the principal amount thereof, together with accrued and unpaid interest, if any, to the date of redemption. Following any such redemption, the aggregate principal amount of the Rifkin notes outstanding must equal at least 75% of the aggregate principal amount of the Rifkin notes originally issued.

Upon the occurrence of a change of control, each holder of Rifkin notes will have the right to require the issuers to purchase all or a portion of such holder's notes at 101% of the principal amount thereof, together with accrued and unpaid interest, to the date of purchase. Our acquisition of Rifkin will trigger this requirement. We are also required by the terms of the Charter Operating credit facilities to repurchase the Rifkin notes within 90 days of the Rifkin acquisition.

The Rifkin notes are jointly and severally guaranteed on a senior subordinated basis by specified subsidiaries of the issuers. The guarantees of the Rifkin notes will be general unsecured obligations of the guarantors and will be subordinated in right of to all existing and future senior debt of the guarantors.

Among other restrictions, the indentures governing the Rifkin notes contain covenants which limit the ability of the issuers and specified subsidiaries to:

- assume additional debt and issue specified additional equity interests;

- make restricted payments;

- enter into transactions with affiliates;

- incur liens;

- make specified contributions and payments to Rifkin Acquisition Partners, L.L.L.P.;

- transfer specified assets to subsidiaries; and

- merger, consolidate, and transfer all or substantially all of the assets of Rifkin Acquisition Partners, L.L.L.P. to another person.

DESCRIPTION OF NOTES

You can find the definitions of certain terms used in this description under the subheading "Certain Definitions."

The original notes were issued and the new notes will be issued under three separate indentures, each dated as of March 17, 1999, among the issuers, Marcus Cable Operating, LLC, Marcus Holdings, as guarantor and Harris Trust and Savings Bank, as trustee. The terms of the notes include those stated in the indentures and those made part of the indentures by reference to the Trust Indenture Act of 1939, as amended.

The form and terms of the new notes are the same in all material respects to the form and terms of the original notes, except that the new notes will have been registered under the Securities Act of 1933 and, therefore, will not bear legends restricting the transfer thereof. The original notes have not been registered under the Securities Act of 1933 and are subject to certain transfer restrictions.

The original notes were sold prior to our merger with Marcus Holdings. At the sale of the original notes, Marcus Holdings guaranteed the notes and issued a promissory note to Charter Holdings for certain amounts loaned by Charter Holdings to subsidiaries of Marcus Holdings. When we merged with Marcus Holdings both the guarantee and the promissory note issued automatically became, under the terms of the indentures, ineffective. Consequently, all references in the indentures and the notes to the guarantor, the guarantee or the promissory note, and all matters related thereto, including, without limitation, the pledges of any collateral are no longer applicable.

The following description is a summary of the material provisions of the indentures. It does not restate the indentures in their entirety. We urge you to read the indentures because they, and not this description, define your rights as holders of these notes. Copies of the indentures are available as set forth under "Business -- Additional Information."

BRIEF DESCRIPTION OF THE NOTES

The notes:

- are general unsecured obligations of the issuers;

- are effectively subordinated in right of payment to all existing and future secured Indebtedness of the issuers to the extent of the value of the assets securing such Indebtedness and to all liabilities, including trade payables, of Charter Holdings' Subsidiaries, other than Charter Capital;

- are equal in right of payment to all existing and future unsubordinated, unsecured Indebtedness of the issuers; and

- are senior in right of payment to any future subordinated Indebtedness of the issuers.

PRINCIPAL, MATURITY AND INTEREST OF NOTES

8.250% NOTES

The 8.250% notes are limited in aggregate principal amount to $600 million, and will be issued in denominations of $1,000 and integral multiples of $1,000. The 8.250% notes will mature on April 1, 2007.

Interest on the 8.250% notes will accrue at the rate of 8.250% per annum and will be payable semi-annually in arrears on April 1 and October 1, commencing on October 1, 1999. The issuers will make each interest payment to the holders of record of these 8.250% notes on the immediately preceding March 15 and September 15.

Interest on the 8.250% notes will accrue from the date of original issuance of the original notes or, if interest has already been paid, from the date it was most recently paid. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

8.625% NOTES

The 8.625% notes are limited in aggregate principal amount to $1.5 billion, and will be issued in denominations of $1,000 and integral multiples of $1,000. The 8.625% notes will mature on April 1, 2009.

Interest on the 8.625% notes will accrue at the rate of 8.625% per annum and will be payable semi-annually in arrears on April 1 and October 1, commencing on October 1, 1999. The issuers will make each interest payment to the holders of record of these 8.625% notes on the immediately preceding March 15 and September 15.

Interest on the 8.625% notes will accrue from the date of original issuance of the original notes or, if interest has already been paid, from the date it was most recently paid. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

9.920% NOTES

The 9.920% notes are limited in aggregate principal amount at maturity to $1.475 billion and originally were issued at an issue price of $613.94 per $1,000 principal amount at maturity, representing a yield to maturity of 9.920%, calculated on a semi-annual bond equivalent basis, calculated from March 17, 1999. The issuers will issue 9.920% notes, in denominations of $1,000 principal amount at maturity and integral multiples of $1,000 principal amount at maturity. The 9.920% notes will mature on April 1, 2011.

Cash interest on the 9.920% notes will not accrue prior to April 1, 2004. Thereafter, cash interest on the 9.920% notes will accrue at a rate of 9.920% per annum and will be payable semi-annually in arrears on April 1 and October 1, commencing on October 1, 2004. The issuers will make each interest payment to the holders of record of the 9.920% notes on the immediately preceding March 15 and September 15. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

The 9.920% notes will accrete at a rate of 9.920% per year to an aggregate amount of $1.475 billion as of April 1, 2004. For United States federal income tax purposes, holders of the 9.920% notes will be required to include amounts in gross income in advance of the receipt of the cash payments to which the income is attributable. See "Certain Federal Tax Considerations."

RANKING

As a holding company, Charter Holdings does not hold substantial assets other than its direct or indirect investments in and advances to its operating subsidiaries. Our subsidiaries conduct all of our consolidated operations and own substantially all of our consolidated assets. As a result, our cash flow and our ability to meet our debt service obligations on the notes will depend upon the cash flow of our subsidiaries and the payment of funds by our subsidiaries to us in the form of loans, equity distributions or otherwise. Our subsidiaries are not obligated to make funds available to us for payment on the notes. In addition, our subsidiaries' ability to make any such loans or distributions to us will depend on their earnings, the terms of their indebtedness, business and tax considerations and legal restrictions. Our credit facilities place limitations on the ability of our subsidiaries to pay dividends and enter into certain transactions with affiliates. Our credit facilities also contain financial covenants that could limit the payment of dividends. However distributions generally will be permitted by the credit facilities to pay interest on the notes except during the existence of a default under the credit facilities.

Because of our holding company structure, the notes will be subordinate to all liabilities of our subsidiaries. Creditors of our subsidiaries will have the right to be paid before holders of the notes from any assets of our subsidiaries. At March 31, 1999, on a pro forma basis giving effect to the acquisitions and our credit facilities, all of our outstanding indebtedness, including our credit facilities, was incurred by our subsidiaries. At that date, our subsidiaries' liabilities totaled approximately $4.0 billion and all such liabilities would have ranked senior to the new notes. In the event of bankruptcy, liquidation or dissolution of a subsidiary, following payment by the subsidiary of its liabilities, such subsidiary may not have sufficient assets remaining to make payments to us as a shareholder or otherwise.

OPTIONAL REDEMPTION

8.250% NOTES

The 8.250% notes are not redeemable at the issuers' option prior to maturity.

8.625% NOTES

At any time prior to April 1, 2002, the issuers may, on any one or more occasions, redeem up to 35% of the aggregate principal amount of the 8.625% notes on a pro rata basis or nearly as pro rata as practicable, at a redemption price of 108.625% of the principal amount thereof, plus accrued and unpaid interest to the redemption date, with the net cash proceeds of one or more Equity Offerings; provided that

(1) at least 65% of the aggregate principal amount of 8.625% notes remains outstanding immediately after the occurrence of such redemption excluding 8.625% notes held by Charter Holdings and its Subsidiaries; and

(2) the redemption must occur within 60 days of the date of the closing of such Equity Offering.

Except pursuant to the preceding paragraph, the 8.625% notes will not be redeemable at the issuers' option prior to April 1, 2004.

On or after April 1, 2004, the issuers may redeem all or a part of the 8.625% notes upon not less than 30 nor more than 60 days notice, at the redemption prices, expressed as percentages of principal amount, set forth below plus accrued and unpaid interest thereon, if any, to the applicable redemption date, if redeemed during the twelve-month period beginning on April 1 of the years indicated below:

YEAR	PERCENTAGE
2004	104.313%
2005	102.875%
2006	101.438%
2007 and thereafter	100.000%

9.920% NOTES

At any time prior to April 1, 2002, the issuers may, on any one or more occasions, redeem up to 35% of the aggregate principal amount at maturity of the 9.920% notes on a pro rata basis or nearly as pro rata as practicable, at a redemption price of 109.920% of the Accreted Value thereof, with the net cash proceeds of one or more Equity Offerings; provided that

(1) at least 65% of the aggregate principal amount at maturity of 9.920% notes remains outstanding immediately after the occurrence of such redemption, excluding 9.920% notes held by Charter Holdings and its Subsidiaries; and

(2) the redemption must occur within 60 days of the date of the closing of such Equity Offering.

Except pursuant to the preceding paragraph, the 9.920% notes will not be redeemable at the Issuers' option prior to April 1, 2004.

On or after April 1, 2004, the issuers may redeem all or a part of the 9.920% notes upon not less than 30 nor more than 60 days notice, at the redemption prices, expressed as percentages of principal amount, set forth below plus accrued and unpaid interest thereon, if any, to the applicable redemption date, if redeemed during the twelve-month period beginning on April 1 of the years indicated below:

YEAR	PERCENTAGE
2004	104.960%
2005	103.307%
2006	101.653%
2007 and thereafter	100.000%

REPURCHASE AT THE OPTION OF HOLDERS

CHANGE OF CONTROL

If a Change of Control occurs, each holder of notes will have the right to require the Issuers to repurchase all or any part, equal to $1,000 or an integral multiple thereof, of that holder's notes pursuant to a "Change of Control offer." In the Change of Control offer, the issuers will offer a "Change of Control payment" in cash equal to

(x) with respect to the 8.250% notes and the 8.625% notes, 101% of the aggregate principal amount thereof repurchased plus accrued and unpaid interest thereon, if any, to the date of purchase and

(y) with respect to the 9.920% notes, 101% of the Accreted Value plus, for any Change of Control offer occurring after the Full Accretion Date, accrued and unpaid interest, if any, on the date of purchase. Within ten days following any Change of Control, the issuers will mail a notice to each holder describing the transaction or transactions that constitute the Change of Control and offering to repurchase notes on a certain date, the "Change of Control payment date", specified in such notice, pursuant to the procedures required by the Indentures and described in such notice. The issuers will comply with the requirements of Rule 14e-1 under the Securities Exchange Act of 1934 or any successor rules, and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable in connection with the repurchase of the notes as a result of a Change of Control.

On the Change of Control payment date, the issuers will, to the extent lawful:

(1) accept for payment all notes or portions thereof properly tendered pursuant to the Change of Control offer;

(2) deposit with the Paying Agent an amount equal to the Change of Control payment in respect of all notes or portions thereof so tendered; and

(3) deliver or cause to be delivered to the trustee the notes so accepted together with an officers' certificate stating the aggregate principal amount of notes or portions thereof being purchased by the issuers.

The Paying Agent will promptly mail to each holder of notes so tendered the Change of Control payment for such notes, and the trustee will promptly authenticate and mail, or cause to be transferred by book entry, to each holder a new note equal in principal amount to any unpurchased portion of the notes surrendered, if any; provided that each such new note will be in a principal amount at maturity of $1,000 or an integral multiple thereof.

The provisions described above that require the issuers to make a Change of Control offer following a Change of Control will be applicable regardless of whether or not any other provisions of the indentures are applicable. Except as described above with respect to a Change of Control, the indentures do not contain provisions that permit the Holders of the notes to require that the issuers repurchase or redeem the notes in the event of a takeover, recapitalization or similar transaction.

The issuers will not be required to make a Change of Control offer upon a Change of Control if a third party makes the Change of Control offer in the manner, at the times and otherwise in compliance with the requirements set forth in the indentures applicable to a Change of Control offer made by the issuers and purchases all notes validly tendered and not withdrawn under such Change of Control offer.

The definition of Change of Control includes a phrase relating to the sale, lease, transfer, conveyance or other disposition of "all or substantially all" of the assets of Charter Holdings and its Subsidiaries, taken as a whole. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a holder of notes to require the Issuers to repurchase such notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets of Charter Holdings and its Subsidiaries, taken as a whole, another Person or group may be uncertain.

ASSET SALES

Charter Holdings will not, and will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale unless:

(1) Charter Holdings or a Restricted Subsidiary of Charter Holdings receives consideration at the time of such Asset Sale at least equal to the fair market value of the assets or Equity Interests issued or sold or otherwise disposed of;

(2) such fair market value is determined by Charter Holdings' board of directors and evidenced by a resolution of such board of directors set forth in an officers' certificate delivered to the trustee; and

(3) at least 75% of the consideration therefor received by Charter Holdings or such Restricted Subsidiary is in the form of cash, Cash Equivalents or readily marketable securities.

For purposes of this provision, each of the following shall be deemed to be cash:

(a) any liabilities shown on Charter Holdings' or such Restricted Subsidiary's most recent balance sheet, other than contingent liabilities and liabilities that are by their terms subordinated to the notes, that are assumed by the transferee of any such assets pursuant to a customary novation agreement that releases Charter Holdings or such Restricted Subsidiary from further liability;

(b) any securities, notes or other obligations received by Charter Holdings or any such Restricted Subsidiary from such transferee that are converted by Charter Holdings or such Restricted Subsidiary into cash, Cash Equivalents or readily marketable securities within 60 days after receipt thereof, to the extent of the cash, Cash Equivalents or readily marketable securities received in that conversion; and

(c) Productive Assets.

Within 365 days after the receipt of any Net Proceeds from an Asset Sale, Charter Holdings or a Restricted Subsidiary of Charter Holdings may apply such Net Proceeds at its option:

(1) to repay debt under the Credit Facilities or any other Indebtedness of the Restricted Subsidiaries, other than Indebtedness represented by a guarantee of a Restricted Subsidiary of Charter Holdings; or

(2) to invest in Productive Assets; provided that any Net Proceeds which Charter Holdings or a Restricted Subsidiary of Charter Holdings has committed to invest in Productive Assets within 365 days of the applicable Asset Sale may be invested in Productive Assets within two years of such Asset Sale.

Any Net Proceeds from Asset Sales that are not applied or invested as provided in the preceding paragraph will constitute Excess Proceeds. When the aggregate amount of Excess Proceeds exceeds $25.0 million, the issuers will make an Asset Sale Offer to all holders of notes and all holders of other Indebtedness that is pari passu with the notes containing provisions requiring offers to purchase or redeem with the proceeds of sales of assets to purchase the maximum principal amount of notes and such other pari passu Indebtedness that may be purchased out of the Excess Proceeds, which amount includes the entire amount of the Net Proceeds. The offer price in any Asset Sale Offer will be payable in cash and equal to

(x) with respect to the 8.250% notes and the 8.625% notes, 100% of principal amount plus accrued and unpaid interest, if any, to the date of purchase, and

(y) with respect to the 9.925% notes, 100% of the Accreted Value thereof plus, after the Full Accretion Date, accrued and unpaid interest, if any, to the date of purchase. If any Excess Proceeds remain after consummation of an Asset Sale Offer, Charter Holdings may use such Excess Proceeds for any purpose not otherwise prohibited by the indentures. If the aggregate principal amount of notes and such other pari passu Indebtedness tendered into such Asset Sale Offer exceeds the amount of Excess Proceeds, the applicable trustee shall select the notes and such other pari passu Indebtedness to be purchased on a pro rata basis. Upon completion of each Asset Sale Offer, the amount of Excess Proceeds shall be reset at zero.

SELECTION AND NOTICE

If less than all of the notes are to be redeemed at any time, the trustee will select notes for redemption as follows:

(1) if the notes are listed, in compliance with the requirements of the principal national securities exchange on which the notes are listed; or

(2) if the notes are not so listed, on a pro rata basis, by lot or by such method as the trustee shall deem fair and appropriate.

No notes of $1,000 or less shall be redeemed in part. Notices of redemption shall be mailed by first class mail at least 30 but not more than 60 days before the redemption date to each holder of notes to be redeemed at its registered address. Notices of redemption may not be conditional.

If any note is to be redeemed in part only, the notice of redemption that relates to that note shall state the portion of the principal amount thereof to be redeemed. A new note in principal amount equal to the unredeemed portion of the original note will be issued in the name of the holder thereof upon cancellation of the original note. Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on, or the Accreted Value ceases to increase on, as the case may be, notes or portions of them called for redemption.

CERTAIN COVENANTS

Set forth in this section are summaries of certain covenants contained in the indentures. The covenants summarized are the following:

- Limitations on restricted payments by Charter Holdings and its Restricted Subsidiaries. Restricted payments include
  - dividends and other distributions on equity interests,
  - purchases, redemptions on other acquisitions of equity interests, and
  - purchases, redemptions, defeasance or other acquisitions of subordinated debt;
- Limitations on restricted investments by Charter Holdings or its Restricted Subsidiaries. Restricted investments include investments other than
  - investments in Restricted Subsidiaries, cash equivalents,
  - non-cash consideration from an asset sale made in compliance with the indenture,
  - investments with the net cash proceeds of the issuance and sale of equity interests,

- investments in productive assets not to exceed in the $150 million,

- other investments not exceeding $50 million in any person,

- investments in customers and suppliers which either generate accounts receivable or are accepted in settlement of bona fide disputes, and

- the investment in Marcus Cable Holdings LLC.

This covenant also limits Charter Holdings from allowing any Restricted Subsidiary from becoming an Unrestricted Subsidiary;

- Limitations on the occurrence of Indebtedness and issuance of preferred stock generally unless the leverage ratio is not greater than 8.75 to 1.0 on a pro forma basis. This does not prohibit the incurrence of permitted debt which includes:

  - borrowings up to $3.5 billion under the credit facilities,

  - existing indebtedness,

  - capital lease obligations, mortgage financings or purchase money obligations in an aggregate amount of up to $25 million at any one time outstanding for the purchase, construction or improvement of productive assets,

  - permitted refinancing indebtedness,

  - intercompany indebtedness,

  - hedging obligations,

  - up to $300 million of additional indebtedness,

  - additional indebtedness not exceeding 200% of the net cash proceeds from the sale of equity interests to the extent not used to make restricted payments or permitted investments, and

  - the accretion or amortization of original issue discount and the write up of indebtedness in accordance with purchase accounting;

- Prohibitions against the creation of liens except permitted liens;

- Prohibitions against restrictions on the ability of any Restricted Subsidiary to pay dividends or make other distributions on its capital stock to Charter Holdings or any Restricted Subsidiary, make loans or advances to Charter Holdings or its Restricted Subsidiaries or transfer properties or assets to Charter Holdings or any of its Restricted Subsidiaries. This covenant, however, does not prohibit restrictions under

  - existing indebtedness,

  - the notes and the indentures,

  - applicable law,

  - the terms of indebtedness or capital stock of a person acquired by Charter Holdings or any of its Restricted Subsidiaries,

  - customary non-assignment provisions in leases,

  - purchase money obligations,

- agreements for the sale or other disposition of a Restricted Subsidiary restricting distributions pending its sale,

- permitted refinancing indebtedness,

- liens securing indebtedness permitted under the indentures,

- joint venture agreements,

- under ordinary course contracts with customers that restrict cash, other deposits or net worth,

- indebtedness permitted under the indentures, and

- restrictions that are not materially more restrictive than customary provisions in comparable financings which management determines will not materially impair Charter Holdings' ability to make payments required under the notes;

- Prohibitions against mergers, consolidations or the sale of all or substantially all of an issuer's assets unless

  - the issuer is the surviving corporation or the person formed by the merger or consolidation or acquiring the assets is organized under the law of the United States, any state or the District of Columbia,

  - such person assumes all obligations under the notes and the indentures,

  - no default or event of default exists, and

  - Charter Holdings or the person formed by the merger or consolidation or acquiring all or substantially all the assets could incur at least $1.00 of additional indebtedness under the leverage ratio or have a leverage ratio after giving effect to the transaction no greater than the leverage ratio of the issuer immediately prior to the transaction;

- Prohibitions against transactions with affiliates, unless Charter Holdings delivers to the trustee:

  - for transactions exceeding $15.0 million a resolution approved by a majority of the board of directors certifying that the transaction complies with the covenant; and

  - for transactions exceeding $50.0 million a fairness opinion of an accounting, appraisal or investment banking firm of national standing.

  Certain transactions are not subject to the covenant including:

  - existing employment agreements and new employment agreements entered into in the ordinary course of business and consistent with past practice; and

  - management fees under agreements existing at the issue date or after the issue date if the percentage fees are not higher than those under agreements existing on the issue date.

- Limitations on sale and leaseback transactions exceeding three years; and

- Prohibitions against consent payments to holders of notes unless paid to all consenting holders.

During any period of time that

(a) either the 8.250% notes, the 8.625% notes or the 9.920% notes have Investment Grade Ratings from both Rating Agencies, and

(b) no Default or Event of Default has occurred and is continuing under the applicable indenture,

Charter Holdings and its Restricted Subsidiaries will not be subject to the provisions of the indenture described under

- "-- Incurrence of Indebtedness and Issuance of preferred stock,"
- "-- Restricted Payments,"
- "-- Asset Sales,"
- "-- Sale and Leaseback Transactions,"
- "-- Dividend and Other Payment Restrictions Affecting Subsidiaries,"
- "-- Transactions with Affiliates,"
- "-- Investments" and
- clause (4) of the first paragraph of "-- Merger, Consolidation and Sale of Assets".

If Charter Holdings and its Restricted Subsidiaries are not subject to these covenants for any period of time and, subsequently, one or both of the Rating Agencies withdraws its ratings or downgrades the ratings assigned to the applicable notes below the required Investment Grade Ratings or a Default or Event of Default occurs and is continuing, then Charter Holdings and its Restricted Subsidiaries will be subject again to these covenants. Compliance with the covenant with respect to Restricted Payments made after the time of such withdrawal, downgrade, Default or Event of Default will be calculated as if such covenant had been in effect during the entire period of time from the issue date.

The new notes will not have Investment Grade Ratings from the Rating Agencies upon issuance. Consequently, the covenants listed above remain applicable to Charter Holdings and its Restricted Subsidiaries.

RESTRICTED PAYMENTS

Charter Holdings will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly:

(1) declare or pay any dividend or make any other payment or distribution on account of Charter Holdings' or any of its Restricted Subsidiaries' Equity Interests, including, without limitation, any payment in connection with any merger or consolidation involving Charter Holdings or any of its Restricted Subsidiaries, or to the direct or indirect holders of Charter Holdings' or any of its Restricted Subsidiaries' Equity Interests in their capacity as such, other than dividends or distributions payable in Equity Interests, other than Disqualified Stock, of Charter Holdings or, in the case of Charter Holdings and its Restricted Subsidiaries, to Charter Holdings or a Restricted Subsidiary of Charter Holdings;

(2) purchase, redeem or otherwise acquire or retire for value, including, without limitation, in connection with any merger or consolidation involving Charter Holdings, any Equity Interests of Charter Holdings or any direct or indirect parent of Charter

Holdings or any Restricted Subsidiary of Charter Holdings, other than, in the case of Charter Holdings and its Restricted Subsidiaries, any such Equity Interests owned by Charter Holdings or any Restricted Subsidiary of Charter Holdings; or

(3) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Indebtedness that is subordinated to the notes, other than the notes, except a payment of interest or principal at the Stated Maturity thereof.

All such payments and other actions set forth in clauses (1) through (3) above are collectively referred to as "Restricted Payments," unless, at the time of and after giving effect to such Restricted Payment:

(1) no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof;

(2) Charter Holdings would, at the time of such Restricted Payment and after giving pro forma effect thereto as if such Restricted Payment had been made at the beginning of the applicable quarter period, have been permitted to incur at least $1.00 of additional Indebtedness pursuant to the Leverage Ratio test set forth in the first paragraph of the covenant described below under the caption "-- Incurrence of Indebtedness and Issuance of preferred stock"; and

(3) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by Charter Holdings and each of its Restricted Subsidiaries after the date of the indentures, excluding Restricted Payments permitted by clauses (2), (3), (4), (5), (6), (7) and (8) of the next succeeding paragraph, shall not exceed, at the date of determination, the sum of:

(a) an amount equal to 100% of combined Consolidated EBITDA of Charter Holdings since the date of the indentures to the end of Charter Holdings' most recently ended full fiscal quarter for which internal financial statements are available, taken as a single accounting period, less the product of 1.2 times the combined Consolidated Interest Expense of Charter Holdings since the date of the indentures to the end of Charter Holdings' most recently ended full fiscal quarter for which internal financial statements are available, taken as a single accounting period, plus

(b) an amount equal to 100% of Capital Stock Sale Proceeds less any such Capital Stock Sale Proceeds used in connection with

(i) an Investment made pursuant to clause (6) of the definition of "Permitted Investments" or

(ii) the incurrence of Indebtedness pursuant to clause (10) of "Incurrence of Indebtedness and Issuance of preferred stock," plus

(c) $100.0 million.

So long as no Default has occurred and is continuing or would be caused thereby, the preceding provisions will not prohibit:

(1) the payment of any dividend within 60 days after the date of declaration thereof, if at said date of declaration such payment would have complied with the provisions of the indentures;

(2) the redemption, repurchase, retirement, defeasance or other acquisition of any subordinated Indebtedness of Charter Holdings in exchange for, or out of the net proceeds of, the substantially concurrent sale, other than to a Subsidiary of Charter Holdings, of Equity Interests of Charter Holdings, other than Disqualified Stock; provided that the amount of any such net cash proceeds that are utilized for any such redemption, repurchase, retirement, defeasance or other acquisition shall be excluded from clause (3)(b) of the preceding paragraph;

(3) the defeasance, redemption, repurchase or other acquisition of subordinated Indebtedness of Charter Holdings or any of its Restricted Subsidiaries with the net cash proceeds from an incurrence of Permitted Refinancing Indebtedness;

(4) regardless of whether a Default then exists, the payment of any dividend or distribution to the extent necessary to permit direct or indirect beneficial owners of shares of Capital Stock of Charter Holdings to pay federal, state or local income tax liabilities that would arise solely from income of Charter Holdings or any of its Restricted Subsidiaries, as the case may be, for the relevant taxable period and attributable to them solely as a result of Charter Holdings, and any intermediate entity through which the holder owns such shares or any of their Restricted Subsidiaries being a limited liability company, partnership or similar entity for federal income tax purposes;

(5) regardless of whether a Default then exists, the payment of any dividend by a Restricted Subsidiary of Charter Holdings to the holders of its common Equity Interests on a pro rata basis;

(6) the payment of any dividend on Charter Holdings preferred stock or the redemption, repurchase, retirement or other acquisition of Charter Holdings preferred stock in an amount not in excess of its aggregate liquidation value;

(7) the repurchase, redemption or other acquisition or retirement for value of any Equity Interests of Charter Holdings held by any member of Charter Holdings' management pursuant to any management equity subscription agreement or stock option agreement in effect as of the date of the indentures; provided that the aggregate price paid for all such repurchased, redeemed, acquired or retired Equity Interests shall not exceed $10 million in any fiscal year of Charter Holdings; and

(8) payment of fees in connection with any acquisition, merger or similar transaction in an amount that does not exceed an amount equal to 1.25% of the transaction value of such acquisition, merger or similar transaction.

The amount of all Restricted Payments, other than cash shall be the fair market value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by Charter Holdings or any of its Restricted Subsidiaries pursuant to the Restricted Payment. The fair market value of any assets or securities that are required to be valued by this covenant shall be determined by the board of directors of Charter Holdings whose resolution with respect thereto shall be delivered to the trustee. Such board of directors' determination must be based upon an opinion or appraisal issued by an accounting, appraisal or investment banking firm of national standing if the fair market value exceeds $100 million. Not later than the date of making any Restricted Payment, the Charter Holdings shall deliver to the trustee an officers' certificate stating that such Restricted Payment is permitted and setting forth the basis upon which the calculations required by this "Restricted Payments" covenant were computed, together with a copy of any fairness opinion or appraisal required by the indentures.

INVESTMENTS

Charter Holdings will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly:

(1) make any Restricted Investment; or

(2) allow any Restricted Subsidiary of Charter Holdings to become an Unrestricted Subsidiary, unless, in each case:

(1) no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof; and

(2) Charter Holdings would, at the time of, and after giving effect to, such Restricted Investment or such designation of a Restricted Subsidiary as an unrestricted Subsidiary, have been permitted to incur at least $1.00 of additional Indebtedness pursuant to the Leverage Ratio test set forth in the first paragraph of the covenant described below under the caption "-- Incurrence of Indebtedness and Issuance of preferred stock."

An Unrestricted Subsidiary may be redesignated as a Restricted Subsidiary if such redesignation would not cause a Default.

INCURRENCE OF INDEBTEDNESS AND ISSUANCE OF PREFERRED STOCK

(a) Charter Holdings will not, and will not permit any of its Restricted Subsidiaries to directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to (collectively, "incur") any Indebtedness, including Acquired Debt, and Charter Holdings will not issue any Disqualified Stock and will not permit any of its Restricted Subsidiaries to issue any shares of preferred stock unless the Leverage Ratio would have been not greater than 8.75 to 1.0 determined on a pro forma basis, including a pro forma application of the net proceeds therefrom, as if the additional Indebtedness had been incurred, or the Disqualified Stock had been issued, as the case may be, at the beginning of the most recently ended fiscal quarter.

So long as no Default shall have occurred and be continuing or would be caused thereby, the first paragraph of this covenant will not prohibit the incurrence of any of the following items of Indebtedness (collectively, "Permitted Debt"):

(1) the incurrence by Charter Holdings and its Restricted Subsidiaries of Indebtedness under the Credit Facilities; provided that the aggregate principal amount of all Indebtedness of Charter Holdings and its Restricted Subsidiaries outstanding under the Credit Facilities, after giving effect to such incurrence, does not exceed an amount equal to $3.5 billion less the aggregate amount of all Net Proceeds of Asset Sales applied by Charter Holdings or any of its Subsidiaries in the case of an Asset Sale since the date of the indentures to repay Indebtedness under the Credit Facilities, pursuant to the covenant described above under the caption "-- Asset Sales";

(2) the incurrence by Charter Holdings and its Restricted Subsidiaries of Existing Indebtedness, other than the Credit Facilities;

(3) the incurrence on the Issue Date by Charter Holdings and its Restricted Subsidiaries of Indebtedness represented by the notes;

(4) the incurrence by Charter Holdings or any of its Restricted Subsidiaries of Indebtedness represented by Capital Lease Obligations, mortgage financings or purchase money obligations, in each case, incurred for the purpose of financing all or any part of the purchase price or cost of construction or improvement, including, without limitation, the cost of design, development, construction, acquisition, transportation, installation, improvement, and migration, of Productive Assets of Charter Holdings or any of its Restricted Subsidiaries in an aggregate principal amount not to exceed $75 million at any time outstanding;

(5) the incurrence by Charter Holdings or any of its Restricted Subsidiaries of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to refund, refinance or replace, in whole or in part, Indebtedness, other than intercompany Indebtedness, that was permitted by the indentures to be incurred under the first paragraph of this covenant or clauses (2) or (3) of this paragraph;

(6) the incurrence by Charter Holdings or any of its Restricted Subsidiaries, of intercompany Indebtedness between or among Charter Holdings and any of its Wholly Owned Restricted Subsidiaries; provided, that this clause does not permit Indebtedness between Charter Holdings or any of its Restricted Subsidiaries, as creditor or debtor, as the case may be, unless otherwise permitted by the indentures; provided, further, that:

(a) if Charter Holdings is the obligor on such Indebtedness, such Indebtedness must be expressly subordinated to the prior payment in full in cash of all Obligations with respect to the notes; and

(b) (i) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than Charter Holdings or a Wholly Owned Restricted Subsidiary thereof, and (ii) any sale or other transfer of any such Indebtedness to a Person that is not either Charter Holdings or a Wholly Owned Restricted Subsidiary thereof, shall be deemed, in each case, to constitute an incurrence of such Indebtedness by Charter Holdings or any of its Restricted Subsidiaries, as the case may be, that was not permitted by this clause (6);

(7) the incurrence by Charter Holdings or any of its Restricted Subsidiaries of Hedging Obligations that are incurred for the purpose of fixing or hedging interest rate risk with respect to any floating rate Indebtedness that is permitted by the terms of the indentures to be outstanding;

(8) the guarantee by Charter Holdings of Indebtedness of Charter Holdings or a Restricted Subsidiary of Charter Holdings, that was permitted to be incurred by another provision of this covenant;

(9) the incurrence by Charter Holdings or any of its Restricted Subsidiaries, of additional Indebtedness in an aggregate principal amount at any time outstanding, not to exceed $300 million;

(10) the incurrence by Charter Holdings or any of its Restricted Subsidiaries, of additional Indebtedness in an aggregate principal amount at any time outstanding, not to exceed 200% of the net cash proceeds received by Charter Holdings from the sale of its Equity Interests, other than Disqualified Stock, after the date of the Indentures to the extent such net cash proceeds have not been applied to make Restricted Payments or to effect other transactions pursuant to the covenant described above

under the subheading "-- Restricted Payments" or to make Permitted Investments pursuant to clause (6) of the definition thereof;

(11) the accretion or amortization of original issue discount and the write up of Indebtedness in accordance with purchase accounting.

For purposes of determining compliance with this "Incurrence of Indebtedness and Issuance of Preferred Stock" covenant, in the event that an item of proposed Indebtedness

(a) meets the criteria of more than one of the categories of Permitted Debt described in clauses (1) through (12) above, or

(b) is entitled to be incurred pursuant to the first paragraph of this covenant,

Charter Holdings will be permitted to classify and from time to time to reclassify such item of Indebtedness on the date of its incurrence in any manner that complies with this covenant. For avoidance of doubt, Indebtedness incurred pursuant to a single agreement, instrument, program, facility or line of credit may be classified as Indebtedness arising in part under one of the clauses listed above, and in part under any one or more of the clauses listed above, to the extent that such Indebtedness satisfies the criteria for such clauses.

(b) Notwithstanding the foregoing, in no event shall any Restricted Subsidiary of Charter Holdings consummate a Subordinated Debt Financing or a preferred stock Financing. A "Subordinated Debt Financing" or a "preferred stock Financing", as the case may be, with respect to any Restricted Subsidiary of Charter Holdings shall mean a public offering or private placement, whether pursuant to Rule 144A under the Securities Act or otherwise, of Subordinated Notes or preferred stock, whether or not such preferred stock constitutes Disqualified Stock, as the case may be, of such Restricted Subsidiary to one or more purchasers, other than to one or more Affiliates of Charter Holdings. "Subordinated Notes" with respect to any Restricted Subsidiary of Charter Holdings shall mean Indebtedness of such Restricted Subsidiary that is contractually subordinated in right of payment to any other Indebtedness of such Restricted Subsidiary, including, without limitation, Indebtedness under the Credit Facilities. The foregoing limitation shall not apply to

(i) any Indebtedness or preferred stock of any Person existing at the time such Person is merged with or into or became a Subsidiary of Charter Holdings; provided that such Indebtedness or preferred stock was not incurred or issued in connection with, or in contemplation of, such Person merging with or into, or becoming a Subsidiary of, Charter Holdings, and

(ii) any Indebtedness or preferred stock of a Restricted Subsidiary issued in connection with, and as part of the consideration for, an acquisition, whether by stock purchase, asset sale, merger or otherwise, in each case involving such Restricted Subsidiary, which Indebtedness or preferred stock is issued to the seller or sellers of such stock or assets; provided that such Restricted Subsidiary is not obligated to register such Indebtedness or preferred stock under the Securities Act of 1933 or obligated to provide information pursuant to Rule 144A under the Securities Act of 1933.

LIENS

Charter Holdings will not, directly or indirectly, create, incur, assume or suffer to exist any Lien of any kind securing Indebtedness, Attributable Debt or trade payables on any asset now owned or hereafter acquired, except Permitted Liens.

DIVIDEND AND OTHER PAYMENT RESTRICTIONS AFFECTING SUBSIDIARIES

Charter Holdings will not, directly or indirectly, create or permit to exist or become effective any encumbrance or restriction on the ability of any Restricted Subsidiary of Charter Holdings, to:

(1) pay dividends or make any other distributions on its Capital Stock to Charter Holdings or any of its Restricted Subsidiaries, or with respect to any other interest or participation in, or measured by, its profits, or pay any indebtedness owed to Charter Holdings or any of its Restricted Subsidiaries;

(2) make loans or advances to Charter Holdings or any of its Restricted Subsidiaries or any of its Restricted Subsidiaries; or

(3) transfer any of its properties or assets to Charter Holdings or any of its Restricted Subsidiaries.

However, the preceding restrictions will not apply to encumbrances or restrictions existing under or by reason of:

(1) Existing Indebtedness as in effect on the date of the indentures, including, without limitation, the Credit Facilities and any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings thereof; provided that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are no more restrictive, taken as a whole, with respect to such dividend and other payment restrictions than those contained in such Existing Indebtedness, as in effect on the date of the Indentures;

(2) the indentures and the notes;

(3) applicable law;

(4) any instrument governing Indebtedness or Capital Stock of a Person acquired by Charter Holdings or any of its Restricted Subsidiaries as in effect at the time of such acquisition, except to the extent such Indebtedness was incurred in connection with or in contemplation of such acquisition, which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired; provided that, in the case of Indebtedness, such Indebtedness was permitted by the terms of the Indentures to be incurred;

(5) customary non-assignment provisions in leases entered into in the ordinary course of business and consistent with past practices;

(6) purchase money obligations for property acquired in the ordinary course of business that impose restrictions on the property so acquired of the nature described in clause (3) of the preceding paragraph;

(7) any agreement for the sale or other disposition of a Restricted Subsidiary of Charter Holdings that restricts distributions by such Restricted Subsidiary pending its sale or other disposition;

(8) Permitted Refinancing Indebtedness; provided that the restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are no more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced;

(9) Liens securing Indebtedness otherwise permitted to be incurred pursuant to the provisions of the covenant described above under the caption "-- Liens" that limit the right of Charter Holdings or any of its Restricted Subsidiaries to dispose of the assets subject to such Lien;

(10) provisions with respect to the disposition or distribution of assets or property in joint venture agreements and other similar agreements entered into in the ordinary course of business;

(11) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business;

(12) restrictions contained in the terms of Indebtedness permitted to be incurred under the covenant "-- Incurrence of Indebtedness and Issuance of preferred stock"; provided that such restrictions are no more restrictive than the terms contained in the Credit Facilities as in effect on the Issue Date; and

(13) restrictions that are not materially more restrictive than customary provisions in comparable financings and the management of Charter Holdings determines that such restrictions will not materially impair Charter Holdings' ability to make payments as required under the notes.

MERGER, CONSOLIDATION, OR SALE OF ASSETS

Neither of the issuers may, directly or indirectly:

(1) consolidate or merge with or into another Person, whether or not such issuer is the surviving corporation; or

(2) sell, assign, transfer, convey or otherwise dispose of all or substantially all of its properties or assets, in one or more related transactions, to another Person; unless:

(1) either:

(a) such issuer, is the surviving corporation; or

(b) the Person formed by or surviving any such consolidation or merger, if other than such issuer, or to which such sale, assignment, transfer, conveyance or other disposition shall have been made is a Person organized or existing under the laws of the United States, any state thereof or the District of Columbia, provided that if the Person formed by or surviving any such consolidation or merger with either issuer is a limited liability company or other Person other than a corporation, a corporate co-issuer shall also be an obligor with respect to the notes;

(2) the Person formed by or surviving any such consolidation or merger, if other than Charter Holdings, or the Person to which such sale, assignment, transfer, conveyance or other disposition shall have been made assumes all the

obligations of Charter Holdings under the notes, in the case of Charter Holdings, and the indentures pursuant to agreements reasonably satisfactory to the trustee;

(3) immediately after such transaction no Default or Event of Default exists; and

(4) Charter Holdings or the Person formed by or surviving any such consolidation or merger, if other than Charter Holdings, will, on the date of such transaction after giving pro forma effect thereto and any related financing transactions as if the same had occurred at the beginning of the applicable four-quarter period, either

(A) be permitted to incur at least $1.00 of additional Indebtedness pursuant to the Leverage Ratio test set forth in the first paragraph of the covenant described above under the caption "-- Incurrence of Indebtedness and Issuance of preferred stock" or

(B) have a Leverage Ratio immediately after giving effect to such consolidation or merger no greater than the Leverage Ratio immediately prior to such consolidation or merger.

In addition, Charter Holdings may not, directly or indirectly, lease all or substantially all of its properties or assets, in one or more related transactions, to any other Person. This "Merger, Consolidation, or Sale of Assets" covenant will not apply to a sale, assignment, transfer, conveyance or other disposition of assets between or among Charter Holdings and any of its Wholly Owned Subsidiaries.

TRANSACTIONS WITH AFFILIATES

Charter Holdings will not, and will not permit any of its Restricted Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate (each, an "Affiliate Transaction"), unless:

(1) such Affiliate Transaction is on terms that are no less favorable to Charter Holdings or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by Charter Holdings or such Restricted Subsidiary with an unrelated Person; and

(2) Charter Holdings delivers to the trustee:

(a) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $15.0 million, a resolution of the board of directors of Charter Holdings set forth in an Officers' Certificate certifying that such Affiliate Transaction complies with this covenant and that such Affiliate Transaction has been approved by a majority of the members of the board of directors; and

(b) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $50.0 million, an opinion as to the fairness to the holders of such Affiliate Transaction from a financial point of view issued by an accounting, appraisal or investment banking firm of national standing.

The following items shall not be deemed to be Affiliate Transactions and, therefore, will not be subject to the provisions of the prior paragraph:

(1) existing employment agreement entered into by Charter Holdings or any of its Subsidiaries and any employment agreement entered into by Charter Holdings or any of its Restricted Subsidiaries in the ordinary course of business and consistent with the past practice of Charter Holdings or such Restricted Subsidiary;

(2) transactions between or among Charter Holdings and/or its Restricted Subsidiaries;

(3) payment of reasonable directors fees to Persons who are not otherwise Affiliates of Charter Holdings, and customary indemnification and insurance arrangements in favor of directors, regardless of affiliation with Charter Holdings, or any of its Restricted Subsidiaries;

(4) payment of management fees pursuant to management agreements either

(A) existing on the Issue Date or

(B) entered into after the Issue Date,

to the extent that such management agreements provide for percentage fees no higher than the percentage fees existing under the management agreements existing on the Issue Date;

(5) Restricted Payments that are permitted by the provisions of the indentures described above under the caption "-- Restricted Payments"; and

(6) Permitted Investments.

SALE AND LEASEBACK TRANSACTIONS

Charter Holdings will not, and will not permit any of its Restricted Subsidiaries to, enter into any sale and leaseback transaction; provided that Charter Holdings may enter into a sale and leaseback transaction if:

(1) Charter Holdings could have

(a) incurred Indebtedness in an amount equal to the Attributable Debt relating to such sale and leaseback transaction under the Leverage Ratio test in the first paragraph of the covenant described above under the caption "-- Incurrence of Additional Indebtedness and Issuance of preferred stock" and

(b) incurred a Lien to secure such Indebtedness pursuant to the covenant described above under the caption "-- Liens"; and

(2) the transfer of assets in that sale and leaseback transaction is permitted by, and Charter Holdings applies the proceeds of such transaction in compliance with, the covenant described above under the caption "-- Asset Sales."

The foregoing restrictions do not apply to a sale and leaseback transaction if the lease is for a period, including renewal rights, of not in excess of three years.

LIMITATIONS ON ISSUANCES OF GUARANTEES OF INDEBTEDNESS

Charter Holdings will not permit any of its Restricted Subsidiaries, directly or indirectly, to Guarantee or pledge any assets to secure the payment of any other

Indebtedness of Charter Holdings, except in respect of the Credit Facilities (the "Guaranteed Indebtedness") unless

(1) such Restricted Subsidiary of Charter Holdings simultaneously executes and delivers a supplemental indenture providing for the Guarantee (a "Subsidiary Guarantee") of the payment of the notes by such Restricted Subsidiary, and

(2) until one year after all the notes have been paid in full in cash, such Restricted Subsidiary waives and will not in any manner whatsoever claim or take the benefit or advantage of, any rights of reimbursement, indemnity or subrogation or any other rights against Charter Holdings or any other Restricted Subsidiary of Charter Holdings as a result of any payment by such Restricted Subsidiary under its Subsidiary Guarantee; provided that this paragraph shall not be applicable to any Guarantee or any Restricted Subsidiary that existed at the time such Person became a Restricted Subsidiary and was not Incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary. If the Guaranteed Indebtedness is subordinated to the notes, then the Guarantee of such Guaranteed Indebtedness shall be subordinated to the Subsidiary Guarantee at least to the extent that the Guaranteed Indebtedness is subordinated to the notes.

PAYMENTS FOR CONSENT

Charter Holdings will not, and will not permit any of its Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any holder of notes for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of the Indentures or the notes unless such consideration is offered to be paid and is paid to all holders of the notes that consent, waive or agree to amend in the time frame set forth in the solicitation documents relating to such consent, waiver or agreement.

REPORTS

Whether or not required by the Securities and Exchange Commission, so long as any notes are outstanding, Charter Holdings will furnish to the holders of notes, within the time periods specified in the Securities and Exchange Commission's rules and regulations:

(1) all quarterly and annual financial information that would be required to be contained in a filing with the Securities and Exchange Commission on Forms 10-Q and 10-K if Charter Holdings were required to file such Forms, including a "Management's Discussion and Analysis of Financial Condition and Results of Operations" section and, with respect to the annual information only, a report on the annual financial statements by Charter Holdings' independent public accountants; and

(2) all current reports that would be required to be filed with the Securities and Exchange Commission on Form 8-K if Charter Holdings were required to file such reports.

If Charter Holdings has designated any of its Subsidiaries as Unrestricted Subsidiaries, then the quarterly and annual financial information required by the preceding paragraph shall include a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, and in Management's Discussion and Analysis of Financial Condition and Results of Operations, of the financial condition and results of operations of Charter Holdings and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of Charter Holdings.

In addition, whether or not required by the Securities and Exchange Commission, Charter Holdings will file a copy of all of the information and reports referred to in clauses (1) and (2) above with the Commission for public availability within the time periods specified in the Commission's rules and regulations, unless the Securities and Exchange Commission will not accept such a filing, and make such information available to securities analysts and prospective investors upon request.

EVENTS OF DEFAULT AND REMEDIES

Each of the following is an Event of Default:

(1) default for 30 days in the payment when due of interest on the notes;

(2) default in payment when due of the principal of or premium, if any, on the notes;

(3) failure by Charter Holdings or any of its Restricted Subsidiaries, to comply with the provisions described under the captions "-- Change of Control" or "-- Merger, Consolidation, or Sale of Assets";

(4) failure by Charter Holdings or any of its Restricted Subsidiaries, for 30 days after written notice thereof has been given to Charter Holdings by the trustee or to Charter Holdings and the trustee by holders of at least 25% of the aggregate principal amount of the notes outstanding to comply with any of their other covenants or agreements in the indentures;

(5) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by Charter Holdings or any of its Restricted Subsidiaries, or the payment of which is guaranteed by Charter Holdings or any of its Restricted Subsidiaries, whether such Indebtedness or guarantee now exists, or is created after the date of the indentures, if that default:

(a) is caused by a failure to pay at final stated maturity the principal amount on such Indebtedness prior to the expiration of the grace period provided in such Indebtedness on the date of such default (a "Payment Default"); or

(b) results in the acceleration of such Indebtedness prior to its express maturity, and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates $100.0 million or more;

(6) failure by Charter Holdings or any of its Restricted Subsidiaries to pay final judgments which are non-appealable aggregating in excess of $100.0 million, net of applicable insurance which has not been denied in writing by the insurer, which judgments are not paid, discharged or stayed for a period of 60 days; and

(7) Charter Holdings or any of its Significant Subsidiaries pursuant to or within the meaning of bankruptcy law:

(a) commences a voluntary case,

(b) consents to the entry of an order for relief against it in an involuntary case,

(c) consents to the appointment of a custodian of it or for all or substantially all of its property, or

(d) makes a general assignment for the benefit of its creditors; or

(8) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(a) is for relief against Charter Holdings or any of its Significant Subsidiaries in an involuntary case;

(b) appoints a custodian of Charter Holdings or any of its Significant Subsidiaries or for all or substantially all of the property of Charter Holdings or any of its Significant Subsidiaries; or

(c) orders the liquidation of Charter Holdings or any of its Significant Subsidiaries;

and the order or decree remains unstayed and in effect for 60 consecutive days.

In the case of an Event of Default arising from certain events of bankruptcy or insolvency, with respect to Charter Holdings, all outstanding notes will become due and payable immediately without further action or notice. If any other Event of Default occurs and is continuing, the trustee or the holders of at least 25% in principal amount of the then outstanding notes of each series may declare their respective notes to be due and payable immediately.

Holders of the notes may not enforce the indentures or the notes except as provided in the indentures. Subject to certain limitations, holders of a majority in principal amount of the then outstanding notes of each series may direct the trustee in its exercise of any trust or power with respect to that series. The trustee may withhold from holders of the notes notice of any continuing Default or Event of Default, except a Default or Event of Default relating to the payment of principal or interest, if it determines that withholding notice is in their interest.

The holders of a majority in aggregate principal amount of the notes then outstanding of each series by notice to the trustee may on behalf of the holders of all of the notes of such series waive any existing Default or Event of Default and its consequences under the indentures except a continuing Default or Event of Default in the payment of interest on, or the principal of, the notes.

Charter Holdings will be required to deliver to the trustee annually a statement regarding compliance with the indentures. Upon becoming aware of any Default or Event of Default, Charter Holdings will be required to deliver to the trustee a statement specifying such Default or Event of Default.

NO PERSONAL LIABILITY OF DIRECTORS, OFFICERS, EMPLOYEES, MEMBERS AND STOCKHOLDERS

No director, officer, employee, incorporator, member or stockholder of Charter Holdings, as such, shall have any liability for any obligations of Charter Holdings under the notes, the indentures, or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder of notes by accepting a note waives and releases all such liability. The waiver and release will be part of the consideration for issuance of the notes. The waiver may not be effective to waive liabilities under the federal securities laws.

LEGAL DEFEASANCE AND COVENANT DEFEASANCE

Charter Holdings may, at its option and at any time, elect to have all of its obligations discharged with respect to the outstanding notes ("Legal Defeasance") except for:

(1) the rights of holders of outstanding notes to receive payments in respect of the Accreted Value or principal of, premium, if any, and interest on such notes when such payments are due from the trust referred to below;

(2) Charter Holdings' obligations with respect to the notes concerning issuing temporary notes, registration of notes, mutilated, destroyed, lost or stolen notes and the maintenance of an office or agency for payment and money for security payments held in trust;

(3) the rights, powers, trusts, duties and immunities of the trustee, and Charter Holdings' obligations in connection therewith; and

(4) the Legal Defeasance provisions of the indentures.

In addition, Charter Holdings may, at its option and at any time, elect to have the obligations of Charter Holdings released with respect to certain covenants that are described in the indentures ("Covenant Defeasance") and thereafter any omission to comply with those covenants shall not constitute a Default or Event of Default with respect to the notes. In the event Covenant Defeasance occurs, certain events, not including non-payment, bankruptcy, receivership, rehabilitation and insolvency events, described under "Events of Default" will no longer constitute an Event of Default with respect to the notes.

In order to exercise either Legal Defeasance or Covenant Defeasance:

(1) Charter Holdings must irrevocably deposit with the trustee, in trust, for the benefit of the holders of the notes, cash in U.S. dollars, non-callable Government Securities, or a combination thereof, in such amounts as will be sufficient, in the opinion of a nationally recognized firm of independent public accountants, to pay the principal of, premium, if any, and interest on the outstanding notes on the stated maturity or on the applicable redemption date, as the case may be, and Charter Holdings must specify whether the notes are being defeased to maturity or to a particular redemption date;

(2) in the case of Legal Defeasance, Charter Holdings shall have delivered to the trustee an Opinion of Counsel reasonably acceptable to the trustee confirming that

(a) Charter Holdings has received from, or there has been published by, the Internal Revenue Service a ruling or

(b) since the date of the indentures, there has been a change in the applicable federal income tax law, in either case to the effect that, and based thereon such opinion of counsel shall confirm that, the holders of the outstanding notes will not recognize income, gain or loss for federal income tax purposes as a result of such Legal Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(3) in the case of Covenant Defeasance, Charter Holdings shall have delivered to the trustee an opinion of counsel reasonably acceptable to the trustee confirming that the holders of the outstanding notes will not recognize income, gain or loss for federal income tax purposes as a result of such Covenant Defeasance and will be

subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(4) no Default or Event of Default shall have occurred and be continuing either:

(a) on the date of such deposit, other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit; or

(b) or insofar as Events of Default from bankruptcy or insolvency events are concerned, at any time in the period ending on the 91st day after the date of deposit;

(5) such Legal Defeasance or Covenant Defeasance will not result in a breach or violation of, or constitute a default under any material agreement or instrument, other than the indentures, to which Charter Holdings or any of its Restricted Subsidiaries is a party or by which Charter Holdings or any of its Restricted Subsidiaries is bound;

(6) Charter Holdings must have delivered to the trustee an opinion of counsel to the effect that after the 91st day assuming no intervening bankruptcy, that no holder is an insider of Charter Holdings following the deposit and that such deposit would not be deemed by a court of competent jurisdiction a transfer for the benefit of either issuer in its capacity as such, the trust funds will not be subject to the effect of any applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally;

(7) Charter Holdings must deliver to the trustee an officers' certificate stating that the deposit was not made by Charter Holdings with the intent of preferring the holders of notes over the other creditors of the Company with the intent of defeating, hindering, delaying or defrauding creditors of Charter Holdings or others; and

(8) Charter Holdings must deliver to the trustee an officers' certificate and an opinion of counsel, each stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

Notwithstanding the foregoing, the opinion of counsel required by clause (2) above with respect to a Legal Defeasance need not be delivered if all notes not theretofore delivered to the trustee for cancellation

(a) have become due and payable or

(b) will become due and payable on the maturity date within one year under arrangements satisfactory to the trustee for the giving of notice of redemption by the trustee in the name, and at the expense, of the issuers.

AMENDMENT, SUPPLEMENT AND WAIVER

Except as provided below, the indentures or the notes may be amended or supplemented with the consent of the holders of at least a majority in principal amount of the then outstanding notes of each series. This includes consents obtained in connection with a purchase of notes, a tender offer for notes, or an exchange offer for notes. Any existing Default or compliance with any provision of the indentures or the notes may be waived with the consent of the holders of a majority in principal amount of the then outstanding notes of each series. This includes consents obtained in connection with a purchase of notes, a tender offer for notes, or an exchange offer for notes. Without the consent of each holder affected, an amendment or waiver may not, with respect to any notes held by a non-consenting holder:

(1) reduce the principal amount of notes whose holders must consent to an amendment, supplement or waiver;

(2) reduce the principal of or change the fixed maturity of any note or alter the payment provisions with respect to the redemption of the notes, other than provisions relating to the covenants described above under the caption "-- Repurchase at the Option of holders";

(3) reduce the rate of or extend the time for payment of interest on any note;

(4) waive a Default or Event of Default in the payment of principal of or premium, if any, or interest on the notes, except a rescission of acceleration of the notes by the holders of at least a majority in aggregate principal amount of the notes and a waiver of the payment default that resulted from such acceleration;

(5) make any note payable in money other than that stated in the notes;

(6) make any change in the provisions of the indentures relating to waivers of past Defaults or the rights of holders of notes to receive payments of Accreted Value or principal of, or premium, if any, or interest on the notes;

(7) waive a redemption payment with respect to any note, other than a payment required by one of the covenants described above under the caption "-- Repurchase at the Option of Holders";

(8) make any change in the preceding amendment and waiver provisions.

Notwithstanding the preceding, without the consent of any holder of notes, Charter Holdings and the trustee may amend or supplement the indentures or the notes:

(1) to cure any ambiguity, defect or inconsistency;

(2) to provide for uncertificated notes in addition to or in place of certificated notes;

(3) to provide for the assumption of Charter Holdings' obligations to holders of notes in the case of a merger or consolidation or sale of all or substantially all of Charter Holdings' assets;

(4) to make any change that would provide any additional rights or benefits to the holders of notes or that does not adversely affect the legal rights under the indentures of any such holder; or

(5) to comply with requirements of the Securities and Exchange Commission in order to effect or maintain the qualification of the indentures under the Trust Indenture Act or otherwise as necessary to comply with applicable law.

GOVERNING LAW

The indentures and the notes will be governed by the laws of the State of New York.

CONCERNING THE TRUSTEE

If the trustee becomes a creditor of Charter Holdings, the indentures limit its right to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The trustee will be permitted to engage in other transactions; however, if it acquires any conflicting interest it must eliminate such conflict within 90 days, apply to the Commission for permission to continue or resign.

The holders of a majority in principal amount of the then outstanding notes will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the trustee, subject to certain exceptions. The indentures provide that in case an Event of Default shall occur and be continuing, the trustee will be required, in the exercise of its power, to use the degree of care of a prudent man in the conduct of his own affairs. Subject to such provisions, the trustee will be under no obligation to exercise any of its rights or powers under the Indentures at the request of any holder of notes, unless such holder shall have offered to the trustee security and indemnity satisfactory to it against any loss, liability or expense.

ADDITIONAL INFORMATION

Anyone who receives this prospectus may obtain a copy of the indentures without charge by writing to Charter Investment, Inc., 12444 Powerscourt Drive, Suite 100, St. Louis, Missouri 63131, Attention: Corporate Secretary.

BOOK-ENTRY, DELIVERY AND FORM

The notes will initially be issued in the form of global securities held in book-entry form. The notes will be deposited with the trustee as custodian for the Depository Trust Company, and the Depository Trust Company or its nominee will initially be the sole registered holder of the notes for all purposes under the indentures. Unless it is exchanged in whole or in part for debt securities in definitive form as described below, a global security may not be transferred. However, transfers of the whole security between the Depository Trust Company and its nominee or their respective successors are permitted.

Upon the issuance of a global security, the Depository Trust Company or its nominee will credit on its internal system the principal amount at maturity of the individual beneficial interest represented by the global security acquired by the persons in this offering. Ownership of beneficial interests in a global security will be limited to persons that have accounts with the Depository Trust Company or persons that hold interests through participants. Ownership of beneficial interests will be shown on, and the transfer of that the Depository Trust Company or its nominee relating to interests of participants and the records of participants relating to interests of persons other than participants. The laws of some jurisdictions require that some purchasers of securities take physical delivery of the securities in definitive form. These limits and laws may impair the ability to transfer beneficial interests in a global security.

Principal and interest payments on global securities registered in the name of the Depository Trust Company's nominee will be made in immediate available funds to the Depository Trust Company's nominee as the registered owner of the global securities. The issuers and the trustee will treat the Depository Trust Company's nominee as the owner of the global securities for all other purposes as well. Accordingly, the issuers, the trustee, any paying agent and the initial purchasers will have no direct responsibility or liability for any aspect of the records relating to payments made on account of beneficial interests in the global securities or for maintaining, supervising or reviewing any records relating to these beneficial interests. It is the Depository Trust Company's current practice, upon receipt of any payment of principal or interest, to credit direct participants' accounts on the payment date according to their respective holdings of beneficial interests in the global securities.

These payments will be the responsibility of the direct and indirect participants and not of the Depository Trust Company, the issuers, the trustee or the initial purchasers.

So long as the Depository Trust Company or its nominee is the registered owner or holder of the global security, the Depository Trust Company or its nominee, as the case may be, will be considered the sole owner or holder of the notes represented by the global security for the purposes of:

(1) receiving payment on the notes;

(2) receiving notices; and

(3) for all other purposes under the indentures and the notes.

Beneficial interests in the notes will be evidenced only by, and transfers of the notes will be effected only through, records maintained by the Depository Trust Company and its participants.

Except as described above, owners of beneficial interests in a global security will not be entitled to receive physical delivery of certificated notes in definitive form and will not be considered the holders of the global security for any purposes under the indentures. Accordingly, each person owning a beneficial interest in a global security must rely on the procedures of the Depository Trust Company. And, if that person is not a participant, the person must rely on the procedures of the participant through which that person owns its interest, to exercise any rights of a holder under the indentures. Under existing industry practices, if the issuers request any action of holders or an owner of a beneficial interest in a global security desires to take any action under the indentures, the Depository Trust Company would authorize the participants holding the relevant beneficial interest to take that action. The participants then would authorize beneficial owners owning through the participants to take the action or would otherwise act upon the instructions of beneficial owners owning through them.

The Depository Trust Company has advised the issuers that it will take any action permitted to be taken by a holder of notes only at the direction of one or more participants to whose account with the Depository Trust Company interests in the global security are credited. Further, the Depository Trust Company will take action only as to the portion of the aggregate principal amount at maturity of the notes as to which the participant or participants has or have given the direction.

Although the Depository Trust Company has agreed to the procedures described above in order to facilitate transfers of interests in global securities among participants of the Depository Trust Company, it is under no obligation to perform these procedures, and the procedures may be discontinued at any time. None of the issuers, the trustee, any agent of the issuers or the initial purchasers will have any responsibility for the performance by the Depository Trust Company or its participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

The Depository Trust Company has provided the following information to us. The Depository Trust Company is a:

(1) limited-purpose trust company organized under the New York Banking Law;

(2) a banking organization within the meaning of the New York Banking Law;

(3) a member of the United States Federal Reserve System;

(4) a clearing corporation within the meaning of the New York Uniform Commercial Code; and

(5) a clearing agency registered under the provisions of Section 17A of the Securities Exchange Act.

CERTIFICATED NOTES

Notes represented by a global security are exchangeable for certificated notes only if:

(1) the Depository Trust Company notifies the issuers that it is unwilling or unable to continue as depository or if the Depository Trust Company ceases to be a registered clearing agency, and a successor depository is not appointed by the issuers within 90 days;

(2) the issuers determine not to require all of the notes to be represented by a global security and notifies the trustee of its decision; or

(3) an Event of Default or an event which, with the giving of notice or lapse of time, or both, would constitute an Event of Default relating to the notes represented by the global security has occurred and is continuing.

Any global security that is exchangeable for certificated notes in accordance with the preceding sentence will be transferred to, and registered and exchanged for, certificated notes in authorized denominations and registered in the names as the Depository Trust Company or its nominee may direct. However, a global security is only exchangeable for a global security of like denomination to be registered in the name of the Depository Trust Company or its nominee. If a global security becomes exchangeable for certificated notes:

(1) certificated notes will be issued only in fully registered form in denominations of $1,000 or integral multiples of $1,000;

(2) payment of principal, premium, if any, and interest on the certificated notes will be payable, and the transfer of the certificated notes will be registrable, at the office or agency of the issuers maintained for these purposes; and

(3) no service charge will be made for any issuance of the certificated notes, although the issuers may require payment of a sum sufficient to cover any tax or governmental charge imposed in connection with the issuance.

CERTAIN DEFINITIONS

Set forth below are certain defined terms used in the indentures. Reference is made to the indentures for a full disclosure of all such terms, as well as any other capitalized terms used herein for which no definition is provided.

"ACCRETED VALUE" is defined to mean, for any Specific Date, the amount calculated pursuant to (1), (2), (3) or (4) for each $1,000 of principal amount at maturity of the 9.920% notes:

(1) if the Specified Date occurs on one or more of the following dates, each a "Semi-Annual Accrual Date", the Accreted Value will equal the amount set forth below for such Semi-Annual Accrual Date:

SEMI-ANNUAL ACCRUAL DATE	ACCRETED VALUE
Issue Date	$ 613.94
October 1, 1999	646.88
April 1, 2000	678.96
October 1, 2000	712.64
April 1, 2001	747.99
October 1, 2001	785.09
April 1, 2002	824.03
October 1, 2002	864.90
April 1, 2003	907.80
October 1, 2003	952.82
April 1, 2004	$1,000.00

(2) if the Specified Date occurs before the first Semi-Annual Accrual Date, the Accreted Value will equal the sum of

(a) $613.94 and

(b) an amount equal to the product of

(x) the Accreted Value for the first Semi-Annual Accrual Date less $613.94 multiplied by

(y) a fraction, the numerator of which is the number of days from the Issue Date of the notes to the Specified Date, using a 360-day year of twelve 30-day months, and the denominator of which is the number of days elapsed from the issue date of the notes to the first Semi-Annual Accrual Date, using a 360-day year of twelve 30-day months;

(3) if the Specified Date occurs between two Semi-Annual Accrual Dates, the Accreted Value will equal the sum of

(a) the Accreted Value for the Semi-Annual Accrual Date immediately preceding such Specified Date and

(b) an amount equal to the product of

(1) the Accreted Value for the immediately following Semi-Annual Accrual Date less the Accreted Value for the immediately preceding Semi-Annual Accrual Date multiplied by

(2) a fraction, the numerator of which is the number of days from the immediately preceding Semi-Annual Accrual Date to the Specified Date, using a 360-day year of twelve 30-day months, and the denominator of which is 180; or

(4) if the Specified Date occurs after the last Semi-Annual Accrual Date, the Accreted Value will equal $1,000.

"ACQUIRED DEBT" means, with respect to any specified Person:

(1) Indebtedness of any other Person existing at the time such other Person is merged with or into or became a Subsidiary of such specified Person, whether or not such Indebtedness is incurred in connection with, or in contemplation of, such other Person merging with or into, or becoming a Subsidiary of, such specified Person; and

(2) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

"AFFILIATE" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control," as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise; provided that beneficial ownership of 10% or more of the Voting Stock of a Person shall be deemed to be control. For purposes of this definition, the terms "controlling," "controlled by" and "under common control with" shall have correlative meanings.

"AFFILIATE TRANSACTION" is set forth above under the caption "-- Certain Covenants -- Transaction with Affiliates."

"ASSET ACQUISITION" means

(a) an Investment by Charter Holdings or any of its Restricted Subsidiaries, in any other Person pursuant to which such Person shall become a Restricted Subsidiary of Charter Holdings or any of its Restricted Subsidiaries, or shall be merged with or into Charter Holdings or any of its Restricted Subsidiaries, or

(b) the acquisition by Charter Holdings or any of its Restricted Subsidiaries, of the assets of any Person which constitute all or substantially all of the assets of such Person, any division or line of business of such Person or any other properties or assets of such Person other than in the ordinary course of business.

"ASSET SALE" means:

(1) the sale, lease, conveyance or other disposition of any assets or rights, other than sales of inventory in the ordinary course of business consistent with past practices; provided that the sale, conveyance or other disposition of all or substantially all of the assets of Charter Holdings and its Restricted Subsidiaries, taken as a whole, will be governed by the provisions of the indentures described above under the caption "-- Change of Control" and/or the provisions described above under the caption "-- Merger, Consolidation or Sale of Assets" and not by the provisions of the Asset Sale covenant; and

(2) the issuance of Equity Interests by any of Charter Holdings' Restricted Subsidiaries or the sale of Equity Interests in any of Charter Holdings' Restricted Subsidiaries.

Notwithstanding the preceding, the following items shall not be deemed to be Asset Sales:

(1) any single transaction or series of related transactions that:

(a) involves assets having a fair market value of less than $100 million; or

(b) results in net proceeds to Charter Holdings and its Restricted Subsidiaries of less than $100 million;

(2) a transfer of assets between or among Charter Holdings and its Restricted Subsidiaries;

(3) an issuance of Equity Interests by a Wholly Owned Restricted Subsidiary of Charter Holdings to Charter Holdings or to another Wholly Owned Restricted Subsidiary of Charter Holdings;

(4) a Restricted Payment that is permitted by the covenant described above under the caption "-- Restricted Payments" and a Restricted Investment that is permitted by the covenant described above under the caption "-- Investments"; and

(5) the incurrence of Permitted Liens and the disposition of assets related to such Permitted Liens by the secured party pursuant to a foreclosure.

"ASSET SALE OFFER" means a situation in which the issuers commence an offer to all holders to purchase notes pursuant to Section 4.11 of the indentures.

"ATTRIBUTABLE DEBT" in respect of a sale and leaseback transaction means, at the time of determination, the present value of the obligation of the lessee for net rental payments during the remaining term of the lease included in such sale and leaseback transaction including any period for which such lease has been extended or may, at the option of the lessee, be extended. Such present value shall be calculated using a discount rate equal to the rate of interest implicit in such transaction, determined in accordance with GAAP.

"BENEFICIAL OWNER" has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular "person," as such term is used in Section 13(d)(3) of the Exchange Act, such "person" shall be deemed to have beneficial ownership of all securities that such "person" has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition.

"CABLE RELATED BUSINESS" means the business of owning cable television systems and businesses ancillary, complementary and related thereto.

"CAPITAL LEASE OBLIGATION" means, at the time any determination thereof is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalized on a balance sheet in accordance with GAAP.

"CAPITAL STOCK" means:

(1) in the case of a corporation, corporate stock;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents, however designated, of corporate stock;

(3) in the case of a partnership or limited liability company, partnership or membership interests, whether general or limited; and

(4) any other interest, other than any debt obligation, or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

"CAPITAL STOCK SALE PROCEEDS" means the aggregate net cash proceeds, including the fair market value of the non-cash proceeds, as determined by an independent appraisal firm, received by Charter Holdings since the date of the indentures

(x) as a contribution to the common equity capital or from the issue or sale of Equity Interests of Charter Holdings, other than Disqualified Stock, or

(y) from the issue or sale of convertible or exchangeable Disqualified Stock or convertible or exchangeable debt securities of Charter Holdings that have been converted into or exchanged for such Equity Interests, other than Equity Interests or Disqualified Stock or debt securities sold to a Subsidiary of the Company.

"CASH EQUIVALENTS" means:

(1) United States dollars;

(2) securities issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality thereof, provided that the full faith and credit of the United States is pledged in support thereof, having maturities of not more than twelve months from the date of acquisition;

(3) certificates of deposit and eurodollar time deposits with maturities of twelve months or less from the date of acquisition, bankers' acceptances with maturities not exceeding six months and overnight bank deposits, in each case, with any domestic commercial bank having combined capital and surplus in excess of $500 million and a Thompson Bank Watch Rating at the time of acquisition of "B" or better;

(4) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clauses (2) and (3) above entered into with any financial institution meeting the qualifications specified in clause (3) above;

(5) commercial paper having a rating of at least "P-1" from Moody's or at least "A-1" from S&P and in each case maturing within twelve months after the date of acquisition;

(6) corporate debt obligations maturing within twelve months after the date of acquisition thereof, rated at the time of acquisition at least "Aaa" or "P-1" by Moody's or "AAA" or "A-1" by S&P;

(7) auction-rate preferred stocks of any corporation maturing not later than 45 days after the date of acquisition thereof, rated at the time of acquisition at least "Aaa" by Moody's or "AAA" by S&P;

(8) securities issued by any state, commonwealth or territory of the United States, or by any political subdivision or taxing authority thereof, maturing not later than six months after the date of acquisition thereof, rated at the time of acquisition at least "A" by Moody's or S&P; and

(9) money market or mutual funds at least 90% of the assets of which constitute Cash Equivalents of the kinds described in clauses (1) through (8) of this definition.

"CHANGE OF CONTROL" means the occurrence of any of the following:

(1) the sale, transfer, conveyance or other disposition, other than by way of merger or consolidation, in one or a series of related transactions, of all or substantially all of the assets of Charter Holdings and its Subsidiaries, taken as a whole, to any "person," as such term is used in Section 13(d)(3) of the Exchange Act, other than the Principal or a Related Party of the Principal;

(2) the adoption of a plan relating to the liquidation or dissolution of Charter Holdings;

(3) the consummation of any transaction, including, without limitation, any merger or consolidation, the result of which is that any "person," as defined above, other than the Principal and Related Parties and any entity formed for the purpose of owning Capital Stock of Charter Holdings, becomes the Beneficial Owner, directly or indirectly, of more than 35% of the Voting Stock of Charter Holdings, measured by voting power rather than number of shares, unless the Principal or a Related Party Beneficially Owns, directly or indirectly a greater percentage of Voting Stock of Charter Holdings, measured by voting power rather than the number of shares, than such person;

(4) after Charter Holdings' initial public offering, the first day on which a majority of the members of the Board of Directors of Charter Holdings are not Continuing Directors; or

(5) Charter Holdings consolidates with, or merges with or into, any Person, or any Person consolidates with, or merges with or into, Charter Holdings, in any such event pursuant to a transaction in which any of the outstanding Voting Stock of Charter Holdings is converted into or exchanged for cash, securities or other property, other than any such transaction where the Voting Stock of Charter Holdings outstanding immediately prior to such transaction is converted into or exchanged for Voting Stock, other than Disqualified Stock, of the surviving or transferee Person constituting a majority of the outstanding shares of such Voting Stock of such surviving or transferee Person immediately after giving effect to such issuance.

"COMPANY PREFERRED STOCK" means the 10% cumulative convertible redeemable preferred stock of the Company with an aggregate liquidation value of $25 million.

"CONSOLIDATED EBITDA" means with respect to any Person, for any period, the net income of such Person and its Restricted Subsidiaries for such period plus, to the extent such amount was deducted in calculating such net income:

(1) Consolidated Interest Expense;

(2) income taxes;

(3) depreciation expense;

(4) amortization expense;

(5) all other non-cash items, extraordinary items, nonrecurring and unusual items and the cumulative effects of changes in accounting principles reducing such net income, less all non-cash items, extraordinary items, nonrecurring and unusual items and cumulative effects of changes in accounting principles increasing such net income, all as determined on a consolidated basis for Charter Holdings and its Restricted Subsidiaries in conformity with GAAP;

(6) amounts actually paid during such period pursuant to a deferred compensation plan; and

(7) for purposes of the covenant "-- Incurrence of Indebtedness and Issuance of preferred stock" only, Management Fees;

provided that Consolidated EBITDA shall not include:

(x) the net income, or net loss, of any Person that is not a Restricted Subsidiary ("Other Person"), except

(I) with respect to net income, to the extent of the amount of dividends or other distributions actually paid to such Person or any of its Restricted Subsidiaries by such Other Person during such period and

(II) with respect to net losses, to the extent of the amount of investments made by such Person or any Restricted Subsidiary of such Person in such Other Person during such period;

(y) solely for the purposes of calculating the amount of Restricted Payments that may be made pursuant to clause (3) of the covenant described under the subheading "Certain Covenants -- Restricted Payments," and in such case, except to the extent includable pursuant to clause (x) above, the net income or net loss, of any Other Person accrued prior to the date it becomes a Restricted Subsidiary or is merged into or consolidated with such Person or any Restricted Subsidiaries or all or substantially all of the property and assets of such Other Person are acquired by such Person or any of its Restricted Subsidiaries; and

(z) the net income of any Restricted Subsidiary to the extent that the declaration or payment of dividends or similar distributions by such Restricted Subsidiary of such net income is not at the time permitted by the operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to such Restricted Subsidiary, other than any agreement or instrument evidencing Indebtedness or preferred stock outstanding on the date of the Indenture or incurred or issued thereafter in compliance with the covenant described under the caption "Certain Covenants -- Incurrence of Indebtedness and Issuance of preferred stock;" provided that

(a) the terms of any such agreement restricting the declaration and payment of dividends or similar distributions apply only in the event of a default with respect to a financial covenant or a covenant relating to payment, beyond any applicable period of grace, contained in such agreement or instrument, and

(b) such terms are determined by such Person to be customary in comparable financings and such restrictions are determined by the issuers not to materially affect the issuers' ability to make principal or interest payments on the notes when due.

"CONSOLIDATED INDEBTEDNESS" means, with respect to any Person as of any date of determination, the sum, without duplication, of:

(1) the total amount of outstanding Indebtedness of such Person and its Restricted Subsidiaries, plus

(2) the total amount of Indebtedness of any other Person, that has been Guaranteed by the referent Person or one or more of its Restricted Subsidiaries, plus

(3) the aggregate liquidation value of all Disqualified Stock of such Person and all preferred stock of Restricted Subsidiaries of such Person, in each case, determined on a consolidated basis in accordance with GAAP.

"CONSOLIDATED INTEREST EXPENSE" means, with respect to any Person for any period, without duplication, the sum of:

(1) the consolidated interest expense of such Person and its Restricted Subsidiaries for such period, whether paid or accrued, including, without limitation, amortization or original issue discount, non-cash interest payments, the interest component of any deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers' acceptance financings, and net payments, if any, pursuant to Hedging Obligations; and

(2) the consolidated interest expense of such Person and its Restricted Subsidiaries that was capitalized during such period, and

(3) any interest expense on Indebtedness of another Person that is guaranteed by such Person or one of its Restricted Subsidiaries or secured by a Lien on assets of such Person or one of its Restricted Subsidiaries, whether or not such Guarantee or Lien is called upon;

excluding, however, any amount of such interest of any Restricted Subsidiary if the net income of such Restricted Subsidiary is excluded in the calculation of Consolidated EBITDA pursuant to clause (z) of the definition thereof, but only in the same proportion as the net income of such Restricted Subsidiary is excluded from the calculation of Consolidated EBITDA pursuant to clause (z) of the definition thereof, in each case, on a consolidated basis and in accordance with GAAP.

"CONTINUING DIRECTORS" means, as of any date of determination, any member of the Board of Directors of Charter Holdings who:

(1) was a member of such Board of Directors on the date of the Indentures; or

(2) was nominated for election or elected to such Board of Directors with the approval of a majority of the Continuing Directors who were members of such Board at the time of such nomination or election or whose election or appointment was previously so approved.

"COVENANT DEFEASANCE" is set forth above under the caption "-- Legal Defeasance and Covenant Defeasance."

"CREDIT FACILITIES" means, with respect to Charter Holdings, and/or its Restricted Subsidiaries, one or more debt facilities or commercial paper facilities, in each case with banks or other institutional lenders providing for revolving credit loans, term loans, receivables financing, including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables, or letters of credit, in each case, as amended, restated, modified, renewed, refunded, replaced or refinanced in whole or in part from time to time.

"DEFAULT" means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

"DISPOSITION" means, with respect to any Person, any merger, consolidation or other business combination involving such Person, whether or not such Person is the Surviving

Person, or the sale, assignment, or transfer, lease conveyance or other disposition of all or substantially all of such Person's assets or Capital Stock.

"DISQUALIFIED STOCK" means any Capital Stock that, by its terms, or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case at the option of the holder thereof, or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder thereof, in whole or in part, on or prior to the date that is 91 days after the date on which the notes mature. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders thereof have the right to require Charter Holdings to repurchase such Capital Stock upon the occurrence of a change of control or an asset sale shall not constitute Disqualified Stock if the terms of such Capital Stock provide that Charter Holdings may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with the covenant described above under the caption "-- Certain Covenants -- Restricted Payments."

"EVENTS OF DEFAULT" are set forth above under the caption "-- Events of Default and Remedies."

"EQUITY INTERESTS" means Capital Stock and all warrants, options or other rights to acquire Capital Stock, but excluding any debt security that is convertible into, or exchangeable for, Capital Stock.

"EQUITY OFFERING" means any private or underwritten public offering of Qualified Capital Stock of Charter Holdings which the gross proceeds to the Company are at least $25 million.

"EXCESS PROCEEDS" means any Net Proceeds from Asset Sales that are not applied to repay debt under the Credit Facilities or other Indebtedness or invested in Productive Assets, in accordance with the indenture.

"EXISTING INDEBTEDNESS" means Indebtedness of Charter Holdings and its Restricted Subsidiaries in existence on the date of the Indentures, until such amounts are repaid.

"FULL ACCRETION DATE" means April 1, 2004, the first date on which the Accreted Value of the 9.920% notes has accreted to an amount equal to the principal amount at maturity of the 9.920% notes.

"GAAP" means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, which are in effect on the Issue Date.

"GUARANTEE" or "GUARANTEE" means a guarantee other than by endorsement of negotiable instruments for collection in the ordinary course of business, direct or indirect, in any manner including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness, measured as the lesser of the aggregate outstanding amount of the Indebtedness so guaranteed and the face amount of the guarantee.

"GUARANTEED INDEBTEDNESS" is set forth above under the caption "-- Certain Covenants -- Limitations on Issuances of Guarantees of Indebtedness."

"HEDGING OBLIGATIONS" means, with respect to any Person, the obligations of such Person under:

(1) interest rate swap agreements, interest rate cap agreements and interest rate collar agreements;

(2) interest rate option agreements, foreign currency exchange agreements, foreign currency swap agreements; and

(3) other agreements or arrangements designed to protect such Person against fluctuations in interest and currency exchange rates.

"INDEBTEDNESS" means, with respect to any specified Person, any indebtedness of such Person, whether or not contingent:

(1) in respect of borrowed money;

(2) evidenced by bonds, notes, debentures or similar instruments or letters of credit, or reimbursement agreements in respect thereof;

(3) in respect of banker's acceptances;

(4) representing Capital Lease Obligations;

(5) in respect of the balance deferred and unpaid of the purchase price of any property, except any such balance that constitutes an accrued expense or trade payable; or

(6) representing the notional amount of any Hedging Obligations,

if and to the extent any of the preceding items, other than letters of credit and Hedging Obligations, would appear as a liability upon a balance sheet of the specified Person prepared in accordance with GAAP. In addition, the term "Indebtedness" includes all Indebtedness of others secured by a Lien on any asset of the specified Person, whether or not such Indebtedness is assumed by the specified Person, and, to the extent not otherwise included, the guarantee by such Person of any indebtedness of any other Person.

The amount of any Indebtedness outstanding as of any date shall be:

(1) the accreted value thereof, in the case of any Indebtedness issued with original issue discount; and

(2) the principal amount thereof, together with any interest thereon that is more than 30 days past due, in the case of any other Indebtedness.

"INVESTMENTS" means, with respect to any Person, all investments by such Person in other Persons, including Affiliates, in the forms of direct or indirect loans, including guarantees of Indebtedness or other obligations, advances or capital contributions (excluding commission, travel and similar advances to officers and employees made in the ordinary course of business, purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP.

"INVESTMENT GRADE RATING" means a rating equal to or higher than Baa3, or the equivalent, by Moody's and BBB-, or the equivalent, by S&P.

"ISSUE DATE" means the date on which the notes are initially issued.

"LEGAL DEFEASANCE" is set forth above under the caption "-- Legal Defeasance and Covenant Defeasance."

"LEVERAGE RATIO" means, as of any date, the ratio of:

(1) the Consolidated Indebtedness of the Company on such date to

(2) the aggregate amount of combined Consolidated EBITDA for Charter Holdings for the most recently ended fiscal quarter for which internal financial statements are available multiplied by four (the "Reference Period").

In addition to the foregoing, for purposes of this definition, "Consolidated EBITDA" shall be calculated on a pro forma basis after giving effect to

(1) the issuance of the notes;

(2) the incurrence of the Indebtedness or the issuance of the Disqualified Stock or other preferred stock of a Restricted Subsidiary, and the application of the proceeds therefrom, giving rise to the need to make such calculation and any incurrence or issuance, and the application of the proceeds therefrom, or repayment of other Indebtedness or Disqualified Stock or other preferred stock or a Restricted Subsidiary, other than the incurrence or repayment of Indebtedness for ordinary working capital purposes, at any time subsequent to the beginning of the Reference Period and on or prior to the date of determination, as if such incurrence, and the application of the proceeds thereof, or the repayment, as the case may be, occurred on the first day of the Reference Period;

(3) any Dispositions or Asset Acquisitions, including, without limitation, any Asset Acquisition giving rise to the need to make such calculation as a result of such Person or one of its Restricted Subsidiaries, including any person that becomes a Restricted Subsidiary as a result of such Asset Acquisition, incurring, assuming or otherwise becoming liable for or issuing Indebtedness, Disqualified Stock or Preferred Stock, made on or subsequent to the first day of the Reference Period and on or prior to the date of determination, as if such Disposition, Asset Acquisition, including the incurrence, assumption or liability for any such Indebtedness Disqualified Stock or preferred stock and also including any Consolidated EBITDA associated with such Asset Acquisition, including any cost savings adjustments in compliance with Regulation S-X promulgated by the Commission, had occurred on the first day of the Reference Period.

"LIEN" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code, or equivalent statutes, of any jurisdiction.

"MANAGEMENT FEES" means the fee payable to Charter Communications, Inc. pursuant to the management agreement between Charter Communications, Inc. and Charter Communications Operating LLC, as such agreement exists on the Issue Date, including any amendment or replacement thereof, provided that any such amendment or replacement is not more disadvantageous to the holders of the notes in any material respect from such management agreement existing on the Issue Date.

"MARCUS COMBINATION" means the consolidation or merger of the Guarantor with and into Charter Holdings or any of its Restricted Subsidiaries.

"MOODY'S" means Moody's Investors Service, Inc. or any successor to the rating agency business thereof.

"NET PROCEEDS" means the aggregate cash proceeds received by Charter Holdings or any of its Restricted Subsidiaries in respect of any Asset Sale, including, without limitation, any cash received upon the sale or other disposition of any non-cash consideration received in any Asset Sale, net of the direct costs relating to such Asset Sale, including, without limitation, legal, accounting and investment banking fees, and sales commissions, and any relocation expenses incurred as a result thereof or taxes paid or payable as a result thereof, including amounts distributable in respect of owners', partners' or members' tax liabilities resulting from such sale, in each case after taking into account any available tax credits or deductions and any tax sharing arrangements and amounts required to be applied to the repayment of Indebtedness.

"NON-RECOURSE DEBT" means Indebtedness:

(1) as to which neither Charter Holdings nor any of its Restricted Subsidiaries

(a) provides credit support of any kind, including any undertaking, agreement or instrument that would constitute Indebtedness,

(b) is directly or indirectly liable as a guarantor or otherwise, or

(c) constitutes the lender;

(2) no default with respect to which, including any rights that the holders thereof may have to take enforcement action against an Unrestricted Subsidiary, would permit upon notice, lapse of time or both any holder of any other Indebtedness, other than the notes, of Charter Holdings or any of its Restricted Subsidiaries to declare a default on such other Indebtedness or cause the payment thereof to be accelerated or payable prior to its stated maturity; and

(3) as to which the lenders have been notified in writing that they will not have any recourse to the stock or assets of Charter Holdings or any of its Restricted Subsidiaries.

"OBLIGATIONS" means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

"PAYING AGENT" means an office or agency where notes may be presented for payment.

"PAYMENT DEFAULT" is set forth above under the caption "-- Events of Default and Remedies."

"PERMITTED DEBT" is set forth above under the caption "-- Certain Covenants -- Incurrence of indebtedness and Issuance of preferred stock."

"PERMITTED INVESTMENTS" means:

(1) any Investment by Charter Holdings in a Restricted Subsidiary of Charter Holdings, or any Investment by a Restricted Subsidiary of Charter Holdings in Charter Holdings;

(2) any Investment in Cash Equivalents;

(3) any Investment by Charter Holdings or any Restricted Subsidiary of Charter Holdings in a Person, if as a result of such Investment:

(a) such Person becomes a Restricted Subsidiary of Charter Holdings; or

(b) such Person is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, Charter Holdings or a Restricted Subsidiary of Charter Holdings;

(4) any Investment made as a result of the receipt of non-cash consideration from an Asset Sale that was made pursuant to and in compliance with the covenant described above under the caption "-- Repurchase at the Option of Holders -- Asset Sales";

(5) Investment made out of the net cash proceeds of the issue and sale, other than to a Subsidiary of Charter Holdings, of Equity Interests, other than Disqualified Stock, of Charter Holdings to the extent that

(a) such net cash proceeds have not been applied to make a Restricted Payment or to effect other transactions pursuant to the covenant described above under the subheading "-- Restricted Payments," or

(b) such net cash proceeds have not been used to incur Indebtedness pursuant to clause (10) of the covenant described above under the subheading "-- Incurrence of Indebtedness and Issuance of preferred stock";

(6) Investments in Productive Assets having an aggregate fair market value, measured on the date each such Investment was made and without giving effect to subsequent changes is value, when taken together with all other Investments made pursuant to this clause (6) since the Issue Date, not to exceed $150 million; provided that either Charter Holdings or any of its Restricted Subsidiaries, after giving effect to such Investments, will own at least 20% of the Voting Stock of such Person;

(7) other Investments in any Person having an aggregate fair market value, measured on the date each such Investment was made and without giving effect to subsequent changes in value, when taken together with all other Investments made pursuant to this clause (7) since the date of the indentures, not to exceed $50 million;

(8) Investments in customers and suppliers in the ordinary course of business which either

(A) generate accounts receivable, or

(B) are accepted in settlement of bona fide disputes; and

(9) Charter Holdings' investment in Marcus Cable Holdings, LLC, as outstanding on the Issue Date.

"PERMITTED LIENS" means:

(1) Liens on the assets of Charter Holdings securing Indebtedness and other Obligations under clause (1) of the covenant "-- Incurrence of Indebtedness and Issuance of preferred stock";

(2) Liens in favor of Charter Holdings and Liens on the assets of any Restricted Subsidiary of Charter Holdings in favor of any other Restricted Subsidiary of Charter Holdings;

(3) Liens on property of a Person existing at the time such Person is merged with or into or consolidated with Charter Holdings; provided that such Liens were in existence prior to the contemplation of such merger or consolidation and do not extend to any assets other than those of the Person merged into or consolidated with Charter Holdings;

(4) Liens on property existing at the time of acquisition thereof by Charter Holdings; provided that such Liens were in existence prior to the contemplation of such acquisition;

(5) Liens to secure the performance of statutory obligations, surety or appeal bonds, performance bonds or other obligations of a like nature incurred in the ordinary course of business;

(6) purchase money mortgages or other purchase money liens, including without limitation any Capitalized Lease Obligations, incurred by Charter Holdings upon any fixed or capital assets acquired after the Issue Date or purchase money mortgages, including without limitation Capitalized Lease Obligations, on any such assets, whether or not assumed, existing at the time of acquisition of such assets, whether or not assumed, so long as

(a) such mortgage or lien does not extend to or cover any of the assets of Charter Holdings, except the asset so developed, constructed, or acquired, and directly related assets such as enhancements and modifications thereto, substitutions, replacements, proceeds, including insurance proceeds, products, rents and profits thereof, and

(b) such mortgage or lien secures the obligation to pay the purchase price of such asset, interest thereon and other charges, costs and expenses, including, without limitation, the cost of design, development, construction, acquisition, transportation, installation, improvement, and migration, and incurred in connection therewith, or the obligation under such Capitalized Lease Obligation, only;

(7) Liens existing on the date of the Indentures, other than in connection with the Credit Facilities;

(8) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently concluded; provided that any reserve or other appropriate provision as shall be required in conformity with GAAP shall have been made therefor;

(9) statutory and common law Liens of landlords and carriers, warehousemen, mechanics, suppliers, materialmen, repairmen or other similar Liens arising in the ordinary course of business and with respect to amounts not yet delinquent or being contested in good faith by appropriate legal proceedings promptly instituted and diligently conducted and for which a reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made;

(10) Liens incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security;

(11) Liens incurred or deposits made to secure the performance of tenders, bids, leases, statutory or regulatory obligation, bankers' acceptance, surety and appeal bonds, government contracts, performance and return-of-money bonds and other obligations of a similar nature incurred in the ordinary course of business, exclusive of obligations for the payment of borrowed money;

(12) easements, rights-of-way, municipal and zoning ordinances and similar charges, encumbrances, title defects or other irregularities that do not materially

interfere with the ordinary course of business of Charter Holdings or any of its Restricted Subsidiaries or the Guarantor or any of its Restricted Subsidiaries;

(13) Liens of franchisors or other regulatory bodies arising in the ordinary course of business;

(14) Liens arising from filing Uniform Commercial Code financing statements regarding leases or other Uniform Commercial Code financing statements for precautionary purposes relating to arrangements not constituting Indebtedness;

(15) Liens arising from the rendering of a final judgment or order against Charter Holdings or any of its Restricted Subsidiaries that does not give rise to an Event of Default;

(16) Liens securing reimbursement obligations with respect to letters of credit that encumber documents and other property relating to such letters of credit and the products and proceeds thereof;

(17) Liens encumbering customary initial deposits and margin deposits, and other Liens that are within the general parameters customary in the industry and incurred in the ordinary course of business, in each case, securing Indebtedness under Hedging Obligations and forward contracts, options, future contracts, future options or similar agreements or arrangements designed solely to protect Charter Holdings or any of its Restricted Subsidiaries from fluctuations in interest rates, currencies or the price of commodities;

(18) Liens consisting of any interest or title of licensor in the property subject to a license;

(19) Liens on the Capital Stock of Unrestricted Subsidiaries;

(20) Liens arising from sales or other transfers of accounts receivable which are past due or otherwise doubtful of collection in the ordinary course of business;

(21) Liens incurred in the ordinary course of business of Charter Holdings, with respect to obligations which in the aggregate do not exceed $50 million at any one time outstanding;

(22) Liens in favor of the Trustee arising under the provisions in the Indentures under the subheading "-- Compensation and Indemnity"; and

(23) Liens in favor of the Trustee for its benefit and the benefit of holders of the Notes, as their respective interests appear.

"PERMITTED REFINANCING INDEBTEDNESS" means any Indebtedness of Charter Holdings or any of its Restricted Subsidiaries, issued in exchange for, or the net proceeds of which are used to extend, refinance, renew, replace, defease or refund other Indebtedness of Charter Holdings or any of its Restricted Subsidiaries, other than intercompany Indebtedness, provided that unless permitted otherwise by the Indentures, no Indebtedness of Charter Holdings or any of its Restricted Subsidiaries may be issued in exchange for, or the net proceeds of are used to extend, refinance, renew, replace, defease or refund Indebtedness of Charter Holdings or any of its Restricted Subsidiaries; provided, further, that:

(1) the principal amount, or accreted value, if applicable, of such Permitted Refinancing Indebtedness does not exceed the principal amount of, or accreted value, if applicable, plus accrued interest and premium, if any, on, the Indebtedness so

extended, refinanced, renewed, replaced, defeased or refunded, plus the amount of reasonable expenses incurred in connection therewith;

(2) such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded;

(3) if the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded is subordinated in right of payment to the Notes, such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and is subordinated in right of payment to, the Notes on terms at least as favorable to the holders of Notes as those contained in the documentation governing the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded; and

(4) such Indebtedness is incurred either by Charter Holdings or by any of its Restricted Subsidiaries who is the obligor on the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded.

"PERSON" means any individual, corporation, partnership, joint venture, association, limited liability company, joint stock company, trust, unincorporated organization, government or agency or political subdivision thereof or any other entity.

"PRINCIPAL" means Paul G. Allen.

"PRODUCTIVE ASSETS" means assets, including assets of a referent Person owned directly or indirectly through ownership of Capital Stock, of a kind used or useful in the Cable Related Business.

"QUALIFIED CAPITAL STOCK" means any Capital Stock that is not Disqualified Stock.

"RATING AGENCIES" means Moody's and S&P.

"RELATED PARTY" means:

(1) the spouse or an immediate family member, estate or heir of the Principal; or

(2) any trust, corporation, partnership or other entity, the beneficiaries, stockholders, partners, owners or Persons beneficially holding an 80% or more controlling interest of which consist of the Principal and/or such other Persons referred to in the immediately preceding clause (1).

"RESTRICTED INVESTMENT" means an Investment other than a Permitted Investment.

"RESTRICTED PAYMENTS" are set forth above under the caption "-- Certain Covenants -- Restricted Payments."

"RESTRICTED SUBSIDIARY" of a Person means any Subsidiary of the referent Person that is not an Unrestricted Subsidiary.

"S&P" means Standard & Poor's Ratings Service, a division of the McGraw-Hill Companies, Inc. or any successor to the rating agency business thereof.

"SIGNIFICANT SUBSIDIARY" means any Restricted Subsidiary of the Company which is a "Significant Subsidiary" as defined in Rule 1-02(w) of Regulation S-X under the Securities Act.

"STATED MATURITY" means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which such payment of interest or principal was scheduled to be paid in the documentation governing such Indebtedness on the Issue Date, or, if none, the original documentation governing such Indebtedness, and shall not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

"SUBORDINATED DEBT FINANCING" means, with respect to any restricted subsidiary of Charter Holdings or the guarantor, a public offering or private placement, whether pursuant to Rule 144A under the Securities Act or otherwise, of subordinated notes or preferred stock, whether or not such preferred stock constitutes disqualified stock, as the case may be, of such restricted subsidiary to one or more purchasers, other than to one or more affiliates of Charter Holdings or the guarantor.

"SUBORDINATED NOTES" are set forth above under the caption "-- Certain Covenants -- Incurrence of Indebtedness and Issuance of preferred stock."

"SUBSIDIARY" means, with respect to any Person:

(1) any corporation, association or other business entity of which at least 50% of the total voting power of shares of Capital Stock entitled, without regard to the occurrence of any contingency, to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person, or a combination thereof, and, in the case of any such entity of which 50% of the total voting power of shares of Capital Stock is so owned or controlled by such Person or one or more of the other Subsidiaries of such Person, such Person and its Subsidiaries also has the right to control the management of such entity pursuant to contract or otherwise; and

(2) any partnership

(a) the sole general partner or the managing general partner of which is such Person or a Subsidiary of such Person, or

(b) the only general partners of which are such Person or of one or more Subsidiaries of such Person, or any combination thereof.

"SUBSIDIARY GUARANTEE" is set forth above under the caption "-- Certain Covenants -- Limitations on Issuances of Guarantees of Indebtedness."

"UNRESTRICTED SUBSIDIARY" means any Subsidiary of Charter Holdings that is designated by the Board of Directors as an Unrestricted Subsidiary pursuant to a Board Resolution, but only to the extent that such Subsidiary:

(1) has no Indebtedness other than Non-Recourse Debt;

(2) is not party to any agreement, contract, arrangement or understanding with Charter Holdings or any Restricted Subsidiary of Charter Holdings unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to Charter Holdings or any Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of Charter Holdings unless such terms constitute Investments permitted by the covenant described above under the heading "-- Investments";

(3) is a Person with respect to which neither Charter Holdings nor any of its Restricted Subsidiaries has any direct or indirect obligation

(a) to subscribe for additional Equity Interests or

(b) to maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results;

(4) has not guaranteed or otherwise directly or indirectly provided credit support for any Indebtedness of Charter Holdings or any of its Restricted Subsidiaries; and

(5) has at least one director on its board of directors that is not a director or executive officer of Charter Holdings or any of its Restricted Subsidiaries or has at least one executive officer that is not a director or executive officer of the Company or any of its Restricted Subsidiaries.

Any designation of a Subsidiary of Charter Holdings as an Unrestricted Subsidiary shall be evidenced to the Trustee by filing with the Trustee a certified copy of the Board Resolution giving effect to such designation and an Officers' Certificate certifying that such designation complied with the preceding conditions and was permitted by the covenant described above under the caption "Certain Covenants -- Investments." If, at any time, any Unrestricted Subsidiary would fail to meet the preceding requirements as an Unrestricted Subsidiary, it shall thereafter cease to be an Unrestricted Subsidiary for purposes of the Indentures and any Indebtedness of such Subsidiary shall be deemed to be incurred by a Restricted Subsidiary of Charter Holdings as of such date and, if such Indebtedness is not permitted to be incurred as of such date under the covenant described under the caption "Incurrence of Indebtedness and Issuance of preferred stock," Charter Holdings shall be in default of such covenant. The Board of Directors of Charter Holdings may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary; provided that such designation shall be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary of Charter Holdings of any outstanding Indebtedness of such Unrestricted Subsidiary and such designation shall only be permitted if

(1) such Indebtedness is permitted under the covenant described under the caption "Certain Covenants -- Incurrence of Indebtedness and Issuance of preferred stock," calculated on a pro forma basis as if such designation had occurred at the beginning of the four-quarter reference period; and

(2) no Default or Event of Default would be in existence following such designation.

"VOTING STOCK" of any Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the board of directors of such Person.

"WEIGHTED AVERAGE LIFE TO MATURITY" means, when applied to any Indebtedness at any date, the number of years obtained by dividing:

(1) the sum of the products obtained by multiplying

(a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by

(b) the number of years, calculated to the nearest one-twelfth, that will elapse between such date and the making of such payment; by

(2) the then outstanding principal amount of such Indebtedness.

"WHOLLY OWNED RESTRICTED SUBSIDIARY" of any Person means a Restricted Subsidiary of such Person all of the outstanding Capital Stock or other ownership interests of which, other than directors' qualifying shares, shall at the time be owned by such Person and/or by one or more Wholly Owned Restricted Subsidiaries of such Person.

MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following are, in the opinion of Paul, Hastings, Janofsky & Walker LLP, our legal counsel, the material United States federal income tax consequences of the exchange offer relevant to U.S. holders and the ownership and disposition of the new notes relevant to U.S. holders and, in certain circumstances, non-U.S. holders. The following deals only with notes held as capital assets within the meaning of section 1221 of the Internal Revenue Code of 1986, as amended. The following does not deal with special situations, such as those of broker-dealers, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, financial institutions, insurance companies, or persons holding notes as part of a hedging or conversion transaction or a straddle. Furthermore, the following is based upon the provisions of the Internal Revenue Code and regulations, rulings and judicial decisions promulgated under the Internal Revenue Code as of the date hereof. Such authorities may be repealed, revoked, or modified, possibly with retroactive effect, so as to result in United States federal income tax consequences different from those discussed below. In addition, except as otherwise indicated, the following does not consider the effect of any applicable foreign, state, local or other tax laws or estate or gift tax considerations.

As used herein, a "United States person" is

(1) a citizen or resident of the U.S.,

(2) a corporation, partnership or other entity created or organized in or under the laws of the U.S. or any political subdivision thereof,

(3) an estate the income of which is subject to U.S. federal income taxation regardless of its source,

(4) a trust if

> (A) a United States court is able to exercise primary supervision over the administration of the trust and
>
> (B) one or more United States persons have the authority to control all substantial decisions of the trust,

(5) a certain type of trust in existence on August 20, 1996, which was treated as a United States person under the Internal Revenue Code in effect immediately prior to such date and which has made a valid election to be treated as a United States person under the Internal Revenue Code and

(6) any person otherwise subject to U.S. federal income tax on a net income basis in respect of its worldwide taxable income.

A U.S. holder is a beneficial owner of a note who is a United States person. A non-U.S. holder is a beneficial owner of a note that is not a U.S. holder.

THE EXCHANGE OFFER

Pursuant to the exchange offer, holders are entitled to exchange the original notes for new notes that will be substantially identical in all material respects to the original notes, except that the new notes will be registered with the Securities and Exchange Commission and therefore will not be subject to transfer restrictions. United States Treasury regulations provide that a significant modification of a debt instrument results in an exchange of the original debt instrument for a modified instrument that differs materially either in kind or extent. The exchange pursuant to the exchange offer as described above should not result in a significant modification of the original notes because there should be no modification of the terms of the original notes, since such an action would be by operation of the original terms of the original notes pursuant to a unilateral act by us. Accordingly,

(1) no gain or loss should be realized by a U.S. holder upon receipt of a new note,

(2) the holding period of the new note should include the holding period of the original note exchanged therefor and

(3) the adjusted tax basis of the new notes should be the same as the adjusted tax basis of the original notes exchanged at the time of such exchange.

The filing of a shelf registration statement should not result in a taxable exchange to us or any holder of a note.

UNITED STATES FEDERAL INCOME TAXATION OF U.S. HOLDERS

PAYMENTS OF INTEREST ON THE 8.250% NOTES AND THE 8.625% NOTES.

Interest on the 8.250% notes and the 8.625% notes, as the case may be, will be taxable to a U.S. holder as ordinary income from domestic sources at the time it is paid or accrued in accordance with the U.S. holder's regular method of accounting for tax purposes.

ORIGINAL ISSUE DISCOUNT ON THE 9.920% NOTES

The 9.920% notes will be issued with original issue discount. Such notes will be issued with original issue discount because they will be issued at an issue price which is substantially less than their stated principal amount at maturity, and because interest on such notes will not be payable until October 1, 2004. Each U.S. holder will be required to include in income in each year, in advance of receipt of cash payments on such notes to which such income is attributable, original issue discount income as described below.

The amount of original issue discount with respect to the 9.920% notes will be equal to the excess of

(1) the note's "stated redemption price at maturity" over

(2) its "issue price."

The issue price of the 9.920% notes will be equal to the price to the public at which a substantial amount of such notes is initially sold for money, excluding any sales to a bond house, broker or similar person or organization acting in the capacity of an underwriter, placement agent or wholesaler. The stated redemption price at maturity of such a note is the total of all payments provided by the 9.920% notes, including stated interest payments.

A U.S. holder of such a note is required to include in gross income for U.S. federal income tax purposes an amount equal to the sum of the "daily portions" of such original issue discount for all days during the taxable year on which the holder holds such note. The daily portions of original issue discount required to be included in such holder's gross income in a taxable year will be determined on a constant yield basis. A pro rata portion of the original issue discount on such note which is attributable to the "accrual period" in which such day is included will be allocated to each day during the taxable year in which the holder holds the 9.920% notes. Accrual periods with respect to such a note may be of any length and may vary in length over the term of the 9.920% notes as long as

(1) no accrual period is longer than one year and

(2) each scheduled payment of interest or principal on such note occurs on either the first or final day of an accrual period.

The amount of original issue discount attributable to each accrual period will be equal to the product of

(1) the "adjusted issue price" at the beginning of such accrual period and

(2) the "yield to maturity" of the instrument, stated in a manner appropriately taking into account the length of the accrual period.

The yield to maturity is the discount rate that, when used in computing the present value of all payments to be made under the 9.920% notes, produces an amount equal to the issue price of such notes. The adjusted issue price of such a note at the beginning of an accrual period is generally defined as the issue price of such note plus the aggregate amount of original issue discount that accrued in all prior accrual periods, less any cash payments made on the 9.920% notes. Accordingly, a U.S. holder of such a note will be required to include original issue discount in gross income for United States federal income tax purposes in advance of the receipt of cash attributable to such income. The amount of original issue discount allocable to an initial short accrual period may be computed using any reasonable method if all other accrual periods, other than a final short accrual period, are of equal length. The amount of original issue discount allocable to the final accrual period at maturity of a 9.920% note is the difference between

(A) the amount payable at the maturity of such note and

(B) such note's adjusted issue price as of the beginning of the final accrual period.

Payments on the 9.920% notes, including principal and stated interest payments, are not separately included in a U.S. holder's income. Such payments are treated first as payments of accrued original issue discount to the extent of such accrued original issue discount and the excess as payments of principal, which reduce the U.S. holder's adjusted tax basis in such notes.

EFFECT OF MANDATORY AND OPTIONAL REDEMPTION ON ORIGINAL ISSUE DISCOUNT

In the event of a change of control, we will be required to offer to redeem all of the notes, at redemption prices specified elsewhere in this prospectus. If we receive net proceeds from one or more equity offerings, we may, at our option, use all or a portion of such net proceeds to redeem in the aggregate up to 35% of the aggregate principal amount at maturity of the 8.625% notes and up to 35% of the aggregate principal amount at maturity of the 9.920% notes, provided that at least 65% of the aggregate principal amount of the 8.625% notes and of the aggregate principal amount at maturity of the 9.920% notes remain outstanding after each such redemption. Computation of the yield and maturity of the notes is not affected by such redemption rights and obligations if, based on all the facts and circumstances as of the issue date, the stated payment schedule of the notes, that does not reflect the change of control event or equity offering event, is significantly more likely than not to occur. We have determined that, based on all of the facts and circumstances as of the issue date, it is significantly more likely than not that the notes will be paid according to their stated schedule.

We may redeem the 8.625% notes and the 9.920% notes, in whole or in part, at any time on or after April 1, 2004, at redemption prices specified plus accrued and unpaid stated interest, if any, on the notes so redeemed but excluding the date of redemption. The United States Treasury Regulations contain rules for determining the "maturity date" and the stated redemption price at maturity of an instrument that may be redeemed prior to its stated maturity date at the option of the issuer. Under United States Treasury Regulations, solely for the purposes of the accrual of original issue discount, it is assumed that an issuer will exercise any option to redeem a debt instrument if such exercise would lower the yield to maturity of the debt instrument. We will not be presumed to redeem the notes prior to their stated maturity under these rules because the exercise of such options would not lower the yield to maturity of the notes.

U.S. holders may wish to consult their own tax advisors regarding the treatment of such contingencies.

SALE, EXCHANGE OR RETIREMENT OF THE NOTES

Upon the sale, exchange, retirement or other taxable disposition of a note, a U.S. holder will recognize gain or loss in an amount equal to the difference between

(1) the amount of cash and the fair market value of other property received in the exchange, and

(2) the holder's adjusted tax basis in such note.

Amounts attributable to accrued but unpaid interest on the 8.250% notes and the 8.625% notes will be treated as ordinary interest income. A holder's adjusted tax basis in a note will equal the purchase price paid by such holder for the note increased by the amount of any market discount, and in the case of a 9.920% note by any original issue discount previously included in income by such holder with respect to such note, and decreased by the amount of any amortized bond premium applied to reduce interest on the notes, and in the case of a 9.920% note by any payments received on such note.

Gain or loss realized on the sale, exchange, retirement or other taxable disposition of a note will be capital gain or loss and will be long-term capital gain or loss if at the time of sale, exchange, retirement, or other taxable disposition, the note has been held for more than 12 months. The maximum rate of tax on long-term capital gains with respect to notes held by an individual currently is 20%. The deductibility of capital losses is subject to certain limitations.

MARKET DISCOUNT

A holder receives a "market discount" when it

(1) purchases an 8.250% note or an 8.625% note for an amount below the issue price, or

(2) purchases a 9.920% note for an amount below the adjusted issue price on the date of purchase, as determined in accordance with the original issue discount rules above.

Under the market discount rules, a U.S. holder will be required to treat any partial principal payment on, or any gain on the sale, exchange, retirement or other disposition of, a note as ordinary income to the extent of the market discount which has not previously been included in income and is treated as having accrued on such note at the time of such payment or disposition. In addition, the U.S. holder may be required to defer, until the maturity of the note or its earlier disposition in a taxable transaction, the deduction of a portion of the interest expense on any indebtedness incurred or continued to purchase or carry such notes.

Any market discount will be considered to accrue ratably during the period from the date of acquisition to the maturity date of the note, unless the U.S. holder elects to accrue such discount on a constant interest rate method. A U.S. holder may elect to include market discount in income currently as it accrues, on either a ratable or constant interest rate method. If this election is made, the holder's basis in the note will be increased to reflect the amount of income recognized and the rules described above regarding deferral of interest deductions will not apply. This election to include market discount in income currently, once made, applies to all market discount obligations acquired on or after the first taxable year to which the election applies and may not be revoked without the consent of the Internal Revenue Service.

AMORTIZABLE BOND PREMIUM; ACQUISITION PREMIUM

A U.S. holder that:

(1) purchases an 8.250% note or an 8.625% note for an amount in excess of the principal amount, or

(2) purchases a 9.920% note for an amount in excess of the stated redemption price

will be considered to have purchased such note with "amortizable bond premium." A U.S. holder generally may elect to amortize the premium over the remaining term of the note on a constant yield method as applied with respect to each accrual period of the note, and allocated ratably to each day within an accrual period in a manner substantially similar to the method of calculating daily portions of original issue discount, as described above. However, because the notes may be optionally redeemed for an amount that is in excess of their principal amount, special rules apply that could result in a deferral of the amortization of bond premium until later in the term of the note. The amount amortized in any year will be treated as a reduction of the U.S. holder's interest income, including original issue discount income, from the note. Bond premium on a note held by a U.S. holder that does not make such an election will decrease the gain or increase the loss otherwise recognized upon disposition of the note. The election to amortize premium on a constant yield method, once made, applies to all debt obligations held or subsequently acquired by the electing U.S. holder on or after the first day of the first taxable year to which the election applies and may not be revoked without the consent of the Internal Revenue Service.

A U.S. holder that purchases a 9.920% note for an amount that is greater than the adjusted issue price of such note on the date of purchase, as determined in accordance with the original issue discount rules, above, will be considered to have purchased such note at an "acquisition premium." A holder of a 9.920% note that is purchased at an acquisition premium may reduce the amount of the original issue discount otherwise includible in income with respect to such note by the "acquisition premium fraction." The acquisition premium fraction is that fraction the numerator of which is the excess of the holder's adjusted tax basis in such note immediately after its acquisition over the adjusted issue price of such note, and the denominator of which is the excess of the sum of all amounts payable on such note after the purchase date over the adjusted issue price of such note. Alternatively, a holder of a 9.920% note that is purchased at an acquisition premium may elect to compute the original issue discount accrual on such note by treating the purchase as a purchase of such note at original issuance, treating the purchase price as the issue price, and applying the original issue discount rules thereto using a constant yield method.

UNITED STATES FEDERAL INCOME TAXATION OF NON-U.S. HOLDERS

The payment to a non-U.S. holder of interest on a note will not be subject to United States federal withholding tax pursuant to the "portfolio interest exception," provided that

(1) the non-U.S. holder does not actually or constructively own 10% or more of the capital or profits interest in us and is not a "controlled foreign corporation" that is related to us within the meaning of the Internal Revenue Code and

(2) either

(A) the beneficial owner of the notes certifies to us or our agent, under penalties of perjury, that it is not a U.S. holder and provides its name and address on United States Treasury Form W-8, or a suitable substitute form, or

(B) a securities clearing organization, bank or other financial institution that holds the notes on behalf of such non-U.S. holder in the ordinary course of its trade or business certifies under penalties of perjury that such Form W-8, or suitable substitute form, has been received from the beneficial owner by it or by a financial institution between it and the beneficial owner and furnishes the payor with a copy thereof.

Recently adopted Treasury Regulations that will be effective January 1, 2001 provide alternative methods for satisfying the certification requirement described in (2) above. These regulations will generally require, in the case of notes held by a foreign partnership, that the certificate described in (2) above be provided by the partners rather than by the foreign partnership, and that the partnership provide certain information including a United States tax identification number. For purposes of the United States federal withholding tax, payment of interest includes the amount of any payment that is attributable to original issue discount that accrued while such non-U.S. holder held the note.

If a non-U.S. holder cannot satisfy the requirements of the portfolio interest exception described above, payments of interest, including original issue discount, made to such non-U.S. holder will be subject to a 30% withholding tax, unless the beneficial owner of the note provides us or our paying agent, as the case may be, with a properly executed

(1) Internal Revenue Service Form 1001, or successor form, claiming an exemption from or reduction in the rate of withholding under the benefit of a tax treaty or

(2) Internal Revenue Service Form 4224, or successor form, stating that interest paid on the note is not subject to withholding tax because it is effectively connected with the beneficial owner's conduct of a trade or business in the United States.

If a non-U.S. holder of a note is engaged in a trade or business in the United States and interest on the note is effectively connected with the conduct of such trade or business, such non-U.S. holder will be subject to United States federal income tax on such interest including original issue discount in the same manner as if it were a U.S. holder. In addition, if such non-U.S. holder is a foreign corporation, it may be subject to a branch profits tax equal to 30% of its effectively connected earnings and profits, subject to adjustment, for that taxable year unless it qualifies for a lower rate under an applicable income tax treaty.

Any capital gain realized on the sale, exchange, redemption, retirement or other taxable disposition of a note by a non-U.S. holder generally will not be subject to United States federal income tax provided

(1) such gain is not effectively connected with the conduct by such holder of a trade or business in the United States,

(2) in the case of gains derived by an individual, such individual is not present in the United States for 183 days or more in the taxable year of the disposition and certain other conditions are met and

(3) the non-U.S. holder is not subject to tax pursuant to the provisions of United States federal income tax law applicable to certain expatriates.

FEDERAL ESTATE TAX

Subject to applicable estate tax treaty provisions, notes held by an individual who is not a citizen or resident of the United States for federal estate tax purposes at the time of his or her death will not be subject to United States federal estate tax if the interest on the notes qualifies for the portfolio interest exemption from United States federal withholding tax under the rules described above.

INFORMATION REPORTING AND BACKUP WITHHOLDING

Backup withholding and information reporting requirements may apply to certain payments of principal, premium, if any, and interest, including accruals of original issue discount, on a note, and to the proceeds of the sale or redemption of a note before maturity. We, our agent, a broker, the trustee or the paying agent under the indentures governing the notes, as the case may be, will be required to withhold from any payment that is subject to backup withholding a tax equal to 31% of such payment if a U.S. holder fails to furnish his taxpayer identification number, certify that such number is correct, certify that such holder is not subject to backup withholding or otherwise comply with the applicable backup withholding rules. Certain U.S. holders, including all corporations, are not subject to backup withholding and information reporting requirements.

Non-U.S. holders other than corporations may be subject to backup withholding and information reporting requirements. However, backup withholding and information reporting requirements do not apply to payments of portfolio interest, including original issue discount, made by us or a paying agent to non-U.S. holders if the appropriate certification is received, provided that the payor does not have actual knowledge that the holder is a U.S. holder. If any payments of principal and interest are made to the beneficial owner of a note by or through the foreign office of a foreign custodian, foreign nominee or other foreign agent of such beneficial owner, or if the foreign office of a foreign "broker," as defined in the applicable Treasury Regulations, pays the proceeds of the sale, redemption or other disposition of note or a coupon to the seller of such note or coupon, backup withholding and information reporting requirements will not apply. Information reporting requirements, but not backup withholding, will apply, however, to a payment by a foreign office of a broker that is a United States person or is a foreign person that derives 50% of more of its gross income for certain periods from the conduct of a trade or business in the United States, or that is a "controlled foreign corporation," that is, a foreign corporation controlled by certain United States shareholders, with respect to the United States unless the broker has documentary evidence in its records that the holder is a non-U.S. holder and certain other conditions are met or the holder otherwise establishes an exemption. Payment by a United States office of a broker is subject to both backup withholding at a rate of 31% and information reporting unless the holder certifies under penalties of perjury that it is a non-U.S. holder or otherwise establishes an exemption.

In October 1997, Treasury regulations were issued which alter the foregoing rules in certain respects and which generally will apply to any payments in respect of a note or proceeds from the sale of a note that are made after December 31, 2000. Among other things, such regulations expand the number of foreign intermediaries that are potentially subject to information reporting and address certain documentary evidence requirements relating to exemption from the backup withholding requirements. Holders of the notes should consult their tax advisers concerning the possible application of such regulations to any payments made on or with respect to the notes.

Any amounts withheld under the backup withholding rules from a payment to a holder of the notes will be allowed as a refund or a credit against such holder's United

States federal income tax liability, provided that the required information is furnished to the IRS.

We must report annually to the IRS and to each non-U.S. holder any interest that is subject to withholding, or that is exempt from United States federal withholding tax pursuant to a tax treaty, or interest that is exempt from United States federal withholding tax under the portfolio interest exception. Copies of these information returns may also be made available under the provisions of a specific treaty or agreement to the tax authorities of the country in which the non-U.S. holder resides.

PLAN OF DISTRIBUTION

A broker-dealer that is the holder of original notes that were acquired for the account of such broker-dealer as a result of market-making or other trading activities, other than original notes acquired directly from us or any of our affiliates may exchange such original notes for new notes pursuant to the exchange offer. This is true so long as each broker-dealer that receives new notes for its own account in exchange for original notes, where such original notes were acquired by such broker-dealer as a result of market-making or other trading activities acknowledges that it will deliver a prospectus in connection with any resale of such new notes. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of new notes received in exchange for original notes where such original notes were acquired as a result of market-making activities or other trading activities. We have agreed that for a period of 180 days after consummation of the exchange offer or such time as any broker-dealer no longer owns any registrable securities, we will make this prospectus, as it may be amended or supplemented from time to time, available to any broker-dealer for use in connection with any such resale. All dealers effecting transactions in the new notes will be required to deliver a prospectus.

We will not receive any proceeds from any sale of new notes by broker-dealers or any other holder of new notes. New notes received by broker-dealers for their own account in the exchange offer may be sold from time to time in one or more transactions in the over-the-counter market, in negotiated transactions, through the writing of options on the new notes or a combination of such methods of resale, at market prices prevailing at the time of resale, at prices related to such prevailing market prices or negotiated prices. Any such resale may be made directly to purchasers or to or through brokers or dealers who may receive compensation in the form of commissions or concessions from any such broker-dealer and/or the purchasers of any such new notes. Any broker-dealer that resells new notes that were received by it for its own account pursuant to the exchange offer and any broker or dealer that participates in a distribution of such new notes may be deemed to be an "underwriter" within the meaning of the Securities Act and any profit on any such resale of new notes and any commissions or concessions received by any such persons may be deemed to be underwriting compensation under the Securities Act. The letter of transmittal states that by acknowledging that it will deliver and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

For a period of 180 days after consummation of the exchange offer or such time as any broker-dealer no longer owns any registrable securities, we will promptly send additional copies of this prospectus and any amendment or supplement to this prospectus to any broker-dealer that requests such documents in the letter of transmittal. We have agreed to pay all expenses incident to the exchange offer and to our performance of, or compliance with, the registration rights agreements (other than commissions or concessions of any brokers or dealers) and will indemnify the holders of the notes (including any broker-dealers) against certain liabilities, including liabilities under the Securities Act.

EXPERTS

The consolidated financial statements of Charter Holdings, LLC and subsidiaries, the combined financial statements of CCA Group, the consolidated financial statements of CharterComm Holdings, L.P. and subsidiaries, the combined financial statements of Greater Media Cablevision Systems, the financial statements of Sonic Communications Cable Television Systems and the financial statements of Long Beach Acquisition Corp., included in this prospectus, to the extent and for the periods indicated in their reports, have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their reports with respect thereto, and are included in this prospectus in reliance upon the authority of said firm as experts in giving said report.

The consolidated financial statements of Marcus Cable Company, L.L.C. as of December 31, 1998 (not presented separated herein) and 1997, and for the periods from April 23, 1998 to December 23, 1998 and from January 1, 1998 to April 22, 1998 and for each of the years in the two-year period ended December 31, 1997, and the combined financial statements of Helicon Partners I, L.P. and affiliates as of December 31, 1997 and 1998 and for each of the years in the three-year period ended December 31, 1998, have been included herein in reliance upon the reports of KPMG LLP, independent certified public accountants, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing.

The consolidated financial statements of Renaissance Media Group LLC, the combined financial statements of the Picayune MS, LaFourche LA, St. Tammany LA, St. Landry LA, Pointe Coupee LA, and Jackson TN cable television systems, the financial statements of Indiana Cable Associates, Ltd. and the consolidated financial statements of R/N South Florida Cable Management Limited Partnership, included in this prospectus have been audited by Ernst & Young LLP, independent auditors, as set forth in their reports thereon appearing elsewhere in this prospectus, and are included herein in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

The combined financial statements of InterMedia Cable Systems (comprised of components of InterMedia Partners and InterMedia Capital Partners IV, L.P.), the financial statements of Rifkin Cable Income Partners L.P., and the consolidated financial statements of Rifkin Acquisition Partners, L.L.L.P., included in this Prospectus have been audited by PricewaterhouseCoopers LLP, independent accountants. The entities and periods covered by these audits are indicated in their reports. Such financial statements have been so included in reliance on the reports of PricewaterhouseCoopers LLP given on the authority of said firm as experts in auditing and accounting.

LEGAL MATTERS

The legality of the notes offered hereby and certain other matters will be passed upon for us by Paul, Hastings, Janofsky & Walker LLP, New York, New York.

CHARTER COMMUNICATIONS HOLDINGS, LLC

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Charter Communications Holdings, LLC:

We have audited the accompanying consolidated balance sheet of Charter Communications Holdings, LLC and subsidiaries as of December 31, 1998, and the related consolidated statements of operations and cash flows for the period from December 24, 1998, through December 31, 1998. We did not audit the balance sheet of Marcus Cable Company, L.L.C. and subsidiaries as of December 31, 1998, that is included in the consolidated balance sheet of Charter Communications Holdings, LLC and subsidiaries and reflects total assets of 40% of the consolidated totals. This balance sheet was audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Marcus Cable Company, L.L.C. and subsidiaries, is based solely on the report of the other auditors. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of Charter Communications Holdings, LLC and subsidiaries as of December 31, 1998, and the results of their operations and their cash flows for the period from December 24, 1998, through December 31, 1998, in conformity with generally accepted accounting principles.

/s/ ARTHUR ANDERSEN LLP

St. Louis, Missouri,
February 5, 1999 (except with respect to the
matters discussed in Notes 1 and 12,
as to which the date is April 19, 1999)

CHARTER COMMUNICATIONS HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET
(DOLLARS IN THOUSANDS)

	DECEMBER 31, 1998
ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents	$ 10,386
Accounts receivable, net of allowance for doubtful accounts of $3,528	31,163
Prepaid expenses and other	8,613
Total current assets	50,162
INVESTMENT IN CABLE TELEVISION PROPERTIES:	
Property, plant and equipment	1,473,727
Franchises, net of accumulated amortization of $112,122	5,705,420
	7,179,147
OTHER ASSETS	6,347
	$7,235,656
LIABILITIES AND MEMBERS' EQUITY	
CURRENT LIABILITIES:	
Current maturities of long-term debt	$ 87,950
Accounts payable and accrued expenses	199,831
Payable to related party	20,000
Payables to manager of cable television systems -- related party	7,675
Total current liabilities	315,456
LONG-TERM DEBT	3,435,251
DEFERRED MANAGEMENT FEES -- RELATED PARTY	15,561
OTHER LONG-TERM LIABILITIES	40,097
MEMBERS' EQUITY -- 100 UNITS ISSUED AND OUTSTANDING	3,429,291
	$7,235,656

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

CHARTER COMMUNICATIONS HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF OPERATIONS
(DOLLARS IN THOUSANDS)

	PERIOD FROM DECEMBER 24, 1998, THROUGH DECEMBER 31, 1998
REVENUES	$23,450
OPERATING EXPENSES:	
Operating costs	9,957
General and administrative	2,722
Depreciation and amortization	13,811
Corporate expense charges -- related party	766
	27,256
Loss from operations	(3,806)
OTHER INCOME (EXPENSE):	
Interest income	133
Interest expense	(5,051)
	(4,918)
Net loss	$(8,724)

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

CHARTER COMMUNICATIONS HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
(DOLLARS IN THOUSANDS)

	PERIOD FROM DECEMBER 24, 1998, THROUGH DECEMBER 31, 1998
CASH FLOWS FROM OPERATING ACTIVITIES:	
Net loss	$ (8,724)
Adjustments to reconcile net loss to net cash provided by operating activities --	
Depreciation and amortization	13,811
Changes in assets and liabilities --	
Receivables, net	(8,753)
Prepaid expenses and other	(587)
Accounts payable and accrued expenses	4,961
Payables to manager of cable television systems	473
Other operating activities	2,021
Net cash provided by operating activities	3,202
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchases of property, plant and equipment	(13,672)
Net cash used in investing activities	(13,672)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Borrowings of long-term debt	15,620
Net cash provided by financing activities	15,620
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,150
CASH AND CASH EQUIVALENTS, beginning of period	5,236
CASH AND CASH EQUIVALENTS, end of period	$ 10,386
CASH PAID FOR INTEREST	$ 6,155
NONCASH TRANSACTION -- Transfer of cable television operating subsidiaries from the parent company (see Note 1)	$3,438,015

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

CHARTER COMMUNICATIONS HOLDINGS, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION AND BASIS OF PRESENTATION

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

Effective December 23, 1998, through a series of transactions, Paul G. Allen acquired approximately 94% of Charter for an aggregate purchase price of $211 million, excluding $214 million in debt assumed (the "Paul Allen Transaction"). In conjunction with the Paul Allen Transaction, Charter acquired 100% of the interests it did not already own in CharterComm Holdings, LLC (CharterComm Holdings) and CCA Group (comprised of CCA Holdings Corp., CCT Holdings Corp. and Charter Communications Long Beach Inc.), all cable television operating companies, for $2.0 billion, excluding $1.8 billion in debt assumed from unrelated third parties for fair value. Charter previously managed and owned minority interests in these companies. These acquisitions were accounted for using the purchase method of accounting, and accordingly, results of operations of CharterComm Holdings and CCA Group are included in the financial statements from the date of acquisition. In February 1999, Charter transferred all of its cable television operating subsidiaries to a wholly owned subsidiary of Charter Holdings, Charter Communications Operating, LLC (Charter Operating). This transfer was accounted for as a reorganization of entities under common control similar to a pooling of interests.

As a result of the change in ownership of CCP, CharterComm Holdings and CCA Group, Charter Holdings has applied push-down accounting in the preparation of the consolidated financial statements. Accordingly, Charter Holdings increased its members' equity by $2.2 billion to reflect the amounts paid by Paul G. Allen and Charter. The purchase price was allocated to assets acquired and liabilities assumed based on their relative fair values, including amounts assigned to franchises of $3.6 billion. The allocation of the purchase price is based, in part, on preliminary information which is subject to adjustment upon obtaining complete valuation information of intangible assets. The valuation information is expected to be finalized in the third quarter of 1999. Management believes that finalization of the purchase price will not have a material impact on the results of operations or financial position of Charter Holdings.

On April 7, 1999, the cable television operating subsidiaries of Marcus Cable Company, L.L.C. (Marcus) were transferred to Charter Operating. As a result of the Marcus transfer, Charter Holdings is owned 54% by Charter and 46% by companies controlled by Paul G. Allen giving Paul G. Allen a 97% direct and indirect ownership interest in Charter Holdings. The transfer was accounted for as a reorganization of entities under common control similar to a pooling of interests since Paul G. Allen and a company controlled by Paul G. Allen purchased substantially all of the outstanding partnership interests in Marcus in April 1998, and purchased the remaining interest in Marcus on April 7, 1999.

The consolidated financial statements of Charter Holdings include the accounts of Charter Operating and CCP and the accounts of CharterComm Holdings and CCA Group and their subsidiaries since December 23, 1998 (date acquired by Charter), and the accounts of Marcus since December 23, 1998 (date Paul G. Allen controlled both Charter and Marcus), and are collectively referred to as the "Company" herein. All subsidiaries are wholly owned. All material intercompany transactions and balances have been eliminated. The Company derives its primary source of revenues by providing various levels of cable television programming and services to residential and business customers. As of December 31, 1998, the Company provided cable television services to customers in 22 states in the U.S.

The consolidated financial statements of Charter Holdings for periods prior to December 24, 1998, are not presented herein since, as a result of the Paul Allen Transaction and the application of push down accounting, the financial information as of December 31, 1998, and for the period from December 24, 1998, through December 31, 1998, is presented on a different cost basis than the financial information as of December 31, 1997, and for the periods prior to December 24, 1998. Such information is not comparable.

The accompanying financial statements have been retroactively restated to include the accounts of Marcus beginning December 24, 1998, using historical carrying amounts. Previously reported revenues and net loss of the Company, excluding Marcus, was $13,713 and $4,432, respectively, for the period from December 24, 1998, through December 31, 1998. Revenues and net loss of Marcus for the period from December 24, 1998 through December 31, 1998, included in the accompanying financial statements, was $9,737 and $4,292, respectively. Previously reported members' equity of the Company, excluding Marcus, was $2.1 billion as of December 31, 1998.

CASH EQUIVALENTS

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 1998, cash equivalents consist primarily of repurchase agreements. These investments are carried at cost that approximates market value.

PROPERTY, PLANT AND EQUIPMENT

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

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

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

FRANCHISES

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

IMPAIRMENT OF ASSETS

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

REVENUES

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

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

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

INTEREST RATE HEDGE AGREEMENTS

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

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

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

INCOME TAXES

Income taxes are the responsibility of the individual members or partners and are not provided for in the accompanying consolidated financial statements. In addition, certain subsidiaries are corporations subject to income taxes but have no operations and, therefore, no material income tax liabilities or assets.

SEGMENTS

In 1998, Charter Holdings adopted SFAS No. 131, "Disclosure about Segments of an Enterprise and Related Information." Segments have been identified based upon management responsibility. Charter Holdings operates in one segment, cable services.

USE OF ESTIMATES

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

2. PRO FORMA FINANCIAL INFORMATION (UNAUDITED):

In addition to the acquisitions by Charter of CharterComm Holdings and CCA Group, the Company acquired cable television systems for an aggregate purchase price, net of cash acquired, of $291,800 and $342,100 in 1998 and 1997, respectively, and completed the sale of certain former Marcus cable television systems for an aggregate sales price of $405,000 in 1998, all prior to December 24, 1998. The Company also refinanced substantially all of its long-term debt in March 1999 (see Note 12).

CHARTER COMMUNICATIONS HOLDINGS, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

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

	YEAR ENDED DECEMBER 31	
	1998	1997
Revenues	$1,059,882	$ 971,924
Loss from operations	(143,557)	(185,051)
Net loss	(599,953)	(631,592)

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

3. MEMBERS' EQUITY:

For the period from December 24, 1998, through December 31, 1998, members' equity consisted of the following:

Balance, December 24, 1998	$3,438,015
Net loss	(8,724)
Balance, December 31, 1998	$3,429,291

4. PROPERTY, PLANT AND EQUIPMENT:

Property, plant and equipment consists of the following at December 31, 1998:

Cable distribution systems	$1,439,182
Land, buildings and leasehold improvements	41,321
Vehicles and equipment	61,237
	1,541,740
Less -- Accumulated depreciation	(68,013)
	$1,473,727

For the period from December 24, 1998, through December 31, 1998, depreciation expense was $5,029.

5. ACCOUNTS PAYABLE AND ACCRUED EXPENSES:

Accounts payable and accrued expenses consist of the following at December 31, 1998:

Accrued interest	$ 34,561
Franchise fees	21,441
Programming costs	21,395
Capital expenditures	17,343
Accrued income taxes	15,205
Accounts payable	7,439
Other accrued liabilities	82,447
	$199,831

6. LONG-TERM DEBT:

Long-term debt consists of the following at December 31, 1998:

Charter:	
Credit Agreements (including CCP, CCA Group and CharterComm Holdings)	$1,726,500
Senior Secured Discount Debentures	109,152
11 1/4% Senior Notes	125,000
Marcus:	
Senior Credit Facility	808,000
13 1/2% Senior Subordinated Discount Notes	383,236
14 1/4% Senior Discount Notes	241,183
	3,393,071
Current maturities	(87,950)
Unamortized net premium	130,130
	$3,435,251

CCP CREDIT AGREEMENT

CCP maintains a credit agreement (the "CCP Credit Agreement"), which provides for two term loan facilities, one with the principal amount of $60,000 that matures on June 30, 2006, and the other with the principal amount of $80,000 that matures on June 30, 2007. The CCP Credit Agreement also provides for a $90,000 revolving credit facility with a maturity date of June 30, 2006. Amounts under the CCP Credit Agreement bear interest at the LIBOR Rate or Base Rate, as defined, plus a margin up to 2.88%. The variable interest rates ranged from 7.44% to 8.19% at December 31, 1998.

CC-I, CC-II COMBINED CREDIT AGREEMENT

Charter Communications, LLC and Charter Communications II, LLC, subsidiaries of CharterComm Holdings, maintains a combined credit agreement (the "Combined Credit Agreement"), which provides for two term loan facilities, one with the principal amount of $200,000 that matures on June 30, 2007, and the other with the principal amount of $150,000 that matures on December 31, 2007. The Combined Credit Agreement also provides for a $290,000 revolving credit facility, with a maturity date of June 30, 2007. Amounts under the Combined Credit Agreement bear interest at the LIBOR Rate or Base Rate, as defined, plus a margin up to 2.0%. The variable interest rates ranged from 6.69% to 7.31% at December 31, 1998. A quarterly commitment fee of between 0.25% and 0.375% per annum is payable on the unborrowed balance of the revolving credit facility.

CHARTERCOMM HOLDINGS -- SENIOR SECURED DISCOUNT DEBENTURES

CharterComm Holdings issued $146,820 of Senior Secured Discount Debentures (the "Debentures") for proceeds of $75,000. The Debentures are effectively subordinated to the claims and creditors of CharterComm Holdings' subsidiaries, including the lenders under the Combined Credit Agreement. The Debentures are redeemable at the Company's option at amounts decreasing from 107% to 100% of principal, plus accrued and unpaid interest to the redemption date, beginning on March 15, 2001. The issuer is required to make an offer to purchase all of the Debentures, at a purchase price equal to 101% of the principal amount, together with accrued and unpaid interest, upon a Change in Control, as defined in the Debentures Indenture. No interest is payable on the Debentures prior to March 15, 2001. Thereafter, interest on the Debentures is payable semiannually in arrears beginning September 15, 2001, until maturity on March 15, 2007.

CHARTERCOMM HOLDINGS -- 11 1/4% SENIOR NOTES

CharterComm Holdings issued $125,000 aggregate principal amount of 11 1/4% Senior Notes (the "11 1/4% Notes"). The Notes are effectively subordinated to the claims of creditors of CharterComm Holdings' subsidiaries, including the lenders under the Combined Credit Agreements. The 11 1/4% Notes are redeemable at the Company's option at amounts decreasing from 106% to 100% of principal, plus accrued and unpaid interest to the date of redemption, beginning on March 15, 2001. The issuer is required to make an offer to purchase all of the 11 1/4% Notes, at a purchase price equal to 101% of the principal amount, together with accrued and unpaid interest, upon a Change in Control, as defined in the 11 1/4% Notes indenture. Interest is payable semiannually on March 15 and September 15 until maturity on March 15, 2006.

As of December 24, 1998, the Debentures and 11 1/4% Notes were recorded at their estimated fair values resulting in an increase in the carrying values of the debt and an unamortized net premium as of December 31, 1998. The premium will be amortized to interest expense over the estimated remaining lives of the debt using the interest method. As of December 31, 1998, the effective interest rates on the Debentures and 11 1/4% Notes were 10.7% and 9.6%, respectively.

CCE-I CREDIT AGREEMENT

Charter Communications Entertainment I LLC, a subsidiary of CCA Group, maintains a credit agreement (the "CCE-I Credit Agreement"), which provides for a $280,000 term loan that matures on September 30, 2006, and $85,000 fund loan that matures on March 31, 2007, and a $175,000 revolving credit facility with a maturity date of September 30, 2006. Amounts under the CCE-I Credit Agreement bear interest at either the LIBOR Rate or Base Rate, as defined, plus a margin up to 2.75%. The variable interest rates ranged from 6.88% to 8.06% at December 31, 1998. A quarterly commitment fee of between 0.375% and 0.5% per annum is payable on the unborrowed balance of the revolving credit facility.

CCE-II COMBINED CREDIT AGREEMENT

Charter Communications Entertainment II, LLC and Long Beach LLC, subsidiaries of CCA Group, maintain a credit agreement (the "CCE-II Combined Credit Agreement"), which provides for two term loan facilities, one with the principal amount of $100,000 that matures on March 31, 2005, and the other with the principal amount of $90,000 that matures on March 31, 2006. The CCE-II Combined Credit Agreement also provides for a $185,000 revolving credit facility, with a maturity date of March 31, 2005. Amounts under the CCE-II Combined Credit Agreement bear interest at either the LIBOR Rate or Base Rate, as defined, plus a margin up to 2.5%. The variable rates ranged from 6.56% to 7.59% at December 31, 1998. A quarterly commitment fee of between 0.25% and 0.375% per annum is payable on the unborrowed balance of the revolving credit facility.

CCE CREDIT AGREEMENT

Charter Communications Entertainment, LLC, a subsidiary of CCA Group, maintains a credit agreement (the "CCE Credit Agreement") which provides for a term loan facility with the principal amount of $130,000 that matures on September 30, 2007. Amounts under the CCE Credit Agreement bear interest at the LIBOR Rate or Base Rate, as defined, plus a margin up to 3.25%. The variable interest rate at December 31, 1998, was 8.62%.

CCE-II HOLDINGS CREDIT AGREEMENT

CCE-II Holdings, LLC, a subsidiary of CCA Group, entered into a credit agreement (the "CCE-II Holdings Credit Agreement"), which provides for a term loan facility with the principal amount of $95,000 that matures on September 30, 2006. Amounts under the CCE-II Holdings Credit Agreement bear interest at either the LIBOR Rate or Base Rate, as defined, plus a margin up to 3.25%. The variable rate at December 31, 1998, was 8.56%.

MARCUS -- SENIOR CREDIT FACILITY

Marcus maintains a senior credit facility (the "Senior Credit Facility"), which provides for two term loan facilities, one with a principal amount of $490,000 that matures on December 31, 2002 (Tranche A) and the other with a principal amount of $300,000 that matures on April 30, 2004 (Tranche B). The Senior Credit Facility provides for scheduled amortization of the two term loan facilities which began in September 1997. The Senior Credit Facility also provides for a $360,000 revolving credit facility ("Revolving Credit Facility"), with a maturity date of December 31, 2002. Amounts outstanding under the Senior Credit Facility bear interest at either the (i) Eurodollar rate, (ii) prime rate or (iii) CD base rate or Federal Funds rate, plus a margin up to 2.25%, which is subject to certain quarterly adjustments based on the ratio of the issuer's total debt to annualized operating cash flow, as defined. The variable interest rates ranged from 6.23% to 7.75% at December 31, 1998. A quarterly commitment fee ranging from 0.250% to 0.375% per annum is payable on the unused commitment under the Senior Credit Facility.

MARCUS -- 13 1/2% SENIOR SUBORDINATED DISCOUNT NOTES

Marcus issued $413,461 face amount of 13 1/2% Senior Subordinated Discount Notes due August 1, 2004 (the "13 1/2% Notes") for net proceeds of $215,000. The 13 1/2% Notes are unsecured, are guaranteed by Marcus and are redeemable, at the option of Marcus, at amounts decreasing from 105% to 100% of par beginning on August 1, 1999. No interest is payable on the 13 1/2% Notes until February 1, 2000. Thereafter, interest is payable semiannually until maturity. The discount on the 13 1/2% Notes is being accreted using the effective interest method and the effective interest rate as of December 31, 1998 was 10.0%. The unamortized discount was $30,225 at December 31, 1998.

MARCUS -- 14 1/4% SENIOR DISCOUNT NOTES

Marcus issued $299,228 of 14 1/4% Senior Discount Notes due December 15, 2005 (the "14 1/4% Notes") for net proceeds of $150,003. The 14 1/4% Notes are unsecured and are redeemable at the option of Marcus at amounts decreasing from 107% to 100% of par beginning on June 15, 2000. No interest is payable until December 15, 2000. Thereafter, interest is payable semiannually until maturity. The discount on the 14 1/4% Notes is being accreted using the effective interest method and the effective interest rate as of December 31, 1998 was 14.1%. The unamortized discount was $53,545 at December 31, 1998.

The debt agreements require the Company and/or its subsidiaries to comply with various financial and other covenants, including the maintenance of certain operating and financial ratios. These debt instruments also contain substantial limitations on, or prohibitions of, distributions, additional indebtedness, liens, asset sales and certain other items.

As a result of limitations on and prohibitions of distributions, substantially all of the net assets of the consolidated subsidiaries are restricted for distribution to Charter Holdings, the parent company. The parent company's balance sheet consists solely of an investment in Charter Operating totaling $3.4 billion and membership equity of $3.4 billion. Equity in losses for the period from December 24, 1998 through December 31, 1998 consists of $8.7 million.

Based upon outstanding indebtedness at December 31, 1998, and the amortization of term and fund loans, and scheduled reductions in available borrowings of the revolving credit facilities, aggregate future principal payments on the total borrowings under all debt agreements at December 31, 1998, are as follows:

YEAR	AMOUNT
1999	$ 87,950
2000	110,245
2001	148,950
2002	393,838
2003	295,833
Thereafter	2,482,193
	$3,519,009

7. FAIR VALUE OF FINANCIAL INSTRUMENTS:

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

DEBT	CARRYING VALUE	NOTIONAL AMOUNT	FAIR VALUE
Charter:			
Charter Credit Agreements (including CCP, CCA Group and CharterComm Holdings)	$1,726,500	$ --	$1,726,500
Senior Secured Discount Debentures	138,102	--	138,102
11 1/4% Senior Notes	137,604	--	137,604
Marcus:			
Senior Credit Facility	808,000	--	808,000
13 1/2% Senior Subordinated Discount Notes	425,812	--	418,629
14 1/4% Senior Discount Notes	287,183	--	279,992
INTEREST RATE HEDGE AGREEMENTS			
Swaps	(22,092)	1,505,000	(28,977)
Caps	--	15,000	--
Collars	(4,174)	310,000	(4,174)

As the long-term debt under the credit agreements bears interest at current market rates, their carrying amount approximates market value at December 31, 1998. The fair values of the 11 1/4% Notes, the Debentures, the 13 1/2% Notes and the 14 1/2% Notes are based on quoted market prices.

The weighted average interest pay rate for the Company's interest rate swap agreements was 7.1% at December 31, 1998. The weighted average interest rate for the Company's interest rate cap agreements was 8.45% at December 31, 1998. The weighted average interest rates for the Company's interest rate collar agreements were 8.63% and 7.31% for the cap and floor components, respectively, at December 31, 1998.

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

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

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

8. RELATED-PARTY TRANSACTIONS:

Charter provides management services to the Company including centralized customer billing services, data processing and related support, benefits administration and coordination of insurance coverage and self-insurance programs for medical, dental and workers' compensation claims. Actual costs of certain services are charged directly to the Company and are included in operating costs. Such costs totaled $128 for the period from December 24, 1998, through December 31, 1998. All other costs incurred by Charter on behalf of the Company are recorded as expenses in the accompanying consolidated financial statements and are included in corporate expense charges -- related party. Management believes that costs incurred by Charter on Charter Holdings behalf and included in the accompanying financial statements are not materially different than costs Charter Holdings would have incurred as a stand alone entity.

Charter utilizes a combination of excess insurance coverage and self-insurance programs for its medical, dental and workers' compensation claims. Charges are made to Charter Holdings as determined by independent actuaries at the present value of the actuarially computed present and future liabilities for such benefits. Medical coverage provides for $2,435 aggregate stop loss protection and a loss limitation of $100 per person per year. Workers' compensation coverage provides for $800 aggregate stop loss protection and a loss limitation of $150 per person per year.

The Company is charged a management fee based on percentages of revenues or a flat fee plus additional fees based on percentages of operating cash flows, as stipulated in the management agreements between Charter and the operating subsidiaries. To the extent management fees charged to the Company are greater(less) than the corporate expenses incurred by Charter, the Company will record distributions to(capital contributions from) Charter. For the period from December 24, 1998, through December 31, 1998, the management fee charged to the Company approximated the corporate expenses incurred by Charter on behalf of the Company. As of December 31, 1998, management fees currently payable of $7,675 are included in payables to manager of cable television systems-related party. Beginning in 1999, the management fee will be based on 3.5% of revenues as permitted by the new debt agreements of the Company (see Note 12).

The payable to related party represents the reimbursement of costs incurred by Paul G. Allen in connection with the acquisition of Marcus by Paul G. Allen.

9. COMMITMENTS AND CONTINGENCIES:

LEASES

The Company leases certain facilities and equipment under noncancelable operating leases. Leases and rental costs charged to expense for the period from December 24, 1998, through December 31, 1998, were $144. Future minimum lease payments are as follows:

1999	$5,898
2000	4,070
2001	3,298
2002	1,305
2003	705
Thereafter	3,395

The Company also rents utility poles in its operations. Generally, pole rentals are cancelable on short notice, but the Company anticipates that such rentals will recur. Rent expense incurred for pole rental attachments for the period from December 24, 1998, through December 31, 1998, was $226.

LITIGATION

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

REGULATION IN THE CABLE TELEVISION INDUSTRY

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

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

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

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

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

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

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

10. EMPLOYEE BENEFIT PLANS:

The Company's employees may participate in 401(k) plans (the "401(k) Plans"). Employees that qualify for participation can contribute up to 15% of their salary, on a before tax basis, subject to a maximum contribution limit as determined by the Internal Revenue Service. The Company made contributions to the 401(k) Plans totaling $30 for the period from December 24, 1998, through December 31, 1998.

11. ACCOUNTING STANDARD NOT YET IMPLEMENTED:

In June 1998, the Financial Accounting Standards Board adopted SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133 establishes accounting and reporting standards requiring that every derivative instrument (including certain derivative instruments embedded in other contracts) be recorded in the balance sheet as either an asset or liability measured at its fair value and that changes in the derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met. Special accounting for qualifying hedges allows a derivative's gains and losses to offset related results on the hedged item in the income statement, and requires that a company must formally document, designate and assess the effectiveness of transactions that receive hedge accounting. SFAS No. 133 is effective for fiscal years beginning after June 15, 1999. The Company has not yet quantified the impacts of adopting SFAS No. 133 on its consolidated financial statements nor has it determined the timing or method of its adoption of SFAS No. 133. However, SFAS No. 133 could increase volatility in earnings (loss).

12. SUBSEQUENT EVENTS:

Through April 19, 1999, the Company has entered into definitive agreements to purchase eight cable television companies, including a swap of cable television systems, for approximately $4.6 billion. The swap of cable television systems will be recorded at the fair value of the systems exchanged. The acquisitions are expected to close no later than March 31, 2000. The acquisitions will be accounted for using the purchase method of accounting, and accordingly, results of operations of the acquired businesses will be included in the financial statements from the dates of acquisitions.

In March 1999, concurrent with the issuance of $600.0 million 8.250% Senior Notes due 2007, $1.5 billion 8.625% Senior Notes due 2009 and $1.475 billion 9.920% Senior Discount Notes due 2011 (collectively, the "CCH Notes"), the Company extinguished substantially all long-term debt, excluding borrowings of the Company under its credit agreements, and refinanced substantially all existing credit agreements at various subsidiaries with a new credit agreement (the "CCO Credit Agreement") entered into by Charter Operating. Charter Holdings expects to record an extraordinary loss of approximately $4 million in conjunction with the extinguishment of substantially all long-term debt and the refinancing of its credit agreements.

The CCO Credit Agreement provides for two term facilities, one with a principal amount of $1.0 billion that matures September 2008 (Term A), and the other with the principal amount of $1.85 billion that matures on March 2009 (Term B). The CCO Credit Agreement also provides for a $1.25 billion revolving credit facility with a maturity date of September 2008. Amounts under the CCO Credit Agreement bear interest at the Base Rate or the Eurodollar rate, as defined, plus a margin up to 2.75%. A quarterly commitment fee of between 0.25% and 0.375% per annum is payable on the unborrowed balance of Term A and the revolving credit facility. On March 17, 1999, the Company borrowed $1.75 billion under Term B and invested the excess cash of $1.0 billion in short-term investments.

Charter Communications Holdings Capital Corporation is a co-issuer of the CCH Notes and is a wholly owned finance subsidiary of Charter Holdings with no independent assets or operations.

In December 1998 and February 1999, Charter Investment and Charter Holdings adopted option plans providing for the grant of options to purchase up to an aggregate of 10% of the equity value of Charter Communications Holdings Company, LLC, (CCHC) parent of Charter Holdings and 3% of the equity value of Charter Investment. The option plans provide for grants of options to employees, officers and directors of CCHC and its affiliates and consultants who provide services to CCHC. The option exercise price is equal to the fair market value at the date of grant. Options granted vest over four to five years. However, if there has not been a public offering of the equity interests of CCHC or an affiliate, vesting will occur only upon termination of employment for any reason, other than for cause or disability. Options not exercised accumulate and are exercisable, in whole or in part, in any subsequent period, but not later than ten years from the date of grant.

Options outstanding as of March 31, 1999, are as follows:

	OPTIONS OUTSTANDING		OPTIONS EXERCISABLE
EXERCISE PRICE	NUMBER OF OPTIONS	REMAINING CONTRACT LIFE (IN YEARS)	NUMBER OF OPTIONS
$20.00	15,312,327	9.8	1,761,032

The Company follows Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" to account for the option plans. No compensation expense is recognized because the option exercise price is equal to the fair value of the underlying membership interests on the date of grant.

Had compensation expense for the option plans been determined based on the fair value at the grant dates under the provisions of SFAS No. 123, the Company's net loss would have been $9.9 million for the period from December 24, 1998, through December 31, 1998. The fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: no dividend yield, expected volatility of 44.00%, risk free rate of 5.00%, and expected option lives of 10 years.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Charter Communications Holdings, LLC:

We have audited the accompanying consolidated balance sheet of Charter Communications Holdings, LLC and subsidiaries as of December 31, 1997, and the related consolidated statements of operations, shareholder's investment and cash flows for the period from January 1, 1998, through December 23, 1998, and for the years ended December 31, 1997 and 1996. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Charter Communications Holdings, LLC and subsidiaries as of December 31, 1997, and the results of their operations and their cash flows for the period from January 1, 1998, through December 23, 1998, and for the years ended December 31, 1997 and 1996, in conformity with generally accepted accounting principles.

/s/ ARTHUR ANDERSEN LLP

St. Louis, Missouri,
February 5, 1999 (except with respect to
the matters discussed in Note 1, as to
which the date is April 7, 1999)

CHARTER COMMUNICATIONS HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET
(DOLLARS IN THOUSANDS)

	DECEMBER 31, 1997
ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents	$ 626
Accounts receivable, net of allowance for doubtful accounts of $52	579
Prepaid expenses and other	32
Total current assets	1,237
INVESTMENT IN CABLE TELEVISION PROPERTIES:	
Property, plant and equipment	25,530
Franchises, net of accumulated amortization of $3,829	28,195
	53,725
OTHER ASSETS	849
	$55,811
LIABILITIES AND SHAREHOLDER'S INVESTMENT	
CURRENT LIABILITIES:	
Accounts payable and accrued expenses	$ 3,082
Payables to manager of cable television systems -- related party	114
Total current liabilities	3,196
LONG-TERM DEBT	41,500
NOTE PAYABLE TO RELATED PARTY, including accrued interest	13,090
SHAREHOLDER'S INVESTMENT:	
Common stock, $.01 par value, 100 shares authorized, one issued and outstanding	--
Paid-in capital	5,900
Accumulated deficit	(7,875)
Total shareholder's investment	(1,975)
	$55,811

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

CHARTER COMMUNICATIONS HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
(DOLLARS IN THOUSANDS)

	PERIOD FROM JANUARY 1, 1998, THROUGH DECEMBER 23, 1998	YEAR ENDED DECEMBER 31 1997	YEAR ENDED DECEMBER 31 1996
REVENUES	$ 49,731	$18,867	$14,881
OPERATING EXPENSES:			
Operating costs	18,751	9,157	5,888
General and administrative	7,201	2,610	2,235
Depreciation and amortization	16,864	6,103	4,593
Corporate expense allocation -- related party	6,176	566	446
	48,992	18,436	13,162
Income from operations	739	431	1,719
OTHER INCOME (EXPENSE):			
Interest income	44	41	20
Interest expense	(17,277)	(5,120)	(4,415)
Other, net	(728)	25	(47)
	(17,961)	(5,054)	(4,442)
Net loss	$(17,222)	$(4,623)	$(2,723)

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

CHARTER COMMUNICATIONS HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF SHAREHOLDER'S INVESTMENT
(DOLLARS IN THOUSANDS)

	COMMON STOCK	PAID-IN CAPITAL	ACCUMULATED DEFICIT	TOTAL
BALANCE, December 31, 1995	$--	$ 1,500	$ (529)	$ 971
Capital contributions	--	4,400	--	4,400
Net loss	--	--	(2,723)	(2,723)
BALANCE, December 31, 1996	--	5,900	(3,252)	2,648
Net loss	--	--	(4,623)	(4,623)
BALANCE, December 31, 1997	--	5,900	(7,875)	(1,975)
Capital contributions	--	10,800	--	10,800
Net loss	--	--	(17,222)	(17,222)
BALANCE, December 23, 1998	$--	$16,700	$(25,097)	$ (8,397)

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

CHARTER COMMUNICATIONS HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(DOLLARS IN THOUSANDS)

	PERIOD FROM JANUARY 1, 1998, THROUGH DECEMBER 23, 1998	YEAR ENDED DECEMBER 31 1997	1996
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	$ (17,222)	$(4,623)	$ (2,723)
Adjustments to reconcile net loss to net cash provided by operating activities --			
Depreciation and amortization	16,864	6,103	4,593
Loss on sale of cable television system	--	1,363	--
Amortization of debt issuance costs, debt discount and interest rate cap agreements	267	123	--
(Gain) loss on disposal of property, plant and equipment	(14)	130	--
Changes in assets and liabilities, net of effects from acquisitions --			
Receivables, net	10	(227)	6
Prepaid expenses and other	(125)	18	312
Accounts payable and accrued expenses	16,927	894	3,615
Payables to manager of cable television systems	5,288	(153)	160
Other operating activities	569	--	--
Net cash provided by operating activities	22,564	3,628	5,963
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of property, plant and equipment	(15,364)	(7,880)	(5,894)
Payments for acquisitions, net of cash acquired	(167,484)	--	(34,069)
Proceeds from sale of cable television system	--	12,528	--
Other investing activities	(486)	--	64
Net cash provided by (used in) investing activities	(183,334)	4,648	(39,899)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Borrowings of long-term debt	217,500	5,100	31,375
Repayments of long-term debt	(60,200)	(13,375)	(1,000)
Capital contributions	7,000	--	4,400
Payment of debt issuance costs	(3,487)	(12)	(638)
Net cash provided by (used in) financing activities	160,813	(8,287)	34,137
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	43	(11)	201
CASH AND CASH EQUIVALENTS, beginning of period	626	637	436
CASH AND CASH EQUIVALENTS, end of period	$ 669	$ 626	$ 637
CASH PAID FOR INTEREST	$ 7,679	$ 3,303	$ 2,798

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

CHARTER COMMUNICATIONS HOLDINGS, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

ORGANIZATION AND BASIS OF PRESENTATION

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

Effective December 23, 1998, through a series of transactions, Paul G. Allen acquired approximately 94% of Charter for an aggregate purchase price of $211 million, excluding $214 million in debt assumed (the "Paul Allen Transaction"). In conjunction with the Paul Allen Transaction, Charter acquired 100% of the interest it did not already own in CharterComm Holdings, LLC (CharterComm Holdings) and CCA Group (comprised of CCA Holdings Corp., CCT Holdings Corp. and Charter Communications Long Beach Inc.), all cable television operating companies, for $2.0 billion, excluding $1.8 billion in debt assumed from unrelated third parties for fair value. Charter previously managed and owned minority interests in these companies. These acquisitions were accounted for using the purchase method of accounting, and accordingly results of operations of CarterComm Holdings and CCA Group are included in the financial statements of Charter Holdings from the date of acquisition. In February 1999, Charter transferred all of its cable television operating subsidiaries to a wholly owned subsidiary of Charter Holdings, Charter Communications Operating, LLC (Charter Operating). The transfer was accounted for as a reorganization of entities under common control similar to a pooling of interests.

On April 7, 1999, the cable television operating subsidiaries of Marcus Cable Company, L.L.C. (Marcus) were transferred to Charter Operating. The transfer was accounted for as a reorganization of entities under common control similar to a pooling of interests, since Paul G. Allen and a company controlled by Paul G. Allen purchased substantially all of the outstanding partnership interests in Marcus in April 1998, and purchased the remaining interests in Marcus on April 7, 1999.

The accompanying financial statements include the accounts of CCP, Charter's wholly owned cable operating subsidiary, representing the financial statements of Charter Holdings and subsidiaries (the Company) for all periods presented. The accounts of CharterComm Holdings and CCA Group are not included since these companies were not owned and controlled by Charter prior to December 23, 1998. The accounts of Marcus are not included since both Charter and Marcus were not owned and controlled by the same party prior to December 23, 1998.

As a result of the change in ownership of CCP, CharterComm Holdings and CCA Group, Charter Holdings has applied push-down accounting in the preparation of the consolidated financial statements effective December 23, 1998. Accordingly, the financial statements of Charter Holdings for periods ended on or before December 23, 1998, are presented on a different cost basis than the financial statements for the periods after December 23, 1998 (not presented herein), and are not comparable.

CASH EQUIVALENTS

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 1997, cash equivalents consist primarily of repurchase agreements. These investments are carried at cost that approximates market value.

PROPERTY, PLANT AND EQUIPMENT

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

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

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

In 1997, the Company shortened the useful lives from 10 years to 5 years of certain plant and equipment included in cable distribution systems associated with costs of new customer installations. As a result, additional depreciation of $550 was recorded during 1997. The estimated useful lives were shortened to be more reflective of average customer lives.

FRANCHISES

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

IMPAIRMENT OF ASSETS

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

REVENUES

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

Installation revenues are recognized to the extent of direct selling costs incurred. The remainder, if any, is deferred and amortized to income over the estimated average period that customers are expected to remain connected to the cable television system. As of

December 31, 1997, no installation revenue has been deferred, as direct selling costs have exceeded installation revenue.

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

INTEREST RATE HEDGE AGREEMENTS

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

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

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

INCOME TAXES

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

USE OF ESTIMATES

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

2. ACQUISITIONS:

In 1998, the Company acquired cable television systems for an aggregate purchase price, net of cash acquired, of $228,400, comprising $167,500 in cash and $60,900 in a note payable to Seller. The excess of cost of properties acquired over the amounts assigned to net tangible assets at the date of acquisition was $207,600 and is included in franchises.

In 1996, the Company acquired cable television systems for an aggregate purchase price, net of cash acquired, of $34,100. The excess of the cost of properties acquired over the amounts assigned to net tangible assets at the date of acquisition was $24,300 and is included in franchises.

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

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

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

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

3. SALE OF FT. HOOD SYSTEM:

In February 1997, the Company sold the net assets of the Ft. Hood system, which served customers in Texas, for an aggregate sales price of approximately $12,500. The sale of the Ft. Hood system resulted in a loss of $1,363, which is included in operating costs in the accompanying statement of operations for the year ended December 31, 1997.

4. PROPERTY, PLANT AND EQUIPMENT:

Property, plant and equipment consists of the following at December 31, 1997:

Cable distribution systems	$29,061
Land, buildings and leasehold improvements	447
Vehicles and equipment	1,744
	31,252
Less- Accumulated depreciation	(5,722)
	$25,530

For the period from January 1, 1998, through December 23, 1998, and for the years ended December 31, 1997 and 1996, depreciation expense was $6,249, $3,898 and $2,371, respectively.

CHARTER COMMUNICATIONS HOLDINGS, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

5. ACCOUNTS PAYABLE AND ACCRUED EXPENSES:

Accounts payable and accrued expenses consist of the following at December 31, 1997:

Accrued interest	$ 292
Capital expenditures	562
Franchise fees	426
Programming costs	398
Accounts payable	298
Other	1,012
	$2,988

6. LONG-TERM DEBT:

The Company maintained a revolving credit agreement (the "Old Credit Agreement") with a consortium of banks for borrowings up to $47,500, of which $41,500 was outstanding at December 31, 1997. In 1997, the Credit Agreement was amended to reflect the impact of the sale of a cable television system. The debt bears interest, at the Company's option, at rates based on the prime rate of the Bank of Montreal (the agent bank), or LIBOR, plus the applicable margin based upon the Company's leverage ratio at the time of the borrowings. The variable interest rates ranged from 7.44% to 7.63% at December 31, 1997.

In May 1998, the Company entered into a credit agreement (the "CCP Credit Agreement"), which provides for two term loan facilities, one with the principal amount of $60,000 that matures on June 30, 2006, and the other with the principal amount of $80,000 that matures on June 30, 2007. The CCP Credit Agreement also provides for a $90,000 revolving credit facility with a maturity date of June 30, 2006. Amounts under the CCP Credit Agreement bear interest at the LIBOR Rate or Base Rate, as defined, plus a margin of up to 2.88%.

Commencing March 31, 1999, and at the end of each quarter thereafter, available borrowings under the revolving credit facility shall be reduced on an annual basis by 3.5% in 1999, 7.0% in 2000, 9.0% in 2001, 10.5% in 2002 and 16.5% in 2003. Commencing March 31, 2000, and at the end of each quarter thereafter, available borrowings under the term loan shall be reduced on an annual basis by 6.0% in 2000, 8.0% in 2001, 11.0% in 2002 and 16.5% in 2003. Commencing March 31, 2000, and at the end of each quarter thereafter, available borrowings under the other term loan shall be reduced on an annual basis by 1.0% in 2000, 1.0% in 2001, 1.0% in 2002 and 1.0% in 2003.

The credit agreement requires the Company and/or its subsidiaries to comply with various financial and other covenants, including the maintenance of certain operating and financial ratios. This agreement also contains substantial limitations on, or prohibitions of, distributions, additional indebtedness, liens, asset sales and certain other items.

The parent company's balance sheet as of December 31, 1997, consists solely of an investment in its consolidated subsidiaries totaling $(1,975) and membership equity of $(1,975). Equity in losses for the period from January 1, 1998 through December 23, 1998 and for the years ended December 31, 1997 and 1996 consist of $(17,222), $(4,623) and $(2,723), respectively.

7. NOTE PAYABLE TO RELATED PARTY:

As of December 31, 1997, the Company holds a promissory note payable to CCT Holdings Corp., a company managed by Charter and acquired by Charter effective December 23, 1998. The promissory note bears interest at the rates paid by CCT Holdings Corp. on a note payable to a third party. Principal and interest are due on September 29, 2005.

8. FAIR VALUE OF FINANCIAL INSTRUMENTS:

A summary of debt and the related interest rate hedge agreements at December 31, 1997, is as follows:

	CARRYING VALUE	NOTIONAL AMOUNT	FAIR VALUE
Debt			
CCP Credit Agreement	$41,500	$ --	$41,500
Interest Rate Hedge Agreements			
Caps	--	15,000	--
Collars	--	20,000	(74)

As the long-term debt under the credit agreements bears interest at current market rates, its carrying amount approximates market value at December 31, 1997.

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

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

Management believes that the sellers of the interest rate hedge agreements will be able to meet their obligations under the agreements. The Company has policies regarding the financial stability and credit standing of major counterparties. Nonperformance by the counterparties is not anticipated nor would it have a material adverse effect on the Company's financial position or results of operations.

9. INCOME TAXES:

At December 31, 1997, the Company had net operating loss carryforwards of $9,594, which if not used to reduce taxable income in future periods, expire in the years 2010 through 2012. As of December 31, 1997, the Company's deferred income tax assets were offset by valuation allowances and deferred income tax liabilities resulting primarily from differences in accounting for depreciation and amortization.

10. RELATED-PARTY TRANSACTIONS:

Charter provides management services to the Company including centralized customer billing services, data processing and related support, benefits administration and coordination of insurance coverage and self-insurance programs for medical, dental and workers' compensation claims. Actual costs of certain services are charged directly to the Company and are included in operating costs. Such costs totaled $437, $220 and $131, respectively for the period from January 1, 1998, through December 23, 1998, and the years ended December 31, 1997 and 1996. All other costs incurred by Charter on behalf of the Company are expensed in the accompanying financial statements and are included in corporate expense allocations -- related party. The cost of these services is allocated based on the number of basic customers. Management considers this allocation to be reasonable for the operations of the Company.

Charter utilizes a combination of excess insurance coverage and self-insurance programs for its medical, dental and workers' compensation claims. Charges are made to Charter Holdings as determined by independent actuaries, at the present value of the actuarially computed present and future liabilities for such benefits. Medical coverage provides for $2,435 aggregate stop loss protection and a loss limitation of $100 per person per year. Workers' compensation coverage provides for $800 aggregate stop loss protection and a loss limitation of $150 per person per year.

The Company is charged a management fee based on percentages of revenues as stipulated in the management agreement between Charter and the Company. For the period from January 1, 1998, through December 23, 1998, and the years ended December 31, 1997 and 1996, the management fee charged to the Company approximated the corporate expenses incurred by Charter on behalf of the Company. Management fees currently payable of $114 are included in payables to manager of cable television systems -- related party as of December 31, 1997.

11. COMMITMENTS AND CONTINGENCIES:

LEASES

The Company leases certain facilities and equipment under noncancelable operating leases. Leases and rental costs charged to expense for the period from January 1, 1998, through December 23, 1998, and for the years ended December 31, 1997 and 1996, were $278, $130 and $91, respectively.

The Company also rents utility poles in its operations. Generally, pole rentals are cancelable on short notice, but the Company anticipates that such rentals will recur. Rent expense incurred for pole rental attachments for the period from January 1, 1998, through December 23, 1998, and for the years ended December 31, 1997 and 1996, was $421, $271 and $174, respectively.

LITIGATION

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

REGULATION IN THE CABLE TELEVISION INDUSTRY

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

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

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

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

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

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

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

12. EMPLOYEE BENEFIT PLAN:

401(k) PLAN

The Company's employees may participate in the Charter Communications, Inc. 401(k) Plan (the "401(k) Plan"). Employees that qualify for participation can contribute up to 15% of their salary, on a before tax basis, subject to a maximum contribution limit as determined by the Internal Revenue Service. The Company contributes an amount equal to 50% of the first 5% of contributions by each employee. The Company contributed $74, $29 and $22 for the period from January 1, 1998, through December 23, 1998, and for the years ended December 31, 1997 and 1996, respectively.

APPRECIATION RIGHTS PLAN

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

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

13. ACCOUNTING STANDARD NOT YET IMPLEMENTED:

In June 1998, the Financial Accounting Standards Board adopted SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133 establishes accounting and reporting standards requiring that every derivative instrument (including certain derivative instruments embedded in other contracts) be recorded in the balance sheet as either an asset or liability measured at its fair value and that changes in the derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met. Special accounting for qualifying hedges allows a derivative's gains and losses to offset related results on the hedged item in the income statement, and requires that a company must formally document, designate and assess the effectiveness of transactions that receive hedge accounting. SFAS No. 133 is effective for fiscal years beginning after June 15, 1999. The Company has not yet quantified the impacts of adopting SFAS No. 133 on its consolidated financial statements nor has it determined the timing or method of its adoption of SFAS No. 133. However, SFAS No. 133 could increase volatility in earnings (loss).

INDEPENDENT AUDITORS' REPORT

The Members
Marcus Cable Company, L.L.C.:

We have audited the accompanying consolidated balance sheets of Marcus Cable Company, L.L.C. and subsidiaries as of December 31, 1998 and 1997 (which December 31, 1998 balance sheet is not presented separately herein) and the related consolidated statements of operations, members' equity and cash flows for the period from April 23, 1998 to December 23, 1998 and the consolidated statements of operations, partners' capital (deficit), and cash flows for the period from January 1, 1998 to April 22, 1998 and for each of the years in the two-year period ended December 31, 1997. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Marcus Cable Company, L.L.C. and subsidiaries as of December 31, 1998 and 1997, and the results of their operations and their cash flows for the periods from April 23, 1998 to December 23, 1998 and from January 1, 1998 to April 22, 1998 and for each of the years in the two-year period ended December 31, 1997, in conformity with generally accepted accounting principles.

As discussed in note 1 to the consolidated financial statements, substantially all of Marcus Cable Company, L.L.C. was acquired by Vulcan Cable, Inc. and Paul G. Allen as of April 22, 1998 in a business combination accounted for as a purchase. As a result of the application of purchase accounting, the consolidated financial statements of Marcus Cable Company, L.L.C. and subsidiaries for the period from April 23, 1998 to December 23, 1998 are presented on a different cost basis than those for periods prior to April 23, 1998, and accordingly, are not directly comparable.

/s/ KPMG LLP

Dallas, Texas
February 19, 1999
(except for the tenth paragraph of Note 1
which is as of April 7, 1999)

MARCUS CABLE COMPANY, L.L.C. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

DECEMBER 31, 1997
(IN THOUSANDS)

	PREDECESSOR (NOTE 1) 1997
ASSETS	
Current assets:	
Cash and cash equivalents	$ 1,607
Accounts receivable, net of allowance of $1,800 in 1998 and $1,904 in 1997	23,935
Prepaid expenses and other	2,105
Total current assets	27,647
Investment in cable television systems:	
Property, plant and equipment	706,626
Franchises	972,440
Noncompetition agreements	6,770
Other assets	36,985
	$1,750,468
LIABILITIES AND PARTNERS' CAPITAL	
Current liabilities:	
Current maturities of long-term debt	$ 67,499
Accrued liabilities	68,754
Total current liabilities	136,253
Long-term debt	1,531,927
Other long-term liabilities	2,261
Partners' capital	80,027
	$1,750,468

See accompanying notes to consolidated financial statements.

MARCUS CABLE COMPANY, L.L.C. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS)

	SUCCESSOR (NOTE 1)	PREDECESSOR (NOTE 1)		
			YEAR ENDED DECEMBER 31	
	PERIOD FROM APRIL 23 TO DECEMBER 23, 1998	PERIOD FROM JANUARY 1 TO APRIL 22, 1998	1997	1996
Revenues:				
Cable services	$ 332,139	$ 157,389	$ 473,701	$ 432,172
Management fees -- related party	181	374	5,614	2,335
Total revenues	332,320	157,763	479,315	434,507
Operating expenses:				
Selling, service and system management	129,435	60,501	176,515	157,197
General and administrative	51,912	24,245	72,351	73,017
Transaction and severance costs	16,034	114,167	--	--
Management fees -- related party	3,048	--	--	--
Depreciation and amortization	174,968	64,669	188,471	166,429
Total operating expenses	375,397	263,582	437,337	396,643
Operating income (loss)	(43,077)	(105,819)	41,978	37,864
Other (income) expense:				
Interest expense	93,103	49,905	151,207	144,376
Gain on sale of assets	--	(43,662)	--	(6,442)
Total other expense	93,103	6,243	151,207	137,934
Loss before extraordinary item	(136,180)	(112,062)	(109,229)	(100,070)
Extraordinary item -- gain on early retirement of debt	(2,384)	--	--	--
Net loss	$(133,796)	$(112,062)	$(109,229)	$(100,070)

See accompanying notes to consolidated financial statements.

MARCUS CABLE COMPANY, L.L.C. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF PARTNERS' CAPITAL (DEFICIT)
(IN THOUSANDS)

	PREDECESSOR (NOTE 1)		
	GENERAL PARTNERS	CLASS B LIMITED PARTNERS	TOTAL
Balance at December 31, 1995	$(21,396)	$ 310,722	$ 289,326
Net loss	(200)	(99,870)	(100,070)
Balance at December 31, 1996	(21,596)	210,852	189,256
Net loss	(218)	(109,011)	(109,229)
Balance at December 31, 1997	(21,814)	101,841	80,027
Net loss -- January 1, 1998 to April 22, 1998	(224)	(111,838)	(112,062)
Balance at April 22, 1998	$(22,038)	$ (9,997)	$ (32,035)

See accompanying notes to consolidated financial statements.

MARCUS CABLE COMPANY, L.L.C. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF MEMBERS' EQUITY
(IN THOUSANDS)

	SUCCESSOR (NOTE 1)		
	MARCUS CABLE PROPERTIES, L.L.C.	VULCAN CABLE, INC.	TOTAL
Initial capitalization (note 3)	$53,200	$1,346,800	$1,400,000
Capital contribution (note 3)	--	20,000	20,000
Net loss -- April 23, 1998 to December 23, 1998	(5,084)	(128,712)	(133,796)
Balance at December 23, 1998	$48,116	$1,238,088	$1,286,204

See accompanying notes to consolidated financial statements.

MARCUS CABLE COMPANY, L.L.C. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)

	SUCCESSOR (NOTE 1)	PREDECESSOR (NOTE 1)		
			YEAR ENDED DECEMBER 31,	
	PERIOD FROM APRIL 23 TO DECEMBER 23, 1998	PERIOD FROM JANUARY 1 TO APRIL 22, 1998	1997	1996
Cash flows from operating activities:				
Net loss	$(133,796)	$(112,062)	$(109,229)	$(100,070)
Adjustments to reconcile net loss to net cash provided by operating activities:				
Extraordinary item -- gain on early retirement of debt	(2,384)	--	--	--
Gain on sale of assets	--	(43,662)	--	(6,442)
Depreciation and amortization	174,969	64,669	188,471	166,429
Non cash interest expense	52,942	24,819	72,657	63,278
Amortization of carrying value premium	(11,043)	--	--	--
Changes in assets and liabilities, net of working capital adjustments for acquisitions:				
Accounts receivable, net	6,550	1,330	(6,439)	(70)
Prepaid expenses and other	(1,356)	(1,855)	95	(574)
Other assets	--	(16)	(385)	(502)
Payables to related party	3,048	--	--	--
Accrued liabilities	(1,504)	90,804	9,132	(3,063)
Net cash provided by operating activities:	87,426	24,027	154,302	118,986
Cash flows from investing activities:				
Acquisition of cable systems	--	(57,500)	(53,812)	(10,272)
Proceeds from sale of assets, net of cash acquired and selling costs	340,568	64,564	--	20,638
Additions to property, plant and equipment	(158,388)	(65,715)	(197,275)	(110,639)
Other	(648)	(42)	--	--
Net cash provided by (used in) investing activities:	181,532	(58,693)	(251,087)	(100,273)
Cash flows from financing activities:				
Borrowings under Senior Credit Facility	158,750	59,000	226,000	65,000
Repayments under Senior Credit Facility	(343,250)	(16,250)	(131,250)	(95,000)
Repayments of notes and debentures	(109,344)	--	--	--
Payment of debt issuance costs	--	(99)	(1,725)	--
Cash contributed by member	20,000	--	--	--
Payments on other long-term liabilities	(550)	(321)	(667)	(88)
Net cash provided by (used in) financing activities	(274,394)	42,330	92,358	(30,088)
Net decrease in cash and cash equivalents	(5,436)	7,664	(4,427)	(11,375)
Cash and cash equivalents at the beginning of the period	9,271	1,607	6,034	17,409
Cash and cash equivalents at the end of the period	$ 3,835	$ 9,271	$ 1,607	$ 6,034
Supplemental disclosure of cash flow information:				
Interest paid	$ 52,631	$ 28,517	$ 81,155	$ 83,473

See accompanying notes to consolidated financial statements.

MARCUS CABLE COMPANY, L.L.C. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS)

(1) ORGANIZATION AND BASIS OF PRESENTATION

Marcus Cable Company, L.L.C. ("MCCLLC") and subsidiaries (collectively, the "Company") is a Delaware limited liability company, formerly Marcus Cable Company, L.P. ("MCCLP"). MCCLP was formed as a Delaware limited partnership and was converted to a Delaware limited liability company on June 9, 1998 (note 3). The Company derives its primary source of revenues by providing various levels of cable television programming and services to residential and business customers. The Company's operations are conducted through Marcus Cable Operating Company, L.L.C. ("MCOC"), a wholly-owned subsidiary of the Company. The Company has operated its cable television systems primarily in Texas, Wisconsin, Indiana, California and Alabama.

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

On April 23, 1998, Vulcan Cable, Inc. and Paul G. Allen (collectively referred to as "Vulcan") acquired all of the outstanding limited partnership interests and substantially all of the general partner interest in MCCLP. Under the terms of the purchase agreement, the owner of the remaining 0.6% general partner interest (the "Minority Interest") in the Company can cause Vulcan to purchase the 0.6% general partner interest under certain conditions, or Vulcan can cause the Minority Interest to sell its interest to Vulcan under certain conditions, at a fair value of not less than $8,000.

As a result of this acquisition (the "Vulcan Acquisition"), the Company has applied purchase accounting in the preparation of the accompanying consolidated financial statements. Accordingly, MCCLP adjusted its equity as of April 23, 1998 to reflect the amount paid in the Vulcan Acquisition and has allocated that amount to assets acquired and liabilities assumed based on their relative fair values. The excess of the purchase price over the fair value of MCCLP's tangible and separately identifiable intangible assets less liabilities was allocated as franchises. The allocation of the purchase price is based, in part, on preliminary information which is subject to adjustment upon completion of certain appraisal and valuation information.

The total transaction was valued at $3,243,475 and was allocated as follows:

Franchises	$2,492,375
Property, plant and equipment	735,832
Noncompetition agreements	6,343
Other assets	8,925
	$3,243,475

The transaction was initially funded through cash payments of $1,392,000 from Vulcan and the assumption of $1,809,621 in net liabilities. In addition, Vulcan incurred direct costs of the acquisition (principally financial advisory, legal and accounting fees) of $20,000, which will be reimbursed by the Company. In addition, the Company recorded the fair value of the Minority Interest of $8,000 in equity and $13,854 in direct transaction costs.

In connection with the Vulcan Acquisition, the Company incurred transaction costs of approximately $114,167, comprised of $90,167 paid to employees of the Company in settlement of specially designated Class B units in MCCLP ("EUnit") granted in past periods by the general partner of MCCLP, and $24,000 of transaction fees paid to certain equity partners for investment banking services. These transaction costs have been included in the accompanying consolidated statement of operations for the period from January 1, 1998 to April 22, 1998.

As a result of the Vulcan Acquisition and the application of purchase accounting, financial information in the accompanying consolidated financial statements and notes thereto for the period from April 23, 1998 to December 23, 1998 (the "Successor Period") are presented on a different cost basis than the financial information as of December 31, 1997 and for the period from January 1, 1998 to April 22, 1998 and for the years ended December 31, 1997 and 1996 (the "Predecessor Period"), and therefore, such information is not comparable.

Effective December 23, 1998, through a series of transactions, Paul G. Allen acquired approximately 94% of Charter Communications, Inc. ("Charter").

In March 1999, Charter transferred all of its cable television operating subsidiaries to a subsidiary, Charter Communications Holdings, LLC (Charter Holdings) in connection with the issuance of Senior Notes and Senior Discount Notes totaling $3.6 billion. These operating subsidiaries were then transferred to Charter Communications Operating, LLC ("Charter Operating"). On April 7, 1999, the cable operations of the Company were transferred to Charter Operating subsequent to the purchase by Paul G. Allen of the Minority Interest. The transfer was accounted for as a reorganization of entities under common control similar to a pooling of interests. For periods subsequent to December 23, 1998 (the date Paul G. Allen controlled both Charter and the Company), the accounts of the Company will be included in the consolidated financial statements of Charter Holdings at historical carrying amounts.

As a result of the combination of the Company and Charter, the Company recognized severance and stay-on bonus compensation of $16,034, which is included in Transaction and Severance Costs in the accompanying statement of operations for the period from April 22, 1998 to December 23, 1998. As of December 23, 1998, 35 employees and officers of the Company had been terminated and $13,634 had been paid under severance and bonus arrangements. By March 31, 1999, an additional 50 employees will be terminated. The remaining balance of $2,400 is to be paid by April 30, 1999 and an additional $400 in stay-on bonuses will be recorded as compensation in 1999 as the related services are provided.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) CASH EQUIVALENTS

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 1997, cash equivalents consist of certificates of deposit and money market funds. These investments are carried at cost which approximates market value.

(b) PROPERTY, PLANT AND EQUIPMENT

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

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

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

(c) FRANCHISES

Costs incurred in obtaining and renewing cable franchises are deferred and amortized over the estimated lives of the franchises. Costs relating to unsuccessful franchise applications are charged to expense when it is determined that the efforts to obtain the franchise will not be successful. Franchise rights acquired through the purchase of cable television systems, including the Vulcan Acquisition, represent the excess of the cost of properties acquired over the amounts assigned to net tangible and identifiable intangible assets at date of acquisition and are amortized using the straight-line method over a period of 15 years. Accumulated amortization was $264,600 at December 31, 1997.

The historical cost of $37,274 and the related accumulated amortization of $9,959 for the going concern value of acquired cable television systems as of December 31, 1997 has been reflected in the caption "Franchises" in the accompanying consolidated balance sheet. This asset was amortized in the Predecessor Period using the straight-line method over a period of up to 15 years.

(d) NONCOMPETITION AGREEMENTS

Noncompetition agreements are amortized using the straight-line method over the term of the respective agreements. Accumulated amortization was $19,144 at December 31, 1997.

(e) OTHER ASSETS

Debt issuance costs were amortized to interest expense over the term of the related debt. Debt issuance costs associated with debt outstanding at the Vulcan Acquisition date were eliminated in connection with pushdown accounting.

(f) IMPAIRMENT OF ASSETS

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

(g) REVENUES

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

Installation revenues are recognized to the extent of direct selling costs incurred. The remainder, if any, is deferred and amortized to income over the estimated average period that customers are expected to remain connected to the cable television system. As of

December 31, 1997, no installation revenue has been deferred, as direct selling costs exceeded installation revenue.

Management fee revenues are recognized concurrently with the recognition of revenues by the managed cable television system, or as a specified monthly amount as stipulated in the management agreement. Incentive management fee revenue is recognized upon performance of specified actions as stipulated in the management agreement.

(h) INCOME TAXES

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

(i) INTEREST RATE HEDGE AGREEMENTS

The Company manages fluctuations in interest rates by using interest rate hedge agreements, as required by certain of its debt agreements. Interest rate swaps and caps are accounted for as hedges of debt obligations, and accordingly, the net settlement amounts are recorded as adjustments to interest expense in the period incurred.

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

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

(j) USE OF ESTIMATES

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

(k) ACCOUNTING STANDARD NOT IMPLEMENTED

In June 1998, the Financial Accounting Standards Boards adopted Statement of Financial Accounting Standards ("SFAS") No. 133, Accounting for Derivative Financial Instruments and Hedging Activities. SFAS No. 133 establishes accounting and reporting standards requiring that every derivative instrument (including certain derivative instruments embedded in other contracts) be recorded in the balance sheet as either an asset or liability measured at its fair value and that changes in the derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met. Special accounting for qualifying hedges allows a derivative's gains and losses to offset related results on the hedged item in the income statement, and requires that a company must formally document, designate and assess the effectiveness of transactions that receive hedge accounting. SFAS No. 133 is effective for fiscal years beginning after June 15, 1999.

The Company has not yet quantified the impacts of adopting SFAS No. 133 on its consolidated financial statements nor has it determined the timing or method of its adoption of SFAS No. 133. However, SFAS No. 133 could increase volatility of earnings (loss).

(3) CAPITAL STRUCTURE

PARTNERS' CAPITAL

(a) CLASSES OF PARTNERSHIP INTERESTS

The MCCLP partnership agreement (the "Partnership Agreement") provided for Class B Units and Convertible Preference Units. Class B Units consisted of General Partner Units ("GP Units") and Limited Partner Units ("LP Units"). To the extent that GP Units had the right to vote, GP Units voted as Class B Units together with Class B LP Units. Voting rights of Class B LP Units were limited to items specified under the Partnership Agreement. Prior to the dissolution of the Partnership on June 9, 1998, there were 18,848.19 GP Units and 294,937.67 Class B LP Units outstanding.

The Partnership Agreement also provided for the issuance of a class of Convertible Preference Units. These units were entitled to a general distribution preference over the Class B LP Units and were convertible into Class B LP Units. The Convertible Preference Units could vote together with Class B Units as a single class, and the voting percentage of each Convertible Preference Unit, at a given time, was based on the number of Class B LP Units into which such Convertible Preference Unit is then convertible. MCCLP had issued 7,500 Convertible Preference Units with a distribution preference and conversion price of two thousand dollars per unit.

The Partnership Agreement permitted the General Partner, at its sole discretion, to issue up to 31,517 Employee Units (classified as Class B Units) to key individuals providing services to the Company. Employee Units were not entitled to distributions until such time as all units have received certain distributions as calculated under provisions of the Partnership Agreement ("subordinated thresholds"). At December 31, 1997 28,033.20 Employee Units were outstanding with a subordinated threshold ranging from $1,600 to $1,750 per unit (per unit amounts in whole numbers). In connection with the Vulcan Acquisition, the amount paid to EUnit holders of $90,167 was recognized as Transaction and Severance Costs in the period from January 1, 1998 to April 22, 1998.

(b) ALLOCATION OF INCOME AND LOSS TO PARTNERS

MCCLP incurred losses from inception. Losses were allocated as follows:

(1) First, among the partners whose capital accounts exceed their unreturned capital contributions in proportion to such excesses until each such partner's capital account equals its unreturned capital contribution; and

(2) Next, to the holders of Class B Units in accordance with their unreturned capital contribution percentages.

The General Partner was allocated a minimum of 0.2% to 1% of income or loss at all times, depending on the level of capital contributions made by the partners.

MEMBERS' EQUITY

Upon completion of the Vulcan Acquisition, Vulcan collectively owned 99.4% of MCCLP through direct ownership of all LP Units and through 80% ownership of Marcus Cable Properties, Inc. ("MCPI"), the general partner of Marcus Cable Properties, L.P. ("MCPLP"), the general partner of MCCLP. The Minority Interest owned the voting common stock, or the remaining 20% of MCPI. In connection with the Vulcan Acquisition, historical partners' capital at April 22, 1998 was eliminated and the Successor entity was initially recapitalized at $1,400,000 (see note 1). In July 1998, Vulcan contributed $20,000 in cash to the Company relating to certain employee severance arrangements.

On June 9, 1998, MCCLP was converted into a Delaware limited liability company with two members: Vulcan Cable, Inc., with 96.2% ownership, and Marcus Cable Properties, L.L.C. ("MCPLLC") (formerly MCPLP), with 3.8% ownership. Vulcan Cable, Inc. owns approximately 25.6% and MCPI owns approximately 74.4% of MCPLLC, with Vulcan's interest in MCPI unchanged. As there was no change in ownership interests, the historical partners' capital balances at June 9, 1998 were transferred to and became the initial equity of MCCLLC, and thus the accompanying statement of members' equity from April 22, 1998 to December 23, 1998 has been presented as if the conversion of MCCLP into MCCLLC occurred on April 23, 1998.

As of December 23, 1998, MCCLLC has 100 issued and outstanding membership units. Income and losses of MCCLLC are allocated to the members in accordance with their ownership interests. Members are not personally liable for obligations of MCCLLC.

(4) ACQUISITIONS AND DISPOSITIONS

In 1998, the Company acquired cable television systems in the Birmingham, Alabama area for a purchase price of $57,500. The excess of the cost of properties acquired over the amounts assigned to net tangible assets and noncompetition agreements as of the date of acquisition was approximately $44,603 and is included in franchises.

Additionally, in 1998, the Company completed the sale of certain cable television systems for an aggregate sales price of $405,132, resulting in a gain of $43,662. No gains or losses were recognized on the sale of the cable television systems divested after the Vulcan Acquisition as such amounts are considered to be an adjustment of the purchase price allocation as these systems were designated as assets to be sold at the date of the Vulcan Acquisition.

In 1997, the Company acquired cable television systems in the Dallas-Ft. Worth, Texas area for a purchase price of $35,263. The excess of the cost of properties acquired over the amounts assigned to net tangible assets as of the date of acquisition was $15,098 and is included in franchises.

Additionally, in July 1997, the Company completed an exchange of cable television systems in Indiana and Wisconsin. According to the terms of the trade agreement, in addition to the contribution of its systems, the Company paid $18,549.

In 1996, the Company acquired cable television systems in three separate transactions for an aggregate purchase price of $10,272. The excess of the cost of properties acquired over the amounts assigned to net tangible assets as of the date of acquisition was $4,861 and is included in franchises.

Additionally, in 1996, the Company completed the sale of cable television systems in Washington, D.C. for a sale price of $20,638. The sale resulted in a gain of $6,442.

The above acquisitions, which were completed during the Predecessor Period, were accounted for using the purchase method of accounting and, accordingly, results of operations of the acquired assets have been included in the accompanying consolidated financial statements from the dates of acquisition. The purchase prices were allocated to tangible and intangible assets based on estimated fair market values at the dates of acquisition. The cable system trade discussed above was accounted for as a nonmonetary exchange and, accordingly, the additional cash contribution was allocated to tangible and intangible assets based on recorded amounts of the nonmonetary assets relinquished.

Unaudited pro forma operating results as though 1998 and 1997 acquisitions and divestitures discussed above, including the Vulcan Acquisition, had occurred on January 1, 1997, with adjustments to give effect to amortization of franchises, interest expense and certain other adjustments is as follows:

	PERIOD FROM JANUARY 1 TO DECEMBER 23, 1998	YEAR ENDED DECEMBER 31, 1997
	(UNAUDITED)	
Revenues	$444,738	$ 421,665
Operating loss	(51,303)	(56,042)
Net loss	(187,342)	(190,776)

(5) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consists of the following at December 31, 1997:

	(PREDECESSOR)
Cable distribution systems	$878,721
Vehicles and other	37,943
Land and buildings	17,271
	933,935
Accumulated depreciation	(227,309)
	$706,626

Depreciation expense for the periods from January 1, 1998 to April 22, 1998 and from April 23, 1998 to December 23, 1998 and for the years ended December 31, 1997 and 1996 was $35,929, $70,538, $96,220, and $72,281, respectively.

(6) OTHER ASSETS

Other assets consist of the following at December 31, 1997:

	(PREDECESSOR)
Debt issuance costs	$45,225
Other	1,090
	46,315
Accumulated amortization	(9,330)
	$36,985

(7) ACCRUED LIABILITIES

Accrued liabilities consist of the following at December 31, 1997:

	(PREDECESSOR)
Accrued operating liabilities	$27,923
Accrued programming costs	9,704
Accrued franchise fees	10,131
Accrued property taxes	5,125
Accrued interest	7,949
Other accrued liabilities	7,922
	$68,754

(8) LONG-TERM DEBT

The Company has outstanding the following borrowings on long-term debt arrangements at December 31, 1997:

	(PREDECESSOR)
Senior Credit Facility	$ 949,750
13 1/2% Senior Subordinated Discount Notes	336,304
14 1/4% Senior Discount Notes	213,372
11 7/8% Senior Debentures	100,000
	1,599,426
Less current maturities	67,499
	$1,531,927

In conjunction with the Vulcan Acquisition and in accordance with purchase accounting, the Company recorded its outstanding debt at its fair value. As a result, the Company recognized a carrying value premium (fair market value of outstanding debt less historical carrying amount) of $108,292 as of the date of the Vulcan Acquisition. The carrying value premium is being amortized to interest expense over the estimated remaining lives of the related indebtedness using the effective interest method.

The Company, through MCOC, maintains a senior credit facility ("Senior Credit Facility"), which provides for two term loan facilities, one with a principal amount of $490,000 that matures on December 31, 2002 ("Tranche A") and the other with a principal amount of $300,000 million that matures on April 30, 2004 ("Tranche B"). The Senior Credit Facility provides for scheduled amortization of the two term loan facilities which began in September 1997. The Senior Credit Facility also provides for a $360,000 revolving credit facility ("Revolving Credit Facility"), with a maturity date of December 31, 2002. Amounts outstanding under the Senior Credit Facility bear interest at either the: i) Eurodollar rate, ii) prime rate, or iii) CD base rate or Federal Funds rate, plus a margin of up to 2.25%, which is subject to certain quarterly adjustments based on the ratio of MCOC's total debt to annualized operating cash flow, as defined. The variable interest rates ranged from 6.23% to 7.75% and 5.97% to 8.00% at December 23, 1998, and December 31, 1997, respectively. A quarterly commitment fee ranging from 0.250% to 0.375% per annum is payable on the unused commitment under the Senior Credit Facility.

On October 16, 1998, the Company entered into an agreement to amend its Senior Credit Facility. The amendment provides for, among other items, a reduction in the permitted leverage and cash flow ratios, a reduction in the interest rate charge under the Senior Credit Facility and a change in the restriction related to the use of cash proceeds from asset sales to allow such proceeds to be used to redeem the 11 7/8% Senior Debentures.

In 1995, the Company issued $299,228 of 14 1/4% Senior Discount Notes due December 15, 2005 (the "14 1/4% Notes") for net proceeds of $150,003. The 14 1/4% Notes are unsecured and rank pari passu to the 11 7/8% Debentures (defined below). The 14 1/4% Notes are redeemable at the option of MCCLLC at amounts decreasing from 107% to 100% of par beginning on June 15, 2000. No interest is payable until December 15, 2000. Thereafter interest is payable semi-annually until maturity. The discount on the 14 1/4% Notes is being accreted using the effective interest method. The unamortized discount was $85,856 at December 31, 1997.

In 1994, the Company, through MCOC, issued $413,461 face amount of 13 1/2% Senior Subordinated Discount Notes due August 1, 2004 (the "13 1/2% Notes") for net proceeds of $215,000. The 13 1/2% Notes are unsecured, are guaranteed by MCCLLC and are redeemable, at the option of MCOC, at amounts decreasing from 105% to 100% of par beginning on August 1, 1999. No interest is payable on the 13 1/2% Notes until February 1, 2000. Thereafter, interest is payable semi-annually until maturity. The discount on the 13 1/2% Notes is being accreted using the effective interest method. The unamortized discount was $77,157 at December 31, 1997.

In 1993, the Company issued $100,000 principal amount of 11 7/8% Senior Debentures due October 1, 2005 (the "11 7/8% Debentures"). The 11 7/8% Debentures were unsecured and were redeemable at the option of the Company on or after October 1, 1998 at amounts decreasing from 105.9% to 100% of par at October 1, 2002, plus accrued interest, to the date of redemption. Interest on the 11 7/8% Debentures was payable semi-annually each April 1 and October 1 until maturity.

On July 1, 1998, $4,500 face amount of the 14 1/4% Notes and $500 face amount of the 11 7/8% Notes were tendered for gross tender payments of $3,472 and $520 respectively. The payments resulted in a gain on the retirement of the debt of $753. On December 11, 1998, the 11 7/8% Notes were redeemed for a gross payment of $107,668, including accrued interest. The redemption resulted in a gain on the retirement of the debt of $1,631.

The 14 1/4% Notes, 13 1/2% Notes, 11 7/8% Debentures and Senior Credit Facility are all unsecured and require the Company and/or its subsidiaries to comply with various financial and other covenants, including the maintenance of certain operating and financial ratios. These debt instruments also contain substantial limitations on, or prohibitions of, distributions, additional indebtedness, liens, asset sales and certain other items.

(9) FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying and fair values of the Company's significant financial instruments as of December 31, 1997 are as follows:

	(PREDECESSOR)	
	CARRYING VALUE	FAIR VALUE
Senior Credit Facility	$949,750	$949,750
13 1/2% Notes	336,304	381,418
14 1/4% Notes	213,372	258,084
11 7/8% Debentures	100,000	108,500

The carrying amount of the Senior Credit Facility approximates fair value as the outstanding borrowings bear interest at market rates. The fair values of the 14 1/4% Notes, 13 1/2% Notes, and 11 7/8% Debentures, are based on quoted market prices. The Company had interest rate swap agreements covering a notional amount of $500,000 at December 31, 1997.

The weighted average interest pay rate for the interest rate swap agreements was 5.7% at December 31, 1997. Certain of these agreements allow for optional extension by the counterparty or for automatic extension in the event that one month LIBOR exceeds a stipulated rate on any monthly reset date. Approximately $100,000 notional amount included in the $500,000 notional amount described above is also modified by an interest rate cap agreement which resets monthly.

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

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

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

(10) RELATED PARTY TRANSACTIONS

The Company and Charter entered into a management agreement on October 6, 1998 whereby Charter began to manage the day-to-day operations of the Company. In consideration for the management consulting services provided by Charter, Marcus pays Charter an annual fee equal to 3% of the gross revenues of the cable system operations, plus expenses. From October 6, 1998 to December 23, 1998, management fees under this agreement were $3,048.

Prior to the consummation of the Vulcan Acquisition, affiliates of Goldman Sachs owned limited partnership interests in MCCLP. Maryland Cable Partners, L.P. ("Maryland Cable"), which was controlled by an affiliate of Goldman Sachs, owned the Maryland Cable systems. MCOC managed the Maryland Cable systems under the Maryland Cable Agreement. Pursuant to such agreement, MCOC earned a management fee equal to 4.7% of the revenues of Maryland Cable.

Effective January 31, 1997, Maryland Cable was sold to a third party. Pursuant to the Maryland Cable Agreement, MCOC recognized incentive management fees of $5,069 during the twelve months ended December 31, 1997 in conjunction with the sale. Although MCOC is no longer involved in the active management of the Maryland Cable systems, MCOC has entered into an agreement with Maryland Cable to oversee the activities, if any, of Maryland Cable through the liquidation of the partnership. Pursuant to such agreement, MCOC earns a nominal monthly fee. During the periods from January 1, 1998 to April 22, 1998 and from April 23, 1998 to December 23, 1998, MCOC earned total management fees of $374 and $181, respectively. Including the incentive management fees noted above, during the years ended December 31, 1997 and 1996, MCOC earned total management fees of $5,614 and $2,335, respectively.

(11) EMPLOYEE BENEFIT PLAN

The Company sponsors a 401(k) plan for its employees whereby employees that qualify for participation under the plan can contribute up to 15% of their salary, on a before tax basis, subject to a maximum contribution limit as determined by the Internal Revenue Service. The Company matches participant contributions up to a maximum of 2% of a participant's salary. For the periods from January 1, 1998 to April 22, 1998 and from April 23, 1998 to December 23, 1998, and for the years ended December 31, 1997 and 1996, the Company made contributions to the plan of $329, $536, $761 and $480, respectively.

(12) COMMITMENTS AND CONTINGENCIES

LEASES

The Company leases certain facilities and equipment under noncancelable operating leases. Lease and rental costs charged to expense for the periods from January 1, 1998 to April 22, 1998 and from April 23, 1998 to December 23, 1998, and for the years ended December 31, 1997 and 1996 were $1,098, $2,222, $3,230, and $2,767, respectively. The Company also rents utility poles in its operations. Generally, pole rentals are cancelable on short notice, but the Company anticipates that such rentals will recur. Rent expense for pole attachments for the periods from January 1, 1998 to April 22, 1998 and from April 23, 1998 to December 23, 1998 and for the years ended December 31, 1997 and 1996 were $1,372 , $2,620, $4,314, and $4,008, respectively.

REGULATION IN THE CABLE TELEVISION INDUSTRY

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

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

The 1992 Cable Act permits certified local franchising authorities to order refunds of basic service tier rates paid in the previous twelve-month period determined to be in excess of the maximum permitted rates. As of December 23, 1998, the amount returned by the Company has been insignificant. The Company may be required to refund additional amounts in the future.

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

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

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

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

LITIGATION

In Alabama, Indiana, Texas and Wisconsin, customers have filed punitive class action lawsuits on behalf of all person residing in those respective states who are or were potential customers of the Company's cable television service, and who have been charged a processing fee for delinquent payment of their cable bill. The actions challenge the legality of the processing fee and seek declaratory judgment, injunctive relief and unspecified damages. In Alabama and Wisconsin, the Company has entered into joint speculation and case management orders with attorneys for plaintiffs. A Motion to Dismiss is pending in Indiana. The Company intends to vigorously defend the actions. At this stage of the actions, the Company is not able to project the expenses of defending the actions or the potential outcome of the actions, including the impact on the consolidated financial position or results of operations.

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

(13) SUBSEQUENT EVENT (UNAUDITED)

In March 1999, concurrent with the issuance of Senior Notes and Senior Discount Notes, the combined company (Charter and the Company, see note 1) extinguished all long-term debt, excluding borrowings of Charter and the Company under their respective credit agreements, and refinanced all existing credit agreements at various subsidiaries of the Company and Charter with a new credit agreement entered into by a wholly owned subsidiary of the combined company.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To CCA Group:

We have audited the accompanying combined balance sheet of CCA Holdings Corp., CCT Holdings Corp. and Charter Communications Long Beach, Inc. (collectively CCA Group) and subsidiaries as of December 31, 1997, and the related combined statements of operations, shareholders' deficit and cash flows for the period from January 1, 1998, through December 23, 1998, and for the years ended December 31, 1997 and 1996. These combined financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined financial position of CCA Group and subsidiaries as of December 31, 1997, and the combined results of their operations and their cash flows for the period from January 1, 1998, through December 23, 1998, and for the years ended December 31, 1997 and 1996, in conformity with generally accepted accounting principles.

/s/ ARTHUR ANDERSEN LLP

St. Louis, Missouri,
February 5, 1999

CCA GROUP

COMBINED BALANCE SHEET -- DECEMBER 31, 1997
(DOLLARS IN THOUSANDS)

ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents	$ 4,501
Accounts receivable, net of allowance for doubtful accounts of $926	9,407
Prepaid expenses and other	1,988
Deferred income tax asset	5,915
Total current assets	21,811
RECEIVABLE FROM RELATED PARTY, including accrued interest	13,090
INVESTMENT IN CABLE TELEVISION PROPERTIES:	
Property, plant and equipment	352,860
Franchises, net of accumulated amortization of $132,871	806,451
	1,159,311
OTHER ASSETS	13,731
	$1,207,943
LIABILITIES AND SHAREHOLDERS' DEFICIT	
CURRENT LIABILITIES:	
Current maturities of long-term debt	$ 25,625
Accounts payable and accrued expenses	48,554
Payables to manager of cable television systems -- related party	1,975
Total current liabilities	76,154
DEFERRED REVENUE	1,882
DEFERRED INCOME TAXES	117,278
LONG-TERM DEBT, less current maturities	758,795
DEFERRED MANAGEMENT FEES	4,291
NOTES PAYABLE, including accrued interest	348,202
SHAREHOLDERS' DEFICIT:	
Common stock	1
Additional paid-in capital	128,499
Accumulated deficit	(227,159)
Total shareholders' deficit	(98,659)
	$1,207,943

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

CCA GROUP

COMBINED STATEMENTS OF OPERATIONS
(DOLLARS IN THOUSANDS)

	PERIOD FROM JANUARY 1, 1998, THROUGH DECEMBER 23, 1998	YEAR ENDED DECEMBER 31 1997	1996
REVENUES	$ 324,432	$289,697	$233,392
EXPENSES:			
Operating costs	135,705	122,917	102,977
General and administrative	28,440	26,400	18,687
Depreciation and amortization	136,689	116,080	96,547
Management fees -- related parties	17,392	11,414	8,634
	318,226	276,811	226,845
Income from operations	6,206	12,886	6,547
OTHER INCOME (EXPENSE):			
Interest income	4,962	2,043	1,883
Interest expense	(113,824)	(108,122)	(88,999)
Other, net	(294)	171	(2,504)
	(109,156)	(105,908)	(89,620)
Net loss	$(102,950)	$(93,022)	$(83,073)

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

CCA GROUP

COMBINED STATEMENTS OF SHAREHOLDERS' DEFICIT
(DOLLARS IN THOUSANDS)

	COMMON STOCK	ADDITIONAL PAID-IN CAPITAL	ACCUMULATED DEFICIT	TOTAL
BALANCE, December 31, 1995	$ 1	$ 99,999	$ (51,064)	$ 48,936
Net loss	--	--	(83,073)	(83,073)
BALANCE, December 31, 1996	1	99,999	(134,137)	(34,137)
Capital contributions	--	28,500	--	28,500
Net loss	--	--	(93,022)	(93,022)
BALANCE, December 31, 1997	1	128,499	(227,159)	(98,659)
Capital contributions	--	5,684	--	5,684
Net loss	--	--	(102,950)	(102,950)
BALANCE, December 23, 1998	$ 1	$134,183	$(330,109)	$(195,925)

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

CCA GROUP

COMBINED STATEMENTS OF CASH FLOWS
(DOLLARS IN THOUSANDS)

	PERIOD FROM JANUARY 1, 1998, THROUGH DECEMBER 23, 1998	YEAR ENDED DECEMBER 31 1997	1996
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	$(102,950)	$(93,022)	$ (83,073)
Adjustments to reconcile net loss to net cash provided by operating activities --			
Depreciation and amortization	136,689	116,080	96,547
Amortization of debt issuance costs and non cash interest cost	44,701	49,107	39,927
(Gain) loss on sale of property, plant and equipment	511	(156)	1,257
Changes in assets and liabilities, net of effects from acquisitions --			
Accounts receivable, net	4,779	222	(1,393)
Prepaid expenses and other	243	(175)	216
Accounts payable and accrued expenses	3,849	8,797	3,855
Payables to manager of cable television systems, including deferred management fees	3,485	784	448
Deferred revenue	1,336	559	(236)
Other operating activities	5,583	(3,207)	1,372
Net cash provided by operating activities	98,226	78,989	58,920
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of property, plant and equipment	(95,060)	(82,551)	(56,073)
Payments for acquisitions, net of cash acquired	--	(147,187)	(122,017)
Other investing activities	(2,898)	(1,296)	54
Net cash used in investing activities	(97,958)	(231,034)	(178,036)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Borrowings of long-term debt	300,400	162,000	127,000
Repayments of long-term debt	(64,120)	(39,580)	(13,100)
Payments of debt issuance costs	(8,442)	(3,360)	(3,126)
Repayments under notes payable	(230,994)	--	--
Capital contributions	--	28,500	--
Net cash provided by (used in) financing activities	(3,156)	147,560	110,774
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,888)	(4,485)	(8,342)
CASH AND CASH EQUIVALENTS, beginning of period	4,501	8,986	17,328
CASH AND CASH EQUIVALENTS, end of period	$ 1,613	$ 4,501	$ 8,986
CASH PAID FOR INTEREST	$ 179,781	$ 49,687	$ 51,434

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

CCA GROUP

NOTES TO COMBINED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS, EXCEPT SHARE AMOUNTS)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

ORGANIZATION AND BASIS OF PRESENTATION

CCA Group consists of CCA Holdings Corp. (CCA Holdings), CCT Holdings Corp. (CCT Holdings) and Charter Communications Long Beach, Inc. (CC-LB), all Delaware corporations (collectively referred to as "CCA Group" or the "Company") and their subsidiaries. The combined financial statements of each of these companies have been combined by virtue of their common ownership and management. All material intercompany transactions and balances have been eliminated.

CCA Holdings commenced operations in January 1995 in connection with consummation of the Crown Transaction (as defined below). The accompanying financial statements include the accounts of CCA Holdings; its wholly-owned subsidiary, CCA Acquisition Corp. (CAC); CAC's wholly-owned subsidiary, Cencom Cable Entertainment, Inc. (CCE); and Charter Communications Entertainment I, L.P. (CCE-I), which is controlled by CAC through its general partnership interest. Through December 23, 1998, CCA Holdings was approximately 85% owned by Kelso Investment Associates V, L.P., an investment fund, together with an affiliate (collectively referred to as "Kelso" herein) and certain other individuals and approximately 15% by Charter Communications, Inc. (Charter), manager of CCE-I's cable television systems.

CCT Holdings was formed on January 6, 1995. CCT Holdings commenced operations in September 1995 in connection with consummation of the Gaylord Transaction (as defined below). The accompanying financial statements include the accounts of CCT Holdings and Charter Communications Entertainment II, L.P. (CCE-II), which is controlled by CCT Holdings through its general partnership interest. Through December 23, 1998, CCT Holdings was owned approximately 85% by Kelso and certain other individuals and approximately 15% by Charter, manager of CCE-II's cable television systems.

In January 1995, CAC completed the acquisition of certain cable television systems from Crown Media, Inc. (Crown), a subsidiary of Hallmark Cards, Incorporated (Hallmark) (the "Crown Transaction"). On September 29, 1995, CAC and CCT Holdings entered into an Asset Exchange Agreement whereby CAC exchanged a 1% undivided interest in all of its assets for a 1.22% undivided interest in certain assets to be acquired by CCT Holdings from an affiliate of Gaylord Entertainment Company, Inc. (Gaylord). Effective September 30, 1995, CCT Holdings acquired certain cable television systems from Gaylord (the "Gaylord Transaction"). Upon execution of the Asset Purchase Agreement, CAC and CCT Holdings entered into a series of agreements to contribute the assets acquired under the Crown Transaction to CCE-I and certain assets acquired in the Gaylord acquisition to CCE-II. Collectively, CCA Holdings and CCT Holdings own 100% of CCE-I and CCE-II.

CC-LB was acquired by Kelso and Charter in May 1997. The accompanying financial statements include the accounts of CC-LB and its wholly owned subsidiary, Long Beach Acquisition Corp. (LBAC) from the date of acquisition. Through December 23, 1998, CC-LB was owned approximately 85% by Kelso and certain other individuals and approximately 15% by Charter, manager of LBAC's cable television systems.

CCA GROUP

NOTES TO COMBINED FINANCIAL STATEMENTS -- (CONTINUED)

Effective December 23, 1998, Paul G. Allen acquired 94% of Charter through a series of transactions. In conjunction with Mr. Allen's acquisition, Charter acquired 100% of the outstanding stock of CCA Holdings, CCT Holdings and CC-LB on December 23, 1998.

In 1998, CCE-I provided cable television service to customers in Connecticut, Illinois, Massachusetts, Missouri and New Hampshire, CCE-II provided cable television service to customers in California and LBAC provided cable television service to customers in Long Beach, California, and certain surrounding areas.

CASH EQUIVALENTS

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 1997, cash equivalents consist primarily of repurchase agreements. These investments are carried at cost that approximates market value.

PROPERTY, PLANT AND EQUIPMENT

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

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

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

In 1997, the Company shortened the estimated useful lives of certain property, plant and equipment for depreciation purposes. As a result, additional depreciation of $8,123 was recorded during 1997.

FRANCHISES

Costs incurred in obtaining and renewing cable franchises are deferred and amortized over the lives of the franchises. Costs relating to unsuccessful franchise applications are charged to expense when it is determined that the efforts to obtain the franchise will not be successful. Franchise rights acquired through the purchase of cable television systems represent management's estimate of fair value and are amortized using the straight-line method over 15 years.

OTHER ASSETS

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

CCA GROUP

NOTES TO COMBINED FINANCIAL STATEMENTS -- (CONTINUED)

INCOME TAXES

Income taxes are recorded in accordance with SFAS No. 109, "Accounting for Income Taxes."

USE OF ESTIMATES

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

2. ACQUISITIONS:

In 1997, CC-LB acquired the stock of LBAC for an aggregate purchase price, net of cash acquired, of $147,200. In connection with the completion of this acquisition, LBAC recorded $55,900 of deferred income tax liabilities resulting from differences between the financial reporting and tax basis of certain assets acquired. The excess of the cost of properties acquired over the amounts assigned to net tangible assets at the date of acquisition was $190,200 and is included in franchises.

In 1996, the Company acquired cable television systems in three separate transactions for an aggregate purchase price, net of cash acquired, of $122,000. The excess of the cost of properties acquired over the amounts assigned to net tangible assets at the dates of acquisition was $100,200 and is included in franchises.

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

Unaudited pro forma operating results for the 1997 acquisitions as though the acquisitions had been made on January 1, 1997, with pro forma adjustments to give effect to amortization of franchises, interest expense and certain other adjustments as follows:

	YEAR ENDED DECEMBER 31, 1997 (UNAUDITED)
Revenues	$303,797
Income from operations	14,108
Net loss	(94,853)

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

3. RECEIVABLE FROM RELATED PARTY:

In connection with the transfer of certain assets acquired in the Gaylord Transaction to Charter Communications Properties, Inc. (CCP), Charter Communications Properties Holding Corp. (CCP Holdings), the parent of CCP and a wholly owned subsidiary of Charter, entered into a $9,447 promissory note with CCT Holdings. The promissory note bears interest at the rates paid by CCT Holdings on the Gaylord Seller Note. Principal and interest are due on September 29, 2005. Interest income has been accrued based on an average rate of interest over the life of the Gaylord Seller Note, which approximates 15.4% and totaled $1,899 for the period from January 1, 1998, through December 23, 1998, and $1,806 and $1,547 for the years ended December 31, 1997 and 1996, respectively. As of December 31, 1997, interest receivable totaled $3,643.

4. PROPERTY, PLANT AND EQUIPMENT:

Property, plant and equipment consists of the following at December 31, 1997:

Cable distribution systems	$ 426,241
Land, buildings and leasehold improvements	15,443
Vehicles and equipment	24,375
	466,059
Less -- Accumulated depreciation	(113,199)
	$ 352,860

Depreciation expense for the period from January 1, 1998, through December 23, 1998, and for the years ended December 31, 1997 and 1996, was $72,914, $59,599 and $39,575, respectively.

5. OTHER ASSETS:

Other assets consists of the following at December 31, 1997:

Debt issuance costs	$13,416
Note receivable	2,100
Other	1,342
	16,858
Less -- Accumulated amortization	(3,127)
	$13,731

6. ACCOUNTS PAYABLE AND ACCRUED EXPENSES:

Accounts payable and accrued expenses consist of the following at December 31, 1997:

Accrued interest	$ 8,389
Franchise fees	6,434
Programming expenses	5,855
Accounts payable	4,734
Public education and governmental costs	4,059
Salaries and related benefits	3,977
Capital expenditures	3,629
Other	11,477
	$48,554

7. LONG-TERM DEBT:

Long-term debt consists of the following at December 31, 1997:

CCE-I:	
Term loans	$274,120
Fund loans	85,000
Revolving credit facility	103,800
	462,920
CCE-II:	
Term loans	105,000
Revolving credit facility	123,500
	228,500
LBAC:	
Term loans	85,000
Revolving credit facility	8,000
	93,000
Total debt	784,420
Less -- Current maturities	(25,625)
Total long-term debt	$758,795

CCE-I CREDIT AGREEMENT

CCE-I maintains a credit agreement (the "CCE-I Credit Agreement"), which provides for a $280,000 term loan that matures on September 30, 2006, an $85,000 fund loan that matures on March 31, 2007, and a $175,000 revolving credit facility with a maturity date of September 30, 2006. Amounts under the CCE-I Credit Agreement bear interest at either the LIBOR Rate or Base Rate, as defined, plus a margin of up to 2.75%. The variable interest rate ranged from 6.88% to 8.06% at December 23, 1998, and from 7.63% to 8.50% and 7.63% to 8.38% at December 31, 1997 and 1996, respectively.

Commencing June 30, 2002, and at the end of each calendar quarter thereafter, available borrowings under the revolving credit facility and the term loan shall be reduced on an annual basis by 12.0% in 2002 and 15.0% in 2003. Commencing June 30, 2002, and at the end of each calendar quarter thereafter, the available borrowings for the fund loan shall be reduced on an annual basis by 0.75% in 2002 and 1.0% in 2003. A quarterly commitment fee of between 0.375% and 0.5% per annum is payable on the unborrowed balance of the revolving credit facility.

COMBINED CREDIT AGREEMENT

CCE-II and LBAC maintain a credit agreement (the "Combined Credit Agreement") which provides for two term loan facilities, one with the principal amount of $100,000 that matures on March 31, 2005, and the other with the principal amount of $90,000 that matures on March 31, 2006. The Combined Credit Agreement also provides for a $185,000 revolving credit facility, with a maturity date of March 31, 2005. Amounts under the Combined Credit Agreement bear interest at either the LIBOR Rate or Base

Rate, as defined, plus a margin of up to 2.5%. The variable interest rate ranged from 6.56% to 7.59% at December 23, 1998, and from 7.50% to 8.38% at December 31, 1997, respectively.

Commencing March 31, 2001, and at the end of each quarter thereafter, available borrowings under the revolving credit facility and one term loan shall be reduced on an annual basis by 5.0% in 2001, 15.0% in 2002 and 18.0% in 2003. Commencing in December 31, 1999, and at the end of each quarter thereafter, available borrowings under the other term loan shall be reduced on annual basis by 0.5% in 1999, 0.8% in 2000, 1.0% in 2001, 1.0% in 2002 and 1.0% in 2003. A quarterly commitment fee of between 0.25% and 0.375% per annum, based upon the intercompany indebtedness of the Company, is payable on the unborrowed balance of the revolving credit facility.

CCE CREDIT AGREEMENT

In October 1998, Charter Communications Entertainment, L.P. (CCE L.P.), a 98% direct and indirect owner of CCE-I and CCE-II and indirectly owned subsidiary of the Company, entered into a credit agreement (the "CCE L.P. Credit Agreement") which provides for a term loan facility with the principal amount of $130,000 that matures on September 30, 2007. Amounts under the CCE L.P. Credit Agreement bear interest at the LIBOR Rate or Base Rate, as defined, plus a margin of up to 3.25%. The variable interest rate at December 23, 1998, was 8.62%.

Commencing June 30, 2002, and the end of each calendar quarter thereafter, the available borrowings for the term loan shall be reduced on an annual basis by 0.75% in 2002 and 1.0% in 2003.

CCE-II HOLDINGS CREDIT AGREEMENT

CCE-II Holdings, LLC (CCE-II Holdings), a wholly owned subsidiary of CCE L.P. and the parent of CCE-II, entered into a credit agreement (the "CCE-II Holdings Credit Agreement") in November 1998, which provides for a term loan facility with the principal amount of $95,000 that matures on September 30, 2006. Amounts under the CCE-II Holdings Credit Agreement bear interest at either the LIBOR Rate or Base Rate, as defined, plus a margin of up to 3.25%. The variable rate at December 23, 1998, was 8.56%.

Commencing June 30, 2002, and at the end of each quarter thereafter, available borrowings under the revolving credit facility and one term loan shall be reduced on an annual basis by 0.5% in 2002 and 1.0% in 2003.

The credit agreements require the Company to comply with various financial and nonfinancial covenants, including the maintenance of annualized operating cash flow to fixed charge ratio, as defined, not to exceed 1.0 to 1.0. These debt instruments also contain substantial limitations on, or prohibitions of, distributions, additional indebtedness, liens asset sales and certain other items.

CCA GROUP

NOTES TO COMBINED FINANCIAL STATEMENTS -- (CONTINUED)

8. NOTES PAYABLE:

Notes payable consists of the following at December 31, 1997:

HC Crown Note	$ 82,000
Accrued interest on HC Crown Note	36,919
Gaylord Seller Note	165,688
Accrued interest on Gaylord Seller Note	63,595
Total	$348,202

In connection with the Crown Transaction, the Company entered into an $82,000 senior subordinated loan agreement with a subsidiary of Hallmark, HC Crown Corp., and pursuant to such loan agreement issued a senior subordinated note (the "HC Crown Note"). The HC Crown Note was an unsecured obligation. The HC Crown Note was limited in aggregate principal amount to $82,000 and has a stated maturity date of December 31, 1999 (the "Stated Maturity Date"). Interest has been accrued at 13% per annum, compounded semiannually, payable upon maturity. In October 1998, the Crown Note and accrued interest was paid in full.

In connection with the Gaylord Transaction, CCT Holdings entered into a $165,700 subordinated loan agreement with Gaylord (the "Gaylord Seller Note"). Interest expense has been accrued based on an average rate of interest over the life of the Gaylord Seller Note, which approximated 15.4%.

In connection with the Gaylord Transaction, CCT Holdings, CCE L.P. and Gaylord entered into a contingent payment agreement (the "Contingent Agreement"). The Contingent Agreement indicates CCE L.P. will pay Gaylord 15% of any amount distributed to CCT Holdings in excess of the total of the Gaylord Seller Note, Crown Seller Note and $450,000. In conjunction with the Paul G. Allen acquisition of Charter and the Company, Gaylord was paid an additional $132,000 pursuant to the Contingent Agreement and the Gaylord Seller Note was paid in full.

9. FAIR VALUE OF FINANCIAL INSTRUMENTS:

A summary of debt and the related interest rate hedge agreements at December 31, 1997, is as follows:

	1997		
	CARRYING VALUE	NOTIONAL AMOUNT	FAIR VALUE
DEBT			
Debt under credit agreements	$784,420	$ --	$784,420
HC Crown Note (including accrued interest)	118,919	--	118,587
Gaylord Seller Note (including accrued interest)	229,283	--	214,074
INTEREST RATE HEDGE AGREEMENTS			
Swaps	--	405,000	(1,214)
Caps	--	120,000	--
Collars	--	190,000	(437)

As the long-term debt under the credit agreements bear interest at current market rates, their carrying amount approximates fair market value at December 31, 1997. Fair value of the HC Crown Note is based upon trading activity at December 31, 1997. Fair value of the Gaylord Seller Note is based on current redemption value.

The weighted average interest pay rate for the Company's interest rate swap agreements was 7.82% at December 31, 1997. The weighted average interest rate for the Company's interest rate cap agreements was 8.49% at December 31, 1997. The weighted average interest rates for the Company's interest rate collar agreements were 9.04% and 7.57% for the cap and floor components, respectively, at December 31, 1997.

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

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

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

10. COMMON STOCK:

The Company's common stock consist of the following at December 31, 1997:

CCA Holdings:	
Common stock -- Class A, voting, $.01 par value, 100,000 shares authorized; 75,515 shares issued and outstanding	$ 1
Common stock -- Class B, voting, $.01 par value, 20,000 shares authorized; 4,300 shares issued and outstanding	--
Common stock -- Class C, nonvoting, $.01 par value, 5,000 shares authorized; 185 shares issued and outstanding	--
	1
CCT Holdings:	
Common stock -- Class A, voting, $.01 par value, 20,000 shares authorized; 16,726 shares issued and outstanding	--
Common stock -- Class B, voting, $.01 par value, 4,000 shares authorized; 3,000 shares issued and outstanding	--
Common stock -- Class C, nonvoting, $.01 par value, 1,000 shares authorized; 275 shares issued and outstanding	--
CC-LB:	
Common stock -- Class A, voting, $.01 par value, 31,000 shares authorized, 27,850 shares issued and outstanding	--
Common stock -- Class B, voting, $.01 par value, 2,000 shares authorized, 1,500 shares issued and outstanding	--
Common stock -- Class C, nonvoting, $.01 par value, 2,000 shares authorized, 650 shares issued and outstanding	--
Total common stock	$ 1

CCA HOLDINGS

The Class A Voting Common Stock (CCA Class A Common Stock) and Class C Nonvoting Common Stock (CCA Class C Common Stock) have certain preferential rights upon liquidation of CCA Holdings. In the event of liquidation, dissolution or "winding up" of CCA Holdings, holders of CCA Class A and Class C Common Stock are entitled to a preference of $1,000 per share. After such amount is paid, holders of Class B Voting Common Stock (CCA Class B Common Stock) are entitled to receive $1,000 per share. Thereafter, Class A and Class C shareholders shall ratably receive the remaining proceeds.

If upon liquidation, dissolution or "winding up" the assets of CCA Holdings are insufficient to permit payment to Class A and Class C shareholders for their full preferential amounts, all assets of CCA Holdings shall then be distributed ratably to Class A and Class C shareholders. Furthermore, if the proceeds from liquidation are inadequate to pay Class B shareholders their full preferential amounts, the proceeds are to be distributed on a pro rata basis to Class B shareholders.

Upon the occurrence of any Conversion Event (as defined within the Amended and Restated Certificate of Incorporation) Class C shareholders may convert any or all of their outstanding shares into the same number of Class A shares. Furthermore, CCA Holdings may automatically convert outstanding Class C shares into the same number of Class A shares.

CCA Holdings is restricted from making cash dividends on its common stock until the balance outstanding under the HC Crown Note is repaid.

Charter and Kelso entered into a Stockholders' Agreement providing for certain restrictions on the transfer, sale or purchase of CCA Holdings' common stock.

CCT HOLDINGS

The Class A Voting Common Stock (CCT Class A Common Stock) and Class C Nonvoting Common Stock (CCT Class C Common Stock) have certain preferential rights upon liquidation of CCT Holdings. In the event of liquidation, dissolution or "winding up" of CCT Holdings, holders of CCT Class A Common Stock and Class C Common Stock are entitled to a preference of $1,000 per share. After such amount is paid, holders of Class B Voting Common Stock (CCT Class B Common Stock) are entitled to receive $1,000 per share. Thereafter, Class A and Class C shareholders shall ratably receive the remaining proceeds.

If upon liquidation, dissolution or "winding up" the assets of CCT Holdings are insufficient to permit payment to Class A Common Stock and Class C shareholders for their full preferential amount, all assets of the Company shall then be distributed ratably to Class A and Class C shareholders. Furthermore, if the proceeds from liquidation are inadequate to pay Class B shareholders their full preferential amount, the proceeds are to be distributed on a pro rata basis to Class B shareholders.

Upon the occurrence of any Conversion Event (as defined within the Amended and Restated Certificate of Incorporation), Class C shareholders may convert any or all of their outstanding shares into the same number of Class A shares. Furthermore, CCT Holdings may automatically convert outstanding Class C shares into the same number of Class A shares.

CCT Holdings is restricted from making cash dividends on its common stock until the balance outstanding under the note payable to seller is repaid.

Charter and Kelso entered into a Stockholders' Agreement providing for certain restrictions on the transfer, sale or purchase of CCT Holdings' common stock.

CC-LB

The Class A Voting Common Stock (CC-LB Class A Common Stock) and Class C Nonvoting Common Stock (CC-LB Class C Common Stock) have certain preferential rights upon liquidation of CC-LB. In the event of liquidation, dissolution or "winding up" of CC-LB, holders of CC-LB Class A Common Stock and Class C Common Stock are entitled to a preference of $1,000 per share. After such amount is paid, holders of Class B Voting Common Stock (CC-LB Class B Common Stock) are entitled to receive $1,000 per share. Thereafter, Class A, Class B and Class C shareholders shall ratably receive the remaining proceeds.

If upon liquidation, dissolution or "winding up" the assets of CC-LB are insufficient to permit payment to Class A and Class C shareholders for their full preferential amount, all assets of the Company shall then be distributed ratably to Class A and Class C shareholders. Furthermore, if the proceeds from liquidation are inadequate to pay Class B shareholders their full preferential amount, the proceeds are to be distributed on a pro rata basis to Class B shareholders.

CC-LB Class C Common Stock may be converted into CC-LB Class A Common Stock upon the transfer of CC-LB Class C Common Stock to a person not affiliated with the seller. Furthermore, CC-LB may automatically convert outstanding Class C shares into the same number of Class A shares.

11. RELATED PARTY TRANSACTIONS:

Charter provides management services to the Company under the terms of a contract which provides for annual base fees equal to $9,277 and $9,485 for the period from January 1, 1998, through December 23, 1998, and for the year ended December 31, 1997, respectively, plus an additional fee equal to 30% of the excess, if any, of operating cash flow (as defined in the management agreement) over the projected operating cash flow. Payment of the additional fee is deferred due to restrictions provided within the Company's credit agreements. Deferred management fees bear interest at 8.0% per annum. The additional fees for the periods from January 1, 1998, through December 23, 1998, and the years ended December 31, 1997 and 1996, totaled $2,160, $1,990 and $1,255, respectively. In addition, the Company receives financial advisory services from an affiliate of Kelso, under terms of a contract which provides for fees equal to $1,064 and $1,113 per annum as of January 1, 1998, through December 23, 1998, and December 31, 1997, respectively. Management and financial advisory service fees currently payable of $2,281 are included in payables to manager of cable television systems -- related party at December 31, 1997.

The Company pays certain acquisition advisory fees to an affiliate of Kelso and Charter, which typically equal approximately 1% of the total purchase price paid for cable television systems acquired. Total acquisition fees paid to the affiliate of Kelso for the period from January 1, 1998, through December 23, 1998, were $-0-. Total acquisition fees paid to the affiliate of Kelso in 1997 and 1996 were $-0- and $1,400, respectively. Total acquisition fees paid to Charter for the period from January 1, 1998, through December 23, 1998, were $-0-. Total acquisition fees paid to Charter in 1997 and 1996 were $-0- and $1,400, respectively.

The Company and all entities managed by Charter collectively utilize a combination of insurance coverage and self-insurance programs for medical, dental and workers' compensation claims. Medical coverage provides for $2,435 aggregate stop loss protection and a loss limitation of $100 per person per year. Workers' compensation coverage provides for $800 aggregate stop loss protection and a loss limitation of $150 per person per year. Charges are determined by independent actuaries at the present value of the actuarially computed present and future liabilities for such benefits. The Company is allocated its share of the charges monthly based upon its total number of employees, historical claims and medical cost trend rates. Management considers this allocation to be reasonable for the operations of the Company. For the period from January 1, 1998, through December 23, 1998, the Company expensed $1,950 relating to insurance allocations. During 1997 and 1996, the Company expensed $1,689 and $2,065, respectively, relating to insurance allocations.

Beginning in 1996, the Company and other entities managed by Charter employed the services of Charter's National Data Center (the "National Data Center"). The National Data Center performs certain customer billing services and provides computer network, hardware and software support to the Company and other affiliated entities. The cost of these services is allocated based on the number of customers. Management considers this allocation to be reasonable for the operations of the Company. For the period from January 1, 1998, through December 23, 1998, the Company expensed $843 relating to these services. During 1997 and 1996, the Company expensed $723 and $466 relating to these services, respectively.

CCE-I maintains a regional office. The regional office performs certain operational services on behalf of CCE-I and other affiliated entities. The cost of these services is allocated to CCE-I and affiliated entities based on their number of customers. Management considers this allocation to be reasonable for the operations of CCE-I. From the period January 1, 1998, through December 23, 1998, the Company expensed $1,926 relating to these services. During 1997 and 1996, CCE-I expensed $861 and $799, respectively, relating to these services.

12. COMMITMENTS AND CONTINGENCIES:

LEASES

The Company leases certain facilities and equipment under noncancelable operating leases. Lease and rental costs charged to expense for the period from January 1, 1998, through December 23, 1998, was $2,222. Rent expense incurred under these leases during 1997 and 1996 was $1,956 and $1,704, respectively.

The Company also rents utility poles in its operations. Generally, pole rentals are cancelable on short notice, but the Company anticipates that such rentals will recur. Rent expensed incurred for pole attachments for the period from January 1, 1998, through December 23, 1998, was $2,430. Rent expense incurred for pole attachments during 1997 and 1996 was $2,601 and $2,330, respectively.

LITIGATION

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

13. REGULATION IN THE CABLE TELEVISION INDUSTRY:

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

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

The 1992 Cable Act permits certified local franchising authorities to order refunds of basic service tier rates paid in the previous twelve-month period determined to be in excess of the maximum permitted rates. As of December 23, 1998, the amount refunded by the Company has been insignificant. The Company may be required to refund additional amounts in the future.

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

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

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

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

14. INCOME TAXES:

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

For the period from January 1, 1998, through December 23, 1998, and the years ended December 31, 1997 and 1996, no current provision (benefit) for income taxes was recorded. The effective income tax rate is less than the federal rate of 35% primarily due to providing a valuation allowance on deferred income tax assets.

Deferred taxes are comprised of the following at December 31, 1997:

Deferred income tax assets:	
Accounts receivable	$ 252
Other assets	7,607
Accrued expenses	4,740
Deferred revenue	624
Deferred management fees	1,654
Tax loss carryforwards	80,681
Tax credit carryforward	1,360
Valuation allowance	(40,795)
Total deferred income tax assets	56,123
Deferred income tax liabilities:	
Property, plant and equipment	(38,555)
Franchise costs	(117,524)
Other	(11,407)
Total deferred income tax liabilities	(167,486)
Net deferred income tax liability	$(111,363)

At December 31, 1997, the Company had net operating loss (NOL) carryforwards for regular income tax purposes aggregating $204,400, which expire in various years from 1999 through 2012. Utilization of the NOLs carryforwards is subject to certain limitations.

15. EMPLOYEE BENEFIT PLANS:

The Company's employees may participate in the Charter Communications, Inc. 401(k) Plan (the "401(k) Plan"). Employees that qualify for participation can contribute up to 15% of their salary, on a before tax basis, subject to a maximum contribution limit as determined by the Internal Revenue Service. The Company contributes an amount equal to 50% of the first 5% of contributions by each employee. For the period from January 1, 1998, through December 23, 1998, the Company contributed $585 to the 401(k) plan. During 1997 and 1996, the Company contributed approximately $499 and $435 to the 401(k) Plan, respectively.

Certain employees of the Company are participants in the 1996 Charter Communications/Kelso Group Appreciation Rights Plan (the "Plan"). The Plan covers certain key employees and consultants within the group of companies and partnerships controlled by affiliates of Kelso and managed by Charter. The Plan permits the granting of up to 1,000,000 units, of which 705,000 were outstanding at December 31, 1997. Unless otherwise provided in a particular instance, units vest at a rate of 20% per annum. The Plan entitles participants to receive payment of the appreciated unit value for vested units, upon the occurrence of certain events specified in the Plan (i.e. change in control, employee termination) The units do not represent a right to an equity interest to any entities within the CCA Group. Compensation expense is based on the appreciated unit value and is amortized over the vesting period.

As a result of the acquisition of Charter and the Company, the Plan was terminated, all outstanding units became 100% vested and all amounts were paid by Charter in 1999. For the period from January 1, 1998, through December 23, 1998, the Company recorded $5,684 of expense, included in management fees, and a contribution from Charter related to the Appreciation Rights Plan.

16. ACCOUNTING STANDARD NOT YET IMPLEMENTED:

In June 1998, the Financial Accounting Standards Board adopted SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133 establishes accounting and reporting standards requiring that every derivative instrument (including certain derivative instruments embedded in other contracts) be recorded in the balance sheet as either an asset or liability measured at its fair value and that changes in the derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met. Special accounting for qualifying hedges allows a derivative's gains and losses to offset related results on the hedged item in the income statement, and requires that a company must formally document, designate and assess the effectiveness of transactions that receive hedge accounting. SFAS No. 133 is effective for fiscal years beginning after June 15, 1999. The Company has not yet quantified the impacts of adopting SFAS No. 133 on its consolidated financial statements nor has it determined the timing or method of its adoption of SFAS No. 133. However, SFAS No. 133 could increase volatility in earnings (loss).

17. SUBSEQUENT EVENT:

Subsequent to December 23, 1998, CCA Holdings, CCT Holdings and CC-LB converted to limited liability companies and are now known as CCA Holdings LLC, CCT Holdings LLC and Charter Communications Long Beach, LLC, respectively.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To CharterComm Holdings, L.P.:

We have audited the accompanying consolidated balance sheet of CharterComm Holdings, L.P. and subsidiaries as of December 31, 1997, and the related consolidated statements of operations, partners' capital and cash flows for the period from January 1, 1998, through December 23, 1998, and for the years ended December 31, 1997 and 1996. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CharterComm Holdings, L.P. and subsidiaries as of December 31, 1997, and the results of their operations and their cash flows for the period from January 1, 1998, through December 23, 1998, and for the years ended December 31, 1997 and 1996, in conformity with generally accepted accounting principles.

/s/ ARTHUR ANDERSEN LLP

St. Louis, Missouri,
February 5, 1999

CHARTERCOMM HOLDINGS, L.P.
AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET -- DECEMBER 31, 1997
(DOLLARS IN THOUSANDS)

ASSETS

CURRENT ASSETS:	
Cash and cash equivalents	$ 2,742
Accounts receivable, net of allowance for doubtful accounts of $330	3,158
Prepaid expenses and other	342
Total current assets	6,242
INVESTMENT IN CABLE TELEVISION PROPERTIES:	
Property, plant and equipment	235,808
Franchises, net of accumulated amortization of $119,968	480,201
	716,009
OTHER ASSETS	16,176
	$738,427

LIABILITIES AND PARTNERS' CAPITAL

CURRENT LIABILITIES:	
Current maturities of long-term debt	$ 5,375
Accounts payable and accrued expenses	30,507
Payables to manager of cable television systems -- related party	1,120
Total current liabilities	37,002
DEFERRED REVENUE	1,719
LONG-TERM DEBT, less current maturities	666,662
DEFERRED MANAGEMENT FEES	7,805
DEFERRED INCOME TAXES	5,111
REDEEMABLE PREFERRED LIMITED UNITS -- 577.81 units, issued and outstanding	20,128
PARTNERS' CAPITAL:	
General Partner	--
Common Limited Partners -- 220.24 units issued and outstanding	--
Total partners' capital	--
	$738,427

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

CHARTERCOMM HOLDINGS, L.P.
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
(DOLLARS IN THOUSANDS)

	PERIOD FROM JANUARY 1, 1998, THROUGH DECEMBER 23, 1998	YEAR ENDED DECEMBER 31 1997	YEAR ENDED DECEMBER 31 1996
REVENUES	$196,801	$175,591	$120,280
OPERATING EXPENSES:			
Operating costs	83,745	75,728	50,970
General and administrative	14,586	12,607	9,327
Depreciation and amortization	86,741	76,535	53,133
Management fees -- related party	14,780	8,779	6,014
	199,852	173,649	119,444
Income (loss) from operations	(3,051)	1,942	836
OTHER INCOME (EXPENSE):			
Interest income	211	182	233
Interest expense	(66,121)	(61,498)	(41,021)
Other, net	(1,895)	17	(468)
	(67,805)	(61,299)	(41,256)
Loss before extraordinary item	(70,856)	(59,357)	(40,420)
EXTRAORDINARY ITEM -- Loss on early retirement of debt	(6,264)	--	--
Net loss	(77,120)	(59,357)	(40,420)
REDEMPTION PREFERENCE ALLOCATION:			
Special Limited Partner units	--	--	(829)
Redeemable Preferred Limited units	--	--	(4,081)
NET LOSS ALLOCATED TO REDEEMABLE PREFERRED LIMITED UNITS	20,128	2,553	4,063
Net loss applicable to partners' capital accounts	$(56,992)	$(56,804)	$(41,267)
NET LOSS ALLOCATION TO PARTNERS' CAPITAL ACCOUNTS:			
General Partner	$(56,992)	$(21,708)	$(38,391)
Common Limited Partners	--	(35,096)	(2,876)
	$(56,992)	$(56,804)	$(41,267)

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

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CONSOLIDATED STATEMENTS OF PARTNERS' CAPITAL
(DOLLARS IN THOUSANDS)

	GENERAL PARTNER	COMMON LIMITED PARTNERS	TOTAL
BALANCE, December 31, 1995	$ 29,396	$ 2,202	$ 31,598
Capital contributions	30,703	2,300	33,003
Allocation of net loss	(38,391)	(2,876)	(41,267)
BALANCE, December 31, 1996	21,708	1,626	23,334
Capital contributions	--	33,470	33,470
Allocation of net loss	(21,708)	(35,096)	(56,804)
BALANCE, December 31, 1997	--	--	--
Capital contributions	4,920	--	4,920
Allocation of net loss	(56,992)	--	(56,992)
BALANCE, December 23, 1998	$(52,072)	$ --	$(52,072)

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

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CONSOLIDATED STATEMENTS OF CASH FLOWS
(DOLLARS IN THOUSANDS)

	PERIOD FROM JANUARY 1, 1998, THROUGH DECEMBER 23, 1998	YEAR ENDED DECEMBER 31, 1997	1996
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	$ (77,120)	$ (59,357)	$ (40,420)
Adjustments to reconcile net loss to net cash provided by operating activities --			
Extraordinary item -- Loss on early retirement of debt	6,264	--	--
Depreciation and amortization	86,741	76,535	53,133
Amortization of debt issuance costs, debt discount and interest rate cap agreements	14,563	14,212	9,564
Loss on disposal of property, plant and equipment	1,714	203	367
Changes in assets and liabilities, net of effects from acquisition --			
Accounts receivable, net	2,000	369	(303)
Prepaid expenses and other	(203)	943	245
Accounts payable and accrued expenses	(1,970)	3,988	9,911
Payables to manager of cable television systems, including deferred management fees	9,456	3,207	3,479
Deferred revenue	770	(82)	452
Other operating activities	5,378	--	--
Net cash provided by operating activities	47,593	40,018	36,428
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of property, plant and equipment	(85,044)	(72,178)	(48,324)
Payments for acquisitions, net of cash acquired	(5,900)	(159,563)	(145,366)
Other investing activities	5,280	1,577	(2,089)
Net cash used in investing activities	(85,664)	(230,164)	(195,779)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Borrowings of long-term debt	547,400	231,250	260,576
Repayments of long-term debt	(505,300)	(67,930)	(34,401)
Partners' capital contributions	--	29,800	--
Payment of debt issuance costs	(3,651)	(3,593)	(11,732)
Payment of Special Limited Partnership units	--	--	(43,243)
Repayments of note payable -- related party	--	--	(15,000)
Payments for interest rate cap agreements	--	--	(35)
Net cash provided by financing activities	38,449	189,527	156,165
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	378	(619)	(3,186)
CASH AND CASH EQUIVALENTS, beginning of period	2,742	3,361	6,547
CASH AND CASH EQUIVALENTS, end of period	$ 3,120	$ 2,742	$ 3,361
CASH PAID FOR INTEREST	$ 61,559	$ 42,538	$ 28,860

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

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

ORGANIZATION AND BASIS OF PRESENTATION

CharterComm Holdings, L.P. (CharterComm Holdings) was formed in March 1996 with the contributions of Charter Communications Southeast Holdings, L.P. (Southeast Holdings), Charter Communications, L.P. (CC-I) and Charter Communications II, L.P. (CC-II). This contribution was accounted for as a reorganization under common control and, accordingly, the consolidated financial statements and notes have been restated to include the results and financial position of Southeast Holdings, CC-I and CC-II.

Through December 23, 1998, CharterComm Holdings was owned 75.3% by affiliates of Charterhouse Group International, Inc., a privately owned investment firm (collectively referred to herein as "Charterhouse"), indirectly owned 5.7% by Charter Communications, Inc. (Charter), manager of the Partnership's (as defined below) cable television systems, and owned 19.0% primarily by other institutional investors.

Effective December 23, 1998, Paul G. Allen acquired 94% of Charter through a series of transactions. In conjunction with Mr. Allen's acquisition, Charter acquired 100% of the outstanding partnership interests in CharterComm Holdings on December 23, 1998.

The accompanying consolidated financial statements include the accounts of CharterComm Holdings and its subsidiaries collectively referred to as the "Partnership" herein. All significant intercompany balances and transactions have been eliminated in consolidation.

In 1998, the Partnership through its subsidiaries provided cable television service to customers in Alabama, Georgia, Kentucky, Louisiana, North Carolina, South Carolina and Tennessee.

CASH EQUIVALENTS

The Partnership considers all highly liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 1997, cash equivalents consist primarily of repurchase agreements. These investments are carried at cost that approximates market value.

PROPERTY, PLANT AND EQUIPMENT

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

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

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

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

In 1997, the Partnership shortened the estimated useful lives of certain property, plant and equipment for depreciation purposes. As a result, an additional $4,775 of depreciation was recorded during 1997.

FRANCHISES

Costs incurred in obtaining and renewing cable franchises are deferred and amortized over the lives of the franchises. Costs relating to unsuccessful franchise applications are charged to expense when it is determined that the efforts to obtain the franchise will not be successful. Franchise rights acquired through the purchase of cable television systems represent management's estimate of fair value and are generally amortized using the straight-line method over a period of 15 years. In addition, approximately $100,000 of franchise rights are being amortized over a period of 3 to 11 years.

OTHER ASSETS

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

IMPAIRMENT OF ASSETS

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

REVENUES

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

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

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

INTEREST RATE HEDGE AGREEMENTS

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

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

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

OTHER INCOME (EXPENSE)

Other, net includes gain and loss on disposition of property, plant and equipment, and other miscellaneous items, all of which are not directly related to the Partnership's primary line of business. In 1996, the Partnership recorded $367 of nonoperating losses for its portion of insurance deductibles pertaining to damage caused by hurricanes to certain cable television systems.

INCOME TAXES

Income taxes are the responsibility of the partners and are not provided for in the accompanying financial statements except for Peachtree Cable TV, Inc. (Peachtree), an indirect wholly owned subsidiary, which is a C corporation and for which taxes are presented in accordance with SFAS No. 109.

USE OF ESTIMATES

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

2. ACQUISITIONS:

In 1998, the Partnership acquired cable television systems in one transaction for a purchase price net of cash acquired, of $5,900. The excess cost of properties acquired over the amounts assigned to net tangible assets at the date of acquisition was $5,000 and is included in franchises.

In 1997, the Partnership acquired cable television systems in three separate transactions for an aggregate purchase price, net of cash acquired, of $159,600. The excess of the cost of properties acquired over the amounts assigned to net tangible assets at the date of acquisition was $126,400 and is included in franchises.

In 1996, the Partnership acquired cable television systems in three separate transactions for an aggregate purchase price, net of cash acquired, of $145,400. The excess of the cost of properties acquired over the amounts assigned to net tangible assets at the date of acquisition was $118,200 and is included in franchises.

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

Unaudited pro forma operating results for the 1997 acquisitions as though the acquisitions had been made on January 1, 1997, with pro forma adjustments to give effect to amortization of franchises, interest expense and certain other adjustments are as follows.

	YEAR ENDED DECEMBER 31, 1997 (UNAUDITED)
Revenues	$182,770
Income from operations	2,608
Net loss	(61,389)

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

3. DISTRIBUTIONS AND ALLOCATIONS:

For financial reporting purposes, redemption preference allocations, profits and losses are allocated to partners in accordance with the liquidation provision of the applicable partnership agreement.

As stated in the Partnership Agreement, the Partnership may make distributions to the partners out of all available funds at such times and in such amounts as the General Partner may determine in its sole discretion.

4. REDEEMABLE PREFERRED LIMITED UNITS:

As of December 31, 1995, certain Redeemable Preferred Limited Partner units of CC-I and CC-II were outstanding. During 1996, the Partnership issued certain Redeemable Preferred Limited Partner units of CharterComm Holdings.

The Preferred Limited Partners' preference return has been reflected as an addition to the Redeemable Preferred Limited Partner units, and the decrease has been allocated to

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

the General Partner and Common Limited Partner consistent with the liquidation and distribution provisions in the partnership agreements.

At December 23, 1998, the balance related to the CharterComm Holdings Preferred Limited Partner units was as follows:

Contribution, March 1996	$ 20,052
1996 redemption preference allocation	2,629
Allocation of net loss	--
Balance, December 31, 1996	22,681
1997 redemption preference allocation	--
Allocation of net loss	(2,553)
Balance, December 31, 1997	20,128
1998 redemption preference allocation	--
Allocation of net loss	(20,128)
Balance, December 23, 1998	$ --

The 1998 and 1997 redemption preference allocations of $4,617 and $4,020, respectively, have not been reflected in the Preferred Limited Partners' capital accounts since the General Partner and Common Limited Partners' capital accounts have been reduced to $-0-.

5. SPECIAL LIMITED PARTNER UNITS (CC-I):

Prior to March 28, 1996, certain Special Limited Partner units of CC-I were outstanding. CC-I's profits were allocated to the Special Limited Partners until allocated profits equaled the unrecovered preference amount (preference amounts range from 6% to 17.5% of the unrecovered initial cost of the partnership units and unrecovered preference amounts per annum). When there was no profit to allocate, the preference return was reflected as a decrease in Partners' Capital.

In accordance with a purchase agreement and through the use of a capital contribution from Charter Communications Southeast, L.P. (Southeast), a wholly owned subsidiary of Southeast Holdings, resulting from the proceeds of the Notes (see Note 9), CC-I paid the Special Limited Partners $43,243 as full consideration for their partnership interests on March 28, 1996.

6. PROPERTY, PLANT AND EQUIPMENT:

Property, plant and equipment consists of the following at December 31, 1997:

Cable distribution systems	$274,837
Land, buildings and leasehold improvements	5,439
Vehicles and equipment	14,669
	294,945
Less -- Accumulated depreciation	(59,137)
	$235,808

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Depreciation expense for the period from January 1, 1998, through December 23, 1998, and for the years ended December 31, 1997 and 1996, was $44,307, $33,634 and $16,997, respectively.

7. OTHER ASSETS:

Other assets consist of the following at December 31, 1997:

Debt issuance costs	$18,385
Other assets	3,549
	21,934
Less -- Accumulated amortization	(5,758)
	$16,176

As a result of the payment and termination of the CC-I Credit Agreement and CC-II Credit Agreement (see Note 9), debt issuance costs of $6,264 were written off as an extraordinary loss on early retirement of debt for the period from January 1, 1998, through December 23, 1998.

8. ACCOUNTS PAYABLE AND ACCRUED EXPENSES:

Accounts payable and accrued expenses consist of the following at December 31, 1997:

Accrued interest	$ 9,804
Franchise fees	3,524
Programming costs	3,391
Accounts payable	2,479
Capital expenditures	2,099
Salaries and related benefits	2,079
Other	7,131
	$30,507

9. LONG-TERM DEBT:

Long-term debt consists of the following at December 31, 1997:

Senior Secured Discount Debentures	$146,820
11 1/4% Senior Notes	125,000
Credit Agreements:	
CC-I	112,200
CC-II	339,500
	723,520
Less:	
Current maturities	(5,375)
Unamortized discount	(51,483)
	$666,662

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SENIOR SECURED DISCOUNT DEBENTURES

On March 28, 1996, Southeast Holdings and CharterComm Holdings Capital Corporation (Holdings Capital), a wholly owned subsidiary of Southeast Holdings (collectively the "Debentures Issuers"), issued $146,820 of Senior Secured Discount Debentures (the "Debentures") for proceeds of $75,000. Proceeds from the Debentures were used to pay fees and expenses related to the issuance of the Debentures and the balance of $72,400 was a capital contribution to Southeast. The Debentures are secured by all of Southeast Holdings' ownership interest in Southeast and rank pari passu in right and priority of payment to all other existing and future indebtedness of the Debentures Issuers. The Debentures are effectively subordinated to the claims of creditors of Southeast Holdings' subsidiaries, including the Combined Credit Agreement (as defined herein). The Debentures are redeemable at the Debentures Issuers' option at amounts decreasing from 107% to 100% of principal, plus accrued and unpaid interest to the redemption date, beginning on March 15, 2001. The Debentures Issuers are required to make an offer to purchase all of the Debentures, at a purchase price equal to 101% of the principal amount, together with accrued and unpaid interest, upon a Change in Control, as defined in the Debentures Indenture. No interest is payable on the Debentures prior to March 15, 2001. Thereafter, interest on the Debentures is payable semiannually in arrears beginning September 15, 2001, until maturity on March 15, 2007. The discount on the Debentures is being accreted using the effective interest method at an interest rate of 14% from the date of issuance to March 15, 2001.

11 1/4% SENIOR NOTES

Southeast and CharterComm Capital Corporation (Southeast Capital), a wholly owned subsidiary of Southeast (collectively the "Notes Issuers"), issued $125,000 aggregate principal amount of 11 1/4% Senior Notes (the "Notes"). The Notes are senior unsecured obligations of the Notes Issuers and rank pari passu in right and priority of payment to all other existing and future indebtedness of the Notes Issuers. The Notes are effectively subordinated to the claims of creditors of Southeast's subsidiaries, including the lenders under the Combined Credit Agreement. The Notes are redeemable at the Notes Issuers' option at amounts decreasing from 105.625% to 100% of principal, plus accrued and unpaid interest to the date of redemption, beginning on March 15, 2001. The Notes Issuers are required to make an offer to purchase all of the Notes, at a purchase price equal to 101% of the principal amount, together with accrued and unpaid interest, upon a Change in Control, as defined in the Notes Indenture. Interest is payable semiannually on March 15 and September 15 until maturity on March 15, 2006.

Southeast and Southeast Holdings are holding companies with no significant assets other than their direct and indirect investments in CC-I and CC-II. Southeast Capital and Holdings Capital were formed solely for the purpose of serving as co-issuers and have no operations. Accordingly, the Notes Issuers and Debentures Issuers must rely upon distributions from CC-I and CC-II to generate funds necessary to meet their obligations, including the payment of principal and interest on the Notes and Debentures.

COMBINED CREDIT AGREEMENT

In June 1998, CC-I and CC-II (the "Borrowers") replaced their existing credit agreements and entered into a combined credit agreement (the "Combined Credit Agreement"), which provides for two term loan facilities, one with the principal amount of $200,000 that matures on June 30, 2007, and the other with the principal amount of $150,000 that matures on December 31, 2007. The Combined Credit Agreement also provides for a $290,000 revolving credit facility, with a maturity date of June 30, 2007. Amounts under the Combined Credit Agreement bear interest at the LIBOR Rate or Base Rate, as defined, plus a margin of up to 2.0%. The variable interest rates ranged from 6.69% to 7.31% at December 23, 1998.

Commencing March 31, 2002, and at the end of each calendar quarter thereafter, the available borrowings for the revolving credit facility and the $200,000 term loan shall be reduced on an annual basis by 11.0% in 2002 and 14.6% in 2003. Commencing March 31, 2002, and at the end of each calendar quarter thereafter, the available borrowings for the $150,000 term loan shall be reduced on an annual basis by 1.0% in 2002 and 1.0% in 2003. A quarterly commitment fee of between 0.25% and 0.375% per annum is payable on the unborrowed balance of the revolving credit facility.

The Debentures, Notes and Combined Credit Agreement require the Partnership to comply with various financial and nonfinancial covenants including the maintenance of a ratio of debt to annualized operating cash flow, as defined, not to exceed 5.25 to 1 at December 23, 1998. These debt instruments also contain substantial limitations on, or prohibitions of, distributions, additional indebtedness, liens, asset sales and certain other items.

CC-I CREDIT AGREEMENT

CC-I maintained a credit agreement (the "CC-I Credit Agreement") with a consortium of banks for borrowings up to $127,200, consisting of a revolving line of credit of $63,600 and a term loan of $63,600. Interest accrued, at CC-I's option, at rates based upon the Base Rate, as defined in the CC-I Credit Agreement, LIBOR, or prevailing bid rates of certificates of deposit plus the applicable margin based upon CC-I's leverage ratio at the time of the borrowings. The variable interest rates ranged from 7.75% to 8.00% and 7.44% to 7.50% at December 31, 1997 and 1996, respectively.

In June 1998, the CC-I Credit Agreement was repaid and terminated in conjunction with the establishment of the Combined Credit Agreement.

CC-II CREDIT AGREEMENT

CC-II maintained a credit agreement (the "CC-II Credit Agreement") with a consortium of banks for borrowings up to $390,000, consisting of a revolving credit facility of $215,000, and two term loans totaling $175,000. Interest accrued, at CC-II's option, at rates based upon the Base Rate, as defined in the CC-II Credit Agreement, LIBOR, or prevailing bid rates of certificates of deposit plus the applicable margin based upon CC-II's leverage ratio at the time of the borrowings. The variable interest rates ranged from 7.63% to 8.25% and 7.25% to 8.125% at December 31, 1997 and 1996, respectively.

In June 1998, the CC-II Credit Agreement was repaid and terminated in conjunction with the establishment of the Combined Credit Agreement.

10. FAIR VALUE OF FINANCIAL INSTRUMENTS:

A summary of debt and the related interest rate hedge agreements at December 31, 1997, is as follows:

	CARRYING VALUE	NOTIONAL AMOUNT	FAIR VALUE
DEBT			
Senior Secured Discount Debentures........	$ 95,337	$ --	$115,254
11 1/4% Senior Notes......................	125,000	--	136,875
CC-I Credit Agreement.....................	112,200	--	112,200
CC-II Credit Agreement....................	339,500	--	339,500
INTEREST RATE HEDGE AGREEMENTS			
CC-I:			
Swaps..................................	--	100,000	(797)
CC-II:			
Swaps..................................	--	170,000	(1,030)
Caps...................................	--	70,000	--
Collars................................	--	55,000	(166)

As the CC-I and CC-II Credit Agreements bear interest at current market rates, their carrying amounts approximate fair market values at December 31, 1997. The fair value of the Notes and the Debentures is based on current redemption value.

The weighted average interest pay rate for CC-I interest rate swap agreements was 8.07% at December 31, 1997.

The weighted average interest pay rate for CC-II interest rate swap agreements was 8.03% at December 31, 1997. The weighted average interest rate for CC-II interest cap agreements was 8.48% at December 31, 1997. The weighted average interest rates for CC-II interest rate collar agreements were 9.01% and 7.61% for the cap and floor components, respectively, at December 31, 1997.

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

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

Management believes that the sellers of the interest rate hedge agreements will be able to meet their obligations under the agreements. In addition, some of the interest rate hedge agreements are with certain of the participating banks under the Partnership's credit

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facilities thereby reducing the exposure to credit loss. The Partnership has policies regarding the financial stability and credit standing of major counterparties. Nonperformance by the counterparties is not anticipated nor would it have a material adverse effect on the results of operations or the financial position of the Partnership.

11. INCOME TAXES:

The book value of the Partnership's net assets (excluding Peachtree) exceeds its tax reporting basis by $2,919 as of December 31, 1997.

As of December 31, 1997, temporary differences and carryforwards that gave rise to deferred income tax assets and liabilities for Peachtree are as follows:

Deferred income tax assets:	
Accounts receivable	$ 4
Accrued expenses	29
Deferred management fees	111
Deferred revenue	24
Tax loss carryforwards	294
Tax credit carryforwards	361
Total deferred income tax assets	823
Deferred income tax liabilities:	
Property, plant and equipment	(1,372)
Franchises and other assets	(4,562)
Total deferred income tax liabilities	(5,934)
Net deferred income tax liability	$(5,111)

12. RELATED PARTY TRANSACTIONS:

Charter provides management services to the Partnership under the terms of contracts which provide for fees equal to 5% of the Partnership's gross service revenues. The debt agreements prohibit payment of a portion of such management fees (40% for both CC-I and CC-II) until repayment in full of the outstanding indebtedness. The remaining 60% of management fees, are paid quarterly through December 31, 1998. Thereafter, the entire fee may be deferred if a multiple of EBITDA, as defined, does not exceed outstanding indebtedness of CC-I and CC-II. In addition, payments due on the Notes and Debentures shall be paid before any deferred management fees are paid. Expenses recognized under the contracts for the period from January 1, 1998, through December 23, 1998, were $9,860. Expenses recognized under the contracts during 1997 and 1996 were $8,779 and $6,014, respectively. Management fees currently payable of $1,432 are included in payables to manager of cable television systems -- related party at December 31, 1997.

The Partnership and all entities managed by Charter collectively utilize a combination of insurance coverage and self-insurance programs for medical, dental and workers' compensation claims. Medical coverage provides for $2,435 aggregate stop loss protection and a loss limitation of $100 per person per year. Workers' compensation coverage provides for $800 aggregate stop loss protection and a loss limitation of $150 per person per year.

Charges are determined by independent actuaries at the present value of the actuarially computed present and future liabilities for such benefits. The Partnership is allocated its share of the charges monthly based upon its total number of employees, historical claims and medical cost trend rates. Management considers this allocation to be reasonable for the operations of the Partnership. For the period from January 1, 1998, through December 23, 1998, the Partnership expensed $1,831 relating to insurance allocations. During 1997 and 1996, the Partnership expensed $1,524 and $1,136, respectively, relating to insurance allocations.

The Partnership employs the services of Charter's National Data Center (the "National Data Center"). The National Data Center performs certain customer billing services and provides computer network, hardware and software support for the Partnership and other entities managed by Charter. The cost of these services is allocated based on the number of basic customers. Management considers this allocation to be reasonable for the operations of the Partnership. For the period from January 1, 1998, through December 23, 1998, the Partnership expensed $685 relating to these services. During 1997 and 1996, the Partnership expensed $606 and $345, respectively, relating to these services.

CC-I, CC-II and other entities managed by Charter maintain regional offices. The regional offices perform certain operational services. The cost of these services is allocated based on number of basic customers. Management considers this allocation to be reasonable for the operations of the Partnership. For the period from January 1, 1998, through December 23, 1998, the Partnership expensed $3,009 relating to these services. During 1997 and 1996, the Partnership expensed $1,992 and $1,294, respectively, relating to these services.

The Partnership pays certain acquisition advisory fees to Charter and Charterhouse for cable television systems acquired. Total acquisition fees paid to Charter for the period from January 1, 1998, through December 23, 1998, were $-0-. Total acquisition fees paid to Charter in 1997 and 1996 were $982 and $1,738, respectively. Total acquisition fees paid to Charterhouse for the period from January 1, 1998, through December 23, 1998, were $-0-. Total acquisition fees paid to Charterhouse in 1997 and 1996 were $982 and $1,738, respectively.

During 1997, the ownership of CharterComm Holdings changed as a result of CharterComm Holdings receiving a $25,000 cash contribution from an institutional investor, a $3,000 cash contribution from Charterhouse and a $2,000 cash contribution from Charter, as well as the transfer of assets and liabilities of a cable television system through a series of transactions initiated by Charter and Charterhouse. Costs of $200 were incurred in connection with the cash contributions. These contributions were contributed to Southeast Holdings which, in turn, contributed them to Southeast.

13. COMMITMENTS AND CONTINGENCIES:

LEASES

The Partnership leases certain facilities and equipment under noncancelable operating leases. Lease and rental costs charged to expense for the period from January 1, 1998, through December 23, 1998, was $642. Rent expense incurred under leases during 1997 and 1996 was $615 and $522, respectively.

The Partnership also rents utility poles in its operations. Generally, pole rentals are cancelable on short notice, but the Partnership anticipates that such rentals will recur. Rent expense incurred for pole rental attachments for the period from January 1, 1998, through December 23, 1998, was $3,261. Rent expense incurred for pole attachments during 1997 and 1996 was $2,930 and $2,092, respectively.

LITIGATION

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

REGULATION IN THE CABLE TELEVISION INDUSTRY

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

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

The 1992 Cable Act permits certified local franchising authorities to order refunds of basic service tier rates paid in the previous twelve-month period determined to be in excess of the maximum permitted rates. As of December 23, 1998, the amount returned by the Company has been insignificant. The Company may be required to refund additional amounts in the future.

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

Company does not believe that the amount of any such refunds would have a material adverse effect on the financial position or results of operations of the Company.

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

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

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

14. EMPLOYEE BENEFIT PLANS:

The Partnership's employees may participate in Charter Communications, Inc. 401(k) Plan (the "401(k) Plan"). Employees that qualify for participation can contribute up to 15% of their salary, on a before tax basis, subject to a maximum contribution limit as determined by the Internal Revenue Service. The Partnership contributes an amount equal to 50% of the first 5% of contributions by each employee. For the period from January 1, 1998, through December 23, 1998, the Partnership contributed $305. During 1997 and 1996, the Partnership contributed $262 and $149, respectively.

Certain Partnership employees participate in the 1996 Charter Communications/ Charterhouse Group Appreciation Rights Plan (the "Appreciation Rights Plan"). The Appreciation Rights Plan covers certain key employees and consultants within the group of companies and partnerships controlled by Charterhouse and managed by Charter. The Plan permits the granting of up to 1,000,000 units, of which 925,000 were outstanding at December 31, 1997. Unless otherwise provided in a particular instance, units vest at a rate of 20% per annum. The Plan entitles participants to receive payment of the appreciated unit value for vested units, upon the occurrence of certain events specified in the Plan (i.e. change in control, employee termination). The units do not represent a right to an equity interest in CharterComm Holdings. Compensation expense is based on the appreciated unit value and is amortized over the vesting period.

As a result of the acquisition of Charter and the Partnership, the Plan was terminated, all outstanding units became 100% vested and all amounts were paid by Charter in 1999. For the period from January 1, 1998, through December 23, 1998, the Partnership recorded $4,920 of expense, included in management fees, and a contribution from Charter related to the Appreciation Rights Plan.

CHARTERCOMM HOLDINGS, L.P.
AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

15. ACCOUNTING STANDARD NOT YET IMPLEMENTED:

In June 1998, the Financial Accounting Standards Board adopted SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133 establishes accounting and reporting standards requiring that every derivative instrument (including certain derivative instruments embedded in other contracts) be recorded in the balance sheet as either an asset or liability measured at its fair value and that changes in the derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met. Special accounting for qualifying hedges allows a derivative's gains and losses to offset related results on the hedged item in the income statement, and requires that a company must formally document, designate and assess the effectiveness of transactions that receive hedge accounting. SFAS No. 133 is effective for fiscal years beginning after June 15, 1999. The Partnership has not yet quantified the impacts of adopting SFAS No. 133 on its consolidated financial statements nor has it determined the timing or method of its adoption of SFAS No. 133. However, SFAS No. 133 could increase volatility in earnings (loss).

16. SUBSEQUENT EVENT:

Subsequent to December 31, 1998, CharterComm Holdings, L.P. and all of its subsidiaries converted to limited liability companies and are now known as CharterComm Holdings LLC and subsidiaries.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Greater Media, Inc.:

We have audited the accompanying combined balance sheets of Greater Media Cablevision Systems (see Note 1) (collectively, the "Combined Systems") included in Greater Media, Inc., as of September 30, 1998 and 1997, and the related combined statements of income, changes in net assets, and cash flows for each of the three years in the period ended September 30, 1998. These combined financial statements are the responsibility of management. Our responsibility is to express an opinion on these combined financial statements based on our audits.

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

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of the Combined Systems, as of September 30, 1998 and 1997, and the results of their operations and their cash flows for each of the three years in the period ended September 30, 1998, in conformity with generally accepted accounting principles.

/s/ ARTHUR ANDERSEN LLP

Roseland, New Jersey
March 2, 1999

GREATER MEDIA CABLEVISION SYSTEMS (SEE NOTE 1)

COMBINED BALANCE SHEETS
(IN THOUSANDS)

	MARCH 31, 1999	SEPTEMBER 30, 1998	SEPTEMBER 30, 1997
	(UNAUDITED)		
ASSETS			
Current assets:			
Cash and cash equivalents	$ 2,440	$ 4,080	$ 3,680
Accounts receivable (less allowance for doubtful accounts of $308 (unaudited), $244 and $337)	2,577	2,755	2,739
Prepaid expenses and other current assets	3,052	2,746	1,949
Total current assets	8,069	9,581	8,368
Property and equipment, net	58,196	54,468	41,971
Intangible assets, net	2,653	2,690	1,647
Other assets	80	77	103
Total assets	$68,998	$66,816	$52,089
LIABILITIES AND NET ASSETS			
Current liabilities:			
Accounts payable and accrued expenses	$ 6,022	$ 7,125	$ 5,299
Customers' prepayments and deferred installation revenue	1,904	1,910	1,815
Total current liabilities	7,926	9,035	7,114
Other long-term liabilities	3,618	3,650	3,920
Net assets	57,454	54,131	41,055
Total liabilities and net assets	$68,998	$66,816	$52,089

The accompanying notes are an integral part of these combined balance sheets.

GREATER MEDIA CABLEVISION SYSTEMS (SEE NOTE 1)

COMBINED STATEMENTS OF INCOME
(IN THOUSANDS)

	SIX MONTHS ENDED MARCH 31, 1999 (UNAUDITED)	SIX MONTHS ENDED MARCH 31, 1998 (UNAUDITED)	YEAR ENDED SEPTEMBER 30, 1998	YEAR ENDED SEPTEMBER 30, 1997	YEAR ENDED SEPTEMBER 30, 1996
NET REVENUES	$40,515	$37,389	$77,127	$73,436	$66,816
OPERATING EXPENSES:					
Operating expenses	17,356	16,009	32,665	31,115	29,460
General and administrative	5,850	5,313	10,869	11,211	10,321
Corporate charges	2,057	1,882	3,888	3,696	3,365
Depreciation and amortization	4,628	3,631	8,183	7,368	7,353
	29,891	26,835	55,605	53,390	50,499
Income from operations	10,624	10,554	21,522	20,046	16,317
OTHER EXPENSES:					
Interest expense, net	(297)	(177)	(504)	(307)	(764)
Other	17	(15)	(532)	(957)	(366)
INCOME BEFORE PROVISION IN LIEU OF INCOME TAXES	10,344	10,362	20,486	18,782	15,187
Provision in lieu of income taxes (Note 6)	4,199	4,025	8,008	7,964	5,987
Net income	$ 6,145	$ 6,337	$12,478	$10,818	$ 9,200

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

GREATER MEDIA CABLEVISION SYSTEMS (SEE NOTE 1)

COMBINED STATEMENTS OF CHANGES IN NET ASSETS
(IN THOUSANDS)

	TOTAL
Balance, September 30, 1995	$ 42,185
Net income	9,200
Provision in lieu of income taxes	5,987
Net payments to affiliates	(17,038)
Balance, September 30, 1996	40,334
Net income	10,818
Provision in lieu of income taxes	7,964
Net payments to affiliates	(18,061)
Balance, September 30, 1997	41,055
Net income	12,478
Provision in lieu of income taxes	8,008
Net payments to affiliates	(7,410)
Balance, September 30, 1998	54,131
Net income (unaudited)	6,145
Provision in lieu of income taxes (unaudited)	4,199
Net payments to affiliates (unaudited)	(7,021)
Balance, March 31, 1999 (unaudited)	$ 57,454

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

GREATER MEDIA CABLEVISION SYSTEMS (SEE NOTE 1)

COMBINED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)

	SIX MONTHS ENDED MARCH 31, 1999	SIX MONTHS ENDED MARCH 31, 1998	YEAR ENDED SEPTEMBER 30, 1998	YEAR ENDED SEPTEMBER 30, 1997	YEAR ENDED SEPTEMBER 30, 1996
	(UNAUDITED)				
Net income	$ 6,145	$ 6,337	$12,478	$10,818	$ 9,200
Adjustments to reconcile net income to net cash provided by operating activities:					
Provision in lieu of income taxes	4,199	4,025	8,008	7,964	5,987
Depreciation and amortization	4,628	3,631	8,183	7,368	7,353
(Gain) loss on sale of fixed assets	--	(19)	300	715	274
Changes in assets and liabilities:					
Accounts receivable, prepaid expenses and other assets	(129)	(3,277)	(813)	(1,115)	(498)
Other assets	(3)	27	24	(30)	(11)
Accounts payable and accrued expenses	(1,103)	700	1,825	(440)	(1,900)
Customers' prepayments and deferred installation revenue	(6)	25	96	367	94
Customers' deposits and deferred revenue	(32)	(67)	(270)	(69)	466
Net cash provided by operating activities	13,699	11,382	29,831	25,578	20,965
Cash flow from investing activities:					
Capital expenditures	(8,319)	(10,447)	(21,049)	(7,587)	(5,122)
Proceeds from disposition of property and equipment	--	19	72	--	128
Purchase of licenses	--	(50)	(1,044)	(99)	--
Net cash used in investing activities	(8,319)	(10,478)	(22,021)	(7,686)	(4,994)
Cash flow from financing activities:					
Net payments to affiliates	(7,020)	(1,759)	(7,410)	(18,061)	(17,038)
Net increase (decrease) in cash	(1,640)	(855)	400	(169)	(1,067)
Cash and cash equivalents, beginning of year	4,080	3,680	3,680	3,849	4,916
Cash and cash equivalents, end of year	$ 2,440	$ 2,825	$ 4,080	$ 3,680	$ 3,849
Supplemental disclosure of cash flow information:					
Non-affiliate interest paid during the year	$ 65	$ 90	$ 296	$ 155	$ 447

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

GREATER MEDIA CABLEVISION SYSTEMS

NOTES TO COMBINED FINANCIAL STATEMENTS
(IN THOUSANDS)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION, BASIS OF PRESENTATION AND OPERATIONS

Greater Media Cablevision Systems is the owner and operator of the following Massachusetts-based cable television systems: Auburn, Boylston, Chicopee, Dudley, East Longmeadow, Easthampton, Grafton, Hampden, Holden, Leicester, Ludlow, Millbury, Northborough, Northbridge, Oxford, Paxton, Southampton, Southborough, Southbridge, Spencer, Sturbridge, Upton, Webster, West Boylston, West Brookfield, Westborough, Wilbraham and Worcester ("the Combined Systems"). The Combined Systems are wholly-owned by Greater Media Cablevision, Inc. ("the Company"). The combined financial statements do not include the accounts of Greater Philadelphia Cablevision, Inc. or Greater Philadelphia Cablevision Limited Partnership (the "Philadelphia System"), which are also wholly-owned by the Company. The Company is a wholly-owned subsidiary of Greater Media, Inc. ("the Parent"). In February, 1999 the Parent and the Company entered into an agreement ("Sales Agreement") to sell the net assets of the Company including the Combined Systems but excluding the Philadelphia Systems to Charter Communications Holdings, LLC.

Significant intercompany accounts and transactions between the Combined Systems have been eliminated in the combined financial statements. Significant accounts and transactions with the Parent and other affiliates are disclosed as related party transactions (See Note 7).

The Combined Systems primarily provide cable television services to subscribers in central and western Massachusetts.

CASH AND CASH EQUIVALENTS

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

PROPERTY AND EQUIPMENT

Maintenance and repair costs are expensed when incurred. For financial reporting purposes, depreciation is provided on the straight-line method based on the following estimated useful lives:

CLASSIFICATION	YEARS
Land improvements	20
Buildings	15-40
Furniture, fixtures and equipment	3-15
Trunk and distribution systems	7-12

INTANGIBLE ASSETS

Intangible assets consist primarily of goodwill amortized over forty years and costs incurred in obtaining and renewing cable franchises which are amortized over the life of the respective franchise agreements.

GREATER MEDIA CABLEVISION SYSTEMS

NOTES TO COMBINED FINANCIAL STATEMENTS -- (CONTINUED)

REVENUES

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

USE OF ESTIMATES

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

QUARTERLY RESULTS

The financial statements included herein as of December 31, 1998 and for the three months ended December 31, 1998 and 1997 have been prepared by the Company without audit. In the opinion of management, all adjustments have been made which are of a normal recurring nature necessary to present fairly the Combined Systems' financial position as of December 31, 1998 and the results of operations, changes in net assets and cash flows for the three months ended December 31, 1998 and 1997. Certain information and footnote disclosures have been condensed or omitted for these periods. The results for interim periods are not necessarily indicative of results for the entire year.

2. PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid and other current assets consist of the following at September 30:

	1998	1997
Franchise grant	$1,445	$ 604
Corporate business tax	1,015	882
Other	286	463
Prepaid expenses and other current assets	$2,746	$1,949

3. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at September 30:

	1998	1997
Land and land improvements	$ 1,229	$ 1,134
Buildings	4,521	4,521
Furniture, fixtures and equipment	5,503	4,822
Trunk and distribution systems	109,253	97,042
Construction in progress	9,026	4,450
	129,532	111,969
Accumulated depreciation	75,064	69,998
Property and equipment, net	$ 54,468	$ 41,971

GREATER MEDIA CABLEVISION SYSTEMS

NOTES TO COMBINED FINANCIAL STATEMENTS -- (CONTINUED)

Depreciation expense for the years ended September 30, 1998, 1997 and 1996 was $8,081, $7,337, and $7,314, respectively. Construction in progress results primarily from costs to upgrade the systems to fiber optic technologies in the areas served by the Combined Systems.

4. INTANGIBLE ASSETS

Intangible assets consist of the following at September 30:

	1998	1997
Franchise agreements	$3,230	$2,883
Customer lists	1,751	1,751
Organization expenses	146	146
Goodwill	2,260	1,510
Covenant not to compete	40	40
	7,427	6,330
Accumulated amortization	4,737	4,683
Intangible assets, net	$2,690	$1,647

Amortization expense for the years ended September 30, 1998, 1997 and 1996 was $102, $31 and $39, respectively.

5. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consist of the following at September 30:

	1998	1997
Accounts payable	$4,733	$3,544
Rate refund liability	923	481
Programming expenses	586	557
Other	883	717
	$7,125	$5,299

6. INCOME TAXES

The Combined Systems are included in the consolidated federal income tax return of the Parent. However, the Parent is responsible for tax payments applicable to the Combined Systems. The combined financial statements reflect a provision in lieu of income taxes as if the combined systems were filing on a separate company basis. Accordingly, the Combined Systems have included the provision in lieu of income taxes as a component of net assets for all periods presented.

The provision in lieu of income taxes approximates the amount of tax computed using U.S. statutory rates, after reflecting state income tax expense of $2,053, $1,924 and $1,486, for 1998, 1997 and 1996, respectively.

As the Sales Agreement represents a sale of assets, Charter Communications Holdings, LLC will have new tax basis in the Combined Systems' assets and liabilities acquired.

7. RELATED PARTY TRANSACTIONS

The Company and each of its subsidiaries are guarantors of the Parent Company's debt.

The combined statements include the charge for certain corporate expenses incurred by the Parent on behalf of the Combined Systems. Such charges amounted to $3,888, $3,696, and $3,365 for the three years ended September 30, 1998, 1997 and 1996. Management believes that these costs are reasonable and reflect costs of doing business that the Combined Systems would have incurred on a stand-alone basis.

The Combined Systems charge an affiliate interest on certain balances, aggregating $15,000 per year, at an annual rate of 12%. Interest income on such balances amounted to $1,800 for each of the three years in the period ended September 30, 1998. In addition, the Combined Systems are required to pay the Parent interest on certain balances, at an annual rate of 12%. Interest expense on such balances amounted to $2,340 for each of these years in the period ended September 30, 1998, all which were due during the periods presented. The amounts described above and certain non-interest bearing amounts due affiliates are included in Net Assets in the Combined Systems balance sheet. As a result of the Sales Agreement, such amounts will be assumed by the Parent. The interest income and expense have been netted in the accompanying statement of operations.

8. EMPLOYEE BENEFIT PLAN

401(k) PLAN

The Combined Systems' employees participate in the Greater Media, Inc. 401(k) Plan (the "401(k) Plan"). Employees that qualify for participation can contribute up to 12% of their salary, on a before tax basis, subject to a maximum contribution limit as determined by the Internal Revenue Service. The Parent contributes an amount equal to 50% of the participant's contribution, limited to the lessor of 3% of the participant's compensation or $1 per year.

The Combined Systems expense relating to the 401(k) Plan was $140, $127, and $96 in 1998, 1997, and 1996, respectively.

PENSION

Employees of the Combined Systems participate in a pension plan sponsored by the Parent. The Combined Systems allocable share of the pension expense amounted to $105, $204 and $217 during the years ended September 30, 1998, 1997 and 1996, respectively. As a result of the Sales Agreement, the Combined Systems' employees will be fully vested with respect to their plan benefits, although no additional benefits will accrue to such employees in the future. In addition, the Parent will be responsible for the allocable pension liability ($838 at September 30, 1998) and will continue to administer the plan on behalf of the Combined Systems' employees after the sale is consummated.

9. COMMITMENTS AND CONTINGENCIES

LEASES

The Company leases certain facilities and equipment under noncancellable operating leases. Leases and rental costs charged to expense for the years ended September 30, 1998, 1997 and 1996, was $2,124, $2,133 and $1,636, respectively. Rent expense incurred under leases for the years ended September 30, 1998, 1997 and 1996, was $678, $665 and $660, respectively. Future minimum lease payments are as follows:

1999	$ 690
2000	618
2001	524
2002	402
2003	396
Thereafter	3,267

The Company also rents utility poles in its operations. Generally, pole rentals are cancelable on short notice, but the Company anticipates that such rentals will recur. Rent expense incurred for pole rental attachments for the years ended September 30, 1998, 1997 and 1996, was $1,008, $840 and $578, respectively.

LITIGATION

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

REGULATION IN THE CABLE TELEVISION INDUSTRY

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

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

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

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

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

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

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

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors of
Renaissance Media Group LLC

We have audited the accompanying consolidated balance sheet of Renaissance Media Group LLC as of December 31, 1998 and the related consolidated statements of operations, changes in members' equity, and cash flows for the year ended December 31, 1998. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Renaissance Media Group LLC at December 31, 1998, and the consolidated results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

/s/ ERNST & YOUNG LLP

New York, New York
February 22, 1999
except for Note 11, as to which
the date is February 24, 1999

RENAISSANCE MEDIA GROUP LLC
CONSOLIDATED BALANCE SHEET
AS OF DECEMBER 31, 1998
(IN THOUSANDS)

ASSETS

Cash and cash equivalents	$ 8,482
Accounts receivable -- trade (less allowance for doubtful accounts of $92)	726
Accounts receivable -- other	584
Prepaid expenses and other assets	340
Escrow deposit	150
Investment in cable television systems:	
Property, plant and equipment	71,246
Less: Accumulated depreciation	(7,294)
	63,952
Cable television franchises	236,489
Less: Accumulated amortization	(11,473)
	225,016
Intangible assets	17,559
Less: Accumulated amortization	(1,059)
	16,500
Total investment in cable television systems	305,468
Total assets	$315,750

LIABILITIES AND MEMBERS' EQUITY

Accounts payable	$ 2,042
Accrued expenses(a)	6,670
Subscriber advance payments and deposits	608
Deferred marketing support	800
Advances from Holdings	135
Debt	209,874
Total Liabilities	220,129
Members' Equity:	
Paid in capital	108,600
Accumulated deficit	(12,979)
Total members' equity	95,621
Total liabilities and members' equity	$315,750

(a) includes accrued costs from transactions with affiliated companies of $921.

See accompanying notes to financial statements.

RENAISSANCE MEDIA GROUP LLC

CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 1998
(IN THOUSANDS)

REVENUES	$ 41,524
COSTS & EXPENSES	
Service Costs(a)	13,326
Selling, General & Administrative	7,711
Depreciation & Amortization	19,107
Operating Income	1,380
Interest Income	158
Interest (Expense) (b)	(14,358)
(Loss) Before Provision for Taxes	(12,820)
Provision for Taxes	135
Net (Loss)	$(12,955)

(a) includes costs from transactions with affiliated companies of $7,523.

(b) includes $676 of amortization of deferred financing costs.

See accompanying notes to financial statements.

RENAISSANCE MEDIA GROUP LLC

CONSOLIDATED STATEMENT OF CHANGES IN MEMBERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 1998
(IN THOUSANDS)

	PAID IN CAPITAL	ACCUMULATED (DEFICIT)	TOTAL MEMBER'S EQUITY
Contributed Members' Equity -- Renaissance Media Holdings LLC and Renaissance Media LLC.........	$ 15,000	$ (24)	$14,976
Additional capital contributions.................	93,600	--	93,600
Net (Loss).......................................	--	(12,955)	(12,955)
Balance December 31, 1998........................	$108,600	$(12,979)	$95,621

See accompanying notes to financial statements.

RENAISSANCE MEDIA GROUP LLC

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 1998
(IN THOUSANDS)

OPERATING ACTIVITIES:	
Net (loss)	$(12,955)
Adjustments to non-cash and non-operating items:	
Depreciation and amortization	19,107
Accretion on Senior Discount Notes	7,363
Other non-cash charges	730
Changes in operating assets and liabilities:	
Accounts receivable -- trade, net	(726)
Accounts receivable -- other	(584)
Prepaid expenses and other assets	(338)
Accounts payable	2,031
Accrued expenses	6,660
Subscriber advance payments and deposits	608
Deferred marketing support	800
Net cash provided by operating activities	22,696
INVESTING ACTIVITIES:	
Purchased cable television systems:	
Property, plant and equipment	(65,580)
Cable television franchises	(235,412)
Cash paid in excess of identifiable assets	(8,608)
Escrow deposit	(150)
Capital expenditures	(5,683)
Cable television franchises	(1,077)
Other intangible assets	(526)
Net cash (used in) investing activities	(317,036)
FINANCING ACTIVITIES:	
Debt acquisition costs	(8,323)
Principal repayments on bank debt	(7,500)
Advances from Holdings	33
Proceeds from bank debt	110,000
Proceeds from 10% Senior Discount Notes	100,012
Capital contributions	108,600
Net cash provided by financing activities	302,822
NET INCREASE IN CASH AND CASH EQUIVALENTS	8,482
CASH AND CASH EQUIVALENTS AT DECEMBER 31, 1997	--
CASH AND CASH EQUIVALENTS AT DECEMBER 31, 1998	$ 8,482
SUPPLEMENTAL DISCLOSURES:	
INTEREST PAID	$ 4,639

See accompanying notes to financial statements.

RENAISSANCE MEDIA GROUP LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 1998
(ALL DOLLAR AMOUNTS IN THOUSANDS)

1. ORGANIZATION AND BASIS OF PRESENTATION

Renaissance Media Group LLC ("Group") was formed on March 13, 1998 by Renaissance Media Holdings LLC ("Holdings"). Holdings is owned by Morgan Stanley Capital Partners III, L.P. ("MSCP III"), Morgan Stanley Capital Investors, L.P. ("MSCI"), MSCP III 892 Investors, L.P. ("MSCP Investors" and, collectively, with its affiliates, MSCP III and MSCI and their respective affiliates, the "Morgan Stanley Entities"), Time Warner and the Management Investors. On March 20, 1998, Holdings contributed to Group its membership interests in two wholly-owned subsidiaries; Renaissance Media (Louisiana) LLC ("Louisiana") and Renaissance Media (Tennessee) LLC ("Tennessee"), which were formed on January 7, 1998. Louisiana and Tennessee acquired a 76% interest and 24% interest, respectively, in Renaissance Media LLC ("Media") from Morgan Stanley Capital Partners III, Inc. ("MSCP"), on February 13, 1998 through an acquisition of entities under common control accounted for as if it were a pooling of interests. As a result, Media became a subsidiary of Group and Holdings. Group and its aforementioned subsidiaries are collectively referred to as the "Company". On April 9, 1998, the Company acquired (the "Acquisition") six cable television systems (the "Systems") from TWI Cable, Inc. ("TWI Cable"), a subsidiary of Time Warner Inc. ("Time Warner"). See Note 3. Prior to this Acquisition, the Company had no operations other than start-up related activities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NEW ACCOUNTING STANDARDS

During fiscal 1998, the Financial Accounting Standards Board ("FASB") issued Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("FAS 133").

FAS 133 provides a comprehensive and consistent standard for the recognition and measurement of derivatives and hedging activities. The Company will adopt FAS 133 as of January 1, 2000. The impact of the adoption on the Company's consolidated financial statements is not expected to be material.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements of the Company include the accounts of the Company and its wholly owned subsidiaries. Significant intercompany accounts and transactions have been eliminated.

CONCENTRATION OF CREDIT RISK

A significant portion of the customer base is concentrated within the local geographical area of each of the individual cable television systems. The Company generally extends credit to customers and the ultimate collection of accounts receivable could be affected by the local economy. Management performs continuous credit evaluations of its customers and may require cash in advance or other special arrangements from certain customers. Management does not believe that there is any significant credit risk which could have a material effect on the Company's financial condition.

RENAISSANCE MEDIA GROUP LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)
DECEMBER 31, 1998
(ALL DOLLAR AMOUNTS IN THOUSANDS)

REVENUE AND COSTS

Subscriber fees are recorded as revenue in the period the related services are provided and advertising revenues are recognized in the period the related advertisements are exhibited. Rights to exhibit programming are purchased from various cable networks. The costs of such rights are generally expensed as the related services are made available to subscribers.

ADVERTISING COSTS

Advertising costs are expensed upon the first exhibition of the related advertisements. Advertising expense amounted to $491 in 1998.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash and investments in short-term, highly liquid securities, which have maturities when purchased of three months or less.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is recorded at purchased and capitalized cost. Capitalized internal costs principally, consist of employee costs and interest on funds borrowed during construction. Capitalized labor, materials and associated overhead amounted to approximately $1,429 in 1998. Replacements, renewals and improvements to installed cable plant are capitalized. Maintenance and repairs are charged to expense as incurred. Depreciation expense for the year ended December 31, 1998 amounted to $7,314. Property, plant and equipment is depreciated using the straight-line method over the following estimated service lives:

Buildings and leasehold improvements	5 - 30 years
Cable systems, equipment and subscriber devices	5 - 30 years
Transportation equipment	3 - 5 years
Furniture, fixtures and office equipment	5 - 10 years

Property, plant and equipment at December 31, 1998 consisted of:

Land	$ 432
Buildings and leasehold improvements	1,347
Cable systems, equipment and subscriber devices	62,740
Transportation equipment	2,181
Furniture, Fixtures and office equipment	904
Construction in progress	3,642
	71,246
Less: accumulated depreciation	(7,294)
Total	$63,952

RENAISSANCE MEDIA GROUP LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)
DECEMBER 31, 1998
(ALL DOLLAR AMOUNTS IN THOUSANDS)

CABLE TELEVISION FRANCHISES AND INTANGIBLE ASSETS

Cable television franchise costs include the assigned fair value, at the date of acquisition, of the franchises from purchased cable television systems. Intangible assets include goodwill, deferred financing and other intangible assets. Cable television franchises and intangible assets are amortized using the straight-line method over the following estimated useful lives:

Cable television franchises	15 years
Goodwill	25 years
Deferred financing and other intangible assets	2 - 10 years

Intangible assets at December 31, 1998 consisted of:

Goodwill	$ 8,608
Deferred Financing Costs	8,323
Other intangible assets	628
	17,559
Less: accumulated amortization	(1,059)
Total	$16,500

The Company periodically reviews the carrying value of its long-lived assets, including property, plant and equipment, cable television franchises and intangible assets, whenever events or changes in circumstances indicate that the carrying value may not be recoverable. To the extent the estimated future cash inflows attributable to the asset, less estimated future cash outflows, is less than the carrying amount, an impairment loss is recognized to the extent that the carrying value of such asset is greater than its fair value.

ESTIMATES USED IN FINANCIAL STATEMENT PRESENTATION

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

3. ACQUISITIONS

TWI CABLE

On April 9, 1998, the Company acquired six cable television systems from TWI Cable. The systems are clustered in southern Louisiana, western Mississippi and western Tennessee. This Acquisition represented the first acquisition by the Company. The purchase price for the systems was $309,500 which was paid as follows: TWI Cable received $300,000 in cash, inclusive of an escrow deposit of $15,000, and a $9,500 (9,500 units) equity interest in Renaissance Media Holdings LLC, the parent company of Group. In addition to the purchase price, the Company incurred approximately $1,385 in transaction costs, exclusive of financing costs.

RENAISSANCE MEDIA GROUP LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)
DECEMBER 31, 1998
(ALL DOLLAR AMOUNTS IN THOUSANDS)

The Acquisition was accounted for using the purchase method and, accordingly, results of operations are reported from the date of the Acquisition (April 9, 1998). The excess of the purchase price over the estimated fair value of the tangible assets acquired has been allocated to cable television franchises and goodwill in the amount of $235,387 and $8,608, respectively.

DEFFNER CABLE

On August 31, 1998, the Company acquired the assets of Deffner Cable, a cable television company located in Gadsden, Tennessee. The purchase price was $100 and was accounted for using the purchase method. The allocation of the purchase price is subject to change, although management does not believe that any material adjustment to such allocation is expected.

BAYOU VISION, INC.

On February 3, 1999, Media acquired the cable television assets of Bayou Vision, Inc. and Gulf South Cable, Inc. serving approximately 1,950 subscribers in the Villages of Estherwood, Morse and Mermentau and Acadia and Livingston Parish, Louisiana. The cash purchase price was approximately $2,700 and was paid out of available Company funds.

Unaudited Pro Forma summarized results of operations for the Company for the year ended December 31, 1998 and 1997, assuming the Acquisition, Notes (as hereinafter defined) offering and Credit Agreement (as hereinafter defined) had been consummated on January 1, 1998 and 1997, are as follows:

	YEAR ENDED DECEMBER 31	
	1997	1998
Revenues	$ 50,987	$ 56,745
Expenses	53,022	55,210
Operating (loss) income	(2,035)	1,535
Interest expense and other expenses	(19,740)	(19,699)
Net (Loss)	$(21,775)	$(18,164)

4. DEBT

As of December 31, 1998, debt consisted of:

10.00% Senior Discount Notes at Accreted Value(a)	$107,374
Credit Agreement(b)	102,500
	$209,874

(a) On April 9, 1998, in connection with the Acquisition described in Note 3, the Company issued $163,175 principal amount at maturity, $100,012 initial accreted value, of 10.00% senior discount notes due 2008 ("Notes"). The Notes pay no interest until April 15, 2003. From and after April 15, 2003 the Notes will bear interest, payable semi-annually in cash, at a rate of 10% per annum on April 15 and October 15 of each year, commencing October 15, 2003. The Notes are due on April 15, 2008.

(ALL DOLLAR AMOUNTS IN THOUSANDS)

(b) On April 9, 1998, Renaissance Media entered into a credit agreement among Morgan Stanley & Co. Incorporated as Placement Agent, Morgan Stanley Senior Funding Inc., as Syndication Agent, the Lenders, CIBC Inc., as Documentation Agent and Bankers Trust Company as Administrative Agent (the "Credit Agreement"). The aggregate commitments under the Credit Agreement total $150,000, consisting of a $40,000 revolver, $60,000 Tranche A Term Loans and $50,000 Tranche B Term Loans (collectively the "Term Loans"). The revolving credit and term loans are collateralized by a first lien position on all present and future assets and the member's interest of Media, Louisiana and Tennessee. The Credit Agreement provides for interest at varying rates based upon various borrowing options and the attainment of certain financial ratios and for commitment fees of 1/2% on the unused portion of the revolver. The effective interest rate, including commitment fees and amortization of related deferred financing costs and the interest-rate cap, for the year ended December 31, 1998 was 8.82%.

On April 9, 1998, $110,000 was borrowed under the Credit Agreement's Tranche A and B Term Loans. On June 23, 1998, $7,500 was repaid resulting in $102,500 of outstanding Tranche A and B Term Loans as of December 31, 1998.

As of December 31, 1998, the Company had unrestricted use of the $40,000 revolver. No borrowings had been made by the Company under the revolver through that date.

Annual maturities of borrowings under the Credit Agreement for the years ending December 31 are as follows:

1999	$ 776
2000	1,035
2001	2,701
2002	9,506
2003	11,590
2004	11,590
Thereafter	65,302
	102,500
Less: Current portion	(776)
	$101,724

The Credit Agreement and the Indenture pursuant to which the Notes were issued contain restrictive covenants on the Company and subsidiaries regarding additional indebtedness, investment guarantees, loans, acquisitions, dividends and merger or sale of the subsidiaries and require the maintenance of certain financial ratios.

Total interest cost incurred for the year ended December 31, 1998, including commitment fees and amortization of deferred financing and interest-rate cap costs was $14,358, net of capitalized interest of $42.

RENAISSANCE MEDIA GROUP LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)
DECEMBER 31, 1998
(ALL DOLLAR AMOUNTS IN THOUSANDS)

5. INTEREST RATE-CAP AGREEMENT

The Company purchases interest-rate cap agreements that are designed to limit its exposure to increasing interest rates and are designated to its floating rate debt. The strike price of these agreements exceeds the current market levels at the time they are entered into. The interest rate indices specified by the agreements have been and are expected to be highly correlated with the interest rates the Company incurs on its floating rate debt. Payments to be received as a result of the specified interest rate index exceeding the strike price are accrued in other assets and are recognized as a reduction of interest expense (the accrual accounting method). The cost of these agreements is included in other assets and amortized to interest expense ratably during the life of the agreement. Upon termination of an interest-rate cap agreement, any gain is deferred in other liabilities and amortized over the remaining term of the original contractual life of the agreement as a reduction of interest expense.

On December 1, 1997, the Company purchased an interest-rate cap agreement from Morgan Stanley Capital Services Inc. The carrying value as of December 31, 1998 was $47. The fair value of the interest-rate cap, which is based upon the estimated amount that the Company would receive or pay to terminate the cap agreement as of December 31, 1998, taking into consideration current interest rates and the credit worthiness of the counterparties, approximates its carrying value.

The following table summarizes the interest-rate cap agreement:

NOTIONAL PRINCIPAL AMOUNT	TERM	EFFECTIVE DATE	TERMINATION DATE	INITIAL CONTRACT COST	FIXED RATE (PAY RATE)
$100,000	2 years	12/1/97	12/1/99	$100	7.25%

6. TAXES

For the year ended December 31, 1998, the provision for income taxes has been calculated on a separate company basis. The components of the provision for income taxes are as follows:

	YEAR ENDED DECEMBER 31, 1998
Federal:	
Current	$ --
Deferred	--
State:	
Current	135
Deferred	--
Provision for income taxes	$135

The Company's current state tax liability results from its obligation to pay franchise tax in Tennessee and Mississippi and tax on capital in New York.

The Company has a net operating loss ("NOL") carryforward for income tax purposes which is available to offset future taxable income. This NOL totals approximately $14,900 and expires in the year 2018. The Company has established a valuation allowance to offset the entire potential future tax benefit of the NOL carryforward and, therefore, has recognized no deferred tax asset with respect to the NOL.

Louisiana and Tennessee have elected to be treated as corporations for federal income tax purposes and have not recorded any tax benefit for their losses as the realization of theses losses by reducing future taxable income in the carry forward period is uncertain at this time.

7. RELATED PARTY TRANSACTIONS

(a) TRANSACTIONS WITH MORGAN STANLEY ENTITIES

In connection with the Acquisition, Media entered into the Credit Agreement with Morgan Stanley Senior Funding Inc. and Morgan Stanley & Co. Incorporated acted as the Placement Agent for the Notes. In connection with these services the Morgan Stanley Entities received customary fees and expense reimbursement.

(b) TRANSACTIONS WITH TIME WARNER AND RELATED PARTIES

In connection with the Acquisition, Media entered into an agreement with Time Warner, pursuant to which Time Warner manages the Company's programming in exchange for providing the Company access to certain Time Warner programming arrangements.

(c) Transactions with Management

Prior to the consummation of the Acquisition described in Note 3, Media paid fees in 1998 to six senior executives of the Company who are investors in the Company (the "Management Investors") for services rendered prior to their employment by Media relating to the Acquisition and the Credit Agreement. These fees totaled $287 and were recorded as transaction and financing costs.

(d) DUE TO MANAGEMENT INVESTORS

Prior to the formation of the Company, the Management Investors advanced $1,000 to Holdings, which was used primarily for working capital purposes. Upon formation of the Company, Holdings contributed certain assets and liabilities to Group and the $1,000 advance from the Management Investors was recorded as paid in capital.

(e) TRANSACTIONS WITH BOARD MEMBER

The Company has utilized the law firm of one of its board members for legal services for the Acquisition, financing agreements and various ongoing legal matters. These fees totaled approximately $1,348 for the year ended December 31, 1998.

RENAISSANCE MEDIA GROUP LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)
DECEMBER 31, 1998
(ALL DOLLAR AMOUNTS IN THOUSANDS)

8. ACCRUED EXPENSES

Accrued expenses as of December 31, 1998 consist of the following:

Accrued programming costs	$1,986
Accrued interest	1,671
Accrued franchise fees	1,022
Accrued legal and professional fees,	254
Accrued salaries, wages and benefits	570
Accrued property and sales tax	637
Other accrued expenses	530
	$6,670

9. EMPLOYEE BENEFIT PLAN

Effective April 9, 1998, the Company began sponsoring a defined contribution plan which covers substantially all employees (the "Plan"). The Plan provides for contributions from eligible employees up to 15% of their compensation. The Company's contribution to the Plan is limited to 50% of each eligible employee's contribution up to 10% of his or her compensation. The Company has the right in any year to set the amount of the Company's contribution percentage. Company matching contributions to the Plan for the year ended December 31, 1998 were approximately $97. All participant contributions and earnings are fully vested upon contribution and company contributions and earnings vest 20% per year of employment with the Company, becoming fully vested after five years.

10. COMMITMENTS AND CONTINGENCIES

(a) LEASES

The Company had rental expense under various lease and rental agreements primarily for offices, tower sites and warehouses of approximately $125 in 1998. In addition, the Company rents utility poles in its operations generally under short term arrangements, but the Company expects these arrangements to recur. Total rent expense for utility poles was approximately $620 in 1998. Future minimum annual rental payments under noncancellable leases are as follows:

1999	$162
2000	38
2001	24
2002	20
2003 and thereafter	66
Total	$310

(b) EMPLOYMENT AGREEMENTS

Media has entered into employment agreements with six senior executives who are also investors in Holdings. Under the conditions of five of the agreements the employment term is five years, expiring in April 2003 and requires Media to continue salary payments (including any bonus) through the term if the executive's employment is terminated by Media without cause, as defined in the employment agreement. Media's obligations under the employment agreements may be reduced in certain situations based on actual operating performance relative to the business plan, death or disability or by actions of the other senior executives.

The employment agreement for one senior executive has a term of one year and may be renewed annually. This agreement has been renewed through April 8, 2000.

(c) OTHER AGREEMENTS

In exchange for certain flexibility in establishing cable rate pricing structures for regulated services that went into effect on January 1, 1996, Time Warner agreed with the Federal Communications Commission ("FCC") to invest in certain upgrades to its cable infrastructure (consisting primarily of materials and labor in connection with the plant upgrades up to 750 megahertz) by 1999 (approximately $23 million). This agreement with the FCC has been assumed by the Company as part of the Acquisition.

11. SUBSEQUENT EVENT

On February 23, 1999, Holdings entered into an agreement with Charter Communications, LLC and Charter Communications, Inc., to sell 100% of its members' equity in the Company for approximately $459,000, subject to certain closing conditions. This transaction is expected to close during the third quarter of 1999.

12. YEAR 2000 ISSUES (UNAUDITED)

The Company relies on computer systems, related software applications and other control devices in operating and monitoring all major aspects of its business, including, but not limited to, its financial systems (such as general ledger, accounts payable, payroll and fixed asset modules), subscriber billing systems, internal networks and telecommunications equipment. The Company also relies, directly and indirectly, on the external systems of various independent business enterprises, such as its suppliers and financial organizations, for the accurate exchange of data.

The Company continues to assess the likely impact of Year 2000 issues on its business operations, including its material information technology ("IT") and non-IT applications. These material applications include all billing and subscriber information systems, general ledger software, payroll systems, accounting software, phone switches and certain headend applications, all of which are third party supported.

The Company believes it has identified all systems that may be affected by Year 2000 Issues. Concurrent with the identification phase, the Company is securing compliance determinations relative to all identified systems. For those systems that the Company believes are material, compliance programs have been received or such systems have been certified by independent parities as Year 2000 compliant. For those material systems that are subject to compliance programs, the Company expects to receive Year 2000 certifications from independent parties by the second quarter 1999. Determinations of Year

2000 compliance requirements for less mission critical systems are in progress and are expected to be completed in the second quarter of 1999.

With respect to third parties with which the Company has a material relationship, the Company believes its most significant relationships are with financial institutions, who receive subscriber monthly payments and maintain Company bank accounts, and subscriber billing and management systems providers. We have received compliance programs which if executed as planned should provide a high degree of assurance that all Year 2000 issues will be addressed by mid 1999.

The Company has not incurred any material Year 2000 costs to date, and excluding the need for contingency plans, does not expect to incur any material Year 2000 costs in the future because most of its applications are maintained by third parties who have borne Year 2000 compliance costs.

The Company cannot be certain that it or third parties supporting its systems have resolved or will resolve all Year 2000 issues in a timely manner. Failure by the Company or any such third party to successfully address the relevant Year 2000 issues could result in disruptions of the Company's business and the incurrence of significant expenses by the Company. Additionally, the Company could be affected by any disruption to third parties with which the Company does business if such third parties have not successfully addressed their Year 2000 issues.

Failure to resolve Year 2000 issues could result in improper billing to the Company's subscribers which could have a major impact on the recording of revenue and the collection of cash as well as create significant customer dissatisfaction. In addition, failure on the part of the financial institutions with which the Company relies on for its cash collection and management services could also have a significant impact on collections, results of operations and the liquidity of the Company.

The Company has not yet finalized contingency plans necessary to handle the most likely worst case scenarios. Before concluding as to possible contingency plans, the Company must determine whether the material service providers contemplate having such plans in place. In the event that contingency plans from material service providers are not in place or are deemed inadequate, management expects to have such plans in place by the third quarter of 1999.

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors of
TWI Cable, Inc.

We have audited the accompanying combined balance sheet of the Picayune MS, Lafourche LA, St. Tammany LA, St. Landry LA, Pointe Coupee LA, and Jackson TN cable television systems, (collectively, the "Combined Systems") included in TWI Cable, Inc. ("TWI Cable"), as of April 8, 1998, and the related combined statements of operations, changes in net assets and cash flows for the period from January 1, 1998 through April 8, 1998. These combined financial statements are the responsibility of the Combined Systems' management. Our responsibility is to express an opinion on these combined financial statements based on our audit.

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

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of the Combined Systems, included in TWI Cable, at April 8, 1998, and the combined results of their operations and their cash flows for the period from January 1, 1998 through April 8, 1998, in conformity with generally accepted accounting principles.

/s/ ERNST & YOUNG LLP

New York, New York
February 22, 1999

PICAYUNE MS, LAFOURCHE LA, ST. TAMMANY LA, ST. LANDRY LA, POINTE COUPEE LA, AND JACKSON TN CABLE TELEVISION SYSTEMS
(INCLUDED IN TWI CABLE INC.)

COMBINED BALANCE SHEET
(IN THOUSANDS)

	APRIL 8, 1998
ASSETS	
Cash and cash equivalents	$ 7
Receivables, less allowance of $116	576
Prepaid expenses and other assets	438
Property, plant and equipment, net	35,992
Cable television franchises, net	195,907
Goodwill and other intangibles, net	50,023
Total assets	$282,943
LIABILITIES AND NET ASSETS	
Accounts payable	$ 63
Accrued programming expenses	978
Accrued franchise fees	616
Subscriber advance payments and deposits	593
Deferred income taxes	61,792
Other liabilities	747
Total liabilities	64,789
Total net assets	218,154
Total liabilities and net assets	$282,943

See accompanying notes to combined financial statements.

PICAYUNE MS, LAFOURCHE LA, ST. TAMMANY LA, ST. LANDRY LA, POINTE COUPEE LA, AND JACKSON TN CABLE TELEVISION SYSTEMS
(INCLUDED IN TWI CABLE INC.)

COMBINED STATEMENT OF OPERATIONS
(IN THOUSANDS)

	FOR THE PERIOD FROM JANUARY 1, 1998 THROUGH APRIL 8, 1998
REVENUES	$15,221
COSTS AND EXPENSES:	
Operating and programming	3,603
Selling, general and administrative	4,134
Depreciation and amortization	5,031
(Gain) on disposal of fixed assets	(96)
Total costs and expenses	12,672
Operating income	2,549
Provision for income taxes	1,191
Net income	$ 1,358

See accompanying notes to combined financial statements.

PICAYUNE MS, LAFOURCHE LA, ST. TAMMANY LA, ST. LANDRY LA, POINTE COUPEE LA, AND JACKSON TN CABLE TELEVISION SYSTEMS (INCLUDED IN TWI CABLE INC.)

COMBINED STATEMENT OF CHANGES IN NET ASSETS (IN THOUSANDS)

Balance at December 31, 1997	$224,546
Repayment of advances from Parent	(17,408)
Advances from Parent	9,658
Net income	1,358
Balance at April 8, 1998	$218,154

See accompanying notes to combined financial statements.

PICAYUNE MS, LAFOURCHE LA, ST. TAMMANY LA, ST. LANDRY LA, POINTE COUPEE LA, AND JACKSON TN CABLE TELEVISION SYSTEMS
(INCLUDED IN TWI CABLE INC.)

COMBINED STATEMENT OF CASH FLOWS
(IN THOUSANDS)

	FOR THE PERIOD FROM JANUARY 1, 1998 THROUGH APRIL 8, 1998
OPERATING ACTIVITIES:	
Net income	$ 1,358
Adjustments for noncash and nonoperating items:	
Income tax expense	1,191
Depreciation and amortization	5,031
(Gain) on disposal of fixed assets	(96)
Changes in operating assets and liabilities:	
Receivables, prepaids and other assets	289
Accounts payable, accrued expenses and other liabilities	(770)
Other balance sheet changes	(4)
Net cash provided by operations	6,999
INVESTING ACTIVITIES:	
Capital expenditures	(613)
Net cash used in investing activities	(613)
FINANCING ACTIVITIES:	
Net repayment of advances from Parent	(7,750)
Net cash (used in) financing activities	(7,750)
INCREASE IN CASH AND CASH EQUIVALENTS	(1,364)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,371
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 7

See accompanying notes to combined financial statements.

PICAYUNE MS, LAFOURCHE LA, ST. TAMMANY LA, ST. LANDRY LA, POINTE COUPEE LA, AND JACKSON TN CABLE TELEVISION SYSTEMS (INCLUDED IN TWI CABLE INC.)

NOTES TO COMBINED FINANCIAL STATEMENTS

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DESCRIPTION OF BUSINESS

The cable television systems operating in the metropolitan areas of Picayune, Mississippi; Lafourche, Louisiana; St. Tammany, Louisiana; St. Landry, Louisiana; Pointe Coupee, Louisiana; and Jackson, Tennessee (the "Combined Systems") are principally engaged in the cable television business under non-exclusive franchise agreements, which expire at various times beginning in 1999. The Combined Systems' operations consist primarily of selling video programming which is distributed to subscribers for a monthly fee through a network of coaxial and fiber-optic cables.

Prior to January 4, 1996, the Combined Systems were included in certain subsidiaries of Cablevision Industries Corporation ("CVI"). On January 4, 1996, CVI merged into a wholly owned subsidiary of Time Warner Inc. (the "CVI Merger"). On October 1, 1996, Time Warner Inc. ("Time Warner") completed a reorganization amongst certain of its wholly owned cable television subsidiaries whereby CVI was renamed TWI Cable Inc. ("TWI Cable").

BASIS OF PRESENTATION

TWI Cable has sold the Combined Systems to Renaissance Media Holdings LLC ("Renaissance") pursuant to an Asset Purchase Agreement with Renaissance, dated November 14, 1997 (see Note 8). Accordingly, the accompanying combined financial statements of the Combined Systems reflect the "carved out" historical financial position, results of operations, cash flows and changes in net assets of the operations of the Combined Systems as if they had been operating as a separate company. Effective as of January 1, 1996, the Combined Systems' financial statements reflect the new basis of accounting arising from Time Warner's merger with CVI. Based on Time Warner's allocation of the purchase price, the assets and liabilities of the Combined Systems were revalued resulting in goodwill allocated to the Combined Systems of approximately $52,971,000, which is being amortized over its estimated life of 40 years. In addition, approximately $220,981,000 was allocated to cable television franchises and other intangible assets, which is being amortized over periods up to 20 years.

The combined statements have been adjusted to include the allocation of certain corporate expenses incurred by Time Warner Cable and/or TWI Cable on the Combined Systems' behalf, based upon the number of Combined System subscribers managed by Time Warner Cable and the ratio of Combined System subscribers to total TWI Cable subscribers, respectively. These allocations reflect all costs of doing business that the Combined Systems would have incurred on a stand alone basis as disclosed in Note 3. Management believes that these allocations are reasonable.

BASIS OF COMBINATION

The combined financial statements include the assets, liabilities, revenues, expenses, income, loss and cash flows of the Combined Systems, as if the Combined Systems were a single company. Significant intercompany accounts and transactions between the Combined

Systems have been eliminated. Significant accounts and transactions with Time Warner and its affiliates are disclosed as related party transactions (see Note 3).

USE OF ESTIMATES

The preparation of combined financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the combined financial statements and footnotes thereto. Actual results could differ from those estimates.

CONCENTRATION OF CREDIT RISK

A significant portion of the customer base is concentrated within the local geographical area of each of the individual cable television systems. The Combined Systems generally extend credit to customers and the ultimate collection of accounts receivable could be affected by the local economy. Management performs continuous credit evaluations of its customers and may require cash in advance or other special arrangements from certain customers. Management does not believe that there is any significant credit risk which could have a material effect on the financial condition of the Combined Systems.

REVENUE AND COSTS

Subscriber fees are recorded as revenue in the period the related services are provided and advertising revenues are recognized in the period the related advertisements are exhibited. Rights to exhibit programming are purchased from various cable networks. The costs of such rights are generally expensed as the related services are made available to subscribers.

FRANCHISE FEES

Local governmental authorities impose franchise fees on the cable television systems owned by the Combined Systems ranging up to a federally mandated maximum of 5.0% of gross revenues. On a monthly basis, such fees are collected from the Combined Systems' customers and such fees are not included as revenue or as a franchise fee expense.

ADVERTISING COSTS

Advertising costs are expensed upon the first exhibition of the related advertisements. Advertising expense amounted to $105,000 for the period from January 1, 1998 through April 8, 1998.

STATEMENT OF CASH FLOWS

The Combined Systems participate in a cash management system with affiliates whereby cash receipts are transferred to a centralized bank account from which centralized payments to various suppliers and creditors are made on behalf of the Combined Systems. The excess of such cash receipts over payments is included in net assets. Amounts shown as cash represent the Combined Systems' net cash receipts not transferred to the centralized account as of December 31, 1996 and 1997. The average net intercompany payable balances was $166,522,000 for the period from January 1, 1998 through April 8, 1998.

For purposes of this statement, cash and cash equivalents includes all highly liquid investments purchased with original maturities of three months or less.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost. Additions to property, plant and equipment generally include material, labor, overhead and interest. Depreciation is provided on the straight-line method over estimated useful lives as follows:

Buildings and improvements	5-20 years
Cable television equipment	5-15 years
Furniture, fixtures and other equipment	3-10 years

Property, plant and equipment consist of:

	APRIL 8, 1998 (IN THOUSANDS)
Land and buildings	$ 2,255
Cable television equipment	40,276
Furniture, fixtures and other equipment	2,308
Construction in progress	1,183
	46,022
Less accumulated depreciation	(10,030)
Total	$ 35,992

INTANGIBLE ASSETS

The Combined Systems amortized goodwill over periods up to 40 years and cable television franchises over periods up to 20 years, both using the straight-line method. For the period from January 1, 1998 through April 8, 1998 amortization of goodwill amounted to $360,000 and amortization of cable television franchises amounted to $3,008,000. Accumulated amortization of intangible assets amounted to $28,114,000 at April 8, 1998.

IMPAIRMENT

Management separately reviews the carrying value of acquired long-lived assets for each acquired entity on a quarterly basis to determine whether an impairment may exist. Management considers relevant cash flow and profitability information, including estimated future operating results, trends and other available information, in assessing whether the carrying value of long-lived assets can be recovered. Upon a determination that the carrying value of long-lived assets will not be recovered from the undiscounted future cash flows of the acquired business, the carrying value of such long-lived assets would be considered impaired and would be reduced by a charge to operations in the amount of the impairment. An impairment charge is measured as a deficiency in estimated discounted future cash flows of the acquired business to recover the carrying value related to the long-lived assets.

INCOME TAXES

Income taxes have been provided using the liability method prescribed by FASB Statement No. 109, "Accounting for Income Taxes." Under the liability method, deferred income taxes reflect tax carryforwards and the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial statements and income tax purposes, as determined under enacted tax laws and rates.

2. EMPLOYEE BENEFIT PLANS

Following the CVI Merger, the Combined Systems began participation in the Time Warner Cable Pension Plan (the "Pension Plan"), a non-contributory defined benefit pension plan, and the Time Warner Cable Employee Savings Plan (the "Savings Plan") which are administered by a committee appointed by the Board of Representatives of Time Warner Entertainment Company, L.P. ("TWE"), an affiliate of Time Warner, and which cover substantially all employees.

Benefits under the Pension Plan are determined based on formulas which reflect an employee's years of service and compensation levels during the employment period. Pension expense for the period from January 1, 1998 through April 8, 1998 totaled $61,000.

The Combined Systems' contributions to the Savings Plan are limited to 6.67% of an employee's eligible compensation during the plan year. The Board of Representatives of TWE has the right in any year to set the maximum amount of the Combined Systems' contribution. Defined contribution plan expense for the period from January 1, 1998 through April 8, 1998 totaled $38,000.

The Combined Systems have no material obligations for other post retirement benefits.

3. RELATED PARTIES

In the normal course of conducting business, the Combined Systems had various transactions with Time Warner and its affiliates, generally on terms resulting from a negotiation between the affected units that in management's view resulted in reasonable allocations.

PROGRAMMING

Included in the Combined Systems' operating expenses are charges for programming and promotional services provided by Home Box Office, Turner Broadcasting System, Inc. and other affiliates of Time Warner. These charges are based on customary rates and are in the ordinary course of business. These charges totaled $1,164,000 for the period from January 1, 1998 through April 8, 1998. Accrued related party expenses for these programming and promotional services included in accrued programming expenses approximated $409,000 for the period from January 1, 1998 through April 8, 1998.

MANAGEMENT FEES

TWI Cable entered into a management service arrangement with Time Warner Cable ("TWC"), pursuant to which TWC is responsible for the management and operation of TWI Cable, which includes the Combined Systems. The management fees paid to TWC by TWI Cable are based on an allocation of the corporate expenses of TWC's cable division in proportion to the respective number of subscribers of all cable systems managed by TWC's cable division. The allocation of the TWI Cable management fee to the Combined Systems approximated $486,000 for the period from January 1, 1998 through April 8, 1998.

Other divisional expenses allocated to the Combined Systems approximated $299,000 for the period from January 1, 1998 through April 8, 1998.

4. INTEREST EXPENSE

Prior to the CVI Merger, the Jackson, Tennessee system was included in Cablevision Industries Limited Partnership and Combined Entities ("CILP"). The Jackson system was charged interest expense in connection with CILP's (a) senior and subordinated bank credit agreements; and (b) senior unsecured subordinated Series A and Series B notes payable to CVI. The remaining five systems comprising the Combined Systems were included in Cablevision Industries of the Southeast, Inc. and Combined Entities ("CIOS"). These systems were charged interest expense in connection with CIOS's (a) bank revolving credit agreement; and (b) junior and senior subordinated debt to CVI.

5. INCOME TAXES

Effective January 4, 1996, the Combined Systems are included in the consolidated federal income tax return of Time Warner. Prior to January 4, 1996, the Combined Systems were included in the consolidated federal income tax return of CVI. The provision for income taxes has been calculated on a separate company basis. The components of the provision for income taxes are as follows:

	FOR THE PERIOD FROM JANUARY 1, 1998 THROUGH APRIL 8, 1998
	(IN THOUSANDS)
Federal:	
Current	$ --
Deferred	962
State:	
Current	--
Deferred	229
Net provision for income taxes	$1,191

NOTES TO COMBINED FINANCIAL STATEMENTS -- (CONTINUED)

The Combined Systems did not, and will not, have a tax sharing agreement with either Time Warner, TWI Cable or CVI. Therefore, the Combined Systems have not and will not be compensated for the utilization of the Combined Systems' tax losses, by Time Warner, TWI Cable or CVI. In addition, the Combined Systems have not and will not be required to make payments to either Time Warner or TWI Cable for the current tax provision of the Combined Systems.

The differences between the income tax provision expected at the U.S. federal statutory income tax rate and the total income tax provision are due to nondeductible goodwill amortization and state taxes.

Significant components of the Combined Systems' deferred tax assets and liabilities, as calculated on a separate company basis, are as follows:

	APRIL 8, 1998 (IN THOUSANDS)
Deferred tax liabilities:	
Amortization	$57,817
Depreciation	4,181
Total gross deferred tax liabilities	61,998
Deferred tax assets:	
Tax loss carryforwards	160
Allowance for doubtful accounts	46
Total deferred tax assets	206
Net deferred tax liability	$61,792

On a separate company basis, the Combined Systems have tax loss carryforwards of approximately $400,000 at April 8, 1998. However, if the Combined Systems are acquired in an asset purchase, the tax loss carryforwards, and net deferred tax liabilities relating to temporary differences will not carry over to Renaissance (see Note 8).

6. COMMITMENTS AND CONTINGENCIES

The Combined Systems had rental expense of approximately $244,000 for the period from January 1, 1998 through April 8, 1998 under various lease and rental agreements for offices, utility poles, warehouses and computer equipment. Future minimum annual rental payments under noncancellable leases will approximate $1,000,000 annually over the next five years.

In exchange for certain flexibility in establishing cable rate pricing structures for regulated services that went into effect on January 1, 1996, TWC has agreed with the Federal Communications Commission ("FCC") to invest in certain upgrades to its cable infrastructure (consisting primarily of materials and labor in connection with the plant upgrades up to 750 megahertz) over the next three years (approximately $25 million at December 31, 1997). This agreement with the FCC, which extends to the Combined Systems, will be assumed by Renaissance as it relates to the Combined Systems in accordance with the Asset Purchase Agreement.

PICAYUNE MS, LAFOURCHE LA, ST. TAMMANY LA, ST. LANDRY LA,
POINTE COUPEE LA, AND JACKSON TN CABLE TELEVISION SYSTEMS
(INCLUDED IN TWI CABLE INC.)

NOTES TO COMBINED FINANCIAL STATEMENTS -- (CONTINUED)

7. OTHER LIABILITIES

Other liabilities consist of:

	APRIL 8, 1998 (IN THOUSANDS)
Compensation	$279
Data Processing Costs	161
Sales and other taxes	146
Copyright Fees	35
Pole Rent	93
Other	33
Total	$747

8. SUBSEQUENT EVENT

The sale of the Combined Systems, in connection with the Asset Purchase Agreement with Renaissance, closed on April 9, 1998 at the purchase price of $309,500,000.

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors of
TWI Cable Inc.

We have audited the accompanying combined balance sheets of the Picayune MS, Lafourche LA, St. Tammany LA, St. Landry LA, Pointe Coupee LA, and Jackson TN cable television systems, (collectively, the "Combined Systems") included in TWI Cable, Inc. ("TWI Cable"), as of December 31, 1996 and 1997, the related combined statements of operations, changes in net assets and cash flows for the years then ended. In addition, we have audited the combined statement of operations and cash flows for the year ended December 31, 1995 of the Predecessor Combined Systems. These combined financial statements are the responsibility of the Combined Systems' or the Predecessor's management. Our responsibility is to express an opinion on these combined financial statements based on our audits.

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

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the Combined Systems, included in TWI Cable or the Predecessor, at December 31, 1996 and 1997, and the combined results of their operations and their cash flows for the years ended December 31, 1995, 1996 and 1997, in conformity with generally accepted accounting principles.

/s/ ERNST & YOUNG LLP

New York, New York
March 16, 1998

PICAYUNE MS, LAFOURCHE LA, ST. TAMMANY LA, ST. LANDRY LA, POINTE COUPEE LA, AND JACKSON TN CABLE TELEVISION SYSTEMS
(INCLUDED IN TWI CABLE INC.)

COMBINED BALANCE SHEETS
(IN THOUSANDS)

	DECEMBER 31, 1996	DECEMBER 31, 1997
ASSETS		
Cash and cash equivalents	$ 570	$ 1,371
Receivables, less allowance of $71 and $116 for the years ended December 31, 1996 and 1997, respectively	794	1,120
Prepaid expenses and other assets	45	183
Property, plant and equipment, net	36,966	36,944
Cable television franchises, net	209,952	198,913
Goodwill and other intangibles, net	51,722	50,383
Total assets	$300,049	$288,914
LIABILITIES AND NET ASSETS		
Accounts payable	$ 1,640	$ 652
Accrued programming expenses	847	904
Accrued franchise fees	736	835
Subscriber advance payments and deposits	66	407
Deferred income taxes	58,340	60,601
Other liabilities	945	969
Total liabilities	62,574	64,368
Total net assets	237,475	224,546
Total liabilities and net assets	$300,049	$288,914

See accompanying notes to combined financial statements.

PICAYUNE MS, LAFOURCHE LA, ST. TAMMANY LA, ST. LANDRY LA, POINTE COUPEE LA, AND JACKSON TN CABLE TELEVISION SYSTEMS

COMBINED STATEMENTS OF OPERATIONS
(IN THOUSANDS)

	YEAR ENDED DECEMBER 31,		
	1995	1996	1997
	(PREDECESSOR)	(INCLUDED IN TWI CABLE INC.)	
REVENUES	$43,549	$47,327	$50,987
COSTS AND EXPENSES:			
Operating and programming	13,010	12,413	12,101
Selling, general and administrative	9,977	12,946	13,823
Depreciation and amortization	17,610	18,360	18,697
(Gain) loss on disposal of fixed assets	--	(244)	620
Total costs and expenses	40,597	43,475	45,241
Operating income	2,952	3,852	5,746
Interest expense	11,871	--	--
(Loss) income before income tax (benefit) expense	(8,919)	3,852	5,746
Income tax (benefit) expense	(3,567)	1,502	2,262
Net (loss) income	$(5,352)	$ 2,350	$ 3,484

See accompanying notes to combined financial statements.

PICAYUNE MS, LAFOURCHE LA, ST. TAMMANY LA, ST. LANDRY LA,
POINTE COUPEE LA, AND JACKSON TN CABLE TELEVISION SYSTEMS
(INCLUDED IN TWI CABLE INC.)

COMBINED STATEMENTS OF CHANGES IN NET ASSETS
(IN THOUSANDS)

Contribution by Parent	$250,039
Repayment of advances from Parent	(47,895)
Advances from Parent	32,981
Net income	2,350
Balance at December 31, 1996	237,475
Repayment of advances from Parent	(50,661)
Advances from Parent	34,248
Net income	3,484
Balance at December 31, 1997	$224,546

See accompanying notes to combined financial statements.

PICAYUNE MS, LAFOURCHE LA, ST. TAMMANY LA, ST. LANDRY LA, POINTE COUPEE LA, AND JACKSON TN CABLE TELEVISION SYSTEMS

COMBINED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)

	YEAR ENDED DECEMBER 31,		
	1995	1996	1997
	(PREDECESSOR)	(INCLUDED IN TWI CABLE INC.)	
OPERATING ACTIVITIES:			
Net (loss) income	$(5,352)	$ 2,350	$ 3,484
Adjustments for noncash and nonoperating items:			
Income tax (benefit) expense	(3,567)	1,502	2,262
Depreciation and amortization	17,610	18,360	18,697
(Gain) loss on disposal of fixed assets	--	(244)	620
Changes in operating assets and liabilities:			
Receivables, prepaids and other assets	(196)	944	(464)
Accounts payable, accrued expenses and other liabilities	(972)	176	(466)
Other balance sheet changes	--	--	(529)
Net cash provided by operations	7,523	23,088	23,604
INVESTING ACTIVITIES:			
Purchase of Predecessor cable systems, net of cash acquired	--	(249,473)	--
Capital expenditures	(7,376)	(8,170)	(6,390)
Net cash used in investing activities	(7,376)	(257,643)	(6,390)
FINANCING ACTIVITIES:			
Advance from Parent for purchase of Predecessor	--	250,039	--
Net repayment of advances from Parent	--	(14,914)	(16,413)
Net cash provided by (used in) financing activities	--	235,125	(16,413)
INCREASE IN CASH AND CASH EQUIVALENTS	147	570	801
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	419	0	570
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 566	$ 570	$ 1,371

See accompanying notes to combined financial statements.

PICAYUNE MS, LAFOURCHE LA, ST. TAMMANY LA, ST. LANDRY LA,
POINTE COUPEE LA, AND JACKSON TN CABLE TELEVISION SYSTEMS
(INCLUDED IN TWI CABLE INC.)

NOTES TO COMBINED FINANCIAL STATEMENTS

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DESCRIPTION OF BUSINESS

The cable television systems operating in the metropolitan areas of Picayune, Mississippi; Lafourche, Louisiana; St. Tammany, Louisiana; St. Landry, Louisiana; Pointe Coupee, Louisiana; and Jackson, Tennessee (the "Combined Systems") are principally engaged in the cable television business under non-exclusive franchise agreements, which expire at various times beginning in 1999. The Combined Systems' operations consist primarily of selling video programming which is distributed to subscribers for a monthly fee through a network of coaxial and fiber-optic cables.

Prior to January 4, 1996, the Combined Systems were included in certain subsidiaries of Cablevision Industries Corporation ("CVI"). On January 4, 1996, CVI merged into a wholly owned subsidiary of Time Warner Inc. (the "CVI Merger"). On October 1, 1996, Time Warner Inc. ("Time Warner") completed a reorganization amongst certain of its wholly owned cable television subsidiaries whereby CVI was renamed TWI Cable Inc. ("TWI Cable").

BASIS OF PRESENTATION

TWI Cable has committed to sell the Combined Systems to Renaissance Media Holdings LLC ("Renaissance") pursuant to an Asset Purchase Agreement with Renaissance, dated November 14, 1997. Accordingly, the accompanying combined financial statements of the Combined Systems reflect the "carved out" historical financial position, results of operations, cash flows and changes in net assets of the operations of the Combined Systems as if they had been operating as a separate company. Effective as of January 1, 1996, the Combined Systems' financial statements reflect the new basis of accounting arising from Time Warner's merger with CVI. Based on Time Warner's allocation of the purchase price, the assets and liabilities of the Combined Systems were revalued resulting in goodwill allocated to the Combined Systems of approximately $52,971,000, which is being amortized over its estimated life of 40 years. In addition, approximately $220,981,000 was allocated to cable television franchises and other intangible assets, which is being amortized over periods up to 20 years. The Combined Systems' financial statements through December 31, 1995 reflect the historical cost of their assets and liabilities and results of their operations.

The combined statements have been adjusted to include the allocation of certain corporate expenses incurred by Time Warner Cable and/or TWI Cable on the Combined Systems' behalf, based upon the number of Combined System subscribers managed by Time Warner Cable and the ratio of Combined System subscribers to total TWI Cable subscribers, respectively. These allocations reflect all costs of doing business that the Combined Systems would have incurred on a stand alone basis as disclosed in Note 3. Management believes that these allocations are reasonable.

PICAYUNE MS, LAFOURCHE LA, ST. TAMMANY LA, ST. LANDRY LA,
POINTE COUPEE LA, AND JACKSON TN CABLE TELEVISION SYSTEMS
(INCLUDED IN TWI CABLE INC.)

NOTES TO COMBINED FINANCIAL STATEMENTS -- (CONTINUED)

BASIS OF COMBINATION

The combined financial statements include the assets, liabilities, revenues, expenses, income, loss and cash flows of the Combined Systems, as if the Combined Systems were a single company. Significant intercompany accounts and transactions between the Combined Systems have been eliminated. Significant accounts and transactions with Time Warner and its affiliates are disclosed as related party transactions (see Note 3).

USE OF ESTIMATES

The preparation of combined financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the combined financial statements and footnotes thereto. Actual results could differ from those estimates.

CONCENTRATION OF CREDIT RISK

A significant portion of the customer base is concentrated within the local geographical area of each of the individual cable television systems. The Combined Systems generally extend credit to customers and the ultimate collection of accounts receivable could be affected by the local economy. Management performs continuous credit evaluations of its customers and may require cash in advance or other special arrangements from certain customers. Management does not believe that there is any significant credit risk which could have a material effect on the financial condition of the Combined Systems.

REVENUE AND COSTS

Subscriber fees are recorded as revenue in the period the related services are provided and advertising revenues are recognized in the period the related advertisements are exhibited. Rights to exhibit programming are purchased from various cable networks. The costs of such rights are generally expensed as the related services are made available to subscribers.

FRANCHISE FEES

Local governmental authorities impose franchise fees on the cable television systems owned by the Combined Systems ranging up to a federally mandated maximum of 5.0% of gross revenues. On a monthly basis, such fees are collected from the Combined Systems' customers. Prior to January 1997, franchise fees were not separately itemized on customers' bills. Such fees were considered part of the monthly charge for basic services and equipment, and therefore were reported as revenue and expense in the Combined Systems' financial results. Management began the process of itemizing such fees on all customers' bills beginning in January 1997. In conjunction with itemizing these charges, the Combined Systems began separately collecting the franchise fee on all revenues subject to franchise fees. As a result, such fees are no longer included as revenue or as franchise

PICAYUNE MS, LAFOURCHE LA, ST. TAMMANY LA, ST. LANDRY LA, POINTE COUPEE LA, AND JACKSON TN CABLE TELEVISION SYSTEMS
(INCLUDED IN TWI CABLE INC.)

NOTES TO COMBINED FINANCIAL STATEMENTS -- (CONTINUED)

fee expense. The net effect of this change is a reduction in 1997 revenue and franchise fee expense of approximately $1,500,000 versus the comparable period in 1996.

ADVERTISING COSTS

Advertising costs are expensed upon the first exhibition of the related advertisements. Advertising expense amounted to $308,000, $632,000 and $510,000 for the years ended 1995, 1996 and 1997, respectively.

STATEMENT OF CASH FLOWS

The Combined Systems participate in a cash management system with affiliates whereby cash receipts are transferred to a centralized bank account from which centralized payments to various suppliers and creditors are made on behalf of the Combined Systems. The excess of such cash receipts over payments is included in net assets. Amounts shown as cash represent the Combined Systems' net cash receipts not transferred to the centralized account as of December 31, 1996 and 1997. The average net intercompany payable balances were $173,348,000 and $170,438,000 for the years ended December 31, 1996 and 1997, respectively.

For purposes of this statement, cash and cash equivalents includes all highly liquid investments purchased with original maturities of three months or less.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost. Additions to property, plant and equipment generally include material, labor, overhead and interest. Depreciation is provided on the straight-line method over estimated useful lives as follows:

Buildings and improvements	5-20 years
Cable television equipment	5-15 years
Furniture, fixtures and other equipment	3-10 years

Property, plant and equipment consist of:

	DECEMBER 31,	
	1996	1997
Land and buildings	$ 2,003	$ 2,265
Cable television equipment	32,324	39,589
Furniture, fixtures and other equipment	1,455	2,341
Construction in progress	5,657	1,028
	41,439	45,223
Less accumulated depreciation	(4,473)	(8,279)
Total	$36,966	$36,944

INTANGIBLE ASSETS

During 1996 and 1997, the Combined Systems amortized goodwill over periods up to 40 years and cable television franchises over periods up to 20 years, both using the straight-line method. Prior to the CVI Merger, goodwill and cable television franchises were amortized over 15 years using the straight-line method. For the years ended 1995, 1996, and 1997, amortization of goodwill amounted to $8,199,000, $1,325,000, and $1,325,000, respectively, and amortization of cable television franchises amounted to $1,284,000, $11,048,000, and $11,048,000, respectively. Accumulated amortization of intangible assets at December 31, 1996 and 1997 amounted to $12,373,000 and $24,746,000, respectively.

IMPAIRMENT

Management separately reviews the carrying value of acquired long-lived assets for each acquired entity on a quarterly basis to determine whether an impairment may exist. Management considers relevant cash flow and profitability information, including estimated future operating results, trends and other available information, in assessing whether the carrying value of long-lived assets can be recovered. Upon a determination that the carrying value of long-lived assets will not be recovered from the undiscounted future cash flows of the acquired business, the carrying value of such long-lived assets would be considered impaired and would be reduced by a charge to operations in the amount of the impairment. An impairment charge is measured as a deficiency in estimated discounted future cash flows of the acquired business to recover the carrying value related to the long-lived assets.

INCOME TAXES

Income taxes have been provided using the liability method prescribed by FASB Statement No. 109, "Accounting for Income Taxes." Under the liability method, deferred income taxes reflect tax carryforwards and the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial statements and income tax purposes, as determined under enacted tax laws and rates.

2. EMPLOYEE BENEFIT PLANS

Following the CVI Merger, the Combined Systems began participation in the Time Warner Cable Pension Plan (the "Pension Plan"), a non-contributory defined benefit pension plan, and the Time Warner Cable Employee Savings Plan (the "Savings Plan") which are administered by a committee appointed by the Board of Representatives of Time Warner Entertainment Company, L.P. ("TWE"), an affiliate of Time Warner, and which cover substantially all employees.

Benefits under the Pension Plan are determined based on formulas which reflect an employee's years of service and compensation levels during the employment period. Pension expense for the years ended December 31, 1996 and 1997 totaled $184,000 and $192,000, respectively.

PICAYUNE MS, LAFOURCHE LA, ST. TAMMANY LA, ST. LANDRY LA, POINTE COUPEE LA, AND JACKSON TN CABLE TELEVISION SYSTEMS (INCLUDED IN TWI CABLE INC.)

NOTES TO COMBINED FINANCIAL STATEMENTS -- (CONTINUED)

The Combined Systems' contributions to the Savings Plan are limited to 6.67% of an employee's eligible compensation during the plan year. The Board of Representatives of TWE has the right in any year to set the maximum amount of the Combined Systems' contribution. Defined contribution plan expense for the years ended December 31, 1996 and 1997 totaled $107,000 and $117,000, respectively.

Prior to the CVI Merger, substantially all employees were eligible to participate in a profit sharing plan or a defined contribution plan. The profit sharing plan provided that the Combined Systems may contribute, at the discretion of their board of directors, an amount up to 15% of compensation for all eligible participants out of its accumulated earnings and profits, as defined. Profit sharing expense amounted to approximately $31,000 for the year ended December 31, 1995.

The defined contribution plan contained a qualified cash or deferred arrangement pursuant to Internal Revenue Code Section 401(k). This plan provided that eligible employees may contribute from 2% to 10% of their compensation to the plan. The Combined Systems matched contributions of up to 4% of the employees' compensation. The expense for this plan amounted to approximately $96,000 for the year ended December 31, 1995.

The Combined Systems have no material obligations for other post retirement benefits.

3. RELATED PARTIES

In the normal course of conducting business, the Combined Systems had various transactions with Time Warner and its affiliates, generally on terms resulting from a negotiation between the affected units that in management's view resulted in reasonable allocations.

PROGRAMMING

Included in the Combined Systems' 1996 and 1997 operating expenses are charges for programming and promotional services provided by Home Box Office, Turner Broadcasting System, Inc. and other affiliates of Time Warner. These charges are based on customary rates and are in the ordinary course of business. For the year ended December 31, 1996 and 1997, these charges totaled $3,260,000 and $3,458,000, respectively. Accrued related party expenses for these programming and promotional services included in accrued programming expenses approximated $327,000 and $291,000 for the years ended December 31, 1996 and 1997, respectively. There were no such programming and promotional service related party transactions in 1995.

MANAGEMENT FEES

TWI Cable entered into a management service arrangement with Time Warner Cable ("TWC"), pursuant to which TWC is responsible for the management and operation of TWI Cable, which includes the Combined Systems. The management fees paid to TWC by TWI Cable are based on an allocation of the corporate expenses of TWC's cable division in proportion to the respective number of subscribers of all cable systems managed by TWC's cable division. The allocation of the TWI Cable management fee to the Combined Systems approximated $1,432,000 and $1,715,000 for the years ended December 31, 1996 and 1997, respectively.

Other divisional expenses allocated to the Combined Systems approximated $1,301,000 and $1,067,000 for the years ended December 31, 1996 and 1997, respectively.

4. INTEREST EXPENSE

Prior to the CVI Merger, the Jackson, Tennessee system was included in Cablevision Industries Limited Partnership and Combined Entities ("CILP"). The Jackson system was charged interest expense in connection with CILP's (a) senior and subordinated bank credit agreements; and (b) senior unsecured subordinated Series A and Series B notes payable to CVI. The remaining five systems comprising the Combined Systems were included in Cablevision Industries of the Southeast, Inc. and Combined Entities ("CIOS"). These systems were charged interest expense in connection with CIOS's (a) bank revolving credit agreement; and (b) junior and senior subordinated debt to CVI.

5. INCOME TAXES

Effective January 4, 1996, the Combined Systems are included in the consolidated federal income tax return of Time Warner. Prior to January 4, 1996, the Combined Systems were included in the consolidated federal income tax return of CVI. The provision (benefit) for income taxes has been calculated on a separate company basis. The components of the provision (benefit) for income taxes are as follows:

	YEAR ENDED DECEMBER 31,		
	1995	1996	1997
	(IN THOUSANDS)		
FEDERAL:			
Current	$ --	$ --	$ --
Deferred	(2,881)	1,213	1,826
STATE:			
Current	--	--	--
Deferred	(686)	289	436
Net provision (benefit) for income taxes	$(3,567)	$1,502	$2,262

The Combined Systems did not, and will not, have a tax sharing agreement with either Time Warner, TWI Cable or CVI. Therefore, the Combined Systems have not and will not be compensated for the utilization of the Combined Systems' tax losses, by Time Warner, TWI Cable or CVI. In addition, the Combined Systems have not and will not be required to make payments to either Time Warner or TWI Cable for the current tax provision of the Combined Systems.

PICAYUNE MS, LAFOURCHE LA, ST. TAMMANY LA, ST. LANDRY LA, POINTE COUPEE LA, AND JACKSON TN CABLE TELEVISION SYSTEMS (INCLUDED IN TWI CABLE INC.)

NOTES TO COMBINED FINANCIAL STATEMENTS -- (CONTINUED)

The differences between the income tax provision (benefit) expected at the U.S. federal statutory income tax rate and the total income tax provision (benefit) are due to nondeductible goodwill amortization and state taxes.

Significant components of the Combined Systems' deferred tax assets and liabilities, as calculated on a separate company basis, are as follows:

	YEAR ENDED DECEMBER 31,	
	1996	1997
	(IN THOUSANDS)	
DEFERRED TAX LIABILITIES:		
Amortization......................	$61,266	$58,507
Depreciation......................	3,576	4,060
Total gross deferred tax liabilities.............	64,842	62,567
DEFERRED TAX ASSETS:		
Tax loss carryforwards............	6,474	1,920
Allowance for doubtful accounts....	28	46
Total deferred tax assets..................	6,502	1,966
Net deferred tax liability.........	$58,340	$60,601

On a separate company basis, the Combined Systems have tax loss carryforwards of approximately $4.8 million at December 31, 1997. However, if the Combined Systems are acquired in an asset purchase, the tax loss carryforwards, and net deferred tax liabilities relating to temporary differences will not carry over to Renaissance (see Note 8).

6. COMMITMENTS AND CONTINGENCIES

The Combined Systems had rental expense of approximately $642,000, $824,000, and $843,000 for the years ended December 31, 1995, 1996 and 1997, respectively, under various lease and rental agreements for offices, utility poles, warehouses and computer equipment. Future minimum annual rental payments under noncancellable leases will approximate $1,000,000 annually over the next five years.

In exchange for certain flexibility in establishing cable rate pricing structures for regulated services that went into effect on January 1, 1996, TWC has agreed with the Federal Communications Commission ("FCC") to invest in certain upgrades to its cable infrastructure (consisting primarily of materials and labor in connection with the plant upgrades up to 750 megahertz) over the next three years (approximately $22 million). This agreement with the FCC, which extends to the Combined Systems, will be assumed by Renaissance as it relates to the Combined Systems in accordance with the Asset Purchase Agreement.

PICAYUNE MS, LAFOURCHE LA, ST. TAMMANY LA, ST. LANDRY LA, POINTE COUPEE LA, AND JACKSON TN CABLE TELEVISION SYSTEMS (INCLUDED IN TWI CABLE INC.)

NOTES TO COMBINED FINANCIAL STATEMENTS -- (CONTINUED)

7. OTHER LIABILITIES

Other liabilities consist of:

	DECEMBER 31, 1996	DECEMBER 31, 1997
	(IN THOUSANDS)	
Compensation	$217	$250
Data Processing Costs	100	90
Sales and other taxes	101	90
Copyright Fees	85	83
Pole Rent	66	63
Other	376	393
Total	$945	$969

8. SUBSEQUENT EVENT (UNAUDITED)

The sale of the Combined Systems, in connection with the Asset Purchase Agreement with Renaissance, closed on April 9, 1998 at the purchase price of $309,500,000.

INDEPENDENT AUDITORS' REPORT

The Partners
Helicon Partners I, L.P.:

We have audited the accompanying combined balance sheets of Helicon Partners I, L.P. and affiliates as of December 31, 1997 and 1998, and the related combined statements of operations, changes in partners' deficit, and cash flows for each of the years in the three-year period ended December 31, 1998. These combined financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these combined financial statements based on our audits.

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

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Helicon Partners I, L.P. and affiliates as of December 31, 1997 and 1998 and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 1998, in conformity with generally accepted accounting principles.

/s/ KPMG LLP

New York, New York
March 26, 1999

HELICON PARTNERS I, L.P. AND AFFILIATES

COMBINED BALANCE SHEETS
DECEMBER 31, 1997 AND 1998

	1997	1998
ASSETS (NOTES 8 AND 9)		
Cash and cash equivalents (note 2)	$ 4,372,281	$ 5,130,561
Receivables from subscribers	1,439,720	1,631,931
Prepaid expenses and other assets	2,205,794	3,469,228
Property, plant and equipment, net (notes 3, 4, and 11)	80,104,377	86,737,580
Intangible assets and deferred costs, net (notes 3 and 5)	85,066,665	94,876,847
Total assets	$ 173,188,837	$ 191,846,147
LIABILITIES AND PARTNERS' DEFICIT		
Liabilities:		
Accounts payable	$ 7,416,901	$ 8,037,193
Accrued expenses	1,539,116	1,589,240
Subscriptions received in advance	1,018,310	819,564
Accrued interest	3,760,360	3,742,456
Due to principal owner (note 7)	5,000,000	5,000,000
Senior secured notes (note 8)	115,000,000	115,000,000
Loans payable to banks (note 9)	85,776,641	120,266,922
12% subordinated notes, net of unamortized discount of $2,889,541 in 1997 and $2,543,869 in 1998 (note 10)	37,249,948	42,672,085
Redeemable partnership interests (note 10)	6,437,142	16,253,906
Other notes payable (note 11)	5,747,076	5,448,804
Due to affiliates, net (note 6)	71,474	247,042
Total liabilities	269,016,968	319,077,212
Commitments (notes 8, 9, 10, 11 and 13)		
Partners' deficit (note 12):		
Preferred limited partners	7,649,988	8,567,467
Accumulated partners' deficit	(103,477,119)	(135,797,532)
Less capital contribution receivable	(1,000)	(1,000)
Total partners' deficit	(95,828,131)	(127,231,065)
Total liabilities and partners' deficit	$ 173,188,837	$ 191,846,147

See accompanying notes to combined financial statements.

HELICON PARTNERS I, L.P. AND AFFILIATES

COMBINED STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 1996, 1997 AND 1998

	1996	1997	1998
Revenues	$ 42,061,537	$ 59,957,434	$ 75,576,810
Operating expenses:			
Operating expenses (note 13)	11,395,509	17,408,265	22,687,850
General and administrative expenses (notes 6 and 13)	7,244,663	9,762,931	13,365,824
Marketing expenses	1,235,553	2,266,627	3,521,893
Depreciation and amortization	12,556,023	19,411,813	24,290,088
Management fee charged by affiliate (note 6)	2,103,077	2,997,872	3,496,271
Corporate and other expenses	426,672	549,222	602,987
Total operating expenses	34,961,497	52,396,730	67,964,913
Operating income	7,100,040	7,560,704	7,611,897
Interest expense (note 7)	(17,418,266)	(23,586,227)	(27,633,714)
Interest income	563,362	154,037	92,967
	(16,854,904)	(23,432,190)	(27,540,747)
Loss before extraordinary item	(9,754,864)	(15,871,486)	(19,928,850)
Extraordinary item -- write-off of deferred financing costs (note 9)	--	--	(1,657,320)
Net loss	$ (9,754,864)	$(15,871,486)	$(21,586,170)

See accompanying notes to combined financial statements.

HELICON PARTNERS I, L.P. AND AFFILIATES

COMBINED STATEMENTS OF CHANGES IN PARTNERS' DEFICIT
YEARS ENDED DECEMBER 31, 1996, 1997 AND 1998

	PARTNERS' DEFICIT				
	PREFERRED LIMITED PARTNERS	GENERAL PARTNER	CLASS A LIMITED PARTNERS	CAPITAL CONTRIBUTION RECEIVABLE	TOTAL
Balance at December 31, 1995........	$ --	$(307,994)	$ (67,144,287)	$(1,000)	$ (67,453,281)
Issuance of preferred limited partnership interests (note 10)...	6,250,000	(62,500)	(6,187,500)	--	--
Partner capital contributions (note 10)...............................	--	1,500	--	--	1,500
Distribution of additional preferred partnership interests (note 10)...	558,430	(5,584)	(552,846)	--	--
Net loss...........................	--	(97,549)	(9,657,315)	--	(9,754,864)
Balance at December 31, 1996........	6,808,430	(472,127)	(83,541,948)	(1,000)	(77,206,645)
Distribution of additional preferred partnership interests (note 10)...	841,558	(8,416)	(833,142)	--	--
Accretion of redeemable partnership interests (note 10)..............	--	(27,500)	(2,722,500)	--	(2,750,000)
Net loss...........................	--	(158,715)	(15,712,771)	--	(15,871,486)
Balance at December 31, 1997........	7,649,988	(666,758)	(102,810,361)	(1,000)	(95,828,131)
Distribution of additional preferred partnership interests (note 10)...	917,479	(9,175)	(908,304)	--	--
Accretion of redeemable partnership interests (note 10)..............	--	(98,168)	(9,718,596)	--	(9,816,764)
Net loss...........................	--	(215,861)	(21,370,309)	--	(21,586,170)
Balance at December 31, 1998........	$8,567,467	$(989,962)	$(134,807,570)	$(1,000)	$(127,231,065)

See accompanying notes to combined financial statements.

HELICON PARTNERS I, L.P. AND AFFILIATES

COMBINED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 1996, 1997 AND 1998

	1996	1997	1998
Cash flows from operating activities:			
Net loss	$ (9,754,864)	$(15,871,486)	$(21,586,170)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Extraordinary item	--	--	1,657,320
Depreciation and amortization	12,556,023	19,411,813	24,290,088
Gain on sale of equipment	(20,375)	(1,069)	(29,323)
Interest on 12% subordinated notes paid through the issuance of additional notes	1,945,667	4,193,819	4,961,241
Interest on other notes payable added to principal	168,328	185,160	--
Amortization of debt discount and deferred financing costs	2,115,392	849,826	919,439
Change in operating assets and liabilities, net of acquisitions:			
Decrease (increase) in receivables from subscribers	176,432	(496,146)	(79,535)
Increase in prepaid expenses and other assets	(269,156)	(976,491)	(1,255,018)
Increase in financing costs incurred	(4,525,331)	(434,000)	(2,200,000)
Increase in accounts payable and accrued expenses	2,182,762	2,957,524	681,037
Increase (decrease) in subscriptions received in advance	119,277	325,815	(208,803)
Increase (decrease) in accrued interest	1,613,630	376,158	(17,904)
Total adjustments	16,062,649	26,392,409	28,718,542
Net cash provided by operating activities	6,307,785	10,520,923	7,132,372
Cash flows from investing activities:			
Purchases of property, plant and equipment	(8,987,766)	(15,824,306)	(13,538,978)
Proceeds from sale of equipment	21,947	23,270	118,953
Cash paid for net assets of cable television systems acquired	(35,829,389)	(70,275,153)	(26,063,284)
Cash paid for net assets of internet businesses acquired	(40,000)	(993,760)	--
Increase in intangible assets and deferred costs	(127,673)	(308,759)	(183,018)
Net cash used in investing activities	(44,962,881)	(87,378,708)	(39,666,327)
Cash flows from financing activities:			
Capital contributions	1,500	--	--
Decrease in restricted cash	--	1,000,000	--
Proceeds from issuance of 12% subordinated notes and redeemable partnership interests	34,000,000	--	--
Proceeds from bank loans	8,900,000	77,285,000	104,000,000
Repayment of bank loans	(952,777)	(1,505,581)	(69,509,719)
Repayment of other notes payable	(527,514)	(1,145,989)	(1,362,995)
Advances to affiliates	(3,207,996)	(3,412,411)	(8,856,491)
Repayments of advances to affiliates	3,479,336	2,986,778	9,021,440
Net cash provided by financing activities	41,692,549	75,207,797	33,292,235
Net increase (decrease) in cash and cash equivalents	3,037,453	(1,649,988)	758,280
Cash and cash equivalents at beginning of year	2,984,816	6,022,269	4,372,281
Cash and cash equivalents at end of year	$ 6,022,269	$ 4,372,281	$ 5,130,561
Supplemental cash flow information:			
Interest paid	$ 11,575,250	$ 17,981,264	$ 21,770,938
Other non-cash items:			
Acquisition of property, plant and equipment through issuance of other notes payable	$ 1,222,000	$ 917,815	$ 1,025,319
Issuance of notes payable in connection with the acquisition of cable television and internet systems, net of imputed interest	$ 569,500	$ 1,914,479	--

See accompanying notes to combined financial statements.

HELICON PARTNERS I, L.P. AND AFFILIATES

NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 1996, 1997 AND 1998

1. ORGANIZATION AND NATURE OF BUSINESS

Helicon Partners I, L.P. ("the Partnership") was organized as a limited partnership on November 30, 1994 under the laws of the State of Delaware. On April 8, 1996, Baum Investments, Inc. acquired a 1% general partnership interest in the Partnership through an initial capital contribution of $1,500 and the existing limited partners of The Helicon Group, L.P. ("THGLP"), formed in 1993, exchanged their limited partnership interests in THGLP for all Class A Common Limited Partnership Interests and Preferred Limited Partnership Interests in the Partnership. As a result of this exchange, THGLP became 99% owned by the Partnership. The Partnership now owns all of the limited partnership interests in THGLP and Baum Investments, Inc. continues to be the general partner of THGLP and to own a 1% general partnership interest in THGLP. The Partnership also owns a 99% interest and THGLP a 1% interest in HPI Acquisition Co., LLC ("HPIAC"), a Delaware limited liability company formed on February 7, 1996. The Partnership also owned an 89% limited partnership interest and Baum Investments, Inc. a 1% general partnership interest in Helicon OnLine, L. P. ("HOL"), a Delaware limited partnership formed May 31, 1997. On June 29, 1998, the net assets of HOL were transferred to THGLP in settlement of the inter-company loans THGLP had made to HOL. The Partnership, THGLP, HPIAC and HOL are referred to collectively herein as the Company.

On March 22, 1999, Helicon Partners I, L. P. (HPI), Baum Investments, Inc. and all the holders of partnership interests in HPI entered into a purchase agreement by and among Charter Communications, Inc, Charter Communications, LLC and Charter Helicon, LLC (collectively the "Charter Entities") providing for the sale of all such partnership interests and Helicon Corp.'s interest in the management agreements with THGLP and HPIAC to the Charter Entities. The sale price is $550 million which amount will be reduced by any outstanding indebtedness assumed by the Charter Entities.

The Company operates cable television systems located in Pennsylvania, West Virginia, North Carolina, South Carolina, Louisiana, Vermont, New Hampshire, Georgia and Tennessee. The Company also offers a broad range of Internet access service, including dial-up access, dedicated high speed access, both two-way and asymmetrical ("Hybrid"), high speed cable modem access, World Wide Web design and hosting services and other value added services such as paging and private network systems within the Company's cable service and contiguous areas.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) PRINCIPLES OF COMBINATION

The accompanying financial statements include the accounts of the Partnership, THGLP and HPIAC and HOL which have been combined because of common ownership and control. They also reflect the accounts of THGLP's subsidiary, Helicon Capital Corp. ("HCC"), which has nominal assets and no operations since its incorporation. All intercompany accounts and transactions have been eliminated in combination.

b) PARTNERSHIP PROFITS, LOSSES AND DISTRIBUTIONS

Under the terms of the partnership agreements of the Partnership and THGLP, profits, losses and distributions will be made to the general and Class A Limited Partners pro-rata based on their respective partnership interest.

Holders of Preferred Limited Partnership Interests are entitled to an aggregate preference on liquidation of $6,250,000 plus cumulative in-kind distributions of additional Preferred Limited Partnership interests at an annual rate of 12%.

c) REVENUE RECOGNITION

Revenue is recognized as services are provided to subscribers. Subscription revenues billed in advance for services are deferred and recorded as income in the period in which services are rendered.

d) Property, Plant and Equipment

Property, plant and equipment are carried at cost and are depreciated using the straight-line method over the estimated useful lives of the respective assets.

e) INTANGIBLE ASSETS AND DEFERRED COSTS

Intangible assets and deferred costs are carried at cost and are amortized using the straight-line method over the estimated useful lives of the respective assets. The Company periodically reviews the amortization periods of their intangible assets and deferred costs. The Company evaluates whether there has been a permanent impairment in the value of these assets by considering such factors including projected undiscounted cash flows, current market conditions and changes in the cable television industry that would impact the recoverability of such assets, among other things.

f) INCOME TAXES

No provision for Federal or state income taxes has been made in the accompanying combined financial statements since any liability for such income taxes is that of the partners and not of the Partnership or its affiliates. Certain assets have a basis for income tax purposes that differs from the carrying value for financial reporting purposes, primarily due to differences in depreciation methods. As a result of these differences, at December 31, 1997 and 1998 the net carrying value of these assets for financial reporting purposes exceeded the net basis for income tax purposes by approximately $22 million and $27 million respectively.

g) CASH AND CASH EQUIVALENTS

Cash and cash equivalents, consisting of amounts on deposit in money market accounts, checking accounts and certificates of deposit, were $4,372,281 and $5,130,561 at December 31, 1997 and 1998, respectively.

h) USE OF ESTIMATES

Management of the Company has made a number of estimates and assumptions relating to the reporting of assets, liabilities, revenues, expenses and the disclosure of contingent assets and liabilities to prepare these combined financial statements in conformity with generally accepted accounting principles. Actual results could differ from those estimates.

i) INTEREST RATE CAP AGREEMENTS

The cost paid is amortized over the life of the agreements.

j) DISCLOSURE ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS

Cash and Cash Equivalents, Receivables, Accounts Payable and Accrued Expenses

The carrying amounts reported in the consolidated balance sheets for cash and cash equivalents, current receivables, notes receivable, accounts payable, and accrued expenses approximate fair values.

Senior Secured Notes and Long-term Debt

For the Senior Secured Notes, fair values are based on quoted market prices. The fair market value at December 31, 1997 and 1998 was approximately $123,000,000 and $120,000,000, respectively. For long-term debt, their values approximate carrying value due to the short-term maturity of the debt and/or fluctuating interest.

Comprehensive Income

On January 1, 1998, the Company adopted SFAS No. 130, Reporting Comprehensive Income. SFAS No. 130 establishes standards for reporting and presentation of comprehensive income and its components in a full set of financial statements. Comprehensive income consists of net income and net unrealized gains (losses) on securities and is presented in the consolidated statements of stockholder's equity and comprehensive income. The Statement requires only additional disclosures in the consolidated financial statements; it does not affect the Company's financial position or results of operations. The Company has no items that qualify as comprehensive income.

3. ACQUISITIONS

Cable Acquisitions

On January 31, 1995, THGLP acquired a cable television system, serving approximately 1,100 (unaudited) subscribers in the Vermont communities of Bradford, South Royalton and Chelsea. The aggregate purchase price was approximately $350,000 and was allocated to the net assets acquired which included property and equipment and intangible assets.

In June and July, 1996, HPIAC completed the acquisitions of all the operating assets of the cable television systems, serving approximately 26,000 (unaudited) subscribers, in the areas of Jasper and Skyline, Tennessee and Summerville, Trenton, Menlo, Decatur and Chatsworth, Georgia (collectively referred to as the Tennessee cluster).

The aggregate purchase price of $36,398,889, including acquisition costs of $742,837, was allocated to the net assets acquired based on their estimated fair value. Such allocation is summarized as follows:

Land	$ 25,000
Cable television system	17,876,244
Other property, plant and equipment	185,000
Subscriber lists	17,474,762
Noncompete agreement	1,000
Other intangible assets	742,837
Other net operating items	94,046
Total aggregate purchase price	$36,398,889

A portion of the purchase price was paid through the issuance of notes to the sellers of one of the systems totaling $750,000. Such notes were reported net of imputed interest of $180,500 computed at 9% per annum (see note 11).

On January 16, 1997, HPIAC acquired an adjacent cable television system serving approximately 2,256 (unaudited) subscribers in the communities of Ten Mile and Hamilton, Tennessee. The aggregate purchase price was approximately $2,960,294 and was allocated to the net assets acquired which included property, equipment and intangible assets, based on their estimated fair value.

On January 31, 1997, THGLP acquired a cable television system, serving approximately 823 (unaudited) subscribers in the West Virginia counties of Wirt and Wood. The aggregate purchase price was approximately $1,053,457, and was allocated to the net assets acquired which included property, equipment and intangible assets, based on their estimated fair value.

On April 18, 1997, HPIAC acquired a cable television system serving approximately 839 (unaudited) subscribers in the communities of Charleston and Calhoun, Tennessee. The aggregate purchase price was approximately $1,055,693 and was allocated to the net assets acquired which included property and equipment and intangible assets, based on their estimated fair value.

On June 26, 1997, HPIAC acquired the net assets of cable television systems serving approximately 21,500 (unaudited) subscribers primarily in the North Carolina communities of Avery County and surrounding areas and in the South Carolina community of Anderson County. The aggregate purchase price was approximately $45,258,279, including acquisition costs of $547,235, and was allocated to the net assets acquired which included property, plant, equipment and intangible assets, based on their estimated fair value.

On June 26, 1997, THGLP acquired the net assets of a cable television system serving approximately 11,000 (unaudited) subscribers in the North Carolina communities of Watauga County, Blowing Rock, Beech Mountain and the town of Boone. The aggregate purchase price was $19,947,430 and was allocated to the net assets acquired which included, property, plant, equipment and intangible assets, based on their estimated fair value.

HELICON PARTNERS I, L.P. AND AFFILIATES

NOTES TO COMBINED FINANCIAL STATEMENTS -- (CONTINUED)

The aggregate purchase price of the 1997 cable acquisitions was $70,275,153 and was allocated to the net assets acquired based on their estimated fair market value as follows:

Land	$ 158,500
Cable television system	21,320,900
Vehicles	1,473,600
Computer equipment	240,000
Subscriber lists	46,925,173
Organization and other costs	688,816
Other net operating items	(531,836)
Total aggregate purchase price	$70,275,153

On December 31, 1998, HPIAC acquired the net assets of cable television systems serving approximately 11,225 (unaudited) subscribers primarily in the North Carolina community of Roanoke Rapids. The aggregate purchase price was $26,063,284 including acquisition costs of $535,875 and was allocated to the net assets acquired, which included, property, equipment and intangible assets, based on their estimated fair value.

Land	$ 250,000
Cable television system	4,258,000
Other property, plant and equipment	1,103,375
Subscriber lists	19,805,000
Organization and other costs	535,875
Other net operating items	111,034
Total aggregate purchase price	$26,063,284

Internet Acquisitions

On March 22, 1996, THGLP acquired the net assets of a telephone dial-up internet access provider ("ISP") serving approximately 350 (unaudited) customers in and around the area of Uniontown, Pennsylvania. The aggregate purchase price was approximately $40,000.

On April 1, 1997, the Partnership acquired the net assets of a telephone dial-up ISP serving approximately 2,500 (unaudited) customers in and around the area of Uniontown, Pennsylvania. The aggregate purchase price was $757,029.

On May 31, 1997, the Partnership acquired the net assets of a telephone dial-up ISP serving approximately 1,800 (unaudited) customers in and around the area of Uniontown, Pennsylvania. The aggregate purchase price was $213,629.

On November 14, 1997, HOL acquired the net assets of a telephone dial-up ISP serving approximately 1,744 (unaudited) customers in and around the area of Johnstown, Pennsylvania. The aggregate purchase price was $348,927.

HELICON PARTNERS I, L.P. AND AFFILIATES

NOTES TO COMBINED FINANCIAL STATEMENTS -- (CONTINUED)

On December 17, 1997, HOL acquired the net assets of a telephone dial-up ISP serving 1,571 (unaudited) customers in and around the area of Plainfield, Vermont. The aggregate purchase price was $497,307.

On December 17, 1997, HOL acquired the net assets of a telephone dial-up ISP serving approximately 2,110 (unaudited) customers in and around the area of Wells River, Vermont. The aggregate purchase price was $673,170.

The aggregate purchase price of the 1997 ISP acquisitions was $2,490,062 and was allocated to the net assets acquired, based on their estimated fair value. Such allocation is summarized as follows:

Internet service equipment	$ 237,064
Customer lists	1,409,768
Non-compete Agreement	883,097
Other intangible assets	35,000
Other net operating items	(74,867)
Total aggregate purchase price	$2,490,062

A portion of the purchase price was paid through the issuance of notes to the Sellers totaling $1,801,000. Such notes were reported net of imputed interest of $304,698 computed at 9% per annum (see Note 11).

The operating results relating to the above acquisitions, effective with their acquisition dates, are included in the accompanying combined financial statements.

4. PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant and equipment, net is summarized as follows at December 31:

	1997	1998	ESTIMATED USEFUL LIFE IN YEARS
Land	$ 121,689	$ 320,689	--
Cable television system	124,684,403	140,441,324	5 to 20
Internet service equipment	1,281,362	2,483,602	2 to 3
Office furniture and fixtures	677,672	728,253	5 and 10
Vehicles	3,536,358	4,570,990	3 and 5
Building	805,525	1,585,384	5 and 10
Building and leasehold Improvements	398,843	445,820	1 to 5
Computers	3,232,355	4,159,506	3 to 5
	134,738,207	154,735,568	
Less accumulated depreciation	(54,633,830)	(67,997,988)	
	$ 80,104,377	$ 86,737,580	

HELICON PARTNERS I, L.P. AND AFFILIATES

NOTES TO COMBINED FINANCIAL STATEMENTS -- (CONTINUED)

5. INTANGIBLE ASSETS AND DEFERRED COSTS

Intangible assets and deferred costs are summarized as follows at December 31:

	1997	1998	ESTIMATED USEFUL LIFE IN YEARS
Covenants not-to-compete....	$ 14,270,120	$ 14,270,120	5
Franchise agreements........	19,650,889	19,650,889	9 to 17
Goodwill....................	1,703,760	1,703,760	20
Subscriber lists............	82,292,573	102,097,573	6 to 10
Financing costs.............	9,414,809	9,291,640	8 to 10
Organization and other costs.....................	3,631,650	4,306,777	5 to 10
	130,963,801	151,320,760	
Less accumulated amortization.............	(45,897,136)	(56,443,913)	
	$ 85,066,665	$ 94,876,847	

6. TRANSACTIONS WITH AFFILIATES

Amounts due from/to affiliates result from management fees, expense allocations and temporary non-interest bearing loans. The affiliates are related to the Company through common-ownership.

The Partnership is managed by Helicon Corp., an affiliated management company. During 1996, 1997 and 1998, the Partnership was charged management fees of $2,103,077, $2,997,872, and $3,496,271, respectively. In 1997 and 1998, $2,685,172 and $3,231,362 of the management fees were paid and $312,700 and $172,476 were deferred, in accordance with the terms of the Partnership's credit agreements, respectively. Management fees are calculated based on the gross revenues of the systems. Additionally, during 1996, 1997 and 1998, THGLP was also charged $980,000, $713,906, and $1,315,315, respectively, for certain costs incurred by this related party on their behalf.

In May 1997, immediately after the formation of HOL, HPI sold 10% of its limited partner interest in HOL to certain employees of Helicon Corp. Such interests were sold at HPI's proportionate carrying value of HOL of $83,631 in exchange for notes receivable from these individuals. These notes are due upon the liquidation of HOL or the sale of all or substantially all of its assets.

On June 26, 1998, the notes were cancelled in consideration of the return by the Helicon employees of their 10% limited partnership interests.

7. DUE TO PRINCIPAL OWNER

Mr. Theodore Baum, directly or indirectly, is the principal owner of 96.17% of the general and limited partnership interests of the Partnership (the "Principal Owner"). Due to Principal Owner consists of $5,000,000 at December 31, 1997 and 1998 payable by THGLP. Beginning on November 3, 1993, interest on the $5,000,000 due to the Principal Owner did not accrue and in accordance with the provisions of the Senior Secured Notes was not paid for twenty four months. Interest resumed on November 3, 1995 (see Note 8). The principal may only be repaid thereafter subject to the passage of certain limiting tests under the covenants of the Senior Secured Notes. Prior to the issuance of the Senior Secured Notes, amounts due to Principal Owner bore interest at varying rates per annum based on the prime rate and were due on demand. Interest expense includes $521,701 in 1996 and $530,082 in 1997 and $524,880 in 1998 related to this debt.

8. SENIOR SECURED NOTES

On November 3, 1993, THGLP and HCC (the "Issuers"), through a private placement offering, issued $115,000,000 aggregate principal amount of 11% Senior Secured Notes due 2003 (the "Senior Secured Notes"), secured by substantially all the assets of THGLP. The Senior Secured Notes were issued at a substantial discount from their principal amount and generated net proceeds to the Issuers of approximately $105,699,000. Interest is payable on a semi-annual basis in arrears on November 1 and May 1, beginning on May 1, 1994. Until November 1, 1996 the Senior Secured Notes bore interest at the rate of 9% per annum. After November 1, 1996, the Senior Secured Notes bear interest at the rate of 11% per annum. The discount on the Senior Secured Notes has been amortized over the term of the Senior Secured Notes so as to result in an effective interest rate of 11% per annum.

The Senior Secured Notes may be redeemed at the option of the Issuers in whole or in part at any time on or after November 1, 1997 at the redemption price of 108% reducing ratably to 100% of the principal amount, in each case together with accrued interest to the redemption date. The Issuers are required to redeem $25,000,000 principal amount of the Senior Secured Notes on each of November 1, 2001 and November 1, 2002. The indenture under which the Senior Secured Notes were issued contains various restrictive covenants, the more significant of which are, limitations on distributions to partners, the incurrence or guarantee of indebtedness, the payment of management fees, other transactions with officers, directors and affiliates, and the issuance of certain types of equity interests or distributions relating thereto.

9. LOANS PAYABLE TO BANKS

On July 12, 1996, HPIAC entered into $85,000,000 of senior secured credit facilities ("Facilities") with a group of banks and The First National Bank of Chicago, as agent. The Facilities were comprised of a $55,000,000 senior secured two and one-half year revolving credit facility, converting on December 31, 1998 to a five and one-half year amortizing term loan due June 30, 2004 ("Facility A"); and, a $30,000,000 senior secured, amortizing, multiple draw nine year term loan facility due June 30, 2005 ("Facility B"). The Facilities financed certain permitted acquisitions, transaction expenses and general corporate purposes. Interest on outstanding borrowings was payable at specified margins over either LIBOR or the higher of the corporate base rate of The First National Bank of Chicago or the rates on overnight Federal funds transactions with members of the Federal Reserve System. The margins varied based on the Company's total leverage ratio, as defined, at the time of an advance. As of December 31, 1997, the amounts outstanding were $30,000,000 under Facility B and $35,500,000 outstanding under Facility A. Interest was payable at LIBOR plus 3.50% for Facility B and LIBOR plus 3.00% for Facility A. In addition, HPIAC paid a commitment fee of .5% of the unused balance of the Facilities.

On December 15, 1998, the Facilities were repaid in full together with accrued interest thereon from the proceeds of the new credit agreements (see below).

In connection with the early retirement of the aforementioned bank debt, HPIAC wrote off related unamortized deferred financing costs totaling $1,657,320. Such amount has been classified as an extraordinary item in the accompanying 1998 combined statement of operations.

In connection with the aforementioned Facilities, HPIAC entered into an interest rate cap agreement to reduce its exposure to interest rate risk. Interest rate cap transactions generally involve the exchange of fixed and floating rate interest payment obligations and provide for a ceiling on interest to be paid, respectively, without the exchange of the underlying notional principal amount. These types of transactions involve risk of counterpart nonperformance under the terms of the contract. At December 31, 1997, HPIAC had cap agreements with aggregate notional amounts of $42,500,000 expiring through March 29, 2000. On December 15, 1998, in connection with the early retirement of the related bank debt, the cap agreements were terminated and HPIAC wrote off the unamortized costs of these cap agreements.

On December 15, 1998, HPIAC entered into credit agreements with a group of banks and Paribas, as agent, providing maximum borrowings of $110,000,000 (the 1998 Credit Facilities). The agreements include (i) a senior secured Credit Agreement consisting of a $35,000,000 A Term Loan, maturing on December 31, 2005, $45,000,000 B Term Loan, maturing on December 31, 2006 and a $10,000,000 Revolving Commitment, maturing on December 31, 2005 and (ii) a Loan Agreement consisting of a $20,000,000 Hybrid Facility, maturing on December 31, 2007.

As of December 31, 1998, the A Term Loan, B Term Loan and Hybrid Facility were fully drawn down and there was nothing outstanding under the Revolving Commitment. The principal cash payments required under the Company's credit agreements for the fiscal years ended December 31, 1999, 2000, 2001, 2002 and 2003 are estimated to aggregate $0, $812,500, $3,950,000, $5,700,000 and $7,450,000, respectively.

Interest is payable at LIBOR plus an applicable margin, which is based on a ratio of loans outstanding to annualized EBITDAM, as defined in the agreement and can not exceed 3.00% for A Term Loan and Revolving Commitments, 3.25% for B Term Loan and 4.50% for the Hybrid Facility. In addition, the Company pays a commitment fee of .50% of the unused balance of the Revolving Commitment.

The 1998 Credit Facilities are secured by a first perfected security interest in all of the assets of HPIAC and a pledge of all equity interests of HPIAC. The credit agreement contains various restrictive covenants that include the achievement of certain financial ratios relating to interest, fixed charges, leverage, limitations on capital expenditures, incurrence or guarantee of indebtedness, other transactions with affiliates and distributions to members. In addition, management fees in the aggregate cannot exceed 5% of gross revenues of HPIAC.

On June 26, 1997, THGLP entered into a $20,000,000 senior secured credit facility with Banque Paribas, as Agent (the 1997 Credit Facility). On January 5, 1999, the 1997 Credit Facility was restated and amended. The facility is non-amortizing and is due November 1, 2000. Borrowings under the facility financed the acquisition of certain cable television assets in North Carolina (see note 3). Interest on the $20,000,000 outstanding is payable at specified margins over either LIBOR or the rate of interest publicly announced in New York City by The Chase Manhattan Bank from time to time as its prime commercial lending rate. The margins vary based on the THGLP's total leverage ratio, as defined, at the time of an advance. Currently interest is payable at LIBOR plus 2.75%.

The 1997 Credit Facility is secured by a first perfected security interest in all of the assets of the Partnership and a pledge of all equity interests of the THGLP. The credit agreement contains various restrictive covenants that include the achievement of certain financial ratios relating to interest, fixed charges, leverage, limitations on capital expenditures, incurrence or guarantee of indebtedness, transactions with affiliates, distributions to members and management fees which accrue at 5% of gross revenues.

Also included in loans payable to banks is a mortgage note of $266,922 payable to a bank that is secured by THGLP's office building in Vermont. The interest is payable at Prime plus 1% and the mortgage note is due March 1, 2012.

Principal payments on the mortgage note are summarized as follows at December 31, 1998:

YEAR ENDING DECEMBER 31	AMOUNT
1999	$ 10,581
2000	11,631
2001	12,786
2002	14,055
2003 and thereafter	217,869
	$266,922

10. SUBORDINATED NOTES AND REDEEMABLE PARTNERSHIP INTERESTS

In April 1996 the Partnership sold to unrelated investors, $34,000,000 aggregate principal amount of its 12% Subordinated Notes (the "Subordinated Notes") and warrants to purchase 2,419.1 units (the "Units") of Class B Common Limited Partnership Interests representing in the aggregate 24.191% of the outstanding limited partner interests of the Partnership on a fully diluted basis (the "Warrants"). Of the $34,000,000 of gross proceeds, $3,687,142 was determined to be the value of the Warrants, and $30,312,858 was allocated to the Subordinated Notes. The discount on the Subordinated Notes is being amortized over the term of these Notes.

The Subordinated Notes are subordinated to the senior indebtedness of the Partnership and are due April 1, 2004. Interest is payable semi-annually on each October 1 and April 1 in cash or through the issuance of additional Subordinated Notes, at the option of the Partnership. In October 1996, April 1997, October 1997, April 1998 and

October 1998, the Partnership elected to satisfy interest due through the issuance of $1,945,667, $2,156,740, $2,037,079, $2,408,370 and $2,552,871, respectively, additional Subordinated Notes. After September 2001, a holder or holders of no less than 33 1/3% of the aggregate principal amount of the Subordinated Notes can require the Partnership to repurchase their Subordinated Notes at a price equal to the principal amount thereof plus accrued interest. The Partnership has an option to redeem the Subordinated Notes at 102% of the aggregate principal amount after the fifth anniversary of their issuance, at 101% of the aggregate principal amount after the sixth anniversary of issuance and at 100% of the aggregate principal amount after the seventh anniversary of issuance.

Holders of the Warrants have the right to acquire the Units at any time for a price of $1,500 per Unit. After September 2001, a holder or holders of at least 33 1/3% of the Warrants can require the Partnership to either purchase their Warrants at their interest in the Net Equity Value of the Partnership or seek a purchaser for all of the assets or equity interests of the Partnership. Net Equity Value pursuant to the terms of the underlying agreements is the estimated amount of cash that would be available for distribution to the Partnership interests upon a sale of all of the assets of the Partnership and its subsequent dissolution and liquidation. The Net Equity Value is the amount agreed to by the Partnership and 66 2/3% of the holders of the Subordinated Notes and Warrants or, absent such agreement, determined through a specified appraisal process.

The Partnership estimated the Net Equity Value of the Warrants to be approximately $43,250,000 at December 31, 1998 and $16,750,000 at December 31, 1997. Such estimate as of December 31, 1998 reflects the amount that the holders of the warrants have agreed to accept for their interests assuming the proposed sale of all of the interests of the partnership is consummated (see note 14). The increase in the estimated Net Equity Value over the original carrying value of the Warrants is being accreted evenly over the period beginning with the date of the increase and September 2001. Such accretion is being reflected in the accompanying financial statements as an increase in the carrying value of the Warrants and a corresponding reduction in the carrying value of the capital accounts of the General and Class A Limited Partners.

The agreements underlying the Subordinated Notes and the Warrants contain various restrictive covenants that include limitations on incurrence or guarantee of indebtedness, transactions with affiliates, and distributions to partners. In addition, management fees in the aggregate cannot exceed 5% of gross revenues of the Partnership.

HELICON PARTNERS I, L.P. AND AFFILIATES

NOTES TO COMBINED FINANCIAL STATEMENTS -- (CONTINUED)

11. OTHER NOTES PAYABLE

Other Notes payable consists of the following at December 31:

	1997	1998
Promissory note in consideration for acquisition of a cable television system, accruing interest at 10% per annum on principal and accrued interest which is added to principal on certain specified dates; interest becomes payable on January 1, 1998 and the principal is payable in full on August 20, 2000	$2,036,765	$2,036,765
Non-interest bearing promissory notes issued in connection with the acquisition of a cable television system. Principal payments begin on July 16, 1997, in the amount of $70,000 and four installments in the amount of $170,000 on each July 16 thereafter. Such notes are reported net of imputed interest of $141,116 and $101,732 in 1997 and 1998, respectively, computed at 9% per annum	538,884	408,268
Non-interest bearing promissory notes issued in connection with the acquisitions of the internet businesses. Principal payments are due in January, February, and March of each year and continue quarterly thereafter through June, 2001. Such notes are reported net of imputed interest of $180,727 and $146,441 in the 1997 and 1998, respectively, computed at 9% per annum	1,398,478	1,021,474
Installment notes, collateralized by vehicles and other equipment and payable in monthly installments, at interest rates between 5.5% to 14.25% per annum, through January, 2003	1,772,949	1,982,297
	$5,747,076	$5,448,804

Principal payments due on the above notes payable are summarized as follows at December 31, 1998:

YEAR ENDING DECEMBER 31	AMOUNT
1999	$1,337,476
2000	3,276,529
2001	678,349
2002	140,944
2003	15,506
	$5,448,804

12. PARTNERS' DEFICIT

During 1993, the Principal Owner contributed a $6,500,000 unsecured, non-interest bearing personal promissory note due on demand to the general partner of THGLP. Additionally, the Principal Owner contributed to THGLP an unsecured, non-interest bearing personal promissory note in the aggregate principal amount of $24,000,000 (together with the $6,500,000 note, the "Baum Notes"). The Baum Notes have been issued for the purpose of THGLP's credit enhancement. Although the Baum Notes are unconditional, they do not become payable except (i) in increasing amounts presently up to $19,500,000 and in installments thereafter to a maximum of $30,500,000 on December 16, 1996 and (ii) at such time after such dates as THGLP's creditors shall have exhausted all claims against THGLP's assets.

13. COMMITMENTS

The Partnership and affiliates leases telephone and utility poles on an annual basis. The leases are self renewing. Pole rental expense for the years ended December 31, 1996, 1997 and 1998 was $609,075, $873,264 and $982,306, respectively.

In connection with certain lease and franchise agreements, the Partnership, from time to time, issues security bonds.

The Partnership and affiliates utilizes certain office space under operating lease agreements which expire at various dates through August 2013 and contain renewal options. At December 31, 1998 the future minimum rental commitments under such leases were as follows:

YEAR ENDING DECEMBER 31	
1999	$ 166,825
2000	142,136
2001	141,727
2002	147,912
2003	151,412
Thereafter	1,418,017
	$2,168,029

Office rent expense was $102,801 in 1996, $203,506 in 1997 and $254,955 in 1998.

14. SUBSEQUENT EVENTS

On March 22, 1999, Helicon Partners I, L. P. (HPI), Baum Investments, Inc. and all the holders of partnership interests in HPI entered into a purchase agreement by and among Charter Communications, Inc, Charter Communications, LLC and Charter Helicon, LLC (collectively the "Charter Entities") providing for the sale of all such partnership interests and Helicon Corp.'s interest in the management agreements with THGLP and HPIAC to the Charter Entities. The sale price is $550 million which amount will be reduced by any outstanding indebtedness assumed by the Charter Entities.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Partners of InterMedia Partners
and InterMedia Capital Partners IV, L.P.

In our opinion, the accompanying combined balance sheets and the related combined statements of operations, of changes in equity and of cash flows present fairly, in all material respects, the financial position of InterMedia Cable Systems (comprised of components of InterMedia Partners and InterMedia Capital Partners IV, L.P.), at December 31, 1998 and 1997, and the results of their operations and their cash flows for the years then ended in conformity with generally accepted accounting principles. These financial statements are the responsibility of the management of InterMedia Partners and InterMedia Capital Partners IV, L.P.; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

/s/ PRICEWATERHOUSECOOPERS LLP

San Francisco, California
April 20, 1999

INTERMEDIA CABLE SYSTEMS
(COMPRISED OF COMPONENTS OF INTERMEDIA PARTNERS AND
INTERMEDIA CAPITAL PARTNERS IV, L.P.)

COMBINED BALANCE SHEETS
(DOLLARS IN THOUSANDS)

	DECEMBER 31, 1998	DECEMBER 31, 1997
ASSETS		
Accounts receivable, net of allowance for doubtful accounts of $899 and $680, respectively	$ 14,425	$ 13,017
Receivables from affiliates	5,623	1,719
Prepaid expenses	423	626
Other current assets	350	245
Total current assets	20,821	15,607
Intangible assets, net	255,356	283,562
Property and equipment, net	218,465	179,681
Deferred income taxes	12,598	14,221
Other non-current assets	2,804	1,140
Total assets	$510,044	$494,211
LIABILITIES AND EQUITY		
Accounts payable and accrued liabilities	$ 19,230	$ 20,934
Deferred revenue	11,104	8,938
Payables to affiliates	3,158	2,785
Income taxes payable		285
Total current liabilities	33,492	32,942
Note payable to InterMedia Partners IV, L.P.	396,579	387,213
Deferred channel launch revenue	4,045	2,104
Total liabilities	434,116	422,259
Commitments and contingencies		
Mandatorily redeemable preferred shares	14,184	13,239
Equity	61,744	58,713
Total liabilities and equity	$510,044	$494,211

See accompanying notes to combined financial statements.

INTERMEDIA CABLE SYSTEMS
(COMPRISED OF COMPONENTS OF INTERMEDIA PARTNERS AND
INTERMEDIA CAPITAL PARTNERS IV, L.P.)

COMBINED STATEMENTS OF OPERATIONS
(DOLLARS IN THOUSANDS)

	FOR THE YEAR ENDED DECEMBER 31,	
	1998	1997
REVENUES		
Basic and cable services	$125,920	$112,592
Pay services	23,975	24,467
Other services	26,167	25,519
	176,062	162,578
COSTS AND EXPENSES		
Program fees	39,386	33,936
Other direct expenses	16,580	16,500
Selling, general and administrative expenses	30,787	29,181
Management and consulting fees	3,147	2,870
Depreciation and amortization	85,982	81,303
	175,882	163,790
Profit/(loss) from operations	180	(1,212)
OTHER INCOME (EXPENSE)		
Interest expense	(25,449)	(28,458)
Gain on sale/exchange of cable systems	26,218	10,006
Interest and other income	341	429
Other expense	(3,188)	(1,431)
	(2,078)	(19,454)
Loss before income tax benefit (expense)	(1,898)	(20,666)
Income tax benefit (expense)	(1,623)	4,026
NET LOSS	$ (3,521)	$(16,640)

See accompanying notes to combined financial statements.

INTERMEDIA CABLE SYSTEMS
(COMPRISED OF COMPONENTS OF INTERMEDIA PARTNERS AND
INTERMEDIA CAPITAL PARTNERS IV, L.P.)

COMBINED STATEMENT OF CHANGES IN EQUITY
(DOLLARS IN THOUSANDS)

Balance at December 31, 1996	$ 69,746
Net loss	(16,640)
Accretion for mandatorily redeemable preferred shares	(882)
Net contributions from parent	6,489
Balance at December 31, 1997	58,713
Net loss	(3,521)
Accretion for mandatorily redeemable preferred shares	(945)
Net cash contributions from parent	6,350
In-kind contribution from parent	1,147
Balance at December 31, 1998	$ 61,744

See accompanying notes to combined financial statements.

INTERMEDIA CABLE SYSTEMS
(COMPRISED OF COMPONENTS OF INTERMEDIA PARTNERS AND
INTERMEDIA CAPITAL PARTNERS IV, L.P.)

COMBINED STATEMENTS OF CASH FLOWS
(DOLLARS IN THOUSANDS)

	FOR THE YEAR ENDED DECEMBER 31,	
	1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (3,521)	$(16,640)
Adjustments to reconcile net loss to cash flows from operating activities:		
Depreciation and amortization	85,982	81,303
Loss and disposal of fixed assets	3,177	504
Gain on sale/exchange of cable systems	(26,218)	(10,006)
Changes in assets and liabilities:		
Accounts receivable	(1,395)	(2,846)
Receivables from affiliates	(3,904)	(639)
Prepaid expenses	203	(251)
Other current assets	(106)	(10)
Deferred income taxes	1,623	(4,311)
Other non-current assets	(517)	(58)
Accounts payable and accrued liabilities	(2,073)	4,436
Deferred revenue	1,208	1,399
Payables to affiliates	373	469
Accrued interest	25,449	28,458
Deferred channel launch revenue	2,895	2,817
Cash flows from operating activities	83,176	84,625
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(72,673)	(87,253)
Sale/exchange of cable systems	(398)	11,157
Intangible assets	(372)	(506)
Cash flows from investing activities	(73,443)	(76,602)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net contributions from parent	6,350	6,489
Net repayment of borrowings	(16,083)	(14,512)
Cash flows from financing activities	(9,733)	(8,023)
Net change in cash	--	--
CASH AT BEGINNING OF PERIOD	--	--
CASH AT END OF PERIOD	$ --	$ --

See accompanying notes to combined financial statements.

INTERMEDIA CABLE SYSTEMS
(COMPRISED OF COMPONENTS OF INTERMEDIA PARTNERS AND
INTERMEDIA CAPITAL PARTNERS IV, L.P.)

NOTES TO COMBINED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS)

1. BASIS OF PRESENTATION

THE CHARTER TRANSACTIONS

InterMedia Partners, a California limited partnership ("IP-I"), and InterMedia Capital Partners IV, L.P., a California limited partnership, ("ICP-IV", together with IP-I, "InterMedia") are affiliated through common control and management. Robin Media Group, Inc., a Nevada corporation, ("RMG") is a majority owned subsidiary of ICP-IV. On April 20, 1999, InterMedia and certain of its affiliates entered into agreements (the "Agreements") with affiliates of Charter Communications, Inc. ("Charter") to sell and exchange certain of their cable television systems ("the Charter Transactions").

Specifically, ICP-IV and its affiliates have agreed to sell certain of their cable television systems in Tennessee and Gainsville, Georgia through a combination of asset sales and the sale of its equity interests in RMG, and to exchange their systems in and around Greenville and Spartanburg, South Carolina for Charter systems located in Indiana, Kentucky, Utah and Montana. Immediately upon Charter's acquisition of RMG, IP-I will exchange its cable television systems in Athens, Georgia, Asheville and Marion, North Carolina and Cleveland, Tennessee for RMG's cable television systems located in middle Tennessee.

The Charter Transactions are expected to close during the third or fourth quarter of 1999. The cable systems retained by Charter upon consummation of the Charter Transactions, together with RMG, are referred to as the "InterMedia Cable Systems," or the "Systems."

PRESENTATION

The accompanying combined financial statements represent the financial position of the InterMedia Cable Systems as of December 31, 1998 and 1997 and the results of their operations and their cash flows for the years then ended. The Systems being sold or exchanged do not individually or collectively comprise a separate legal entity. Accordingly, the combined financial statements have been carved-out from the historical accounting records of InterMedia.

CARVE-OUT METHODOLOGY

Throughout the periods covered by the combined financial statements, the individual cable systems were operated and accounted for separately. However, the Charter Transactions exclude certain systems (the "Excluded Systems") which were operated as part of the Marion, North Carolina and western Tennessee systems throughout 1997 and 1998. For purposes of carving out and excluding the results of operations and financial position of the Excluded Systems from the combined financial statements, management has estimated the revenues, expenses, assets and liabilities associated with each Excluded System based on the ratio of each Excluded System's basic subscribers to the total basic subscribers served by the Marion, North Carolina and western Tennessee systems, respectively. Management believes the basis used for these allocations is reasonable. The

INTERMEDIA CABLE SYSTEMS
(COMPRISED OF COMPONENTS OF INTERMEDIA PARTNERS AND
INTERMEDIA CAPITAL PARTNERS IV, L.P.)

NOTES TO COMBINED FINANCIAL STATEMENTS -- (CONTINUED)
(DOLLARS IN THOUSANDS)

Systems' results of operations are not necessarily indicative of future operating results or the results that would have occurred if the Systems were a separate legal entity.

Management and consulting fees represent an allocation of management fees charged to IP-I and ICP-IV by InterMedia Capital Management, a California limited partnership ("ICM") and InterMedia Management, Inc. ("IMI"), respectively. Prior to January 1, 1998, InterMedia Capital Management IV, L.P. ("ICM-IV") provided such management and consulting services to ICP-IV. ICM and ICM-IV are limited partners of IP-I and ICP-IV, respectively. IMI is the managing member of each of the general partners of IP-I and ICP-IV. These fees are charged at a fixed amount per annum and have been allocated to the Systems based upon the allocated contributed capital of the individual systems as compared to the total contributed capital of InterMedia's subsidiaries.

As more fully described in Note 9 -- "Related Party Transactions," certain administrative services are also provided by IMI and are charged to all affiliates based on relative basic subscriber percentages.

CASH AND INTERCOMPANY ACCOUNTS

Under InterMedia's centralized cash management system, cash requirements of its individual operating units were generally provided directly by InterMedia and the cash generated or used by the Systems was transferred to/from InterMedia, as appropriate, through intercompany accounts. The intercompany account balances between InterMedia and the individual operating units, except RMG's intercompany note payable to InterMedia Partners IV, L.P. ("IP-IV") as described in Note 7 -- "Note Payable to InterMedia Partners IV, L.P." are not intended to be settled. Accordingly, the balances, other than RMG's note payable to IP-IV, are included in equity and all net cash generated from operations, investing activities and financing activities have been included in the Systems' net contribution from parent in the combined statements of cash flows.

IP-I and ICP-IV or its subsidiaries maintain all external debt to fund and manage InterMedia's operations on a centralized basis. The combined financial statements present only the debt and related interest expense of RMG, which is assumed and repaid by Charter pursuant to the Charter Transactions. See Note 7 -- "Note Payable to InterMedia Partners IV, L.P." Debt, unamortized debt issue costs and interest expense related to the financing of the cable systems not owned by RMG have not been allocated to the InterMedia Cable Systems. As such, the level of debt, unamortized debt issue costs and related interest expense presented in the combined financial statements are not representative of the debt that would be required or interest expenses incurred if InterMedia Cable Systems were a separate legal entity.

INTERMEDIA CABLE SYSTEMS
(COMPRISED OF COMPONENTS OF INTERMEDIA PARTNERS AND
INTERMEDIA CAPITAL PARTNERS IV, L.P.)

NOTES TO COMBINED FINANCIAL STATEMENTS -- (CONTINUED)
(DOLLARS IN THOUSANDS)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REVENUE RECOGNITION

Cable television service revenue is recognized in the period in which services are provided to customers. Deferred revenue generally represents revenue billed in advance and deferred until cable service is provided.

PROPERTY AND EQUIPMENT

Additions to property and equipment, including new customer installations, are recorded at cost. Self-constructed fixed assets include materials, labor and overhead. Costs of disconnecting and reconnecting cable service are expensed. Expenditures for maintenance and repairs are charged to expense as incurred. Expenditures for major renewals and improvements are capitalized. Capitalized fixed assets are written down to recoverable values whenever recoverability through operations or sale of the systems becomes doubtful. Gains and losses on disposal of property and equipment are included in the Systems' statements of operations when the assets are sold or retired from service.

Depreciation is computed using the double-declining balance method over the following estimated useful lives:

	YEARS
Cable television plant	5 - 10
Buildings and improvements	10
Furniture and fixtures	3 - 7
Equipment and other	3 - 10

INTANGIBLE ASSETS

The Systems have franchise rights to operate cable television systems in various towns and political subdivisions. Franchise rights are being amortized over the lesser of the remaining franchise lives or the base ten and twelve-year terms of IP-I and ICP-IV, respectively. The remaining lives of the franchises range from one to eighteen years.

Goodwill represents the excess of acquisition costs over the fair value of net tangible and franchise assets acquired and liabilities assumed and is being amortized on a straight-line basis over the base ten or twelve-year term of IP-I and ICP-IV, respectively.

Capitalized intangibles are written down to recoverable values whenever recoverability through operations or sale of the systems becomes doubtful. Each year, the Systems evaluate the recoverability of the carrying value of their intangible assets by assessing whether the projected cash flows, including projected cash flows from sale of the systems, is sufficient to recover the unamortized costs of these assets.

INCOME TAXES

Income taxes reported in InterMedia Cable Systems' combined financial statements represent the tax effects of RMG's results of operations. RMG as a corporation is the only entity within InterMedia Cable Systems which reports a provision/benefit for income taxes. No provision or benefit for income taxes is reported by any of the other cable systems within the InterMedia Cable Systems structure because these systems are currently owned by various partnerships, and, as such, the tax effects of these cable systems' results of operations accrue to the partners.

RMG accounts for income taxes using the asset and liability approach which requires the recognition of deferred tax assets and liabilities for the tax consequences of temporary differences by applying enacted statutory tax rates applicable to future years to differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities.

USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS

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

DISCLOSURES ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying value of receivables, payables, deferred revenue and accrued liabilities approximates fair value due to their short maturity.

In June 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 130, Reporting Comprehensive Income (FAS 130), which establishes standards for reporting and disclosure of comprehensive income and its components. FAS 130 is effective for fiscal years beginning after December 15, 1997 and requires reclassification of financial statements for earlier periods to be provided for comparative purposes. The Systems' total comprehensive loss for all periods presented herein did not differ from those amounts reported as net loss in the combined statement of operations.

INTERMEDIA CABLE SYSTEMS
(COMPRISED OF COMPONENTS OF INTERMEDIA PARTNERS AND
INTERMEDIA CAPITAL PARTNERS IV, L.P.)

NOTES TO COMBINED FINANCIAL STATEMENTS -- (CONTINUED)
(DOLLARS IN THOUSANDS)

3. SALE AND EXCHANGE OF CABLE PROPERTIES

SALE

On December 5, 1997, RMG sold its cable television assets serving approximately 7,400 (unaudited) basic subscribers in and around Royston and Toccoa, Georgia. The sale resulted in a gain, calculated as follows:

Proceeds from sale	$11,212
Net book value of assets sold	(1,206)
Gain on sale	$10,006

EXCHANGE

On December 31, 1998, certain of the Systems' cable television assets located in and around western and eastern Tennessee ("Exchanged Assets"), serving approximately 10,600 (unaudited) basic subscribers, plus cash of $398 were exchanged for other cable television assets located in and around western and eastern Tennessee, serving approximately 10,000 (unaudited) basic subscribers.

The cable television assets received have been recorded at fair market value, allocated as follows:

Property and equipment	$ 5,141
Franchise rights	24,004
Total	$29,145

The exchange resulted in a gain of $26,218 calculated as the difference between the fair value of the assets received and the net book value of the Exchanged Assets less cash paid of $398.

4. INTANGIBLE ASSETS

Intangible assets consist of the following:

	DECEMBER 31,	
	1998	1997
Franchise rights	$ 332,157	$302,308
Goodwill	58,505	58,772
Other	345	6,392
	391,007	367,472
Accumulated amortization	(135,651)	(83,910)
	$ 255,356	$283,562

INTERMEDIA CABLE SYSTEMS
(COMPRISED OF COMPONENTS OF INTERMEDIA PARTNERS AND
INTERMEDIA CAPITAL PARTNERS IV, L.P.)

NOTES TO COMBINED FINANCIAL STATEMENTS -- (CONTINUED)
(DOLLARS IN THOUSANDS)

5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	DECEMBER 31,	
	1998	1997
Land	$ 1,068	$ 1,898
Cable television plant	231,937	138,117
Building and improvements	5,063	4,657
Furniture and fixtures	3,170	2,009
Equipment and other	25,396	21,808
Construction-in-progress	18,065	49,791
	284,699	218,280
Accumulated depreciation	(66,234)	(38,599)
	$218,465	$179,681

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of the following:

	DECEMBER 31,	
	1998	1997
Accounts payable	$ 1,780	$ 2,996
Accrued program costs	1,897	1,577
Accrued franchise fees	4,676	4,167
Accrued copyright fees	406	762
Accrued capital expenditures	5,215	5,179
Accrued payroll costs	1,784	1,789
Accrued property and other taxes	862	1,851
Other accrued liabilities	2,610	2,613
	$19,230	$20,934

7. NOTE PAYABLE TO INTERMEDIA PARTNERS IV, L.P.

RMG's note payable to IP-IV consists of the following:

	DECEMBER 31,	
	1998	1997
Intercompany revolving credit facility, $1,200,000 commitment as of December 31, 1998, interest currently at 6.86% payable on maturity, matures December 31, 2006	$396,579	$387,213

INTERMEDIA CABLE SYSTEMS
(COMPRISED OF COMPONENTS OF INTERMEDIA PARTNERS AND
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NOTES TO COMBINED FINANCIAL STATEMENTS -- (CONTINUED)
(DOLLARS IN THOUSANDS)

RMG's debt is outstanding under an intercompany revolving credit facility executed with IP-IV. The revolving credit facility currently provides for $1,200,000 of available credit.

RMG's intercompany revolving credit facility requires repayment of the outstanding principal and accrued interest on the earlier of (i) December 31, 2006, or (ii) acceleration of any of IP-IV's obligations to repay under its bank debt outstanding under its revolving credit facility ("IP-IV Revolving Credit Facility") and term loan agreement ("IP-IV Term Loan", together with the IP-IV Revolving Credit Facility, the "IP-IV Bank Facility") dated July 30, 1996.

Interest rates under RMG's intercompany revolving credit facility are calculated monthly and are referenced to those made available under the IP-IV Bank Facility. Interest rates ranged from 6.84% to 7.92% during 1998.

Charter has an obligation to assume and repay RMG's intercompany revolving credit facility pursuant to the Charter Transactions.

Advances under the IP-IV Bank Facility are available under interest rate options related to the base rate of the administrative agent for the IP-IV Bank Facility ("ABR") or LIBOR. Effective October 20, 1997, pursuant to an amendment to the IP-IV Bank Facility, interest rates on borrowings under the IP-IV Term Loan vary from LIBOR plus 1.75% to LIBOR plus 2.00% or ABR plus 0.50% to ABR plus 0.75% based on IP-IV's ratio of debt outstanding to annualized quarterly operating cash flow ("Senior Debt Ratio"). Interest rates vary on borrowings under the IP-IV Revolving Credit Facility from LIBOR plus 0.625% to LIBOR plus 1.50% or ABR to ABR plus 0.25% based on IP-IV's Senior Debt Ratio. Prior to the amendment, interest rates on borrowings under the IP-IV Term Loan were at LIBOR plus 2.375% or ABR plus 1.125%; and, interest rates on borrowings under the IP-IV Revolving Credit Facility varied from LIBOR plus 0.75% to LIBOR plus 1.75% or ABR to ABR plus 0.50% based on IP-IV's Senior Debt Ratio. The IP-IV Bank Facility requires quarterly payment of fees on the unused portion of the IP-IV Revolving Credit Facility of 0.375% per annum when the Senior Debt Ratio is greater than 4.0:1.0 and at 0.25% when the Senior Debt Ratio is less than or equal to 4.0:1.0.

The terms and conditions of RMG's intercompany debt agreement are not necessarily indicative of the terms and conditions which would be available if the Systems were a separate legal entity.

8. MANDATORILY REDEEMABLE PREFERRED SHARES

RMG has Redeemable Preferred Stock outstanding at December 31, 1998 and 1997, which has an annual dividend of 10.0% and participates in any dividends paid on the common stock at 10.0% of the dividend per share paid on the common stock. The Redeemable Preferred Stock bears a liquidation preference of $12,000 plus any accrued but unpaid dividends at the time of liquidation and is mandatorily redeemable on September 30, 2006 at the liquidation preference amount. Under the Agreements, upon consummation of the Charter Transactions, Charter has an obligation to redeem RMG's Redeemable Preferred Stock at the liquidation preference amount.

9. RELATED PARTY TRANSACTIONS

ICM and IMI provide certain management services to IP-I and ICP-IV, respectively, for per annum fixed fees, of which 20% per annum is deferred and payable in each following year in order to support InterMedia's debt. Prior to January 1, 1998, ICM-IV provided such management services to ICP-IV. InterMedia's management fees for the years ended December 31, 1998 and 1997 amounted to $5,410, and $6,395, respectively, of which $3,147 and $2,870, respectively, has been charged to the Systems.

IMI has entered into agreements with both IP-I and ICP-IV to provide accounting and administrative services at cost. Under the terms of the agreements, the expenses associated with rendering these services are charged to the Systems and other affiliates based upon relative basic subscriber percentages. Management believes this method to be reflective of the actual cost. During 1998 and 1997, IMI administrative fees charged to the Systems totaled $3,657 and $4,153, respectively. Receivable from affiliates at December 31, 1998 and 1997 includes $52 and $1,080, respectively, of advances to IMI, net of administrative fees charged by IMI and operating expenses paid by IMI on behalf of the Systems.

IP-I is majority-owned, and ICP-IV is owned in part, by Tele-Communications, Inc. ("TCI"). As affiliates of TCI, IP-I and ICP-IV are able to purchase programming services from a subsidiary of TCI. Management believes that the overall programming rates made available through this relationship are lower than the Systems could obtain separately. Such volume rates may not continue to be available in the future should TCI's ownership interest in InterMedia significantly decrease. Program fees charged by the TCI subsidiary to the Systems for the years ended December 31, 1998 and 1997 amounted to $30,884 and $26,815, respectively. Payable to affiliates includes programming fees payable to the TCI subsidiary of $2,918 and $2,335 at December 31, 1998 and 1997, respectively.

On January 1, 1998 an affiliate of TCI entered into agreements with InterMedia to manage the Systems' advertising business and related services for an annual fixed fee per advertising sales subscriber as defined by the agreements. In addition to the annual fixed fee TCI is entitled to varying percentage shares of the incremental growth in annual cash flows from advertising sales above specified targets. Management fees charged by the TCI subsidiary for the year ended December 31, 1998 amount to $292. Receivable from affiliates at December 31, 1998 includes $3,437 of receivable from TCI for advertising sales.

As part of its normal course of business the Systems are involved in transactions with affiliates of InterMedia which own and operate cable television systems. Such transactions include purchases and sales of inventories used in construction of cable plant at cost. Receivable from affiliates at December 31, 1998 and 1997 includes $2,134 and $639,

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(DOLLARS IN THOUSANDS)

respectively, of receivables from affiliated systems. Payable to affiliates at December 31, 1998 and 1997 includes $208 and $181, respectively, of payables to affiliated systems.

10. CABLE TELEVISION REGULATION

Cable television legislation and regulatory proposals under consideration from time to time by Congress and various federal agencies have in the past, and may in the future, materially affect the Systems and the cable television industry.

The cable industry is currently regulated at the federal and local levels under the Cable Act of 1984, the Cable Act of 1992 ("the 1992 Act"), the Telecommunications Act of 1996 (the "1996 Act") and regulations issued by the Federal Communications Commission ("FCC") in response to the 1992 Act. FCC regulations govern the determination of rates charged for basic, expanded basic and certain ancillary services, and cover a number of other areas including customer services and technical performance standards, the required transmission of certain local broadcast stations and the requirement to negotiate retransmission consent from major network and certain local television stations. Among other provisions, the 1996 Act eliminated rate regulation on the expanded basic tier effective March 31, 1999.

Current regulations issued in conjunction with the 1992 Act empower the FCC and/or local franchise authorities to order reductions of existing rates which exceed the maximum permitted levels and to require refunds measured from the date a complaint is filed in some circumstances or retroactively for up to one year in other circumstances. Management believes it has made a fair interpretation of the 1992 Act and related FCC regulations in determining regulated cable television rates and other fees based on the information currently available. However, complaints have been filed with the FCC on rates for certain franchises and certain local franchise authorities have challenged existing and prior rates. Further complaints and challenges could be forthcoming, some of which could apply to revenue recorded in 1998, 1997 and prior years. Management believes that the effect, if any, of these complaints and challenges will not be material to the Systems' financial position or results of operations.

Many aspects of regulation at the federal and local levels are currently the subject of judicial review and administrative proceedings. In addition, the FCC is required to conduct rulemaking proceedings to implement various provisions of the 1996 Act. It is not possible at this time to predict the ultimate outcome of these reviews or proceedings or their effect on the Systems.

11. COMMITMENTS AND CONTINGENCIES

The Systems are committed to provide cable television services under franchise agreements with remaining terms of up to eighteen years. Franchise fees of up to 5% of gross revenues are payable under these agreements.

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(DOLLARS IN THOUSANDS)

Current FCC regulations require that cable television operators obtain permission to retransmit major network and certain local television station signals. The Systems have entered into long-term retransmission agreements with all applicable stations in exchange for in-kind and/or other consideration.

InterMedia has been named in purported and certified class actions in various jurisdictions concerning late fee charges and practices. Certain cable systems owned by InterMedia charge late fees to customers who do not pay their cable bills on time. These late fee cases challenge the amount of the late fees and the practices under which they are imposed. The Plaintiffs raise claims under state consumer protection statutes, other state statutes, and common law. Plaintiffs generally allege that the late fees charged by InterMedia's cable systems, including the Systems in the States of Tennessee, South Carolina and Georgia are not reasonably related to the costs incurred by the cable systems as a result of the late payment. Plaintiffs seek to require cable systems to reduce their late fees on a prospective basis and to provide compensation for alleged excessive late fee charges for past periods. These cases are either at the early stages of the litigation process or are subject to a case management order that sets forth a process leading to mediation. Based upon the facts available management believes that, although no assurances can be given as to the outcome of these actions, the ultimate disposition of these matters should not have a material adverse effect upon the financial condition of the Systems.

Under existing Tennessee laws and regulations, the Systems pay an Amusement Tax in the form of a sales tax on programming service revenues generated in Tennessee in excess of charges for the basic and expanded basic levels of service. Under the existing statute, only the service charges or fees in excess of the charges for the "basic cable" television service package are exempt from the Amusement Tax. Related regulations clarify the definition of basic cable to include two tiers of service, which InterMedia's management and other operators in Tennessee have interpreted to mean both the basic and expanded basic level of services.

The Tennessee Department of Revenue ("TDOR") has proposed legislation which would replace the Amusement Tax under the existing statute with a new sales tax on all cable service revenues in excess of twelve dollars per month. The new tax would be computed at a rate approximately equal to the existing effective tax rate.

Unless InterMedia and other cable operators in Tennessee support the proposed legislation, the TDOR has suggested that it would assess additional taxes on prior years' expanded basic service revenues. The TDOR can issue an assessment for prior periods up to three years. Management estimates that the amount of such an assessment for the Systems, if made for all periods not previously audited, would be approximately $5.4 million. InterMedia's management believes that it is possible but not likely that the TDOR can make such an assessment and prevail in defending it.

InterMedia's management believes it has made a valid interpretation of the current Tennessee statute and regulations and that it has properly determined and paid all sales taxes due. InterMedia further believes that the legislative history of the current statute and

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related regulations, as well as the TDOR's history of not making assessments based on audits of prior periods, support InterMedia's interpretation. InterMedia and other cable operators in Tennessee are aggressively defending their past practices on calculation and payment of the Amusement Tax and are discussing with the TDOR modifications to their proposed legislation which would clarify the statute and would minimize the impact of such legislation on the Systems' results of operations.

The Systems are subject to other claims and litigation in the ordinary course of business. In the opinion of management, the ultimate outcome of any existing litigation or other claims will not have a material effect on the Systems' financial position or results of operations.

The Systems have entered into pole rental agreements and lease certain of its facilities and equipment under non-cancelable operating leases. Minimum rental commitments at December 31, 1998 for the next five years and thereafter under non-cancelable operating leases related to the Systems are as follows:

1999	$155
2000	144
2001	136
2002	35
2003	7
	$477

Rent expense, including pole rental agreements, for the years ended December 31, 1998 and 1997 was $2,817 and $2,828, respectively.

12. INCOME TAXES

Income tax (expense) benefit consists of the following:

	DECEMBER 31,	
	1998	1997
Current federal	$ --	$ (285)
Deferred federal	(1,454)	3,813
Deferred state	(169)	498
	$(1,623)	$4,026

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NOTES TO COMBINED FINANCIAL STATEMENTS -- (CONTINUED)
(DOLLARS IN THOUSANDS)

Deferred income taxes relate to temporary differences as follows:

	DECEMBER 31,	
	1998	1997
Property and equipment	$ (7,258)	$ (6,786)
Intangible assets	(12,930)	(8,336)
	(20,188)	(15,122)
Loss carryforward - federal	31,547	29,058
Loss carryforward - state	297	--
Other	942	285
	$ 12,598	$ 14,221

At December 31, 1998, RMG had net operating loss carryforwards for federal income tax purposes aggregating $92,785, which expire through 2018. RMG is a loss corporation as defined in Section 382 of the Internal Revenue Code. Therefore, if certain substantial changes in RMG's ownership should occur, there could be a significant annual limitation on the amount of loss carryforwards which can be utilized.

InterMedia's management has not established a valuation allowance to reduce the deferred tax assets related to RMG's unexpired net operating loss carryforwards. Due to an excess of appreciated asset value over the tax basis of RMG's net assets, management believes it is more likely than not that the deferred tax assets related to unexpired net operating losses will be realized.

A reconciliation of the tax benefit computed at the statutory federal rate and the tax (expense) benefit reported in the accompanying combined statements of operations is as follows:

	DECEMBER 31,	
	1998	1997
Tax benefit at federal statutory rate	$ 626	$ 4,454
State taxes, net of federal benefit	73	498
Goodwill amortization	(2,309)	(2,056)
Realization of acquired tax benefit	--	346
Other	(13)	784
	$(1,623)	$ 4,026

13. CHANNEL LAUNCH REVENUE

During the years ended December 31, 1998 and 1997, the Systems were credited $2,646 and $5,072, respectively, representing their share of payments received by IP-I and ICP-IV from certain programmers to launch and promote their new channels. Also, during 1998 the Systems recorded a receivable from a programmer, of which $1,791 remains outstanding at December 31, 1998, for the launch and promotion of its new channel. Of

INTERMEDIA CABLE SYSTEMS
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(DOLLARS IN THOUSANDS)

the total amount credited the Systems recognized advertising revenue of $586 and $1,182 during the year ended December 31, 1998 and 1997, respectively, for advertisements provided by the Systems to promote the new channels. The remaining payments and receivable credited from the programmers are being amortized over the respective terms of the program agreements which range between five and ten years. For the years ended December 31, 1998 and 1997, the Systems amortized and recorded as other service revenue $956 and $894 respectively.

14. SUPPLEMENTAL DISCLOSURES TO CONSOLIDATED STATEMENTS OF CASH FLOWS

In connection with RMG's sale of its cable television assets located in Royston and Toccoa, Georgia in December 1997, as described in Note 3 -- "Sale and Exchange of Cable Properties," net cash proceeds received were as follows:

Proceeds from sale	$11,212
Receivable from buyer	(55)
Net proceeds received from buyer	$11,157

In connection with the exchange of certain cable assets in and around western and eastern Tennessee on December 31, 1998, as described in Note 3, the Systems paid cash of $398.

In December 1998, IP-IV contributed its 4.99% partner interest in a limited partnership to RMG. The book value of the investment at the time of the contribution was $1,147.

Total accretion on RMG's Redeemable Preferred Stock for the years ended December 31, 1998 and 1997 amounted to $945 and $882, respectively.

15. EMPLOYEE BENEFIT PLANS

The Systems participate in the InterMedia Partners Tax Deferred Savings Plan which covers all full-time employees who have completed at least six months of employment. The plan provides for a base employee contribution of 1% and a maximum of 15% of compensation. The Systems' matching contributions under the plan are at the rate of 50% of the employee's contribution, up to a maximum of 5% of compensation.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Partners of
Rifkin Cable Income Partners L.P.

In our opinion, the accompanying balance sheet and the related statements of operations, of partners' equity (deficit) and of cash flows present fairly, in all material respects, the financial position of Rifkin Cable Income Partners L.P. (the "Partnership") at December 31, 1997 and 1998, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 1998, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Partnership's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

/s/ PRICEWATERHOUSECOOPERS LLP

Denver, Colorado
March 19, 1999

RIFKIN CABLE INCOME PARTNERS L. P.

BALANCE SHEET

	12/31/97	12/31/98
ASSETS		
Cash and cash equivalents	$ 381,378	$ 65,699
Customer accounts receivable, net of allowance for doubtful accounts of $12,455 in 1997 and $18,278 in 1998	49,585	51,523
Other receivables	123,828	133,278
Prepaid expenses and deposits	81,114	70,675
Property, plant and equipment, at cost:		
Cable television transmission and distribution systems and related equipment	8,536,060	8,758,525
Land, buildings, vehicles and furniture and fixtures	618,671	623,281
	9,154,731	9,381,806
Less accumulated depreciation	(3,847,679)	(4,354,685)
Net property, plant and equipment	5,307,052	5,027,121
Franchise costs and other intangible assets, net of accumulated amortization of $1,819,324 in 1997 and $2,033,405 in 1998	2,005,342	1,772,345
Total assets	$ 7,948,299	$ 7,120,641
LIABILITIES AND PARTNERS' EQUITY		
Accounts payable and accrued liabilities	$ 365,392	$ 396,605
Customer deposits and prepayments	177,307	126,212
Interest payable	58,093	--
Long-term debt	4,914,000	--
Interpartnership debt	--	2,865,426
Total liabilities	5,514,792	3,388,243
Commitments and contingencies (Notes 4 and 8)		
Partners' equity:		
General partner	263,171	822,837
Limited partners	2,170,336	2,909,561
Total partner's equity	2,433,507	3,732,398
Total liabilities and partners' equity	$ 7,948,299	$ 7,120,641

The accompanying notes are an integral part of the financial statements.

RIFKIN CABLE INCOME PARTNERS L.P.

STATEMENT OF OPERATIONS

	YEARS ENDED		
	12/31/96	12/31/97	12/31/98
REVENUE:			
Service	$4,104,841	$4,491,983	$4,790,052
Installation and other	206,044	239,402	345,484
Total revenue	4,310,885	4,731,385	5,135,536
COSTS AND EXPENSES:			
Operating expense	643,950	691,700	671,968
Programming expense	787,124	879,939	1,077,540
Selling, general and administrative expense	683,571	663,903	622,774
Depreciation	535,559	602,863	628,515
Amortization	377,749	332,770	199,854
Management fees	215,544	236,569	256,777
Loss (gain) on disposal of assets	1,530	2,980	(2,138)
Total costs and expenses	3,245,027	3,410,724	3,455,290
Operating income	1,065,858	1,320,661	1,680,246
Interest expense	533,294	448,530	362,439
Net income before extraordinary item	532,564	872,131	1,317,807
Extraordinary item -- Loss on early retirement of debt (Note 1)	--	--	18,916
Net income	$ 532,564	$ 872,131	$1,298,891

The accompanying notes are an integral part of the financial statements.

RIFKIN CABLE INCOME PARTNERS L.P.

STATEMENT OF PARTNERS' EQUITY (DEFICIT)

	GENERAL PARTNER	LIMITED PARTNERS	TOTAL
Partners' equity (deficit), December 31, 1995	$(299,131)	$1,427,630	$1,128,499
Net income	229,471	303,093	532,564
Equity distribution	(42,953)	(56,734)	(99,687)
Partners' equity (deficit), December 31, 1996	(112,613)	1,673,989	1,561,376
Net income	375,784	496,347	872,131
Partners' equity, December 31, 1997	263,171	2,170,336	2,433,507
Net income	559,666	739,225	1,298,891
Partners' equity December 31, 1998	$ 822,837	$2,909,561	$3,732,398

The partners' capital accounts for financial reporting purposes vary from the tax capital accounts.

The accompanying notes are an integral part of the financial statements.

RIFKIN CABLE INCOME PARTNERS L.P.

STATEMENT OF CASH FLOWS

	YEARS ENDED		
	12/31/96	12/31/97	12/31/98
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 532,564	$ 872,131	$ 1,298,891
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	913,308	935,633	828,369
Amortization of deferred loan cost	18,970	18,970	14,228
Loss on early retirement of debt	--	--	18,916
Loss (gain) on disposal of fixed assets	1,530	2,980	(2,138)
Decrease (increase) in customer accounts receivables	521	(5,729)	(1,938)
Increase in other receivables	(45,274)	(56,059)	(9,450)
Decrease in prepaid expense and other	40,737	13,230	10,439
Increase (decrease) in accounts payable and accrued liabilities	(207,035)	61,625	31,213
Increase (decrease) in customer deposits and prepayment	673	(63,524)	(51,095)
Increase (decrease) in interest payable	35,638	(3,145)	(58,093)
Net cash provided by operating activities	1,291,632	1,776,112	2,079,342
CASH FLOWS FROM INVESTING ACTIVITIES:			
Additions to property, plant and equipment	(824,359)	(679,394)	(415,534)
Additions to other intangible assets, net of refranchises	--	(112)	--
Net proceeds from the sale of assets	18,255	57,113	69,087
Sales tax related to Florida assets sold in 1994	(14,694)	--	--
Net cash used in investing activities	(820,798)	(622,393)	(346,447)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from interpartnership debt	--	--	4,265,426
Payments of long-term debt	(715,000)	(871,000)	(4,914,000)
Payments of interpartnership debt	--	--	(1,400,000)
Partners' capital distributions	(99,687)	--	--
Net cash used in financing activities	(814,687)	(871,000)	(2,048,574)
Net increase (decrease) in cash and cash equivalents	(343,853)	282,719	(315,679)
Cash and cash equivalents at beginning of period	442,512	98,659	381,378
Cash and cash equivalents at end of period	$ 98,659	$ 381,378	$ 65,699
SUPPLEMENTAL CASH FLOW INFORMATION:			
Interest paid	$ 455,124	$ 431,722	$ 406,304

The accompanying notes are an integral part of the financial statements.

RIFKIN CABLE INCOME PARTNERS L.P.

NOTES TO FINANCIAL STATEMENTS

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

Rifkin Cable Income Partners L.P. (the "Partnership") was formed in 1986 as a limited partnership under the laws of the State of Delaware. The Partnership owns, operates and develops cable television systems in Missouri and New Mexico. Rifkin Cable Management Partners L.P., an affiliate of Rifkin & Associates, Inc. (Note 3), is the general partner of the Partnership.

The Partnership Agreement (the "Agreement") establishes the respective rights, obligations and interests of the partners. The Agreement provides that net income or loss, certain capital events, and cash distributions (all as defined in the Agreement) are generally allocated 43% to the general partner and 57% to the limited partners.

ACQUISITION BY INTERLINK COMMUNICATIONS PARTNERS, LLLP

During 1998, Interlink Communications Partners, LLLP ("ICP") agreed to purchase all of the interests of the Partnership. ICP acquired the limited partner interests, effective December 31, 1998, and is currently in the process of obtaining the necessary consents to transfer all of the Partnership's franchises to ICP. Once obtained, ICP will then purchase the general partner interest in the Partnership, and the Partnership will, by operation of law, be consolidated into ICP.

REVENUE RECOGNITION

Customer fees are recorded as revenue in the period the service is provided. The cost to acquire the rights to the programming generally is recorded when the product is initially available to be viewed by the customer.

ADVERTISING AND PROMOTION EXPENSES

Advertising and promotion expenses are charged to income during the year in which they are incurred and were not significant for the periods shown.

PROPERTY, PLANT AND EQUIPMENT

Additions to property, plant and equipment are recorded at cost, which in the case of assets constructed includes amounts for material, labor, overhead and capitalized interest, if applicable. Upon sale or retirement of an asset, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is recognized.

Depreciation expense is calculated using the straight-line method over the estimated useful lives of the assets as follows:

Buildings	21-30 years
Cable television transmission and distribution systems and related equipment	3-15 years
Vehicles and furniture and fixtures	3-5 years

FRANCHISE COSTS

Franchise costs are amortized using the straight-line method over the remaining lives of the franchises as of the date they were acquired, ranging from eight to twenty-five years. The carrying value of intangibles is assessed for recoverability by management based on an analysis of undiscounted expected future cash flows. The Partnership's management believes that there has been no impairment thereof as of December 31, 1998.

OTHER INTANGIBLE ASSETS

Loan costs of the Partnership have been deferred and have been amortized to interest expense utilizing the straight-line method over the term of the related debt. Use of the straight-line method approximates the results of the application of the interest method. The net amount remaining at December 31, 1997 was $37,886.

On December 30, 1998, the loan with a financial institution was paid in full (Note 2). The related deferred loan costs and associated accumulated amortization were written off and an extraordinary loss of $18,916 was recorded.

CASH AND CASH EQUIVALENTS

All highly liquid debt instruments purchased with an original maturity of three months or less are considered to be cash equivalents.

INCOME TAXES

No provision for Federal or State income taxes is necessary in the financial statements of the Partnership, because as a partnership, it is not subject to Federal or State income tax as the tax effect of its activities accrues to the partners.

USE OF ESTIMATES

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

NEW ACCOUNTING PRONOUNCEMENT

In April 1998, the Accounting Standards Executive Committee issued Statement of Position (SOP) 98-5 "Reporting on the Costs of Start-Up Activities," which requires the Partnership to expense all start up costs related to opening a new facility, introduction of anew product or service, or conducting business with a new class of customer or in a new territory. This standard is effective for the Partnership's 1999 fiscal year. Management believes that SOP 98-5 will have no material effect on its financial position or the results of operations.

RIFKIN CABLE INCOME PARTNERS L.P.

NOTES TO FINANCIAL STATEMENTS -- (CONTINUED)

RECLASSIFICATION OF FINANCIAL STATEMENT PRESENTATION

Certain reclassifications have been made to the 1996 and 1997 financial statements to conform with the 1998 financial statement presentation.

2. DEBT

The Partnership had a term loan with a financial institution which required varying quarterly payments. At December 31, 1997, the term loan had a balance of $4,914,000. At December 30, 1998, the term loan had a balance of $4,216,875; at that date, the total balance and accrued interest were paid in full.

On that same date, the Partnership obtained a new interpartnership loan with ICP (Note 1). Borrowing under the interpartnership loan, as well as interest and principle payments are due at the discretion of the management of ICP, resulting in no minimum required annual principle payments. The balance of the interpartnership loan at December 31, 1998 was $2,865,426. The effective interest rate at December 31, 1998 was 8.5%.

3. MANAGEMENT AGREEMENT

The Partnership has entered into a management agreement with Rifkin and Associates, Inc. (Rifkin). The management agreement provides that Rifkin shall act as manager of the Partnership's CATV systems, and shall be entitled to annual compensation of 5% of the Partnership's CATV revenues, net of certain CATV programming costs. Effective September 1, 1998, Rifkin conveyed its CATV management business to R & A Management, LLC (RML). The result of this transaction included the conveyance of the Rifkin management agreement (Rifkin Agreement) to RML (RML Agreement). Expenses incurred pursuant to the Rifkin Agreement and the RML Agreement are disclosed in total on the Statement of Operations.

4. COMMITMENTS AND RENTAL EXPENSE

The Partnership leases certain real and personal property under noncancelable operating leases expiring through the year 2001. Future minimum lease payments under such noncancelable leases as of December 31, 1998 are: $30,000 for each year 1999, 2000 and 2001, totaling $90,000.

Total rental expense for the years ended December 31, 1996, 1997 and 1998 was $60,323, $68,593 and $68,776, respectively, including $27,442, $36,822 and $36,716, respectively, relating to cancelable pole rental agreements.

5. RETIREMENT BENEFITS

The Partnership has a 401(k) plan for its employees that have been employed by the Partnership for at least one year. Employees of the Partnership can contribute up to 15% of their salary, on a before-tax basis, with a maximum 1998 contribution of $10,000 (as set by the Internal Revenue Service). The Partnership matches participant contributions up to a maximum of 50% of the first 3% of a participant's salary contributed. All participant contributions and earnings are fully vested upon contribution and Partnership contributions and earnings vest 20% per year of employment with the Partnership, becoming fully vested after five years. The Partnership's matching contributions for the years ended December 31, 1996, 1997 and 1998 were $2,693, $3,653 and $2,680, respectively.

6. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Partnership has a number of financial instruments, none of which are held for trading purposes. The following method and assumptions were used by the Partnership to estimate the fair values of financial instruments as disclosed herein:

Cash and Cash Equivalents, Customer Accounts Receivable, Other Receivables, Accounts Payable and Accrued Liabilities and Customer Deposits and Prepayments: The carrying value amount approximates fair value because of the short period to maturity.

Debt: The carrying value amount approximates the fair value because the Partnership's interpartnership debt was obtained on December 30, 1998.

7. CABLE REREGULATION

Congress enacted the Cable Television Consumer Protection and Competition Act of 1992 (the Cable Act) and has amended it at various times since.

The total effects of the present law are, at this time, still unknown. However, one provision of the present law further redefines a small cable system, and exempts these systems from rate regulation on the upper tiers of cable service. The Partnership is awaiting an FCC rulemaking implementing the present law to determine whether its systems qualify as small cable systems.

8. LITIGATION

The Partnership could possibly be named as defendant in various actions and proceedings arising from the normal course of business. In all such cases, the Partnership will vigorously defend itself against the litigation and, where appropriate, will file counterclaims. Although the eventual outcome of potential lawsuits cannot be predicted, it is management's opinion that any such lawsuit will not result in liabilities that would have a material affect on the Partnership's financial position or results of operations.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Partners of
Rifkin Acquisition Partners, L.L.L.P.

In our opinion, the accompanying consolidated balance sheet and the related consolidated statements of operations, partners' capital (deficit) and cash flows present fairly, in all material respects, the financial position of Rifkin Acquisition Partners, L.L.L.P. and its subsidiaries (the "Company") at December 31, 1998 and 1997, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1998 in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

/s/ PRICEWATERHOUSECOOPERS LLP

Denver, Colorado
March 19, 1999

RIFKIN ACQUISITION PARTNERS, L.L.L.P.

CONSOLIDATED BALANCE SHEET

	12/31/98	12/31/97
ASSETS		
Cash and cash equivalents	$ 2,324,892	$ 1,902,555
Customer accounts receivable, net of allowance for doubtful accounts of $444,839 in 1998 and $425,843 in 1997	1,932,140	1,371,050
Other receivables	5,637,771	4,615,089
Prepaid expenses and other	2,398,528	1,753,257
Property, plant and equipment at cost:		
Cable television transmission and distribution systems and related equipment	149,376,914	131,806,310
Land, buildings, vehicles and furniture and fixtures	7,421,960	7,123,429
	156,798,874	138,929,739
Less accumulated depreciation	(35,226,773)	(26,591,458)
Net property, plant and equipment	121,572,101	112,338,281
Franchise costs and other intangible assets, net of accumulated amortization of $67,857,545 in 1998 and $53,449,637 in 1997	183,438,197	180,059,655
Total assets	$317,303,629	$302,039,887
LIABILITIES AND PARTNERS' CAPITAL		
Accounts payable and accrued liabilities	$ 11,684,594	$ 11,690,894
Customer deposits and prepayments	1,676,900	1,503,449
Interest payable	7,242,954	7,384,509
Deferred tax liability, net	7,942,000	12,138,000
Notes payable	224,575,000	229,500,000
Total liabilities	253,121,448	262,216,852
Commitments and contingencies (Notes 8 and 14)		
Redeemable partners' interests	10,180,400	7,387,360
Partners' capital (deficit):		
General partner	(1,991,018)	(1,885,480)
Limited partners	55,570,041	34,044,912
Preferred equity interest	422,758	276,243
Total partners' capital	54,001,781	32,435,675
Total liabilities and partners' capital	$317,303,629	$302,039,887

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

RIFKIN ACQUISITION PARTNERS, L.L.L.P.

CONSOLIDATED STATEMENT OF OPERATIONS

	YEARS ENDED		
	12/31/98	12/31/97	12/31/96
REVENUE:			
Service	$82,498,638	$ 78,588,503	$ 66,433,321
Installation and other	7,422,675	5,736,412	4,852,124
Total revenue	89,921,313	84,324,915	71,285,445
COSTS AND EXPENSES:			
Operating expense	13,305,376	14,147,031	10,362,671
Programming expense	18,020,812	15,678,977	14,109,527
Selling, general and administrative expense	13,757,090	12,695,176	11,352,870
Depreciation	15,109,327	14,422,631	11,725,246
Amortization	22,104,249	24,208,169	23,572,457
Management fees	3,147,246	2,951,372	2,475,381
Loss on disposal of assets	3,436,739	7,834,968	1,357,180
Total costs and expenses	88,880,839	91,938,324	74,955,332
Operating income (loss)	1,040,474	(7,613,409)	(3,669,887)
Gain from the sale of assets (Note 4)	(42,863,060)	--	--
Interest expense	23,662,248	23,765,239	21,607,174
Income (loss) before income taxes	20,241,286	(31,378,648)	(25,277,061)
Income tax benefit	(4,177,925)	(5,335,000)	(3,645,719)
Net income (loss)	$24,419,211	$(26,043,648)	$(21,631,342)

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

RIFKIN ACQUISITION PARTNERS, L.L.L.P.

CONSOLIDATED STATEMENT OF CASH FLOWS

	YEARS ENDED		
	12/31/98	12/31/97	12/31/96
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss)	$ 24,419,211	$(26,043,648)	$(21,631,342)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization	37,213,576	38,630,800	35,297,703
Amortization of deferred loan costs	989,760	989,760	970,753
Gain on sale of assets (Note 4)	(42,863,060)	--	--
Loss on disposal of fixed assets	3,436,739	7,834,968	1,357,180
Deferred tax benefit	(4,196,000)	(5,335,000)	(3,654,000)
Increase in customer accounts receivables	(300,823)	(186,976)	(117,278)
Increase in other receivables	(474,599)	(1,992,714)	(994,681)
(Increase) decrease in prepaid expenses and other	(684,643)	23,015	(494,252)
Increase in accounts payable and accrued liabilities	34,073	1,753,656	3,245,736
Increase (decrease) in customer deposits and prepayments	(86,648)	231,170	164,824
Increase (decrease) in interest payable	(141,555)	600,248	6,692,988
Net cash provided by operating activities	17,346,031	16,505,279	20,837,631
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisition of cable systems, net (Note 3)	(2,212,958)	(19,359,755)	(71,797,038)
Additions to property, plant and equipment	(26,354,756)	(28,009,253)	(16,896,582)
Additions to cable television franchises, net of retirements	(151,695)	72,162	(1,182,311)
Net proceeds from the sale of cable systems (Note 4)	16,533,564	--	--
Net proceeds from the other sales of assets	247,216	306,890	197,523
Net cash used in investing activities	(11,938,629)	(46,989,956)	(89,678,408)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from isssuance of senior subordinated notes	--	--	125,000,000
Proceeds from long-term bank debt	22,500,000	38,000,000	18,000,000
Deferred loan costs	--	--	(6,090,011)
Payments of long-term bank debt	(27,425,000)	(7,000,000)	(82,000,000)
Partners' capital contributions	--	--	15,000,000
Equity distributions to partners	(60,065)	--	--
Net cash provided by (used in) financing activities	(4,985,065)	31,000,000	69,909,989
Net increase in cash	422,337	515,323	1,069,212
Cash and cash equivalents at beginning of period	1,902,555	1,387,232	318,020
Cash and cash equivalents at end of period	$ 2,324,892	$ 1,902,555	$ 1,387,232
SUPPLEMENTAL CASH FLOW INFORMATION:			
Interest paid	$ 22,737,443	$ 22,098,732	$ 13,866,995
Noncash investing activities:			
Proceeds from the sale of Michigan assets held in escrow	$ 500,000	$ --	$ --
Trade value related to the trade sale of Tennessee assets	$ 46,668,000	$ --	$ --
Trade value related to trade acquisition of Tennessee assets	$(46,668,000)	$ --	$ --

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

RIFKIN ACQUISITION PARTNERS, L.L.L.P.

CONSOLIDATED STATEMENT OF PARTNERS' CAPITAL (DEFICIT)

	PREFERRED EQUITY INTEREST	GENERAL PARTNER	LIMITED PARTNERS	TOTAL
Partners' capital (deficit) at December 31, 1995.....	$ 562,293	$(1,085,311)	$ 69,421,043	$ 68,898,025
Partners' capital contributions............	--	150,000	14,850,000	15,000,000
Accretion of redeemable partners' interest.......	--	(157,730)	(1,104,110)	(1,261,840)
Net loss...................	(129,788)	(216,313)	(21,285,241)	(21,631,342)
Partners' capital (deficit) at December 31, 1996.....	432,505	(1,309,354)	61,881,692	61,004,843
Accretion of redeemable partners' interest.......	--	(315,690)	(2,209,830)	(2,525,520)
Net loss...................	(156,262)	(260,436)	(25,626,950)	(26,043,648)
Partners' capital (deficit) at December 31, 1997.....	276,243	(1,885,480)	34,044,912	32,435,675
Accretion of redeemable partners' interest.......	--	(349,130)	(2,443,910)	(2,793,040)
Net income.................	146,515	244,192	24,028,504	24,419,211
Partners' equity distribution.............	--	(600)	(59,465)	(60,065)
Partners' capital (deficit) at December 31, 1998.....	$ 422,758	$(1,991,018)	$ 55,570,041	$ 54,001,781

The Partners' capital accounts for financial reporting purposes vary from the tax capital accounts.

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

RIFKIN ACQUISITION PARTNERS, L.L.L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

GENERAL INFORMATION

Rifkin Acquisition Partners, L.L.L.P. ("the Partnership") was formed pursuant to the laws of the State of Colorado. The Partnership and its subsidiaries are hereinafter referred to on a consolidated basis as the "Company." The Company owns, operates, and develops cable television systems in Georgia, Tennessee, and Illinois. Rifkin Acquisition Management, L.P., an affiliate of Rifkin & Associates, Inc. (Note 7), is the general partner of the Partnership ("General Partner").

The Partnership operates under a limited liability limited partnership agreement (the "Partnership Agreement") which establishes contribution requirements, enumerates the rights and responsibilities of the partners and advisory committee, provides for allocations of income, losses and distributions, and defines certain items relating thereto. The Partnership Agreement provides that net income or loss, certain defined capital events, and cash distributions, all as defined in the Partnership Agreement, are generally allocated 99% to the limited partners and 1% to the general partner.

BASIS OF PRESENTATION

The consolidated financial statements include the accounts of the following entities:

- Rifkin Acquisition Partners, L.L.L.P.	- Cable Equities of Colorado, Ltd. (CEC)
- Cable Equities of Colorado Management Corp. (CEM)	- Cable Equities, Inc. (CEI)
	- Rifkin Acquisition Capital Corp. (RACC)

The financial statements for 1997 and 1996 also included the following entities:

- Rifkin/Tennessee, Ltd. (RTL)	- FNI Management Corp. (FNI)

Effective January 1, 1998, both the RTL and FNI entities were dissolved and the assets were transferred to the Partnership.

All significant intercompany accounts and transactions have been eliminated.

REVENUE AND PROGRAMMING

Customer fees are recorded as revenue in the period the service is provided. The cost to acquire the rights to the programming generally is recorded when the product is initially available to be viewed by the customer.

ADVERTISING AND PROMOTION EXPENSES

Advertising and promotion expenses are charged to income during the year in which they are incurred and were not significant for the periods shown.

PROPERTY, PLANT AND EQUIPMENT

Additions to property, plant and equipment are recorded at cost, which in the case of assets constructed, includes amounts for material, labor, overhead and interest, if applicable. Upon sale or retirement of an asset, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is recognized. Capitalized interest was not significant for the periods shown.

Depreciation expense is calculated using the straight-line method over the estimated useful lives of the assets as follows:

Buildings...	27-30 years
Cable television transmission and distribution systems and related equipment....................	3-15 years
Vehicles and furniture and fixtures................	3-5 years

Expenditures for maintenance and repairs are expensed as incurred.

FRANCHISE COSTS

Franchise costs are amortized using the straight-line method over the remaining lives of the franchises as of the date they were acquired, ranging from one to twenty years. The carrying value of franchise costs is assessed for recoverability by management based on an analysis of undiscounted future expected cash flows from the underlying operations of the Company. Management believes that there has been no impairment thereof as of December 31, 1998.

OTHER INTANGIBLE ASSETS

Certain loan costs have been deferred and are amortized to interest expense utilizing the straight-line method over the remaining term of the related debt. Use of the straight-line method approximates the results of the application of the interest method. The net amounts remaining at December 31, 1998 and 1997 were $6,176,690 and $7,166,450, respectively.

CASH AND CASH EQUIVALENTS

All highly liquid debt instruments purchased with an original maturity of three months or less are considered to be cash equivalents.

REDEEMABLE PARTNERS' INTERESTS

The Partnership Agreement provides that if a certain partner dies or becomes disabled, that partner (or his personal representative) shall have the option, exercisable by notice given to the partners at any time within 270 days after his death or disability (except that if that partner dies or becomes disabled prior to August 31, 2000, the option may not be exercised until August 31, 2000 and then by notice by that partner or his personal representative given to the partners within 270 days after August 31, 2000) to sell, and require the General Partner and certain trusts controlled by that partner to sell, and the Partnership to purchase, up to 50% of the partnership interests owned by any of such partners and certain current and former members of management of Rifkin & Associates, Inc. that requests to sell their interest, for a purchase price equal to the fair market value of those interests determined by appraisal in accordance with the Partnership Agreement. Accordingly, the current fair value of such partnership interests have been reclassified outside of partners' capital.

RIFKIN ACQUISITION PARTNERS, L.L.L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

USE OF ESTIMATES

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

NEW ACCOUNTING PRONOUNCEMENT

In April 1998, the Accounting Standards Executive Committee issued Statement of Position (SOP) 98-5 "Reporting on the Costs of Start-Up Activities," which requires the Partnership to expense all start up costs related to organizing a new business. This new standard also includes one-time activities related to opening a new facility, introduction of a new product or service, or conducting business with a new class of customer or in a new territory. This standard is effective for the Partnership's 1999 fiscal year. Management believes that SOP 98-5 will have no material effect on its financial position or the results of operations.

RECLASSIFICATION OF FINANCIAL STATEMENT PRESENTATION

Certain reclassifications have been made to the 1997 and 1996 financial statements to conform with the 1998 financial statement presentation. Such reclassification had no effect on the net loss as previously stated.

2. SUBSEQUENT EVENT

On February 12, 1999, the Company signed a letter of intent for the partners to sell all of their partnership interests to Charter Communications ("Charter"). The Company and Charter are expected to sign a purchase agreement and complete the sale during the third quarter of 1999.

3. ACQUISITION OF CABLE PROPERTIES

1998 ACQUISITIONS

At various times during the second half of 1998, the Company completed three separate acquisitions of cable operating assets. Two of the acquisitions serve communities in Gwinnett County, Georgia (the "Georgia Systems"). These acquisitions were accounted for using the purchase method of accounting.

The third acquisition resulted from a trade of the Company's systems serving the communities of Paris and Piney Flats, Tennessee for the operating assets of another cable operator serving primarily the communities of Lewisburg and Crossville, Tennessee (the "Tennessee Trade"). The trade was for cable systems that are similar in size and was accounted for based on fair market value. Fair market value was established at $3,000 per customer relinquished, which was based on recent sales transactions of similar cable systems. The transaction included the payment of approximately $719,000, net, of additional cash (Note 4).

The combined purchase price was allocated based on estimated fair values from an independent appraisal to property, plant and equipment and franchise cost as follows (dollars in thousands):

	GEORGIA SYSTEMS	TENNESSEE TRADE	TOTAL
Fair value of assets relinquished (Note 4)	$ --	$46,668	$46,668
Cash paid	1,392	719	2,111
Acquisition Costs (appraisal, transfer fees and direct costs)	26	76	102
Total acquisition cost	$1,418	$47,463	$48,881
Allocation:			
Current assets	$ (2)	$ 447	$ 445
Current liabilities	(1)	(397)	(398)
Property, plant and equipment	333	11,811	12,144
Franchise Cost	1,088	35,602	36,690
Total cost allocated	$1,418	$47,463	$48,881

The fair value of assets relinquished from the Tennessee Trade was treated as a noncash transaction on the Consolidated Statement of Cash Flows. The cash acquisition costs were funded by proceeds from the Company's reducing revolving loan with a financial institution.

The following combined pro forma information presents a summary of consolidated results of operations for the Company as if the Tennessee Trade acquisitions had occurred at the beginning of 1997, with pro forma adjustments to show the effect on depreciation and amortization for the acquired assets, management fees on additional revenues and interest expense on additional debt (dollars in thousands):

	YEARS ENDED	
	12/31/98	12/31/97
		(UNAUDITED)
Total revenues	$89,921	$ 84,325
Net income (loss)	19,447	(29,631)

The pro forma financial information is not necessarily indicative of the operating results that would have occurred had the Tennessee Trade actually been acquired on January 1, 1997.

1997 ACQUISITIONS

On April 1, 1997, the Company acquired the cable operating assets of two cable systems serving the Tennessee communities of Shelbyville and Manchester (the "Manchester Systems"), for an aggregate purchase price of approximately $19.7 million of which $495,000 was paid as escrow in 1996. The acquisition was accounted for using the purchase method of accounting, and was funded by proceeds from the Company's reducing revolving loan with a financial institution. No pro forma information giving the effect of the acquisitions is shown due to the results being immaterial.

1996 ACQUISITIONS

On March 1, 1996, the Company acquired certain cable operating assets ("Mid-Tennessee Systems") from Mid-Tennessee CATV, L.P., and on April 1, 1996 acquired the cable operating assets ("RCT Systems") from Rifkin Cablevision of Tennessee, Ltd. Both Mid-Tennessee CATV, L.P. and Rifkin Cablevision of Tennessee, Ltd. were affiliates of the General Partner. The acquisition costs were funded by $15 million of additional partner contributions and the remainder from a portion of the proceeds received from the issuance of $125 million of 11 1/8% Senior Subordinated Notes due 2006 (see Note 6).

The acquisitions were recorded using the purchase method of accounting. The results of operations of the Mid-Tennessee Systems have been included in the consolidated financial statements since March 1, 1996, and the results of the RCT Systems have been included in the consolidated financial statements since April 1, 1996. The combined purchase price was allocated based on estimated fair values from an independent appraisal to property, plant and equipment and franchise cost as follows (dollars in thousands):

Cash paid, net of acquired cash	$71,582
Acquisition costs (appraisal, transfer fees, and direct costs)	215
Total acquisition cost	$71,797
Allocation:	
Current assets	$ 624
Current liabilities	(969)
Property, plant and equipment	24,033
Franchise cost and other intangible assets	48,109
Total cost allocated	$71,797

The following combined pro forma information presents a summary of consolidated results of operations for the Company as if the Mid-Tennessee Systems and the RCT Systems acquisitions had occurred at the beginning of 1996, with pro forma adjustments to show the effect on depreciation and amortization for the acquired assets, management fees on additional revenues and interest expense on additional debt (dollars in thousands):

	YEAR ENDED 12/31/96 (UNAUDITED)
Total revenues	$ 74,346
Net loss	(22,558)

The pro forma financial information is not necessarily indicative of the operating results that would have occurred had the Mid-Tennessee Systems and the RCT Systems actually been acquired on January 1, 1996.

RIFKIN ACQUISITION PARTNERS, L.L.L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

4. SALE OF ASSETS

On February 4, 1998, the Company sold all of its operating assets in the state of Michigan (the "Michigan Sale") to another cable operator for cash. In addition, on December 31, 1998, the Company traded certain cable systems in Tennessee (the "Tennessee Trade") for similar-sized cable systems (Note 3). Both sales resulted in a gain recognized by the Company as follows (dollars in thousands):

	MICHIGAN SALE	TENNESSEE TRADE	TOTAL
Fair value of assets relinquished......	$ --	$46,668	$46,668
Original cash proceeds.................	16,931	--	16,931
Adjustments for value of assets and liabilities assumed..................	120	(17)	103
Net proceeds...........................	17,051	46,651	63,702
Net book value of assets sold..........	11,061	9,778	20,839
Net gain from sale.....................	$ 5,990	$36,873	$42,863

The Michigan Sale proceeds amount includes $500,000 that is currently being held in escrow. This amount and the fair value of assets relinquished, related to the Tennessee Trade, were both treated as noncash transactions on the Consolidated Statement of Cash Flows.

The cash proceeds from the Michigan Sale were used by the Company to reduce its revolving and term loans with a financial institution.

5. INCOME TAXES

Although the Partnership is not a taxable entity, two corporations (the "subsidiaries") are included in the consolidated financial statements. These subsidiaries are required to pay taxes on their taxable income, if any.

RIFKIN ACQUISITION PARTNERS, L.L.L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

The following represents a reconciliation of pre-tax losses as reported in accordance with generally accepted accounting principles and the losses attributable to the partners and included in their individual income tax returns:

	YEAR ENDED 12/31/98	YEAR ENDED 12/31/97	YEAR ENDED 12/31/96
Pre-tax income (loss) as reported	$ 20,241,286	$(31,378,648)	$(25,277,061)
(Increase) decrease due to:			
Separately taxed book results of corporate subsidiaries	9,397,000	15,512,000	9,716,000
Effect of different depreciation and amortization methods for tax and book purposes	(1,360,000)	(2,973,000)	(3,833,000)
Additional tax gain from the sale of Michigan(Note 4)	2,068,000	--	--
Book gain from trade sale of Tennessee assets(Note 4)	(36,873,000)	--	--
Additional tax loss from dissolution of FNI stock	(7,235,000)	--	--
Other	81,714	(45,052)	(22,539)
Tax loss attributed to the partners	$(13,680,000)	$(18,884,700)	$(19,416,600)

The Company accounts for income taxes under the liability method. Under this method, deferred tax assets and liabilities are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse.

As a result of a change in control in 1995, the book value of the Company's net assets was increased to reflect their fair market value. In connection with this revaluation, a deferred income tax liability in the amount of $22,801,000 was established to provide for future taxes payable on the revised valuation of the net assets. A deferred tax benefit of $4,196,000, $5,335,000 and $3,654,000 was recognized for the years ended December 31, 1998, 1997 and 1996, respectively, reducing the liability to $7,942,000.

Deferred tax assets (liabilities) were comprised of the following at December 31, 1998 and 1997:

	12/31/98	12/31/97
Deferred tax assets resulting from loss carryforwards	$ 11,458,000	$ 9,499,000
Deferred tax liabilities resulting from depreciation and amortization	(19,400,000)	(21,637,000)
Net deferred tax liability	$ (7,942,000)	$(12,138,000)

RIFKIN ACQUISITION PARTNERS, L.L.L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

As of December 31, 1998 and 1997, the subsidiaries have net operating loss carryforwards ("NOLs") for income tax purposes of $30,317,000 and $25,264,000, respectively, substantially all of which are limited. The NOLs will expire at various times between the years 2000 and 2013.

In 1998, one of the corporate entities was dissolved. The existing NOL's were used to offset taxable income down to $87,751, resulting in a current tax for 1998 of $18,075.

Under the Internal Revenue Code of 1986, as amended (the "Code"), the subsidiaries generally would be entitled to reduce their future federal income tax liabilities by carrying the unused NOLs forward for a period of 15 years to offset their future income taxes. The subsidiaries' ability to utilize any NOLs in future years may be restricted, however, in the event the subsidiaries undergo an "ownership change" as defined in Section 382 of the Code. In the event of an ownership change, the amount of NOLs attributable to the period prior to the ownership change that may be used to offset taxable income in any year thereafter generally may not exceed the fair market value of the subsidiary immediately before the ownership change (subject to certain adjustments) multiplied by the applicable long-term, tax exempt rate published by the Internal Revenue Service for the date of the ownership change. Two of the subsidiaries underwent an ownership change on September 1, 1995 pursuant to Section 382 of the Code. As such, the NOLs of the subsidiaries are subject to limitation from that date forward. It is the opinion of management that the NOLs will be released from this limitation prior to their expiration dates and, as such, have not been limited in their calculation of deferred taxes.

The provision for income tax expense (benefit) differs from the amount which would be computed by applying the statutory federal income tax rate of 35% to pre-tax income before extraordinary loss as a result of the following:

	YEARS ENDED		
	12/31/98	12/31/97	12/31/96
Tax expense (benefit) computed at statutory rate	$ 7,084,450	$(10,982,527)	$(8,846,971)
Increase (decrease) due to:			
Tax benefit (expense) for non-corporate loss	(10,373,252)	5,900,546	5,446,721
Permanent differences between financial statement income and taxable income	(36,200)	84,500	48,270
State income tax	(247,000)	(377,500)	(252,590)
Tax benefit from dissolved corporation	(148,925)	--	--
Other	(456,998)	39,981	(41,149)
Income Tax Benefit	$ (4,177,925)	$ (5,335,000)	$(3,645,719)

6. NOTES PAYABLE

Debt consisted of the following:

	DECEMBER 31, 1998	DECEMBER 31, 1997
Senior Subordinated Notes.........	$125,000,000	$125,000,000
Tranche A Term Loan...............	21,575,000	25,000,000
Tranche B Term Loan...............	40,000,000	40,000,000
Reducing Revolving Loan...........	35,000,000	36,500,000
Senior Subordinated Debt..........	3,000,000	3,000,000
	$224,575,000	$229,500,000

The Notes and loans are collateralized by substantially all of the assets of the Company.

On January 26, 1996, the Company and its wholly-owned subsidiary, RACC (the "Issuers"), co-issued $125,000,000 of 11 1/8% Senior Subordinated Notes (the "Notes") to institutional investors. These notes were subsequently exchanged on June 18, 1996 for publicly registered notes with identical terms. Interest on the Notes is payable semi-annually on January 15 and July 15 of each year. The Notes, which mature on January 15, 2006, can be redeemed in whole or in part, at the Issuers' option, at any time on or after January 15, 2001, at redeemable prices contained in the Notes plus accrued interest. In addition, at any time on or prior to January 15, 1999, the Issuers, at their option, may redeem up to 25% of the principle amount of the Notes issued to institutional investors of not less than $25,000,000. At December 31, 1998 and 1997, all of the Notes were outstanding (see also Note 10).

The Company has a $25,000,000 Tranche A term loan with a financial institution. This loan requires quarterly payments of $1,875,000 plus interest commencing on March 31, 2000. Any unpaid balance is due March 31, 2003. The agreement requires that what it defines as excess proceeds from the sale of a cable system be used to retire Tranche A term debt. As a result of the Michigan sale (Note 4), there was $3,425,000 of excess proceeds used to pay principal in 1998. The interest rate on the Tranche A term loan is either the bank's prime rate plus .25% to 1.75% or LIBOR plus 1.5% to 2.75%.

The specific rate is dependent upon the senior funded debt ratio which is recalculated quarterly. The weighted average effective interest rate at December 31, 1998 and 1997 was 7.59% and 8.24%, respectively.

In addition, the Company has a $40,000,000 Tranche B term loan, which requires principal payments of $2,000,000 on March 31, 2002, $18,000,000 on March 31, 2003, and $20,000,000 on March 31, 2004. The Tranche B term loan bears an interest rate of 9.75% and is payable quarterly.

The Company also has a reducing revolving loan providing for borrowing up to $20,000,000 at the Company's discretion, subject to certain restrictions, and an additional $60,000,000 available to finance acquisitions subject to certain restrictions. On March 4,

RIFKIN ACQUISITION PARTNERS, L.L.L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

1998, the reducing revolving loan agreement was amended to revise the scheduled reduction in revolving commitments. The additional financing amounts available at December 31, 1998 and 1997 were $45,000,000 and $52,500,000, respectively. At December 31, 1998, the full $20,000,000 available had been borrowed, and $15,000,000 had been drawn against the $45,000,000 commitment. At December 31, 1997, the full $20,000,000 available had been borrowed, and $16,500,000 had been drawn against the $52,500,000 commitment. The amount available for borrowing will decrease annually during its term with changes over the four years following December 31, 1998 as follows: 1999 -- $2,500,000 reduction per quarter, and 2000 through 2002 -- $3,625,000 per quarter. Any unpaid balance is due on March 31, 2003. The revolving loan bears an interest rate of either the bank's prime rate plus .25% to 1.75% or LIBOR plus 1.5% to 2.75%. The specific rate is dependent upon the senior funded debt ratio which is recalculated quarterly. The weighted average effective interest rates at December 31, 1998 and 1997 was 8.08% and 8.29%, respectively. The reducing revolving loan includes a commitment fee of 1/2% per annum on the unborrowed balance.

Certain mandatory prepayments may also be required, commencing in fiscal 1997, on the Tranche A term loan, the Tranche B term loan, and the reducing revolving credit based on the Company's cash flow calculations, proceeds from the sale of a cable system or equity contributions. Based on the 1998 calculation and the Michigan sale, $3,425,000 of prepayments were required. Optional prepayments are allowed, subject to certain restrictions. The related loan agreement contains covenants limiting additional indebtedness, dispositions of assets, investments in securities, distribution to partners, management fees and capital expenditures. In addition, the Company must maintain certain financial levels and ratios. At December 31, 1998, the Company was in compliance with these covenants.

The Company also has $3,000,000 of senior subordinated debt payable to a Rifkin Partner. The debt has a scheduled maturity, interest rate and interest payment schedule identical to that of the Notes, as discussed above.

Based on the outstanding debt as of December 31, 1998, the minimum aggregate maturities for the five years following 1998 are none in 1999, $7,500,000 in 2000, $16,500,000 in 2001, $23,075,000 in 2002 and $29,500,000 in 2003.

7. RELATED PARTY TRANSACTIONS

The Company entered into a management agreement with Rifkin & Associates, Inc. (Rifkin). The management agreement provides that Rifkin will act as manager of the Company's CATV systems and be entitled to annual compensation of 3.5% of the Company's revenue. Effective September 1, 1998, Rifkin conveyed its CATV management business to R & A Management, LLC (RML). The result of this transaction included the conveyance of the Rifkin management agreement (Rifkin Agreement) to RML (RML Agreement). Expenses incurred pursuant to the Rifkin Agreement and the RML Agreement are disclosed in total on the Consolidated Statement of Operations.

The Company is associated with a company to purchase certain cable television programming at a discount. Rifkin acted as the agent and held the deposit funds required for the Company to participate.

Effective September 1, 1998, Rifkin conveyed this contract and deposit amount to RML. The deposit amount recorded at December 31, 1998 and 1997 was $2,139,274 and $1,225,274, respectively. The Company subsequently received $1,225,274 of the December 31, 1998 balance.

The Company paid approximately $550,000 to a law firm in connection with the public offering in 1996. A partner of this law firm is a relative of one of the Company's partners.

8. COMMITMENTS AND RENTAL EXPENSE

The Company leases certain real and personal property under noncancelable operating leases expiring through the year 2007. Future minimum lease payments under such noncancelable leases as of December 31, 1998 are: $316,091 in 1999; $249,179 in 2000; $225,768 in 2001; $222,669 in 2002; and $139,910 in 2003; and $344,153 thereafter, totaling $1,497,770.

Total rental expense and the amount included therein which pertains to cancelable pole rental agreements were as follows for the periods indicated:

PERIOD	TOTAL RENTAL EXPENSE	CANCELABLE POLE RENTAL EXPENSE
Year Ended December 31, 1998..........	$1,592,080	$1,109,544
Year Ended December 31, 1997..........	$1,577,743	$1,061,722
Year Ended December 31, 1996..........	$1,294,084	$ 874,778

9. COMPENSATION PLANS AND RETIREMENT PLANS

EQUITY INCENTIVE PLAN

In 1996, the Company implemented an Equity Incentive Plan (the "Plan") in which certain Rifkin & Associates' executive officers and key employees, and certain key employees of the Company are eligible to participate. Plan participants in the aggregate, have the right to receive (i) cash payments of up to 2.0% of the aggregate value of all partnership interests of the Company (the "Maximum Incentive Percentage"), based upon the achievement of certain annual Operating Cash Flow (as defined in the Plan) targets for the Company for each of the calendar years 1996 through 2000, and (ii) an additional cash payment equal to up to 0.5% of the aggregate value of all partnership interests of the Company (the "Additional Incentive Percentage"), based upon the achievement of certain cumulative Operating Cash Flow targets for the Company for the five-year period ended December 31, 2000. Subject to the achievement of such annual targets and the satisfaction of certain other criteria based on the Company's operating performance, up to 20% of the Maximum Incentive Percentage will vest in each such year; provided, that in certain events vesting may accelerate. Payments under the Plan are subject to certain restrictive covenants contained in the Notes.

No amounts are payable under the Plan except upon (i) the sale of substantially all of the assets or partnership interests of the Company or (ii) termination of a Plan participant's employment with Rifkin & Associates or the Company, as applicable, due to

RIFKIN ACQUISITION PARTNERS, L.L.L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

(a) the decision of the Advisory Committee to terminate such participant's employment due to disability, (b) the retirement of such participant with the Advisory Committee's approval or (c) the death of such Participant. The value of amounts payable pursuant to clause (i) above will be based upon the aggregate net proceeds received by the holders of all of the partnership interests in the Company, as determined by the Advisory Committee, and the amounts payable pursuant to clause (ii) above will be based upon the Enterprise Value determined at the time of such payment. For purposes of the Plan, Enterprise Value generally is defined as Operating Cash Flow for the immediately preceding calendar year times a specified multiple and adjusted based on the Company's working capital.

The amount expensed for the years ended December 31, 1998, 1997 and 1996 relating to this plan were $1,119,996, $859,992 and $660,000, respectively.

RETIREMENT BENEFITS

The Company has a 401(k) plan for employees that have been employed by the Company for at least one year. Employees of the Company can contribute up to 15% of their salary, on a before-tax basis, with a maximum 1998 contribution of $10,000 (as set by the Internal Revenue Service). The Company matches participant contributions up to a maximum of 50% of the first 3% of a participant's salary contributed. All participant contributions and earnings are fully vested upon contribution and Company contributions and earnings vest 20% per year of employment with the Company, becoming fully vested after five years. The Company's matching contributions for the years ended December 31, 1998, 1997 and 1996 were $50,335, $72,707 and $42,636, respectively.

10. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company has a number of financial instruments, none of which are held for trading purposes. The following method and assumptions were used by the Company to estimate the fair values of financial instruments as disclosed herein:

Cash and Cash Equivalents, Customer Accounts Receivable, Other Receivables, Accounts Payable and Accrued Liabilities and Customer Deposits and Prepayments: The carrying value amount approximates fair value because of the short period to maturity.

Debt: The fair value of bank debt is estimated based on interest rates for the same or similar debt offered to the Company having the same or similar remaining maturities and collateral requirements. The fair value of public Senior Subordinated Notes is based on the market quoted trading value. The fair value of the Company's debt is estimated at $236,137,500 and is carried on the balance sheet at $224,575,000.

11. CABLE REREGULATION

Congress enacted the Cable Television Consumer Protection and Competition Act of 1992 (the Cable Act) and has amended it at various times since.

The total effects of the present law are, at this time, still unknown. However, one provision of the present law further redefines a small cable system, and exempts these systems from rate regulation on the upper tiers of cable service. The Partnership is awaiting an FCC rulemaking implementing the present law to determine whether its systems qualify as small cable systems.

12. SUMMARIZED FINANCIAL INFORMATION

CEM, CEI and CEC (collective, the "Guarantors") are all wholly-owned subsidiaries of the Company and, together with RACC, constitute all of the Partnership's direct and indirect subsidiaries. As discussed in Note 1, RTL and FNI were dissolved on January 1, 1998 and the assets were transferred to the Company, however, prior thereto, RTL and FNI, as wholly-owned subsidiaries of the Company, were Guarantors. Each of the Guarantors provides a full, unconditional, joint and several guaranty of the obligations under the Notes discussed in Note 6. Separate financial statements of the Guarantors are not presented because management has determined that they would not be material to investors.

The following tables present summarized financial information of the Guarantors on a combined basis as of December 31, 1998 and 1997 and for the years ended December 31, 1998, and 1997 and 1996.

BALANCE SHEET	12/31/98	12/31/97
Cash	$ 373,543	$ 780,368
Accounts and other receivables, net	3,125,830	3,012,571
Prepaid expenses	791,492	970,154
Property, plant and equipment net	48,614,536	66,509,120
Franchise costs and other intangible assets, net	56,965,148	103,293,631
Accounts payable and accrued liabilities	22,843,354	18,040,588
Other liabilities	980,536	1,122,404
Deferred taxes payable	7,942,000	12,138,000
Notes payable	140,050,373	167,200,500
Equity (deficit)	(61,945,714)	(23,935,648)

STATEMENTS OF OPERATIONS	YEAR ENDED 12/31/98	YEAR ENDED 12/31/97	YEAR ENDED 12/31/96
Total revenue	$ 29,845,826	$ 47,523,592	$ 42,845,044
Total costs and expenses	(31,190,388)	(53,049,962)	(43,578,178)
Interest expense	(14,398,939)	(17,868,497)	(16,238,221)
Income tax benefit	4,177,925	5,335,000	3,645,719
Net loss	$(11,565,576)	$(18,059,867)	$(13,325,636)

RIFKIN ACQUISITION PARTNERS, L.L.L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

13. QUARTERLY INFORMATION (UNAUDITED)

The following interim financial information of the Company presents the 1998 and 1997 consolidated results of operations on a quarterly basis (in thousands):

	QUARTERS ENDED 1998			
	MARCH 31(A)	JUNE 30	SEPT. 30	DEC. 31(B)
Revenue	$22,006	$22,296	$22,335	$23,284
Operating income (loss)	295	511	(1,522)	1,756
Net income (loss)	1,437	(4,458)	(5,907)	33,347

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(a) First quarter includes a $5,900 gain from the sale of Michigan assets (Note 4).

(b) Fourth quarter includes a $36,873 gain from the trade sale of certain Tennessee assets (Note 4).

	QUARTERS ENDED 1997			
	MARCH 31	JUNE 30	SEPT. 30	DEC. 31
Revenue	$19,337	$21,331	$21,458	$22,199
Operating loss	(1,220)	(2,818)	(2,777)	(798)
Net loss	(5,998)	(6,890)	(8,127)	(5,029)

14. LITIGATION

The Company could possibly be named as defendant in various actions and proceedings arising from the normal course of business. In all such cases, the Company will vigorously defend itself against the litigation and, where appropriate, will file counterclaims. Although the eventual outcome of potential lawsuits cannot be predicted, it is management's opinion that any such lawsuit will not result in liabilities that would have a material affect on the Company's financial position or results of operations.

REPORT OF INDEPENDENT AUDITORS

The Partners
Indiana Cable Associates, Ltd.

We have audited the accompanying balance sheet of Indiana Cable Associates, Ltd. as of December 31, 1997 and 1998, and the related statements of operations, partners' deficit and cash flows for the years ended December 31, 1996, 1997 and 1998. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Indiana Cable Associates, Ltd. at December 31, 1997 and 1998, and the results of its operations and its cash flows for the years ended December 31, 1996, 1997 and 1998 in conformity with generally accepted accounting principles.

/s/ Ernst & Young LLP

Denver, Colorado
February 19, 1999

INDIANA CABLE ASSOCIATES, LTD.

BALANCE SHEET
DECEMBER 31, 1997 AND 1998

	1997	1998
ASSETS (PLEDGED)		
Cash and cash equivalents	$ 82,684	$ 108,619
Customer accounts receivable, less allowance for doubtful accounts of $18,311 in 1997 and $24,729 in 1998	87,154	85,795
Other receivables	257,236	295,023
Prepaid expenses and deposits	172,614	152,575
Property, plant and equipment, at cost:		
Buildings	78,740	91,682
Transmission and distribution systems and related equipment	10,174,650	11,336,892
Office furniture and equipment	144,137	161,327
Spare parts and construction inventory	435,554	742,022
	10,833,081	12,331,923
Less accumulated depreciation	7,624,570	8,008,158
Net property, plant and equipment	3,208,511	4,323,765
Other assets, at cost less accumulated amortization (Note 3)	5,817,422	5,083,029
Total assets	$ 9,625,621	$10,048,806
LIABILITIES AND PARTNERS' DEFICIT		
Liabilities:		
Accounts payable and accrued liabilities	$ 718,716	$ 897,773
Customer prepayments	50,693	47,458
Interest payable	32,475	--
Long-term debt (Note 4)	10,650,000	--
Interpartnership debt (Note 4)	--	9,606,630
Total liabilities	11,451,884	10,551,861
Commitments (Notes 5 and 6)		
Partners' deficit:		
General partner	(66,418)	(20,106)
Limited partner	(1,759,845)	(482,949)
Total partners' deficit	(1,826,263)	(503,055)
Total liabilities and partners' deficit	$ 9,625,621	$10,048,806

See accompanying notes.

INDIANA CABLE ASSOCIATES, LTD.

STATEMENT OF OPERATIONS

	YEARS ENDED		
	12/31/96	12/31/97	12/31/98
REVENUE:			
Service	$6,272,049	$6,827,504	$7,165,843
Installation and other	538,158	622,699	773,283
Total revenue	6,810,207	7,450,203	7,939,126
COSTS AND EXPENSES:			
Operating expense	989,456	1,142,932	974,617
Programming expense	1,474,067	1,485,943	1,727,089
Selling, general and administrative expense	1,112,441	1,142,247	1,128,957
Depreciation	889,854	602,554	537,884
Amortization	718,334	718,335	707,539
Management fees	340,510	372,510	396,956
Loss on disposal of assets	6,266	639	74,714
Total costs and expenses	5,530,928	5,465,160	5,547,756
Operating income	1,279,279	1,985,043	2,391,370
Interest expense	1,361,415	1,292,469	970,160
Net income (loss) before extraordinary item	(82,136)	692,574	1,421,210
Extraordinary item--loss on early retirement of debt (Note 3 and 4)	--	--	98,002
Net income (loss)	$ (82,136)	$ 692,574	$1,323,208

See accompanying notes.

INDIANA CABLE ASSOCIATES, LTD.

STATEMENT OF PARTNERS' DEFICIT

	GENERAL PARTNERS	LIMITED PARTNERS	TOTAL
Partners' deficit at December 31, 1995...	$(87,783)	$(2,348,918)	$(2,436,701)
Net loss for the year ended December 31, 1996............................	(2,875)	(79,261)	(82,136)
Partners' deficit at December 31, 1996...	(90,658)	(2,428,179)	(2,518,837)
Net income for the year ended December 31, 1997............................	24,240	668,334	692,574
Partners' deficit at December 31, 1997...	(66,418)	(1,759,845)	(1,826,263)
Net income for the year ended December 31, 1998............................	46,312	1,276,896	1,323,208
Partners' deficit at December 31, 1998...	$(20,106)	$ (482,949)	$ (503,055)

The partners' capital accounts for financial reporting purposes vary from the tax capital accounts.

See accompanying notes.

INDIANA CABLE ASSOCIATES, LTD.

STATEMENT OF CASH FLOWS

	YEARS ENDED 12/31/96	YEARS ENDED 12/31/97	YEARS ENDED 12/31/98
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss)	$ (82,136)	$ 692,574	$ 1,323,208
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	1,608,188	1,320,889	1,245,423
Amortization of deferred loan costs	48,764	72,922	23,149
Loss on disposal of assets	6,266	639	74,714
Loss on write-off of deferred loan cost associated with early retirement of debt	--	--	95,832
Decrease (increase) in customer accounts receivable	(13,110)	1,536	1,359
Increase in other receivables	(80,843)	(108,256)	(37,787)
Decrease (increase) in prepaid expenses and deposits	(53,259)	(5,928)	20,039
Increase (decrease) in accounts payable and accrued liabilities	(190,357)	(147,971)	179,057
Increase (decrease) in customer prepayments	16,355	(13,190)	(3,235)
Decrease in interest payable	(12,314)	(39,471)	(32,475)
Net cash provided by operating activities	1,247,554	1,773,744	2,889,284
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of property, plant and equipment	(675,244)	(592,685)	(1,732,831)
Proceeds from sale of assets	227,025	23,662	4,979
Net cash used in investing activities	(448,219)	(569,023)	(1,727,852)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from long-term debt	2,000,000	1,450,000	10,636,421
Proceeds from interpartnership debt	--	--	9,606,630
Deferred loan cost	(70,000)	(29,776)	(92,127)
Payments of long-term debt	(2,200,000)	(3,100,000)	(21,286,421)
Net cash used in financing activities	(270,000)	(1,679,776)	(1,135,497)
Net increase (decrease) in cash and cash equivalents	529,335	(475,055)	25,935
Cash and cash equivalents at beginning of year	28,404	557,739	82,684
Cash and cash equivalents at end of year	$ 557,739	$ 82,684	$ 108,619
SUPPLEMENTAL CASH FLOW INFORMATION:			
Interest paid	$ 1,324,965	$ 1,258,078	$ 947,606

See accompanying notes.

INDIANA CABLE ASSOCIATES, LTD.

NOTES TO FINANCIAL STATEMENTS

1. GENERAL INFORMATION

GENERAL INFORMATION:

Indiana Cable Associates, Ltd. (the "Partnership"), a Colorado limited partnership, was organized in March 1987 for the purpose of acquiring and operating cable television systems and related operations in Indiana and Illinois.

For financial reporting purposes, Partnership profits or losses are allocated 3.5% to the general partners and 96.5% to the limited partners. Limited partners are not required to fund any losses in excess of their capital contributions.

ACQUISITION BY INTERLINK COMMUNICATIONS PARTNERS, LLLP:

Interlink Communications Partners, LLLP ("ICP") agreed to purchase all of the interests of the Partnership. ICP acquired all of the limited partner interests, effective December 31, 1998, and is currently in the process of obtaining the necessary consents to transfer all of the Partnership's franchises to ICP. Once these are obtained, ICP will then purchase the general partner interest in the Partnership, and the Partnership will, by operation of law, be consolidated into ICP.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PROPERTY, PLANT AND EQUIPMENT:

The Partnership records additions to property, plant and equipment at cost, which in the case of assets constructed includes amounts for material, labor, overhead and capitalized interest, if applicable.

For financial reporting purposes, the Partnership uses the straight-line method of depreciation over the estimated useful lives of the assets as follows:

Buildings and improvements	5-30 years
Transmission and distribution systems and related equipment	3-15 years
Office furniture and equipment	5 years

OTHER ASSETS:

Other assets are carried at cost and are amortized on a straight-line basis over the following lives:

Franchises	-- the terms of the franchises (10-19 1/2 years)
Goodwill	-- the term of the Partnership agreement (12 3/4 years)
Deferred loan costs	-- the term of the debt (1-6 years)
Organization costs	-- 5 years

INDIANA CABLE ASSOCIATES, LTD.

NOTES TO FINANCIAL STATEMENTS -- (CONTINUED)

INCOME TAXES:

No provision for the payment or refund of income taxes has been provided for the Partnership since the partners are responsible for reporting their distributive share of Partnership net income or loss in their personal capacities.

CASH AND CASH EQUIVALENTS:

The Partnership considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

REVENUE RECOGNITION:

Customer fees are recorded as revenue in the period the service is provided.

FAIR VALUE OF FINANCIAL INVESTMENTS:

The carrying values of cash and cash equivalents, customer accounts receivable, accounts payable and interpartnership debt approximate fair value.

USE OF ESTIMATES:

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

IMPACT OF YEAR 2000 (UNAUDITED):

The Partnership recognizes that certain of its time-sensitive computer programs and product distribution equipment may be affected by conversion to the year 2000. During 1998, management began their evaluation of the information systems, product distribution facilities, and vendor and supplier readiness. To date, considerable progress has been made to complete the evaluation process, to integrate and test compliance installations, and to prepare contingency plans. In addition, third party suppliers are either fully compliant or are expected to be compliant by December 31, 1999. Management expects to have all systems compliant, or have a contingency plan in effect that will result in minimal impact on the operations.

NEW ACCOUNTING PRONOUNCEMENT:

In April 1998, the Accounting Standards Executive Committee issued Statement of Position (SOP) 98-5 "Reporting on the Costs of Start-Up Activities," which requires the Partnerships to expense all start-up costs related to organizing a new business. This new standard also includes one-time activities related to opening a new facility, introduction of a new product or service, or conducting business with a new class of customer or in a new territory. This standard is effective for the Partnerships' 1999 fiscal year. Organization costs are all fully amortized resulting in SOP 98-5 having no material effect on its financial position or the results of operations.

INDIANA CABLE ASSOCIATES, LTD.

NOTES TO FINANCIAL STATEMENTS -- (CONTINUED)

RECLASSIFICATION OF FINANCIAL STATEMENT PRESENTATION:

Certain reclassifications have been made to the 1996 and 1997 financial statements to conform with the 1998 financial statement presentation. Such reclassifications had no effect on the net income or loss as previously stated.

3. OTHER ASSETS

At December 31, 1997 and 1998, other assets consisted of the following:

	1997	1998
Franchises	$13,144,332	$12,996,580
Goodwill	378,336	378,336
Deferred loan costs	26,854	--
Organization costs	63,393	63,393
	13,612,915	13,438,309
Less accumulated amortization	7,795,493	8,355,280
	$ 5,817,422	$ 5,083,029

On December 31, 1997, the loan agreement with a financial institution was amended (Note 4). At that time, the original loan's costs, which were fully amortized, and the accumulated amortization were written off. The bank loan amendment required the payment of additional loan costs which will be amortized over the remaining term of the bank loan.

On August 31, 1998, the loan with a financial institution and the subordinated debt loan with two investor groups were paid in full (Note 4). The related deferred loan costs and associated accumulated amortization were written off and $9,263 was recorded as an extraordinary loss. On December 30, 1998, the new loan agreement with a financial institution was paid in full (Note 4). The related deferred loan costs and associated accumulated amortization were written off and $86,569 was recorded as an extraordinary loss.

4. DEBT

The Partnership had a revolving credit agreement with a financial institution which provided for borrowing up to $7,000,000 with a maturity date of December 31, 1997, at which time the balance of the loan was $4,650,000. On December 31, 1997, the credit agreement was amended to reduce the amount available to borrow to $5,200,000 and extend the maturity date to December 31, 1998. The Partnership also had subordinated term notes with two investors totalling $6,000,000 at December 31, 1997. Total outstanding loans at December 31, 1997 were $10,650,000. On August 31, 1998, the revolving credit loan and subordinated term notes had a balance of $3,450,000 and $6,000,000, respectively; at that date, the total balance of $10,650,000 and accrued interest were paid in full. On that same date, the Partnership obtained a new credit agreement with a financial institution. The new credit agreement provided for a senior term note payable in the amount of $7,500,000 and a revolving credit loan which provided for borrowing up to

$7,500,000. At December 30, 1998, the term note and revolving credit had a balance of $7,500,000 and $1,950,000, respectively; at that date, the total balance of $9,450,000 and accrued interest were paid in full. The Partnership also incurred a LIBOR break fee of $2,170 in conjunction with the retirement of debt which was recorded as an extraordinary item.

Also on December 30, 1998, the Partnership obtained a new interpartnership loan agreement with ICP (Note 1). Borrowing under the interpartnership loan, as well as interest and principal payments are due at the discretion of the management of ICP, resulting in no minimum required annual principal payments. The balance of the interpartnership loan at December 31, 1998 was $9,606,630. The effective interest rate at December 31, 1998 was 8.5%.

5. MANAGEMENT AGREEMENT

The Partnership has entered into a management agreement with Rifkin and Associates, Inc., (Rifkin) whose sole stockholder is affiliated with a general partner of the Partnership. The agreement provides that Rifkin shall manage the Partnership and shall receive annual compensation equal to 2 1/2% of gross revenues and an additional 2 1/2% if a defined cash flow level is met. Effective September 1, 1998, Rifkin conveyed its CATV management business to R & A Management, LLC (RML). The result of this transaction was the conveyance of the Rifkin management agreement (Rifkin Agreement) to RML (RML Agreement). Expenses incurred pursuant to the Rifkin Agreement and the RML Agreement are disclosed on the Statement of Operations.

6. LEASE COMMITMENTS

At December 31, 1998, the Partnership had lease commitments under long-term operating leases as follows:

1999	$27,408
2000	6,300
2001	2,700
2002	1,500
2003	1,500
Thereafter	10,500
Total	$49,908

Rent expense, including pole rent, was as follows for the periods indicated:

PERIOD	TOTAL RENTAL EXPENSE
Year Ended December 31, 1996	$105,590
Year Ended December 31, 1997	98,693
Year Ended December 31, 1998	104,155

INDIANA CABLE ASSOCIATES, LTD.

NOTES TO FINANCIAL STATEMENTS -- (CONTINUED)

7. RETIREMENT BENEFITS

The Partnership has a 401(k) plan for its employees that have been employed by the Partnership for at least one year. Employees of the Partnership can contribute up to 15% of their salary, on a before-tax basis, with a maximum 1998 contribution of $10,000 (as set by the Internal Revenue Service). The Partnership matches participant contributions up to a maximum of 50% of the first 3% of a participant's salary contributed. All participant contributions and earnings are fully vested upon contribution and Partnership contributions and earnings vest 20% per year of employment with the Partnership, becoming fully vested after five years. The Partnership's matching contributions for the years ended December 31, 1996, 1997 and 1998 were $4,723, $8,769 and $8,639, respectively.

REPORT OF INDEPENDENT AUDITORS

The Partners
R/N South Florida Cable Management
Limited Partnership

We have audited the accompanying consolidated balance sheet of R/N South Florida Cable Management Limited Partnership as of December 31, 1997 and 1998, and the related consolidated statements of operations, partners' equity (deficit) and cash flows for the years ended December 31, 1996, 1997 and 1998. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of R/N South Florida Cable Management Limited Partnership at December 31, 1997 and 1998, and the consolidated results of its operations and its cash flows for the years ended December 31, 1996, 1997 and 1998 in conformity with generally accepted accounting principles.

/s/ ERNST & YOUNG LLP

Denver, Colorado
February 19, 1999

R/N SOUTH FLORIDA CABLE MANAGEMENT LIMITED PARTNERSHIP

CONSOLIDATED BALANCE SHEET
DECEMBER 31, 1997 AND 1998

	1997	1998
ASSETS (PLEDGED)		
Cash and cash equivalents	$ 362,619	$ 678,739
Customer accounts receivable, less allowance for doubtful accounts of $85,867 in 1997 and $84,474 in 1998	569,296	455,339
Other receivables	1,180,507	1,691,593
Prepaid expenses and deposits	416,455	393,022
Property, plant and equipment, at cost:		
Transmission and distribution system and related equipment	22,836,588	27,981,959
Office furniture and equipment	704,135	755,398
Leasehold improvements	546,909	549,969
Construction in process and spare parts inventory	718,165	744,806
	24,805,797	30,032,132
Less accumulated depreciation	9,530,513	11,368,764
Net property, plant and equipment	15,275,284	18,663,368
Other assets, at cost less accumulated amortization (Note 2)	6,806,578	5,181,012
Total assets	$24,610,739	$27,063,073
LIABILITIES AND PARTNERS' EQUITY (DEFICIT)		
Liabilities:		
Accounts payable and accrued liabilities	$ 2,994,797	$ 2,356,540
Interest payable	287,343	--
Customer prepayments	699,332	690,365
Long-term debt (Note 3)	29,437,500	--
Interpartnership debt (Note 3)	--	31,222,436
Total liabilities	33,418,972	34,269,341
Commitments (Notes 4 and 5)		
Partners' equity (deficit):		
General partner	(96,602)	(81,688)
Limited partner	(9,582,050)	(8,104,718)
Special limited partner	870,419	980,138
Total partners' equity (deficit)	(8,808,233)	(7,206,268)
Total liabilities and partners' deficit	$24,610,739	$27,063,073

See accompanying notes.

R/N SOUTH FLORIDA CABLE MANAGEMENT LIMITED PARTNERSHIP

CONSOLIDATED STATEMENT OF OPERATIONS

	YEARS ENDED		
	12/31/96	12/31/97	12/31/98
REVENUES:			
Service	$16,615,767	$17,520,883	$18,890,202
Installation and other	1,732,681	2,425,742	3,158,742
	18,348,448	19,946,625	22,048,944
COSTS AND EXPENSES:			
Operating expense	2,758,704	3,489,285	3,707,802
Programming expense	4,075,555	4,014,850	4,573,296
Selling, general and administrative expense	3,979,002	4,087,845	4,537,535
Depreciation	1,787,003	1,912,905	2,256,765
Amortization	1,350,195	1,287,588	1,293,674
Management fees	733,938	797,863	881,958
Loss on disposal of assets	373,860	513,177	178,142
Total costs and expenses	15,058,257	16,103,513	17,429,172
Operating income	3,290,191	3,843,112	4,619,772
Interest expense	2,528,617	2,571,976	2,583,338
Net income before extraordinary item	761,574	1,271,136	2,036,434
Extraordinary item -- loss on early retirement of debt (Note 2)	--	--	434,469
Net income	$ 761,574	$ 1,271,136	$ 1,601,965

See accompanying notes.

R/N SOUTH FLORIDA CABLE MANAGEMENT LIMITED PARTNERSHIP

CONSOLIDATED STATEMENT OF PARTNERS' EQUITY (DEFICIT)

	GENERAL PARTNERS	LIMITED PARTNERS	SPECIAL LIMITED PARTNERS	TOTAL
Partners' equity (deficit) at December 31, 1995	$(115,526)	$(11,456,616)	$731,199	$(10,840,943)
Net income for the year ended December 31, 1996	7,090	702,324	52,160	761,574
Partners' equity (deficit) at December 31, 1996	(108,436)	(10,754,292)	783,359	(10,079,369)
Net income for the year ended December 31, 1997	11,834	1,172,242	87,060	1,271,136
Partners' equity (deficit) at December 31, 1997	(96,602)	(9,582,050)	870,419	(8,808,233)
Net income for the year ended December 31, 1998	14,914	1,477,332	109,719	1,601,965
Partners' equity (deficit) at December 31, 1998	$ (81,688)	$ (8,104,718)	$980,138	$ (7,206,268)

The partners' capital accounts for financial reporting purposes vary from the tax capital accounts.

See accompanying notes.

R/N SOUTH FLORIDA CABLE MANAGEMENT LIMITED PARTNERSHIP

CONSOLIDATED STATEMENT OF CASH FLOWS

	YEARS ENDED 12/31/96	12/31/97	12/31/98
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 761,574	$ 1,271,136	$ 1,601,965
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	3,137,198	3,200,493	3,550,439
Amortization of deferred loan cost	68,898	79,108	89,788
Loss on early retirement of debt	--	--	434,469
Loss on disposal of assets	373,860	513,177	178,142
Decrease (increase) in customer accounts receivable	1,420	(152,229)	113,957
Increase in other receivables	(377,553)	(506,325)	(511,086)
Decrease (increase) in prepaid expenses and deposits	(114,720)	115,734	23,433
Increase (decrease) in accounts payable and accrued liabilities	122,512	513,839	(638,257)
Increase (decrease) in customer prepayments	362	208,021	(8,967)
Increase (decrease) in interest payable	180	16,207	(287,343)
Net cash provided by operating activities	3,973,731	5,259,161	4,546,540
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of property, plant and equipment	(4,000,631)	(4,288,776)	(5,915,434)
Additions to other assets, net of refranchises	(10,600)	(164,560)	(186,790)
Proceeds from the sale of assets	16,674	70,865	92,443
Net cash used in investing activities	(3,994,557)	(4,382,471)	(6,009,781)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from long-term debt	2,750,000	3,850,000	5,550,000
Proceeds from interpartnership debt	--	--	31,222,436
Payments of long-term debt	(2,604,913)	(4,562,500)	(34,987,500)
Deferred loan costs	--	(132,727)	(5,575)
Net cash provided by (used in) financing activities	145,087	(845,227)	1,779,361
Net increase in cash and cash equivalents	124,261	31,463	316,120
Cash and cash equivalents at beginning of the year	206,895	331,156	362,619
Cash and cash equivalents at end of year	$ 331,156	$ 362,619	$ 678,739
SUPPLEMENTAL CASH FLOW INFORMATION:			
Interest paid	$ 2,412,038	$ 2,441,662	$ 2,780,893

See accompanying notes

R/N SOUTH FLORIDA CABLE MANAGEMENT LIMITED PARTNERSHIP

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION AND ORGANIZATION:

The accompanying consolidated financial statements include the accounts of R/N South Florida Cable Management Limited Partnership (the "Partnership") and its substantially wholly-owned subsidiary Rifkin/Narragansett South Florida CATV Limited Partnership (the "Operating Partnership"). Each partnership is a Florida Limited Partnership. The Partnership was organized in 1988 for the purpose of being the general partner to the Operating Partnership which is engaged in the installation, ownership, operation and management of cable television systems in Florida.

In 1992, the Partnership adopted an amendment to the Partnership agreement (the "Amendment") and entered into a Partnership Interest Purchase Agreement whereby certain Special Limited Partnership interests were issued in the aggregate amount of $1,250,000. These new Special Limited Partners are affiliated with the current General and Limited Partners of the Partnership. The Amendment provides for the methods under which the gains, losses, adjustments and distributions are allocated to the accounts of the Special Limited Partners.

For financial reporting purposes, partnership profits or losses are allocated to the limited partners, special limited partners and general partners in the following ratios: 92.22%, 6.849% and .931%, respectively. Limited partners and special limited partners are not required to fund any losses in excess of their capital contributions.

ACQUISITION BY INTERLINK COMMUNICATIONS PARTNERS, LLLP:

InterLink Communications Partners, LLLP ("ICP") agreed to purchase all of the interests of the Partnerships. ICP acquired all of the limited partner interests of the Operating Partnership, effective December 31, 1998, and is currently in the process of obtaining the necessary consents to transfer all of the Operating Partnership's franchises to ICP. Once obtained, ICP will then purchase the general partner interest, and the Partnership, by operation of law, will consolidate into ICP.

PROPERTY, PLANT AND EQUIPMENT:

Property, plant and equipment additions are recorded at cost, which in the case of assets constructed includes amounts for material, labor, overhead and capitalized interest, if applicable.

For financial reporting purposes, the Operating Partnership uses the straight-line method of depreciation over the estimated useful lives of the assets as follows:

Transmission and distribution systems and related equipment......................................	15 years
Office furniture and equipment....................	3-15 years
Leasehold improvements............................	5-8 years

R/N SOUTH FLORIDA CABLE MANAGEMENT LIMITED PARTNERSHIP

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

OTHER ASSETS:

Other assets are carried at cost and are amortized on a straight-line basis over the following lives:

Franchises.............	-- the terms of the franchises (3-13 years)
Goodwill...............	-- 40 years
Organization costs......	-- 5 years
Deferred loan costs.....	-- the term of the debt (8 years)

INCOME TAXES:

No provision for the payment or refund of income taxes has been provided since the partners are responsible for reporting their distributive share of partnerships net income or loss in their personal capacities.

CASH AND CASH EQUIVALENTS:

The Partnerships consider all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

REVENUE RECOGNITION:

Customer fees are recorded as revenue in the period the service is provided.

FAIR VALUE OF FINANCIAL INSTRUMENTS:

The carrying values of cash and cash equivalents, customer accounts receivable, accounts payable and interpartnership debt approximate fair value.

USE OF ESTIMATES:

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

IMPACT OF YEAR 2000 (UNAUDITED):

The Partnerships recognize that certain of its time-sensitive computer programs and product distribution equipment may be affected by conversion to the year 2000. During 1998, management began their evaluation of the information systems, product distribution facilities, and vendor and supplier readiness. To date, considerable progress has been made to complete the evaluation process, to integrate and test compliance installations, and to prepare contingency plans. In addition, third party suppliers are either fully compliant or are expected to be compliant by December 31, 1999. Management expects to have all systems compliant, or have a contingency plan in effect that will result in minimal impact on the operations.

NEW ACCOUNTING PRONOUNCEMENT:

In April 1998, the Accounting Standards Executive Committee issued Statement of Position (SOP) 98-5 "Reporting on the costs of Start-Up Activities," which requires the Partnerships to expense all start-up costs related to organizing a new business. This new standard also includes one-time activities related to opening a new facility, introduction of a new product or service, or conducting business with a new class of customer or in a new territory. This standard is effective for the Partnerships' 1999 fiscal year. The organization costs are fully amortized, resulting in SOP 98-5 having no material effect on its financial position or the results of operations.

RECLASSIFICATION OF FINANCIAL STATEMENT PRESENTATION:

Certain reclassifications have been made to the 1996 and 1997 financial statements to conform with the 1998 financial statement presentation. Such reclassifications had no effect on the net income as previously stated.

2. OTHER ASSETS

At December 31, 1997 and 1998, other assets consisted of the following:

	1997	1998
Franchises and other	$14,348,984	$14,535,774
Goodwill	3,429,845	3,429,845
Deferred loan costs	694,819	--
Organization costs	23,218	23,218
	18,496,866	17,988,837
Less accumulated amortization	11,690,288	12,807,825
	$ 6,806,578	$ 5,181,012

On December 30, 1998, the Partnerships' loan with a financial institution was paid in full (Note 3). The related deferred loan costs and associated accumulated amortization were written off and an extraordinary loss of $434,469 was recorded.

3. DEBT

The Partnerships had senior term note payable and a revolving credit loan agreement with a financial institution. The senior term note payable was a $29,500,000 loan which required varying quarterly payments which commenced on September 30, 1996. On June 30, 1997, the loan agreement was amended to defer the June 30, 1997 and September 30, 1997 principal payments and restructured the required principal payment amounts due through December 31, 2003. The revolving credit loan provided for borrowing up to $3,000,000 at the discretion of the Partnerships. On June 30, 1997, the loan agreement was amended to increase the amount provided for borrowing under the revolving credit loan to $3,750,000. At December 31, 1997, the term notes and the revolving credit loan had a balance of $28,387,500 and $1,050,000, respectively, with a total balance of $29,437,500. At December 30, 1998, the term notes and the revolving credit loan had a balance of $27,637,500 and $3,300,000, respectively; at that date, the total balance of $30,937,500 and accrued interest were paid in full.

Also on December 30, 1998, the Partnerships obtained a new interpartnership loan agreement with ICP (Note 1). Borrowing under the interpartnership loan, as well as interest and principal payments are due at the discretion of the management of ICP, resulting in no minimum required annual principal payments. The balance of the interpartnership loan at December 31, 1998 was $31,222,436. The effective interest rate at December 31, 1998 was 8.5%.

4. MANAGEMENT AGREEMENT

The Partnerships have entered into a management agreement with Rifkin & Associates, Inc. (Rifkin). The management agreement provides that Rifkin shall manage the Operating Partnership and shall be entitled to annual compensation of 4% of gross revenues. Effective September 1, 1998, Rifkin conveyed its CATV management business to R & A Management, LLC (RML). The result of this transaction was the conveyance of the Rifkin management agreement (Rifkin Agreement) to RML (RML Agreement). Expenses incurred pursuant to the Rifkin Agreement and the RML Agreement are disclosed on the Consolidated Statement of Operations.

5. LEASE COMMITMENTS

At December 31, 1998, the Operating Partnership had lease commitments under long-term operating leases as follows:

1999	$195,437
2000	189,643
2001	116,837
Total	$501,917

Rent expense, including pole rent, was as follows for the periods indicated:

PERIOD	TOTAL RENTAL EXPENSE
Year Ended December 31, 1996	$262,231
Year Ended December 31, 1997	279,655
Year Ended December 31, 1998	295,107

6. RETIREMENT BENEFITS

The Operating Partnership has a 401(k) plan for its employees that have been employed by the Operating Partnership for at least one year. Employees of the Operating Partnership can contribute up to 15% of their salary, on a before-tax basis, with a maximum 1998 contribution of $10,000 (as set by the Internal Revenue Service). The Operating Partnership matches participant contributions up to a maximum of 50% of the first 3% of a participant's salary contributed. All participant contributions and earnings are fully vested upon contribution and Operating Partnership contributions and earnings vest 20% per year of employment with the Operating Partnership, becoming fully vested after five years. The Operating Partnership's matching contributions for the years ended December 31, 1996, 1997 and 1998 were $15,549, $23,292 and $20,652, respectively.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Charter Communications Holdings, LLC:

We have audited the accompanying statements of operations and changes in net assets and cash flows of Sonic Communications Cable Television Systems for the period from April 1, 1998, through May 20, 1998. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the results of operations and cash flows of Sonic Communications Cable Television Systems for the period from April 1, 1998, through May 20, 1998, in conformity with generally accepted accounting principles.

/s/ ARTHUR ANDERSEN LLP

St. Louis, Missouri,
February 5, 1999

SONIC COMMUNICATIONS CABLE TELEVISION SYSTEMS

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE PERIOD FROM APRIL 1, 1998, THROUGH MAY 20, 1998

REVENUES	$ 6,343,226
OPERATING EXPENSES:	
Operating costs	1,768,393
General and administrative	1,731,471
Depreciation and amortization	1,112,057
	4,611,921
Income from operations	1,731,305
INTEREST EXPENSE	289,687
Income before provision for income taxes	1,441,618
PROVISION IN LIEU OF INCOME TAXES	602,090
Net income	839,528
NET ASSETS, April 1, 1998	55,089,511
NET ASSETS, May 20, 1998	$55,929,039

The accompanying notes are an integral part of this statement.

SONIC COMMUNICATIONS CABLE TELEVISION SYSTEMS

STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM APRIL 1, 1998, THROUGH MAY 20, 1998

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net income	$ 839,528
Adjustments to reconcile net loss to net cash provided by operating activities --	
Depreciation and amortization	1,112,057
Changes in assets and liabilities --	
Accounts receivable, net	49,980
Prepaid expenses and other	171,474
Accounts payable and accrued expenses	(1,479,682)
Net cash provided by operating activities	693,357
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchases of property, plant and equipment	(470,530)
Payments of franchise costs	(166,183)
Net cash used in investing activities	(636,713)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Payments on long-term debt	(41,144)
Net cash used in financing activities	(41,144)
NET INCREASE IN CASH AND CASH EQUIVALENTS	15,500
CASH AND CASH EQUIVALENTS, beginning of period	532,238
CASH AND CASH EQUIVALENTS, end of period	$ 547,738

The accompanying notes are an integral part of this statement.

SONIC COMMUNICATIONS CABLE TELEVISION SYSTEMS

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

ORGANIZATION AND BASIS OF PRESENTATION

Sonic Communications Cable Television Systems (the Company) operates cable television systems in California and Utah.

Effective May 21, 1998, the Company's net assets were acquired by Charter Communications Holdings, LLC.

CASH EQUIVALENTS

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

PROPERTY, PLANT AND EQUIPMENT

The Company depreciates its cable distribution systems using the straight-line method over estimated useful lives of 5 to 15 years for systems acquired on or after April 1, 1981. Systems acquired before April 1, 1981, are depreciated using the declining balance method over estimated useful lives of 8 to 20 years.

Vehicles, machinery, office, and data processing equipment and buildings are depreciated using the straight-line or declining balance method over estimated useful lives of 3 to 25 years. Capital leases and leasehold improvements are amortized using the straight-line or declining balance method over the shorter of the lease term or the estimated useful life of the asset.

INTANGIBLES

The excess of amounts paid over the fair values of tangible and identifiable intangible assets acquired in business combinations are amortized using the straight-line method over the life of the franchise. Identifiable intangible assets such as franchise rights, noncompete agreements and subscriber lists are amortized using the straight-line method over their useful lives, generally 3 to 15 years.

REVENUES

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

Installation revenues are recognized to the extent of direct selling costs incurred. The remainder, if any, is deferred and amortized to income over the estimated average period that customers are expected to remain connected to the cable television system. As of May 20, 1998, no installation revenue has been deferred, as direct selling costs exceeded installation revenue.

INTEREST EXPENSE

Interest expense relates to a note payable to a stockholder of the Company, which accrues interest at 7.8% per annum.

USE OF ESTIMATES

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

2. COMMITMENTS AND CONTINGENCIES:

FRANCHISES

The Company has committed to provide cable television services under franchise agreements with various governmental bodies for remaining terms up to 13 years. Franchise fees of up to 5% of gross revenues are payable under these agreements.

LEASES

The Company leases certain facilities and equipment under noncancelable operating leases. Leases and rental costs charged to expense for the period from April 1, 1998, through May 20, 1998, were $59,199.

The Company also rents utility poles in its operations. Generally, pole rentals are cancelable on short notice, but the Company anticipates that such rentals will recur. Rent expense incurred for pole rental attachments for the period from April 1, 1998, through May 20, 1998, was $64,159.

3. INCOME TAXES:

The results of the Company are included in the consolidated federal income tax return of its parent, Sonic Enterprises, Inc., which is responsible for tax payments applicable to the Company. The financial statements reflect a provision in lieu of income taxes as if the Company was filing on a separate company basis. Accordingly, the Company has included the provision in lieu of income taxes in the accompanying statement of operations.

The provision in lieu of income taxes approximates the amount of tax computed using U.S. statutory rates, after reflecting state income tax expense of $132,510 for the period from April 1, 1998, through May 20, 1998.

4. REGULATION IN THE CABLE TELEVISION INDUSTRY:

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

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

The 1992 Cable Act permits certified local franchising authorities to order refunds of basic service tier rates paid in the previous twelve-month period determined to be in excess of the maximum permitted rates. For the period from April 1, 1998, through May 20, 1998, the amount refunded by the Company has been insignificant. The Company may be required to refund additional amounts in the future.

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

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

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

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

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Long Beach Acquisition Corp.:

We have audited the accompanying statements of operations, stockholder's equity and cash flows of Long Beach Acquisition Corp. (a Delaware corporation) for the period from April 1, 1997, through May 23, 1997. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the results of operations and cash flows of Long Beach Acquisition Corp. for the period from April 1, 1997, through May 23, 1997, in conformity with generally accepted accounting principles.

/s/ ARTHUR ANDERSEN LLP

St. Louis, Missouri,
July 31, 1998

LONG BEACH ACQUISITION CORP.

STATEMENT OF OPERATIONS
FOR THE PERIOD FROM APRIL 1, 1997, THROUGH MAY 23, 1997

SERVICE REVENUES	$ 5,313,282
EXPENSES:	
Operating costs	1,743,493
General and administrative	1,064,841
Depreciation and amortization	3,576,166
Management fees -- related parties	230,271
	6,614,771
Loss from operations	(1,301,489)
INTEREST EXPENSE	753,491
Net loss	$(2,054,980)

The accompanying notes are an integral part of this statement.

LONG BEACH ACQUISITION CORP.

STATEMENT OF STOCKHOLDER'S EQUITY
FOR THE PERIOD FROM APRIL 1, 1997, THROUGH MAY 23, 1997

	CLASS A, VOTING COMMON STOCK	SENIOR REDEEMABLE PREFERRED STOCK	ADDITIONAL PAID-IN CAPITAL	ACCUMULATED DEFICIT	TOTAL STOCKHOLDER'S EQUITY
BALANCE, April 1, 1997	$100	$11,000,000	$33,258,723	$(51,789,655)	$(7,530,832)
Net loss	--	--	--	(2,054,980)	(2,054,980)
BALANCE, May 23, 1997	$100	$11,000,000	$33,258,723	$(53,844,635)	$(9,585,812)

The accompanying notes are an integral part of this statement.

LONG BEACH ACQUISITION CORP.

STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM APRIL 1, 1997, THROUGH MAY 23, 1997

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net loss	$(2,054,980)
Adjustments to reconcile net loss to net cash provided by operating activities-	
Depreciation and amortization	3,576,166
Changes in assets and liabilities, net of effects from acquisition-	
Accounts receivable, net	(830,725)
Prepaid expenses and other	(19,583)
Accounts payable and accrued expenses	(528,534)
Other current liabilities	203,282
Net cash provided by operating activities	345,626
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchases of property, plant and equipment	(596,603)
Net cash used in investing activities	(596,603)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(250,977)
CASH AND CASH EQUIVALENTS, beginning of period	3,544,462
CASH AND CASH EQUIVALENTS, end of period	$ 3,293,485
CASH PAID FOR INTEREST	$ 1,316,462

The accompanying notes are an integral part of this statement.

LONG BEACH ACQUISITION CORP.

NOTES TO FINANCIAL STATEMENTS
MAY 23, 1997

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

ORGANIZATION AND BASIS OF PRESENTATION

Long Beach Acquisition Corp. (LBAC or the "Company") was a wholly owned corporation of KC Cable Associates, L.P., a partnership formed through a joint venture agreement between Kohlberg, Kravis, Roberts & Co. (KKR) and Cablevision Industries Corporation (CVI). The Company was formed to acquire cable television systems serving Long Beach, California, and surrounding areas.

On May 23, 1997, the Company executed a stock purchase agreement with Charter Communications Long Beach, Inc. (CC-LB) whereby CC-LB purchased all of the outstanding stock of the Company for an aggregate purchase price, net of cash acquired, of $150.9 million. Concurrent with this stock purchase, CC-LB was acquired by Charter Communications, Inc. (Charter) and Kelso Investment Associates V, L.P., an investment fund (Kelso).

As of May 23, 1997, LBAC provided cable television service to subscribers in southern California.

CASH AND CASH EQUIVALENTS

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

PROPERTY, PLANT AND EQUIPMENT

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

Depreciation is provided on a straight-line basis over the estimated useful life of the related asset as follows:

Leasehold improvements..........................	Life of respective lease
Cable systems and equipment.....................	5-10 years
Subscriber devices..............................	5 years
Vehicles..	5 years
Furniture, fixtures and office equipment.........	5-10 years

FRANCHISES

Franchises include the assigned fair value of the franchise from purchased cable television systems. These franchises are amortized on a straight-line basis over six years, the remaining life of the franchise at acquisition.

LONG BEACH ACQUISITION CORP.

NOTES TO FINANCIAL STATEMENTS -- (CONTINUED)

INTANGIBLE ASSETS

Intangible assets include goodwill, which is amortized over fifteen years; subscriber lists, which are amortized over seven years; a covenant not to compete which is amortized over five years; organization costs which are amortized over five years and debt issuance costs which are amortized over ten years, the life of the loan.

IMPAIRMENT OF ASSETS

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

REVENUES

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

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

INCOME TAXES

LBAC's income taxes are recorded in accordance with SFAS No. 109, "Accounting for Income Taxes."

USE OF ESTIMATES

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

LONG BEACH ACQUISITION CORP.

NOTES TO FINANCIAL STATEMENTS -- (CONTINUED)

2. STOCKHOLDER'S EQUITY:

For the period from April 1, 1997, through May 23, 1997, stockholder's equity consisted of the following:

Stockholder's (deficit) equity:	
Common stock -- Class A, voting $1 par value, 100 shares authorized, issued and outstanding	$ 100
Common stock -- Class B, nonvoting, $1 par value, 1,000 shares authorized, no shares issued	--
Senior redeemable preferred stock, no par value, 110,000 shares authorized, issued and outstanding, stated at redemption value	11,000,000
Additional paid-in capital	33,258,723
Accumulated deficit	(53,844,635)
Total stockholder's (deficit) equity	$ (9,585,812)

3. INTEREST EXPENSE:

The Company has the option of paying interest at either the Base Rate of the Eurodollar rate, as defined, plus a margin which is based on the attainment of certain financial ratios. The weighted average interest rate for the period from April 1, 1997, through May 23, 1997, was 7.3%.

4. REGULATION IN THE CABLE TELEVISION INDUSTRY:

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

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

The 1992 Cable Act permits certified local franchising authorities to order refunds of basic service tier rates paid in the previous twelve-month period determined to be in excess of the maximum permitted rates. As of May 23, 1997, the amount refunded by the Company has been insignificant. The Company may be required to refund additional amounts in the future.

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

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

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

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

5. RELATED-PARTY TRANSACTIONS:

The Company has entered into a management agreement (the "Management Agreement") with CVI under which CVI manages the operations of the Company for an annual management fee equal to 4% of gross operating revenues, as defined. Management fees under this agreement amounted to $210,100 for the period from April 1, 1997, through May 23, 1997. In addition, the Company has agreed to pay a monitoring fee of two dollars per basic subscriber, as defined, per year for services provided by KKR. Monitoring fees amounted to $20,171 for the period from April 1, 1997, through May 23, 1997.

6. COMMITMENTS AND CONTINGENCIES:

LEASES

The Company leases certain facilities and equipment under noncancelable operating leases. Rent expense incurred under these leases for the period from April 1, 1997, through May 23, 1997, was $67,600.

The Company rents utility poles in its operations. Generally, pole rental agreements are short term, but LBAC anticipates that such rentals will recur. Rent expense for pole attachments for the period from April 1, 1997, through May 23, 1997, was $12,700.

LONG BEACH ACQUISITION CORP.

NOTES TO FINANCIAL STATEMENTS -- (CONTINUED)

LITIGATION

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

7. INCOME TAXES:

The Company has not recognized the tax benefit associated with its taxable loss for the period from April 1, 1997, through May 23, 1997, as the Company believes the benefit will likely not be realized.

8. EMPLOYEE BENEFIT PLANS:

Substantially all employees of the Company are eligible to participate in a defined contribution plan containing a qualified cash or deferred arrangement pursuant to IRC Section 401(k). The plan provides that eligible employees may contribute up to 10% of their compensation to the plan. The Company made no contributions to the plan for the period from April 1, 1997, through May 23, 1997.

CHARTER COMMUNICATIONS HOLDINGS, LLC AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS
(DOLLARS IN THOUSANDS)

	SUCCESSOR	
	MARCH 31, 1999	DECEMBER 31, 1998
	(UNAUDITED)	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$1,038,360	$ 10,386
Accounts receivable, net of allowance for doubtful accounts of $3,171 and $3,528, respectively	30,314	31,163
Prepaid expenses and other	15,882	8,613
Total current assets	1,084,556	50,162
INVESTMENT IN CABLE TELEVISION PROPERTIES:		
Property, plant and equipment	1,533,197	1,473,727
Franchises	5,607,539	5,705,420
	7,140,736	7,179,147
OTHER ASSETS	131,990	6,347
	$8,357,282	$7,235,656
LIABILITIES AND MEMBERS' EQUITY		
CURRENT LIABILITIES:		
Current maturities of long-term debt	$ --	$ 87,950
Accounts payable and accrued expenses	216,397	199,831
Payable to related party	--	20,000
Payables to manager of cable television systems - related party	12,554	23,236
Total current liabilities	228,951	331,017
LONG-TERM DEBT	4,754,018	3,435,251
OTHER LONG-TERM LIABILITIES	48,171	40,097
MEMBERS' EQUITY	3,326,142	3,429,291
	$8,357,282	$7,235,656

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

CHARTER COMMUNICATIONS HOLDINGS, LLC AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)
(DOLLARS IN THOUSANDS)

	THREE MONTHS ENDED MARCH 31	
	1999 SUCCESSOR	1998 PREDECESSOR
REVENUES	$286,135	$4,782
OPERATING EXPENSES:		
Operating, general and administrative	152,075	2,638
Depreciation and amortization	153,747	1,605
Corporate expense charges -- related party	5,323	143
	311,145	4,386
(Loss) income from operations	(25,010)	396
OTHER INCOME (EXPENSE):		
Interest income	1,733	8
Interest expense	(71,591)	(1,329)
Other, net	15	2
	(69,843)	(1,319)
Loss before extraordinary item	(94,853)	(923)
EXTRAORDINARY ITEM- Loss from early extinguishment of debt	3,604	--
Net loss	$(98,457)	$ (923)

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

CHARTER COMMUNICATIONS HOLDINGS, LLC AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(DOLLARS IN THOUSANDS)

	THREE MONTHS ENDED MARCH 31	
	1999 SUCCESSOR	1998 PREDECESSOR
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (98,457)	$ (923)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	153,747	1,605
Amortization of non-cash interest expense	12,277	31
Gain (loss) on disposal of property, plant and equipment	(15)	--
Loss from early extinguishment of debt	3,604	--
Changes in assets and liabilities, net of effects from acquisition --		
Accounts receivable, net	862	274
Prepaid expenses and other	(3,369)	10
Accounts payable and accrued expenses	(27,141)	(550)
Payables to manager of cable television systems, including deferred management fees	4,879	(41)
Other operating activities	(563)	--
Net cash provided by operating activities	45,824	406
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property, plant and equipment	(109,629)	(821)
Purchase of cable television system	(2,752)	--
Other investing activities	(4,419)	--
Net cash used in investing activities	(116,800)	(821)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings of long-term debt	4,854,188	900
Repayments of long-term debt	(3,641,666)	(900)
Payments for debt issuance costs	(88,880)	--
Distributions	(4,692)	--
Payment to related party	(20,000)	--
Net cash used in financing activities	1,098,950	--
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,027,974	(415)
CASH AND CASH EQUIVALENTS, beginning of period	10,386	626
CASH AND CASH EQUIVALENTS, end of period	$1,038,360	$ 211
CASH PAID FOR INTEREST	$ 91,672	$1,013

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

CHARTER COMMUNICATIONS HOLDINGS, LLC AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
(DOLLARS IN THOUSANDS)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

ORGANIZATION AND BASIS OF PRESENTATION

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

Effective December 23, 1998, through a series of transactions, Paul G. Allen acquired approximately 94% of Charter for an aggregate purchase price of $2.2 billion, excluding $2.0 billion in debt assumed (the "Paul Allen Transaction"). In conjunction with the Paul Allen Transaction, Charter acquired 100% of the interests it did not already own in CharterComm Holdings, LLC (CharterComm Holdings) and CCA Group (comprised of CCA Holdings Corp., CCT Holdings Corp. and Charter Communications Long Beach, Inc.), all cable television operating companies, for $2.0 billion, excluding $1.8 billion in debt assumed from unrelated third parties for fair value. Charter previously managed and owned minority interests in these companies. These acquisitions were accounted for using the purchase method of accounting, and accordingly, results of operations of CharterComm Holdings and CCA Group are included in the financial statements from the date of acquisition. In February 1999, Charter transferred all of its cable television operating subsidiaries to a wholly owned subsidiary of Charter Holdings, Charter Communications Operating, LLC (Charter Operating). This transfer was accounted for as a reorganization of entities under common control similar to a pooling of interests.

As a result of the change in ownership of CCP, CharterComm Holdings and CCA Group, Charter Holdings has applied push-down accounting in the preparation of the consolidated financial statements. Accordingly, Charter Holdings increased its members' equity by $2.2 billion to reflect the amounts paid by Paul G. Allen and Charter. The purchase price was allocated to assets acquired and liabilities assumed based on their relative fair values, including amounts assigned to franchises of $3.6 billion. The allocation of the purchase price is based, in part, on preliminary information which is subject to adjustment upon obtaining complete appraisal and valuation information of intangible assets. The valuation information is expected to be finalized in the third quarter of 1999. Management believes that finalization of the purchase price will not have a material impact on the results of operations or financial position of Charter Holdings.

On April 7, 1999, the cable television operating subsidiaries of Marcus Cable Company, L.L.C. (Marcus) were transferred to Charter Operating. As a result of the Marcus transfer, Charter Holdings is owned 54% by Charter and 46% by companies controlled by Paul G. Allen giving Paul G. Allen a 97% direct and indirect ownership interest in Charter Holdings. The transfer was accounted for as a reorganization of entities under common control similar to a pooling of interests since Paul G. Allen and a company controlled by Paul G. Allen purchased substantially all of the outstanding partnership interests in Marcus in April 1998, and purchased the remaining interest in Marcus on April 7, 1999.

The consolidated financial statements of Charter Holdings include the accounts of Charter Operating and CCP, the accounts of CharterComm Holdings and CCA Group and their subsidiaries since December 23, 1998 (date acquired by Charter), and the accounts of Marcus since December 23, 1998 (date Paul G. Allen controlled both Charter and Marcus), and are collectively referred to as the "Company" herein. All subsidiaries are wholly owned. All material intercompany transactions and balances have been eliminated.

As a result of the Paul Allen Transaction and application of push-down accounting, the financial information of the Company in the accompanying financial statements and notes thereto as of December 31, 1998, and March 31, 1999, and for the Successor Period (January 1, 1999, through March 31, 1999) is presented on a different cost basis than the financial information of the Company for the Predecessor Period (January 1, 1998, through March 31, 1998) and therefore, such information is not comparable.

The accompanying unaudited financial statements of Charter Holdings have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission. Accordingly, certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted.

2. RESPONSIBILITY FOR INTERIM FINANCIAL STATEMENTS:

The accompanying financial statements are unaudited; however, in the opinion of management, such statements include all adjustments necessary for a fair presentation of the results for the periods presented. The interim financial statements should be read in conjunction with the financial statements and notes thereto as of and for the period ended December 31, 1998. Interim results are not necessarily indicative of results for a full year.

3. ACQUISITIONS:

In addition to the Paul Allen Transaction and the acquisitions by Charter of CharterComm Holdings and CCA Group, the Company acquired cable television systems for an aggregate purchase price, net of cash acquired, of $291,800 in 1998, and completed the sale of certain cable television systems for an aggregate sales price of $405,000 in 1998, all prior to December 24, 1998. The Company also refinanced substantially all of its long-term debt in March 1999 (see Note 4).

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

Unaudited pro forma operating results as though the acquisitions and dispositions discussed above, including the Paul Allen Transaction and the combination with Marcus, and the refinancing discussed herein, had occurred on January 1, 1998, with adjustments to give effect to amortization of franchises, interest expense and certain other adjustments are as follows:

	THREE MONTHS ENDED MARCH 31,	
	1999	1998
Revenues	$ 286,135	$ 264,971
Loss from operations	(25,010)	(35,889)
Net loss	(102,633)	(149,988)

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

4. LONG-TERM DEBT:

Long-term debt consists of the following:

	MARCH 31, 1999	DECEMBER 31, 1998
Charter:		
Credit Agreements (including CCP, CCA Group and CharterComm Holdings)	$ --	$1,726,500
Senior Secured Discount Debentures	--	109,152
11 1/4% Senior Notes	25	125,000
Marcus:		
Senior Credit Facility	--	808,000
13 1/2% Senior Subordinated Discount Notes	1,010	383,236
14 1/4% Senior Discount Notes	50	241,183
Charter Holdings:		
8.250% Senior Notes	600,000	--
8.625% Senior Notes	1,500,000	--
9.920% Senior Discount Notes	909,055	--
CCO Credit Agreement	1,750,000	--
	4,760,140	3,393,071
Current maturities	--	(87,950)
Unamortized net premium (discount)	(6,122)	130,130
	$4,754,018	$3,435,251

In March 1999, the Company extinguished substantially all existing long-term debt, excluding borrowings of the Company under its credit agreements, and refinanced substantially all existing credit agreements at various subsidiaries with a new credit agreement entered into by Charter Operating (the "CCO Credit Agreement"). The excess of the amount paid over the carrying value of the Company's long-term debt was recorded as Extraordinary item -- loss on early extinguishment of debt in the accompanying statement of operations.

CCH NOTES

In March 1999, the Company issued $600.0 million 8.250% Senior Notes due 2007 (the "8.250% Senior Notes") for net proceeds of $598.4 million, $1.5 billion 8.625% Senior Notes due 2009 (the "8.625% Senior Notes") for net proceeds of $1,495.4 million, and $1,475.0 million 9.920% Senior Discount Notes due 2011 (the "9.920% Senior Discount Notes") for net proceeds of $905.6 million, (collectively with the 8.250% Senior Notes and the 8.625% Senior Notes, referred to as the "CCH Notes").

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

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

The 9.920% Senior Discount Notes are redeemable at the option of the Company at amounts decreasing from 104.960% to 100% of accreted value beginning April 1, 2004. At any time prior to April 1, 2002, the Company may redeem up to 35% of the aggregate principal amount of the 9.920% Senior Discount Notes at a redemption price of 109.920% of the accreted value under certain conditions. No interest will be payable until April 1, 2004. Thereafter, interest is payable semiannually in arrears on April 1 and October 1 beginning April 1, 2004 until maturity. The discount on the 9.920% Senior Discount Notes is being accreted using the effective interest method at a rate of 9.920% per year. The unamortized discount was $565.9 million at March 31, 1999.

The CCH Notes rank equally with current and future unsecured and unsubordinated indebtedness (including trade payables of the Company). The Company is required to make an offer to purchase all of the CCH Notes, at a price equal to 101% of the aggregate principal or 101% of the accreted value, together with accrued and unpaid interest, upon a Change of Control as defined.

CCO CREDIT AGREEMENT

The CCO Credit Agreement provides for two term facilities, one with a principal amount of $1.0 billion that matures September 2008 (Term A), and the other with the principal amount of $1.85 billion that matures on March 2009 (Term B). The CCO Credit Agreement also provides for a $1.25 billion revolving credit facility with a maturity date of September 2008. Amounts under the CCO Credit Agreement bear interest at the

Base Rate or the Eurodollar rate, as defined, plus a margin up to 2.75%. A quarterly commitment fee of between 0.25% and 0.375% per annum is payable on the unborrowed balance of Term A and the revolving credit facility.

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

Based upon outstanding indebtedness at March 31, 1999, and the amortization of term and fund loans, and scheduled reductions in available borrowings of the revolving credit facility, aggregate future principal payments on the total borrowings under all debt agreements at March 31, 1999, are as follows:

YEAR	AMOUNT
2000	$ --
2001	--
2002	17,500
2003	17,500
2004	18,510
Thereafter	4,706,630
	$4,760,140

5. RELATED-PARTY TRANSACTIONS:

The Company is charged a management fee equal to 3.5% percent of gross revenues payable quarterly. To the extent management fees charged to the Company are greater (less) than the corporate expenses incurred by Charter, the Company records a distribution to (capital contributions from) parent. For the three months ended March 31, 1999, the Company recorded a distribution of $4,692. As of March 31, 1999, management fees currently payable of $10,015 are included in payables to manager of cable television systems-related party.

6. STOCK OPTION PLAN

In December 1998 and February 1999, Charter Investment and Charter Holdings, adopted option plans providing for the grant of options to purchase up to an aggregate of 10% of the equity value of Charter Communications Holdings Company, LLC parent of Charter Holdings (CCHC) and 3% of the equity value of Charter Investment. The option plans provide for grants of options to employees, officers and directors of CCHC and its affiliates and consultants who provide services to CCHC. The option exercise price is equal to the fair market value at the date of grant. Options granted under the vest over four to five years. However, if there has not been a public offering of the equity interests of

CCHC or an affiliate, vesting will occur only upon termination of employment for any reason, other than for cause or disability. Options not exercised accumulate and are exercisable, in whole or in part, in any subsequent period, but not later than ten years from the date of grant.

Options outstanding as of March 31, 1999, are as follows:

	OPTIONS OUTSTANDING		OPTIONS EXERCISABLE
EXERCISE PRICE	NUMBER OF OPTIONS	REMAINING CONTRACT LIFE (IN YEARS)	NUMBER OF OPTIONS
$20.00	15,312,327	9.8	1,761,032

The Company follows Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" to account for the option plans. No compensation expense is recognized because the option exercise price is equal to the fair value of the underlying membership interests on the date of grant.

Had compensation expense for the option plans been determined based on the fair value at the grant dates under the provisions of SFAS No. 123, the Company's net loss would have been $112.9 million. The fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: no dividend yield, expected volatility of 44.0%, risk free rate of 5.00%, and expected option lives of 10 years.

7. SUBSEQUENT EVENT:

In the second quarter of 1999, the Company acquired cable television systems in two separate transactions for an aggregate purchase price of $699.0 million. The Company has also entered into definitive agreements to purchase additional cable television systems, including a exchange of cable television systems, for approximately $3.9 billion. The exchange of cable television systems will be recorded at the fair value of the systems exchanged. The additional six acquisitions are expected to close no later than March 31, 2000.

RENAISSANCE MEDIA GROUP LLC

CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS)

	MARCH 31, 1999	DECEMBER 31, 1998
	(UNAUDITED)	(AUDITED)
ASSETS		
Cash and cash equivalents	$ 8,901	$ 8,482
Accounts receivable -- trade (less allowance for doubtful accounts of $76 in 1999 and $94 in 1998)	731	726
Accounts receivable -- other	552	584
Prepaid expenses and other assets	381	340
Escrow deposit	--	150
Investment in cable television systems:		
Property, plant and equipment	74,435	71,246
Less: accumulated depreciation	(9,841)	(7,294)
	64,594	63,952
Cable television franchises	238,407	236,489
Less: accumulated amortization	(15,436)	(11,473)
	222,971	225,016
Intangible assets	17,540	17,559
Less: accumulated amortization	(1,411)	(1,059)
	16,129	16,500
Total investment in cable television systems	303,694	305,468
TOTAL ASSETS	$314,259	$315,750
LIABILITIES AND MEMBERS' EQUITY		
Accounts payable	$ 587	$ 2,042
Accrued expenses	7,062	6,670
Subscriber advance payments and deposits	651	608
Deferred marketing support	755	800
Advances from affiliates	135	135
Debt	212,503	209,874
TOTAL LIABILITIES	221,693	220,129
MEMBERS' EQUITY:		
Paid-in capital	108,600	108,600
Accumulated deficit	(16,034)	(12,979)
Total members' equity	92,566	95,621
TOTAL LIABILITIES AND MEMBERS' EQUITY	$314,259	$315,750

See accompanying notes to consolidated financial statements.

RENAISSANCE MEDIA GROUP LLC

CONSOLIDATED STATEMENT OF OPERATIONS
(IN THOUSANDS)

	THREE MONTHS ENDED MARCH 31, 1999
	(UNAUDITED)
Revenues	$15,254
Cost and expenses:	
Service costs	4,596
Selling, general and administrative	2,293
Depreciation and amortization	6,655
Operating income	1,710
Interest (income)	(90)
Interest expense	4,797
Loss before provision for taxes	(2,997)
Provision for taxes	58
Net loss	$(3,055)

See accompanying notes to consolidated financial statements.

RENAISSANCE MEDIA GROUP LLC

CONSOLIDATED STATEMENT OF CHANGES IN MEMBERS' EQUITY
(IN THOUSANDS)

	PAID-IN CAPITAL	ACCUMULATED DEFICIT	TOTAL MEMBERS' EQUITY
Balance December 31, 1998 (Audited)	$108,600	$(12,979)	$95,621
Net loss (Unaudited)	--	(3,055)	(3,055)
Balance March 31, 1999 (Unaudited)	$108,600	$(16,034)	$92,566

See accompanying notes to consolidated financial statements.

RENAISSANCE MEDIA GROUP LLC

CONSOLIDATED STATEMENT OF CASH FLOWS
(IN THOUSANDS)

	THREE MONTHS ENDED MARCH 31, 1999
	(UNAUDITED)
Operating Activities:	
Net loss	$(3,055)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Depreciation and amortization	6,655
Accretion on senior discount notes and non-cash interest expense	2,630
Other non-cash expenses	239
Deferred marketing support	(45)
Changes in operating assets and liabilities, net of effects from acquisitions	
Accounts receivable -- trade, net	(5)
Accounts receivable -- other	32
Prepaid expenses and other assets	(41)
Accounts payable	(1,455)
Accrued expenses	392
Subscriber advance payments and deposits	43
Net cash provided by operating activities	5,390
Investing Activities:	
Purchases of cable television systems:	
Property, plant and equipment	(830)
Cable television franchises	(1,918)
Escrow deposit	150
Capital expenditures	(2,393)
Other intangible assets	20
Net cash used in investing activities	(4,971)
Financing Activities:	
Net cash provided by financing activities	--
Net increase in cash and cash equivalents	419
Cash and cash equivalents at beginning of period	8,482
Cash and cash equivalents at end of period	$ 8,901

See accompanying notes to consolidated financial statements.

RENAISSANCE MEDIA GROUP LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 1999
(DOLLARS IN THOUSANDS EXCEPT WHERE INDICATED)
(UNAUDITED)

1. ORGANIZATION

Renaissance Media Group LLC ("Group") was formed on March 13, 1998 by Renaissance Media Holdings LLC ("Holdings"). Holdings formed Renaissance Media Capital Corporation on March 12, 1998. On March 20, 1998, Holdings contributed to Group its membership interests in two wholly owned subsidiaries; Renaissance Media (Louisiana) LLC ("Louisiana") and Renaissance Media (Tennessee) LLC ("Tennessee"), both of which were formed on January 7, 1998. Louisiana and Tennessee acquired a 76% interest and 24% interest, respectively, in Renaissance Media LLC ("Media") from Morgan Stanley Capital Partners III, Inc. ("MSCP III") on February 13, 1998 for a nominal amount. As a result, Media became a subsidiary of Holdings. The transfer was accounted for as a reorganization of entities under common control similar to a pooling of interests since an entity affiliated with MSCP III had a controlling interest in Holdings. Group and its aforementioned subsidiaries are collectively referred to as the "Company" herein. On April 9, 1998, the Company acquired (the "Acquisition") six cable television systems (the "TWI Systems") from TWI Cable, Inc. ("TWI Cable") a subsidiary of Time Warner Inc. ("Time Warner"). Prior to this Acquisition, the Company had no operations other than start-up related activities. For further information, refer to the Company's Annual Report on Form 10-K for the year ended December 31, 1998 for additional disclosures and information regarding the formation of the Company.

2. BASIS OF PRESENTATION

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles. The interim financial statements are unaudited but include all adjustments, which are of normal recurring nature that the Company considers necessary for a fair presentation of the financial position and the results of operations and cash flows for such period. Operating results of interim periods are not necessarily indicative of results for a full year.

3. SALE OF THE COMPANY

On February 23, 1999, Holdings, Charter Communications, Inc. ("Charter") and Charter Communications, LLC ("Buyer") executed a purchase agreement (the "Charter Purchase Agreement"), providing for Holdings to sell and Buyer to purchase, all the outstanding limited liability company membership interests in Group held by Holdings (the "Charter Transaction") subject to certain covenants and restrictions pending closing and satisfaction of certain conditions prior to closing. On April 30, 1999, the Charter Transaction was consummated. In connection therewith all amounts outstanding, including accrued interest and fees, under the Credit Agreement, (as defined herein, see Note 5), were paid in full and the Credit Agreement was terminated on April 30, 1999.

RENAISSANCE MEDIA GROUP LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)
MARCH 31, 1999
(DOLLARS IN THOUSANDS EXCEPT WHERE INDICATED)
(UNAUDITED)

4. ACQUISITIONS

On April 9, 1998, the Company commenced operations with the acquisition of the TWI Systems (the "TWI Acquisition"). Unaudited pro forma summarized results of operations for the Company for the three months ended March 31, 1998, assuming the TWI Acquisition had been consummated on January 1, 1998 are as follows:

	THREE MONTHS ENDED MARCH 31, 1998
Revenues	$13,973
Costs and expenses	13,531
Operating income	442
Interest and other expenses	4,954
Net loss	$(4,512)

5. DEBT

Media maintained a credit agreement (the "Credit Agreement"). The aggregate commitments under the Credit Agreement totaled $150,000, consisted of a $40,000 revolver, $60,000 Tranche A Term Loans and $50,000 Tranche B Term Loans. The revolving credit facility and term loans were collateralized by a first lien position on all present and future assets and members' interest of Media, Louisiana and Tennessee. The Credit Agreement provided for interest at varying rates based upon various borrowing options and the attainment of certain financial ratios and for commitment fees of 1/2% on the unused portion of the revolver. The effective interest rate for the quarter ended March 31, 1999 was 7.67%.

On April 9, 1998, $110,000 was borrowed under the Credit Agreement's Tranche A and B Term Loans. On June 23, 1998, $7,500 was repaid resulting in $102,500 of outstanding Tranche A and B Term Loans as of March 31, 1999.

On March 31, 1999, the Company had unrestricted use of the $40,000 revolver. No borrowings had been made by the Company through that date.

As required by the Credit Agreement, Media purchased an interest rate cap agreement from Morgan Stanley Capital Services Inc., an affiliate of MSCP III. The agreement effectively fixed or set a maximum LIBOR rate of 7.25% on bank debt borrowings up to $100,000 through December 1999. As of March 31, 1999, the fair value of the interest rate cap agreement was $0.

As a result of the Charter Transaction (i.e., change of control) and in accordance with the terms and conditions of the indenture governing the 10% senior discount notes due 2008 (the "Notes"), the Company will offer to repurchase the Notes at a redemption price of 101% of Accreted Value (as defined in the indenture) plus accrued interest.

6. RELATED PARTY TRANSACTIONS

In connection with the Acquisition, Media entered into an agreement with Time Warner, pursuant to which Time Warner manages the Company's programming in exchange for providing the Company access to certain Time Warner programming arrangements. Management believes that these programming rates made available through its relationship with Time Warner are lower than the Company could obtain separately. Such volume rates will not continue to be available after the Charter Transaction.

For the quarter ended March 31, 1999, the Company incurred approximately $2,009 for programming services under this agreement. In addition, the Company has incurred programming costs of approximately $713 for programming services owned directly or indirectly by Time Warner entities for the quarter ended March 31, 1999.

The Company has utilized the law firm of one of its board members for various ongoing legal matters. These fees totaled approximately $154 for the quarter ended March 31, 1999.

7. EMPLOYEE BENEFIT PLAN

The Company sponsors a defined contribution plan that covers substantially all employees (the "Plan"). The Plan provides for contributions from eligible employees up to 15% of their compensation subject to a maximum limit as determined by the Internal Revenue Service. The Company's contribution to the Plan is limited to 50% of each eligible employee's contribution up to 10% of his or her compensation. The Company has the right to change the amount of the Company's matching contribution percentage. The Company matching contributions approximated $38 for the quarter ended March 31, 1999.

HELICON PARTNERS I, L.P. AND AFFILIATES

UNAUDITED CONDENSED COMBINED BALANCE SHEET
MARCH 31, 1999

ASSETS	
Cash and cash equivalents	$ 11,463,984
Receivables from subscribers	1,619,055
Prepaid expenses and other assets	2,866,831
Property, plant and equipment, net	88,723,374
Intangible assets and deferred costs, net	95,641,669
Total assets	$200,314,913
LIABILITIES AND PARTNERS' DEFICIT	
Liabilities:	
Accounts payable	$ 6,318,658
Accrued expenses	839,902
Subscriptions received in advance	954,732
Accrued interest	8,381,948
Due to principal owner	5,000,000
Senior secured notes	115,000,000
Loans payable to banks	120,264,288
Senior subordinated loans payable to banks	12,000,000
12% subordinated notes, net of unamortized discount of $2,313,425	42,787,309
Redeemable partnership interests	18,708,097
Other notes payable	5,293,908
Due to affiliates, net	136,952
Total liabilities	335,685,794
Commitments	
Partners' deficit:	
Preferred limited partners	8,824,491
Accumulated partners' deficit	(144,194,372)
Less capital contribution receivable	(1,000)
Total partners' deficit	(135,370,881)
Total liabilities and partners' deficit	$200,314,913

See accompanying notes to unaudited condensed combined financial statements.

HELICON PARTNERS I, L.P. AND AFFILIATES

UNAUDITED CONDENSED COMBINED STATEMENTS OF OPERATIONS
THREE-MONTH PERIODS ENDED MARCH 31, 1998 AND 1999

	1998	1999
Revenues	$18,348,297	$21,251,906
Operating expenses:		
Operating expenses	5,576,707	6,724,757
General and administrative expenses	3,138,482	3,365,652
Marketing expenses	820,971	1,094,800
Depreciation and amortization	5,774,012	6,828,410
Management fee charged by affiliate	635,485	1,063,597
Corporate and other expenses	63,751	90,977
Total operating expenses	16,009,408	19,168,193
Operating income	2,338,889	2,083,713
Interest expense	(6,844,969)	(7,821,042)
Interest income	30,314	51,704
	(6,814,655)	(7,769,338)
Net loss	($4,475,766)	($5,685,625)

See accompanying notes to unaudited condensed combined financial statements.

HELICON PARTNERS I, L.P. AND AFFILIATES

UNAUDITED CONDENSED COMBINED STATEMENTS OF
CHANGES IN PARTNERS' DEFICIT
THREE-MONTH PERIOD ENDED MARCH 31, 1999

	PREFERRED LIMITED PARTNERS	PARTNERS' DEFICIT GENERAL PARTNER	PARTNERS' DEFICIT CLASS A LIMITED PARTNERS	CAPITAL CONTRIBUTION RECEIVABLE	TOTAL
Balance at December 31, 1998......	$8,567,467	$ (989,962)	$(134,807,570)	$(1,000)	$(127,231,065)
Distribution of additional preferred partnership interests.......................	257,024	(2,570)	(254,454)	--	0
Accretion of redeemable partnership interests...........	--	(24,542)	(2,429,649)	--	(2,454,191)
Net loss..........................	--	(56,856)	(5,628,769)	--	(5,685,625)
Balance at March 31, 1999.........	$8,824,491	$(1,073,930)	$(143,120,442)	$(1,000)	$(135,370,881)

See accompanying notes to unaudited condensed combined financial statements.

HELICON PARTNERS I, L.P. AND AFFILIATES

UNAUDITED CONDENSED COMBINED STATEMENTS OF CASH FLOWS
THREE-MONTHS PERIOD ENDED MARCH 31, 1998 AND 1999

	1998	1999
Cash flows from operating activities:		
Net loss	($4,475,766)	($5,685,625)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	5,774,012	6,828,410
Amortization of debt discount and deferred financing costs	230,005	241,605
Gain on sale of equipment	(1,498)	(6,000)
Change in operating assets and liabilities:		
Decrease in receivables from subscribers	285,217	39,303
(Increase) decrease in prepaid expenses and other assets	(756,438)	605,752
Increase in financing costs incurred	(37,500)	(240,000)
Decrease in accounts payable and accrued expenses	(1,125,646)	(2,501,877)
Increase in subscriptions received in advance	137,562	135,169
Increase in accrued interest	4,356,122	4,639,494
Total adjustments	8,861,836	9,741,856
Net cash provided by operating activities	4,386,070	4,056,231
Cash flows from investing activities:		
Purchases of property, plant and equipment	(1,725,789)	(3,229,629)
Proceeds from sale of equipment	91,128	6,000
Cash paid for net assets of cable television systems acquired	--	(5,951,453)
Increase in intangible assets and deferred costs	(47,088)	(172,593)
Net cash used in investing activities	(1,681,749)	(9,347,675)
Cash flows from financing activities:		
Proceeds from bank loans	1,000,000	12,000,000
Repayment of bank loans	(2,511)	(2,633)
Repayment of other notes payable	(307,889)	(262,410)
Advances to affiliates	(895,633)	(2,596,997)
Repayments of advances to affiliates	364,141	2,486,907
Net cash provided by financing activities	158,108	11,624,867
Net increase in cash and cash equivalents	2,862,429	6,333,423
Cash and cash equivalents at beginning of period	4,372,281	5,130,561
Cash and cash equivalents at end of period	$ 7,234,710	$11,463,984
Supplemental cash flow information:		
Interest paid	$ 2,258,842	$ 2,939,944
Other non-cash items:		
Acquisition of property, plant and equipment through issuance of other notes payable	$ 17,686	$ 97,666

See accompanying notes to unaudited condensed combined financial statements.

HELICON PARTNERS I, L.P AND AFFILIATES

NOTES TO UNAUDITED CONDENSED COMBINED FINANCIAL STATEMENTS
MARCH 31, 1999

1. ORGANIZATION AND NATURE OF BUSINESS

Helicon Partners I, L.P. ("the Partnership") was organized as a limited partnership on November 30, 1994 under the laws of the State of Delaware. On April 8, 1996, Baum Investments, Inc. acquired a 1% general partnership interest in the Partnership through an initial capital contribution of $1,500 and the existing limited partners of The Helicon Group, L.P. ("THGLP"), formed in 1993, exchanged their limited partnership interests in THGLP for all Class A Common Limited Partnership Interests and Preferred Limited Partnership Interests in the Partnership. As a result of this exchange, THGLP became 99% owned by the Partnership. The Partnership now owns all of the limited partnership interests in THGLP and Baum Investments, Inc. continues to be the general partner of THGLP and to own a 1% general partnership interest in THGLP. The Partnership also owns a 99% interest and THGLP a 1% interest in HPI Acquisition Co., LLC ("HPIAC"), a Delaware limited liability company formed on February 7, 1996. The Company also owns a 89% limited partnership interest and Baum Investments, Inc. a 1% general partnership interest in Helicon OnLine, L. P. ("HOL"), a Delaware limited partnership formed May 31, 1997. The Partnership, THGLP, HPIAC and HOL are referred to collectively herein as the Company.

The Partnership operates in one business segment offering cable television services in the states of Pennsylvania, West Virginia, North Carolina, South Carolina, Louisiana, Vermont and New Hampshire, Georgia and Tennessee. The Company also offers to customers advanced services, such as paging, cable modems and private data network systems under the name of "Helicon Network Solutions", as well as, dial up internet service in Pennsylvania and Vermont under the name of "Helicon OnLine".

On March 22, 1999, the Partnership, Baum Investments, Inc. and all the holders of partnership interests in the Partnership entered into a purchase agreement by and among Charter Communications, Inc, Charter Communications, LLC and Charter Helicon, LLC (collectively the "Charter Entities") providing for the sale of all such partnership interests and Helicon Corp.'s interest in the management agreements with THGLP and HPIAC to the Charter Entities. The sale price is $550 million which amount will be reduced by any outstanding indebtedness assumed by the Charter Entities.

In the opinion of management, the accompanying unaudited condensed combined financial statements of the Partnership reflect all adjustments, consisting of normal recurring accruals, necessary to present fairly the Partnership's combined financial position as of March 31, 1999, and their results of operations and cash flows for the three-month periods ended March 31, 1998 and 1999. The results of operations for the three-month period ended March 31, 1999 are not necessarily indicative of the results for a full year.

2. ACQUISITIONS

On December 31, 1998, HPIAC acquired the net assets of cable television systems serving approximately 11,225 (unaudited) subscribers primarily in the North Carolina community of Roanoke Rapids. The aggregate purchase price was $26,063,284 including acquisition costs of $535,875 and was allocated to the net assets acquired, which included property, equipment and intangible assets, based on their estimated fair value.

HELICON PARTNERS I, L.P AND AFFILIATES

NOTES TO UNAUDITED CONDENSED COMBINED FINANCIAL STATEMENTS -- (CONTINUED)

On January 7, 1999, THGLP acquired the cable television systems, serving approximately 4,350 (unaudited) subscribers in the North Carolina counties of Carter, Johnson and Unicol. The aggregate purchase price was approximately $5,228,097 and was allocated to the net assets acquired, which included property and equipment and intangible assets.

On March 1, 1999, HPIAC acquired a cable television system serving approximately 551 (unaudited) subscribers in the communities of Abbeville, Donalds and Due West, South Carolina. The aggregate purchase price was approximately $723,356 and was allocated to the net assets acquired, which included property, equipment and intangible assets, based on their estimated fair value.

The operating results relating to the above acquisitions, effective with their acquisition dates, are included in the accompanying unaudited condensed combined financial statements.

On April 6, 1999, the HPIAC acquired a cable television system serving approximately 314 (unaudited) subscribers in the communities of Mentone and part of DeKalb, Alabama. The aggregate purchase price was approximately $265,690 and was allocated to the net assets acquired, which included property, equipment and intangible assets, based on their estimated fair value.

3. LOANS PAYABLE TO BANKS

On January 5, 1999, THGLP entered into a $12,000,000 Senior Subordinated Loan Agreement with Paribas Capital Funding, LLC ("the 1999 Credit Facility"). The Facility is non-amortizing and is due January 5, 2003. Initial borrowings of $7,000,000 under this Facility financed the acquisition of certain cable television assets in North Carolina. On February 19, 1999, the Company borrowed the remainder $5,000,000 available under the 1999 Credit Facility. Interest on the $12,000,000 is payable at 11.5% per annum.

INTERMEDIA CABLE SYSTEMS
(COMPRISED OF COMPONENTS OF INTERMEDIA PARTNERS AND
INTERMEDIA CAPITAL PARTNERS IV, L.P.)

COMBINED BALANCE SHEETS
(DOLLARS IN THOUSANDS)

	MARCH 31, 1999	DECEMBER 31, 1998
	(UNAUDITED)	
ASSETS		
Accounts receivable, net of allowance for doubtful accounts of $948 and $899, respectively	$ 13,949	$ 14,425
Receivables from affiliates	5,038	5,623
Prepaid expenses	847	423
Other current assets	206	350
Total current assets	20,040	20,821
Intangible assets, net	240,567	255,356
Property and equipment, net	225,682	218,465
Deferred income taxes	13,994	12,598
Investments and other non-current assets	3,697	2,804
Total assets	$503,980	$510,044
LIABILITIES AND EQUITY		
Accounts payable and accrued liabilities	$ 19,030	$ 19,230
Deferred revenue	11,944	11,104
Payables to affiliates	3,057	3,158
Total current liabilities	34,031	33,492
Note payable to InterMedia Partners IV, L.P.	412,436	396,579
Deferred channel launch revenue	3,900	4,045
Total liabilities	450,367	434,116
Commitments and contingencies		
Mandatorily redeemable preferred shares	14,430	14,184
Equity	39,183	61,744
Total liabilities and equity	$503,980	$510,044

See accompanying notes to the condensed combined financial statements.

INTERMEDIA CABLE SYSTEMS
(COMPRISED OF COMPONENTS OF INTERMEDIA PARTNERS AND
INTERMEDIA CAPITAL PARTNERS IV, L.P.)

COMBINED STATEMENTS OF OPERATIONS
(DOLLARS IN THOUSANDS)

	THREE MONTHS ENDED MARCH 31,	
	1999	1998
	(UNAUDITED)	
REVENUES		
Basic and cable services	$ 34,215	$30,103
Pay services	6,436	6,070
Other services	7,637	5,961
	48,288	42,134
COSTS AND EXPENSES		
Program fees	11,598	9,616
Other direct expenses	4,763	4,177
Selling, general and administrative expenses	9,719	8,183
Management and consulting fees	781	781
Depreciation and amortization	26,100	20,353
	52,961	43,110
Loss from operations	(4,673)	(976)
OTHER INCOME (EXPENSE)		
Interest expense	(5,778)	(6,734)
Interest and other income	77	49
Other expense	--	(24)
	(5,701)	(6,709)
Loss before income tax benefit	(10,374)	(7,685)
Income tax benefit	1,396	1,595
NET LOSS	$ (8,978)	$(6,090)

See accompanying notes to the condensed combined financial statements.

INTERMEDIA CABLE SYSTEMS
(COMPRISED OF COMPONENTS OF INTERMEDIA PARTNERS AND
INTERMEDIA CAPITAL PARTNERS IV, L.P.)

COMBINED STATEMENT OF CHANGES IN EQUITY
(DOLLARS IN THOUSANDS)

Balance at January 1, 1998	$ 58,713
Net loss	(3,521)
Accretion for mandatorily redeemable preferred shares	(945)
Net cash contributions from parent	6,350
In-kind contribution from parent	1,147
Balance at December 31, 1998	61,744
Net loss (unaudited)	(8,978)
Accretion for mandatorily redeemable preferred shares (unaudited)	(246)
Net cash distributions to parent (unaudited)	(13,337)
Balance at March 31, 1999 (unaudited)	$ 39,183

See accompanying notes to the condensed combined financial statements.

INTERMEDIA CABLE SYSTEMS
(COMPRISED OF COMPONENTS OF INTERMEDIA PARTNERS AND
INTERMEDIA CAPITAL PARTNERS IV, L.P.)

COMBINED STATEMENTS OF CASH FLOWS
(DOLLARS IN THOUSANDS)

	THREE MONTHS ENDED MARCH 31,	
	1999	1998
	(UNAUDITED)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (8,978)	$ (6,090)
Adjustments to reconcile net loss to cash flows from operating activities:		
Depreciation and amortization	26,100	20,353
Loss on disposal of fixed assets	--	4
Changes in assets and liabilities:		
Accounts receivable	476	242
Receivables from affiliates	585	(1,092)
Prepaid expenses	(424)	(183)
Other current assets	144	52
Deferred income taxes	(1,396)	(1,595)
Investments and other non-current assets	(893)	138
Accounts payable and accrued liabilities	(713)	(5,272)
Deferred revenue	(220)	522
Payables to affiliates	(101)	(53)
Accrued interest	5,532	6,505
Deferred channel launch revenue	915	591
Cash flows from operating activities	21,027	14,122
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(17,895)	(18,069)
Intangible assets	(120)	(161)
Cash flows from investing activities	(18,015)	(18,230)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net (distributions) contributions to/from parent	(13,337)	5,431
Net (repayments) borrowings of intercompany debt	10,325	(1,323)
Cash flows from financing activities	(3,012)	4,108
Net change in cash	--	--
CASH AT BEGINNING OF PERIOD	--	--
CASH AT END OF PERIOD	$ --	$ --

See accompanying notes to the condensed combined financial statements.

INTERMEDIA CABLE SYSTEMS
(COMPRISED OF COMPONENTS OF INTERMEDIA PARTNERS AND
INTERMEDIA CAPITAL PARTNERS IV, L.P.)

NOTES TO CONDENSED COMBINED FINANCIAL STATEMENTS (UNAUDITED)
(DOLLARS IN THOUSANDS)

1. BASIS OF PRESENTATION

THE CHARTER TRANSACTIONS

InterMedia Partners, a California limited partnership ("IP-I"), and InterMedia Capital Partners IV, L.P., a California limited partnership, ("ICP-IV", together with IP-I, "InterMedia") are affiliated through common control and management. Robin Media Group, Inc. , a Nevada corporation, ("RMG") is a majority owned subsidiary of ICP-IV. On April 20, 1999 InterMedia and certain of its affiliates entered into agreements (the "Agreements") with affiliates of Charter Communications, Inc. ("Charter") to sell and exchange certain of their cable television systems ("the Charter Transactions").

Specifically, ICP-IV and its affiliates have agreed to sell certain of their cable television systems in Tennessee and Gainesville, Georgia through a combination of asset sales and the sale of their equity interests in RMG, and to exchange their systems in and around Greenville and Spartanburg, South Carolina for Charter systems located in Indiana, Kentucky, Utah and Montana. Immediately upon Charter's acquisition of RMG, IP-I will exchange its cable television systems in Athens, Georgia, Asheville and Marion, North Carolina and Cleveland, Tennessee for RMG's cable television systems located in middle Tennessee.

The Charter Transactions are expected to close during the third or fourth quarter of 1999. The cable systems retained by Charter upon consummation of the Charter Transactions, together with RMG, are referred to as the "InterMedia Cable Systems," or the "Systems."

PRESENTATION

The Systems being sold or exchanged do not individually or collectively comprise a separate legal entity. Accordingly, the accompanying condensed combined financial statements have been carved-out from the historical accounting records of InterMedia.

The accompanying unaudited interim condensed combined financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information. Accordingly, certain footnote disclosures have been condensed or omitted. In the management's opinion, the interim unaudited combined financial statements reflect all adjustments (consisting of only normal recurring adjustments) necessary for a fair presentation of the Systems' financial position as of March 31, 1999 and their results of operations and cash flows for the three months ended March 31, 1999 and 1998. The results of operations and cash flows for the three months ended March 31, 1999 are not necessarily indicative of results that may be expected for the year ending December 31, 1999. These condensed combined financial statements should be read in conjunction with the Systems' audited combined financial statements and notes thereto for the year ended December 31, 1998.

INTERMEDIA CABLE SYSTEMS
(COMPRISED OF COMPONENTS OF INTERMEDIA PARTNERS AND
INTERMEDIA CAPITAL PARTNERS IV, L.P.)

NOTES TO CONDENSED COMBINED FINANCIAL
STATEMENTS (UNAUDITED) -- (CONTINUED)
(DOLLARS IN THOUSANDS)

CARVE-OUT METHODOLOGY

Throughout the periods covered by the condensed combined financial statements, the individual cable systems were operated and accounted for separately. However, the Charter Transactions exclude certain systems (the "Excluded Systems") which were operated as part of the Marion, North Carolina and western Tennessee systems throughout 1998 and 1999. For purposes of carving out and excluding the results of operations and financial position of the Excluded Systems from the condensed combined financial statements, management has estimated the revenues, expenses, assets and liabilities associated with each Excluded System based on the ratio of each Excluded System's basic subscribers to the total basic subscribers served by the Marion, North Carolina and western Tennessee systems, respectively. Management believes the basis used for these allocations is reasonable. The Systems' results of operations are not necessarily indicative of future operating results or the results that would have occurred if the Systems were a separate legal entity.

Management and consulting fees represent an allocation of management fees charged to IP-I and ICP-IV by InterMedia Capital Management, a California limited partnership ("ICM") and InterMedia Management, Inc. ("IMI"), respectively. ICM is a limited partner of IP-I. IMI is the managing member of each of the general partners of IP-I and ICP-IV. These fees are charged at a fixed amount per annum and have been allocated to the Systems based upon the allocated contributed capital of the individual systems as compared to the total contributed capital of InterMedia's subsidiaries.

As more fully described in Note 4 -- "Related Party Transactions," certain administrative services are also provided by IMI and are charged to all affiliates based on relative basic subscriber percentages.

CASH AND INTERCOMPANY ACCOUNTS

Under InterMedia's centralized cash management system, cash requirements of its individual operating units were generally provided directly by InterMedia and the cash generated or used by the Systems was transferred to/from InterMedia, as appropriate, through intercompany accounts. The intercompany account balances between InterMedia and the individual operating units, except RMG's intercompany note payable to InterMedia Partners IV, L.P. ("IP-IV"), as described in Note 3 -- "Note Payable to InterMedia Partners IV, L.P.," are not intended to be settled. Accordingly, the balances, other than RMG's note payable to IP-IV, are included in equity and all net cash generated from operations, investing activities and financing activities have been included in the Systems' net (distributions) contributions to/from parent in the combined statements of cash flows.

IP-I and ICP-IV or its subsidiaries maintain all external debt to fund and manage InterMedia's operations on a centralized basis. The condensed combined financial statements present only the debt and related interest expense of RMG, which is assumed and repaid by Charter pursuant to the Charter Transactions. See Note 3 -- "Note Payable to InterMedia Partners IV, L.P." Debt, unamortized debt issue costs and interest expense related to the financing of the cable systems not owned by RMG have not been allocated to the InterMedia Cable Systems. As such, the level of debt, unamortized debt issue costs and related interest expense presented in the condensed combined financial statements are not representative of the debt that would be required or interest expense incurred if InterMedia Cable Systems were a separate legal entity.

(DOLLARS IN THOUSANDS)

USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS

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

2. EXCHANGE OF CABLE PROPERTIES

EXCHANGE

On December 31, 1998, certain of the Systems' cable television assets located in and around western and eastern Tennessee ("Exchanged Assets"), serving approximately 10,600 (unaudited) basic subscribers, plus cash of $398 were exchanged for other cable television assets located in and around western and eastern Tennessee, serving approximately 10,000 (unaudited) basic subscribers.

The exchange resulted in a gain of $26,218 calculated as the difference between the fair value of the assets received and the net book value of the Exchanged Assets less cash paid of $398.

3. NOTE PAYABLE TO INTERMEDIA PARTNERS IV, L.P.

RMG's note payable to IP-IV consists of the following:

	MARCH 31, 1999	DECEMBER 31, 1998
Intercompany revolving credit facility, $1,200,000 commitment as of March 31, 1999, interest currently at 6.84% payable on maturity, matures December 31, 2006...	$412,436	$396,579

RMG's debt is outstanding under an intercompany revolving credit facility executed with IP-IV. The revolving credit facility currently provides for $1,200,000 of available credit.

RMG's intercompany revolving credit facility requires repayment of the outstanding principal and accrued interest on the earlier of (i) December 31, 2006, or (ii) acceleration of any of IP-IV's obligations to repay under its bank debt outstanding under its revolving

INTERMEDIA CABLE SYSTEMS
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NOTES TO CONDENSED COMBINED FINANCIAL
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(DOLLARS IN THOUSANDS)

credit facility ("IP-IV Revolving Credit Facility") and term loan agreement ("IP-IV Term Loan", together with the IP-IV Revolving Credit Facility, the "IP-IV Bank Facility") dated July 30, 1996.

Interest rates under RMG's intercompany revolving credit facility are calculated monthly and are referenced to those made available under the IP-IV Bank Facility. Interest rates ranged from 6.21% to 6.84% during the three months ended March 31, 1999.

Charter has an obligation to assume and repay RMG's intercompany revolving credit facility pursuant to the Charter Transactions.

Advances under the IP-IV Bank Facility are available under interest rate options related to the base rate of the administrative agent for the IP-IV Bank Facility ("ABR") or LIBOR. Interest rates on borrowings under the IP-IV Term Loan vary from LIBOR plus 1.75% to LIBOR plus 2.00% or ABR plus 0.50% to ABR plus 0.75% based on IP-IV's ratio of debt outstanding to annualized quarterly operating cash flow ("Senior Debt Ratio"). Interest rates on borrowings under the IP-IV Revolving Credit Facility also vary from LIBOR plus 0.625% to LIBOR plus 1.50% or ABR to ABR plus 0.25% based on IP-IV's Senior Debt Ratio. The IP-IV Bank Facility requires quarterly payment of fees on the unused portion of the IP-IV Revolving Credit Facility of 0.375% per annum when the Senior Debt Ratio is greater than 4.0:1.0 and at 0.25% when the Senior Debt Ratio is less than or equal to 4.0:1.0.

The terms and conditions of RMG's intercompany debt agreement are not necessarily indicative of the terms and conditions which would be available if the Systems were a separate legal entity.

4. RELATED PARTY TRANSACTIONS

ICM and IMI provide certain management services to IP-I and ICP-IV, respectively, for per annum fixed fees, of which 20% per annum is deferred and payable in each following year in order to support InterMedia's debt. InterMedia's management fees for the three months ended March 31, 1999 and 1998 amounted to $1,353, of which $781 has been charged to the Systems.

IMI has entered into agreements with both IP-I and ICP-IV to provide accounting and administrative services at cost. Under the terms of the agreements, the expenses associated with rendering these services are charged to the Systems and other affiliates based upon relative basic subscriber percentages. Management believes this method to be reflective of the actual cost. During the three months ended March 31, 1999 and 1998, IMI administrative fees charged to the Systems totaled $859 and $1,206, respectively. Receivables from affiliates at March 31, 1999 and December 31, 1998 include $405 and $52, respectively, of advances to IMI, net of administrative fees charged by IMI and operating expenses paid by IMI on behalf of the Systems.

INTERMEDIA CABLE SYSTEMS
(COMPRISED OF COMPONENTS OF INTERMEDIA PARTNERS AND
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NOTES TO CONDENSED COMBINED FINANCIAL
STATEMENTS (UNAUDITED) -- (CONTINUED)
(DOLLARS IN THOUSANDS)

IP-I is majority-owned, and ICP-IV is owned in part, by AT&T Broadband & Internet Services ("AT&TBIS"), formerly Tele-Communications, Inc. As affiliates of AT&TBIS, IP-I and ICP-IV are able to purchase programming services from a subsidiary of AT&TBIS. Management believes that the overall programming rates made available through this relationship are lower than the Systems could obtain separately. Such volume rates may not continue to be available in the future should AT&TBIS's ownership interest in InterMedia significantly decrease. Program fees charged by the AT&TBIS subsidiary to the Systems for the three months ended March 31, 1999 and 1998 amounted to $8,505 and $6,624, respectively. Payables to affiliates include programming fees payable to the AT&TBIS subsidiary of $2,846 and $2,918 at March 31, 1999 and December 31, 1998, respectively.

On January 1, 1998 an affiliate of AT&TBIS entered into agreements with InterMedia to manage the Systems' advertising business and related services for an annual fixed fee per advertising sales subscriber as defined by the agreements. In addition to the annual fixed fee AT&TBIS is entitled to varying percentage shares of the incremental growth in annual cash flows from advertising sales above specified targets. Management fees charged by the AT&TBIS subsidiary for the three months ended March 31, 1999 amounted to $90. Receivables from affiliates at March 31, 1999 and December 31, 1998 include $4,119 and $3,437, respectively, of receivable from AT&TBIS for advertising sales.

As part of its normal course of business the Systems are involved in transactions with affiliates of InterMedia which own and operate cable television systems. Such transactions include purchases and sales at cost of inventories used in construction of cable plant. Receivables from affiliates at March 31, 1999 and December 31, 1998 include $514 and $2,134, respectively, of receivables from affiliated systems. Payables to affiliates at March 31, 1999 and December 31, 1998 include $172 and $208, respectively, of payables to affiliated systems.

5. COMMITMENTS AND CONTINGENCIES

The Systems are committed to provide cable television services under franchise agreements with remaining terms of up to eighteen years. Franchise fees of up to 5% of gross revenues are payable under these agreements.

Current FCC regulations require that cable television operators obtain permission to retransmit major network and certain local television station signals. The Systems have entered into long-term retransmission agreements with all applicable stations in exchange for in-kind and/or other consideration.

InterMedia has been named in purported and certified class actions in various jurisdictions concerning late fee charges and practices. Certain cable systems owned by InterMedia charge late fees to customers who do not pay their cable bills on time. These late fee cases challenge the amount of the late fees and the practices under which they are imposed. The plaintiffs raise claims under state consumer protection statutes, other state

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statutes and common law. The plaintiffs generally allege that the late fees charged by InterMedia's cable systems, including the Systems in the States of Tennessee, South Carolina and Georgia are not reasonably related to the costs incurred by the cable systems as a result of the late payment. The plaintiffs seek to require cable systems to reduce their late fees on a prospective basis and to provide compensation for alleged excessive late fee charges for past periods. These cases are either at the early stages of the litigation process or are subject to a case management order that sets forth a process leading to mediation. Based upon the facts available management believes that, although no assurances can be given as to the outcome of these actions, the ultimate disposition of these matters should not have a material adverse effect upon the financial condition of the Systems.

Under existing Tennessee laws and regulations, the Systems pay an Amusement Tax in the form of a sales tax on programming service revenues generated in Tennessee in excess of charges for the basic and expanded basic levels of service. Under the existing statute, only the service charges or fees in excess of the charges for the "basic cable" television service package are subject to the Amusement Tax. Related regulations clarify the definition of basic cable to include two tiers of service, which InterMedia's management and other operators in Tennessee have interpreted to mean both the basic and expanded basic level of services.

The Tennessee Department of Revenue ("TDOR") has proposed legislation which would replace the Amusement Tax under the existing statute with a new sales tax on all cable service revenues in excess of twelve dollars per month. The new tax would be computed at a rate approximately equal to the existing effective tax rate.

Unless InterMedia and other cable operators in Tennessee support the proposed legislation, the TDOR has suggested that it would assess additional taxes on prior years' expanded basic service revenues. The TDOR can issue an assessment for prior periods up to three years. Management estimates that the amount of such an assessment for the Systems, if made for all periods not previously audited, would be approximately $5.4 million. InterMedia's management believes that it is possible but not likely that the TDOR can make such an assessment and prevail in defending it.

InterMedia's management believes it has made a valid interpretation of the current Tennessee statute and regulations and that it has properly determined and paid all sales taxes due. InterMedia further believes that the legislative history of the current statute and related regulations, as well as the TDOR's history of not making assessments based on audits of prior periods, support InterMedia's interpretation. InterMedia and other cable operators in Tennessee are aggressively defending their past practices on calculation and payment of the Amusement Tax and are discussing with the TDOR modifications to their proposed legislation which would clarify the statute and would minimize the impact of such legislation on the Systems' results of operations. See Note 8 -- Subsequent Events.

The Systems are subject to other claims and litigation in the ordinary course of business. In the opinion of management, the ultimate outcome of any existing litigation or

INTERMEDIA CABLE SYSTEMS
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NOTES TO CONDENSED COMBINED FINANCIAL
STATEMENTS (UNAUDITED) -- (CONTINUED)
(DOLLARS IN THOUSANDS)

other claims will not have a material effect on the Systems' financial position or results of operations.

6. CHANNEL LAUNCH REVENUE

During 1997 and 1998, the Systems were credited with amounts representing their share of payments received or to be received by InterMedia from certain programmers to launch and promote their new channels. Of the total amount credited the Systems recognized advertising revenue of $333 during the three months ended March 31, 1999 for advertisements provided by the Systems to promoted the new channels. The remaining amounts credited to the Systems are being amortized over the respective terms of the program agreements which range between five to ten years. For the three months ended March 31, 1999 and 1998 the Systems amortized and recorded as other service revenues of $218 and $179, respectively.

7. SUPPLEMENTAL DISCLOSURES TO CONSOLIDATED STATEMENTS OF CASH FLOWS

Total accretion on RMG's Redeemable Preferred Stock for the three months ended March 31, 1999 and 1998 amounted to $246 and $230, respectively.

8. SUBSEQUENT EVENT

In late May 1999, both Houses of the Tennessee legislature passed new legislation which replaces the existing Amusement Tax with a new sales tax on cable service revenues effective September 1, 1999. Under the new legislation, all cable service revenues in excess of fifteen dollars are subject to tax at a rate which approximates the existing tax rate. The new legislation reflects certain amendments to the TDOR's proposed legislation described in Note 5 -- Commitments and Contingencies, including the change in the amount of cable service revenues which are exempt from sales tax from twelve dollars per month to fifteen dollars per month.

RIFKIN CABLE INCOME PARTNERS, L. P.

BALANCE SHEET (UNAUDITED)

	12/31/98	3/31/99
ASSETS		
Cash and cash equivalents	$ 65,699	$ 76,892
Customer accounts receivable, net of allowance for doubtful accounts of $18,278 in 1998 and $6,406 in 1999	51,523	34,147
Other receivables	133,278	100,057
Prepaid expenses and deposits	70,675	18,731
Property, plant and equipment, at cost:		
Cable television transmission and distribution systems and related equipment	8,758,525	11,010,643
Land, buildings, vehicles and furniture and fixtures	623,281	449,299
	9,381,806	11,459,942
Less accumulated depreciation	(4,354,685)	(293,664)
Net property, plant and equipment	5,027,121	11,166,278
Franchise costs and other intangible assets, net of accumulated amortization of $2,033,405 in 1998 and $281,821 in 1999	1,772,345	13,197,093
Total assets	$ 7,120,641	$24,593,198
LIABILITIES AND PARTNERS' EQUITY		
Accounts payable and accrued liabilities	$ 396,605	$ 299,110
Customer deposits and prepayments	126,212	102,492
Interest payable	--	3,231
Interpartnership debt	2,865,426	2,312,776
Total liabilities	3,388,243	2,717,609
Partners' equity:		
General partner	822,837	8,784,068
Limited partners	2,909,561	13,091,521
Total partner's equity	3,732,398	21,875,589
Total liabilities and partners' equity	$ 7,120,641	$24,593,198

The accompanying notes are an integral part of the financial statements.

RIFKIN CABLE INCOME PARTNERS L.P.

STATEMENT OF OPERATIONS (UNAUDITED)

	QUARTERS ENDED	
	3/31/98	3/31/99
REVENUE:		
Service	$1,189,030	$1,249,886
Installation and other	76,220	101,437
Total revenue	1,265,250	1,351,323
COSTS AND EXPENSES:		
Operating expense	198,322	134,256
Programming expense	275,393	305,007
Selling, general and administrative expense	119,236	166,467
Depreciation	155,000	293,767
Amortization	50,072	281,548
Management fees	63,262	67,497
Loss on disposal of assets	--	8,578
Total costs and expenses	861,285	1,257,120
Operating income	403,965	94,203
Interest expense	98,537	55,708
Net income	$ 305,428	$ 38,495

The accompanying notes are an integral part of the financial statements.

RIFKIN CABLE INCOME PARTNERS L.P.

STATEMENT OF PARTNERS' EQUITY (UNAUDITED)

	GENERAL PARTNER	LIMITED PARTNERS	TOTAL
Partners' equity, December 31, 1997....	$ 263,171	$ 2,170,336	$ 2,433,507
Net income.............................	131,603	173,825	305,428
Partners' equity, March 31, 1998.......	394,774	2,344,161	2,738,935
Partners' equity, December 31, 1998....	822,837	2,909,561	3,732,398
Partners' contribution.................	7,944,340	10,160,356	18,104,696
Net income.............................	16,891	21,604	38,495
Partners' equity March 31, 1999........	$8,784,068	$13,091,521	$21,875,589

The partners' capital accounts for financial reporting purposes vary from the tax capital accounts.

The accompanying notes are an integral part of the financial statements.

RIFKIN CABLE INCOME PARTNERS L.P.

STATEMENT OF CASH FLOWS (UNAUDITED)

	QUARTERS ENDED	
	3/31/98	3/31/99
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$305,428	$ 38,495
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	205,072	575,315
Amortization of deferred loan cost	4,743	--
Loss on disposal of fixed assets	--	8,578
Decrease in customer accounts receivables	9,781	17,376
Decrease in other receivables	52,995	33,221
Decrease (increase) in prepaid expense and other	(22,190)	51,944
Decrease in accounts payable and accrued liabilities	(46,448)	(97,495)
Decrease in customer deposits and prepayment	(15,329)	(23,720)
Increase (decrease) in interest payable	(4,924)	3,231
Net cash provided by operating activities	489,128	606,945
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to property, plant and equipment	(99,234)	(44,602)
Proceeds from the sale of assets	--	1,500
Net cash used in investing activities	(99,234)	(43,102)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from interpartnership debt	--	55,000
Payments of long-term debt	(232,375)	--
Payments of interpartnership debt	--	(607,650)
Net cash used in financing activities	(232,375)	(552,650)
Net increase in cash and cash equivalents	157,519	11,193
Cash and cash equivalents at beginning of period	381,378	65,699
Cash and cash equivalents at end of period	$538,897	$ 76,892
SUPPLEMENTAL CASH FLOW INFORMATION:		
Interest paid	$ 98,718	$ 52,350

The accompanying notes are an integral part of the financial statements.

RIFKIN CABLE INCOME PARTNERS L.P.

NOTES TO FINANCIAL STATEMENTS

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

Rifkin Cable Income Partners L.P. (the "Partnership") was formed in 1986 as a limited partnership under the laws of the State of Delaware. The Partnership owns, operates and develops cable television systems in Missouri and New Mexico. Rifkin Cable Management Partners L.P., an affiliate of Rifkin & Associates, Inc., is the general partner of the Partnership.

The Partnership Agreement (the "Agreement") establishes the respective rights, obligations and interests of the partners. The Agreement provides that net income or loss, certain capital events, and cash distributions (all as defined in the Agreement) are generally allocated 43% to the general partner and 57% to the limited partners.

ACQUISITION BY INTERLINK COMMUNICATIONS PARTNERS, LLLP

Effective December 31, 1998, InterLink Communications Partners, LLLP ("ICP") acquired 100% of the Partnership. This transaction was accounted for as a purchase, as such, assets and liabilities were written up to their fair market value. The December 31, 1998 audited financial statements represent the Partnership just prior to this transaction. The March 31, 1999 unaudited financial statements represent the new basis of accounting as property, plant and equipment and franchise cost which were written up by $6,398,400 and $11,701,600, respectively.

Accordingly, the March 31, 1999 unaudited financial statements of the Partnership are not comparable to the December 31, 1998 audited financial statements of the Partnership, which are based upon historic costs.

BASIS OF PRESENTATION

The accompanying condensed financial statements are unaudited. However, in the opinion of management, the financial statements reflect all adjustments, consisting of normal recurring adjustments, necessary for fair presentation in accordance with generally accepted accounting principles applicable to interim periods. The results of operations for the three months ended March 31, 1999 are not necessarily indicative of the results that may be achieved for the full fiscal year and cannot be used to indicate financial performance for the entire year. The accompanying financial statements should be read in conjunction with the December 31, 1998 audited financial statements of Rifkin Cable Income Partners, L.P.

ACQUISITION BY CHARTER COMMUNICATIONS

On February 12, 1999, ICP signed a letter of intent to sell all of ICP's partnership interests to Charter Communications, Inc. ("Charter"). On April 26, 1999, ICP signed a definitive Purchase and Sale Agreement with Charter for the sale of the individual partners' interest. ICP and Charter are expected to complete the sale during the third quarter of 1999.

RIFKIN CABLE INCOME PARTNERS L.P.

NOTES TO FINANCIAL STATEMENTS -- (CONTINUED)

2. LITIGATION

The Partnership could possibly be named as defendant in various actions and proceedings arising from the normal course of business. In all such cases, the Partnership will vigorously defend itself against the litigation and, where appropriate, will file counterclaims. Although the eventual outcome of potential lawsuits cannot be predicted, it is management's opinion that any such lawsuit will not result in liabilities that would have a material affect on the Partnership's financial position or results of operations.

RIFKIN ACQUISITION PARTNERS, L.L.L.P.

CONSOLIDATED BALANCE SHEET (UNAUDITED)

	MARCH 31, 1999	DECEMBER 31, 1998
ASSETS		
Cash	$ 4,397,931	$ 2,324,892
Subscriber accounts receivable, net of allowance for doubtful accounts of $286,228 in 1999 and $444,839 in 1998	1,438,418	1,932,140
Other receivables	3,743,948	5,637,771
Prepaid expenses and other	1,479,094	2,398,528
Property, plant and equipment at cost:		
Cable television transmission and distribution systems and related equipment	154,357,916	149,376,914
Land, building, vehicles and furniture and fixtures	7,895,440	7,421,960
	162,253,356	156,798,874
Less accumulated depreciation	(39,125,222)	(35,226,773)
Net property, plant and equipment	123,128,134	121,572,101
Franchise costs and other intangible assets, net of accumulated amortization of $72,059,022 in 1999 and $67,857,545 in 1998	176,785,191	183,438,197
Total assets	$310,972,716	$317,303,629
LIABILITIES AND PARTNERS' CAPITAL		
Accounts payable and accrued liabilities	$ 13,513,817	$ 11,684,594
Subscriber deposits and prepayments	645,379	1,676,900
Interest payable	3,651,571	7,242,954
Deferred taxes payable	7,405,000	7,942,000
Notes payable	226,575,000	224,575,000
Total liabilities	251,790,767	253,121,448
Commitments:		
Redeemable partners' interests	16,732,480	10,180,400
Partners' capital (deficit):		
General partner	(2,860,031)	(1,991,018)
Limited partners	44,916,743	55,570,041
Preferred equity interest	392,757	422,758
Total partners' capital	42,449,469	54,001,781
Total liabilities and partners' capital	$310,972,716	$317,303,629

See accompanying notes to financial statements.

RIFKIN ACQUISITION PARTNERS, L.L.L.P.

CONSOLIDATED STATEMENT OF OPERATIONS (UNAUDITED)

	THREE MONTHS ENDED MARCH 31,	
	1999	1998
REVENUE:		
Service	$21,827,094	$20,535,417
Installation and other	2,190,189	1,470,093
Total revenue	24,017,283	22,005,510
COSTS AND EXPENSES:		
Operating expense	3,461,852	3,546,468
Programming expense	5,396,599	4,941,131
Selling, general and administrative expense	3,380,966	2,748,970
Depreciation	4,010,219	3,625,474
Amortization	6,383,145	5,817,358
Management fees	840,605	770,193
Loss on disposal of assets	76,798	260,912
Total costs and expenses	23,550,184	21,710,506
Operating income	467,099	295,004
Gain on sale of Michigan assets	--	(5,989,846)
Interest expense	5,892,724	5,945,495
Income (loss) before income taxes and cumulative effect of accounting change	(5,425,625)	339,355
Income tax benefit	(537,000)	(1,098,000)
Income (loss) before cumulative effect of accounting change	(4,888,625)	1,437,355
Cumulative effect of accounting change for organizational costs	111,607	--
Net income (loss)	$(5,000,232)	$ 1,437,355

See accompanying notes to financial statements.

RIFKIN ACQUISITION PARTNERS, L.L.L.P.

CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED)

	THREE MONTHS ENDED MARCH 31, 1999	THREE MONTHS ENDED MARCH 31, 1998
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$(5,000,232)	$ 1,437,355
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	10,393,364	9,442,832
Amortization of deferred loan cost	235,956	247,440
Gain on sale of Michigan assets	--	(5,989,846)
Loss on disposal of fixed assets	76,798	260,912
Cumulative effect of accounting change for organizational costs	111,607	--
Deferred taxes benefit	(537,000)	(1,098,000)
Decrease in subscriber accounts receivable	493,722	309,085
Decrease in other receivables	1,893,823	593,691
Decrease (increase) in prepaid expenses and other	919,434	(205,882)
Increase (decrease) in accounts payable and accrued liabilities	1,829,223	(900,090)
Increase (decrease) in subscriber deposits and prepayment	(1,031,521)	15,946
Decrease in interest payable	(3,591,383)	(3,702,056)
Net cash provided by operating activities	5,793,791	411,387
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisitions of cable systems, net	(13,812)	--
Additions to property, plant and equipment	(5,722,161)	(6,727,584)
Additions to cable television franchises, net of retirements and changes in other intangible assets	(63,890)	(38,349)
Net proceeds from sale of Michigan assets	--	17,050,564
Net proceeds from the disposal of assets (other than Michigan)	79,111	92,664
Net cash provided by (used in) investing activities	(5,720,752)	10,377,295
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from long-term bank debt	8,000,000	8,500,000
Payments of long term-bank debt	(6,000,000)	(20,000,000)
Net cash provided by (used in) financing activities	2,000,000	(11,500,000)
NET INCREASE (DECREASE) IN CASH	2,073,039	(711,318)
CASH AT BEGINNING OF QUARTER	2,324,892	1,902,555
CASH AT END OF QUARTER	$ 4,397,931	$ 1,191,237

See accompanying notes to financial statements.

RIFKIN ACQUISITION PARTNERS, L.L.L.P.

CONSOLIDATED STATEMENT OF PARTNERS' CAPITAL (DEFICIT)
(UNAUDITED)
THREE MONTHS ENDED MARCH 31, 1999 AND 1998

	PREFERRED EQUITY INTEREST	GENERAL PARTNER	LIMITED PARTNERS	TOTAL
Partners' capital (deficit) at 12/31/98	$422,758	$(1,991,018)	$55,570,041	$54,001,781
Net loss for the quarter ended 3/31/99	(30,001)	(50,003)	(4,920,228)	(5,000,232)
Accretion of redeemable partners' interest	--	(819,010)	(5,733,070)	(6,552,080)
Partners' capital (deficit) at 3/31/99	$392,757	$(2,860,031)	$44,916,743	$42,449,469
Partners' capital (deficit) at 12/31/97	$276,243	$(1,885,480)	$34,044,912	$32,435,675
Net income for the quarter ended 3/31/98	8,624	14,374	1,414,357	1,437,355
Accretion of redeemable partners' interest	--	(140,880)	(986,160)	(1,127,040)
Partners' capital (deficit) at 3/31/98	$284,867	$(2,011,986)	$34,473,109	$32,745,990

See accompanying notes to financial statement.

RIFKIN ACQUISITION PARTNERS, L.L.L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Rifkin Acquisition Partners, L.P. ("RAP L.P.") was formed on December 16, 1988, pursuant to the laws of the State of Colorado, for the purpose of acquiring and operating cable television (CATV) systems. On September 1, 1995, RAP L.P. registered as a limited liability limited partnership, Rifkin Acquisition Partners, L.L.L.P. (the "Partnership"), pursuant to the laws of the State of Colorado. Rifkin Acquisition Management, L.P., was the general partner of RAP L.P. and is the general partner of the Partnership ("General Partner"). The Partnership and its subsidiaries are hereinafter referred to on a consolidated basis as the "Company."

The Partnership operates under a limited liability limited partnership agreement (the "Partnership Agreement") which establishes contribution requirements, enumerates the rights and responsibilities of the partners and advisory committee, provides for allocations of income, losses and distributions, and defines certain items relating thereto.

These statements have been completed in conformity with the SEC requirements for unaudited consolidated financial statements for the Company and does not contain all of the necessary footnote disclosures required for a fair presentation of the balance sheets, statements of operations, of partners' capital(deficit), and of cash flows in conformity with generally accepted accounting principles. However, in the opinion of management, this data includes all adjustments, consisting of normal recurring accruals necessary to present fairly the Company's consolidated financial position at March 31, 1999, December 31, 1998 and March 31,1998, and its consolidated results of operations and cash flows for the three months ended March 31, 1999 and 1998. The results of operations for the three months ended March 31, 1999 are not necessarily indicative of the results that may be achieved for the full fiscal year and cannot be used to indicate financial performance for the entire year. The consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements and notes thereto included on Form 10-K, No. 333-3084, for the year ended December 31, 1998.

2. SUBSEQUENT EVENT

On February 12, 1999, the Company signed a letter of intent for the partners to sell their partnership interests to Charter Communications, Inc. ("Charter"). On April 26, 1999, the Company signed a definitive Purchase and Sale Agreement with Charter for the sale of the individual partners' interest. Subsequently, Charter assigned this contract to Charter Communications Holdings, LLC (CCH). The company and CCH are expected to complete the sale during the third quarter of 1999.

3. ADOPTION OF NEW ACCOUNTING PRONOUNCEMENT

Effective January 1, 1999, the Company adopted the Accounting Standards Executive Committee's Statement of Position (SOP)98-5 "Reporting on the Costs of Start-Up Activities," which requires the Company to expense all start-up costs related to organizing a new business. During the first quarter of 1999, the Company wrote off the organization costs capitalized in prior years along with the accumulated amortization, resulting in the recognition of a cumulative effect of accounting change loss of $111,607.

RIFKIN ACQUISITION PARTNERS, L.L.L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

4. RECLASSIFICATION OF FINANCIAL STATEMENT PRESENTATION

Certain reclassifications have been made to the 1998 Consolidated Statement of Operations to conform with the Audited Consolidated Statement of Operations for the year ended December 31, 1998.

5. SENIOR SUBORDINATED NOTES

On January 26, 1996, the Company and its wholly-owned subsidiary, Rifkin Acquisition Capital Corp (RAC), co-issued a $125 million aggregate principal amount of 11 1/8% Senior Subordinated Notes (the "Notes") to institutional investors. These Notes were subsequently exchanged on June 18, 1996 for publicly registered notes with identical terms. Interest on the Notes is payable in cash, semi-annually on January 15 and July 15 of each year, commencing on July 15, 1996. The Notes, which mature on January 15, 2006, can be redeemed in whole or in part, at the Issuers' option, at any time on or after January 15, 2001, at redeemable prices contained in the Notes plus accrued interest. In addition, at any time on or prior to January 15, 1999, the Issuers, at their option, were allowed to redeem up to 25% of the principle amount of the notes issued to institutional investors of not less than $25 million. Such redemption did not take place. The Senior Subordinated Notes had a balance of $125 million at March 31, 1999 and 1998.

INDIANA CABLE ASSOCIATES, LTD.

BALANCE SHEET
(UNAUDITED)

	3/31/99
ASSETS (PLEDGED)	
Cash and cash equivalents	$ 111,665
Customer accounts receivable, less allowance for doubtful accounts of $2,017	64,223
Other receivables	163,272
Prepaid expenses and deposits	39,535
Property, plant and equipment:	
Buildings	19,155
Transmission and distribution systems and related equipment	11,238,219
Office furniture and equipment	57,153
Spare parts and construction inventory	742,022
	12,056,549
Less accumulated depreciation	351,158
Net property, plant and equipment	11,705,391
Other assets, less accumulated amortization	20,799,833
Total assets	$32,883,919
LIABILITIES AND PARTNERS' EQUITY	
Liabilities:	
Accounts payable and accrued liabilities	$ 687,332
Customer prepayments	23,157
Interest payable	20,644
Interpartnership debt	9,513,888
Total liabilities	10,245,021
Partners' equity:	
General partner	789,862
Limited partner	21,849,036
Total partners' equity	22,638,898
Total liabilities and partners' equity	$32,883,919

See accompanying notes.

INDIANA CABLE ASSOCIATES, LTD.

STATEMENT OF OPERATIONS
(UNAUDITED)

	THREE MONTHS ENDED	
	3/31/98	3/31/99
REVENUE:		
Service	$1,828,568	$1,885,201
Installation and other	171,518	216,944
Total revenue	2,000,086	2,102,145
COSTS AND EXPENSES:		
Operating expense	322,881	212,173
Programming expense	452,606	465,569
Selling, general and administrative expense	263,679	285,549
Depreciation	128,089	351,257
Amortization	178,279	1,034,849
Management fees	100,004	105,103
Loss on disposal of assets	24,924	8,897
Total costs and expenses	1,470,462	2,463,397
Operating income (loss)	529,624	(361,252)
Interest expense	293,941	203,002
Net income (loss)	$ 235,683	$ (564,254)

See accompanying notes.

INDIANA CABLE ASSOCIATES, LTD.

STATEMENTS OF CASH FLOWS
(UNAUDITED)

	THREE MONTHS ENDED 3/31/98	THREE MONTHS ENDED 3/31/99
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$ 235,683	$(564,254)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation	128,089	351,257
Amortization	178,279	1,034,849
Amortization of deferred loan costs	6,947	--
Loss on disposal of assets	24,924	8,897
Decrease in customer accounts receivable	20,138	21,572
Decrease in other receivables	52,089	131,751
Decrease in prepaid expenses and deposits	126	113,040
Increase (decrease) in accounts payable and accrued liabilities	14,651	(210,441)
Increase (decrease) in customer prepayments	633	(24,301)
Increase (decrease) in interest payable	(1,448)	20,644
Net cash provided by operating activities	660,111	883,014
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property, plant and equipment	(142,080)	(787,226)
Net cash used in investing activities	(142,080)	(787,226)
Cash flows from financing activities:		
Proceeds from long-term debt	150,000	--
Payments of long-term debt	(400,000)	--
Payments of interpartnership debt	--	(92,742)
Deferred loan cost	(934)	--
Net cash used in financing activities	(250,934)	(92,742)
Net increase in cash and cash equivalents	267,097	3,046
Cash and cash equivalents at beginning of period	82,684	108,619
Cash and cash equivalents at end of period	$ 349,781	$ 111,665
SUPPLEMENTAL CASH FLOW INFORMATION:		
Interest paid	$ 288,442	$ 182,358

See accompanying notes.

INDIANA CABLE ASSOCIATES, LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. BASIS OF PRESENTATION

The accompanying condensed consolidated financial statements are unaudited. However, in the opinion of management, the financial statements reflect all adjustments, consisting of normal recurring adjustments, necessary for fair presentation in accordance with generally accepted accounting principles applicable to interim periods. Interim results of operations are not indicative of results for the full year. The accompanying financial statements should be read in conjunction with the audited consolidated financial statements of Indiana Cable Associates, L.P. (the "Partnership").

2. ACQUISITION BY INTERLINK COMMUNICATIONS PARTNERS, LLLP

InterLink Communications Partners, LLLP ("ICP") agreed to purchase all of the Partnership interests as of December 31, 1998, for a total purchase price of approximately $32,693,781. The acquisition of the Partnership by ICP was accounted for as a purchase and a new basis of accounting was established effective January 1, 1999. The new basis resulted in assets and liabilities being recorded at their fair market value resulting in an increase in property, plant, and equipment and franchise costs of $6,952,385 and $16,751,653, respectively. Accordingly, the 1999 interim unaudited financial statements are not comparable to the 1998 interim unaudited financial statements of the Partnership, which are based on historical costs.

3. DEBT

On December 30, 1998, the Partnership obtained an interpartnership loan agreement with ICP. Borrowings under the interpartnership loan, as well as interest and principal payments are due at the discretion of the management of ICP. The balance of the interpartnership loan at March 31, 1999 was $9,513,888. The interest rate was 8.5% on March 31, 1999.

4. ACQUISITION BY CHARTER COMMUNICATIONS HOLDINGS, LLC

On February 12, 1999, ICP signed a letter of intent to sell all of ICP's partnership interests to Charter Communications Holdings, LLC ("Charter"). On April 26, 1999, ICP signed a definitive Purchase and Sale Agreement with Charter for the sale of the individual partners' interest. ICP and Charter are expected to complete the sale during the third quarter of 1999.

R/N SOUTH FLORIDA CABLE MANAGEMENT LIMITED PARTNERSHIP

CONSOLIDATED BALANCE SHEET
(UNAUDITED)

	3/31/99
ASSETS (PLEDGED)	
Cash and cash equivalents	$ 886,775
Customer accounts receivable, less allowance for doubtful accounts of $15,315	225,562
Other receivables	1,108,404
Prepaid expenses and deposits	198,634
Property, plant and equipment:	
Transmission and distribution system and related equipment	23,861,716
Office furniture and equipment	244,959
Construction in process and spare parts inventory	1,000,389
	25,107,064
Less accumulated depreciation	689,851
Net property, plant and equipment	24,417,213
Other assets, less accumulated amortization	76,223,185
Total assets	$103,059,773
LIABILITIES AND PARTNERS' EQUITY	
Liabilities:	
Accounts payable and accrued liabilities	$ 2,464,391
Interest payable	42,298
Customer prepayments	493,169
Interpartnership debt	30,272,414
Total liabilities	33,272,272
Partners' equity:	
General partner	635,124
Limited partner	62,898,936
Special limited partner	6,253,441
Total partners' equity	69,787,501
Total liabilities and partners' equity	$103,059,773

See accompanying notes.

R/N SOUTH FLORIDA CABLE MANAGEMENT LIMITED PARTNERSHIP

CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	THREE MONTHS ENDED	
	3/31/98	3/31/99
REVENUES:		
Service	$4,621,902	$ 5,199,389
Installation and other	759,252	946,223
	5,381,154	6,145,612
COSTS AND EXPENSES:		
Operating expense	1,178,431	1,018,808
Programming expense	1,257,362	1,267,120
Selling, general and administrative expense	912,931	1,074,086
Depreciation	543,852	692,889
Amortization	322,652	6,231,423
Management fees	215,246	245,824
Loss on disposal of assets	17,917	138,643
Total costs and expenses	4,448,391	10,668,793
Operating income (loss)	932,763	(4,523,181)
Interest expense	637,986	607,692
Net income (loss)	$ 294,777	$(5,130,873)

See accompanying notes.

R/N SOUTH FLORIDA CABLE MANAGEMENT LIMITED PARTNERSHIP

CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	THREE MONTHS ENDED	
	3/31/98	3/31/99
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$ 294,777	$(5,130,873)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation	543,852	692,889
Amortization	322,652	6,231,423
Amortization of deferred loan cost	22,329	--
Loss on disposal of assets	17,917	138,643
Decrease in customer accounts receivable	172,099	229,777
Decrease (increase) in other receivables	(61,849)	583,189
Decrease (increase) in prepaid expenses and deposits	(11,708)	194,388
Increase in accounts payable and accrued liabilities	454,505	107,851
Decrease in customer prepayments	(200,756)	(197,196)
Increase (decrease) in interest payable	(10,308)	42,298
Net cash provided by operating activities	1,543,510	2,892,389
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property, plant and equipment	(2,326,765)	(1,619,609)
Additions to other assets, net of refranchises	(117,090)	(135,252)
Proceeds from the sale of assets	4,442	20,530
Net cash used in investing activities	(2,439,413)	(1,734,331)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from long-term debt	2,900,000	--
Payments of long-term debt	(1,900,000)	--
Payments of interpartnership debt	--	(950,022)
Deferred loan costs	(132,727)	--
Net cash provided by (used in) financing activities	1,000,000	(950,022)
Net increase in cash and cash equivalents	104,097	208,036
Cash and cash equivalents at beginning of period	362,619	678,739
Cash and cash equivalents at end of period	$ 466,716	$ 886,775
SUPPLEMENTAL CASH FLOW INFORMATION:		
Interest paid	$ 617,214	$ 565,395

See accompanying notes.

R/N SOUTH FLORIDA CABLE MANAGEMENT LIMITED PARTNERSHIP

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. BASIS OF PRESENTATION

The accompanying consolidated financial statements are unaudited. However, in the opinion of management, the financial statements reflect all adjustments, consisting of normal recurring adjustments, necessary for fair presentation in accordance with generally accepted accounting principles applicable to interim periods. Interim results of operations are not indicative of results for the full year. The accompanying financial statements should be read in conjunction with the audited consolidated financial statements of R/N South Florida Cable Management Limited Partnership (the "Partnership").

2. ACQUISITION BY INTERLINK COMMUNICATIONS PARTNERS, LLLP

InterLink Communications Partners, LLLP ("ICP") agreed to purchase all of the Partnership interests as of December 31, 1998, for a total purchase price of approximately $105,447,622. The acquisition of the Partnership by ICP was accounted for as a purchase and a new basis of accounting was established effective January 1, 1999. The new basis resulted in assets and liabilities being recorded at their fair market value resulting in a increase in property, plant, and equipment and franchise costs of $4,986,298 and $77,273,596, respectively. Accordingly, the 1999 interim unaudited financial statements are not comparable to the 1998 interim unaudited financial statements of the Partnership, which are based on historical costs.

3. DEBT

On December 30, 1998, the Partnership obtained an interpartnership loan agreement with ICP. Borrowings under the interpartnership loan, as well as interest and principal payments are due at the discretion of the management of ICP. The balance of the interpartnership loan at March 31, 1999 was $30,272,414. The interest rate at March 31, 1999 was 8.5%

4. ACQUISITION BY CHARTER COMMUNICATIONS HOLDINGS, LLC

On February 12, 1999, ICP signed a letter of intent to sell all of ICP's partnership interests to Charter Communications Holdings, LLC ("Charter"). On April 26, 1999, ICP signed a definitive Purchase and Sale Agreement with Charter for the sale of the individual partners' interest. ICP and Charter are expected to complete the sale during the third quarter of 1999.

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$3,575,000,000

OFFER TO EXCHANGE

8.250% SENIOR NOTES DUE 2007,
8.625% SENIOR NOTES DUE 2009 AND
9.920% SENIOR DISCOUNT NOTES DUE 2011

FOR ANY AND ALL OUTSTANDING

8.250% SENIOR NOTES DUE 2007,
8.625% SENIOR NOTES DUE 2009 AND
9.920% SENIOR DISCOUNT NOTES DUE 2011,

RESPECTIVELY, OF

CHARTER COMMUNICATIONS
HOLDINGS, LLC

AND

CHARTER COMMUNICATIONS
HOLDINGS CAPITAL CORPORATION

NO DEALER, SALESPERSON OR OTHER PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR TO REPRESENT ANYTHING NOT CONTAINED IN THIS PROSPECTUS. YOU MUST NOT RELY ON ANY UNAUTHORIZED INFORMATION OR REPRESENTATIONS. THIS PROSPECTUS IS AN OFFER TO ISSUE ONLY THE EXCHANGE NOTES OFFERED HEREBY, BUT ONLY UNDER CIRCUMSTANCES AND IN JURISDICTIONS WHERE IT IS LAWFUL TO DO SO. THE INFORMATION CONTAINED IN THIS PROSPECTUS IS CURRENT ONLY AS OF ITS DATE.

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PART II

INFORMATION NOT REQUIRED IN THE PROSPECTUS

ITEM 20. INDEMNIFICATION OF DIRECTORS AND OFFICERS

INDEMNIFICATION UNDER THE LIMITED LIABILITY COMPANY AGREEMENT OF CHARTER HOLDINGS.

The limited liability company agreement of Charter Holdings, entered into as of February 9, 1999, by Charter Investment, as the initial member, provides that the members, the manager, the directors, their affiliates or any person who at any time serves or has served as a director, officer, employee or other agent of any member or any such affiliate, and who, in such capacity, engages or has engaged in activities on behalf of Charter Holdings, shall be indemnified and held harmless by Charter Holdings to the fullest extent permitted by law from and against any losses, damages, expenses, including attorneys' fees, judgments and amounts paid in settlement actually and reasonably incurred by or in connection with any claim, action, suit or proceeding arising out of or incidental to such indemnifiable person's conduct or activities on behalf of Charter Holdings. Notwithstanding the foregoing, no indemnification is available under the limited liability company agreement in respect of any such claim adjudged to be primarily the result of bad faith, willful misconduct or fraud of an indemnifiable person. Payment of these indemnification obligations shall be made from the assets of Charter Holdings and the members shall not be personally liable to an indemnifiable person for payment of indemnification.

INDEMNIFICATION UNDER THE DELAWARE LIMITED LIABILITY COMPANY ACT.

Section 18-108 of the Delaware Limited Liability Company Act authorizes a limited liability company to indemnify and hold harmless any member or manager or other person from and against any and all claims and demands whatsoever, subject to such standards and restrictions, if any, as are set forth in its limited liability company agreement.

INDEMNIFICATION UNDER THE BY-LAWS OF CHARTER CAPITAL.

The by-laws of Charter Capital provide that Charter Capital, to the broadest and maximum extent permitted by applicable law, will indemnify each person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was a director or officer of Charter Capital, or is or was serving at the request of Charter Capital as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding. To the extent that a director, officer, employee or agent of Charter Capital has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in the preceding paragraph, or in defense of any claim, issue or matter, such person will be indemnified against expenses, including attorneys' fees, actually and reasonably incurred by such person. Expenses, including attorneys' fees, incurred by a director or officer in defending any civil or criminal action, suit or proceeding may be paid by Charter Capital in advance of the final disposition of such action, suit or proceeding, as authorized by the board of directors of Charter Capital, upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that such director or officer was not entitled to be indemnified by Charter Capital as authorized in the by-laws of Charter Capital. The indemnification and advancement of expenses provided by, or granted pursuant to, the by-laws of Charter Capital will not be deemed exclusive and are declared expressly to be non-exclusive of any other rights to which those seeking indemnification or advancements of expenses may be entitled under any by-law, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding an office, and, unless otherwise provided when authorized or ratified, will continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such person.

INDEMNIFICATION UNDER THE DELAWARE GENERAL CORPORATION LAW.

Section 145 of the Delaware General Corporation Law, authorizes a corporation to indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding, if the person acted in good faith and in a manner the person reasonably believed to be in, or not opposed to, the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe the person's conduct was unlawful. In addition, the Delaware General Corporation Law does not permit indemnification in any threatened, pending or completed action or suit by or in the right of the corporation in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation, unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses, which such court shall deem proper. To the extent that a present or former director or officer of a corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to above, or in defense of any claim, issue or matter, such person shall be indemnified against expenses, including attorneys' fees, actually and reasonably incurred by such person. Indemnity is mandatory to the extent a claim, issue or matter has been successfully defended. The Delaware General Corporation Law also allows a corporation to provide for the elimination or limit of the personal liability of a director to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, provided that such provision shall not eliminate or limit the liability of a director

(i) for any breach of the director's duty of loyalty to the corporation or its stockholders,

(ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law,

(iii) for unlawful payments of dividends or unlawful stock purchases or redemptions, or

(iv) for any transaction from which the director derived an improper personal benefit. These provisions will not limit the liability of directors or officers under the federal securities laws of the United States.

ITEM 21. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

EXHIBITS

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10.4	Charter Communications Holdings, LLC 1999 Option Plan
10.5	Membership Interests Purchase Agreement, dated July 22, 1999, by and between Charter Communications Holding Company, LLC and Paul G. Allen
12.1	Predecessor of Charter Communications Holdings, LLC, Ratio of Earnings to Fixed Charges Calculation*
12.2	Charter Communications Holdings, LLC, Ratio of Earnings to Fixed Charges Calculation*
21.1	Subsidiaries of Charter Communications Holdings, LLC and Charter Communications Capital Holdings Corporation*
23.1	Consent of Paul, Hastings, Janofsky & Walker LLP (contained in Exhibit No. 5.1)
23.2	Consent of Arthur Andersen LLP
23.3	Consent of KPMG LLP
23.4	Consent of Ernst & Young LLP
23.5	Consent of KPMG LLP
23.6	Consent of PricewaterhouseCoopers LLP
23.7	Consent of PricewaterhouseCoopers LLP
23.8	Consent of Ernst & Young LLP
23.9	Consent of Ernst & Young LLP
23.10	Consent of Ernst & Young LLP
24.1	Power of Attorney (included in Part II of Amendment No. 2 to the Registration Statement on the signature page)*
25.1	Statement of Eligibility of and Qualification (Form T-1) of Harris Trust and Savings Bank*
99.1	Form of Letter of Transmittal
99.2	Form of Notice of Guaranteed Delivery

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* Filed by prior amendment.

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

FINANCIAL STATEMENT SCHEDULES

Schedules not listed above are omitted because of the absence of the conditions under which they are required or because the information required by such omitted schedules is set forth in the financial statements or the notes thereto.

ITEM 22. UNDERTAKINGS.

The undersigned registrants hereby undertake that:

(1) Prior to any public reoffering of the securities registered hereunder through use of a prospectus which is a part of this registration statement, by any person or party who is deemed to be an underwriter within the meaning of Rule 145(c), the issuer undertakes that such reoffering prospectus will contain the information called for by the applicable registration form with respect to the reofferings by persons who may be deemed underwriters, in addition to the information called for by the other items of the applicable form.

(2) Every prospectus: (i) that is filed pursuant to the immediately preceding paragraph or (ii) that purports to meet the requirements of Section 10(a)(3) of the Securities Act and is used in connection with an offering of securities subject to Rule 415, will be filed as a part of an amendment to the registration statement and will not be used until such amendment is effective, and that, for purposes of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

The undersigned registrants hereby undertake to respond to requests for information that is incorporated by reference into the prospectus pursuant to Items 4, 10(b), 11, or 13 of this form, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of the registration statement through the date of responding to the request.

The undersigned registrants hereby undertake to supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the registration statement when it became effective.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrants pursuant to the foregoing provisions, or otherwise, the registrants have been advised that in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities, other than the payment by the registrants of expenses incurred or paid by a director, officer or controlling person of the registrants in the successful defense of any action, suit or proceeding, is asserted by such director, officer or controlling person in connection with the securities being registered, the registrants will, unless in the opinion of their counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by then is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Charter Communications Holdings, LLC has duly caused this Amendment No. 4 to the registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of St. Louis, State of Missouri on the 22nd day of July, 1999.

CHARTER COMMUNICATIONS HOLDINGS, LLC:

a registrant

By: CHARTER COMMUNICATIONS HOLDING COMPANY, LLC, its member

By: CHARTER COMMUNICATIONS, INC., its member and manager, and the manager of Charter Communications Holdings, LLC

By: /s/ CURTIS S. SHAW

Name: Curtis S. Shaw
Title: Senior Vice President, General Counsel and Secretary

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURE	CAPACITY WITH CHARTER COMMUNICATIONS, INC. THE MANAGER OF CHARTER COMMUNICATIONS HOLDINGS, LLC AND THE MANAGER AND SOLE MEMBER OF CHARTER COMMUNICATIONS HOLDINGS COMPANY, LLC, THE SOLE MEMBER OF CHARTER COMMUNICATIONS HOLDINGS, LLC	DATE
* William D. Savoy	Director	July 22, 1999
* Jerald L. Kent	President, Chief Executive Officer and Director (Principal Executive Officer)	July 22, 1999
* Kent D. Kalkwarf	Senior Vice President and Chief Financial Officer (Principal Financial Officer)	July 22, 1999

*By: /s/ CURTIS S. SHAW

Attorney-in-Fact

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Charter Communications Holdings Capital Corporation has duly caused this Amendment No. 4 to the registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of St. Louis, State of Missouri on the 22nd day of July, 1999.

CHARTER COMMUNICATIONS HOLDINGS CAPITAL CORPORATION, a registrant

By: /s/ CURTIS S. SHAW

Name: Curtis S. Shaw
Title: Senior Vice President, General Counsel and Secretary

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURE	CAPACITY	DATE
* William D. Savoy	Director	July 22, 1999
* Jerald L. Kent	President, Chief Executive Officer and Director (Principal Executive Officer)	July 22, 1999
* Kent D. Kalkwarf	Senior Vice President and Chief Financial Officer (Principal Financial Officer)	July 22, 1999

*By: /s/ CURTIS S. SHAW

Attorney-in-Fact

GLOSSARY

ACCESS PROVIDER: A company that provides telecommunication connection to the internet.

AMPLIFIER: A device used to compensate for signal loss caused by coaxial cable and passive device losses.

ANALOG: Pertaining to signals in the form of continuously variable electrical quantities.

ANALOG CHANNEL: A communication channel on which the information is transmitted in analog form. Voice-grade channels are analog channels.

ANALOG CONVERTER: A device which converts an analog signal to a digital signal.

BANDWIDTH: A measure of the information-carrying capacity of a communication channel. It is the range of usable frequencies that can be carried by a cable television system.

BASIC CABLE SERVICE: The service that cable customers receive for the threshold fee. This service usually includes local television stations, some distant signals and perhaps one or more non-broadcast services.

BASIC CUSTOMERS: Customers who receive basic cable service.

BASIC PROGRAMMING: Programming which includes a variety of entertainment programming, locally originated programming and the retransmission of local broadcast stations.

BROADBAND: Any network able to deliver a multitude of channels and/or services to its users or customers. It generally refers to cable television systems. Synonymous with wideband.

BROADCAST SIGNAL CARRIAGE: The transmission of broadcast television signals over a cable system to cable customers.

CABLE: One or more electrical or optical conductors found within a protective sheathing.

CABLE MODEM: A peripheral device attached to a personal computer that allows the user to send and receive data over a cable system.

CABLE PROGRAMMING SERVICE TIER: Expanded basic programming, which offers more services than basic programming.

CABLE TELEVISION: A broadband communications technology in which multiple television channels as well as audio and video signals are transmitted either one way or bi-directionally through a distribution system to single or multiple specified locations.

CARRIAGE: The carrying of certain television station signals on the cable system's channels.

CHANNEL CAPACITY: The number of channels that can be simultaneously carried on the cable system. Generally defined in terms of the number of analog (6 MHz) channels.

CHIPS: The physical structure upon which integrated circuits are fabricated as components of telephone systems, computers, memory systems, etc.

CLUSTER CODES: Identifying customers by marketing type, such as young professionals, retirees or families.

CLUSTER: Where owned cable systems are within the same geographic proximity to other cable systems.

COAXIAL CABLE: A type of cable used for broadband data and cable systems. Composed of a center conductor, insulating dielectric, conductive shield, and optional protective covering, this type of cable has excellent broadband frequency characteristics, noise immunity and physical durability. The cable is connected from each node to individual homes or buildings. Synonymous with coax.

CO-LOCATED CABLE SYSTEMS: Cable systems serving an overlapping territory.

CONVERTER: A set-top device added in front of a subscriber's television receiver to change the frequency of the cable television signals to a suitable channel that the television receiver is able to tune and to allow access to premium programming.

COST-OF-SERVICE REGULATION: A traditional form of rate regulation, under which a utility is allowed to recover its costs of providing the regulated service, plus a reasonable profit.

DATA TRANSMISSION SERVICE: Private network services interconnecting location for a customer.

DIGITAL: Technology that uses discrete levels (usually 0 and 1) to represent characters or numbers.

DIGITAL ADVERTISING INSERTION: The insertion of local, regional and national programming.

DIGITAL TELEVISION OR DTV: Cable television service provided through digital technology.

DIRECT BROADCAST SATELLITE OR DBS: A satellite service of one or more entertainment or information program channels that can be received directly using an antenna on the subscriber's premises.

ELECTRONIC COMMERCE: Conducting business and financial transactions through broadband interactivity and internet services.

EXPANDED BASIC: A cable programming service tier that offers more services than basic programming.

FEDERAL COMMUNICATIONS COMMISSION OR FCC: The United States government agency established in 1934 to regulate electronic communications.

FIBER OPTICS: A communication medium that uses hair-thin glass fibers to transmit signals over long distances with minimum signal loss or distortion.

FRANCHISING AUTHORITY: The municipal, county or state government entity that grants a cable operator a franchise to construct and operate a cable television system within the bounds of that entity's governmental authority.

HEADEND: The control center of a cable television system, where incoming signals are amplified, converted, processed and combined into a multiplex along with an origination cablecasting, for transmission to customers.

HIGH SPEED CABLE ACCESS: High speed access to the worldwide web that is provided over the cable hybrid fiber coaxial plant.

HIGH SPEED INTERNET ACCESS: High speed access to the worldwide web that is provided over the cable hybrid fiber coaxial plant.

HOMES PASSED: The number of living units, such as single residence homes, apartments and condominium units, passed by the cable television distribution network in a given cable system service area.

HYBRID FIBER OPTIC/COAXIAL ARCHITECTURE, OR HFC ARCHITECTURE: A type of distribution network used.

IMPULSE PAY-PER-VIEW: The ability for the subscriber to select pay-per-view programming selections through the cable system without placing a separate telephone call.

INTERACTIVE CABLE SYSTEM: A network that has the capability of information flow in both directions. Examples include impulse Pay-per-view, interactive data, and telephony service.

INTERACTIVE PROGRAM GUIDE: A comprehensive guide to television program listings that can be accessed by network, time, date or genre.

INTERACTIVE SERVICES: Services that have the capability of information flow in both directions.

INTERNET PROTOCOL TELEPHONY: Technology that allows telephone services to be conducted over the internet.

LOCAL AREA NETWORKS OR LANS: Permit networks of computers to be connected within a given area.

LOCAL EXCHANGE CARRIER: A local phone company.

MODEMS: Equipment which converts digital signals to analog signals and vice-versa. Modems are used to send digital data signals over the telephone network, which usually is analog.

MULTICHANNEL, MULTIPOINT DISTRIBUTION SERVICE OR MMDS: A collection of various multipoint distribution services and instructional television fixed service omnidirectional microwave radio authorizations that can be combined to provide up to 28 channels of entertainment, education and information. Also known as wireless cable.

MULTIPLE DWELLING UNITS OR MDU'S: Units that include condominiums, apartment complexes and private residential communities.

MULTIPLE SYSTEM OPERATOR OR MSO: An organization that operates more than one cable television system.

MULTIPLEXING: The simultaneous carrying of two or more signals over a common transmission medium.

MUST CARRY: Broadcast signal carriage requirement that allows local commercial television broadcast stations to require a cable system to carry the station.

NATIONAL CABLE TELEVISION ASSOCIATION OR NCTA: The Washington, D.C.-based trade association for the cable television industry.

NODE: A single connection to a cable system's main high-capacity fiberoptic cable that is shared by a number of customers.

OPTICAL FIBER: An extremely thin, flexible thread of pure glass able to carry thousands of times the information possible with traditional copper wire.

OVERBUILD: The construction of a second, competing network in a franchise area already served by an existing network.

PAY-PER-VIEW: Usage-based fee structure used sometimes in cable television programming in which the user is charged a price for individual programs requested.

PENETRATION: In areas where cable television is available, the percentage of households passed by cable distribution facilities that subscribe to the service.

POINT-TO-POINT SERVICES: Services which involve a private circuit, conversation or teleconference in which there is one person at each end, usually connected by some dedicated transmission line.

POLE ATTACHMENTS: Cable wires that are attached to poles.

PREMIUM CHANNELS: Channels that provide unedited commercial-free movies, sports and other special event entertainment programming.

PREMIUM UNITS: The total number of subscriptions to premium channels.

PROGRAMMING: The news, entertainment, information resources and educational presentations carried on a cable system or broadcast by a radio or television station.

RETRANSMISSION CONSENT: Broadcast signal carriage requirement that allows local commercial television broadcast stations to negotiate for payments for granting permission to the cable operator to carry the station.

REVERSE SIGNAL INTERFERENCE: Interference that can occur when you have two-way communication capability.

SATELLITE: An orbiting space station 22,500 miles above the earth, primarily used to relay signals from one point on the earth's surface to one or many other points. A geosynchronous or stationary satellite orbits the earth exactly in synchronization with the earth's rotation and can be communicated with using fixed non-steerable antennas located within the satellite's footprint.

SATELLITE MASTER ANTENNA TELEVISION SYSTEM OR SMATV: A system wherein one central antenna is used to receive signals, either broadcast or satellite, and deliver them to a concentrated grouping of television sets, such as might be found in apartments, hospitals, hotels, etc.

SET-TOP CONVERTER BOX: See "Converter."

SHEATH MILES: The actual length of cable in route miles.

SUBSCRIPTION TELEVISION INDUSTRY: The providers of paid television service, including cable, DBS, MMDS, and SMATV companies, and excluding broadcast companies that transmit their signal to customers without assessing a subscription fee.

SWITCHING TECHNOLOGIES: Standard technologies used to connect the public switch telephone network.

SYNDICATED PROGRAM EXCLUSIVITY: A Federal Communications Commission rule which requires a cable system to delete particular programming offered by a distant broadcast signal carried on the system which duplicates the programming for which a local broadcast station has secured exclusive distribution rights.

TELEPHONE RETURN PATH SERVICE: Using the telephone to connect to the internet to transmit data when the hybrid fiber coaxial plant is used as the path to receive data.

TELEPHONY: The use or operation of an apparatus for transmission of voice signals between widely removed points, with or without connecting wires.

TERRESTRIALLY DELIVERED PROGRAMMING: Programming delivered other than by satellite.

TIER OR TIERED SERVICE: Different packages of programs and services on cable television systems, for different prices; a marketing approach that divides services into more levels than simply basic and pay services.

TIERED PACKAGING STRATEGIES: Marketing plans for offering customers multiple programming services together for a bundled price.

TIER RATE: The price charged for a particular level of packaged programming services.

TIER REGULATION: The rate regulation of a particular level of packaged programming services, typically referring to the expanded basic level of services.

TRADE PAYABLES: Account payables to vendors, suppliers and service providers.

TRANSPONDER: That portion of a satellite used for reception and retransmission of a signal or signals.

TURNKEY SERVICE: A complete service including sales, marketing, installation, service and support.

TWO-WAY CAPABILITY: The ability to have bandwidth available for upstream or two-way communication.

VIDEO-ON-DEMAND: A service that allows many users to request the same videos at the same time or any time.

VIDEO PROGRAMMING SERVICE: An offering of television shows.

WIDE AREA NETWORK: A data network typically extending a local area network outside the building over telephone common carrier lines to link to other local area networks in remote buildings in possibly remote cities.

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10.3	Consulting Agreement, dated as of March 10, 1999, by and between Vulcan Northwest Inc., Charter Communications, Inc. and Charter Communications Holdings, LLC
10.4	Charter Communications Holdings, LLC 1999 Option Plan
10.5	Membership Interests Purchase Agreement, dated July 22, 1999, by and between Charter Communications Holding Company, LLC and Paul G. Allen
12.1	Predecessor of Charter Communications Holdings, LLC, Ratio of Earnings to Fixed Charges Calculation*
12.2	Charter Communications Holdings, LLC, Ratio of Earnings to Fixed Charges Calculation*
21.1	Subsidiaries of Charter Communications Holdings, LLC and Charter Communications Capital Holdings Corporation*
23.1	Consent of Paul, Hastings, Janofsky & Walker LLP (contained in Exhibit No. 5.1)
23.2	Consent of Arthur Andersen LLP
23.3	Consent of KPMG LLP
23.4	Consent of Ernst & Young LLP
23.5	Consent of KPMG LLP
23.6	Consent of PricewaterhouseCoopers LLP
23.7	Consent of PricewaterhouseCoopers LLP
23.8	Consent of Ernst & Young LLP
23.9	Consent of Ernst & Young LLP
23.10	Consent of Ernst & Young LLP
24.1	Power of Attorney (included in Part II of Amendment No. 2 to the Registration Statement on the signature page)*
25.1	Statement of Eligibility of and Qualification (Form T-1) of Harris Trust and Savings Bank*
99.1	Form of Letter of Transmittal
99.2	Form of Notice of Guaranteed Delivery

- ------------------------

* Filed by prior amendment.

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

Exhibit 2.2(a)

MEMBERSHIP PURCHASE AGREEMENT

BY AND BETWEEN

ACEC HOLDING COMPANY, LLC,
AS SELLER

AND

CHARTER COMMUNICATIONS, INC.,
AS BUYER

DATED AS OF JANUARY 1, 1999

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THIS MEMBERSHIP PURCHASE AGREEMENT is made and entered into as of January 1, 1999 by and between ACEC HOLDING COMPANY, LLC, a Delaware limited liability company ("Seller"), and CHARTER COMMUNICATIONS, INC., a Delaware corporation ("Buyer").

WHEREAS, Seller is the sole member of, and owns and holds all right, title and interest in and to the sole membership interest in, American Cable Entertainment Company, LLC, a Delaware limited liability company ("ACEC");

WHEREAS, ACEC owns and operates cable television systems serving subscribers in the City of Hesperia, the City of Rancho Cucamonga, the City of San Bernardino, the City of Victorville, the City of Yucaipa, unincorporated areas of the County of San Bernardino (including the unincorporated areas of Angelus Oaks, Forrest Falls and Spring Valley Lake), and the Town of Apple Valley, all in the State of California; and

WHEREAS, in reliance upon the representations and warranties of Buyer set forth herein, Seller desires to sell to Buyer, and in reliance upon the representations and warranties of Seller set forth herein, Buyer desires to purchase from Seller, all right, title and interest in and to the sole membership interest in ACEC;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein set forth, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

As used in this Agreement, the following terms shall have the following meanings:

1.1 "1992 Act" means the Cable Television Consumer Protection and Competition Act of 1992.

1.2 "1998 Credit Agreement" means that certain Amended and Restated Credit Agreement dated as of September 30, 1998 between ACEC and the respective lenders named therein.

1.3 "ACEC" means American Cable Entertainment Company, LLC, a Delaware limited liability company doing business as American Cable Entertainment in the City of Rancho Cucamonga and the other areas served by the Angelus Oaks System, the Rancho System and the Yucaipa System and as Hi-Desert Cablevision in the City of Victorville, California and the other areas served by the Victorville System.

1.4 "ACEC Membership Interest" or "Membership Interest" means ACEC's sole issued and outstanding membership interest.

1.5 "Additional Financial Statements" means (i) as to monthly statements, ACEC's unaudited Statement of Operations for each monthly period after the period ended September 30, 1998, and (ii) as to quarterly statements, ACEC's unaudited Balance Sheet and related Statements of Operations and Statements of Changes in Financial Position for each quarterly period after the period ended September 30, 1998.

1.6 "Affiliate" has the meaning prescribed by Rule 12-b-2 of the regulations promulgated pursuant to the Securities Exchange Act of 1934, as amended, and in the case of Buyer, Affiliate shall include any Person in which Paul G. Allen has an equity interest valued in excess of $100,000,000.

1.7 "Affiliate Agreements" has the meaning set forth in Section 5.28.

1.8 "Angelus Oaks System" has the meaning set forth in Schedule 1.1(A).

1.9 "Assets" means all of ACEC's assets (including, without limitation, those listed in Schedules 1.9, 5.10(A), 5.10(B), 5.16 and 5.18), whether tangible or intangible, other than the Excluded Assets.

1.10 "Assignment" has the meaning set forth in Section 2.2.

1.11 "Basic Subscriber Equivalents" or "BSE's" means equivalent bona fide Non-Delinquent CATV subscribers served by commercial establishments and multi-dwelling units (e.g., bars, taverns, apartment buildings, dormitories, hospitals, etc.) that are billed on a bulk or otherwise discounted basis for basic (or expanded basic) service which have paid in full the charges for at least one month of service, none of which is pending disconnection for any reason, the number of which BSE's shall be deemed to be equal to the quotient that is derived from dividing: (a) the gross basic (or, if applicable, expanded basic) billings to all such commercial establishments and multi-dwelling units that are billed on a bulk or otherwise discounted basis for basic (or expanded basic) service (but excluding billings from a la carte tiers or premium services, installation or other non-recurring charges, converter rental, any fees or charges for any outlet or connection other than the first outlet or connection, and pass-through charges for sales taxes, line-itemized franchise fees, fees charged by the FCC and the like) attributable to such commercial establishment or multi-dwelling unit during the most recent Monthly Billing Period ended prior to the date of calculation (but excluding billings in excess of a single Monthly Billing Period's charge) by (b) the rate charged by the respective System to individual homes at the date of determination for basic service (or, if the respective commercial establishment or multi-dwelling unit also takes expanded basic service, then by the rate charged by that System to individual homes at the date of determination for basic and expanded basic service), exclusive of any charges for the additional services, franchise fees, taxes, etc. which are excluded from the calculation of gross basic (or, if applicable, expanded basic) billings set forth in clause (a) above, such rate to be not less than the respective System's standard rate for such service.

1.12 "Basic Subscribers" means (i) all bona fide Non-Delinquent CATV subscribers (i.e., the first connections) that have paid in full, on a nondiscounted basis, for at least one Monthly Billing Period of the respective basic (or expanded basic, as the case may be) services ordered by the respective subscriber, and to whom the respective System is rendering its basic (or expanded basic, as the case may be) CATV service (whether or not in conjunction with any tiered or premium services, and whether or not any such tiered or premium services have been discounted, provided that any such discount shall be in accordance with the respective System's past practices in the ordinary course of business) at that System's then applicable monthly rate therefor, none of which subscribers is pending disconnection for any reason, plus (ii) all BSE's; provided, that solely for purposes of calculating the number of Basic Subscribers, those residential subscribers in the City of Victorville who are paying the discounted monthly expanded basic service rate then being billed to, and who qualify as, those "grandfathered" subscribers who funded the initial construction of the Victorville System shall be deemed to be Basic Subscribers.

1.13 "Basket" has the meaning set forth in Section 15.1(b)(iii).

1.14 "BSE's" means Basic Subscriber Equivalents.

1.15 "Business" means the CATV business conducted by ACEC on the date of this Agreement through the Systems in and around the Service Areas.

1.16 "Buyer" means Charter Communications, Inc., a Delaware corporation.

1.17 "Cable Act" means the Cable Communications Policy Act of 1984, as amended and supplemented by the 1992 Act and the Telecommunications Act of 1996.

1.18 "CARS" means CATV relay service.

1.19 "CATV" means cable television.

1.20 "Closing" has the meaning set forth in Section 4.1.

1.21 "Closing Date" has the meaning set forth in Section 4.1.

1.22 "Closing Escrow Agreement" means an indemnification escrow agreement substantially in the form of Exhibit 3.4.

1.23 "Closing Date Subscriber Total" means the total number of Basic Subscribers on the Closing Date.

1.24 "Completed Plant" has the meaning set forth in Schedule 1.87, which Schedule defines the Victorville Upgrade and the Victorville Upgrade Completion Cost.

1.25 "Debt Certificate" means the certificate to be delivered by Buyer to Seller not less than 10 days prior to the Closing Date pursuant to Section 3.3(c).

1.26 "DeMinimus Agreements" means ACEC's written or oral subscriber agreements with subscribers entered into in the ordinary course of business for the provision of CATV service at the standard rates (or, solely with respect to the Victorville System's "grandfathered" subscribers referred to in Section 1.12, at the discounted rates) charged by the respective System for such service and those contracts, leases, assignments, licenses, commitments and other agreements that involve payments of less than $25,000 individually over the life thereof and less than $100,000 in the aggregate for all such agreements, etc. over the life thereof and do not impose (individually or collectively) any material non-monetary obligations.

1.27 "Deposit" means the sum of Seven Million Two Hundred Thousand Dollars ($7,200,000) deposited into escrow by Buyer with the Escrow Agent pursuant to Section 3.2(a).

1.28 "Deposit Escrow Agreement" means a deposit escrow agreement substantially in the form of Exhibit 3.2.

1.29 "Effective Time" means 11:59 p.m. of the day prior to the Closing Date.

1.30 "Encumbrances" means, collectively, all liens, mortgages, security interests and other encumbrances of any kind, character or description, whether accrued, absolute, contingent or otherwise (and whether or not reflected or reserved against in the balance sheets, books of account and records of ACEC).

1.31 "Environmental Law" means any applicable federal, state, or local law, statute, standard, ordinance, rule, regulation, code, license, permit, authorization, approval, and any consent order, administrative or judicial order, judgment, decree, injunction, or settlement agreement between ACEC and a governmental entity relating to the protection, preservation or restoration of the environment (including, without limitation, air, water, land, plant and animal life or any other natural resource).

1.32 "Environmental Permit" means any permit, license, approval, consent or other authorization required by any applicable Environmental Law.

1.33 "Escrow Agent" means Societe Generale, New York Branch.

1.34 "Event of Loss" has the meaning set forth in Section 16.1.

1.35 "Excluded Assets" has the meaning set forth in Schedule 1.35.

1.36 "FAA" means the Federal Aviation Authority.

1.37 "FCC" means the Federal Communications Commission.

1.38 "Final Closing Certificate" means the certificate to be delivered by Buyer to Seller within ninety (90) days after the Closing Date pursuant to Section 3.3(f).

1.39 "Financial Statements" has the meaning set forth in Section 5.7.

1.40 "Franchise" means, with respect to any System, the respective franchise (or, in lieu thereof, the respective license, consent, permit, approval or authorization) entered into, issued or otherwise granted by any state or local (e.g., city, county, parish, town or village) franchising authority, for the construction, installation and operation of the respective System within the respective Service Area (or portion thereof) designated therein.

1.41 "GAAP" means generally accepted accounting principles consistently applied.

1.42 "Hazardous Substance" means any substance or material listed, defined, designated or classified as hazardous, toxic, radioactive or dangerous, or otherwise regulated, under any Environmental Law, whether by type or by quantity; Hazardous Substance includes, without limitation, any toxic waste, pollutant, contaminant, hazardous substance, toxic substance, hazardous waste, special waste, industrial substance or petroleum or any derivative or by-product thereof, radon, radioactive material, asbestos, asbestos-containing material, urea formaldehyde foam installation, lead and polychlorinated biphenyl classified as hazardous, toxic, radioactive or dangerous, or otherwise regulated under any Environmental Law.

1.43 "Homes Passed" means all single family homes and all residential units in multi-dwelling units (e.g., apartment buildings, dormitories), provided that as of the date of determination any such home or unit is capable of being serviced by any System without further trunk or feeder line construction, and all commercial or institutional real property improvements (e.g., bars, taverns, hospitals, hotels, motels), provided that as of the date of determination any such improvement subscribes (directly or indirectly) to any System's CATV services.

1.44 "HSR Act" has the meaning set forth in Section 9.5.

1.45 "Improvements" means all buildings, structures, CATV towers and fixtures, and other improvements now or hereafter attached to the Real Estate, and all modifications, additions, restorations or replacements of the whole or any part thereof.

1.46 "Indemnifiable Damages" means any and all liabilities in respect of suits, proceedings, demands, judgments, damages, expenses and costs (including, without limitation, reasonable counsel fees and costs and expenses) incurred in the investigation, defense or settlement of any claims covered by the indemnification set forth in this Agreement.

1.47 "Indemnitee" has the meaning set forth in Section 15.3.

1.48 "Indemnitor" has the meaning set forth in Section 15.3.

1.49 "Indemnity Fund" means the sum of Ten Million dollars ($10,000,000) of the Purchase Price deposited at Closing with the Escrow Agent pursuant to the Closing Escrow Agreement.

1.50 "Knowledge" or "knowledge" means, as to Seller, the actual knowledge of any of Seller's executive officers, and as to ACEC, the actual knowledge of any of ACEC's executive officers or general manager.

1.51 "Legal Proceedings" has the meaning set forth in Section 5.21.

1.52 "Membership Interest" means the ACEC Membership Interest.

1.53 "Monthly Billing Period" means the respective monthly period (whether such period is a calendar month or, as in the case of any System that engages in cycle billing, any other monthly period) to which any System-generated subscriber bill for CATV services relates.

1.54 "Necessary Contract" means any agreement to which ACEC is a party, or by which any of the Assets is bound, and which is reasonably necessary for ACEC's (i) use of any tower, office or headend site, (ii) pole attachments, (iii) rights-of-way, (iv) service to any residential development or any commercial or residential dwelling unit, (v) material licenses and easements, or (vi) operation of the Business and the Systems; provided, that the term "Necessary Contract" shall be deemed to exclude all Franchises and DeMinimus Agreements.

1.55 "Non-Delinquent" means a subscriber who does not have a past due balance of more than two Monthly Billing Periods (except as otherwise set forth on Schedule 1.55 with respect to those certain bulk accounts, if any, itemized thereon) from the first day of the initial Monthly Billing Period to which a bill relates, except for past due amounts representing late charges and other minimal ancillary charges totaling $5.00 or less.

1.56 "NTSC" means National Television System Committee.

1.57 "Operating Agreement" means that certain Limited Liability Company Agreement of ACEC dated as of April, 1998.

1.58 "Outside Date" has the meaning set forth in Section 4.1.

1.59 "Permitted Encumbrances" means (a) any Encumbrances set forth in Schedule 5.16; (b) any liens for current taxes, assessments or governmental charges not yet due and payable; (c) any non-monetary Encumbrances that do not, in any material respect, individually or in the aggregate, affect or impair ACEC's use of the affected Asset in the ordinary course of ACEC's business as presently conducted; and (d) any materialmen's, mechanics', carriers', workmen's, warehousemen's, repairmen's or other like liens arising in the ordinary course of business (or deposits to obtain the release thereof).

1.60 "Person" or "person" means an individual, corporation, limited liability company, partnership, sole proprietorship, association, joint venture, joint stock company, trust, incorporated organization, or governmental agency or other entity.

1.61 "Phase I Property" means each parcel of Real Estate referred to in Section 9.4 for which Seller is to deliver a Phase I environmental report.

1.62 "Pledge Agreement" means that certain Amended and Restated Pledge Agreement dated as of September 30, 1998 between Seller, as pledgor, and Societe Generale, as pledgee and administrative agent thereunder.

1.63 "Pre-Closing Certificate" means the certificate to be delivered by Seller to Buyer not less than 10 days prior to the Closing pursuant to Section 3.3(a).

1.64 "Premium Subscriber" means a Basic Subscriber who subscribes to and has been (or is to be) charged for any optional single or multiple premium channel service for which there is a specified charge.

1.65 "Purchase Price" means Two Hundred Forty Million dollars ($240,000,000), as adjusted pursuant to Section 3.3.

1.66 "Rancho System" has the meaning set forth in Schedule 1.1(A).

1.67 "Real Estate" means, collectively, each parcel of real property owned by ACEC at the date hereof as described in Schedule 5.16.

1.68 "Required Consents" means those approvals and consents listed on Schedule 5.6.

1.69 "Remaining Mileage Number" has the meaning set forth in Schedule 1.87, which Schedule defines the Victorville Upgrade and the Victorville Upgrade Completion Cost.

1.70 "Security Agreement" means that certain Amended and Restated Security Agreement dated as of September 30, 1998 among ACEC and Societe Generale, as administrative agent for the lenders under the 1998 Credit Agreement.

1.71 "Seller" means ACEC Holding Company, LLC, a Delaware limited liability company.

1.72 "Service Areas" has the meaning set forth in Schedule 1.1(A).

1.73 "Signals" means the transmissions (whether television, satellite, radio or otherwise) of video programming or other information that any System transmits to its respective subscribers.

1.74 "Signature Date" means the date (or the later of the two dates) on which Buyer and Seller actually execute this Agreement, as such date(s) is (are) set forth below Buyer's and Seller's signatures on the signature page hereof; provided that, as used in this Agreement, the words "the date of this Agreement", "the date hereof" and words to similar effect shall mean "as of January 1, 1999" and not the Signature Date.

1.75 "Subscriber Certificate" means the certificate to be delivered by Seller to Buyer not less than 10 days prior to the Closing pursuant to Section 3.3(b).

1.76 "System" means all of the assets, property and business constituting any CATV system of ACEC, each of which CATV systems (namely, the Angelus Oaks System, the Rancho System, the Victorville System and the Yucaipa System) together with the respective Service Area served thereby is described in Schedule 1.1(A).

1.77 "Tax" or "Taxes" means any taxes, imposts, duties, fees, levies, withholdings or other like assessments or charges, imposed by the United States, or any state, local or foreign government or subdivision or agency thereof, including any interest, penalties and additions to tax attributable thereto.

1.78 "Tax Code" means the Internal Revenue Code of 1986, as amended, and the U.S. Treasury regulations promulgated thereunder.

1.79 "Tax Return" means any tax return (including any estimated tax return), report, election, information return, declaration, statement or other filing (including any amendments thereto) required to be filed with any relevant taxing authority.

1.80 "Third Party" means any Person other than Buyer or Seller or any Affiliate of Buyer.

1.81 "Title Asset Representation" means any representation or warranty of Seller as to ACEC's legal title to any Asset.

1.82 "Title Interest Representation" means any representation or warranty of Seller as to (i) Seller's legal title to the ACEC Membership Interest or (ii) Seller's legal and valid sale, assignment and transfer to Buyer of all right, title and interest in and to the ACEC Membership Interest.

1.83 "Total Purchase Consideration" means the sum of (i) the Purchase Price and (ii) the aggregate amount of ACEC's liabilities at and upon the Closing.

1.84 "Transfer Taxes" means all sales, use, transfer, stamp, value added, motor vehicle transfer or registration, documentary, registration, recording, excise, real estate transfer and similar Taxes, if any, payable in connection with Seller's sale, assignment and transfer of the ACEC Membership Interest to Buyer.

1.85 "Upgrade Test" has the meaning set forth in Schedule 1.87, which Schedule defines the Victorville Upgrade and the Victorville Upgrade Completion Cost.

1.86 "Victorville System" has the meaning set forth in Schedule 1.1(A).

1.87 "Victorville Upgrade" has the meaning set forth in Schedule 1.87.

1.88 "Victorville Upgrade Completion Cost" has the meaning set forth in Schedule 1.87.

1.89 "Yucaipa System" has the meaning set forth in Schedule 1.1(A).

The plural of any term defined in the singular, and the singular of any term defined in the plural, shall have a meaning correlative to such defined term.

ARTICLE II
PURCHASE AND SALE OF ACEC MEMBERSHIP INTEREST

2.1 Purchase and Sale of ACEC Membership Interest.

Seller shall sell, transfer and deliver to Buyer on the Closing Date, and Buyer shall purchase from Seller on the Closing Date, all on the terms and conditions hereinafter set forth, the ACEC Membership Interest.

2.2 Instruments of Transfer.

At the Closing, Seller will deliver to Buyer an assignment in substantially the form of Exhibit 2.2 (the "Assignment"), duly executed by Seller, selling, assigning and transferring to Buyer all right, title and interest in and to the ACEC Membership Interest. At any time and from time to time after the Closing Date, on Buyer's reasonable request, Seller will execute, acknowledge and deliver such further instruments of sale, assignment and transfer, and take such further actions, as may be reasonably required in conformity with this Agreement for the adequate sale, assignment and transfer of the Membership Interest to Buyer.

ARTICLE III
PURCHASE PRICE

3.1 Purchase Price; Payment; Allocation.

The purchase price for the sale of the ACEC Membership Interest under this Agreement shall be Two Hundred Forty Million Dollars ($240,000,000), as adjusted pursuant to Section 3.3 (the "Purchase Price"). The entire Purchase Price, except for the amount of the Indemnity Fund, shall be payable to Seller (or to such other Persons, not to exceed seven in total, as Seller may designate at least three business days prior to the Closing Date) at the Closing by the wire transfer of federal funds to an account or accounts designated by Seller, in a written notice delivered by Seller to Buyer. Buyer shall deposit the amount of the Indemnity Fund provided in Section 3.4 directly with the Escrow Agent on the Closing Date. For tax reporting purposes, Buyer and Seller shall use their good faith efforts to reach, at least 45 days prior to the Closing, agreement upon the allocation of the Total Purchase Consideration among the Assets; provided, that in the event that Buyer and Seller shall not reach agreement upon such allocation at least 45 days prior to the Closing, then Buyer shall select (with Seller's consent, not to be unreasonably withheld) and retain, at Buyer's expense, a reputable appraisal firm with experience in the valuation and appraisal of CATV system assets, to prepare that allocation. The foregoing allocation (whether agreed upon by Buyer and Seller, or prepared by an appraisal firm) shall be prepared in accordance with the rules under Section 1060 of the Tax Code, which allocation shall thereafter be amended to reflect any adjustments to the Purchase Price under Section 3.3. Seller shall promptly notify Buyer, and Buyer shall promptly notify Seller, of any adjustment that comes to its attention which is proposed to be made by any federal, state or local taxing authority with respect to the allocation of the Total Purchase Consideration. Unless otherwise required by applicable law, Buyer and Seller agree to act, and to cause their respective Affiliates to act, in accordance with the computations and allocations contained in the foregoing allocation in any relevant Tax Returns or similar filings (including any forms or reports required to be filed pursuant to Section 1060 of the Tax Code), to cooperate in the preparation of any such tax forms or reports required to be filed pursuant to such Section 1060, to file any such tax forms or reports in the manner required by applicable law, and to not take any position inconsistent with such allocation upon examination of any tax refund or refund claim, in any litigation or otherwise.

3.2 Deposit in Escrow.

(a) On (or within five business days after) the Signature Date, Buyer will deposit in escrow with the Escrow Agent under the Deposit Escrow Agreement the sum of Seven Million Two Hundred Thousand dollars ($7,200,000) (the "Deposit"). At the Closing, Buyer and Seller shall authorize and direct the Escrow Agent to pay the Deposit plus accrued interest to Seller on the Closing Date, which combined sum shall be credited against the Purchase Price. In the event that the Closing shall not occur prior to the Outside Date by reason of a material breach or default hereunder by Buyer, and provided that Seller shall have performed, or shall stand ready, willing, and able to perform, its obligations under this Agreement in all material respects, and shall not otherwise be in material breach of its obligations hereunder, the Escrow Agent, in accordance with the terms of the Deposit Escrow Agreement, shall pay the Deposit and all accrued interest to Seller, which Seller shall thereupon be entitled to receive, take possession of and make use of pending any final judgment obtained by Buyer or Seller (or any written agreement entered into by Buyer and Seller) with respect to the final disposition thereof, it being agreed that (i) such payment shall not constitute liquidated damages hereunder, unless Seller shall elect (in Seller's sole discretion) to accept such payment as liquidated damages by written notice to Buyer and the Escrow Agent within fifteen (15) business days after Seller's receipt thereof, in the event of which election by Seller that payment shall be deemed to constitute full liquidated damages hereunder and to terminate all of Buyer's obligations to Seller (and all of Seller's obligations to Buyer) hereunder, and (ii) in the event that Seller shall not elect (as hereinbefore provided) to accept Seller's receipt of the Deposit as liquidated damages, Seller shall be entitled to (a) Buyer's specific performance of all of Buyer's obligations hereunder and (b) upon (and subject to) Buyer's specific performance hereof and the consummation of the Closing in accordance with the terms and provisions of this Agreement, Seller shall apply the Deposit and all accrued interest thereon, less Seller's costs and expenses (including court costs, attorney fees and related expenses) incurred by Seller in connection with Seller's obtaining Buyer's specific performance hereof, to Buyer's payment of the Purchase Price. For purposes of Buyer's foregoing grant to Seller of the right to Buyer's specific performance of all of Buyer's obligations hereunder, Buyer acknowledges that under the current circumstances applicable to ACEC, ACEC's management and Seller's management, and Seller's sale of the ACEC Membership Interest, Seller's remedies at law would not be adequate to enable Seller to obtain all of the benefits of the subject sale (or benefits comparable thereto); and Buyer does hereby irrevocably waive any objection to Seller's foregoing right of specific performance hereunder. Notwithstanding anything to the contrary hereinbefore set forth, however, Seller's exclusive remedy hereunder shall be either (i) to accept Seller's receipt of the Deposit as liquidated damages, in the event that Seller shall not elect (as hereinbefore provided) to pursue Buyer's specific performance of Buyer's obligations under this Agreement, or (ii) to accept Seller's receipt of the Deposit as partial performance by Buyer of Buyer's obligations under this

Agreement, in the event that Seller shall elect (as hereinbefore provided) to pursue Buyer's specific performance thereof.

(b) In the event that (i) the Closing does not occur prior to the Outside Date for any reason other than a material breach or default by Buyer under this Agreement, (ii) this Agreement is terminated by Seller for any reason in accordance with Section 14 (other than a termination by Seller based upon a material breach or default by Buyer under this Agreement), or (iii) this Agreement is terminated by Buyer for any reason in accordance with Section 14, then Buyer and Seller shall authorize and direct the Escrow Agent to return the Deposit plus interest to Buyer, in accordance with the terms of the Deposit Escrow Agreement (without prejudice to Buyer's other remedies hereunder, if any).

(c) Concurrent with the execution of this Agreement, Buyer, Seller and the Escrow Agent are entering into (or, within five business days after the Signature Date, Buyer, Seller and the Escrow Agent shall enter into) the Deposit Escrow Agreement, subject to the Escrow Agent's timely receipt of the Deposit pursuant to Section 3.2(a).

3.3 Adjustments and Prorations.

The Purchase Price shall be adjusted at the Closing as follows:

(a) The Purchase Price shall be increased or decreased with respect to ACEC's current assets and current liabilities, as follows: Seller shall deliver to Buyer, not less than ten (10) days prior to the Closing Date, a certificate signed by or on behalf of Seller (the "Pre-Closing Certificate"), together with such supporting documentation as Buyer may reasonably request, which Pre-Closing Certificate shall specify Seller's good faith estimate of the amount of the current assets and current liabilities of ACEC as such items would be reflected in the current assets and the current liability section of a balance sheet prepared, as of the Closing Date, in accordance with GAAP. Notwithstanding anything else contained herein, for purposes of making the calculations under this Section 3.3(a), (i) current assets shall not include (1) assets from which ACEC will not derive a benefit subsequent to the Closing Date or (2) any receivables from Seller or any other Affiliate of ACEC or Seller; (ii) without limiting the applicability of GAAP with respect to other items, current assets shall include (1) only an amount for ACEC's subscriber accounts receivable for services rendered by ACEC prior to the Closing Date, as determined in accordance with GAAP, equal to (a) 98% of the face amount of all subscriber receivables which, as of the Effective Time, are not more than sixty (60) days past due from the first day of the respective Monthly Billing Period to which a bill relates, and (b) zero percent of the face amount of the subscriber receivables which, as of the Effective Time, are more than sixty (60) days past due from the first day of the respective Monthly Billing Period to which a bill relates, excepting from every such past due determination with respect to the foregoing clauses (a) and (b) such charges (other than late charges) as do not exceed $5.00 per subscriber and any and all late charges; (2) only an amount for ACEC's advertising sales accounts receivable for services rendered by ACEC prior to the Closing Date, as determined in accordance with GAAP, equal to 95% of the face amount of all advertising receivables which, as of the Effective Time, are not more than ninety (90) days past due; and (3) the prepaid portion of premiums and/or fees paid by ACEC in connection with bonds which are included in the Assets that are attributable to periods after the Closing Date; (iii) without limiting the applicability of GAAP with respect to other items, current liabilities shall include (1) the amount of subscriber deposits and converter deposits (and any interest accrued thereon) and subscriber prepayments; (2) adjustments for accrued vacation pay; (3) deferred revenue; and (4) any amounts due in respect of bonuses to employees not otherwise paid or discharged on or before the Closing Date (including, without limitation, any employee bonuses due, but not otherwise paid or discharged on or before the Closing Date, under those certain eight employee letter agreements listed in Schedule 5.10(B) and, insofar but only insofar as any of such eight employees is terminated by ACEC at and upon the Closing, any additional severance bonuses due, but not otherwise paid or discharged on or before the Closing Date, under those eight letter agreements, it being agreed that Buyer shall be responsible for any and all costs and expenses attributable to ACEC's post-Closing termination of any ACEC employee); and (iv) current liabilities shall not include the current portion of any long-term debt. If the Pre-Closing Certificate shows that current assets exceed current liabilities, the Purchase Price payable at Closing shall be increased by such excess; and if the Pre-Closing Certificate shows that current liabilities exceed current assets, the Purchase Price payable at Closing shall be decreased by such excess.

(b) In the event the Closing Date Subscriber Total shall be less than 68,200, the Purchase Price shall be decreased by an amount equal to Three Thousand Five Hundred dollars ($3,500) for each Basic Subscriber less than 68,200. For purposes of calculating the Closing Date Subscriber Total prior to the Closing, Seller shall deliver to Buyer not less than ten (10) days prior to the Closing Date a certificate signed by or on behalf of Seller (the "Subscriber Certificate"), together with such supporting documentation as Buyer may reasonably request, which shall specify Seller's good faith estimate of the Closing Date Subscriber Total, and that Subscriber Certificate shall be used by Buyer and Seller on the Closing Date for purposes of calculating the foregoing Purchase Price decrease (if any), without prejudice to either party's right to seek any post-Closing adjustment or correction thereof that may be appropriate.

(c) The Purchase Price shall be decreased at the Closing by (i) the principal amount of all long-term debt of ACEC, including the current portion thereof and any accrued and unpaid interest on such debt (including, without limitation, all debt and interest outstanding under the 1998 Credit Agreement), as such items would be reflected in the liability section of a balance sheet prepared, as of the Closing Date, in accordance with GAAP, together with any prepayment penalties, premiums or other costs and expenses attributable to, arising out of or relating to such debt or the discharge of such debt; (ii) the amount of any management fees, together with accrued but unpaid interest thereon, or any other amounts due and owing by ACEC to Seller or to any Affiliate of Seller or to ACEC Management Company, Inc., as of the Closing Date; (iii) to the extent not reflected in the Pre-Closing Certificate, the amount of any other liabilities or obligations of ACEC attributable to the period on or prior to the Closing Date that are not otherwise adjusted under Section 3.3(a) or this Section 3.3(c) (including, without limitation, the cost incurred to cancel any of ACEC's then existing interest rate hedge agreements); and (iv) ACEC's costs (including, without limitation, its attorneys' fees), insofar as unpaid at the Closing Date, related to its consummation of its Closing obligations under this Agreement. Buyer shall cause ACEC to pay all amounts referred to in clauses (i) and (ii) of this Section 3.3(c) concurrent with the Closing hereunder. For the purpose of determining such long-term debt, management fees or any other amounts in clauses (i), (ii) and (iii) of this Section 3.3(c) as of the Closing Date, Seller shall deliver to Buyer not less than ten (10) days prior to the Closing Date, a certificate signed by or on behalf of Seller (the "Debt Certificate") , together with such supporting documentation as Buyer may reasonably request, which shall specify the amount of such long-term debt, management fees or any other amounts in clauses (i), (ii) and (iii) of this Section 3.3(c), calculated as of the Closing Date.

(d) If the Victorville Upgrade Completion Cost shall exceed $3,500,000, then the Purchase Price shall be decreased by that excess amount (i.e., by the Victorville Upgrade Completion Cost less $3,500,000). If the Victorville Upgrade Completion Cost shall be less than $3,500,000, then the Purchase Price shall not be adjusted on account thereof; provided, that in the event that Buyer shall have directed ACEC pursuant to Section 7.5 to continue (and Seller shall have continued) with the Victorville Upgrade notwithstanding the Victorville Upgrade Completion Cost's reaching and equalling $3,500,000, then the Purchase Price shall be increased by the difference between (x) $3,500,000 and (y) the Victorville Upgrade Completion Cost.

(e) Lastly, the Purchase Price shall be decreased by one-half of the aggregate amount of all Transfer Taxes.

(f) Within ninety (90) days after the Closing Date, Buyer shall deliver to Seller a certificate (the "Final Closing Certificate") to be signed by an executive officer of Buyer setting forth any changes to the adjustments made as of the Closing pursuant to Sections 3.3(a), (b), (c), (d) and (e) together with a copy of such supporting evidence as shall be appropriate hereunder and as Seller may reasonably request. If Seller shall conclude that the Final Closing Certificate does not accurately reflect the changes to be made to the closing adjustments pursuant to this Section 3.3, Seller shall, within thirty (30) days after its receipt of the Final Closing Certificate, provide to Buyer its written statement (together with any supporting documentation as Buyer may reasonably request) of any discrepancy or discrepancies believed to exist. Seller's representatives shall be permitted access to all books, records, billing service reports and other documents necessary or appropriate for the determination of the adjustments.

(g) Buyer and Seller shall attempt jointly to resolve any discrepancies within thirty (30) days after receipt of Seller's discrepancy statement, which resolution, if achieved, shall be binding upon all parties to this Agreement and not subject to dispute or review. If Buyer and Seller cannot resolve the discrepancies to their mutual satisfaction within such thirty (30) day period, Buyer and Seller shall, within the following ten (10) days, jointly retain the New York City office of Ernst & Young, or (in the event of the unavailability or unwillingness to serve of Ernst & Young or the existence of any conflict of interest on the part of Ernst & Young with respect to either Buyer or Seller) the New York City office of another mutually-acceptable nationally known independent public accounting firm to review the Final Closing Certificate together with Seller's discrepancy statement and any other relevant documents. The cost of retaining such independent public accounting firm shall be borne equally by Seller and Buyer. Such firm shall report its conclusions in writing to Buyer and Seller and such conclusions as to adjustments pursuant to this Section 3.3 shall be conclusive on Seller and Buyer and not subject to dispute or review.

(h) If as a result of such adjustments, Buyer shall owe any amount to Seller, Buyer shall pay that amount to Seller in immediately available funds within three business days of such determination, and if Seller shall owe any amount to Buyer, Seller shall pay that amount to Buyer in immediately available funds within three business days of such determination (it being agreed that any such amount to be paid by Seller shall not be subject to the limitations of Section 15.1 and shall not decrease the Indemnity Fund; provided, however, that at Buyer's option, Buyer may seek payment thereof from the Indemnity Fund).

3.4 Closing Escrow.

At the Closing, Buyer shall deposit with the Escrow Agent the sum of Ten Million dollars ($10,000,000) of the Purchase Price (the "Indemnity Fund") pursuant to the Closing Escrow Agreement. One-half of the Indemnity Fund, less the amount of all claims theretofore paid to Buyer from such Indemnity Fund and the amount of all unresolved claims theretofore made by Buyer for indemnification pursuant to Section 15.1 (provided that the aggregate amount of such of the foregoing claims as are based upon breaches of Seller's representations and warranties contained herein, other than any claims based upon breaches of any Title Asset Representation or Title Interest Representation, shall exceed the Basket), shall be paid to Seller under the Closing Escrow Agreement at the close of business on the first business day after nine (9) months from the Closing Date. The remainder of the Indemnity Fund, less the amount of all unresolved claims theretofore made by Buyer for indemnification pursuant to Section 15.1 (provided that the aggregate amount of such of the foregoing claims as are based upon breaches of Seller's representations and warranties contained herein shall exceed the Basket), shall be paid to Seller at the close of business on the first business day after fifteen (15) months from the Closing Date. Seller expressly agrees that any post-Closing Date adjustments required to be made to the Purchase Price pursuant to Section 3.3 and payable to Buyer shall be paid directly by Seller to Buyer in immediately available funds and shall not decrease the amount of the Indemnity Fund; provided that Buyer may, at its option, make a claim against the Indemnity Fund for such Purchase Price adjustment amounts, which claim shall not be subject to either the Basket or any other limitation as to the maximum amount thereof which Buyer may seek or be entitled to indemnification under Section 15 or any other provision of this Agreement.

ARTICLE IV
CLOSING

4.1 Closing Date

Subject to the satisfaction of the terms and conditions of this Agreement, the closing of the transactions contemplated hereby (the "Closing") shall occur at 10:00 a.m. at the offices of Paul, Hastings, Janofsky & Walker LLP at 399 Park Avenue, 31st Floor, in New York, New York on such date (the "Closing Date") as Buyer shall designate upon at least fifteen (15) business days prior written notice to Seller, which designation (i) Buyer shall make within five (5) business days following the delivery of notice by Seller to Buyer that all conditions to Buyer's obligation to consummate the Closing have been satisfied (or could reasonably be expected to be satisfied by or upon the Closing) or have been waived by the respective party (parties) otherwise entitled to the fulfillment thereof or (ii) Buyer may make, at Buyer's election, in the event that all conditions to Buyer's obligation to consummate the Closing have been satisfied (or could reasonably be expected to be satisfied by or upon the Closing) or have been waived by the respective party (parties) otherwise entitled to the fulfillment thereof but Seller shall have failed promptly to deliver to Buyer the foregoing notice to that effect; provided, that in the event that Buyer shall fail to timely exercise its duty to designate a Closing Date under clause (i) hereof and shall not have exercised its right to do so under clause (ii) hereof, then Seller shall have the right to designate the Closing Date upon at least fifteen (15) business days prior written notice to Buyer; provided, further, that in no event shall the Closing Date occur (or be designated by Buyer or Seller to occur) prior to May 1, 1999 or later than July 31, 1999, unless either party upon prior written notice to the other at least two (2) business days prior to that July 31st date elects to extend such date for up to an additional nine months (not to extend beyond April 30, 2000) in order to allow Seller the further opportunity to obtain all of the Required Consents in the event that any such Required Consents have not been received by July 31, 1999, but are being actively pursued with a reasonable expectation of their receipt. The foregoing July 31, 1999 date, as the same may hereafter be extended to April 30, 2000 as hereinbefore provided, is hereinafter referred to as the "Outside Date".

4.2 Right to Specific Performance.

Notwithstanding anything to the contrary set forth herein or elsewhere, (i) Seller shall be entitled, at its sole option, (a) to waive compliance by Buyer with any term or provision of this Agreement (including, without limitation, any closing conditions) and/or (b) without the posting of any bond or other security, to require Buyer to consummate and specifically perform the purchase of the ACEC Membership Interest from Seller in accordance with all other terms of this Agreement, if necessary through injunction or other court order or process, if the conditions to the obligations of Buyer to effect the Closing have been satisfied or are capable of being satisfied by or upon the Closing, if the Closing were to be held, and (ii) Buyer shall be entitled, at its sole option, (a) to waive compliance by Seller with any term or provision of this Agreement (including, without limitation, any closing conditions) and/or (b) without the posting of any bond or other security, to require Seller to consummate and specifically perform the sale of the ACEC Membership Interest to Buyer in accordance with all other terms of this Agreement, if necessary through injunction or other court order or process, if the conditions to the obligations of Seller to effect the Closing have been satisfied or are capable of being satisfied by or upon the Closing, if the Closing were to be held. Any such equitable relief invoked or granted shall not be exclusive and Seller or Buyer, as the case may be, shall also be entitled to seek and obtain money damages (including, without limitation, court costs, attorney fees and related expenses) insofar as applicable law shall permit, subject (in the case of Seller) to the last sentence of Section 3.2(a).

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF SELLER

As an inducement to Buyer to enter into this Agreement and to consummate the transactions contemplated hereby, Seller hereby makes the following representations and warranties:

5.1 Valid Existence of Seller.

Seller is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware. Seller has the requisite limited liability company power and authority to own, lease, use and operate the properties it currently owns, leases, uses or operates and to execute, deliver and perform this Agreement.

5.2 Seller's Interest in ACEC.

Seller is the exclusive record and beneficial owner of the ACEC Membership Interest, and has good and valid title to such Membership Interest, free and clear of any and all liens, pledges, encumbrances or claims of any kind whatsoever, other than Seller's pledge of the Membership Interest (and any lien or encumbrance created by such pledge) pursuant to the Pledge Agreement, pledging the Membership Interest as collateral under the 1998 Credit Agreement. Neither the Membership Interest nor any portion thereof is subject to preemptive rights. There is no existing option, warrant, call, commitment or other agreement requiring or relating to, and there are no convertible or exchangeable securities outstanding which upon conversion or exchange would require, the issuance of any additional membership interest(s) of ACEC or any other instrument convertible into or exchangeable therefor. There are no voting agreements, voting trust agreements, shareholder agreements, or other agreements relating to the Membership Interest. Seller does not own or hold any record or beneficial interest in any Person, other than the ACEC Membership Interest. Upon the Closing, Seller will deliver good and valid title to the Membership Interest to Buyer, free and clear of any and all liens, pledges, encumbrances or claims of any kind whatsoever (provided that the 1998 Credit Agreement, and the Pledge Agreement, shall have both been terminated upon the Closing), excluding any liens, pledges or encumbrances that may be placed thereon by or on behalf of Buyer in connection with the Closing.

5.3 ACEC's Valid Existence and Qualification.

ACEC is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware. ACEC has the requisite limited liability company power and authority to own, lease, use and operate the properties it currently owns, leases, uses or operates and to transact the business in which it is engaged as presently transacted, and is qualified to do business in all jurisdictions in which the nature of the business conducted by it makes such qualification necessary. ACEC does not have any subsidiary.

5.4 Business of ACEC.

All of the tangible Assets are owned or leased (and all of the intangible Assets are held) and operated directly by ACEC, and the operation of the Systems has not been conducted by or through any direct or indirect Affiliate of Seller (or by or through any direct or indirect Affiliate of ACEC) other than ACEC itself; provided, however, that various management services have been provided to ACEC by ACEC Management Company, Inc., a Delaware corporation of which Bruce A. Armstrong is the president and sole stockholder.

5.5 Authorization; Enforceability.

The execution and delivery of this Agreement and all other instruments or documents executed by Seller or ACEC in connection herewith, as well as all actions required to be taken hereunder or thereunder by Seller or ACEC, have been duly authorized by Seller or ACEC, as the case may be, and upon execution and delivery, each such document will constitute the valid and binding obligation of Seller or ACEC, as the case may be, enforceable against Seller or ACEC, as the case may be, upon and in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting the rights of creditors generally and general principles of equity. All persons who have executed this Agreement on behalf of Seller are authorized to do so under its organizational documents and the laws of its state of creation.

5.6 Required Consents; Effect of Agreement; No Breach.

(a) All approvals, consents, filings and notices required under (i) any of ACEC's Franchises, (ii) any of ACEC's permits, licenses, leases, contracts and agreements, and (iii) any applicable government regulations, in order for the sale and transfer of the ACEC Membership Interest to Buyer to be consummated pursuant to this Agreement, are listed in Schedule 5.6, except for such non-Franchise-related approvals, consents, filings and notices which, if not obtained or made, would not in the aggregate be material. Each of the approvals and consents listed on Schedule 5.6 shall be deemed to be a Required Consent.

(b) Subject to obtaining the Required Consents listed in Schedule 5.6, and complying with the HSR Act and the regulations applicable thereto, neither the execution, delivery and performance by Seller of this Agreement nor the consummation of the transactions contemplated hereby will, with the passage of time or the giving of notice or both, (i) contravene the respective operating agreement of Seller or ACEC, (ii) conflict with, or result in a breach, termination, suspension, modification or impairment of, any of the terms of, or constitute a default under or a violation of, or create or impose any Encumbrance (other than a Permitted Encumbrance) upon, or give any other person any right of termination, acceleration or cancellation of or with respect to, any Franchise or any other permit, license, lease, contract or agreement to which Seller or ACEC is a party or by which Seller or ACEC or any of Seller's or ACEC's properties is bound, or (iii) result in any material violation of any law, rule, regulation, order, writ, judgment, decree, determination or award presently in effect or having applicability to Seller or ACEC. No event has occurred which, with the passage of time or the giving of notice or both, would constitute a material breach or violation of or default under any Franchise or Necessary Contract by ACEC or, to the best of Seller's or ACEC's knowledge, any Third Party thereto, except as may otherwise be disclosed in any of Schedules 5.10(A), 5.10(B) or 5.10(C).

5.7 Financial Statements.

Seller has delivered to Buyer a copy of ACEC's Balance Sheet at September 30, 1998 and related Statement of Operations and Statement of Changes in Financial Position of ACEC for the nine months then ended (the "Financial Statements"). The Financial Statements (i) are in accordance with the books and records of ACEC, (ii) were prepared in conformity with GAAP, subject to normal year-end audit adjustments and footnotes (none of which are expected to be material in amount), and (iii) present fairly the financial position of ACEC at September 30, 1998 and the results of operations and changes in financial position of ACEC for the nine months then ended. The Additional Financial Statements to be delivered pursuant to Section 9.1(ii) that are for quarterly periods will (i) be prepared in conformity with GAAP applied consistently with the Financial Statements, and (ii) present fairly the financial position of ACEC at the dates indicated and the results of operations and changes in financial position of ACEC for the periods indicated, subject to normal year-end audit adjustments and footnotes (none of which are expected to be material in amount). The Additional Financial Statements to be delivered pursuant to Section 9.1(ii) that are for monthly periods will (i) be prepared in conformity with GAAP applied consistently with the Financial Statements, and (ii) present fairly the results of operations of ACEC for the periods indicated, subject to normal year-end audit adjustments and footnotes (none of which are expected to be material in amount). Whenever references are made throughout this Agreement to financial statements, it will be understood that all notes and exhibits are included therein, except as herein otherwise expressly provided.

5.8 Undisclosed Liabilities.

ACEC has no material liabilities or obligations, whether accrued, absolute, contingent or otherwise, and whether due or to become due, and Seller does not know of any basis for any claim against ACEC for any such liabilities or obligations, except for obligations arising under the contracts, agreements, licenses, permits, etc. listed on Schedules 5.10(A) and 5.10(B), and except to the extent set forth in this Agreement (or which otherwise are not required to be disclosed hereunder because they involve DeMinimus Agreements) or in the Financial Statements.

5.9 Tax Matters.

There is not as of the date of this Agreement, and there will not be as of the Closing Date, any condition or occurrence of an event with respect to the payment or withholding by Seller or ACEC of any Taxes which could interfere with the consummation of the transactions contemplated by this Agreement or subject Seller or ACEC or any of the Assets to any Encumbrances other than any Permitted Encumbrances. Sellor or ACEC has filed with the appropriate agencies all Tax Returns and tax reports required by law to be filed by Seller or ACEC, as the case may be; and each of Seller and ACEC has timely paid, or will timely pay on or before the Closing Date, all Taxes to the extent that the same have become due and payable. Except as set forth on Schedule 5.9, there exists no unpaid federal, state or local income or other tax with respect to the Business, the existence or operations of the Systems, or the Assets, except for accrued Taxes not yet due and payable. Each of Seller and ACEC is in substantial compliance with all applicable sales and use tax laws and regulations. Neither Seller nor ACEC is a "United States real property interest" or a "U.S. real property holding corporation" within the meaning of Section 897 of the Tax Code. At all times since ACEC's formation, (i) ACEC has had only one member, (ii) ACEC has been disregarded as an entity separate from its sole member within the meaning of Treasury Regulations Section 301.7701-2(c)(2)(i), and (iii) ACEC has never been subject to any entity level income, franchise or similar income based Taxes.

5.10 Franchises and Necessary Contracts.

(a) Attached as Schedule 5.10(A) is a true and accurate list of each Franchise held by ACEC. Seller has delivered to Buyer true and correct copies of all of the Franchise documents listed on Schedule 5.10(A). To the best of Seller's and ACEC's knowledge, all of the Franchises were validly issued. ACEC is the legal holder of each of the Franchises, and each of them is a valid and subsisting instrument in full force and effect. There is no Franchise required by law or used or held for use in the operation of the Systems which is not described on Schedule 5.10(A). Each local franchising authority whose consent or approval is required for the transfer of control of ACEC by Seller to Buyer pursuant to the sale transaction contemplated by this Agreement is listed on Schedule 5.6 hereto.

(b) Attached as Schedule 5.10(B) is a true and accurate list of each Necessary Contract. Seller has delivered (or will, prior to Closing and subject to Buyer's identification thereof, deliver) to Buyer true and correct copies of all of the Necessary Contracts listed on Schedule 5.10(B). Except as otherwise noted on Schedule 5.10(B), all of the Necessary Contracts were validly entered into by ACEC (or, to the best of ACEC's or Seller's knowledge, by ACEC's predecessor-in-interest), ACEC is a legal party thereto and each of them is a valid and subsisting instrument in full force and effect; provided, that ACEC makes no representation or warranty as to the validity, full force or effect of any Necessary Contract that provides (or purports to provide) for any right-of-entry or bulk or otherwise discounted service to any residential development or any multi-dwelling units or commercial or institutional structure (e.g., any bar, tavern, apartment building, dormitory, hospital, hotel or motel). There is no Necessary Contract required by law or used or held for use in the operation of the Systems which is not described on Schedule 5.10(B).

(c) Except as set forth on Schedules 5.10(A), 5.10(B) and 5.10(C), ACEC is in substantial compliance (and the operations of the Systems and the Assets are being conducted in substantial compliance) with the provisions of all Franchises and Necessary Contracts, and there are no pending (or to Seller's or ACEC's knowledge, threatened) modifications, amendments or revocations of or to (i) any Franchise by the respective issuer thereof or (ii) any Necessary Contract by any Third Party thereto. Neither Seller nor ACEC has any knowledge of any material breach (or of any anticipated material breach) of any Necessary Contract by any Third Party thereto, except as disclosed in Schedule 5.10(C) with respect to the Angelus Oaks headend site. Except as disclosed in Schedule 5.10(C) or as specifically contained in the Franchises, Necessary Contracts, or other material contracts which have been provided to Buyer by Seller, no promises or commitments which are to be fulfilled after the Closing Date have been made with respect to capital improvements relating to the Systems. (Note: Schedule 5.10(C) reflects that ACEC has recently commenced franchise renewal negotiations with the City of Rancho Cucamonga, which renewal negotiations will require the franchise grantee's commitment to upgrade that portion of the Rancho System serving the City of Rancho Cucamonga to 750 MHz by December 31, 2001 or such other date (not to precede December 31, 2000) as that City and ACEC may hereafter agree.) Pursuant to subsections (a) through (g) of Section 626 of the Cable Communications Policy Act of 1984, as amended, ACEC (or the respective System's predecessor owner) has timely submitted proposals for renewal of all Franchises having a remaining term of thirty-six (36) months or less as of the date hereof, and has provided Buyer with copies of all proposals for renewal, preliminary assessments and franchisor determinations described in subsection (c) of said Section 626.

(d) Except as otherwise disclosed in Schedule 5.13, as of the date of this Agreement (i) ACEC has not received any notice from any utility or governmental agency to relocate any pole attachments or cable lines that has not been and cannot reasonably be complied with in the ordinary course of business prior to the expiration of the time period (if any) specified therein, and (ii) there are no pole attachments or cable lines of ACEC that are required to have been relocated at or prior to the date hereof, but have not yet been relocated. In the event that ACEC shall receive, subsequent to the date of this Agreement but on or before the Closing Date, any written request from any utility or governmental agency for the relocation of any of ACEC's cable lines or pole attachments, ACEC shall give Buyer prompt written notice thereof and shall in good faith undertake the scheduling, commencement and completion of such relocation to the extent that similarly-located CATV operators would customarily do so in the ordinary course of their business within the time remaining prior to the Closing Date, it being agreed that neither Seller nor ACEC shall have any other obligation (or any post-Closing obligation hereunder) with respect thereto; provided, that the Seller shall reimburse Buyer for the costs and expenses of any such relocation necessitated by such request received prior to the Closing from any utility or governmental agency that is not completed prior to the Closing Date and which is attributable to ACEC's not being in compliance with the applicable clearance and spacing requirements of the respective pole license.

5.11 No Other Agreements.

(a) All of ACEC's agreements and contracts, other than the DeMinimus Agreements, are listed on Schedules 5.10(A), 5.10(B), 5.12 (as to free and discounted subscribers), 5.23 and 5.24. Except for those agreements and contracts listed on those five Schedules, ACEC is not a party to any written or oral contract (other than any DeMinimus Agreements) that is not cancelable without penalty upon 30 days' notice or less, including, without limitation, any:

(i) bonus, incentive, pension, profit sharing, retirement, hospitalization, insurance, or other plan providing for deferred or other compensation to employees, or any other employee benefit or "fringe benefit" plan, including, without limitation, vacation, sick leave, medical or other insurance plans or any union collective bargaining or any other contract with any labor union;

(ii) employment contract for any person or entity on a full-time, part-time, consulting or other basis;

(iii) agreement or indenture relating to the borrowing of money or to mortgaging, pledging or otherwise placing a lien on any asset or group of assets of ACEC;

(iv) guarantee of any obligation;

(v) lease or agreement under which it is lessee or lessor, or holds or operates any property, real or personal, owned by any other party, except for any lease under which the aggregate annual rental payments do not exceed $10,000; and

(vi) agreement or group of related agreements with the same party or any group of affiliated parties which requires or may in the future require aggregate consideration by or to ACEC in excess of $10,000.

(b) There is no term or provision of any mortgage, indenture, license, permit, franchise, contract, agreement or instrument to which ACEC is a party or by which it or any of its properties is bound, or of any provision of any federal or state judgment, decree, order, statute, rule or regulation applicable to or binding upon ACEC or its properties, which does or will materially adversely affect ACEC, the Business, or the Systems, except for any matter generally affecting the CATV industry within the United States, the State of California or the County of San Bernardino. The foregoing assumes that the System upgrade requirements of the City of Victorville's franchise, and the anticipated System upgrade requirements of the City of Rancho Cucamonga franchise renewal presently being negotiated by Seller with that City, are satisfactory to Buyer and that ACEC's or Buyer's compliance therewith will not materially adversely affect the Business or the respective Systems.

5.12 Systems' Capacity, Basic Subscribers and Rates.

Schedule 5.12 lists, as of October 31, 1998 (or as of the respective date therein specified), (a) the material equipment used in the operation of the Systems, (b) the system bandwidth and maximum National Television System Committee ("NTSC") analog channel capacity for each System, (c) the programming offered (and whether each broadcast television station carried by the Systems is carried pursuant to a retransmission or "must carry" consent), (d) the approximate linear miles of aerial and underground plant (i.e., main trunk and distribution or feeder cable), (e) the approximate number of Homes Passed, (f) the number of Basic Subscribers, (g) the aggregate number of premium units subscribed to by ACEC's Premium Subscribers, (h) the subscriber rates for all services including basic and premium services, tier services, additional outlets and converter rental charges in and for the Service Areas, and (i) all free or discount service obligations of ACEC, with respect to the Systems as of the applicable date hereinbefore specified in this sentence. ACEC has no obligation or liability for the refund of monies to any subscribers other than as evidenced by such subscriber's respective refund (including deposit) account credit balances or as may be required under the rules and regulations relating to rates promulgated or to be promulgated by the FCC under the Cable Act. ACEC has delivered to Buyer complete and correct copies of all FCC forms relating to rate regulation filed with the FCC with respect to the Systems, copies of all ACEC correspondence with any Governmental Authority relating to rate regulation generally or specific rates charged to subscribers with respect to the Systems, including, without limitation, copies of any complaints filed with the FCC with respect to any rates charged to any System's subscribers, and any other documentation supporting an exemption from the rate regulation provisions of the Cable Act claimed by ACEC with respect to any of the Systems.

5.13 Pole Attachments.

Schedule 5.13 sets forth, as of the date of this Agreement, the approximate number of pole attachments used by the Systems and the names of the utilities providing those attachments. ACEC has made all required payments for its pole attachments and is not in material default under, or in material breach of, or in receipt of any claim of material default under any agreement, arrangement or understanding for pole attachments.

5.14 Employees.

Seller is not aware that any officer, executive employee or any group of employees of ACEC has or have any plans to terminate his, her or their employment with ACEC, except for all of ACEC's Stamford, Connecticut-based officers and employees. ACEC has complied in all material respects with all applicable laws relating to the employment of labor, including without limitation provisions thereof relating to ERISA, wages, hours, insurance, worker's compensation, equal opportunity, collective bargaining and the payment of social security and other taxes. At the date of this Agreement, ACEC is not, nor has ACEC ever been at any date prior to the date of this Agreement, a party to any contract with any labor organization or involved in any labor discussion with any unit or group seeking to become the bargaining unit for any of ACEC's employees. As of the date of this Agreement, (i) ACEC has never experienced any strikes, work stoppages or significant grievance proceedings or had any claims of unfair labor practices filed or, to the knowledge of ACEC, threatened to be filed with respect to the operation of the Systems, and (ii) to ACEC's knowledge, no union representation claim exists with respect to the employees of ACEC and no organizing activities are taking place. Schedule 5.14 sets forth, as of January 1, 1999, with respect to each employee employed by ACEC in California, such employee's name, position, and date of employment. Seller has, for reasons of maintaining the confidentiality of the salary and wage information therein, provided to Buyer a separate addendum to Schedule 5.14, setting forth as of January 1, 1999 the current salary or hourly wage of each of the employees listed in Schedule 5.14. If required by applicable law, Seller has timely notified (or will have timely notified prior to the Closing) all affected employees (as defined in the Worker Adjustment and Retraining Act, 29 U.S.C. Section 201 et. seq.) of ACEC who became "affected employees" on or before the Closing Date.

5.15 Absence of Certain Developments.

Except as set forth on Schedule 5.15, and except for the transactions contemplated by this Agreement, ACEC has not insofar as the Systems or the Assets are concerned, since September 30, 1998:

(i) borrowed any amount or incurred, guaranteed or become subject to any liabilities (absolute or contingent), except (x) current liabilities incurred in the ordinary course of business and (y) borrowings under the 1998 Credit Agreement;

(ii) mortgaged or pledged any of the Assets, or subjected them to any lien, charge or other encumbrance, except liens for current property taxes not yet due and payable and liens securing indebtedness under the 1998 Credit Agreement;

(iii) sold, assigned or transferred any of its assets, except in the ordinary course of business, or waived, released or cancelled any debts or claims (other than unpaid subscriber debts and claims in the ordinary course of business);

(iv) suffered any substantial losses or waived any material rights, whether or not in the ordinary course of business;

(v) made any changes in personnel policies or compensation or declared, paid or committed to pay any bonus or other additional salary or compensation to any person (whether in the capacity of employee, consultant or other- wise), except in the ordinary course of business and consistent with past practices; provided, that ACEC has made (and retains the right to make) certain pre-Closing performance incentive and Closing-related pay and bonus commitments with respect to the sale transaction contemplated by this Agreement, which commitments ACEC shall fulfill immediately prior to the Closing and shall not have any obligation or liability therefor subsequent to the Closing;

(vi) entered into any transaction other than in the ordinary course of business;

(vii) suffered any damage, destruction or casualty loss of any Asset, whether or not covered by insurance, that materially and adversely affects the financial condition, the Business or prospects of the Systems;

(viii) undergone a material adverse change in the financial condition, assets, liabilities, Business, results of operations or prospects of the Systems, for any reason other than one attributable to conditions affecting the CATV industry generally;

(ix) revalued any of the Assets;

(x) amended or terminated any agreement, contract, license or understanding listed in any Schedule, except in the ordinary course of business (it being understood that ACEC is presently negotiating a franchise renewal with the City of Rancho Cuca-monga, which franchise renewal is expected to include a commitment on the part of ACEC to upgrade that portion of the Rancho System serving the City of Rancho Cucamonga to 750 MHz by a specified date between January 1, 2001 and December 31, 2001);

(xi) taken, or permitted to be taken, any action that would affect or change the capitalization of ACEC;

(xii) become aware of any other event or condition of any character that has or might reasonably have a material and adverse effect on the financial condition, business, assets, results of operations or prospects of the Systems, taken as a whole, except for matters affecting the CATV industry generally; or

(xiii) entered into any agreement or understanding to do any of the foregoing.

5.16 Real Property.

Schedule 5.16 contains a list, including a legal description, of each parcel of Real Estate owned by ACEC together with a description of the type of use of each such parcel. Such list is true, complete and accurate in all material respects. Seller has furnished to Buyer a copy of ACEC's title insurance policy issued and currently in effect with respect to each parcel of Real Estate owned by ACEC. Except for those Encumbrances listed on Schedule 5.16 (all of which are Permitted Encumbrances), ACEC is the sole owner (both legal and equitable) of, and has good and marketable title to, each parcel of Real Estate listed on Schedule 5.16 and to all Improvements thereon. All of the structures on the Real Estate are structurally sound and in generally good condition and repair (reasonable wear and tear excepted), and to Seller's and ACEC's best knowledge, all of such Real Estate conforms in all material respects, including use by ACEC, with all applicable deed restrictions, covenants, contractual requirements and building, zoning, subdivision, environmental, land-use, fire and other laws. The use (i.e., headend, tower or office site) of each real property lease to which ACEC is a party is identified on Schedule 5.10(B). All of the Real Estate, and all of the real property leased by ACEC, utilized as a headend, office or tower site has unfettered access (whether by public or private road, street or other right of way, or otherwise) to public roads or streets and all utilities and services necessary for the proper conduct and operation of the Systems. To Seller's knowledge, (i) neither the whole nor any part of any real property owned or leased by Seller which is included within the Assets is subject to any pending suit for condemnation or other taking by any public authority and (ii) no such condemnation or other taking is currently threatened or contemplated. None of the towers (including any guy anchors or wires), buildings or other facilities located upon any parcel of Real Estate or leased real property that is utilized as a headend or tower site constitutes a trespass upon the property of any other person or entity.

5.17 Title to Assets; Personal Property.

ACEC is the sole owner (both legal and equitable) of and has good title to the Assets constituting personal property, tangible and intangible, free and clear of all mortgages, liens, security interests, charges, claims, restrictions and other encumbrances of every kind other than with respect to indebtedness under the 1998 Credit Agreement and the Permitted Encumbrances. Schedules 1.9 and 5.12 list all material equipment held or used in connection with or necessary for the operation of the Systems, and Schedule 5.10(B) lists all material contracts pursuant to which ACEC holds or uses any of such equipment, which lists are true, complete and accurate in all respects. The equipment and other tangible assets included in the Assets are in satisfactory operating condition, reasonable wear and tear excepted, and conform in all material respects to all applicable ordinances, rules, regulations and technical standards, including the rules, regulations and technical standards of the FCC and the local franchise authorities, and all applicable building, zoning and other laws. None of the owners of any property on which any trunk or feeder lines or other facilities of the Systems are located has notified ACEC in writing of any objection to the placement of such cable, lines, or other facilities on their property, nor have any such owners made any demand for relocation, removal, reinstallation, or restoration of such cable, lines or other facilities which might require material expenditures in connection therewith.

5.18 Intangible Property. Schedule 5.18 contains a list of all intangible property, including all intellectual property (other than the Systems' subscriber lists, which lists will be and remain in the possession of ACEC upon the Closing, and other than American Cable Entertainment, which name is an Excluded Asset), necessary for use or used in the operation and conduct of the Business as presently conducted, which list is true, complete and accurate in all material respects. Except for the Excluded Assets, or such conditions as affect the CATV industry generally, or as disclosed in Schedule 5.18 or Section 5.19, ACEC possesses or has the right to use all intangible property, including all intellectual property, necessary for use or used in the operation and conduct of the Business as presently conducted without any conflict with the rights of any Third Party. ACEC (a) has not licensed any Person to use any intellectual property; (b) has no knowledge of the infringement by any Person of any of the intellectual property set forth on Schedule 5.18; and (c) this Agreement and the sale of the ACEC Membership Interest will not materially breach any contract or agreement governing any intellectual property right of ACEC. Schedule 5.18 also lists all of the trade names (including the Hi-Desert Cablevision name) owned or held by Seller, other than the name American Cable Entertainment, and derivations thereof, which name and derivations are Excluded Assets; provided that Buyer shall have the right to use the American Cable Entertainment name, and derivations thereof, for a period of 120 days following the Closing Date, or for such longer period of time as Buyer shall be using commercially reasonable efforts to remove such name, and derivations thereof, from any items of equipment or inventory of the Systems, but in no event for more than 180 days after the Closing Date.

5.19 Necessary Property.

ACEC has no material properties or assets used, held for use or usable in the operation of the Systems which are not set forth on the Schedules. The Assets (including, without limitation, the Franchises), together with the Excluded Assets, constitute all of the property used and reasonably necessary for the operation of the Systems in the manner and to the extent presently conducted by ACEC; provided, that (i) ACEC does not have at the date of this Agreement (but may seek, although it can provide no assurances that it will in that event be able to obtain, prior to the consummation of the Closing) any necessary license(s) for its exhibition of the CATV signals being exhibited by the Systems, other than those CATV programming licenses listed at the date of this Agreement as Necessary Contracts on Schedule 5.10(B), and (ii) ACEC does not have at the date of this Agreement (but will continue to seek, although it can provide no assurances that it will be able to obtain, from General Telephone Company of California and Southern California Edison Company prior to the consummation of the Closing) any pole attachment agreement(s) or license(s).

5.20 Compliance with Laws.

(a) The operations of the Systems have been, and are being, conducted in material compliance with all applicable laws, rules, regulations and other requirements of all federal, state, county or local governmental authorities or agencies.

(b) (i) ACEC is permitted under all applicable Franchises and FCC rules, regulations and orders to distribute the transmissions (whether television, satellite, radio or otherwise) of video programming or other information that any System presently transmits to its respective customers (the "Signals") and to utilize all carrier frequencies generated by the operations of the Systems, and is licensed to operate all the facilities required by law to be licensed, including without limitation, any business radio and any CARS system being operated by ACEC as part of the Systems; and (ii) other than requests for network nonduplication and syndex protection and sports league (e.g., NBA, NHL, MLB) blackout requests, no written requests have been received by ACEC from the FCC, the United States Copyright Office, any local or other television station or system or from any other Person challenging or questioning the legal right of ACEC to own or operate any System or to own, operate or use any FCC licensed or registered facility owned, operated and used by ACEC in conjunction with ACEC's operation of any System.

(c) ACEC is in substantial compliance with the applicable Cumulative Leakage Index requirements of the FCC.

(d) Each of the Angelus Oaks System, the Rancho System and the Yucaipa System is delivering to its respective subscribers (i) the respective channel line-up set forth as to that System on Schedule 5.12, which channel line-up is capable of being viewed in its entirety by every subscriber to that System, and (ii) signals that are at least equal in quality to those signals that such System was delivering to its subscribers at the date of this Agreement; and each of the foregoing three Systems will, on the Closing Date, be in compliance with the FCC's CLI (Cumulative Leakage Index) requirements. The Victorville System, when loaded with the number of analog channels presently being exhibited by that System (as listed on that System's channel line-up as set forth on Schedule 5.12), is capable of operating in substantial compliance with the terms of the applicable FCC rules and regulations currently in effect and is capable of delivering such number of analog channels throughout all portions of the respective System. The Victorville System will, on the Closing Date, be in compliance with the FCC's CLI requirements.

(e) ACEC has deposited (or will, prior to the Closing, timely deposit) with the United States Copyright Office all statements of account and other documents and instruments, and has paid (or will, prior to the Closing, timely pay) all such royalties, supplemental royalties, fees and other sums to the United States Copyright Office with respect to the business and operations of the Systems as are required under the Copyright Act to obtain, hold and maintain the compulsory license for CATV systems prescribed in Section 111 of the Copyright Act. To Seller's knowledge, ACEC and the Systems are in compliance with the Copyright Act and the rules and regulations of the Copyright Office. ACEC and the Systems are entitled to hold and do hold the compulsory copyright license described in Section 111 of the Copyright Act, which compulsory copyright license is in full force and effect and has not been revoked, cancelled, encumbered or adversely affected in any manner. As disclosed above in Section 5.19, ACEC does not have at the date of this Agreement (but may seek, although it can provide no assurances that it will in that event be able to obtain, prior to the consummation of the Closing) those programming license(s) necessary for its exhibition of the CATV signals being exhibited by the Systems, other than those CATV programming licenses listed at the date of this Agreement as Necessary Contracts on Schedule 5.10(B).

(f) All necessary FAA approvals have been obtained with respect to the height and location of those towers owned by ACEC which are used in connection with the operation of the Systems and those towers are being operated in accordance with applicable FCC and FAA rules.

(g) There is as of the date of this Agreement no inquiry, claim, action or demand pending (or, to ACEC's knowledge, threatened) before the United States Copyright Office or the Copyright Royalty Tribunal which questions the copyright filings or payments made by ACEC with respect to the Systems, other than routine inquiries or proposed corrections none of which routine inquiries or corrections (individually or in the aggregate) is or will be material. Seller will provide Buyer with copies of any and all additional inquiries, claims, actions or demands during the period between the date of this Agreement and the Closing Date .

(h) Copies of all aeronautical frequency notices filed with the FCC with respect to the Systems have been (or will, within 45 days after the Signature Date, be) delivered to Buyer.

(i) No basis exists under the 1992 Act (after giving effect to provisions of the 1992 Act which otherwise would be effective but for the passage of time), as in effect at the date of this Agreement, for any rollback of rates for basic service, or any rollback or refund of rates for any premium or pay service, with respect to the Systems.

5.21 Litigation and Legal Proceedings.

Schedule 5.21 sets forth a complete and accurate list and description of all audits, suits, claims, actions and administrative, arbitration or other similar proceedings pending or, to the knowledge of Seller or ACEC, threatened against ACEC, the Assets, any of ACEC's Affiliates, directors, officers, employees or agents relating to ACEC, the Business, the Systems, any of the Assets or ACEC (including proceedings concerning labor disputes or grievances, civil rights discrimination cases and affirmative action proceedings) and all governmental investigations pending or, to the knowledge of ACEC, threatened, to which ACEC is a party, or against its properties or business, and each judgment, order, injunction, decree or award relating to ACEC, or the Assets (whether rendered by a court or administrative agency, or by arbitration pursuant to a grievance or other procedure) to which ACEC is a party or relating to the Assets which is unsatisfied or requires continuing compliance therewith (such suits, actions, claims, judgments, orders, injunctions, decrees and awards are herein referred to as "Legal Proceedings"). Seller is not aware of any facts or circumstances which would give rise to any unasserted possible material claims against the Systems or the Assets. There is no action, suit, proceeding or (to Seller's or ACEC's knowledge) investigation to restrain, prohibit or otherwise challenge the legality or propriety of the transactions contemplated by this Agreement pending or (to Seller's or ACEC's knowledge) threatened against Seller or ACEC as of the date of this Agreement. The foregoing warranty specifically excludes matters undertaken by or pending before Congress, the FCC, the Copyright Royalty Tribunal or any state governmental authority in any state in which any System is located which would have applicability to CATV systems in general but to which ACEC is not expressly a party.

5.22 Brokers' Fees.

Except for Waller Capital and the brokerage fee due that firm in connection with the transactions contemplated by this Agreement (which brokerage fee will be paid by Seller at Closing out of the Closing proceeds), neither Seller nor ACEC has entered into any agreement, arrangement or understanding, or employed any broker or finder or incurred any liability of ACEC, for any brokerage fees, commissions or finders' fees in connection with the negotiations leading to or the transactions contemplated by this Agreement. Nor is either Seller or ACEC, except as otherwise hereinbefore set forth in this Section, aware of any claim, or any basis for any claim, for the payment by ACEC of any agent's fees in connection with the negotiation or consummation of this Agreement.

5.23 Pensions and Other Deferred Compensation; Benefits.

There are no (nor, within the past six years, have there been any) employee pension benefit plans (as defined in ERISA Section 3(2)), profit-sharing or deferred compensation plans or policies or employee welfare benefit plans (as defined in ERISA Section 3(1)) for the benefit of employees of ACEC or any entity that is in the control group of entities that includes ACEC as determined under Section 4.14(b), (c) and (m) of the Tax Code, except as set forth on Schedule 5.23 and, to the knowledge of ACEC, ACEC is not subject to any liability resulting from the withdrawal by ACEC or any of its Affiliates from, or the termination of, a multi-employer pension plan within the meaning of section 3(37) of ERISA previously utilized by ACEC. All of the employee benefit plans listed on Schedule 5.23 have been designed and administered in compliance with the applicable provisions of ERISA and the Tax Code. Except with respect to claims under the employee benefit plans listed on Schedule 5.23, no person has asserted any claim under which ACEC would have any liability under any health insurance, life insurance, disability, medical, surgical, hospital, death benefit, or any other employee benefit plan, contract or arrangement maintained by ACEC, or to which ACEC is a party or may be bound, or under any worker's compensation or similar law, which is not fully covered by insurance maintained with reputable, responsible financial insurers. None of the plans listed in Schedule 5.23 provides for post-retirement health coverage (except as required by ERISA Sections 601-609) or post-retirement life insurance benefits.

5.24 Insurance, Surety Bonds, Damages.

Schedule 5.24 lists all insurance policies and surety bonds of ACEC now in effect and maintained or held by ACEC at the date hereof, which list is accurate, true and complete in all material respects, and that list also sets forth the names of the respective insureds and their addresses. The premiums on such insurance policies and bonds have been currently paid, and such policies and bonds are valid, outstanding and enforceable, in full force and effect. Seller will cause ACEC to maintain coverage of similar kinds and amounts and to pay the premium for such coverage through the Closing Date. As of the date of this Agreement, no insurance carrier has denied any claim for insurance made by ACEC in respect of any of the Assets or refused to renew any policy issued in respect of any of the Assets.

5.25 Environmental Laws.

Except as set forth in Schedule 5.25: (i) ACEC is in compliance with all Environmental Laws relating to its operation of the Systems, its ownership of the Real Estate and its leasing of the real property it leases; (ii) no order, directions or notices relating to the Systems have been issued pursuant to any Environmental Law and no government agency has submitted to ACEC any request for information pursuant to any Environmental Law relating to the Systems; (iii) to the best of Seller's and ACEC's knowledge, there are no Environmental Permits required under any Environmental Law in connection with the operation of the Systems as presently operated or in connection with the Real Estate or leased property; (iv) during the term that ACEC has occupied the Real Estate and any leased real property, the Real Estate and such leased real property as has been occupied by ACEC has not been utilized for (or, to ACEC's knowledge, affected by) any industrial or commercial operation involving the generation, storage, release or disposal of any Hazardous Substance, nor to Seller's knowledge has any such utilization been made by any other present or previous owner, tenant, occupant or user of such Real Estate or leased property; and (v) ACEC has obtained all governmental authorizations under Environmental Laws necessary for the operation of the Assets, which governmental authorizations are in full force and effect (or ACEC or Buyer can readily obtain all such governmental authorizations upon or promptly after the Closing in the ordinary course of business and without disruption or delay of the operation of the Systems). Except as set forth on Schedule 5.25, ACEC has received no notification pursuant to any Environmental Laws that: (a) any work, repairs, construction or capital expenditures are required to be made in respect of any of the Assets as a condition of compliance with any Environmental Laws relating to the Systems; or (b) any currently held material Environmental Permit relating to the Systems is about to be made subject to materially different limitations or conditions, or is about to be revoked, withdrawn or terminated. No claim or investigation based on Environmental Laws which relate to any Real Estate or leased property or any operations or conditions thereon (a) has been asserted or conducted in the past or is currently pending against or with respect to ACEC or any other Person or (to Seller's knowledge) is threatened or contemplated. To Seller's knowledge, no release of Hazardous Substances outside the Real Estate or leased property has entered or threatens to enter any Real Estate or leased property nor is there any pending or threatened claim based on Environmental Laws which arises from any condition of land surrounding Real Estate or leased property. Seller has provided, or prior to Closing, will provide, Buyer with complete and correct copies of all studies, reports or surveys in Seller's and ACEC's possession relating to the presence or alleged presence of Hazardous Substances at, on or affecting the Real Estate or leased real property. No underground or above ground storage tanks are currently (and, to Seller's and ACEC's knowledge, no such tanks have been) located on any Real Estate. To Seller's knowledge, (a) no Real Estate or any property leased by ACEC has been used at any time as a gasoline service station or any other facility for storing, pumping, dispensing, or producing gasoline or any other petroleum products or wastes, and (b) no building or other structure on any Real Estate or any property leased by ACEC contains asbestos.

5.26 No Other Commitment to Sell.

No part of the Systems or any of the Assets is directly or indirectly subject in any manner to any written or oral commitment or any understanding or arrangement for the sale, transfer, assignment, or disposition thereof, in whole or in part, except (i) pursuant to this Agreement, (ii) as provided in any of ACEC's Franchises or in the general security provisions of any of ACEC's debt instruments, (iii) the sale of any Asset in the ordinary course of business which has been or will be replaced by ACEC on or before the Closing Date with a replacement Asset of equal or greater value, or (iv) as otherwise set forth in Schedule 5.26.

5.27 Disclosure.

No representation or warranty made herein by Seller, and no statement by Seller contained in any certificate or other instrument furnished or to be furnished by Seller to Buyer pursuant to this Agreement, contains or will contain any untrue statement of a material fact.

5.28 Affiliate Agreements to be Terminated prior to or upon Closing.

Schedule 5.28 sets forth those contracts, agreements, arrangements and understandings between ACEC and any Affiliate of ACEC which will be included in ACEC's Assets immediately prior to or upon the Closing ("Affiliate Agreements"). Seller will cause ACEC to terminate all such Affiliate Agreements prior to or upon the Closing, without payment by Buyer or ACEC of any penalty, premium, liquidated damages or other compensation on account thereof (other than the Purchase Price adjustments contemplated on the basis of Buyer's compliance with clauses (i) and (ii) of Section 3.3(c)). Seller will also cause ACEC to use its reasonable, good faith efforts to effect the termination as of the Closing Date of any and all of ACEC's then existing programming licenses for any System's distribution of CATV programming.

ARTICLE VI
REPRESENTATIONS AND WARRANTIES OF BUYER

As an inducement to Seller to enter into this Agreement and to consummate the transactions contemplated hereby, Buyer hereby makes the following representations and warranties:

6.1 Organization.

Buyer is a corporation duly organized and validly existing under the laws of the State of Delaware and has the power and authority to own and use its properties and to transact the business in which it is engaged and to acquire the ACEC Membership Interest pursuant to this Agreement. Buyer is (or will be, prior to the Closing) qualified to do business in the State of California.

6.2 Authorization; Enforceability

The execution and delivery of this Agreement and all other instruments or documents executed by Buyer in connection herewith, as well as all action required to be taken hereunder or thereunder by Buyer, have been duly authorized by Buyer, and upon execution and delivery, each such document will constitute the valid and binding obligation of Buyer enforceable upon and in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting the rights of creditors generally and by general principles of equity. All Persons who have executed this Agreement on behalf of Buyer are authorized to do so under its organizational documents and the laws of its state of creation.

6.3 No Default.

The execution and delivery of this Agreement and all other instruments or documents executed by Buyer in connection herewith and the consummation of the transactions contemplated hereby will not violate any provision of, or constitute a default under any provision in Buyer's Certificate of Incorporation or Bylaws or any agreement or instrument to which Buyer is a party or which is otherwise applicable to Buyer or result in the acceleration of any obligation, or to the best of its knowledge, cause or give any reason for an adverse action to be taken by any person or governmental authority under any mortgage, lien, lease, agreement, instrument, order, judgment, or decree to which Buyer is a party or by which it is bound and will not violate or conflict with any other restriction to which Buyer is subject, including, to the best of Buyer's knowledge, federal, state, and local laws and regulations.

6.4 Litigation.

As of the date hereof, there is no pending suit, claim, action or proceeding to which Buyer is a party which individually or in the aggregate will have a material adverse affect upon the business or condition, financial or otherwise, of Buyer. As of the date hereof, no judgment, order or decree has been entered nor any such liability incurred which has such effect. There is no claim, action or proceeding pending as of the date hereof or threatened as of the date hereof against Buyer of which Buyer has received notice which will prevent or delay the consummation of the transactions contemplated by this Agreement.

6.5 Finders' and Brokers' Fees.

Buyer has not employed any broker or finder or incurred any liability for any brokerage fees, commissions or finders' fees in connection with the transactions contemplated by this Agreement.

6.6 Disclosure.

No representation or warranty made herein by Buyer, and no statement contained in any certificate or other instrument furnished or to be furnished by Buyer to Seller pursuant to this Agreement, contains or will contain any untrue statement of a material fact.

ARTICLE VII
CONDUCT OF BUSINESS OF ACEC PRIOR TO CLOSING

7.1 Restrictions on Operations Prior to Closing Date.

Following its execution hereof and to and including the Closing Date, Seller shall cause ACEC to conduct ACEC's business and operations and maintain all of the Assets according to ACEC's ordinary and usual course of business, except as otherwise contemplated by the provisions of this Agreement. Furthermore, without the prior written consent of Buyer, Seller agrees to cause ACEC not to:

(i) Make any contract, incur any indebtedness or provide any guarantee, other than in the ordinary course of business or under the 1998 Credit Agreement;

(ii) Sell, transfer, lease, or assign any Asset, or take or agree to take any action, other than in the ordinary course of business;

(iii) Increase in any manner the compensation of any of ACEC's employees (except for normal increases in line with past practices, and sale-related performance and Closing bonuses payable by ACEC to those employees who remain in the employ of ACEC through the Closing Date and for which Buyer shall have no liability) or commit (without first making commercially reasonable efforts to avoid commiting) to any employment or collective bargaining agreements;

(iv) Cancel or fail to renew any of the insurance policies referred to in Schedule 5.24 except in compliance with Section 5.24;

(v) Fail to use its diligent efforts to keep the business of ACEC intact, to keep in service the present officers and key employees of ACEC consistent with good business practices and to preserve the good will of ACEC's suppliers and customers and others having business relations with it; or

(vi) Grant subscribers or potential subscribers any discounts or waive any service or installation fees or grant any other promotion in connection with marketing activities, which are not in accordance with any System's past practices in the ordinary course of business.

7.2 Payment of Obligations.

Seller shall cause ACEC to pay ACEC's current liabilities consistent with prior business practices as and when they become due, except those being contested in good faith by appropriate proceedings.

7.3 Inventory.

Seller shall cause ACEC to continue to maintain ACEC's inventory of equipment, cable and supplies consistent with ACEC's past practice, which has been to maintain a 30-to-90 day inventory supply.

7.4 Compliance with Franchises.

Seller shall cause ACEC to continue to comply in all material respects with the provisions of the Franchises.

7.5 Victorville Rebuild.

Seller shall cause ACEC to make available to Buyer (or Buyer's designated on-site representative) continuous access to all Victorville Upgrade construction sites and all information regarding the on-going costs and progress of that Upgrade. As Seller's work on the Victorville Upgrade proceeds, Seller shall keep Buyer informed of the progress thereof and shall notify Buyer, at least five business days prior thereto, of that date on which (by Seller's estimate) the Victorville Upgrade Completion Cost will reach and equal Three Million Five Hundred Thousand dollars ($3,500,000). Buyer shall then have the right, at Buyer's option to be exercised within three business days after Buyer's receipt of Seller's foregoing notice, to direct Seller to continue with all, or a designated dollar amount of, the Victorville Upgrade at Buyer's cost and expense (as contemplated by the proviso set forth in the second sentence of Section 3.3(d)).

ARTICLE VIII
INVESTIGATION BY BUYER

8.1 Access to Records.

Following its execution hereof and to and including the Closing Date, Seller shall give Buyer and its representatives, including, without limitation, advisors, accountants and attorneys designated by Buyer, full access during ordinary business hours, upon reasonable notice, to its premises, assets, properties, books of account, agreements and commitments, provided that Buyer's investigation and use of the same shall not unreasonably interfere with ACEC's normal operations. Seller shall permit Buyer to inspect, review and copy all information with respect to the business and affairs of ACEC to which Buyer may, from time to time, reasonably request access, including, without limitation, any interim financial statements and reports of ACEC and the tax returns and information relating to ACEC. Seller shall cause ACEC's employees to render to Buyer and its representatives reasonable cooperation in connection with their investigation of ACEC's premises, assets, properties, records, books of account, agreements, commitments and other information relating to the CATV Business and the Systems. No such investigation by Buyer or its representatives of the assets and other information relating to ACEC's affairs shall affect the continuing validity or effect of the representations and warranties of Seller contained in this Agreement. In the event that Buyer discovers any fact which would result in a Seller's representation or warranty being inaccurate, or any other breach of this Agreement by Seller, Buyer will give prompt notice of such breach to Seller, specifying the nature of such breach in reasonable detail and Seller shall have the right (but not the obligation) to cure such breach prior to the Closing.

8.2 Publicity.

Except as required by applicable law, (i) Seller and Buyer shall consult with and cooperate with the other with respect to the content and timing of all press releases and other public announcements concerning this Agreement and the transactions contemplated hereby and (ii) neither Buyer nor Seller shall make any such release or announcement without the prior written consent and approval of the other, which consent and approval shall not be unreasonably withheld.

ARTICLE IX
FURTHER COVENANTS

9.1 Delivery of Documents to Buyer.

Seller covenants that, to the extent that it has not already done so, Seller will insofar as practicable deliver or otherwise make available (or cause ACEC to deliver or otherwise make available) to Buyer for inspection, at Stamford, Connecticut or San Bernardino, California, the following within thirty (30) days after the Signature Date, or as specifically delineated below:

(i) ACEC's most recently prepared managerial reports and subscriber accounting records, which shall include a subscriber accounts receivable aging report summarizing, respectively, subscribers whose accounts are at least one, two, and three or more Monthly Billing Periods overdue, for the last (or then most recently concluded) regular Monthly Billing Period.

(ii) Copies of the Additional Financial Statements as soon as practicable after completion, but in any case, within forty-five (45) days of the end of the period covered by any such Additional Financial Statement, and monthly statements of operating income within 30 days after the end of each month.

(iii) Copies of such as-built engineering drawings as ACEC has in its possession for the Systems, or, if not available, such design maps and plant drawings and as-built engineering drawings as ACEC has in its possession will be made available to Buyer for inspection and at the Closing will be left on site at a System office for Buyer.

(iv) Copies of any and all bonds in force with regard to the Systems and ACEC.

(v) Copies of all written franchises, contracts, agreements and other documents listed in the Schedules, together with a certificate of a duly authorized executive officer, certifying that to the best of such officer's knowledge the copies so delivered are true and complete in all material respects.

(vi) Copies of any required Registration Statements filed with the FCC pursuant to 47 C.F.R. Section 76.12.

(vii) The Initial Notice of Identity and Signal Carriage, and all subsequent statements of account filed with the Copyright Office within the past three years and all Notices of Change of Identity or Signal Carriage filed within the past three years shall be made available for inspection by Buyer or its representatives upon reasonable notice.

(viii)Copies of radio licenses, earth station licenses and CARS licenses.

(ix) Copies of must carry elections and retransmission consent agreements;

To the extent that any of the items referred to above are received or filed after a date which is 30 days from the Signature Date, Seller covenants to deliver such items to Buyer as soon as practicable after receipt or filing.

9.2 Transfer of Franchises and Necessary Contracts Prior to Closing.

Seller shall cause ACEC to file, within 45 days after the Signature Date, all necessary and appropriate Form 394's and all other submissions to governmental authorities in connection with the transfer of control of the Franchises, and shall also cause ACEC to use its diligent good faith efforts, prior to the Closing Date (including, without limitation, attendance at City Council or similar meetings and hearings before local and county administrative bodies) to obtain at ACEC's expense all requisite consents, approvals and authorizations required to be received by or on the part of ACEC or Buyer for the transfer of control of the Franchises and the Necessary Contracts, provided that neither Seller nor ACEC shall be required to incur any material expense or obligation in connection therewith (other than the commitment to be undertaken by ACEC to upgrade that portion of the Rancho System serving the City of Rancho Cucamonga to 750 MHz, as hereinbefore provided, in the event that ACEC obtains a renewal of its Franchise issued by the City of Rancho Cucamonga). Seller shall cause ACEC to commence its efforts to obtain such Required Consents as soon as practicable after the Signature Date. Buyer agrees to prepare and deliver the requisite Form 394's to ACEC within thirty (30) days after the Signature Date and to cooperate fully with and to assist Seller and ACEC, subject to all the terms and conditions of this Agreement, in obtaining such approvals, including, without limitation, attendance at City Council or similar meetings and hearings before local and county administrative bodies and to promptly return to ACEC any reasonably requested documents required to be executed or delivered by Buyer to the franchisors in the normal course of the transfer proceedings.

9.3 Further Assurances.

Each of the parties hereto shall, subject to the fulfillment at or before the Closing Date of each of the conditions to its performance set forth herein or the waiver thereof, perform such further acts and execute such documents as reasonably may be required to effectuate the transactions contemplated hereby. Each of the parties hereto shall use all reasonable efforts to expeditiously fulfill or obtain the fulfillment of the conditions precedent of the other party set forth below, provided that nothing herein shall be deemed to expand any parties' obligations hereunder.

9.4 Environmental Reports.

Within sixty (60) days after the Signature Date, Seller shall cause to be prepared and delivered a Phase I environmental report and, if recommended in such report, within forty-five (45) days thereafter, a Phase II environmental report for each parcel of Real Estate that is listed on Schedule 5.16. The cost for the Phase I environmental reports shall be borne fifty percent (50%) by Seller and fifty percent (50%) by Buyer. The cost of any Phase II environmental reports shall be borne entirely (100%) by Seller. Seller shall deliver to Buyer a copy of each environmental report within three (3) business days of receipt of such report by Seller. Subject to Section 14(a) hereof, if such environmental reports disclose one or more adverse environmental conditions, Seller shall assume full responsibility for remediation of each such environmental condition and shall bear all expenses incurred in connection therewith.

9.5 HSR Notification.

As promptly as practicable after the Signature Date, and in any event within thirty (30) days after the Signature Date, Seller and Buyer shall complete and file, or cause to be completed and filed, any required notification and report required to be filed under the Hart-Scott-Rodino Anti-Trust Improvements Act of 1976, as amended (the "HSR Act"). Each of the parties will take or cause to be taken any additional action that may be necessary, proper or advisable, will cooperate to prevent inconsistencies between their respective filings and will furnish to each other such necessary information and reasonable assistance as the other may reasonably request in connection with its preparation of necessary filings or submissions under the HSR Act. Buyer and Seller shall use commercially reasonable efforts (including the filing of a request for early termination) to obtain the early termination of the waiting period under the HSR Act. Seller and Buyer shall each bear one-half (50%) of the entire cost of any filing fees in connection therewith.

9.6 Diligent, Good Faith Efforts.

Upon the terms and subject to the conditions of this Agreement, Buyer and Seller shall each use its diligent, good faith efforts to fulfill the respective conditions precedent to Closing hereunder that are to be fulfilled by such party and to take, or cause to be taken, and to do all things reasonably necessary, proper or advisable under any applicable law to consummate and make effective in the most expeditious manner practicable, the transactions contemplated hereby.

9.7 No Solicitation.

From and after the Signature Date to the earlier of the Closing Date or the termination of this Agreement by either Seller or Buyer, neither Seller nor any of its Affiliates (including ACEC) nor any officer, director, employee, agent (including without limitation, any investment banker, financial advisor, attorney or accountant) or other representative of Seller or any of its Affiliates shall, directly or indirectly for or on behalf of Seller or ACEC, initiate any contact with, or solicit, encourage, negotiate or enter into any agreement with, or enter into or continue any discussions or negotiations with or provide any information to, any Third Party in connection with any possible sale or acquisition of the ACEC Membership Interest, the Assets or any part thereof.

9.8 Closing Notice.

Seller shall deliver to Buyer the Closing notice referred to in Section 4.1 promptly upon, and in any event within ten (10) business days after, the satisfaction (or waiver) of all conditions to Buyer's obligation to consummate the Closing.

9.9 Termination of ACEC's 401(k) Plan.

Seller shall cause ACEC to terminate ACEC's 401(k) plan prior to the Closing.

9.10 Transfer Tax Return Filings.

Each party legally obligated to file any Tax Return (or any exemption, clearance or similar filing or certificate) with respect to any Transfer Taxes required to be paid to any relevant taxing authority (or for which an exemption is being sought) in connection with the transactions contemplated by this Agreement shall timely file such Tax Return (or exemption, clearance or similar filing or certificate) with respect thereto.

9.11 Revision of ACEC Operating Agreement.

ACEC shall revise its Operating Agreement within fifteen (15) business days after the date hereof, so as to provide for the continuation of ACEC's valid existence notwithstanding (i) any sale of the ACEC Membership Interest and (ii) any change in the identity of ACEC's respective member(s).

ARTICLE X
CONDITIONS PRECEDENT TO THE OBLIGATIONS OF ALL PARTIES

The obligations of each of the parties to consummate the transaction contemplated hereby are subject to the conditions that:

10.1 Orders Prohibiting Consummation of Transactions.

At the Closing Date, there shall exist no applicable law, rule, regulation, order, judgment or injunction the effect of which is to prohibit consummation of the transactions contemplated by this Agreement.

10.2 HSR Act.

All necessary pre-merger notification filings required under the HSR Act will have been made with the Federal Trade Commission and the United States Department of Justice and the prescribed waiting periods (and any extensions thereof) will have expired or been terminated.

10.3 Closing Date Subscriber Total.

The Closing Date Subscriber Total shall not be less than 66,000; provided, that Buyer shall have the right, at its sole option, unilaterally to effect the joint waiver of the foregoing condition by and on behalf of both Buyer and Seller, provided, further, that in the event of any such joint waiver effected by Buyer, Buyer shall be deemed to have waived any right to any Purchase Price adjustment (whether pursuant to Section 3.3(b) or otherwise) on account of the Closing Date Subscriber Total's being less than 66,000; provided, further, that any such joint waiver effected by Buyer shall not be deemed to waive or limit Buyer's right to a Purchase Price adjustment pursuant to Section 3.3(b) hereof on account of the Closing Date Subscriber Total's being less than 68,200 (any such adjustment in that event to be limited to an aggregate total of 2,200 Basic Subscribers).

ARTICLE XI
CONDITIONS PRECEDENT TO BUYER'S OBLIGATIONS

All obligations of Buyer under this Agreement are subject to the fulfillment in all material respects (or waiver in whole or in part by Buyer in writing) on or before the Closing Date (or such earlier date as may be specified), of each of the following conditions:

11.1 Compliance with Agreement.

Seller shall have performed and complied with its obligations under this Agreement to be performed by it at or prior to Closing.

11.2 Correctness of Representations and Warranties.

The representations and warranties of Seller contained in this Agreement, and in the certificates delivered to Buyer pursuant hereto, shall be true in all respects on the date hereof and on the Closing Date as though such representations and warranties were made on and as of the Closing Date, except to the extent that any inaccuracies do not, in the aggregate, constitute a material adverse effect with respect to the Assets, or the Systems, taken as a whole.

11.3 No Adverse Change in Business or Properties.

Since September 30, 1998, neither the Business, the Systems nor the Assets have been affected in the aggregate adversely to a material extent or interfered with in any material way, except for matters affecting the CATV industry generally.

11.4 Termination of Affiliate Agreements.

ACEC shall have terminated the Affiliate Agreements (including, without limitation, the 1998 Credit Agreement, the Pledge Agreement and the Security Agreement) prior to the Closing, or shall have arranged for the termination thereof subject to and effective upon the consummation of the Closing and the repayment pursuant to Section 3.3(c) of the long-term debt, management fees and other sums referred to in clauses (i) and (ii) of that Section (including, without limitation, all of the debt and accrued interest outstanding under the 1998 Credit Agreement).

11.5 Instrument of Transfer.

Seller shall deliver to Buyer the Assignment, duly executed by Seller, in substantially the form of Exhibit 2.2, selling, assigning and transferring to Buyer all right, title and interest in and to the ACEC Membership Interest.

11.6 Certificate of Officer.

Seller shall deliver to Buyer a certificate of an authorized executive officer of Seller dated the Closing Date, certifying as to the fulfillment of the conditions set forth in Sections 11.1, 11.2 and 11.3 above, together with a certified authorizing resolution and incumbency certificate.

11.7 Rancho Cucamonga Franchise.

ACEC shall not have executed, entered into or otherwise accepted any renewal of the Franchise for the City of Rancho Cucamonga without the prior written consent of Buyer, which consent Buyer shall not unreasonably withhold; provided, that it is expressly agreed that ACEC shall not have any obligation under this Agreement to execute, enter into or otherwise accept any renewal of its Franchise with the City of Rancho Cucamonga, except at ACEC's sole discretion (and only then subject to Buyer's foregoing consent), and the execution, entry into or other acceptance of any renewal of the foregoing Franchise, whether by ACEC or the City of Rancho Cucamonga or both of them, shall not be a condition under this Article XI.

11.8 Pole Attachments.

ACEC shall have used its reasonable good faith efforts to have obtained and entered into pole attachment agreements, in substantially such form as the respective utility shall have required or provided, for the pole attachments referenced in Section 5.13 hereof.

11.9 Opinion of Counsel.

Buyer shall have received from Seller's Senior Vice President and General Counsel, Day L. Patterson, or from Seller's counsel, Baer Marks & Upham LLP, a favorable opinion of Mr. Patterson or such counsel, addressed to Buyer and its lenders dated as of the Closing Date, substantially in the form of Exhibit 11.9.

11.10 Opinion of FCC Counsel.

Buyer shall have received from Seller's FCC counsel, Cole Raywid & Braverman, a favorable opinion of such counsel, addressed to Buyer and its lenders dated as of the Closing Date, in the form of Exhibit 11.10.

11.11 Members' Indemnity.

Buyer shall have received from Seller an indemnity in substantially the form of Exhibit 11.11, duly executed by each of Seller's members, together with one or more legal opinions of the members' respective legal counsel as to the respective member's due execution and authorization of that indemnity and the enforceability thereof as to such member upon and in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting the rights of creditors generally and general principles of equity.

11.12 Consents.

All consents or approvals of franchisors, governmental authorities and other Third Parties which are Required Consents in connection with the transfer of the ACEC Membership Interest to Buyer and the other transactions contemplated by this Agreement shall have been obtained in substantially the form set forth in Exhibit 11.12 (subject to the asterisked provisions thereof and footnote therein), or in such other form as the respective Third Party may reasonably request (but without any terms or provisions materially adverse to Buyer, other than those terms and provisions set forth in Exhibit 11.12), and Seller shall have delivered to Buyer copies of all such Required Consents (and any other consents and approvals) so obtained. Without Buyer's approval, the Required Consents (and any other consents and approvals) shall not contain any materially adverse changes to the underlying documents to which they apply.

11.13 Resignations of ACEC Officers

Buyer shall have received from Seller the resignations of each officer of ACEC, effective the Closing Date.

ARTICLE XII
CONDITIONS PRECEDENT TO SELLER'S OBLIGATIONS

All obligations of Seller under this Agreement are subject to fulfillment in all material respects (or waiver in whole or in part by Seller in writing) on or before the Closing Date (or such earlier date as may be specified) of each of the following conditions:

12.1 Correctness of Representations and Warranties.

The representations and warranties of Buyer contained in this Agreement, and in the certificates delivered to Seller pursuant hereto, shall be true in all respects on the date hereof and on the Closing Date as though such representations and warranties were made on and as of the Closing Date, except to the extent that any inaccuracies do not, in the aggregate, constitute a material adverse effect with respect to the transactions contemplated hereby or Buyer's ability to consummate same.

12.2 Compliance with Agreement.

Buyer shall have performed and complied with its obligations under this Agreement to be performed by it at or prior to Closing.

12.3 Certificate of Officer.

Buyer shall have delivered to Seller a certificate signed by an executive officer of Buyer, dated the Closing Date, certifying as to the fulfillment of the conditions set forth in Sections 12.1 and 12.2 above, together with a certified authorizing board resolution and incumbency certificate.

12.4 Opinion of Counsel.

Seller shall have received from Buyer's counsel, Paul, Hastings, Janofsky & Walker LLP, a favorable opinion of such counsel, addressed to Seller dated as of the Closing Date, substantially in the form of Exhibit 12.5.

ARTICLE XIII
EXPENSES OF NEGOTIATION AND TRANSFER

13.1 Expenses.

Except as otherwise provided in this Agreement, each party shall pay its own expenses, taxes and other costs incident to or resulting from this Agreement whether or not the transactions contemplated hereby are consummated. Costs of Seller include, but are not limited to, all filing and application fees paid to governmental and regulatory authorities in connection with the transactions contemplated by this Agreement (with the exception of the HSR filing fees referred to in Section 9.6 hereof, which fees shall be paid one-half by by Seller and one-half by Buyer at the time of filing), and documentary taxes. Buyer's costs include, but are not limited to, fees for the filing or recording of instruments of transfer. In accordance with Section 3.3(g), the Purchase Price shall be decreased by one-half of (and Buyer and Seller shall thereby divide equally between them) the aggregate amount of all Transfer Taxes.

ARTICLE XIV
RIGHTS TO TERMINATE; BREACH; LIQUIDATED DAMAGES

14. Termination.

(a) This Agreement may be terminated prior to the Closing:

(i) at any time by mutual consent of Seller and Buyer;

(ii) by either Seller or Buyer if there shall be in effect a final, nonappealable order restraining, enjoining, or otherwise prohibiting the consummation of the transactions contemplated hereby;

(iii) by Seller (provided that Seller is not then in material breach of any representation, warranty, covenant or other agreement contained herein), in the event that Buyer shall be in material breach or default under this Agreement or the Deposit Escrow Agreement, and shall have failed to cure such breach or default within thirty (30) days after receiving written notice thereof from Seller; provided, that if Buyer shall fail to make the Deposit pursuant to Section 3.2(a) hereof, then Seller shall have the right to terminate this Agreement upon written notice to Buyer, effective immediately;

(iv) by Seller, if all the conditions set forth in Section 12 have not been satisfied (or waived by Seller) by the Outside Date other than due, in whole or in part, to a breach or default by Seller; and

(v) by Seller, if any Phase I environmental report or Phase II environmental report for any Phase I property obtained pursuant to Section 9.5 discloses one or more adverse environmental conditions and Seller concludes, in its reasonable judgment, that the cost of remediation of such condition(s) will exceed One Million dollars ($1,000,000); provided that termination pursuant to this Section 14(a)(v) shall not be effective, and shall be void ab initio, in the event that within ten (10) business days after receipt of Seller's notice of termination Buyer delivers notice to Seller that Buyer will bear all costs in connection with such remediation in excess of One Million dollars ($1,000,000).

(vi) by Buyer (provided that Buyer is not then in material breach of any representation, warranty, covenant or other agreement contained herein), in the event that Seller shall be in material breach or default under this Agreement or the Deposit Escrow Agreement, and shall have failed to cure such breach or default within thirty (30) days after receiving written notice thereof from Buyer; and

(vii) by Buyer, if all the conditions set forth in Section 11 have not been satisfied (or waived by Buyer) by the Outside Date other than due, in whole or in part, to a breach or default by Buyer.

(b) In the event either party shall terminate this Agreement pursuant to Section 14(a), the terminating party shall give prompt written notice thereof to the other party hereto and this Agreement shall thereupon terminate, without further action by either of the parties hereto. If the Agreement is terminated as provided herein: (i) except as otherwise provided herein, the termination of this Agreement shall not relieve any party of any liability for breach of this Agreement prior to the date of termination; and (ii) all filings, applications and other submissions relating to the transfer of the Assets made pursuant to this Agreement shall, to the extent practicable, be withdrawn from the agency or other person to which made. In the event of a termination of this Agreement by Buyer or Seller, the provisions of this Section 14(b) shall survive any such termination.

(c) Nothing in this Article XIV is intended or shall be construed to limit any right either party may have under any other provision of this Agreement with respect to the remedy of specific performance.

ARTICLE XV
INDEMNIFICATION

15.1 Indemnification by Seller.

(a) Seller shall indemnify Buyer against and hold it harmless from any and all Indemnifiable Damages which Buyer may suffer or incur by reason of (i) Seller's breach of any of Seller's representations and warranties contained in this Agreement or any document, certificate or agreement delivered pursuant hereto, (ii) Seller's breach of any of Seller's covenants or agreements contained in this Agreement or any document, certificate or agreement delivered pursuant hereto, or (iii) any liabilities for obligations, whether accrued, absolute, contingent or otherwise, and whether due or to become due, of Seller (or of ACEC, other than those ACEC liabilities for which Buyer receives a purchase price adjustment pursuant to Section 3.3 hereof) or arising out of any acts occurring (or the operation of the Business) prior to the Closing. Without limiting the generality of the foregoing, with respect to the measurement of Indemnifiable Damages, Buyer shall have the right to be put in the same financial position as it would have been in had Seller not breached the respective representation, warranty, covenant or agreement. However, notwithstanding anything contained in this Agreement to the contrary, if Buyer makes any claim for damages, Buyer will use reasonable efforts to mitigate the amount and nature thereof in accordance with customary industry procedures and all reasonable costs and expenses that Buyer incurs in mitigating those damages shall be considered Indemnifiable Damages.

(b) Seller's obligation to indemnify Buyer pursuant to Section 15.1(a) shall be subject to and limited by each of the following qualifications:

(i) Each of the Title Interest Representations made by Seller in this Agreement or pursuant hereto shall survive the Closing hereunder for the respective statute of limitations governing the survival thereof, unless (and then only to the extent) a claim shall have been commenced by Buyer's providing Seller (and the Escrow Agent, if there shall then be an Escrow Agent) with written notice thereof prior to the expiration of that statute of limitations. In any notice delivered by Buyer pursuant to the preceding sentence, Buyer shall identify the claim, set forth the basis thereof and its good faith estimate of the amount of damages thereof, and in that event the applicable Title Interest Representations shall survive solely with respect to such claim until such claim has been resolved, and thereafter shall be extinguished as to such claim. No legal action or proceeding for the enforcement of any Title Interest Representation may be commenced after the expiration of the respective statute of limitations governing the survival of that representation or warranty.

(ii) Each of the other representations and warranties made by Seller in this Agreement or pursuant hereto (i.e., other than any Title Interest Representation) shall survive the Closing hereunder for a period of fifteen (15) months from and after the Closing Date, unless (and then only to the extent) a claim shall have been commenced by Buyer's providing Seller and the Escrow Agent with written notice thereof within fifteen (15) months after the Closing Date. In any notice delivered by Buyer pursuant to the preceding sentence, Buyer shall identify the claim, set forth the basis thereof and its good faith estimate of the amount of damages thereof, and in that event the applicable representations and warranties shall survive solely with respect to such claim until such claim has been resolved, and thereafter shall be extinguished as to such claim. No legal action or proceeding for the enforcement of any foregoing claim may be commenced more than fifteen (15) months following the Closing Date.

(iii) Seller shall have no liability to Buyer for or on account of any of the Indemnifiable Damages provided in Section 15.1(a)(i) (except with respect to any broker's fee payable by ACEC or Seller pursuant to Section 5.22) unless and until such damages in the aggregate (exclusive of and without reference to any and all damages attributable to any breach of any representation or warranty attributable to Seller's breach of any covenant, provided that the breach of such covenant is indemnifiable by Seller under Section 15.1(a)(ii)) exceed Five Hundred Thousand dollars ($500,000) (the "Basket"), in which case such damages shall include the entire amount of the Indemnifiable Damages, including those not in excess of the Basket.

(iv) The total aggregate liability of Seller, whether pursuant to its indemnity obligation under this Section 15.1 or otherwise under this Agreement, shall be limited in all respects to, and shall be payable solely from, the Indemnity Fund; provided, that (a) the total aggregate liability of Seller as to any and all breaches of any and all of Seller's representations or warranties (other than any Title Asset Representation or any Title Interest Representation) shall be limited in all respects to Seven Million Two Hundred Thousand dollars ($7,200,000) of the Indemnity Fund and (b) the total liability of Seller as to any breach of any Title Interest Representation shall not be limited to or by the Indemnity Fund but shall instead be limited solely to the amount of the Purchase Price. Upon the occurrence of an event to which Seller's indemnity obligations under this Section 15.1 applies, Buyer's sole and exclusive remedy shall be recourse to the Indemnity Fund (except as hereinabove expressly provided otherwise with respect to any Title Interest Representation).

(v) In the event that Buyer shall submit any claim for indemnification by Seller under this Agreement, the basis for which claim could or might reasonably support any claim by ACEC against any one or more of Booth Communications Of Southern California Assets, Inc., Booth Communications Of Southern California, Inc., Booth American Company, DCA Cablevision and The Marks Partners, L.P. (whether in any such Person's capacity as seller, guarantor or otherwise), Buyer shall diligently pursue such claim and shall credit any recovery thereon to and against Buyer's foregoing claim for indemnification against Seller, and Seller shall cooperate fully with Buyer's prosecution of any such claim.

15.2 Indemnification by Buyer.

(a) Buyer shall indemnify Seller against and hold it harmless from any and all Indemnifiable Damages which Seller may suffer or incur by reason of (i) Buyer's breach of any of Buyer's representations and warranties contained in this Agreement or any document, certificate or agreement delivered pursuant hereto, (ii) Buyer's breach of any of Buyer's covenants or agreements contained in this Agreement or any document, certificate or agreement delivered pursuant hereto, or (iii) any liabilities for obligations, whether accrued, absolute, contingent or otherwise, and whether due or to become due, assumed by Buyer pursuant to this Agreement or any document, certificate or agreement delivered pursuant hereto or arising out of any acts occurring (or the operation of the Business) after the Closing. Without limiting the generality of the foregoing, with respect to the measurement of Indemnifiable Damages, Seller shall have the right to be put in the same financial position as it would have been in had Buyer not breached the respective representation, warranty, covenant or agreement. However, notwithstanding anything contained in this Agreement to the contrary, if Seller makes any claim for damages, Seller will use reasonable efforts to mitigate the amount and nature thereof in accordance with customary industry procedures and all reasonable costs and expenses that Seller incurs in mitigating those damages shall be considered Indemnifiable Damages.

(b) Buyer's obligation to indemnify Seller pursuant to Section 15.2(a) shall be subject to and limited by each of the following qualifications:

(i) Each of the representations and warranties made by Buyer in this Agreement or pursuant hereto shall survive the Closing hereunder for a period of fifteen (15) months from and after the Closing Date, unless (and then only to the extent) a claim shall have been commenced by Seller's providing Buyer and the Escrow Agent with written notice thereof within fifteen (15) months after the Closing Date. In any notice delivered by Seller pursuant to the preceding sentence, Seller shall set forth the basis of its claim for damages and its good faith estimate of the amount thereof, in which case the applicable representations and warranties shall survive with respect to such claim until such claim has been resolved, and thereafter all such representations and warranties shall be extinguished, and no action for the enforcement of the foregoing obligation may be commenced with respect to any claim made more than fifteen (15) months following the Closing Date.

(ii) Buyer shall have no liability to Seller for or on account of any of the Indemnifiable Damages provided in Section 15.2(a)(i) unless and until such damages in the aggregate (exclusive of and without reference to any and all damages attributable to any breach of any representation or warranty attributable to Buyer's breach of any covenant, provided that the breach of such covenant is indemnifiable by Buyer under Section 15.2(a)(ii)) exceed the Basket (i.e., $500,000), in which case such damages shall include the entire amount of the Indemnifiable Damages, including those not in excess of the Basket.

(iii) The total aggregate post-Closing liability of Buyer, whether pursuant to its indemnity obligation under this Section 15.1 or otherwise under this Agreement, shall be limited in all respects to Seven Million Two Hundred Thousand dollars ($7,200,000).

15.3 Notice and Right to Defend Third Party Claims.

Promptly, upon receipt of notice of any claim, demand or assessment made by any Third Party or the commencement of any suit, action or proceeding brought by any Third Party in respect of which indemnity may be sought on account of any provision of Article XV hereof, the party seeking indemnification (the "Indemnitee") will give written notice thereof to the party from whom indemnification is sought (the "Indemnitor") promptly and in any event within sufficient time to enable the Indemnitor to respond to such claim or answer or otherwise plead in such action. The failure or omission of such Indemnitee to notify promptly the Indemnitor of any such Third Party claim or action shall not relieve such Indemnitor from any liability which it may have to such Indemnitee in connection therewith, on account of any indemnity agreement contained in Article XV hereof, except to the extent that the Indemnitor shall have been materially prejudiced thereby. In case any Third Party claim, demand or assessment shall be asserted or Third Party suit, action or proceeding commenced against an Indemnitee, and such Indemnitee shall notify the Indemnitor of the commencement thereof, the Indemnitor shall be entitled to participate therein, and, to the extent that it may wish, to assume the defense, conduct or settlement thereof, with counsel reasonably satisfactory to the Indemnitee by providing the Indemnitee with written notice within 10 days after receipt of the Indemnitee's notice of the claim, demand or assessment. After notice from the Indemnitor to the Indemnitee of its election so to assume the defense, conduct or settlement thereof within such 10-day period, the Indemnitor will not be liable to the Indemnitee for any legal or other expenses subsequently incurred by the Indemnitee in connection with the defense, conduct or settlement thereof. The Indemnitee will cooperate with the Indemnitor in connection with any such claim, and make personnel, books and records relevant to the claim available to the Indemnitor. In the event that the Indemnitor does not assume the defense, conduct or settlement of any Third Party claim, demand, or assessment within the foregoing 10- day period, the Indemnitee will not settle such claim, demand, or assessment without the consent of the Indemnitor, which shall not be unreasonably withheld. A claim shall be deemed conceded, unless the Indemnitor shall contest it by giving written notice thereof to the Indemnitee within thirty (30) days after such claim is made.

15.4 Characterization of Indemnity Payments. Any indemnification payment made pursuant to this Agreement shall be treated for tax purposes as an adjustment to the Purchase Price, unless otherwise required by applicable law.

ARTICLE XVI
CASUALTY OR LOSS

16.1 Repairs or Replacement of Assets.

In the event that any of the Assets is damaged or destroyed between the date hereof and the Closing Date (an "Event of Loss"), then Seller shall cause ACEC to use such commercially reasonable efforts as would customarily be applied in the ordinary course of business to repair or replace the respective damaged or destroyed Asset(s) with comparable property of like value and quality before the Closing Date. In the event that any such damaged or destroyed Asset(s) cannot reasonably be repaired or replaced prior to the Closing Date, the Purchase Price shall be decreased by the replacement cost of any such damaged or destroyed Asset(s) and all insurance proceeds and claims to insurance proceeds or other rights of ACEC against any Third Parties arising from such Event of Loss shall (to the extent assignable under applicable state law and the applicable insurance policy) be separately assigned to Seller by ACEC. If the Event of Loss shall have had a material adverse effect on the Systems and the repair or replacement thereof cannot be accomplished by the Closing Date, the Closing shall be postponed for a period of up to 60 days to the extent reasonably necessary to permit Seller to accomplish that repair or replacement; if, however, the Event of Loss shall have had a material adverse effect on the Systems and the repair or replacement thereof cannot be accomplished prior to the expiration of the foregoing 60-day extension period, Seller shall give Buyer written notice thereof and Buyer may thereupon elect, by written notice to Seller within thirty (30) days after Buyer's receipt of Seller's foregoing notice, as follows:

(i) to postpone the Closing, but not more than 90 days beyond the date for Closing originally scheduled pursuant to Section 4.1, until such date as the damaged or destroyed Asset(s) can be repaired or replaced in all material respects as aforesaid;

(ii) to close the sale transaction on the scheduled date of the Closing and accept the Assets as is (in which event no decrease shall be made to the Purchase Price in respect of such casualty or loss except to the extent of the amount of any deductibles under ACEC's insurance policies); or

(iii) to terminate this Agreement without liability on the part of either Buyer or Seller.

16.2 Risk of Loss.

The risk of any loss, damage or destruction with respect to any of the Assets (whether from fire, casualty or other cause) shall be borne by and remain with Seller until the Closing.

ARTICLE XVII
MISCELLANEOUS

17.1 Assignment.

Neither this Agreement, nor any right hereunder, may be assigned by any of the parties hereto, except that: (i) Buyer may, upon at least ten (10) days prior written notice to Seller, assign all of its rights hereunder to an Affiliate; provided, that such assignment will not delay, impede or otherwise interfere with Seller's efforts to obtain any Required Consent; and provided, further, that notwithstanding any such assignment, Buyer shall (with such Affiliate) be and remain liable to Seller for the performance and fulfillment of all of Buyer's covenants, duties and obligations hereunder; and (ii) Buyer may assign all of its rights, duties, covenants and obligations hereunder to any successor or assign at any time after the Closing, upon ten (10) days prior written notice to Seller.

17.2 Successors.

This Agreement shall be binding upon and inure to the benefit of Buyer and Seller and their respective successors or assigns, subject in all respects to Section 17.1.

17.3 Entire Agreement.

This Agreement, including the Schedules and Exhibits hereto, constitutes the entire agreement of the parties, and supercedes all prior documents, agreements, promises, covenants, arrangements, communications, representations or warranties, whether oral or written, by or on behalf of either party hereto or any officer, employee, representative or agent of either party hereto.

17.4 Third Parties.

Except as specifically set forth or referred to herein, nothing herein expressed or implied is intended or shall be construed to confer upon or give to any person or other entity, other than the parties hereto and their permitted successors or assigns, any rights or remedies under or by reason of this Agreement.

17.5 Amendments in Writing.

The terms of this Agreement may not be amended, modified or waived except by written agreement executed by Buyer and Seller.

17.6 Arbitration.

None of the terms or provisions of this Agreement shall be subject to arbitration, except as otherwise expressly provided in Schedule 1.87 with respect to the Victorville Upgrade and the Victorville Upgrade Completion Cost.

17.7 Governing Law; Enforcement.

This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without reference to such State's laws governing conflicts of laws, and the parties covenant and agree to bring any action or proceeding arising out of or in connection with this Agreement or any agreement or instrument executed with respect hereto in the Federal or State courts in New York County, New York State and consent to the jurisdiction of any such court, except as otherwise expressly provided in the Closing Escrow Agreement or Schedule 1.87 hereto. The parties further agree that any service of process with respect to any such action or proceeding served in accordance with Section 17.9 shall for all purposes be deemed valid service.

17.8 Interpretation.

The headings of the Articles and Sections of this Agreement are inserted for convenience of reference only and shall not constitute a part hereof or affect in any way the meaning or interpretation of this Agreement. Each of Seller and Buyer acknowledges that it has actively participated in the preparation, drafting and review of this Agreement, and each party hereby waives any claim that this Agreement or any provision hereof (or any Exhibit or Schedule hereto) is to be construed against the other party hereto as the draftsperson thereof.

17.9 Notices.

All notices hereunder shall be in writing, and shall (i) be transmitted (or be attempted to be transmitted) by facsimile to the respective facsimile numbers set forth below (or such other facsimile number as either party may designate to the other by written notice in accordance herewith) and, in addition to any such facsimile transmittal, (ii) be delivered (and shall be deemed to have been delivered on the date of the first attempted delivery) by a reputable overnight delivery service, to the respective party at its address set forth below or such other address as either party may designate to the other by written notice in accordance herewith:

If to Seller:

American Cable Entertainment
Attention: Bruce A. Armstrong,
President and CEO
Four Landmark Square, Suite 302
Stamford, CT 06901
Facsimile Number: (203) 325-3110

with a complete copy under separate cover (which copy by itself shall not constitute notice) to:

American Cable Entertainment
Attention: Day L. Patterson,

SVP and General Counsel
Four Landmark Square, Suite 302
Stamford, Connecticut 06901
Facsimile Number: (203) 325-3110

If to Buyer:

Charter Communications, Inc.
Attention: Jerald L. Kent,
President and CEO
12444 Powerscourt Drive, Suite 100
St. Louis, MO 63131
Facsimile Number: (314) 965-8793

with a complete copy under separate cover (which copy by itself shall not constitute notice) to:

Charter Communications, Inc.
Attention: Curtis S. Shaw,
SVP and General Counsel
12444 Powerscourt Drive, Suite 100
St. Louis, MO 63131
Facsimile Number: (314) 965-8793

17.10 Severability.

Any provision hereof which is prohibited or unenforceable shall be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof.

17.11 Counterparts.

This Agreement may be executed in one or more counterparts, each of which executed counterparts shall be deemed to constitute an original and all of which, taken together, shall be deemed to constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereunto have duly executed this Agreement.

SELLER:

ACEC HOLDING COMPANY, LLC

By: /s/ Bruce A. Armstrong

Bruce A. Armstrong,
President and CEO

Signature Date: January 15, 1999

BUYER:

CHARTER COMMUNICATIONS, INC.

By: /s/ Curtis S. Shaw

Curtis S. Shaw,
SVP and General Counsel

Signature Date: January 15, 1999

Exhibit 2.2(b)

ASSIGNMENT
OF
MEMBERSHIP PURCHASE AGREEMENT

This Assignment of Membership Purchase Agreement by and between Charter Communications, Inc. ("CCI") and its controlled subsidiary, Charter Communications Entertainment II, LLC ("CCE-II"), is made as of the 23rd day of February, 1999, with respect to the following:

A. CCI is the "Buyer" of certain membership interests pursuant to the Membership Purchase Agreement by and between ACEC Holding Company, LLC ("Seller") and CCI dated January 1, 1999 (the "Purchase Agreement");

B. Pursuant to Section 17.1 of the Purchase Agreement, CCI may assign its rights under the Agreement to an Affiliate upon at least ten (10) days prior written notice to the Seller;

C. CCI desires to assign its rights and liabilities under the Purchase Agreement and CCE-II desires to assume such rights and liabilities under the Purchase Agreement;

D. CCI transmitted notice on February 23, 1999 to the Seller of the intended assignment of rights, with such notice to be deemed delivered to Seller on February 24, 1999.

In recognition of the above and for other good and valuable consideration the receipt of which is hereby acknowledged, the parties agree as follows:

1. CCI hereby assigns all of its rights and obligations under the Purchase Agreement to CCE-II.

2. CCE-II agrees to assume all of CCI's rights and obligations under the Purchase Agreement.

3. The assignment of CCI's rights and obligations under the Purchase Agreement shall be effective on the earlier of March 8, 1999 or such earlier date as Seller consents to the assignment.

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed on its behalf by their duly authorized officers.

CHARTER COMMUNICATIONS, INC.

By: /s/ Curtis S. Shaw

Name: Curtis S. Shaw

Title: Senior Vice President

CHARTER COMMUNICATIONS ENTERTAINMENT II, LLC

By: /s/ Kent Kalkwarf

Name: Kent Kalkwarf

Title: Senior Vice President

Exhibit 2.3(a)

ASSET PURCHASE AGREEMENT

Among

GREATER MEDIA, INC., and

GREATER MEDIA CABLEVISION, INC.,

and

CHARTER COMMUNICATIONS, INC.

February 17, 1999

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ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this "AGREEMENT"), dated as of February 17, 1999, is made by and among Greater Media, Inc., a Delaware corporation ("GMI"), Greater Media Cablevision, Inc., a Delaware corporation and a wholly owned subsidiary of GMI (the "COMPANY"), and Charter Communications, Inc., a Delaware corporation (the "BUYER").

RECITALS

WHEREAS, the Company is the owner and operator of the cable television systems set forth on Schedule A (the "SYSTEMS").

WHEREAS, the Company desires to sell all of the Systems to the Buyer, and the Buyer desires to purchase all of the Systems from the Company, upon the terms and conditions set forth herein.

WHEREAS, certain capitalized terms used herein without definition are defined in Article IX.

NOW, THEREFORE, in consideration of the foregoing and the representations, warranties and agreements set forth below, the parties hereto agree as follows:

ARTICLE I

PURCHASE AND SALE OF ASSETS; ASSUMPTION OF LIABILITIES

1.1 Agreement to Purchase and Sell. Subject to the terms and conditions contained in this Agreement, the Company agrees to sell, convey, assign, transfer and deliver to the Buyer on the Closing Date, and the Buyer agrees to purchase from the Company on the Closing Date, all of the Company's right, title and interest in and to all real and personal, tangible and intangible, assets and properties (other than the Excluded Assets) used by the Company in its business (collectively, the "SUBJECT ASSETS"), free and clear of all Liens other than Permitted Liens .

1.2 Subject Assets. The Subject Assets shall include, without limitation:

(a) all towers, tower equipment, receivers, modulators, demodulators, processors, encoders, descramblers, taps, aboveground and underground cable, headend amplifiers, line amplifiers, earth stations, converters, ad insertion equipment, auxiliary equipment and facilities and other physical assets that are owned by the Company and any leasehold interests of the Company relating to any of the foregoing;

(b) all Franchise Agreements and other Authorizations (including, but not limited to, television translator station licenses, microwave licenses (including, without limitation, CARS), business radio licenses and TVRO earth station registrations) held by the Company;

(c) all rights of the Company under pole line or joint pole agreements, multiple dwelling unit agreements, leases (including leases of real property), retransmission consent agreements, written agreements with subscribers for cable television service and written hotel and motel agreements and any other instruments, contracts and agreements to which the Company is a party;

(d) all real property interests owned by the Company, including, without limitation, all improvements or fixtures that may exist on the foregoing, all easements, rights of entry and rights of way, whether public or private, and leasehold interests and improvements owned or utilized by the Company;

(e) all subscriber, customer and trade and other accounts receivable of the Company;

(f) all motor vehicles owned by the Company and any leasehold interests of the Company in any motor vehicles;

(g) all rights, claims, credits, causes of action or rights of set-off with respect to or arising out of the Subject Assets or the Assumed Liabilities (as defined in Section 1.6);

(h) all intangible assets owned by the Company, including, without limitation, all of the rights of the Company to the Intellectual Property (as defined in Section 2.11), including technical information and data, computer disks and tapes, drawings, blueprints, schematics, maps, reports, lists, plans, filings with Governmental Authorities and the FCC and all books and records, including subscriber records;

(i) the Company's cash on hand and cash equivalents, including customer and advertiser prepayments and deposits;

(j) all GMI Contracts for which the requisite third party consents have been obtained pursuant to Section 4.14(a); and

(k) all other assets, tangible or intangible, owned by the Company as of the date hereof, which shall not have been disposed of in the ordinary course of business after the date hereof and any replacements or additions to such assets.

1.3 Excluded Assets. Notwithstanding anything to the contrary in Section 1.2, the Subject Assets shall not include, and the Company shall not sell, convey, assign, transfer or deliver, any of the following assets and properties of the Company (the "EXCLUDED ASSETS"):

(a) all rights, title and interest in (i) the shares of Greater Philadelphia Cablevision, Inc. ("GPCI"), (ii) the Philadelphia Merger Agreement and all related ancillary agreements and documents and (iii) the GPCI Merger Consideration;

(b) the programming agreements set forth on Schedule 1.3(b);

(c) the Master Affiliation Agreement, dated as of December 4, 1998, between ServiceCo LLC and the Company;

(d) all insurance policies, except for rights and claims thereunder related to occurrences prior to the Closing and except as provided in Section 4.7(c);

(e) the following books and records: any books and records that the Company is required by law to retain, any tax reports and returns, the Company's corporate minute books, any other books and records relating to internal corporate matters, and any other books and records relating to financial relationships with the Company's lenders or affiliates;

(f) any claims, rights and interest in and to any refunds of any Taxes (i) for which GMI or the Company is responsible under Article VII hereof, or (ii) that are Excluded Liabilities;

(g) subject to Section 4.9 hereof, all owned or licensed trademarks, trade names, service marks, service names, logos and similar proprietary rights of the Company relating to the names "Greater Media" and "Greater Media Cablevision" and the initials "GMI," whether alone or in combination with one or more other words, whether or not used by the Company or any of its affiliates;

(h) any and all indebtedness owed by GPCI to the Company and any intercompany accounts owing to the Company referred to in Section 4.10;

(i) any assets of or related to the Company Plans, including, without limitation, the Greater Media Cablevision, Inc. Pension Plan;

(j) the Guarantees (as defined in Section 4.13);

(k) any GMI Contracts for which the requisite third party consents have not been obtained pursuant to Section 4.14(a);

(l) the GPCI Contracts (as defined in Section 4.14(b));

(m) subject to Section 4.16, any assets or properties, including, without limitation, Franchise Agreements, relating to any Retained Franchises (as defined in Section 4.16);

(n) the Management Agreement, dated September 1, 1986, between the Company and GMI (the agreements referred to in clauses (a)(ii), (b), (c), (i), (k), (l), (m) and (n) of this Section 1.3, the "EXCLUDED CONTRACTS"); and

(o) the shares of the common stock of Telesynergy, Inc. held by the Company.

1.4 Purchase Price. The purchase price payable for all the Subject Assets shall be $500,000,000 (the "PURCHASE PRICE") and shall be paid as set forth in Section 5.1.

1.5 Allocation of the Purchase Price. The aggregate amount of the Purchase Price, the Intercompany Debt and the Assumed Liabilities shall be allocated among the Subject Assets in accordance with a schedule (the "ALLOCATION SCHEDULE") to be prepared by the Buyer and delivered to the Company for the approval of the Company and GMI within 45 days after the date of this Agreement, which Allocation Schedule shall be attached to and incorporated into this Agreement as Schedule B hereto. The Company and the Buyer shall cooperate and use their reasonable best efforts in reaching a mutually satisfactory agreement regarding the Allocation Schedule. If prior to the Closing Date, the Buyer and the Company are unable to reach a mutually satisfactory agreement as to such Allocation Schedule, then, any matters in dispute shall be referred to the Tax Dispute Accountants in accordance with Section 7.9 of this Agreement. The final Allocation Schedule, determined in the manner described in this Section 1.5, shall comply with the provisions of Section 1060 of the Code and each of the Company and the Buyer shall timely file any forms required to be filed under Section 1060 of the Code and any corresponding provision of state or local Tax law in accordance with the final Allocation Schedule. The Buyer and the Company each agree (i) to reflect the Subject Assets on their respective books for tax reporting purposes in accordance with the Allocation Schedule, (ii) to file all Tax Returns and determine all Taxes (including, without limitation, for purposes of Section 1060 of the Code) in accordance with and based upon the Allocation Schedule and (iii) not to take any position inconsistent with such Allocation Schedule in any audit or judicial or administrative proceeding or otherwise.

1.6 Assumption of Liabilities. (a) At the Closing, the Buyer shall assume, pay, discharge and perform, in accordance with the respective terms thereof, and indemnify the Company and its affiliates with respect to, all liabilities, obligations and commitments (whether direct or indirect, matured or unmatured, known or unknown, absolute, accrued, contingent or otherwise) of the Company, including, without limitation, all Transfer Taxes, the Intercompany Debt and all liabilities, obligations and commitments under the Company Contracts (including, without limitation, the Franchise Agreements), the Employee Protection Plan and the Authorizations or arising out of or relating to the ownership or operation of the Subject Assets, whether arising before, on or after the Closing Date, other than Excluded Liabilities (collectively, the "ASSUMED LIABILITIES").

(b) The Buyer will not assume or have responsibility for the following liabilities or obligations of the Company (collectively, the "EXCLUDED LIABILITIES"): (i) any Taxes for which Buyer is not responsible under Article VII hereof; (ii) the legal, accounting and investment banking fees or expenses incurred by the Company or any of its affiliates in connection with the transactions contemplated by this Agreement; (iii) all liabilities of the Company arising under the Excluded Contracts (other than as provided in Sections 4.14(a) and 4.16); (iv) any amounts payable under the Employee Retention Plan; (v) the upstream guaranty of the Company referred to in Section 4.13(b); (vi) any intercompany accounts owed by the Company (other than the Intercompany Debt), including, without limitation, those referred to in Section 4.10; and (vii) any liabilities directly relating to the Excluded Assets (other than as provided above in this Section 1.6(b)).

ARTICLE II

REPRESENTATIONS AND WARRANTIES REGARDING
THE COMPANY AND GMI

The Company and GMI, jointly and severally, represent and warrant that:

2.1 Organization; Authority; Enforceability. (a) Each of the Company and GMI is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware and has all requisite corporate power and authority to execute and deliver this Agreement, to perform its obligations hereunder, and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby by the Company and GMI have been duly and validly authorized by all necessary corporate action and no other corporate action on the part of the Company or GMI is necessary to authorize, approve or consummate the transactions contemplated by this Agreement. Assuming the due execution and delivery by the other parties hereto, this Agreement constitutes a valid and binding agreement of each of the Company and GMI, enforceable against each of them in accordance with its terms, except (x) as the same may be limited by applicable bankruptcy, insolvency, moratorium or similar laws of general application relating to or affecting creditors' rights, including, without limitation, the effect of statutory or other laws regarding fraudulent conveyances and preferential transfers, and (y) for the limitations imposed by general principles of equity.

(b) The Company is qualified to do business as a foreign corporation and is in good standing in each jurisdiction where such qualification is necessary to conduct its business and operations as presently conducted and to own and lease the property and assets it owns or leases, except where the failure to so qualify, individually or in the aggregate, would not have a Material Adverse Effect. The Company has all requisite corporate power and authority and all necessary governmental approvals to own, lease and operate its properties and to carry on its business as now being conducted and as will be conducted on the Closing Date, except where the failure to have such power, authority and governmental approvals would not have a Material Adverse Effect.

2.2 No Conflicts; Consents and Approvals, etc. (a) The execution and delivery of this Agreement by each of the Company and GMI do not, and the performance of its respective obligations hereunder will not (i) violate or conflict with the certificate of incorporation or by-laws of the Company or GMI; (ii) except as set forth in Schedule 2.2, conflict with or violate any statute, regulation, judgment, order or decree applicable to the Company or GMI or by which any of their respective assets or property is bound or affected; or (iii) except as set forth in Schedule 2.2, result in any breach or constitute a default (or an event which with notice or lapse of time or both would become a default) under, result in the loss of a material benefit under, or give to others any right of termination, acceleration or cancellation of, or result in the creation or imposition of any Lien on any property or asset of the Company pursuant to any note, bond, mortgage, indenture, contract, agreement, lease, license, permit, Franchise Agreement or other instrument or obligation to which the Company or GMI or any of their respective assets or property is bound or affected, except, in the case of clauses (ii) and (iii), for such conflicts, violations, breaches, defaults or other occurrences that, individually or in the aggregate, would not have a Material Adverse Effect.

(b) Except as set forth in Schedule 2.2, neither the execution and delivery of this Agreement by the Company or GMI nor the consummation of the transactions contemplated hereby by the Company or GMI will require any consent, approval or authorization of, or filing with or notification to, any governmental or regulatory authority, except for (i) notification pursuant to, and expiration or termination of the waiting period under, the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations thereunder (the "HSR ACT") and (ii) such other consents, approvals, authorizations, filings or notifications as, if not obtained or made, individually or in the aggregate, would have a Material Adverse Effect.

2.3 Subsidiaries. Other than (i) GPCI, which will cease to be a Subsidiary of the Company prior to the time of the Closing hereunder, or (ii) as set forth in Schedule 2.3, the Company has no Subsidiaries or any other equity interest or rights to acquire any equity interest in any entity (other than the GPCI Merger Consideration).

2.4 Financial Statements. Schedule 2.4 contains true and complete copies of the unaudited balance sheets as at September 30, 1998, September 30, 1997 and September 30, 1996, and the related statements of income and cash flows for such fiscal years of the Company on a stand alone basis. Such financial statements present fairly, in all material respects, the financial position and the results of operations and cash flows of the Company on a stand alone basis as of the dates or for the periods presented therein in conformity with United States generally accepted accounting principles applied on a consistent basis ("GAAP"), except as otherwise noted therein. Such financial statements have been derived from the work papers used in the preparation of GMI's audited consolidated financial statements for such fiscal years.

2.5 Absence of Certain Changes. Other than in connection with the transactions contemplated by this Agreement or as set forth on Schedule 2.5, since September 30, 1998:

(a) there has not been any material adverse change in the business, results of operations, financial condition or assets of the Company, other than as may be a result of (i) general economic and political conditions; (ii) any change in law, governmental regulation or interpretation thereof by any Governmental Authority; (iii) matters affecting the cable television business generally, including, without limitation, the impact or potential impact of competition from other providers or potential providers of video programming and (iv) the resignation, retirement or death of one or more officers or directors of the Company or GMI; and

(b) the Company has conducted its business in the ordinary course and consistent with past practice, and, except as set forth on Schedule 2.5, the Company has not:

(i) purchased or redeemed any shares of its capital stock or issued or agreed to issue any capital stock or other equity securities of the Company or any securities or rights convertible into or exchangeable for equity securities of the Company or rights to purchase or otherwise receive any of the foregoing, or amended any of the terms of any equity securities or any such rights outstanding on the date hereof;

(ii) incurred or guaranteed any indebtedness for borrowed money other than the Intercompany Debt;

(iii) mortgaged, pledged or subjected to any Lien any of its material properties or assets, except for Permitted Liens;

(iv) other than in the ordinary course of business and consistent with past practice or pursuant to existing plans, programs or arrangements described on Schedule 2.14(a) hereto, made any change in personnel policies or the compensation (salary, bonus or otherwise) payable or to become payable to any officer, director, employee, agent, affiliate or consultant, entered into or amended any employment, severance, termination or other similar agreement or made any loans to any of its officers, directors, employees, agents, affiliates or consultants or made any material change in its existing borrowing or lending arrangements for or on behalf of any such persons, or otherwise entered into any trans actions with or made any payment to or for any affiliate of the Company, provided that (i) this clause (iv) shall not apply to the Employee Protection Plan and the Employee Retention Plan and (ii) the Employee Protection Plan adopted by the Company shall be substantially in the form set forth in Schedule 2.14(e) and the Company shall not amend the Employee Protection Plan after its adoption without the prior written consent of the Buyer;

(v) amended its certificate of incorporation or by-laws;

(vi) changed its accounting methods, principles, or practices in such a manner as would be required to be disclosed pursuant to federal securities laws if the Company were subject to such laws;

(vii) disposed or agreed to dispose of any assets where the proceeds of the disposition or the net book value of the relevant assets exceed in the aggregate $500,000, except in the ordinary course of business or in connection with the Philadelphia Transaction;

(viii) suffered the damage, destruction or loss of any assets (whether or not covered by insurance) having a Material Adverse Effect;

(ix) waived or released any right or claim material to the operation of the business of the Company (without regard to its ownership of GPCI), except in the ordinary course of business;

(x) amended in any material respect or terminated any contract, license, agreement or understanding listed in any Schedule hereto and material to the operation of the business of the Company (without regard to its ownership of GPCI), except in the ordinary course of business; or

(xi) entered into any agreement to do any of the things described in the preceding clauses (i) through (x).

2.6 Absence of Undisclosed Liabilities. Except as disclosed on Schedule 2.6, the Company has no liabilities or obligations of any kind whatsoever, whether accrued, contingent, absolute or otherwise, that would be required by GAAP to be reflected on the Company's balance sheet (including the notes thereto), that is not reflected or reserved against in the unaudited balance sheet of the Company as of September 30, 1998, except for (i) liabilities or obligations incurred in the ordinary course of business consistent with past practice since September 30, 1998, and (ii) liabilities or obligations which, individually or in the aggregate, would not have a Material Adverse Effect.

2.7 Compliance with Law. (a) The Company holds all licenses, franchises, certificates, consents, permits, qualifications and authorizations ("AUTHORIZATIONS") from all Governmental Authorities necessary for the conduct of its business as currently conducted, and each such Authorization is valid and in full force and effect, except where the failure to hold any of the foregoing or for any of the foregoing not to be in full force and effect would not have a Material Adverse Effect. The Company has not received written notice of any action taken by any Governmental Authority to terminate, revoke or impair any such Authorization, except for any such action that would not have a Material Adverse Effect. The Company is not in conflict with, or in default or violation of (a) any law, rule, regulation, order, judgment or decree applicable to it or by which any of its properties or assets is bound, or (b) any note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other instrument or obligation to which the Company is a party or by which the Company or any property or asset of the Company is bound, except for any such conflicts, defaults or violations that would not have a Material Adverse Effect.

(b) Except as would not have a Material Adverse Effect, (i) the Company is operating in compliance in all respects with the provisions of the Communications Act and the rules and regulations of the FCC, (ii) all reports required by the FCC to be filed and fees required to be paid to the FCC by the Company have been timely and accurately filed and paid, (iii) the Company provides customers with periodic notices and information as required by the FCC rules and regulations, and (iv) each employment unit comprised of one or more Systems operated by the Company has been certified by the FCC for compliance with the rules and regulations governing equal employment opportunity for each reporting year since October 1, 1995.

(c) The Company is providing syndicated exclusivity and network nonduplication protection to stations entitled thereto which have requested such protection and has followed the FCC procedures applicable to origination cablecasting, the fairness doctrine, equal time and personal attack obligations, obscenity, sponsorship identifications and sponsorship lists as specified by FCC rules, except where the failure to so provide such protection or follow such procedures would not have a Material Adverse Effect. The Company has obtained all necessary consents for the retransmission of broadcast signals or is carrying such signals pursuant to must carry elections.

(d) Except for normal "blackout" with respect to syndicated exclusivity or network nonduplication notices pursuant to FCC regulations, no notices or demands have been received from any television station or from any other person claiming to have a right, or objecting to or challenging the right of the Company to carry any program services, including, without limitation, broadcast signals, as now being carried by the Company, or challenging the channel position on which any television station is carried or demanding the Company to carry any program services not carried, except where such claim, demand, objection or challenge would not have a Material Adverse Effect.

(e) The Company maintains appropriate files as required by FCC rules, except as would not have a Material Adverse Effect. The Company has made available to the Buyer true and complete copies of (i) all FCC cable rate regulation forms that it has filed with the FCC, (ii) all material correspondence since October 1, 1995 with any Governmental Authority, customer or other interested party relating to rate regulation generally or specific rates charged to its customers, including, without limitation, any complaints filed with the FCC since October 1, 1995 with respect to any rates charged to its customers, and all FCC orders issued since October 1, 1995 with respect to rate complaints or petitions for review or appeals of local rate decisions, and (iii) all pleadings filed by the Company or any other party (to the extent the Company has copies thereof) in any pending FCC rate proceeding involving any System's rates and any documentation supporting an exemption from the rate regulation provisions of the Communications Act it has claimed. The Company is in compliance with any orders affecting the Company's rates of all franchise authorities with jurisdiction over the Systems and the FCC, except as would not have a Material Adverse Effect.

(f) Since October 1, 1995, the Company has filed timely and accurately all copyright notices, reports, statements, supplemental statements and amendments required to be filed by Section 111 of the Copyright Act of 1976, as amended (the "COPYRIGHT ACT"), and has timely and accurately paid all fees required to be paid pursuant to Section 111 of the Copyright Act and the rules and regulations of the United States Copyright Office with respect to the operation of its Systems, except where the failure to file or pay would not have a Material Adverse Effect. The Company is in all other respects in compliance with the Copyright Act, except where the failure to be in compliance would not have a Material Adverse Effect. The Company is entitled to hold and currently holds the compulsory copyright license described in Section 111 of the Copyright Act, which compulsory license is in full force and effect and has not been revoked, canceled, encumbered or adversely affected in any manner that would have a Material Adverse Effect. The Company has not received any notice or other communication asserting that it is not in compliance with the Copyright Act, including, without limitation, any written notice from the United States Copyright Office, or any other person, either challenging any copyright filing or payment made by it or alleging a failure by it to make any copyright filing or payment or threatening to bring suit for copyright infringement, except in each case as would not have a Material Adverse Effect.

(g) The Company has obtained all necessary Federal Aviation Administration ("FAA") approvals and waivers with respect to system towers and is in compliance with all FAA rules and regulations applicable to its business, except where the failure to obtain such or be in such compliance would not have a Material Adverse Effect. The Company has made available to the Buyer true and complete copies of all material FAA approvals and waivers applicable to it.

(h) Since October 1, 1995, the Company has not received any material written notice from any Governmental Authority of its intent to investigate customer rates (other than with respect to FCC rate regulations) or business practices, pursuant to a customer complaint or otherwise, including, without limitation, under any state or local so-called "consumer protection," trade practice" or other similar law, or any other statute, law, ordinance, rule or regulation.

2.8 Company Contracts; Franchise Matters. (a) Schedule 2.8 (a) lists all the material contracts, agreements and commitments relating to the Systems to which the Company or GMI is a party or by which either of them is otherwise bound, including, without limitation, (i) the franchise agreements (the "FRANCHISE AGREEMENTS") relating to the Systems; (ii) agreements for the use of head-end sites; (iii) pole attachment agreements and master utilities agreements; (iv) public utility and municipal facilities agreements; and (v) agreements to which GMI is a party that will be assigned to the Company upon the Closing. All contracts, agreements and commitments referred to in the immediately preceding sentence (other than the Excluded Contracts) are referred to herein as the "COMPANY CONTRACTS". The Company has not (and, to the knowledge of GMI or the Company, no other party thereto has) breached any provision of, or defaulted, nor has the Company received any written notice that it is in default under the terms of any Company Contract, nor has there occurred any event that, with notice or lapse of time, or both, would constitute a default by the Company under any such Company Contract, except where such breach or default would not have a Material Adverse Effect. At no time during the 24 month period prior to the date hereof has any Governmental Authority taken formal action to terminate or, other than in connection with franchise renewals, materially adversely modify any Franchise Agreement. Each of the Company Contracts is a legally enforceable obligation of the Company, except (a) as the same may be limited by applicable bankruptcy, insolvency, moratorium or similar laws of general application relating to or affecting creditors' rights, including, without limitation, the effect of statutory or other laws regarding fraudulent conveyances and preferential transfers, and (b) for the limitations imposed by general principles of equity. Copies of all Company Contracts have been made available by the Company to the Buyer.

(b) All conditions precedent (other than applicable notice and approval provisions, if any) contained in any Franchise Agreement relating to rate increases resulting in the Company's current rates for any type of service have been satisfied, other than such failures to satisfy conditions that would not have a Material Adverse Effect and except to the extent any such requirements have been preempted by federal law or regulation. The Company has no material obligation or liability for the refund of monies to its subscribers other than with respect to converter deposits and advance payments of monthly subscriber fees.

(c) Schedule 2.8(c) lists, as of September 30, 1998, the Company's approximate (i) number of Basic Subscribers, (ii) number of subscribers to premium cable service, (iii) number of homes passed and (iv) number of plant miles of coaxial and fiber optic cable. As of the date of this Agreement, no investigation by any Governmental Authority with respect to the Systems is pending or, to the knowledge of the Company, threatened.

(d) The Company has not made any material commitment to any Governmental Authority with respect to the operation and construction of the Systems that is not reflected in the Franchise Agreements. The Company has not entered into any agreement with any Governmental Authority, community group or similar third parties restricting or limiting the types of programming that may be shown on the Systems, except where such restrictions or limitations would not have a Material Adverse Effect.

(e) To the knowledge of the Company, there exists no factor or matter which would constitute a legally valid basis for revocation, suspension, termination or denial of granting of a new Franchise upon the expiration thereof or elimination of rights thereunder, except where such revocation, suspension, termination, denial or elimination would not have a Material Adverse Effect.

(f) The Company has no knowledge that any Franchise Agreement will not be renewed in accordance with Section 626 of the Communications Act on reasonable terms. The Company has timely filed notices of renewal in accordance with the Communications Act with all franchising authorities and has diligently pursued the renewal of each Franchise expiring within 36 months after the date of this Agreement, except as previously disclosed in writing to the Buyer or except where the failure to so file any such notice and to diligently purse any such renewal would not have a Material Adverse Effect.

(g) Except as set forth on Schedule 2.8(g), to the knowledge of the Company, as of the date hereof, no geographic area served by the Systems is presently or threatened to be subject to, any overbuild situation involving in excess of 1,000 homes passed. To the knowledge of the Company, except as previously disclosed to the Buyer in writing, as of the date hereof, no other person (a) has been granted or applied for the consent or approval of any Governmental Authority for the installation, construction, development, ownership or operation of a cable television system (as defined in the Cable Communications Policy Act of 1984, as amended) within the geographic area served by the Systems (other than country-wide franchises where operators have not shown any significant interest in overbuilding), (b) operates, or has commenced construction, installation or development of, any cable television system (as defined in the Cable Communications Policy Act of 1984, as amended) within the geographic area served by the Systems or (c) has publicly announced an intention to provide cable television service in any such geographic area, except where the grant or approval, or operation of, such cable television system would not have a Material Adverse Effect. No Governmental Authority has advised the Company in writing, or otherwise notified the Company of its intention to deny renewal of any Franchise Agreement.

2.9 Personal Property; Assets. (a) Except as would not have a Material Adverse Effect, the Company has and at Closing will have good and marketable title to, or valid leasehold interests in, its material personal property and assets, free and clear of all Liens except Permitted Liens. Except as set forth on Schedule 2.9, the Company owns or has the lawful right to use all assets, properties and rights which are used in the conduct of its business as currently conducted. Except as set forth on Schedule 2.9 and for the Excluded Assets, the Subject Assets constitute all material assets, properties and rights used or useful in the ownership and operation of the Systems.

(b) The Systems and all major component parts thereof, including specifically, but not limited to, headend antenna equipment, headend amplifiers and associated equipment, line amplifiers, trunk line cable and distribution cable, are, in all material respects, in good and efficient operating condition, and require no more repair, replacement and rehabilitation than is normal in the cable television industry, and the Systems, in general, deliver a picture and sound to all customers which meet the technical standards of 47 C.F.R. Part 76, Subpart K, and adequate proof of performance tests as required thereby have been made showing material compliance therewith. Other than in the ordinary course of business, the Company has not received any notification that any plant used in the Systems requires any rearrangement or rehabilitation in order to conform to the requirements of the National Electric Safety Code or the terms of any pole attachment, conduit or buried cable agreement, except for any such rearrangement or rehabilitation as would not have a Material Adverse Effect.

(c) The Systems, in general, monitor signal leakage, maintain applicable signal leakage logs, conduct the cumulative leakage tests, demonstrate compliance with the cumulative leakage criteria by showing a passing cumulative leakage index or a successful flyover, and comply with the frequency separation standards, in material compliance with the requirements set forth in 47 C.F.R. Part 76 Sec. 76-610 through Sec. 76.619. The Company has filed with the FCC all notification of utilization of frequencies in the 108-137 MHZ and 225-240 MHZ bands and all other reports required to be filed under such rules and regulations and has not received any notification of objection thereto by the FCC which has not been promptly resolved by the Company, except for any such failure to file or any such notification of objection that would not have a Material Adverse Effect.

2.10 Real Property. (a) Schedule 2.10(a) lists all real property owned by the Company in connection with its business (the "OWNED REAL PROPERTY"), together with a list of all leases (the "LEASES") for real property leased, occupied or used by the Company in connection with its business (the "LEASED PROPERTY" and, together with the Owned Real Property, the "REAL PROPERTY"). Except as set forth on Schedule 2.10(a), the Real Property constitutes all of the real property currently used in, held for use in, and necessary to conduct the Company's business as currently conducted.

(b) The Company has good and marketable fee simple title to each parcel of Owned Real Property and all improvements thereon and a valid leasehold interest in each parcel of Leased Property, in each case, free of all Liens except for Permitted Liens.

(c) The Owned Real Property and all improvements thereon is in good condition and repair and is sufficient and appropriate for the conduct of the Company's business. There exist no pending or, to the Company's knowledge, threatened condemnation proceedings of or relating to the Owned Real Property or any part thereof. There exist no outstanding options or rights of first refusal to purchase the Owned Real Property or any portion thereof or any rights or interests therein. Except as set forth on Schedule 2.12 or as would not have a Material Adverse Effect, neither GMI nor the Company has received any written notice or order to correct any currently existing violation of law with respect to the Real Property. Complete and correct copies of any title opinions, surveys and appraisals in the possession of GMI or the Company, and of any policies of title insurance currently in force, with respect to any such parcel of Owned Real Property have been made available by GMI or the Company to the Buyer. With respect to Real Property leased by the Company, the Company has the right to quiet enjoyment of such Real Property for the full term of each such lease (and any renewal option related thereto), except where the failure to enjoy such quiet enjoyment would not have a Material Adverse Effect.

(d) Each Lease is in full force and effect and, to the Company's knowledge, is enforceable against the landlord which is party thereto in accordance with its terms, except to the extent the failure of any such Lease to be in full force and effect or to be enforceable would not reasonably be expected to have a Material Adverse Effect. There exists no default or event of default (or any event which, with notice or lapse of time or both, would become a default) under any Lease which, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect. The Company has made available to the Buyer true and complete copies of all Leases, including all amendments thereto. Except as set forth on Schedule 2.10(a) or as would not have a Material Adverse Effect, the Company holds all easements, access to public roads, utilities and services and other similar rights necessary to operate its business as presently conducted.

2.11 Intellectual Property. Except as set forth on Schedule 2.11 or as would not have a Material Adverse Effect, the Company owns free and clear of any Liens, other than Permitted Liens, or is validly licensed or otherwise has the right to use, all patents, trademarks, copyrights, trade names, service marks and similar intangible rights, and all applications therefor, used or held for use in the conduct of its business (the "INTELLECTUAL PROPERTY"). The conduct of the business of the Company as currently conducted does not infringe, either directly or indirectly, any patent right, license, trademark right, trade name, trade name right, service mark or copyright of any third party, except for any infringement that would not have a Material Adverse Effect. No claims are pending or, to the knowledge of the Company, threatened that the Company is infringing or otherwise adversely affecting the rights of any Person with regard to any Intellectual Property, except for any such infringements which would not have a Material Adverse Effect. To the knowledge of the Company, no Person is infringing the rights of the Company with respect to any Intellectual Property, except for any such infringements which would not have a Material Adverse Effect. The Company has not licensed or agreed to license for use by any other Person any of the Intellectual Property.

2.12 Litigation. Except as set forth on Schedule 2.12, there is no suit, claim, action, proceeding or investigation pending against or, to the knowledge of the Company, threatened against the Company or any of its assets or properties that, individually or in the aggregate, would have a Material Adverse Effect. There are no judgments outstanding against the Company or to or by which the Company is or may be subject or bound which would reasonably be expected to materially delay the consummation of the transactions contemplated hereby or would have a Material Adverse Effect. There is no suit, claim, action, proceeding or investigation to restrain, prohibit or otherwise challenge the legality or propriety of the transactions contemplated by this Agreement pending, or to the Company's or GMI's knowledge, threatened against the Company as of the date of this Agreement which would be reasonably likely to prevent or delay the consummation of the transactions contemplated by this Agreement.

2.13 Taxes. (a) (i) All Tax Returns relating to the Company required to be filed on or before the Closing Date (taking into account applicable extensions) have (or by the Closing Date will have) been duly filed, except to the extent that the failure to so file, individually or in the aggregate, would not have a Material Adverse Effect, (ii) all Taxes shown to be due on such Tax Returns referred to in clause (i) or otherwise due have been paid or will be paid prior to the Closing Date, except for Taxes reflected or reserved against on the balance sheets of the Company referred to in Section 2.4 in accordance with GAAP (without regard to any amounts reserved for deferred taxes) and Taxes the failure of which to be paid, individually or in the aggregate, would not have a Material Adverse Effect.

(b) Except as set forth on Schedule 2.13(b), (i) neither the IRS nor any other taxing authority is now asserting in writing against the Company, GMI, the Systems or the Subject Assets any material deficiency or claim for additional Taxes relating to the Company, the Systems or the Subject Assets or any material adjustment of Taxes relating to the Company, the Systems or the Subject Assets, and (ii) there are no proposed written reassessments of any property owned by the Company or other written proposals that could materially increase the amount of any Tax to which the Company, the Systems or the Subject Assets would be subject.

(c) The Company has withheld or collected and paid over to the appropriate Governmental Authorities or is properly holding for such payment all Taxes required by law to be withheld or collected, except for such failures to have so withheld or collected and paid over or to be so holding for payment which would not have a Material Adverse Effect.

(d) There are no material Tax liens on any assets of the Company, other than liens for current Taxes not yet due and payable and liens for Taxes that are being contested in good faith by appropriate proceedings.

2.14 Employee Benefit Plan Matters.

(a) Company Employee Plans and Company Benefit Arrangements. Schedule 2.14(a) lists each Company Employee Plan and Company Benefit Arrangement. The Company has delivered to the Buyer with respect to each such Company Employee Plan and Company Benefit Arrangement true and complete copies of (i) all written documents comprising such plans and arrangements (including amendments and individual, trust, group annuity, or insurance agreements relating thereto); (ii) the most recent Federal Form 5500 series (including all schedules thereto) filed with respect to each such Company Employee Plan; (iii) the most recent financial statements and actuarial reports, if any, pertaining to each such plan or arrangement; and (iv) the summary plan description currently in effect and all material modifications thereto, if any, for each such Company Employee Plan.

(b) Multiemployer Plans. With respect to any Multiemployer Plan to which the Company or any of its ERISA Affiliates has within the six year period preceding the Closing Date been required to make or accrue a contribution, neither the Company nor any of its ERISA Affiliates has (i) incurred or reasonably expects to incur any withdrawal liability, within the meaning of Section 4201 of ERISA, (ii) been notified by the sponsor of such Multiemployer Plan that such Multiemployer Plan is in reorganization or has been terminated or (iii) engaged in or is a successor or parent corporation to an entity that has engaged in a transaction described in Section 4212(c) of ERISA.

(c) Retiree Welfare Benefits Plans. Except as set forth in Schedule 2.14(c) and pursuant to the provisions of COBRA, no Company Employee Plan provides benefits described in Section 3(1) of ERISA to any former employees or retirees of the Company.

(d) Pension Plans. All Company Employee Plans that are Pension Plans intended to be qualified under Section 401 of the Code are so qualified and have been so qualified during the period since their adoption; each trust created under any such Plan is exempt from tax under Section 501(a) of the Code and has been so exempt since its creation. A true and correct copy of the most recent determination letter from the IRS regarding such qualified status for each such Plan has been delivered to the Buyer. No Company Employee Plan (other than any Multiemployer Plan) has incurred an Accumulated Funding Deficiency, whether or not waived. As of the last applicable annual valuation date, using the actuarial methods, factors and assumptions used for the most recent actuarial report with respect to such plan, no Company Pension Plan had accrued benefit obligations which exceed the current fair market value of the assets of such plan. Neither the Company nor any of its ERISA Affiliates has incurred, or reasonably expects to incur prior to the Closing, any liability under Title IV of ERISA, other than with respect to the payment of premiums to the PBGC.

(e) Additional Benefits. Except as set forth on Schedule 2.14(e), no employee of the Company will receive additional benefits, service or accelerated rights to payments of benefits under any Company Plan, including the right to receive any parachute payment, as defined in Section 280G of the Code, or become entitled to any severance, termination allowance or similar payments as a result of the transactions contemplated by this Agreement.

(f) Compliance with Laws; Contributions. Each Company Plan has at all times prior hereto been maintained, in all material respects, in accordance with its terms and all applicable laws, except where the failure to do so would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Other than claims for benefits in the ordinary course, there is no claim pending or, to the knowledge of the Company, threatened, involving any Company Plan by any Person against such plan or the Company that would reasonably be expected to have a Material Adverse Effect. There is no pending or, to the knowledge of the Company, threatened, proceeding involving any Company Employee Plan before the IRS, the United States Department of Labor or any other Governmental Authority. The Company and its ERISA Affiliates have made full and timely payment of all amounts required to be contributed under the terms of each Company Plan and applicable law or required to be paid as expenses under such Company Plan, except where the failure to do so, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

2.15 Labor Matters. (a) None of the Company or any of its affiliates is party to any employment contract with any employee of the Company or any labor or collective bargaining agreement.

(b) As of the date hereof, (i) no employees of the Company are represented by any labor organization, (ii) no labor organization or group of employees of the Company has made a pending demand for recognition or certification, and there are no representation or certification proceedings or petitions seeking a representation proceeding presently pending or, to the knowledge of the Company, threatened to be brought or filed with the NLRB or any other labor relations tribunal or authority and (iii) to the knowledge of the Company, there are no formal organizing activities involving of employees of the Company pending with, or threatened by, any labor organization that would have a Material Adverse Effect.

(c) As of the date hereof, except as would not have a Material Adverse Effect, there are no strikes, work stoppages, slowdowns, lockouts, arbitrations or grievances or other labor disputes pending or, to the knowledge of the Company, threatened against or involving the Company and (ii) there are no unfair labor practice charges, grievances or complaints pending or, to the knowledge of the Company, threatened by or on behalf of any employee or group of employees of the Company.

(d) Schedule 2.15 lists each Retired Employee and each Employee, as well as such Employee's compensation as of the date hereof, and such Employee's date of hire by the Company.

2.16 Environmental Matters. (a) The Company has all permits, licenses and other authorizations required under all applicable federal, state and local laws and regulations relating to the pollution or protection of public health, safety or welfare or the environment, including laws and regulations relating to emissions, discharges, releases or threatened releases of pollutants, contaminants or hazardous or toxic materials or wastes into ambient air, surface water, groundwater or lands or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants or hazardous or toxic materials or waste ("ENVIRONMENTAL LAWS"), except where the failure to hold such permits, licenses and authorizations would not have a Material Adverse Effect. Except as set forth on Schedule 2.16(a), the Company is in compliance with the terms and conditions of such permits, licenses and authorizations and with Environmental Laws, except where the failure to so comply would not have a Material Adverse Effect.

(b) Except as would not have a Material Adverse Effect: (i) to the knowledge of the Company, no real property owned or operated by the Company is contaminated with any toxic or hazardous substance that is regulated by or under authority of any Environmental Law, including any petroleum products, asbestos or polychlorinated biphenyls (a "HAZARDOUS SUBSTANCE"), (ii) the Company has not disposed or arranged for the disposal of Hazardous Substances so as to give rise to liability of the Company for any disposal or contamination on Owned Real Property or Leased Property or the real property of any other party, including, without limitation, off-site locations; and (iii) the Company has not received any claims or notices alleging liability under any Environmental Law, nor is there any pending claim or investigation alleging a violation of any Environmental Law relating to the Owned Real Property.

2.17 Transactions with Affiliates. Except as set forth in Schedule 2.17, none of GMI's or the Company's stockholders or directors, their relatives nor any of their respective affiliates is involved in any business arrangement or relationship with the Company, and none of GMI's stockholders, their relatives nor any of their respective affiliates owns any property or right, tangible or intangible, which is used by the Company in connection with its business.

2.18 Brokers and Finders. Neither the Company nor GMI nor any of their respective officers, directors or employees has employed any investment banker, broker or finder or incurred any liability for any brokerage fees, commissions or finder's fees in connection with the transactions contemplated herein, except that GMI has employed Goldman, Sachs & Co. as its financial advisor. The fees of Goldman, Sachs & Co. shall be paid by GMI.

2.19 Disclosure. The representations and warranties of the Company and GMI, taken as a whole, do not contain any untrue statement of a material fact or omit to state a material fact required to be stated herein or necessary in order to make the statements herein, in light of the circumstances under which they were made, not misleading.

2.20 Insurance. Schedule 2.20 lists all material policies of insurance and surety bonds in force maintained, owned or held by the Company on the date hereof with respect to the Systems. To the knowledge of the Company, all such policies are with financially sound insurers and are in full force and effect and insure against risks and liabilities to an extent and in a manner customary in the cable television business. Since October 1, 1995, no insurance carrier has refused to renew any policy issued in respect of any material portion of the Company's assets.

ARTICLE III

REPRESENTATIONS AND
WARRANTIES OF THE BUYER

The Buyer represents and warrants to the Company and GMI that:
3.1 Organization and Authority. The Buyer is a corporation duly incorporated, validly existing and in good standing under the laws of its state of in corporation and has all requisite corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby by the Buyer have been duly and validly authorized and approved by the Buyer's board of directors. No other corporate or stockholder proceedings on the part of the Buyer are necessary to authorize or approve this Agreement and the consummation of the transactions contemplated by this Agreement. This Agreement has been duly executed and delivered by the Buyer and, assuming the due execution and delivery by the other parties hereto, constitutes a valid and binding agreement of the Buyer, enforceable against the Buyer in accordance with its terms, except (x) as the same may be limited by applicable bankruptcy, insolvency, moratorium or similar laws of general application relating to or affecting creditors' rights, including, without limitation, the effect of statutory or other laws regarding fraudulent conveyances and preferential transfers and (y) for the limitations imposed by general principles of equity.

3.2 No Conflicts; Consents and Approvals, etc. (a) The execution and delivery of this Agreement by the Buyer do not, and the performance of its obligations hereunder or consummation of the transactions contemplated hereby by the Buyer will not (i) violate or conflict with the certificate of incorporation or by-laws of the Buyer; or (ii) constitute a breach or default (or an event which with notice or lapse of time or both would become a breach or default) of any statute, regulation, judgment, order or decree or any mortgage, agreement, deed of trust, indenture or any other instrument to which the Buyer or any of its Subsidiaries is bound, except, in the case of clause (ii), for any such conflicts, breaches or defaults which would not prevent or delay consummation of the Closing, or otherwise prevent the Buyer from performing its obligations under this Agreement.

(b) Except as set forth in Schedule 3.2, neither the execution and delivery of this Agreement by the Buyer nor the consummation of the transactions contemplated hereby by the Buyer will require any consent, approval or authorization of, or filing with or notification to, any Governmental Authority, except (i) as set forth in Section 2.2(b) and (ii) such other consents, approvals, authorizations, filings or notifications as, if not obtained or made would not prevent or delay the consummation of the transactions contemplated hereby.

3.3 Financial Ability to Perform. The Buyer has currently available and will have available as of the Closing Date cash funds sufficient to pay the Purchase Price pursuant to Section 5.1 of this Agreement.

3.4 Litigation. There are no claims, judicial or administrative actions, proceedings or investigations pending or, to the knowledge of the Buyer, threatened, against the Buyer or any of its affiliates or any property or assets of the Buyer or any affiliate, before any court, arbitrator or administrative, governmental or regulatory authority or body, domestic or foreign, which would have an adverse affect on the Buyer's ability to complete the transactions contemplated by this Agreement in a timely manner.

3.5 No Violation of FCC Cross Ownership Rules. On the Closing Date, the Buyer will not be in violation of any FCC restrictions regarding the ownership of competing media and related businesses which would adversely affect the Buyer's ability to complete the transactions contemplated hereby in a timely manner.

3.6 Brokers and Finders. Except as set forth on Schedule 3.6, neither the Buyer nor any of its respective officers, directors, employees or affiliates has employed any investment banker, broker or finder or incurred any liability for any brokerage fees, commissions or finder's fees in connection with the transactions contemplated herein.

ARTICLE IV

COVENANTS

4.1 Conduct of Business of the Company. Except as contemplated by this Agreement or the Schedules hereto or by the Company's budgets and plans heretofore delivered to the Buyer, including, without limitation, the Company's Schedule of Capital Expenditures included in Schedule 4.1, during the period from the date hereof to the Closing Date, the Company shall conduct its operations in the ordinary course of business in substantially the same manner as heretofore conducted and use commercially reasonable efforts to preserve intact its business organizations and material relationships with third parties other than any adverse effect that results from the announcement of the transactions contemplated by this Agreement and the Company shall not without the prior written consent of the Buyer (not to be unreasonably withheld):

(a) make any material capital expenditures, as determined in accordance with GAAP, except for capital expenditures referred to in the Schedule of Capital Expenditures referred to above;

(b) agree or commit to dispose of any material Subject Assets out of the ordinary course of business where the proceeds of disposition or the net book value of the relevant assets exceed in the aggregate $200,000;

(c) merge or consolidate with any Person, acquire any stock or other ownership interest in any Person or the assets of any business, except in connection with the Philadelphia Transaction;

(d) other than in the ordinary course of business consistent with past practice, or pursuant to existing arrangements described on Schedule 2.14(a) hereto, or as contemplated by this Agreement or required by law, make any change in the compensation (salary, bonus or otherwise) payable or to become payable to any officer, director, employee, agent, affiliate or consultant, enter into or amend any employment, severance, termination or other similar agreement or make any loans to any of its officers, directors, employees, agents, affiliates or consultants or make any material change in its existing borrowing or lending arrangements for or on behalf of any such persons, or otherwise enter into any transactions with or make any payment to or for any affiliate of the Company or adopt, amend, modify, spin-off, transfer or assume any of the assets or liabilities of, terminate or partially terminate any Company Employee Plan, in each case whether contingent on consummation of the transactions contemplated hereby or otherwise, provided that (i) this Section 4.1(d) shall not apply to the Employee Protection Plan and the Employee Retention Plan and (ii) the Employee Protection Plan adopted by the Company shall be substantially in the form set forth in Schedule 2.14(e) and the Company shall not amend the Employee Protection Plan after its adoption without the prior written consent of the Buyer.

(e) other than the distribution of the GPCI Merger Consideration, declare, set aside or pay any dividend or other distribution (whether in cash, stock or property or any combination thereof) in respect of the Company Common Stock or redeem or otherwise acquire any of its securities;

(f) issue, sell, deliver or agree or commit to issue, sell or deliver (whether through the issuance or granting of options, warrants, commitments, subscriptions, performance shares, interests in the ownership or earnings of the Company, stock appreciation rights or similar rights to purchase or otherwise) any stock of any class or any other securities of the Company or amend any of the terms of any securities of the Company outstanding on the date hereof;

(g) except as previously disclosed to the Buyer or other than in the ordinary course of business consistent with past practice, change the rates or make any material change in marketing practices applicable to any of the Systems;

(h) create any Subsidiary of the Company;

(i) incur or guarantee any indebtedness for borrowed money other than the Intercompany Debt; or

(j) take, or agree in writing or otherwise to take, any of the foregoing actions.

4.2 Access to Information, etc. (a) Between the date this Agreement is publicly announced and the Closing Date, the Company will (i) give the Buyer and its authorized representatives reasonable access, during regular business hours upon reasonable notice, to all offices and other facilities and books and records of the Company, (ii) permit the Buyer to make such reasonable inspections of the offices, facilities, books and records described in clause (i) as it may require and (iii) cause its officers to furnish the Buyer with such financial and operating data and other information with respect to the business and properties of the Company as the Buyer may from time to time reasonably request. All such access and information obtained by the parties hereto and their authorized representatives shall be subject to the terms and conditions of the confidentiality agreement between GMI and the Buyer, dated February 16, 1999 (the "CONFIDENTIALITY AGREEMENT").

(b) During the period from the date hereof to the Closing Date, each of the parties hereto will cooperate with the others in developing and implementing a strategy for the implementation of high speed Internet access in the Systems and for positioning the Company to provide its subscribers with such high speed Internet access on a timely basis, consistent with such strategy, provided that without the Buyer's prior written consent (not to be unreasonably withheld) neither the Company nor GMI will enter into any agreement with respect to the foregoing that is binding on the Buyer or the Subject Assets after the Closing Date. Without limiting the generality of the foregoing, the Buyer will make available to the Company and GMI such assistance as may be reasonably requested to assist the Company in creating the network design for such high speed Internet access.

4.3 Reasonable Best Efforts. Each of the parties hereto agrees to use its reasonable best efforts to take, or cause to be taken, all appropriate action, and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate and make effective the transactions contemplated by this Agreement in the most expeditious manner practicable, including, but not limited to, the satisfaction of all conditions to the Closing. Without limiting the generality of the foregoing, each of the Company and GMI, on the one hand, and the Buyer, on the other hand, shall make or cause to be made all required filings with or applications to Governmental Authorities which are necessary to consummate the transactions contemplated by this Agreement and use its reasonable best efforts to obtain the consents listed on Schedule 2.2 to the transactions contemplated hereby and each party hereto shall use its reasonable best efforts to contest and resist any action, including, without limitation, judicial action, and to have vacated, lifted, reversed or overturned any decree, judgment, injunction or other order (whether temporary, preliminary or permanent) that would restrict, prohibit or prevent the consummation of the transactions contemplated hereby, including, without limitation, vigorously pursuing all avenues of administrative and judicial appeal.

4.4 No Action. Subject to the terms and conditions of this Agreement, no party will, nor shall it permit any of its Subsidiaries to, intentionally take any action or commit to take any action that would be reasonably likely to result in any of the representations and warranties of such party or its Subsidiary contained herein being or becoming untrue in any material respect, in the non-fulfillment of any of the agreements contained in this Article IV or in the failure of any conditions contained in Article V.

4.5 Public Announcements. So long as this Agreement is in effect, none of the parties hereto shall issue any press release or otherwise make any public statements with respect to this Agreement or the transactions contemplated hereby without the prior consent of the other parties, provided that if any such press release or public statement is required by law, the party subject to such requirement may issue such press release or make such statement, but such party shall consult with the other party prior to issuing such press release or public statement. Notwithstanding the foregoing, the parties hereto shall agree to the timing and the text of the initial press release announcing the execution and delivery of this Agreement.

4.6 Notification. Each party hereto shall, in the event of, or promptly after obtaining knowledge of the occurrence or threatened occurrence of, any fact or circumstance that would be reasonably likely to constitute or cause a breach of any of its representations and warranties set forth herein, give notice thereof to the other parties hereto and shall use its reasonable best efforts to promptly remedy or prevent such breach.

4.7 Employee Benefits.

(a) Employees. (i) Except as otherwise provided in this Section 4.7, the Buyer shall be responsible for all liabilities with respect to the Employees and the Retired Employees, and their dependents and beneficiaries, relating to, arising out of or resulting from future, present or former employment of, or services rendered by, the Employees and the Retired Employees prior to or after the Closing Date. Without limiting the generality of the foregoing, the Buyer acknowledges and agrees that it shall be responsible for, and shall pay or cause to be paid, all amounts that will become payable under the Employee Protection Plan. GMI shall be responsible for, and shall pay or cause to be paid, all amounts that will become payable under the Employee Retention Plan and the Greater Media Cablevision, Inc. Pension Plan.

(ii) Prior to and effective as of the Closing Date, the Buyer shall offer employment to all the Employees. The Buyer shall provide the Employees with remuneration and benefits which shall be substantially comparable, and the Retired Employees with benefits which shall be identical in all material respects, to those provided to such Employees and Retired Employees, as the case may be, immediately prior to the Closing Date for at least the one-year period following the Closing Date, with length of service with the Company, up to the Closing Date, to be recognized by the Buyer for all purposes whatsoever other than benefit accrual, including, without limitation, for the purposes of the Buyer's benefit plans to the extent such service was recognized under the Company Plans. The Buyer shall pay or grant to the Employees and the Retired Employees vacation pay or time earned and/or accrued to the Employees and the Retired Employees under the Company's vacation policy prior to the Closing Date, but not paid to or taken by such Employees and the Retired Employees as vacation time as of the Closing Date. The Buyer acknowledges that it is familiar with the present employment conditions, remuneration and benefits of the Employees and the Retired Employees.

(iii) From and after the Closing Date, the employment or cost of termination of employment of, or future compensation to, the Employees shall be the sole responsibility of the Buyer and the Buyer shall defend, indemnify, pay, reimburse and hold GMI and its affiliates harmless with respect to any and all liabilities to such Employees from and after the Closing Date. The Buyer agrees to provide severance benefits to each Employee in accordance with the terms of the Employee Protection Plan.

(b) Company Plans in General. As of the Closing Date, the Employees shall cease to accrue benefits under the Company Plans. GMI and the Buyer confirm that upon the completion of the transfers contemplated in Section 4.7(d) hereof, GMI and each of its ERISA Affiliates and each Company Plan shall be completely discharged of all of their respective obligations with respect to the benefits accrued by, and account balances of, the Employees and the Retired Employees under such plans, and the Buyer shall defend, indemnify, pay, reimburse and hold GMI and its affiliates harmless with respect to any and all loss, liability or expense in respect of such benefits and account balances, provided, however, that the forgoing shall not apply to the Greater

Media Cablevision, Inc. Pension Plan and the Company shall retain all of its obligations thereunder and the Buyer shall have no obligations with respect thereto.

(c) Group Insurance. The Buyer shall be responsible for any and all welfare and fringe benefit claims incurred by the Employees and the Retired Employees on and after the Closing Date. Without in any way limiting the generality of Section 4.7(a), the Buyer and GMI shall use their reasonable efforts to cause the insurance companies providing the Buyer's group insurance program ("BUYER'S INSURERS") to assume the obligations of the insurance companies providing GMI's group insurance program ("GMI'S INSURERS") with respect to the benefits of any Employee or Retired Employee under any short term or long term disability program. GMI and the Buyer shall use their reasonable efforts to cause GMI's Insurers to transfer the existing reserves (disabled life reserve, disabled reserve, incurred but not reported reserve) under GMI's relevant insurance contracts to the Buyer's relevant insurance contracts as at the Closing Date. The Buyer acknowledges that this transfer of reserves is only possible if the relevant GMI's Insurers and the relevant Buyer's Insurers are the same insurance company.

(d) Buyer's 401(k) Plan. Effective as of the Closing Date, Employees who were participants in GMI's 401(k) Plan on the Closing Date shall commence participation in a tax-deferred savings plan maintained by the Buyer (the "BUYER'S 401(K) PLAN"). Prior to the Closing Date the Company will permit each Employee and Retired Employee who is a participant in GMI's 401(k) Plan to elect (i) to receive a distribution of the value in his account less the amount of any outstanding loan to such participant under such Plan (such participant's "Account Balance"), (ii) to roll over such participant's Account Balance to an individual retirement account of such participant or (iii) to roll over such participant's Account Balance to the Buyer's 401(k) Plan by wire transfer on the Closing Date. GMI shall make all matching contributions with respect to the Employees and the Retired Employees that are required to be made before the Closing Date.

4.8 Records Retention. Except as may otherwise be required under Article VII, for a period of five years after the Closing Date, (a) the Buyer shall retain all of the books and records relating to the Company's business for periods prior to the Closing Date (except for those referred to in Section 1.3(e)), (b) the Company or GMI shall retain all of the books and records referred to in Section 1.3(e), and (c) the Company and GMI or the Buyer, as the case may be, and its authorized representatives shall have the right to inspect and copy such books and records during normal business hours, upon reasonable prior notice, in connection with the preparation of tax returns, financial statements, reports and filings and for any other reasonable purpose.

4.9 Company Names. The Buyer acknowledges that the names "Greater Media" and "Greater Media Cablevision" and the initials "GMI," whether alone or in combination with one or more other words, are an asset of GMI. Following the Closing Date, the Buyer shall and shall cause its Subsidiaries to cease using any such name, word or initials or any derivation thereof. Notwithstanding the foregoing, for a period of 180 days after the Closing Date, the Buyer may continue (but only to the extent reasonably necessary) to operate the Systems using the names "Greater Media" and "Greater Media Cablevision" and all derivations and abbreviations of such names in use in the Systems on the Closing Date, such use to be in a manner consistent with the way in which the Company has heretofore used such names, derivations and abbreviations. Within 180 days after the Closing Date, the Buyer will discontinue using and will dispose of all items of stationery, business cards and literature bearing such names, derivations or abbreviations. Notwithstanding the foregoing, the Buyer will not be required to remove or discontinue using any such name, derivation or abbreviation that is affixed to converters or other items in or to be used in customer homes or properties, making such removal or discontinuation impracticable for the Buyer. The Buyer acknowledges and agrees that it will acquire no rights to any such names, derivations or abbreviations.

4.10 Intercompany Accounts. Other than the Intercompany Debt (the treatment of which shall be governed by Section 4.11 hereof), all intercompany accounts between the Company, on the one hand, and GMI and its other Subsidiaries, on the other hand, shall be canceled or contributed to capital as of the close of business on the business day immediately preceding the Closing Date.

4.11 Intercompany Debt. (a) On the Closing Date, the Company shall repay the entire outstanding principal amount of and any accrued interest on the Intercompany Debt as of such date, provided that, if the Company does not have sufficient available cash funds to pay such amount on the Closing Date, the Buyer shall provide the necessary funds to the Company so that the outstanding principal amount of and accrued interest on the Intercompany Debt is paid in full on the Closing Date. GMI shall issue to the Buyer an officer's certificate at least three Business Days prior to the Closing Date, certifying (i) the amount of unpaid principal of and interest on the Intercompany Debt to be outstanding as of the Closing Date, (ii) that all Intercompany Debt was incurred after October 1, 1998 in accordance with, or not in violation of, this Agreement and (iii) the amount of cash funds of the Company to be available on the Closing Date to repay the Intercompany Debt.

(b) Upon the closing of the Philadelphia Transaction, all indebtedness owed by GPCI to the Company shall be canceled.

4.12 Notice of Proceedings. Each party will promptly notify the other in writing upon (a) becoming aware of the occurrence of any fact or circumstance that would cause or constitute a breach of its representations and warranties set forth herein or any order or decree or any complaint seeking an order or decree (or any threat to seek any of the foregoing) restraining or enjoining the consummation of the transactions contemplated hereby or (b) receiving any notice from any court or Governmental Authority of its intention to (i) commence an investigation into, or commence a suit or proceeding to restrain or enjoin, the consummation of the transactions contemplated hereby or (ii) nullify or render ineffective the transactions contemplated hereby if such transactions are consummated.

4.13 Guarantees. (a) Set forth in Schedule 4.13 are various guarantees entered into by GMI to support the business of the Company (the "GUARANTEES"). The Buyer agrees that it will arrange, effective as of the Closing Date, for either (a) the Buyer to be substituted as the obligor under each of the Guarantees or (b) each of the Guarantees to be terminated and, if requested by any third party to whom a Guarantee was originally issued, for the Buyer to provide substitute credit support.

(b) GMI will cause the Company's guaranty of GMI's obligations under GMI's credit agreement with the Bank of New York to be terminated as of the Closing.

4.14 Affiliate Contracts. (a) As soon as practicable after the date hereof, GMI will use good faith efforts to obtain all requisite third party consents required to assign to the Buyer those Company Contracts (except for the guaranty referenced in Section 4.13(b) and the agreements described in item 2 of Schedule 2.17) which have been entered into by GMI and relate to the business of the Company and are listed in item II in Schedule 2.8(a) (the "GMI CONTRACTS"). Upon the Closing, GMI will assign, and the Buyer will assume, those GMI Contracts for which such third party consents have been obtained or which do not require such third party consents. If any such third party consents have not been obtained by the Closing Date, GMI agrees to make the benefits of such GMI Contracts available to the Buyer from and after the Closing Date at no additional cost to the Buyer other than the Buyer (i) reimbursing the Company for amounts due thereunder, (ii) performing all of GMI's obligations thereunder and (iii) defending, indemnifying, paying, reimbursing and holding harmless GMI and its affiliates from any liabilities, claims, costs or expenses (including reasonable attorney fees) arising from or relating to such GMI Contracts.

(b) Set forth in item IV on Schedule 2.8(a) are certain agreements entered into by the Company that relate only to the business of GPCI (the "GPCI CONTRACTS"). On or prior to the closing of the Philadelphia Transaction, the Company shall assign to GPCI, and GPCI will assume those GPCI Contracts for which third party consents have been obtained or which do not require such consents.

4.15 Certain Litigation. The suits, actions, litigations, proceedings and investigations listed in Schedule 2.12 relate exclusively to the conduct of the business of the Company. Nevertheless, third parties have and may in the future name GMI or its affiliates, directors, officers or employees as parties. Accordingly, the Buyer shall defend, indemnify, pay, reimburse and hold harmless GMI and its affiliates, directors, officers and employees from any liabilities, claims, costs or expenses (including reasonable attorney fees) arising from or relating to the suits, actions, litigations, proceedings and investigations listed in Schedule 2.12 or arising after the date hereof to the extent they relate to the Company or its business.

4.16 Retained Franchises. In the event that less than 100% of the consents necessary to transfer the Systems are obtained but the condition set forth in Section 5.2(a)(iii) has either been satisfied or waived, then GMI and the Buyer shall cooperate with each other and use their respective reasonable best efforts to restructure the ownership, control and management of the assets of each System for which consents have not been obtained (each, a "RETAINED FRANCHISE") from and after the Closing Date in such a manner that, to the extent feasible, prevents any violation of the terms of any Franchise Agreements relating to the Retained Franchises that would have a material adverse effect on the Buyer and its affiliates, taken as a whole, or on GMI and its Subsidiaries, taken as a whole, yet preserves the intent of the parties as set forth in this Agreement regarding their respective economic positions, to the extent practicable, had 100% of the consents been obtained. Notwithstanding the foregoing, GMI and the Buyer shall continue to use their reasonable best efforts to obtain consents for the transfer to the Buyer of any Retained Franchise.

4.17 Transfer Laws. The Buyer waives compliance by the Company with legal requirements relating to bulk transfers applicable to the transactions contemplated by this Agreement. The Company agrees to indemnify and hold harmless the Buyer against any and all claims to the extent they result from such noncompliance. Nothing in this Section 4.17 shall be interpreted to be a waiver by the Company or GMI of Buyer's obligation to pay all Transfer Taxes pursuant to Section 7.2(b).

4.18 Further Assurances. The Company and GMI agree to execute all such further documents and to do all such other acts and things (other than the payment of money) as the Buyer, acting reasonably, may request from time to time after the Closing for the purpose of transferring to the Buyer the Subject Assets in the manner contemplated by this Agreement.

ARTICLE V

CLOSING AND CLOSING DATE; CONDITIONS TO CLOSING

5.1 Closing and Closing Date. As soon as practicable after the satisfaction or waiver of the conditions set forth in Section 5.2(a) (but no later than five business days thereafter), a closing of the transactions contemplated hereby (the "CLOSING") shall take place at the offices of Debevoise & Plimpton, 875 Third Avenue, New York, New York, or on such other date and at such other location as the parties may agree in writing. The date on which the Closing occurs is referred to as the "CLOSING Date". At the Closing, the Buyer will pay to the Company the Purchase Price by wire transfer of immediately available funds to the account designated by the Company at least two business days prior to the Closing Date.

5.2 Conditions to the Obligations of All Parties. The respective obligations of the Company and the Buyer to consummate the transactions contemplated hereby are subject to the requirements that:

(a) (i) Any waiting period applicable to the consummation of the transactions contemplated hereby under the HSR Act shall have expired or been terminated, (ii) all FCC authorizations, consents, orders and approvals listed in item (b) of Schedule 2.2 and which, if not received, in the aggregate, would reasonably be expected to have a material adverse effect on the Buyer's operation of the Systems after the Closing, shall have been received, and (iii) the authorizations, consents, orders and approvals from franchising authorities listed in item (c) of Schedule 2.2 regarding the transactions contemplated hereby shall have been received, provided that so long as the authorizations, consents, orders or approvals for the transfer to the Buyer of the Systems representing at least 90% of the subscribers of the Company shall have been obtained, then the condition described in this Section 5.2(a)(iii) shall be deemed to be satisfied.

(b) There shall not be in effect any injunction or any other order issued by a court of competent jurisdiction restraining or prohibiting the consummation of the transactions contemplated by this Agreement.

5.3 Conditions to the Obligations of the Company and GMI. The obligations of the Company and GMI to effect the transactions contemplated hereby are subject to the satisfaction, on or prior to the Closing Date, of the following conditions:

(a) The representations and warranties of the Buyer contained in this Agreement, taken as a whole, shall be true and correct in all material respects on and as of the Closing Date (without giving effect to the materiality or Material

Adverse Effect qualifiers set forth therein) with the same effect as if made on and as of the Closing Date (except to the extent such representations and warranties speak as of an earlier date), except for such failures to be true and correct which would not in the aggregate have a material adverse effect on the transactions contemplated hereby, and at the Closing the Buyer shall have delivered to each of the Company and GMI a certificate to that effect.

(b) The Buyer shall have executed and delivered to the Company an assumption agreement in form and substance reasonably satisfactory to the Company in which the Buyer agrees to assume, pay, discharge and perform all of the Assumed Liabilities.

(c) Each of the agreements of the Buyer to be performed on or before the Closing pursuant to the terms of this Agreement shall have been duly performed in all material respects on or before the Closing and at the Closing the Buyer shall have delivered to each of the Company and GMI a certificate to that effect.

(d) GMI shall have received an opinion of Paul, Hastings, Janofsky & Walker, LLP, counsel for the Buyer, dated as of the Closing Date, covering such matters as GMI may reasonably request.

(e) GMI shall have been released from the Guarantees or the Guarantees shall have been terminated, in each case without any further obligation of GMI.

(f) The Philadelphia Transaction shall have closed.

(g) GMCI shall have received payment in full of the Purchase Price.

(h) GMI shall have received payment in full of the entire outstanding principal amount of and accrued interest on the Intercompany Debt.

(i) GMI shall have received all customary closing documents it may reasonably request relating to the existence of the Buyer and the authority of the Buyer to enter into this Agreement and to consummate the transactions contemplated hereby, all in form and substance reasonably satisfactory to GMI.

5.4 Conditions to Obligations of the Buyer . The obligations of the Buyer to effect the transactions contemplated hereby are subject to the satisfaction, on or prior to the Closing Date, of the following conditions:

(a) The representations and warranties of the Company and GMI contained in this Agreement, taken as a whole, shall be true and correct in all respects on and as of the Closing Date (without giving effect to the materiality or Material Adverse Effect qualifiers set forth therein) with the same effect as if made on and as of the Closing Date (except to the extent such representations and warranties speak as of an earlier date), except for such failures to be true and correct which would not in the aggregate have a Material Adverse Effect, and at the Closing the Company and GMI shall have delivered to the Buyer a certificate to that effect.

(b) The Company shall have executed and delivered to the Buyer a General Conveyance, Bill of Sale and Assignment in form and substance reasonably satisfactory to the parties and such other deeds, assignments and instruments of transfer and assignment as the Buyer may reasonably request, transferring to the Buyer good and marketable title in and to the Subject Assets transferred, sold, assigned and conveyed by the Company to the Buyer pursuant to the terms of this Agreement.

(c) Each of the agreements of the Company and GMI to be performed on or before the Closing pursuant to the terms of this Agreement shall have been duly performed in all material respects on or before the Closing and at the Closing the Company shall have delivered to the Buyer a certificate to that effect.

(d) The Buyer shall have received an opinion of (i) Debevoise & Plimpton, special counsel to the Company and GMI, (ii) Barbara Burns, Esq., general counsel to the Company and GMI (iii) and the opinion of FCC Counsel to the Company, each dated as of the Closing Date, covering such matters as the Buyer may reasonably request.

(e) The Buyer shall have received evidence of the cancellation of all indebtedness owed by GPCI to the Company as provided in Section 4.11(b).

(f) The Buyer shall have received all customary closing documents it may reasonably request relating to the existence of the Company and GMI and the authority of the Company and GMI to enter into this Agreement and to consummate the transactions contemplated hereby, all in form and substance reasonably satisfactory to the Buyer.

ARTICLE VI

TERMINATION

6.1 Termination. This Agreement may be terminated and the transactions contemplated hereby may be abandoned at any time prior to the Closing Date:

(a) by mutual written consent duly authorized by the boards of directors of the Company and the Buyer;

(b) by either the Company or the Buyer upon written notice to the other, one year from the date hereof (the "TERMINATION DATE"), if the Closing shall not have occurred on or before such Termination Date, so long as the terminating party is not then in material breach of any of its obligations hereunder;

(c) by the Company, provided that neither GMI nor the Company is then in material breach of any of its obligations hereunder, if either (i) the Buyer fails to perform any material agreement in this Agreement when performance thereof is due and does not cure such failure within 20 business days after the Company delivers written notice thereof or (ii) any condition in Section 5.2 (other than Section 5.2(a)) or Section 5.3 has not been satisfied by the Closing Date and is not capable of being satisfied prior to the Termination Date; or

(d) by the Buyer, provided that it is not then in material breach of any of its obligations hereunder, if (i) either the Company or GMI fails to perform any material agreement in this Agreement when performance thereof is due and does not cure such failure within 20 business days after notice by the Buyer thereof or (ii) any condition in Section 5.2 (other than Section 5.2(a)) or Section 5.4 has not been satisfied by the Closing Date and is not capable of being satisfied prior to the Termination Date.

6.2 Effect of Termination. In the event of the termination of this Agreement pursuant to Section 6.1 hereof, no party shall have any further liability hereunder, provided that, (a) this Section 6.2, Sections 8.7 and 8.8, and the confidentiality provisions of Section 4.2 shall survive such termination and shall remain in full force and effect and (b) that nothing in this Section 6.2 shall relieve any party to this Agreement of liability for any willful breach of this Agreement. Notwithstanding the foregoing or anything else in this Agreement to the contrary, if the Closing fails to occur for any reason other than any of the conditions to the Buyer's obligations to close as set forth in Section 5.4 that is capable of being satisfied prior to the Closing not being satisfied on or prior to the Termination Date (other than a failure of such condition as a result of any breach by the Buyer of any of its representations, warranties, covenants or agreements), GMI and the Company may seek to specifically enforce this Agreement as provided in Section 8.13.

ARTICLE VII

TAX MATTERS

7.1 Proration of Taxes. In determining the parties' liability for Taxes for a taxable year or period that begins before and ends after the Closing Date, the determination of the Taxes for the portion of the year or period beginning after the Closing Date shall be determined by assuming that the taxable year or period ended on and included the Closing Date, except that exemptions, allowances or deductions that are calculated on an annual basis and real and personal property taxes shall be prorated based on the number of days in the taxable year or period elapsed through the Closing Date, as compared to the total number of days in the taxable year or period elapsed after the Closing Date.

7.2 Payments. (a) GMI's Responsibility. GMI shall pay or cause to be paid and shall indemnify and hold the Buyer harmless from and against (i) all Taxes imposed on the Company (other than any Taxes described in Section 7.2(b)) or any Subsidiary and (ii) all Taxes (other than Transfer Taxes) for any taxable period (or portion thereof) ending on or before the Closing Date relating to the Systems or the Subject Assets.

(b) Buyer's Responsibility. The Buyer shall pay or cause to be paid and shall indemnify and hold GMI and the Company harmless from and against (i) all Taxes for any taxable period (or portion thereof), beginning after the Closing Date relating to the Systems, Subject Assets and Assumed Liabilities and (ii) all excise, sales, use, value added, transfer (including real property transfer), transfer gains, gross receipts, stamp, documentary, filing, recordation, registration, conveyance, license and other similar taxes, together with any interest, additions or penalties with respect thereto and any interest in respect of such additions or penalties arising out of or in connection with or attributable to the transactions contemplated by this Agreement ("TRANSFER TAXES"). The Company and the Buyer shall cooperate with each other in minimizing Transfer Taxes, including, without limitation, by providing each other all applicable exemption certificates with respect to such Transfer Taxes available under applicable law.

7.3 Tax Returns. (a) GMI's Responsibility. GMI shall prepare, or cause to be prepared, and file, or cause to be filed (i) the consolidated U.S. federal Income Tax Returns of GMI's Consolidated Group, (ii) the combined, consolidated or unitary Tax Returns for state, local and foreign Income Taxes which includes GMI or any Subsidiary or affiliate thereof, (iii) all Tax Returns required to be filed by the Company or any Subsidiary and (iv) all Tax Returns relating to the Systems or the Subject Assets required to be filed on or before the Closing Date.

(b) Buyer's Responsibility. The Buyer shall prepare, or cause to be prepared, and file, or cause to be filed, all Tax Returns relating to the Systems or the Subject Assets other than those Tax Returns described in Section 7.3(a).

(c) Transfer Taxes. Subject to Section 7.3(d), Tax Returns required to be filed in respect of Transfer Taxes ("TRANSFER TAX RETURNS") shall be prepared and filed by the party that has the primary responsibility under applicable law for filing such Transfer Tax Returns. If no party has primary responsibility for filing a Transfer Tax Return, then the Buyer shall be responsible for preparing and filing any such Transfer Tax Return.

(d) Cooperation. The Buyer and GMI shall cooperate in connection with the preparation and filing of any Tax Return for which the other is responsible for preparing and filing pursuant to this Section 7.3. If either GMI or the Buyer is liable for any portion of the Tax payable in connection with any Tax Return to be prepared and filed by the other, the party responsible for filing such return (the "PREPARER") shall prepare and deliver to the other party (the "PAYOR") a copy of such return and any schedules, work papers and other documentation that are relevant to the preparation of the portion of such Tax Return for which the Payor is or may be liable hereunder not later than 30 days prior to the due date for such Tax Return (including applicable extensions) (the "DUE DATE"). The Preparer shall not file such Tax Return until the earlier of (i) the receipt of written notice from the Payor indicating the Payor's consent thereto, or (ii) one day prior to the Due Date. The Payor shall have the option of providing to the Preparer, at any time at least 10 days prior to the Due Date, written instructions as to how the Payor wants any, or all, of the Tax items for which it may be liable reflected on such Tax Return. The Preparer shall, in preparing such Tax Return, cause the items for which the Payor is liable hereunder to be reflected in accordance with the Payor's instructions, provided that if the amount of Taxes for which the Preparer is liable hereunder would be increased as a result of reflecting such Tax items in accordance with the Payor's instructions, the manner in which such Tax items will be reflected on such Tax Return shall be determined pursuant to Section 7.9. In the absence of having received instructions from Payor, such items shall be reported in any manner determined by the Preparer.

7.4 Refunds. Subject to the provisions of this Section 7.4, (i) GMI shall be entitled to retain, or receive immediate payment from the Buyer (or any affiliate or Subsidiary of the Buyer) of, any refund or credit with respect to Taxes (including, without limitation, refunds and credits arising by reason of amended Returns filed after the Closing Date), plus any interest received with respect thereto from the applicable taxing authorities, that are described as being the responsibility of GMI in Section 7.2(a) and for which GMI has made payment thereof and (ii) the Buyer shall be entitled to retain, or receive immediate payment from GMI of, any refund or credit with respect to Taxes, plus any interest received with respect thereto from the applicable taxing authorities, that are described as being the responsibility of the Buyer in Section 7.2(b), provided that neither the Buyer nor any Subsidiary of the Buyer shall be permitted to carry back any item of loss, deduction or credit from a Tax Return described as being the responsibility of the Buyer in Section 7.3(b) to any Tax Return described as being the responsibility of GMI in Section 7.3(a). The Buyer and GMI shall cooperate with respect to claiming any refund or credit with respect to Taxes referred to in this Section 7.4, provided that the foregoing shall be done in a manner so as not to interfere unreasonably with the conduct of the business of the parties.

7.5 Audits. GMI and the Buyer shall notify the other in writing within 10 days of its receipt of written notice of any pending or threatened audits, adjustments, assessments or proceedings (whether judicial or administrative) (a "TAX AUDIT") which may affect the liability for Taxes of such other party. If the recipient of any such notice fails to notify the other party, or if such notification is not in sufficient detail to notify the other party of the nature of the Tax Audit, the recipient shall not be entitled to indemnification for any Taxes arising in connection with such Tax Audit if such failure to give adequate notice adversely affects the other party's right to participate in and contest the Tax Audit. GMI shall have the right to control any Tax Audit to the extent relating to Taxes that are described as being the responsibility of GMI in Section 7.2(a), and to employ counsel of its choice at its expense. The Buyer shall have the right to control any Tax Audit relating to Taxes that are described as being the responsibility of the Buyer in Section 7.2(b), and to employ counsel of its choice at its expense. Notwithstanding the foregoing, if such Tax Audit relates to Taxes for which both GMI and the Buyer are liable hereunder, to the extent possible such Tax items will be distinguished and each party will control the defense and settlement of those Taxes for which it is so liable. If any such Tax item cannot be identified as being a liability of only one party or cannot be separated from a Tax item for which the other party is liable, the party which has the greater potential liability for those Tax items that cannot be so attributed or separated (or both) shall control the defense and settlement of the Tax Audit, provided that such party defends the items as reported on the relevant Tax Return and the other party is entitled to participate in such defense and settlement at its own expense. The Buyer and GMI shall cooperate with respect to any Tax Audit referred to in this Section 7.5, provided that the foregoing shall be done in a manner so as not to interfere unreasonably with the conduct of the business of the parties.

7.6 Certain Post-Closing Actions. (a) Pre-Closing Tax Returns. None of the Buyer nor any of its Subsidiaries or affiliates shall amend any Tax Return prepared and filed by GMI pursuant to Section 7.3(a) hereof.

(b) Post-Closing Tax Elections. None of the Buyer nor any of its Subsidiaries or affiliates shall make any election or take any other action with respect to Taxes after the Closing which would affect the pre-Closing Tax liability of GMI, the Company or any of their Subsidiaries or affiliates without the prior written consent of GMI.

7.7 Mutual Cooperation. In addition to the obligations otherwise set forth herein, but subject to the terms hereof, GMI and the Buyer will cooperate with each other in paying any Taxes, filing any Tax Return and conducting any Tax Audit contemplated by this Agreement and, except as set forth to the contrary in this Agreement, take such actions as the other party may reasonably request, including, without limitation, the following: (a) provide data for the preparation of any Tax Return, including schedules; (b) provide required documents and data and cooperate in any Tax Audit and execute appropriate powers of attorney in favor of the other party and/or its agents; (c) file protests or otherwise contest any proposed or asserted Tax deficiencies, including filing petitions for redetermination or prosecuting actions for refund in any court, and pursuing the appeal of any such actions; (d) execute Tax Returns or other documents reasonably required by the other party; (e) provide complete access to, and comply with reasonable requests for copies of all Tax Returns, books and records, data, documents, work papers, materials and other information relating to Taxes with respect to the Systems or the Subject Assets for any taxable period; and (f) make available to each other, its officers, directors, employees and agents for any fact finding, consultation and discussions related to the preparation and filing of any Tax Return, the conduct of any Tax Audit and any other matter with respect to Taxes, provided that the foregoing shall be done in a manner so as not to interfere unreasonably with the conduct of the business of the parties.

7.8 Maintenance Of Books and Records. Notwithstanding Section 4.8 hereof, until the applicable statute of limitations (including periods of waiver) has expired for any Tax Return filed or required to be filed covering the periods up to and including the Closing Date (including, without limitation, any period beginning before and ending after the Closing Date), the Buyer shall retain all Tax work papers and related materials in its possession and under its control that were used in the preparation of any such Tax Return. Each party shall notify the other party at least 60 days prior to disposing of any Tax record relating to such taxable periods and will deliver to such other party any such records requested by such other party.

7.9 Tax Dispute Resolution Mechanism. If there is a dispute between the Buyer and GMI regarding any of the matters contained in Section 1.5 hereof or in this Article VII or the interpretation of any other provision of this Agreement relating to Taxes, such dispute shall be resolved as follows: (i) the parties will in good faith attempt to negotiate a settlement of the dispute, (ii) if the parties are unable to negotiate a resolution of the dispute within 30 days of the commencement of the dispute, the dispute will be submitted to the national office of a firm of independent accountants of nationally recognized standing reasonably satisfactory to GMI and the Buyer (the "TAX DISPUTE ACCOUNTANTS"), (iii) the parties will present their arguments to the Tax Dispute Accountants within 15 days after submission of the dispute to the Tax Dispute Accountants, (iv) the Tax Dispute Accountants will resolve the dispute, in a fair and equitable manner and in accordance with the applicable Tax law, within 30 days after the parties have presented their arguments to the Tax Dispute Accountants, which decision shall be final, conclusive and binding on the parties, (v) any payment to be made as a result of the resolution of a dispute shall be made, and any other action to be taken as a result of the resolution of a dispute shall be taken, on or before the later of (A) the date on which such payment or action would otherwise be required or (B) the third business day following the date on which the dispute is resolved (in the case of a dispute resolved by the Tax Dispute Accountants, such date being the date on which the parties receive written notice from the Tax Dispute Accountants of their resolution) and (vi) the fees and expenses of the Tax Dispute Accountants in resolving a dispute will be borne equally by GMI and the Buyer.

7.10 Certain Payroll Matters. Notwithstanding any other provision of this Agreement, in respect of wages paid with respect to the 1999 calendar year to employees of GMI, the Company or any Subsidiary who after the Closing become employees of the Buyer or its affiliates, GMI, the Company and the Buyer agree to comply, and to cause their respective affiliates to comply, with the procedures set forth in Revenue Procedure 96-60 and shall cooperate, and cause their respective affiliates to cooperate, with each other in complying with such procedures.

7.11 Characterization of Indemnity Payments. The parties agree that any indemnification payments made pursuant to this Agreement shall be treated for tax purposes as an adjustment to purchase price, unless otherwise required by applicable law.

ARTICLE VIII

MISCELLANEOUS

8.1 Entire Agreement. Other than the Confidentiality Agreement, this Agreement constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior written and oral and all contemporaneous oral agreements and understandings with respect to the subject matter hereof (including, without limitation, the Confidential Memorandum, dated April 1998, prepared by Goldman, Sachs & Co., with respect to the cable television properties of GMI, and any supplements thereto).

8.2 Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given or made as follows: (a) if sent by registered or certified mail in the United States, return receipt requested, upon receipt; (b) if sent by reputable overnight air courier (such as DHL or Federal Express), two business days after mailing; (c) if sent by facsimile transmission, with a copy mailed on the same day in the manner provided in (a) or (b) above, when transmitted and receipt is confirmed by telephone; or (d) if otherwise actually personally delivered, when delivered and shall be delivered as follows:

if to the Buyer:

Charter Communications, Inc.
12444 Powerscourt Drive
St. Louis, Missouri 63131
Attention: Jerald L. Kent, President and CEO
Fax: 314-965-8793

with a copy to:

Charter Communications, Inc.
12444 Powerscourt Drive
St. Louis, Missouri 63131
Attention: Curtis S. Shaw, Senior Vice President
and General Counsel
Fax: 314-965-8793

if to GMI:

Greater Media, Inc.
Two Kennedy Boulevard
P.O. Box 1059
East Brunswick, New Jersey 08116
Attention: General Counsel
Fax: 732-247-4956

with a copy to:

Debevoise & Plimpton
875 Third Avenue
New York, New York 10022
Attention: Richard D. Bohm
Fax: 212-909-6836

or to such other address or to such other person as the party to whom notice is given may have previously furnished to the others in writing in the manner set forth above.

8.3 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York regardless of the laws that might otherwise govern under principles of conflicts of laws applicable thereto.

8.4 Interpretation. The section headings in this Agreement are for convenience of reference only and shall not be deemed to alter or affect the meaning or interpretation of any provision hereof. Any references to the Company's knowledge or the knowledge of the Company shall mean the actual knowledge of Peter A. Bordes, John Zielinski, Barbara Burns and Walter Veth.

8.5 Parties in Interest. This Agreement shall be binding upon and inure solely to the benefit of each party hereto, and nothing in this Agreement, express or implied, is intended to confer upon any other person any rights or remedies of any nature whatsoever under or by reason of this Agreement.

8.6 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original but all of which shall constitute one and the same agreement.

8.7 Expenses. Except as otherwise provided for in this Agreement, all costs and expenses incurred in connection with the transactions contemplated by this Agreement shall be paid by the party incurring such expenses, provided that if the Closing occurs, all such cost and expenses shall be paid by the Buyer except as provided in clause (ii) of Section 1.6(b).

8.8 Personal Liability. This Agreement shall not create or be deemed to create or permit any personal liability or obligation on the part of any direct or indirect stockholder of any party hereto or any officer, director, employee, agent or representative of any party hereto.

8.9 Assignment. This Agreement may not be assigned by any party hereto, whether by operation of law or otherwise, except that Buyer shall be permitted to assign its rights and obligations under this Agreement to any of its controlled affiliates without the prior consent of any other party hereto, so long as such assignment does not prevent or delay consummation of the Closing. No such assignment shall relieve the Buyer of its obligations under this Agreement.

8.10 Amendment. No provision of this Agreement may be amended, modified or waived except by an instrument in writing signed by all the parties hereto.

8.11 Exclusivity of Representations and Warranties; Non-Survival; Relationship Between the Parties. It is the explicit intent and understanding of each of the parties hereto that none of the parties nor any of their affiliates, nor any of their representatives or agents, is making any representation or warranty whatsoever, oral or written, express or implied, other than those set forth in Articles II and III, and no party is relying on any statement, representation or warranty, oral or written, express or implied, made by any other party or any such other party's affiliates, or any of their representatives or agents, except for the representations and warranties set forth in such sections. None of the representations and warranties in this Agreement or in any certificate or instrument delivered pursuant to this Agreement shall survive the Closing, and neither GMI nor the Company shall have any liability hereunder to the Buyer or any other person with respect to, arising out of or in any way relating to its representations and warranties hereunder. The parties agree that this is an arm's length transaction in which the parties' undertakings and obligations are limited to the performance of their obligations under this Agreement.

8.12 Exclusive Jurisdiction, etc. Each party irrevocably submits to the exclusive jurisdiction of any court in the City of New York or any courts of the United States of America located in the Southern District of New York and, subject to Section 7.9, each party hereby agrees that all suits, actions and proceedings brought by such party hereunder shall be brought in any such court. Each party irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such court, any claim that any such suit, action or proceeding brought in such a court has been brought in an inconvenient forum and the right to object, with respect to any such suit, action or proceeding brought in any such court, that such court does not have jurisdiction over such party or the other party. In any such suit, action or proceeding, each party waives, to the fullest extent it may effectively do so, personal service of any summons, complaint or other process and agrees that the service thereof may be made by certified or registered mail accompanied by first class prepaid ordinary postage, addressed to such party at its address. Each party agrees that a final non-appealable judgment in any such suit, action or proceeding brought in such a court shall be conclusive and binding.

8.13 Right to Specific Performance. Notwithstanding anything to the contrary set forth herein or elsewhere, (i) GMI and the Company shall be entitled, at their sole option, to (a) waive compliance by the Buyer with any term or provision of this Agreement (including, without limitation, any closing conditions) and/or (b) without the posting of any bond or other security, require the Buyer to consummate and specifically perform the transactions contemplated hereby in accordance with all other terms of this Agreement, if necessary through injunction or other court order or process, if the conditions to the obligations of the Buyer to effect the Closing have been satisfied or are capable of being satisfied if the Closing were to be held, and (ii) the Buyer shall be entitled, at its sole option, to (a) waive compliance by GMI and the Company with any term or provision of this Agreement (including, without limitation, any closing conditions) and/or (b) without the posting of any bond or other security, require GMI and the Company to consummate and specifically perform the transactions contemplated hereby in accordance with all other terms of this Agreement, if necessary through injunction or other court order or process, if the conditions to the obligations of GMI and the Company to effect the Closing have been satisfied or are capable of being satisfied if the Closing were to be held. Any such equitable relief granted shall not be exclusive and GMI and the Company or Buyer, as the case may be, shall also be entitled to seek money damages.

ARTICLE IX

DEFINITIONS

When used in this Agreement, the following terms shall have the meanings indicated.

"ACCUMULATED FUNDING DEFICIENCY" means an accumulated funding deficiency, as defined in Section 302 of ERISA and Section 412 of the Code.

"ALLOCATION SCHEDULE" has the meaning set forth in Section 1.5.

"ASSUMED LIABILITIES" has the meaning set forth in Section 1.6.

"AUTHORIZATIONS" has the meaning set forth in Section 2.7(a).

"BASIC SUBSCRIBER" means a Person (i) who subscribes to basic service, (ii) who pays the full rate for such service charged by the Company for detached single family homes and (iii) whose accounts receivable owed for such service are not more than 60 days past due from the date of invoice.

"CARS" means Cable Television Relay Service.

"CLOSING" AND "CLOSING DATE" each has the meaning set forth in Section 5.1.

"COBRA" means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, as set forth in Section 4980B of the Code and Part 6 of Title I of ERISA.

"CODE" means the Internal Revenue Code of 1986, as amended.

"COMMUNICATIONS ACT" means the Communications Act of 1934, as amended.

"COMPANY BENEFIT ARRANGEMENT" means any material benefit arrangement (whether or not written) that is not a Company Employee Plan, including (i) any employment or consulting agreement, (ii) any arrangement providing for insurance coverage or workers' compensation benefits, (iii) any incentive bonus or deferred bonus arrangement, (iv) any arrangement providing termination allowance, severance or similar benefits, (v) any equity compensation plan, (vi) any deferred compensation plan and (vii) any compensation policy and practice, in each case that is maintained by the Company or any of its ERISA Affiliates covering any employees, former employees, directors or former directors of the Company, and the beneficiaries of any of them.

"COMPANY COMMON STOCK" means the issued and outstanding shares of Class A common stock of the Company.

"COMPANY CONTRACTS" has the meaning set forth in Section 2.8(a).

"COMPANY EMPLOYEE PLAN" means any employee benefit plan, as defined in Section 3(3) or ERISA, that is sponsored or contributed to by the Company or any of its ERISA Affiliates covering any employees or former employees, directors or former directors of the Company and the beneficiaries of any of them.

"COMPANY PLAN" means any Company Employee Benefit Plan or Company Benefit Arrangement.

"EMPLOYEE" means any individual who, as of the Closing Date, is actively employed by, or on short-term or long-term disability, accident or sickness, maternity, lay-off or other authorized leave of absence from the Company.

"EMPLOYEE PROTECTION PLAN" means the Company's Employee Protection Plan, the terms of which are included on Schedule 2.14(e).

"EMPLOYEE RETENTION PLAN" means the Company's Employee Retention Plan, the terms of which are included in Schedule 2.14(e).

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"ERISA AFFILIATE" means a Person and/or such Person's Subsidiary or any trade or business (whether or not incorporated) which is under common control with such entity or such entity's Subsidiaries or which is treated as a single employer with such Person or any Subsidiary of such Person under Section 414(b), (c), (m) or (o) of the Code or Section 4001(b)(f) of ERISA.

"EXCLUDED ASSETS" has the meaning set forth in Section 1.3.

"EXCLUDED CONTRACTS" has the meaning set forth in Section 1.3(n).

"EXCLUDED LIABILITIES" has the meaning set forth in Section 1.6.

"FCC" means the Federal Communications Commission.

"FRANCHISE AGREEMENTS" has the meaning set forth in Section 2.8(a).

"GMI CONTRACTS" has the meaning set forth in Section 4.14(a).

"GOVERNMENTAL AUTHORITY" means any governmental or regulatory authority, domestic or foreign, including, without limitation, any governmental administrative agency or franchising authority.

"GPCI" has the meaning set forth in Section 1.3(a).

"GPCI MERGER CONSIDERATION" means the consideration to be received by the Company in connection with the merger of GPCI with and into Philadelphia Merger Sub.

"GUARANTEES" has the meaning set forth in Section 4.13(a).

"INCOME TAX" means any Tax computed in whole or in part based on or by reference to net income and any alternative, minimum, accumulated earnings or personal holding company Tax (including all interest and penalties thereon and additions thereto).

"INCOME TAX RETURN" means any Tax Return relating to Income Taxes.

"INTELLECTUAL PROPERTY" has the meaning set forth in Section 2.11.

"INTERCOMPANY DEBT" means the debt of the Company to GMI incurred for the operation of the Systems in a manner consistent with past practice after October 1, 1998 in accordance with, or not in violation of, this Agreement, the interest on which shall accrue at a rate equal to GMI's average borrowing rate over the period from October 1, 1998 to the Closing Date, compounded annually, and any short-term advances to the Company made by GMI (as to which no interest is charged) in the ordinary course of business and consistent with past practice and the Company's cash management practices and disbursement controls for the purposes of, without limitation, the payment of the Company's payroll and insurance premiums.

"IRS" means the Internal Revenue Service.

"LIENS" means any lien, claim, charge, restriction, pledge, mortgage, security interest or other encumbrance.

"MATERIAL ADVERSE EFFECT" means any effect that is or is reasonably likely to be materially adverse to the business, results of operations or financial condition of the Company, except for effects due to the general economic or industry-wide conditions.

"MULTIEMPLOYER PLAN" means a multiemployer plan, as defined in Sections 3(37) and 4001(a)(3) of ERISA.

"NLRB" means the National Labor Relations Board.

"PBGC" means the Pension Benefit Guaranty Corporation.

"PENSION PLAN" means any employer pension benefit plan, as defined in Section 3(2) of ERISA.

"PERMITTED LIENS" means (i) Liens for taxes and other governmental charges and assessments which are not yet due and payable or which are being contested in good faith by appropriate proceedings, (ii) Liens of landlords and Liens of carriers, warehousemen, mechanics and materialmen and other like Liens arising in the ordinary course of business for sums not yet due and payable or that are being contested in good faith by appropriate proceedings or with respect to which arrangements for payment and/or release have been made, (iii) purchase money Liens on property acquired by the Company in connection with its business which were created contemporaneously with such acquisition to secure or provide for the payment or financing of all or any part of the purchase price thereof, (iv) easements, rights of way, restrictions, leases of property to others, title imperfections and restrictions, zoning ordinances and other similar encumbrances affecting the Real Property which in the aggregate do not adversely affect the value of such Real Property or materially impair its use for the operation of the relevant Systems, (v) statutory Liens in favor of lessors arising in connection with any property leased to the Company in connection with the its business, and (vi) other Liens which, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

"PERSON" means any individual, general partnership, limited partnership, corporation, limited liability company, joint venture, trust, business trust, cooperative or association, and the heirs, executors, administrators, legal representatives, successors, and assigns of such Person where the context so requires.

"PHILADELPHIA MERGER AGREEMENT" means the definitive agreement for the Philadelphia Transaction.

"PHILADELPHIA MERGER SUB" means the wholly owned subsidiary of Comcast Corporation with which GPCI is to merge pursuant to the Philadelphia Transaction.

"PHILADELPHIA TRANSACTION" means the transaction in which GPCI is to be merged with Philadelphia Merger Sub.

"PURCHASE PRICE" has the meaning set forth in Section 1.4.

"RETAINED FRANCHISE" has the meaning set forth in Section 4.16.

"RETIRED EMPLOYEES" means all former employees of the Company who, as of the Closing Date, are entitled or will be entitled to retirement benefits under Company Plans.

"SCHEDULE OF CAPITAL EXPENDITURES" means the Schedule of Capital Expenditures included in Schedule 4.1.

"SUBJECT ASSETS" has the meaning set forth in Section 1.2

"SUBSIDIARY" as to any Person means (i) any corporation, association or other business entity of which such Person owns or controls, either directly or indirectly, 50% or more of the total combined voting power of all classes of voting securities of such corporation that are entitled to vote in the election of directors, managers or trustees thereof and (ii) any partnership, association, joint venture or other form of business organization, whether or not it constitutes a legal entity, in which such Person directly or indirectly through its Subsidiaries owns or controls 50% or more of the total equity interests.

"SYSTEMS" has the meaning set forth in the recitals hereto.

"TAX" means any tax, levy, impost, duty, charge, assessment or fee of any nature (including any interest and penalties thereon and additions thereto) that is imposed by any taxing authority or other governmental authority.

"TAX RETURN" means any return, report, declaration, form, claim for refund or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"TRANSFER TAXES" has the meaning set forth in Section 7.2(b).

"TRANSFER TAX RETURNS" has the meaning set forth in Section 7.3(c).

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IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed on its behalf by its officers thereunto duly authorized on the day and year first above written.

GREATER MEDIA, INC.

By /s/ Peter A. Bordes

Name: Peter A. Bordes
Title: Chairman of the Board

GREATER MEDIA CABLEVISION, INC.

By /s/ Peter A. Bordes

Name: Peter A. Bordes
Title: President

CHARTER COMMUNICATIONS, INC.

By /s/ Curtis S. Shaw

Name: Curtis S. Shaw
Title: Senior Vice President

Exhibit 2.3(b)

ASSIGNMENT
OF
ASSET PURCHASE AGREEMENT

This Assignment of Asset Purchase Agreement is made by and between Charter Communications, Inc. ("CCI") and its wholly-controlled subsidiary, Charter Communications Entertainment I, LLC ("CCE-I"), effective as of the 23rd day of February, 1999, with respect to the following:

A. CCI is the "Buyer" of certain cable television assets pursuant to the Asset Purchase Agreement among Greater Media, Inc., Greater Media Cablevision, Inc., and CCI dated as of February 17, 1999 (the "Agreement");

B. Pursuant to Section 8.9 of the Agreement, CCI may assign its rights and obligations under the Agreement to any of its controlled affiliates without the prior consent of any other party to the Agreement;

C. CCI desires to assign its rights and obligations under the Agreement and CCE-I desires to assume such rights and liabilities under the Agreement.

In recognition of the above and for other good and valuable consideration the receipt of which is hereby acknowledged, the parties agree as follows:

1. CCI assigns all of its rights and obligations under the Agreement to CCE-I.

2. CCE-I agrees to assume all of CCI's rights and obligations under the Agreement and for all intents and purposes to be substituted as the "Buyer" under the terms thereof.

3. This assignment shall be effective as of the date first written above.

In witness whereof, each of the parties has caused this Agreement to be executed on its behalf by their duly authorized officers.

CHARTER COMMUNICATIONS, INC.

By: /s/ Curtis S. Shaw

Name: Curtis S. Shaw
Title: Senior Vice President

CHARTER COMMUNICATIONS
ENTERTAINMENT I, LLC

By: /s/ Kent Kalkwarf

Name: Kent Kalkwarf
Title: Senior Vice President and
Chief Financial Officer

Exhibit 2.4

PURCHASE AGREEMENT

DATED AS OF FEBRUARY 23, 1999

BY AND AMONG

CHARTER COMMUNICATIONS, INC.,

CHARTER COMMUNICATIONS, LLC

RENAISSANCE MEDIA HOLDINGS LLC

AND

RENAISSANCE MEDIA GROUP LLC

PURCHASE AGREEMENT
DATED AS OF FEBRUARY 23, 1999

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PURCHASE AGREEMENT

This PURCHASE AGREEMENT (this "Agreement") is dated as of February 23, 1999, by and among CHARTER COMMUNICATIONS, INC., a Delaware corporation ("Charter"), CHARTER COMMUNICATIONS, LLC, a Delaware limited liability company ("Buyer"), RENAISSANCE MEDIA HOLDINGS LLC, a Delaware limited liability company ("Holdings"), and RENAISSANCE MEDIA GROUP LLC, a Delaware limited liability company ("Group").

R E C I T A L S:

A. Holdings holds all the outstanding limited liability company interests in Group.

B. Buyer is an indirect majority-owned subsidiary of Charter.

C. Buyer desires to acquire from Holdings all of its limited liability company interests in Group.

D. The parties hereto desire to set forth the terms in accordance with which Buyer shall acquire all the limited liability company interests in Group held by Holdings for the consideration and on the terms and conditions set forth in this Agreement.

A G R E E M E N T S:

In consideration of the above recitals and of the mutual agreements and covenants contained in this Agreement, the parties to this Agreement, intending to be bound legally, agree as follows:

SECTION 1 CERTAIN DEFINITIONS.

1.1 Terms Defined in this Section. The following terms, as used in this Agreement, have the meanings set forth in this Section:

"Adjustment Escrow Agent" means the Escrow Agent named in the Adjustment Escrow Agreement.

"Adjustment Escrow Agreement" means the Adjustment Escrow Agreement to be executed and delivered by Buyer, Charter, Holdings and the Adjustment Escrow Agent, substantially in the form of Exhibit F hereto.

"Adjustment Time" means (A) with respect to the purchase and sale of the Purchased Interests and to Current Assets and Current Liabilities and other items that primarily relate to the Renaissance Companies as a whole, 11:59 p.m., New York time, on the Closing Date, and (B) with respect to Current Assets and Current Liabilities and other items that primarily relate to a particular System, 11:59 p.m. local time for that System, on the Closing Date.

"Affiliate" means, with respect to any Person, any other Person that directly or indirectly through one or more intermediaries controls, is controlled by, or is under common control with the specified Person.

"Assets" means all of the tangible and intangible assets that are owned, leased or held by the Renaissance Companies and that are used or held for use in connection with the conduct of the business or operations of the Systems, other than the Excluded Assets, and less any such Assets that are sold, transferred or otherwise conveyed by the Renaissance Companies to third Persons prior to the Closing in accordance with the provisions of this Agreement, provided that with respect to any assets that are leased by the Renaissance Companies or otherwise not owned by the Renaissance Companies, "Assets" includes only the interest, title and rights in such assets held by the Renaissance Companies.

"Basic Subscriber" means, with respect to any System, as of any date of determination, any Subscriber to a System at the regular basic monthly subscription rate (including discounted rates offered in the ordinary course of business consistent with past practice) for at least broadcast basic cable service (either alone or in combination with any other service) for such System, who has rendered payment of one month's service and who has not more than Five Dollars ($5.00) more than two (2) months past due.

"Bulk Subscriber" means, with respect to any System, as of any date of determination, any Subscriber, other than a Basic Subscriber, to at least broadcast basic cable service (either alone or in combination with any other service) for a System which is billed to such Subscriber on a bulk basis to bulk commercial accounts, such as hotels, motels, hospitals, apartment houses and similar multiple dwelling units or other commercial accounts and who has rendered payment for one month's service at such customer's regular basic monthly subscription rate for such service and who does not have more than $10.00 (excluding late charges and fees and amounts subject to a bona fide dispute) that is two months or more past due from the last day of the period to which any outstanding bill relates.

"Cable Act" means Title VI of the Communications Act of 1934, as amended, 47 U.S.C. Section 151 et seq., and all other provisions of the Cable Communications Policy Act of 1984, the Cable Television Consumer Protection and Competition Act of 1992, and the provisions of the Telecommunications Act of 1996 amending Title VI of the Communications Act of 1934, in each case as amended and in effect from time to time.

"Charter's Disclosure Schedules" means the Disclosure Schedules referred to in Section 5 of this Agreement and attached to this Agreement.

"Charter Parties" means Charter and Buyer, collectively.

"Closing" means the purchase and sale of the Purchased Interests pursuant to this Agreement in accordance with the provisions of Section 8.

"Closing Date" means the date on which the Closing occurs.

"Code" means the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder, as amended and in effect from time to time.

"Compensation Arrangement" means any plan or compensation arrangement other than an Employee Plan, whether written or unwritten, which provides to employees, former employees, officers, directors and shareholders of any Renaissance Company or any ERISA Affiliate any compensation or other benefits, whether deferred or not, in excess of base salary or wages, including, but not limited to, any bonus or incentive plan, stock rights plan, deferred compensation arrangement, life insurance, stock purchase plan, severance pay plan and any other employee fringe benefit plan.

"Consents" means the consents, permits, approvals and authorizations of Governmental Authorities and other Persons necessary to transfer the Purchased Interests to Buyer and to consummate the other transactions contemplated by this Agreement.

"Contracts" means all leases, easements, rights-of-way, rights of entry, programming agreements, pole attachment and conduit agreements, customer agreements and other agreements (other than Franchises), written or oral (including any amendments and other modifications thereto), to which any Renaissance Company is a party or which are binding upon any Renaissance Company and (A) which are in effect on the date hereof, or (B) which are entered into by any Renaissance Company between the date hereof and the Closing Date in accordance with the provisions of this Agreement.

"Copyright Act" means the Copyright Act of 1976, as amended and in effect from time to time.

"Credit Agreement" means the Credit Agreement dated as of April 9, 1998 among Renaissance Media, the Lenders party thereto, Morgan Stanley Senior Funding, Inc., as Syndication Agent and Arranger, CIBC, Inc., as Documentation Agent, and Bankers Trust Company, as Administrative Agent, as the same may be amended and in effect from time to time.

"Debt Documents" means the Indenture, the Indenture Closing Documents and the Credit Agreement and all documents or instruments delivered in connection therewith or pursuant thereto.

"Employee Plan" means any pension, retirement, profit-sharing, deferred compensation, vacation, severance, bonus, incentive, medical, vision, dental, disability, life insurance or any other employee benefit plan as defined in Section 3(3) of ERISA to which any Renaissance Company or any ERISA Affiliate of any Renaissance Company contributes or is required to contribute or which any Renaissance Company or any such ERISA Affiliate sponsors or maintains.

"Employment Agreements" means the Employment Agreement dated April 9, 1998 between Renaissance Media LLC and Fred Schulte, the Employment Agreement dated April 9, 1998 between Renaissance Media LLC and Rodney Cornelius, the Employment Agreement dated April 9, 1998 between Renaissance Media LLC and Mark Halpin, the Employment Agreement dated April 9, 1998 between Renaissance Media LLC and Michael J. Egan, the Employment Agreement dated April 9, 1998 between Renaissance Media LLC and Darlene Fedun and the Employment Agreement dated April 9, 1998 between Renaissance Media LLC and David L. Testa.

"Encumbrances" means any pledge, claim, mortgage, lien, charge, encumbrance or security interest of any kind or nature whatsoever.

"Enforceability Exceptions" means the exceptions or limitations to the enforceability of contracts under bankruptcy, insolvency, or similar laws affecting creditors' rights generally or by judicial discretion in the enforcement of equitable remedies and by public policies generally.

"Environmental Claim" means any written claim or notice of any proceeding before a Governmental Authority arising under or pertaining to any Environmental Law or Hazardous Substance.

"Environmental Law" means any Legal Requirement pertaining to land use, air, soil, surface water, groundwater (including the protection, cleanup, removal, remediation or damage thereof), the handling, storage, treatment or disposal of waste, including hazardous waste, and the handling, storage, manufacture, treatment or transportation of hazardous materials, or to the protection of public health and safety, occupational health and safety or worker health and safety or any other environmental matter, including the following laws as amended and as in effect at the relevant time (including, but not limited to, the following statutes, any regulations promulgated pursuant to any of them, any permits, licenses or authorizations issued thereunder, any state or regional analogues thereto and any permits or regulations issued thereunder): (A) Clean Air Act (42 U.S.C. Section 7401, et seq.); (B) Clean Water Act (33 U.S.C. Section 1251, et seq.); (C) Resource Conservation and Recovery Act (42 U.S.C. Section 6901, et seq.); (D) Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601, et seq.); (E) Safe Drinking Water Act (42 U.S.C. 300f, et seq.); (F) the Hazardous Materials Transportation Act; (G) the Federal Insecticide, Fungicide and Rodenticide Act and (H) Toxic Substances Control Act (15 U.S.C. Section 2601, et seq.).

"Equity Interests" means any and all shares, interests, or other equivalent interests (however designated) in the equity of any Person, including capital stock, partnership interests and membership interests, and including any rights, options or warrants with respect thereto.

"Equivalent Subscribers" means, with respect to any System, as of any date of determination, the sum of: (A) the number of Basic Subscribers served by such System as of such date; (B) the number of Basic Subscribers represented by the Bulk Subscribers served by such System as of such date, which number shall be calculated for full basic cable service provided by such System by dividing (1) the monthly billings attributable to such System's Bulk Subscribers for full basic cable service provided by such System for the calendar month immediately preceding the date on which such calculation is made, by (2) the full, nondiscounted monthly rate charged by such System for full basic cable service (excluding pass-through charges for sales taxes, line-itemized franchise fees, fees charged by the FCC and other similar line-itemized charges); and (C) the number of equivalent Basic Subscribers represented by the "Student Subscribers" of the Renaissance Companies as of the date of determination, which number will be determined as set forth on Exhibit A. For purposes of the foregoing, monthly billings shall exclude billings for a la carte or optional service tiers and for premium services, pass-through charges for sales taxes, line-itemized franchise fees, fees charged by the FCC and other similar line-itemized charges, and nonrecurring charges or credits which include those relating to installation, connection, relocation and disconnection fees and miscellaneous rental charges for equipment such as remote control devices and converters.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations thereunder, as amended and in effect from time to time.

"ERISA Affiliate" means a trade or business affiliated within the meaning of Sections 414(b), (c) or (m) of the Code.

"Escrow Agent" means the Escrow Agent named in the Indemnity Agreement.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder, as in effect from time to time.

"Excluded Assets" means the assets listed on Exhibit B.

"FCC" means the Federal Communications Commission, or any successor agency thereof.

"FCC Licenses" means any licenses issued or granted to a Renaissance Company by the FCC, including all amendments thereto and renewals or modifications thereof.

"FCC Regulations" means the rules, regulations and published policies and decisions of the FCC as they are applicable to the Systems and promulgated by the FCC with respect to the Cable Act, as in effect from time to time.

"Franchise" means any cable television franchise and related agreements, ordinances, permits, instruments or other authorizations issued or granted to a Renaissance Company by any Governmental Authority, including all amendments thereto and renewals or modifications thereof.

"Franchise Area" means any geographic area in which a Renaissance Company is authorized to provide cable television service pursuant to a Franchise or otherwise provides cable television service for which area a Franchise is being negotiated or is not required pursuant to applicable Legal Requirements.

"Franchising Authorities" means all Governmental Authorities that have issued or granted any Franchises relating to the operation of a System.

"GAAP" means generally accepted accounting principles as in effect in the United States from time to time.

"Governmental Authority" means any federal, state, or local governmental authority or instrumentality, including any court, tribunal or administrative or regulatory agency, department, bureau, commission or board.

"Hazardous Substance" means any pollutant, contaminant, hazardous or toxic substance, material, constituent or waste or any pollutant or any release thereof that is labeled or regulated as such by any Governmental Authority pursuant to an Environmental Law, including petroleum or petroleum compounds, radioactive materials, asbestos or any asbestos-containing material, or polychlorinated biphenyls.

"Headquarters Employees" means the employees of the Renaissance Companies set forth in Schedule 1.2.

"HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, and the regulations promulgated by the Federal Trade Commission with respect thereto, as amended and in effect from time to time.

"Indebtedness" of any Person means, without duplication, (a) all indebtedness for borrowed money; (b) all obligations issued, undertaken or assumed as the deferred purchase price of property or services (other than trade payables and accrued liabilities entered into in the ordinary course of business on ordinary terms); (c) all non-contingent reimbursement or payment obligations with respect to surety instruments; (d) all obligations evidenced by notes, bonds, debentures or similar instruments, including obligations so evidenced incurred in connection with the acquisition of property, assets or businesses; (e) all indebtedness created or arising under any conditional sale or other title retention agreement, or incurred as financing, in either case with respect to property acquired by the Person (even though the rights and remedies of the seller or bank under such agreement in the event of default are limited to repossession or sale of such property) and all obligations under any linefill agreements; (f) all capitalized lease obligations; (g) all net obligations with respect to swap Contracts; (h) all indebtedness referred to in clauses (a) through (g) above secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any lien upon or in property (including accounts and contract rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Indebtedness; and (i) all guaranty obligations in respect of indebtedness or obligations of others of the kinds referred to in clauses (a) through (g) above; provided, however, that "Indebtedness" shall not include any obligations such as letters of credit, surety bonds or performance bonds or similar obligations entered into in the ordinary course of business.

"Indemnity Agreement" means the Indemnity Agreement to be executed and delivered by Buyer, Charter, Holdings and the Escrow Agent, substantially in the form of Exhibit E hereto, which agreement shall be executed and delivered on the Closing Date.

"Indenture" means the Indenture dated as of April 9, 1998 among Renaissance Louisiana, Renaissance Tennessee, Renaissance Capital, Group, as guarantor, and United States Trust Company of New York, as Trustee as the same may be amended and in effect from time to time.

"Indenture Closing Documents" means the Placement Agreement dated April 6, 1998 among Group, Renaissance Louisiana, Renaissance Tennessee, Renaissance Capital and Morgan Stanley & Co. Incorporated and the Registration Rights Agreement dated April 6, 1998 among Group, Renaissance Louisiana, Renaissance Tennessee, Renaissance Capital and Morgan Stanley & Co. Incorporated, as each of the same may be amended and in effect from time to time.

"Intangibles" means all copyrights, trademarks, trade names, service marks, service names, patents, permits, proprietary information, technical information and data, machinery and equipment warranties, and other similar intangible property rights and interests (which shall in no event include Franchises, Licenses or Contracts) issued to or owned by any of the Renaissance Companies.

"Knowledge" means the actual knowledge of the persons listed in Schedule 1.1(a) with respect to Buyer and Charter and the actual knowledge of the persons listed in Schedule 1.1(b) with respect to Holdings and Group.

"Legal Restrictions" means restrictions arising under the securities laws, the Cable Act, FCC Regulations, the Franchises and the Licenses.

"Legal Requirements" means applicable common law and any applicable statute, permit, ordinance, code or other law, rule, regulation, order, technical or other standard, requirement or procedure enacted, adopted, promulgated or applied by any Governmental Authority (including, without limitation, the FCC), including any applicable order, decree or judgment which may have been handed down, adopted or imposed by any Governmental Authority, all as in effect from time to time.

"Licenses" means all domestic satellite, business radio and other FCC Licenses, and all other licenses, authorizations and permits issued by any Governmental Authority that are held by a Renaissance Company in the business and operations of the Systems, excluding the Franchises.

"Loss" means any claims, losses, liabilities, damages, penalties, costs and expenses (excluding any and all consequential, incidental and special damages).

"Material Adverse Effect" means a material adverse effect on the business, results of operations, assets, liabilities or financial condition of the Renaissance Companies, taken as a whole or the Systems, taken as a whole, but without giving effect to any effect resulting from (i) changes in conditions (including economic conditions, Rate Regulatory Matters and other federal or state governmental actions, proposed or enacted legislation or proposed or enacted regulations) that are applicable to the economy or the cable television industry in general on a national, regional or state basis or (ii) any changes in competition affecting the business of the Renaissance Companies.

"Material Contract" means any Contract that is material to the business, financial condition or results of operations of the Renaissance Companies, taken as a whole, including the Debt Documents, the Material Leases, and any other Contract that requires payments in the aggregate of more than $50,000 per year and has a remaining stated term of longer than twelve (12) months from the date of this Agreement.

"Material FCC Consent" means any Consent of the FCC that is necessary for the transfer of control to Buyer in connection with the consummation of the transactions contemplated by this Agreement with respect to the Licenses identified in Schedule 1.1.

"Material Lease" means any lease designated as a "Material Lease" in Schedule 3.9.

"Organizational Documents" means, with respect any Person (other than an individual), the articles or certificate of incorporation, bylaws, certificate of limited partnership, partnership agreement, certificate of formation, limited liability company operating agreement, and all other organizational documents of any Person other than an individual.

"Permitted Encumbrances" means each of the following: (A) liens for current taxes and other governmental charges that are not yet due and payable; (B) liens for taxes, assessments, governmental charges or levies, or claims the non-payment of which is being diligently contested in good faith or liens arising out of judgments or awards against the Renaissance Companies with respect to which at the time there shall be a prosecution for appeal or there shall be a proceeding to review or the time limit has not yet run for such an appeal or review with respect to such judgment or award; provided that with respect to the foregoing liens in this clause (B), adequate reserves shall have been set aside on the Renaissance Companies' books, and no foreclosure, distraint, sale or similar proceedings shall have been commenced with respect thereto that remain unstayed for a period of 60 days after their commencement; (C) liens of carriers, warehousemen, mechanics, laborers, and materialmen and other similar statutory liens incurred in the ordinary course of business for sums not yet due or being diligently contested in good faith, and for which adequate reserves have been set aside on the Renaissance Companies' books; (D) liens incurred in the ordinary course of business in connection with worker's compensation and unemployment insurance or similar laws; (E) statutory landlords' liens; (F) with respect to the Real Property, leases, easements, rights to access, rights-of-way, mineral rights or other similar reservations and restrictions, defects of title, which are either of record or set forth in Schedule 3.19 or in the deeds or leases to such Real Property or which (and, with respect to owned Real Property only, and which) either individually or in the aggregate, do not have any Material Adverse Effect; (G) Encumbrances arising under or in respect of the Senior Debt and the Credit Agreement and the documents and instruments delivered in connection therewith or pursuant thereto; and (H) any other claims or encumbrances that are described in Schedule 3.9 and that relate to liabilities and obligations that are to be discharged in full at the Closing or that will be removed prior to or at Closing.

"Person" means an individual, corporation, association, partnership, joint venture, trust, estate, limited liability company, limited liability partnership, Governmental Authority, or other entity or organization.

"Pre-Closing Tax Period" means any Tax period (or portion thereof) ending on or before the Closing Date.

"Programming Agreement" means the Program Management Agreement dated as of April 9, 1998 by and between Renaissance Media and Time Warner Cable, a division of Time Warner Entertainment Company, L.P., a Delaware limited partnership, as the same may be amended and in effect from time to time.

"Purchased Interests" means 100% of the limited liability company interests of Group.

"Rate Regulatory Matter" shall mean, with respect to any cable television system, any matter or any effect on such system or the business or operations thereof, arising out of or related to the Cable Act, any FCC Regulations heretofore adopted thereunder, or any other present or future Legal Requirement dealing with, limiting or affecting the rates which can be charged by cable television systems to their customers (whether for programming, equipment, installation, service or otherwise).

"Real Property" means all of the fee and leasehold estates and, to the extent of the interest, title, and rights of the Renaissance Companies in the following: buildings and other improvements thereon, easements, licenses, rights to access, rights-of-way, and other real property interests that are owned or held by any of the Renaissance Companies and used or held for use in the business or operations of the Systems, plus such additions thereto and less such deletions therefrom arising between the date hereof and the Closing Date in accordance with this Agreement.

"Released Parties" means, collectively, Holdings and its Affiliates and their respective officers, directors, shareholders, members, partners, employees and agents.

"Renaissance Capital" means Renaissance Media Capital Corporation, a Delaware corporation.

"Renaissance Companies" means, collectively, Group, Renaissance Media, Renaissance Capital, Renaissance Louisiana and Renaissance Tennessee, each of which may be referred to herein individually as a "Renaissance Company."

"Renaissance's Disclosure Schedules" means the Disclosure Schedules referred to in Sections 3, 4 and 6.1 of this Agreement and attached to this Agreement.

"Renaissance Louisiana" means Renaissance Media (Louisiana) LLC, a Delaware limited liability company.

"Renaissance Media" means Renaissance Media LLC, a Delaware limited liability company.

"Renaissance Tennessee" means Renaissance Media (Tennessee) LLC, a Delaware limited liability company.

"SEC" means the U.S. Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder, as in effect from time to time.

"Senior Debt" means the outstanding indebtedness of the Renaissance Companies under the Credit Agreement.

"Senior Debt Amount" means the aggregate principal amount, plus accrued and unpaid interest, outstanding in respect of the Senior Debt pursuant to the Credit Agreement as of the Closing Date.

"Senior Discount Notes" means the 10% Senior Discount Notes due 2008 in the aggregate principal amount at maturity of $163,175,000 issued by Renaissance Louisiana, Renaissance Tennessee and Renaissance Capital and guaranteed by Group.

"Senior Discount Notes Accreted Value" means the Accreted Value (as defined in the Indenture) of the Senior Discount Notes as of the Closing Date.

"Subscriber" means any Person to whom any Renaissance Company provides cable television programming or other service through the Systems into a single household, a multiple dwelling unit, a hotel or motel unit, a commercial business or any other real property improvement.

"Subsidiary" means, with respect to any Person, any other Person of which the outstanding voting Equity Interests sufficient to elect at least a majority of its board of directors or other governing body (or, if there are no such voting interests, of which 50% or more of the Equity Interests) are owned (beneficially or otherwise) directly or indirectly by such first Person or any Subsidiary thereof.

"Systems" means the cable television systems owned and operated by any Renaissance Company or any combination of any of them, each of which may be referred to herein individually as a "System."

"Tangible Personal Property" means all of the equipment, tools, vehicles, furniture, leasehold improvements, office equipment, plant, converters, spare parts, and other tangible personal property which are owned or leased by any of the Renaissance Companies and used or held for use in the conduct of the business or operations of the Systems, plus such additions thereto and less such deletions therefrom arising between the date hereof and the Closing Date in accordance with this Agreement and other than the Excluded Assets.

"Tax" means any and all taxes, fees, levies, duties, tariffs, imposts and other charges of any kind imposed by any government or taxing authority, including, without limitation: federal, state, local, or foreign income, gross receipts, windfall profits, severance, property, production, sales, use, license, excise, franchise, capital, transfer, employment, withholding, or other tax or governmental assessment, together with any interest, additions, or penalties with respect thereto and any interest in respect of such additions or penalties.

"Tax Return" means any tax return, declaration of estimated tax, tax report or other tax statement, or any other similar filing , including any schedule or attachment thereto, and including any amendment thereof, required to be submitted to any Governmental Authority with respect to any Tax.

"Transaction Documents" means this Agreement, the Adjustment Escrow Agreement (if applicable), the Indemnity Agreement and the other documents, agreements, certificates and other instruments to be executed, delivered and performed by the parties in connection with the transactions contemplated by this Agreement.

"Transferable Franchise Area" means any Franchise Area with respect to which (A) any Consent necessary under a Franchise in connection with the consummation of the transactions contemplated by this Agreement shall have been obtained or shall have been deemed obtained by operation of law in accordance with the provisions of the Cable Act, or (B) no Consent is necessary under a Franchise in connection with the consummation of the transactions contemplated by this Agreement.

"Upset Date" means the one year anniversary date of this Agreement, subject to extension as provided in Section 8.1(a)(3) and 8.1(a)(4).

1.2 Terms Defined Elsewhere in this Agreement. For purposes of this Agreement, and in addition to (i) the definitions set forth in the first paragraph hereof and in Section 1.1, and (ii) certain defined terms that are used solely within the section in which they are defined, the following terms have the meanings set forth in the sections indicated:

Term	Section
Adjustment Escrow Amount	Section 2.4(b)
Antitrust Division	Section 6.5
Cash Consideration	Section 2.2
CCH	Section 5.6
Claimant	Section 10.6(a)

Closing Cash Payment	Section 2.4
Closing Equivalent Subscribers	Section 2.3(a)
Closing Net Liabilities	Section 2.3(b)
Confidentiality Agreement	Section 6.2(a)
Current Assets	Section 2.3(b)(2)
Current Liabilities	Section 2.3(b)(3)
DOL	Section 3.13(d)(ix)
Fee Properties	Section 3.9
Final Closing Statement	Section 2.5(a)
Financial Statements	Section 3.5(a)
FTC	Section 6.5
Indemnity Fund	Section 10.4
Indemnifying Party	Section 10.6(a)
Inventory	Section 3.19
Investment Person	Section 3.3(a)
Preliminary Closing Statement	Section 2.4
Preliminary Dispute Notice	Section 2.4
Referee	Section 2.4(a)
Tax Partnership	Section 3.12(f)
Working Capital	Section 2.3(b)(1)
Year 2000 Problem	Section 3.22

1.3 Rules of Construction. Words used in this Agreement, regardless of the gender and number specifically used, shall be deemed and construed to include any other gender and any other number as the context requires. As used in this Agreement, the word "including" is not limiting, and the word "or" is not exclusive. Except as specifically otherwise provided in this Agreement in a particular instance, a reference to a Section is a reference to a Section of this Agreement, a reference to an Exhibit is a reference to an Exhibit to this Agreement, and the terms "hereof," "herein," and other like terms refer to this Agreement as a whole, including the Disclosure Schedules and the Exhibits to this Agreement, and not solely to any particular part of this Agreement. The descriptive headings in this Agreement are inserted for convenience of reference only and are not intended to be part of or to affect the meaning or interpretation of this Agreement.

SECTION 2 SALE AND PURCHASE OF PURCHASED INTERESTS; ASSUMPTION OF LIABILITIES; CASH CONSIDERATION.

2.1 Agreement to Sell and Buy Purchased Interests. Subject to the terms and conditions set forth in this Agreement, Holdings hereby agrees to sell, transfer, convey and deliver to Buyer at the Closing, and Buyer hereby agrees to purchase at the Closing, the Purchased Interests free and clear of all Encumbrances, subject to the Legal Restrictions.

2.2 Cash Consideration for Purchased Interests. Buyer shall pay and deliver to Holdings at the Closing, as consideration for the sale of the Purchased Interests, a cash payment equal to Four Hundred Fifty-Nine Million Dollars ($459,000,000), subject to adjustment in accordance with Sections 2.3, 2.4 and 2.5 (the "Cash Consideration"), less the amounts to be deposited by Buyer in escrow under the Adjustment Escrow Agreement pursuant to Section 2.4(b), to the extent applicable, and under the Indemnity Agreement and pursuant to Section 10.4.

2.3 Cash Consideration Adjustments.

(a) Closing Equivalent Subscribers. The Cash Consideration shall be decreased by the number, if any, by which the number of Closing Equivalent Subscribers is less than 130,645 multiplied by $3,513. For purposes of this Agreement, "Closing Equivalent Subscribers" means the total number of Equivalent Subscribers for all of the Systems as of the Closing Date.

(b) Closing Net Liabilities. The Cash Consideration shall be decreased by the amount of the Closing Net Liabilities. For purposes of this Agreement, "Closing Net Liabilities" means:

(i) the Senior Discount Notes Accreted Value; plus

(ii) the Senior Debt Amount; plus

(iii) the principal amount and any accrued but unpaid interest as of the Adjustment Time in respect of any other indebtedness for borrowed money (not included in the foregoing clauses (b)(i) and (ii) of this Section 2.3), if any, of the Renaissance Companies as of the Closing Date; minus

(iv) Working Capital if such number is greater than zero; plus

(v) the absolute value of Working Capital if such number is less than zero.

(1) Subject to the other provisions of this Section 2.3(b), "Working Capital" means Current Assets as of the Adjustment Time minus Current Liabilities as of the Adjustment Time.

(2) Subject to the other provisions of this Section 2.3(b), "Current Assets" means the total current assets of the Renaissance Companies as defined for purposes of

GAAP, and prepayments in respect of performance bonds and long term rights of way with a maturity in excess of one year, computed for the Renaissance Companies as of the Adjustment Time on a consolidated basis and without duplication in accordance with GAAP.

(3) Subject to the other provisions of this Section 2.3(b) and Section 3.12(a), "Current Liabilities" means the total current liabilities of the Renaissance Companies as defined for purposes of GAAP, including, without limitation, vacation pay, computed for the Renaissance Companies as of the Adjustment Time on a consolidated basis and without duplication in accordance with GAAP; provided, however, that notwithstanding GAAP, or anything to the contrary in this Agreement, Current Liabilities shall not include and no adjustment to the Cash Consideration shall be made in respect of: (A) any amount payable in respect of or pursuant to the Debt Documents; (B) any prepayment penalty or premium, breakage costs, change of control penalty or premium or other payment arising out of or resulting from the consummation of the transactions contemplated by this Agreement, including the termination of any Contract, under or pursuant to the Debt Documents or any other Contract or other obligation to which any of the Renaissance Companies is a party or by which it may be bound; or (C) any Taxes to be paid by the Buyer pursuant to Section 6.10.

2.4 Payments at Closing. No later than ten (10) days prior to the date scheduled for the Closing, Holdings shall prepare and deliver to Buyer a written report (the "Preliminary Closing Statement") setting forth Holdings' estimates of Closing Net Liabilities and Closing Equivalent Subscribers, determined in accordance with Section 2.3, and the Cash Consideration, as adjusted pursuant to Section 2.3 and a list and description of the principal methodologies and the principal accounting policies and practices used in the preparation thereof. The Preliminary Closing Statement shall be prepared by Holdings in good faith and shall be certified by Holdings to be its good faith estimate of the Closing Net Liabilities and Closing Equivalent Subscribers as of the date thereof. Holdings shall make available to Buyer such information as Buyer shall reasonably request relating to the matters set forth in the Preliminary Closing Statement. If Buyer does not agree with the Closing Net Liabilities, Closing Equivalent Subscribers or Cash Consideration set forth in the Preliminary Closing Statement, then on or prior to the third day prior to the date scheduled for the Closing, Buyer may deliver to Holdings a written report (the "Preliminary Dispute Notice") setting forth in reasonable detail Buyer's good faith estimates (supported by substantial evidence) of any amount set forth in the Preliminary Closing Statement with which Buyer disagrees. In the case of any such estimated amount set forth in the Preliminary Dispute Notice, Holdings and Buyer shall endeavor in good faith to agree prior to the Closing on the appropriate amount of such estimates to be used in calculating the Closing Cash Payment (as defined below). If Holdings and Buyer do not agree on any such amounts by the business day prior to the date scheduled for the Closing, Holdings, at its election, may either:

(a) Elect to postpone the Closing and retain Price Waterhouse Coopers (the "Referee") to make a determination as to the appropriate treatment for purposes of agreeing on estimates to be made at Closing of any amounts under dispute and the Closing shall thereafter take place on the third business day following resolution of such dispute, subject to satisfaction or waiver of all applicable conditions precedent. The Referee shall endeavor to resolve the dispute as promptly as practicable and the Referee's resolution of the dispute shall be final and binding on the parties for purposes of the estimates to be made at Closing; provided, however, that in no event shall such resolution result in (i) amounts less than the amounts therefor (in the case of liabilities) or greater than the amounts therefor (in the case of assets) set forth in the Preliminary Closing Statement or (ii) amounts greater than the amounts therefor (in the case of liabilities) or less than the amounts therefor (in the case of assets) set forth in the Preliminary Dispute Notice. The costs and expenses of the Referee and its services rendered pursuant to this Section 2.4 shall be borne one-half by Buyer and one-half by Holdings; or

(b) Elect to proceed to Closing and cause Buyer, at the Closing, to deposit an amount in cash equal to the difference (the "Adjustment Escrow Amount") between the Cash Consideration, adjusted pursuant to Section 2.3(a) and (b) that would be calculated using the estimates set forth in the Preliminary Closing Statement (with any changes thereto mutually agreed to by Buyer and Holdings) and the Cash Consideration adjusted pursuant to Section 2.3(a) and (b) that would be calculated using the estimates set forth in the Preliminary Dispute Notice (with any changes thereto mutually agreed to by Buyer and Holdings), to the Adjustment Escrow Agent, to be held and disbursed in accordance with the terms of the Adjustment Escrow Agreement and Section 2.5.

At Closing, Buyer shall pay (x) to the Escrow Agent the sum of the Indemnity Fund to be held by the Escrow Agent in escrow on behalf of Holdings in accordance with the terms of the Indemnity Agreement and Section 10.4, (y) if Holdings has made the election in clause (b) above, to the Adjustment Escrow Agent, the Adjustment Escrow Amount to be held by the Adjustment Escrow Agent in escrow on behalf of the parties in accordance with the terms of the Adjustment Escrow Agreement and Section 2.5 and (z) to Holdings the amount of the Cash Consideration adjusted pursuant to Section 2.3(a) and (b), as determined pursuant to this Section 2.4 (including, without limitation, as determined pursuant to Section 2.4(a) and as mutually agreed by Buyer and Holdings) (such amount, the "Closing Cash Payment"), less the aggregate amount paid to the Escrow Agent under clause (x) and, if applicable, the Adjustment Escrow Agent under clause (y). None of the Adjustment Escrow Amount will be available for any purpose, other than as described in Section 2.5(b), and the Adjustment Escrow Amount shall not be available to satisfy any obligations of Holdings pursuant to Section 10.

2.5 Post-Closing Payment of Cash Consideration Adjustments.

(a) Final Closing Statement. Within seventy-five (75) days after the Closing Date, Buyer shall prepare and deliver to Holdings a written report (the "Final Closing Statement") setting forth Buyer's final estimates of Closing Net Liabilities and Closing Equivalent Subscribers to the extent not previously determined pursuant to Section 2.4(a), determined in accordance with Section 2.3 and in accordance with the methodologies and the accounting policies and practices consistent with those used in preparing the Preliminary Closing Statement, and the Cash Consideration, as adjusted pursuant to Section 2.3. The Final Closing Statement shall be prepared by Buyer in good faith and shall be certified by Buyer to be, as of the date prepared, its good faith estimate of the Closing Net Liabilities, Closing Equivalent Subscribers and Cash Consideration, as so adjusted, as applicable. Buyer shall allow Holdings and its agents access at all reasonable times after the Closing Date to copies of the books, records and accounts of the Renaissance Companies and make available to Holdings such information as Holdings reasonably requests to allow Holdings to examine the accuracy of the Final Closing Statement. Within thirty (30) days after the date that the Final Closing Statement is delivered by Buyer to Holdings, Holdings shall complete its examination thereof and may deliver to Buyer a written report setting forth any proposed adjustments to any amounts set forth in the Final Closing Statement; provided, however, that if Buyer does not comply with its obligations pursuant to the preceding sentence, such thirty (30) day period shall run from the day after the date on which Buyer complies with such obligations. After submission of the Final Closing Statement, Buyer shall have no right to raise further adjustments in its favor and after submission of Holdings' report of any proposed adjustments, Holdings shall have no right to raise further adjustments in its favor. If Holdings notifies Buyer of its acceptance of the amounts set forth in the Final Closing Statement, or if Holdings fails to deliver its report of any proposed adjustments within the period specified in the second preceding sentence, the amounts set forth in the Final Closing Statement shall be conclusive, final and binding on the parties as of the last day of such period. Buyer and Holdings shall use good faith efforts to resolve any dispute involving the amounts set forth in the Final Closing Statement. If Holdings and Buyer fail to agree on any amount set forth in the Final Closing Statement within fifteen (15) days after Buyer receives Holdings' report pursuant to this Section 2.5, (a) then Holdings shall retain the Referee to make the final determination, under the terms of this Agreement, of any amounts under dispute. The Referee shall endeavor to resolve the dispute as promptly as practicable and the Referee's resolution of the dispute shall be final and binding on the parties, and a judgment may be entered thereon in any court of competent jurisdiction; provided that in no event shall such resolution result in (i) amounts less than the amounts therefor (in the case of liabilities) or more than the amounts therefor (in the case of assets) set forth in Holdings' written report pursuant to this Section 2.5(a) or (ii) amounts greater than the amounts therefor (in the case of liabilities) or less than the amounts therefor (in the case of assets) set forth in the Final Closing Statement. The costs and expenses of the Referee and its services rendered pursuant to this Section 2.5 shall be borne one-half by Buyer and one-half by Holdings.

(b) Payment of Cash Consideration Adjustments.

(1) After the amount of the Cash Consideration is finally determined pursuant to Section 2.5(a), payments shall be made as follows:

(A) If the amount of the Cash Consideration as finally determined pursuant to Section 2.5(a) exceeds the Closing Cash Payment, then within three business days after the date the amount of Cash Consideration is finally determined pursuant to Section 2.5(a), (i) Buyer will pay to Holdings in cash the amount of such excess by wire or accounts transfer of immediately available funds to an account designated by Holdings by written notice to Buyer and (ii) Buyer and Holdings will direct the Adjustment Escrow Agent to pay to Holdings in cash the Adjustment Escrow Amount, if any.

(B) If the amount of the Closing Cash Payment exceeds the amount of the Cash Consideration as finally determined pursuant to Section 2.5(a), then within three business days after the date the amount of Cash Consideration is finally determined pursuant to Section 2.5(a), (i) Holdings will direct the Adjustment Escrow Agent to pay to Buyer in cash the amount of such excess to the extent of the Adjustment Escrow Amount, if any, and (ii) if such excess is greater than the amount paid to Buyer from the Adjustment Escrow Amount, Holdings will pay to Buyer in cash the amount of such excess to the extent not paid from the Adjustment Escrow Amount, by wire or accounts transfer of immediately available funds to an account designated by Buyer by written notice to Holdings. If any portion of the Adjustment Escrow Amount, if any, remains after payment to Buyer of any amounts pursuant to the preceding sentence, Buyer and Holdings will direct the Adjustment Escrow Agent to promptly pay such amounts to Holdings.

(2) Any amount which becomes payable pursuant to this Section 2.5 will constitute an adjustment to the Cash Consideration for all purposes.

SECTION 3: REPRESENTATIONS AND WARRANTIES OF GROUP

Subject to any provisions of this Agreement limiting, qualifying or excluding any of the representations or warranties made herein, and to the disclosures set forth in Renaissance's Disclosure Schedules, as such schedules are referenced herein, Group hereby represents and warrants to Buyer as set forth in this Section 3.

3.1 Organization and Authority. Each of the Renaissance Companies (other than Renaissance Capital) set forth in Schedule 3.1 is a limited liability company duly formed, validly existing and in good standing under the laws of the State of Delaware. Renaissance Capital is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. Each of the Renaissance Companies has the requisite limited liability company or corporate (as the case may be) power and authority to own, lease and operate its properties, to carry on its business in the places where such properties are now owned, leased or operated and in the manner in which such business is now conducted, and to execute, deliver and perform this Agreement and the other Transaction Documents to which it is a party according to their respective terms.

3.2 Authorization and Binding Obligation. The execution, delivery and performance by Group of this Agreement and the other Transaction Documents to which it is a party have been duly authorized by all necessary limited liability company or corporate (as the case may be) action on its part. This Agreement and the other Transaction Documents to which each Renaissance Company is a party have been duly executed and delivered by such Renaissance Company (as the case may be, or, in the case of Transaction Documents to be executed and delivered at Closing, when executed and delivered will be duly executed and delivered) and constitute (or, in the case of Transaction Documents to be executed and delivered at Closing, when executed and delivered will constitute) the legal, valid, and binding obligation of such Renaissance Company (as the case may be) enforceable against such Renaissance Company (as the case may be) in accordance with their terms, except as the enforceability of this Agreement and such other Transaction Documents may be limited by Enforceability Exceptions.

3.3 Organization and Ownership of Renaissance Companies.

(a) Schedule 3.3 sets forth the name of each Renaissance Company, including the jurisdiction of incorporation or formation (as the case may be) of each. Each Renaissance Company is duly qualified, validly existing and in good standing as a foreign corporation or limited liability company, as the case may be, in each jurisdiction listed in Schedule 3.3, which are all jurisdictions in which such qualification is required. Except as disclosed in Schedule 3.3, no Renaissance Company, directly or indirectly, owns, of record or beneficially, any outstanding securities or other interest in any Person (each such Person described in Schedule 3.3, an "Investment Person") or has the right or obligation to acquire, any Equity Interests, outstanding securities or other interest in any Person

(b) Schedule 3.3 sets forth the authorized, issued and outstanding Equity Interests of each Renaissance Company and the record and beneficial owner of each issued and outstanding Equity Interest of each of them. All of such issued and outstanding Equity Interests of the Renaissance Companies have been validly issued, are fully paid and non-assessable and have not been issued in violation of any federal or state securities laws. Except as set forth in Schedule 3.3, the owner of the Equity Interests of each Renaissance Company owns such Equity Interests free and clear of all Encumbrances, but subject to the Legal Restrictions (except that no representation is made in this Section 3 as to the Purchased Interests held by Holdings). Except as disclosed in Schedule 3.3, there are no outstanding securities, options, warrants, calls, rights, commitments, agreements, arrangements or undertakings of any kind to which any Renaissance Company is a party or by which any of them is bound obligating such Renaissance Company to issue, deliver or sell, or cause to be issued, delivered or sold, any additional Equity Interests of such Renaissance Company or obligating such Renaissance Company to issue, grant, extend or enter into any such security, option, warrant, call, right, commitment, agreement, arrangement or undertaking. The Renaissance Companies have delivered to Buyer complete and correct copies of the Organizational Documents of each Renaissance Company as in effect on the date hereof.

3.4 Absence of Conflicting Agreements; Consents. Except for the expiration or termination of any applicable waiting period under the HSR Act, or as set forth in Schedule 3.4 or Schedule 3.8 or as would not impair the ability of Group to perform its obligations under the Transaction Documents, the execution, delivery and performance by Holdings and Group of this Agreement and the other Transaction Documents to which they are a party (with or without the giving of notice, the lapse of time, or both): (a) do not require the Consent of, notice to, or filing with any Governmental Authority or any other Person under any Franchise, FCC License or Material Contract; (b) will not conflict with any provision of the Organizational Documents of any Renaissance Company, each as currently in effect; (c) assuming receipt of all Consents listed in Schedule 3.4 or Schedule 3.8, will not conflict with, in any material way, result in a material breach of, or constitute a material default under any Legal Requirement to which any Renaissance Company is bound; (d) assuming receipt of all Consents listed in Schedule 3.4 or Schedule 3.8, will not conflict with, constitute grounds for termination of, result in a breach of, constitute a default under, or accelerate or permit the acceleration of any performance required by the terms of any Franchise, FCC License, or Material Contract; and (e) assuming receipt of all Consents, will not result in the creation of any Encumbrance upon the Assets. Notwithstanding the foregoing, Group makes no representation or warranty regarding any of the foregoing that may result from the specific legal or regulatory status of any of the Charter Parties or as a result of any other facts that specifically relate to the business or activities in which any of the Charter Parties is or proposes to be engaged other than the cable television business.

3.5 Financial Statements.

(a) Holdings has furnished Buyer with true and complete copies of the audited consolidated financial statements (including the notes thereto) of Group for the year ended December 31, 1998 that are attached hereto as Schedule 3.5 (collectively, the "Financial Statements"), and such Financial Statements are by that reference incorporated into and deemed a part of Renaissance's Disclosure Schedules.

(b) Except as disclosed in Schedule 3.5, the Financial Statements: (1) have been prepared from the books and records of the Renaissance Companies to which they relate; (2) have been prepared in accordance with GAAP consistently applied since the inception of Group (except as indicated in the notes thereto); and (3) present fairly in all material respects the financial condition of the Renaissance Companies to which they relate as at December 31, 1998, and the results of operations for the period then ended.

3.6 Absence of Undisclosed Liabilities.

(a) None of the Renaissance Companies has any indebtedness, liability or obligation of a type required by GAAP to be reflected on a balance sheet that is not reflected or reserved against in the balance sheet of the Renaissance Companies included in the Financial Statements, other than indebtedness, liabilities and obligations that were incurred in the ordinary course of business after December 31, 1998, or that would not, in the aggregate, reasonably be expected to be material in accordance with GAAP.

(b) As of the date hereof, except as provided in or arising pursuant to the loan or credit agreements, notes, bonds, indentures and other agreements and instruments listed in Schedule 3.6, or under certain of the property leases listed in Schedule 3.8, the Renaissance Companies have no Indebtedness.

3.7 Absence of Certain Changes. Since December 31, 1998, except as disclosed in Schedule 3.7 and except for matters occurring after the date hereof that are permitted by the provisions of this Agreement or consented to by Buyer and Charter no Renaissance Company has:

(a) made any sale, assignment, lease or other transfer of assets other than in the ordinary course of business;

(b) issued any note, bond or other debt security or created, incurred, assumed or guaranteed any Indebtedness; or

(c) made or promised any material increase in the salary or other compensation payable or to become payable to any executive officer or other employee of any Renaissance Company other than in the ordinary course of business or as contemplated under any employment or bonus arrangement currently in effect.

3.8 Franchises, Licenses, Material Contracts. Schedule 3.8 contains a list of the Franchises (including the Franchising Authority which granted each Franchise, the stated expiration date of each Franchise), the System to which the Franchise applies, FCC Licenses and Material Contracts in effect on the date hereof, each pending application for a Franchise and a list of any System or portion thereof owned or operated by the Renaissance Company which does not require a Franchise authorizing the installation, construction, development, ownership or operation of the same; which list is true, correct and complete. The Renaissance Companies possess all Franchises and FCC Licenses necessary to operate their business as currently conducted. Without material exception, the Renaissance Companies possess all other Licenses necessary to operate their business as currently conducted. Holdings has delivered to Buyer true and complete copies of all Franchises, FCC Licenses and Material Contracts as in effect on the date hereof. The Franchises, FCC Licenses and Material Contracts are in full force and effect (subject to expiration at the end of their current term) and are valid, binding and enforceable upon the Renaissance Company that is a party thereto and, to Group's Knowledge, the other parties thereto in accordance with their terms, except to the extent such enforceability may be affected by Enforceability Exceptions. Except as disclosed in Schedule 3.8, the Renaissance Companies are in compliance with the terms of the Franchises, FCC Licenses and Material Contracts, except for such noncompliance which in the aggregate is immaterial to the Renaissance Companies, taken as a whole, or would not prevent the operation of the business of the Renaissance Companies as currently conducted, and, as of the date of this Agreement, none of the Renaissance Companies has received any written notice from a Franchising Authority, a consultant representing a Franchising Authority, any state cable regulatory authority or the FCC to the effect that any of the Renaissance Companies are not currently in compliance with the terms of the Franchise granted by such Franchising Authority or with any FCC License. Except as set forth in Schedule 3.8, a valid request for renewal has been timely filed under Section 626(a) of the Cable Act with the proper Franchising Authority with respect to each Franchise that has expired prior to, or will expire within thirty months after, the date of this Agreement.

3.9 Title to and Condition of Real Property and Tangible Personal Property. Schedule 3.9 lists the street address for all Real Property owned in fee by any of the Renaissance Companies as of the date of this Agreement (excluding easements, rights-of-way, and similar authorizations) (the "Fee Properties"). A true and correct copy of (i) each deed pursuant to which any of the Renaissance Companies acquired any Fee Property, any survey and title insurance policies issued to such Renaissance Company, (ii) any leases under which any Renaissance Company is the lessor affecting such Fee Property or (iii) any other easements, rights-of-way, covenants, conditions and restrictions, document or agreement affecting title to such Fee Property (and, in the case of this clause (iii), in the possession of the Renaissance Companies) have been delivered or made available to Buyer. Schedule 3.9 lists the street address for the Real Property leased by any of the Renaissance Companies, as lessee, as of the date of this Agreement and sets forth the parties to the applicable lease and any amendments, supplements or modifications thereto. Except as disclosed in Schedule 3.9: (a) the Renaissance Company that owns a fee estate in a Real Property parcel has good and marketable title thereto; (b) the Renaissance Company that owns any material item of Tangible Personal Property has good and valid title thereto; (c) the Renaissance Company that leases Real Property has a valid leasehold interest therein (subject to expiration of such lease in accordance with its terms), except to the extent that the failure to have any such valid leasehold interests would not impair the operation of the Systems in any material respect; and (d) the Renaissance Company that leases any material item of Tangible Personal Property has a valid leasehold interest therein (subject to expiration of such lease in accordance with its terms), in each case of (a), (b), (c) and (d) above, free and clear of all Encumbrances, other than Permitted Encumbrances and subject to the Legal Restrictions. Notwithstanding the express language of this Section 3.9 or as may otherwise be provided in this Agreement, no representation or warranty is being made as to title to the internal wiring, house drops and unrecorded dwelling-unit easements, rights of entry or rights-of-way held or used by the Renaissance Companies.

3.10 Intangibles. Schedule 3.10 contains a true and correct description and list of the Intangibles (exclusive of those required to be listed in Schedule 3.8), that are owned or leased by any of the Renaissance Companies and that are necessary for the conduct of the business or operations of the Systems as currently conducted. Except as to potential copyright liability arising from the performance, exhibition or carriage of any music on the Systems or as disclosed in Schedule 3.10, no Renaissance Company is infringing upon any trademarks, trade names, copyrights or similar intellectual property rights of others.

3.11 Information Regarding the Systems.

(a) Subscribers. Schedule 3.11 sets forth the approximate number of Equivalent Subscribers as of the date indicated therein (including the approximate number of Equivalent Subscribers served in each System) and sets forth a true, complete and correct statement of all Subscribers' rates, tariffs and other charges for cable television and other services provided by any Renaissance Company, and a list of all free, discount or other promotional service obligations (other than those obligations which are regularly offered or arise in the ordinary course of the business and operations of the Renaissance Companies) of any Renaissance Company, with respect to the Systems as of the date of this Agreement. The Renaissance Companies' billing records are prepared by CSG Systems, Inc. in accordance with its customary practices.

(b) Certain Systems Information. Schedule 3.11 sets forth the approximate number of plant miles (aerial and underground) for each System, the approximate bandwidth capability of each System, the channel lineup for each System, and the monthly rates charged for each class of service offered by each headend, the stations and signals carried by each System and the channel position of each such signal and station, which information is true and correct in all material respects, in each case as of the applicable dates specified therein and subject to any qualifications set forth therein. Each of the respective channel lineups set forth in Schedule 3.11 is capable of being viewed in its entirety by each Subscriber in the applicable System (subject to ordinary course service interruptions).

(c) Franchise and FCC Matters. Except as set forth in Schedule 3.11, all reports or other documents, payments or submissions required to be filed by any of the Renaissance Companies with any of the Franchising Authorities or the FCC have been duly filed and were correct in all material respects when filed. Except as set forth in Schedule 3.11, the Renaissance Companies are permitted under all applicable Franchises and FCC Regulations to distribute the television broadcast signals distributed by the Systems and to utilize all carrier frequencies generated by the operations of the Systems, and are licensed to operate in all material respects all the facilities of the Systems required by Legal Requirements to be licensed.

(d) Request for Signal Carriage. Except for nonduplication and blackout notices received in the ordinary course of business, none of the Renaissance Companies has received any FCC order requiring any System to carry a television broadcast signal or to terminate carriage of a television broadcast signal with which it has not complied, and, except as disclosed in Schedule 3.11, the Renaissance Companies have complied in all material respects with all written and bona fide requests or demands received from television broadcast stations to carry or to terminate carriage of a television broadcast signal on a System.

(e) Rate Regulatory Matters. Schedule 3.11 sets forth a list of all Governmental Authorities that are certified to regulate rates of the Systems pursuant to the Cable Act and FCC Regulations as of the date of this Agreement. No pending rate complaints have been filed with the FCC against the Systems according to the FCC's log dated January 1, 1999, which reflects rate complaints filed through December 31, 1998. Except as disclosed in Schedule 3.11, as of the date of this Agreement, none of the Renaissance Companies has received any written notice and, to Group's Knowledge, any notice (other than written notice) from any Governmental Authority that it has any obligation or liability to refund to subscribers of the Systems any portion of the revenue received by such Renaissance Company from subscribers of the Systems (excluding revenue with respect to deposits for converters, encoders, decoders and related equipment and other prepaid items) that has not been resolved. Buyer and Charter acknowledge that, except as expressly warranted in this Section 3.11(e), Group is not making any representation or warranty regarding any Rate Regulatory Matter and Buyer and Charter shall not be entitled to make any claim against Holdings or Group arising out of or relating to any Rate Regulatory Matter, except as provided in Section 10.2(b).

(f) Insurance. The Systems and Assets are insured against claims, loss or damage in amounts generally customary in the cable television industry and consistent with the Renaissance Companies' past practices. All such policies are with financially sound insurers and are each outstanding and in full force and effect on the date hereof. As of the date hereof, no insurance carrier has denied any claim for insurance made by any Renaissance Company in respect of any of the Systems and Assets or refused to renew any policy issued in respect of any of the Systems and Assets.

(g) Right of First Refusal. Except as disclosed in Schedule 3.11, no Person (including any Governmental Authority) has any right to acquire any interest in any of the Systems (including, without limitation, any right of refusal or similar right), other than rights of condemnation or eminent domain afforded by law or upon the termination of or default under any Franchise.

3.12 Taxes.

(a) The Renaissance Companies have filed or have caused to be filed in a timely manner all required Tax Returns with the appropriate Governmental Authorities in all jurisdictions in which such Tax Returns are required to be filed by the Renaissance Companies (except Tax Returns for which the filing date has not expired or has been extended and such extension period has not expired), and all Taxes shown on such Tax Returns (other than sales, use and property Taxes in an aggregate amount not to exceed $50,000) have been properly accrued or paid to the extent such Taxes have become due and payable. Schedule 3.12 lists all jurisdictions where material Tax Returns are required to be filed with respect to the Renaissance Companies. Holdings has delivered to Buyer true, correct and complete copies of such Tax Returns (in the form filed). The Financial Statements reflect an adequate reserve in accordance with GAAP (without regard to any amounts reserved for deferred taxes) for all material unpaid Taxes payable by the Renaissance Companies for all Tax periods and portions thereof through the date of such Financial Statements. Unpaid Taxes of the Renaissance Companies (other than (i) any Taxes referred to in Section 6.10(d) and (ii) Taxes attributable to Buyer's actions on the Closing Date that are not in the ordinary course of business) for all Pre-Closing Tax Periods shall be included as Current Liabilities in the computation of Closing Net Liabilities to the extent that such unpaid Taxes are not reflected on the Financial Statements. Except as disclosed in Schedule 3.12, none of the Renaissance Companies has executed any waiver or extension of any statute of limitations on the assessment or collection of any Tax or with respect to any liability arising therefrom. Except as disclosed in Schedule 3.12, none of the federal, state or local income Tax Returns filed by the Renaissance Companies has been audited by any taxing authority. Except as disclosed in Schedule 3.12, (i) neither the Internal Revenue Service nor any other taxing authority has asserted, or to the best Knowledge of Group, threatened to assert any deficiency or claim for additional Taxes (other than sales, use and property Taxes in an aggregate amount not to exceed $50,000) against, or any adjustment of Taxes (other than sales, use and property Taxes in an aggregate amount not to exceed $50,000) relating to, any of the Renaissance Companies and, to the best Knowledge of Group, no basis exists for any such deficiency, claim or adjustment, and (ii) there are no proposed reassessments of any property owned by any of the Renaissance Companies that would affect the Taxes of any of the Renaissance Companies. None of the Renaissance Companies has any liability for the Taxes of any person (other than any Renaissance Company) pursuant to Section 1.1502-6 of the Treasury Regulations promulgated under the Code or comparable provisions of any taxing authority in respect of a consolidated, combined or unitary Tax Return. There are no material Tax liens on any assets of the Renaissance Companies, other than liens for current Taxes not yet due and payable and liens for Taxes that are being contested in good faith by appropriate proceedings.

(b) Except as disclosed in Schedule 3.12, none of the Renaissance Companies was included or is includible in any consolidated, combined or unitary Tax Return with any entity.

(c) None of the Renaissance Companies has entered into any compensatory agreements with respect to the performance of services which payment thereunder would result in a non-deductible expense to such Renaissance Company pursuant to Section 280G of the Code or an excise Tax to the recipient of such payment pursuant to Section 4999 of the Code. No acceleration of the vesting schedule for any property that is substantially unvested within the meaning of the regulations under Section 83 of the Code will occur in connection with the transactions contemplated by this Agreement.

(d) No consent under Section 341(f) of the Code has been filed with respect to any of the Renaissance Companies.

(e) Each of the Renaissance Companies has had since its inception and will continue to have through the Closing Date the federal tax status (i.e. partnership, C corporation or S corporation) such entity reported on its 1997 federal Tax Returns except as results from any actions taken pursuant to this Agreement.

(f) Except as disclosed in Schedule 3.12, none of the Renaissance Companies has been at any time a member of any partnership, joint venture or other arrangement or contract which is treated as a partnership for federal, state, local or foreign tax purposes (a "Tax Partnership") or the holder of a beneficial interest in any trust for any period for which the statute of limitations for any Tax has not expired, except for a Tax Partnership which is a Renaissance Company.

(g) Except as disclosed in Schedule 3.12, there are no tax sharing agreements or similar arrangements with respect to or involving any of the Renaissance Companies.

(h) Except as disclosed in Schedule 3.12, none of the Renaissance Companies has any (i) income reportable for a period ending after the Closing Date but attributable to a transaction (e.g., an installment sale) occurring in or a change in accounting method made for a period ending on or prior to the Closing Date which resulted in a deferred reporting of income from such transaction or from such change in accounting method (other than a deferred intercompany transaction), or (ii) deferred gain or loss arising out of any deferred intercompany transaction.

3.13 Employee Plans.

(a) Employee Plans. Schedule 3.13 contains a list of all Employee Plans and material Compensation Arrangements. The Renaissance Companies have delivered or made available to Buyer (or, in accordance with Section 6.1(b), will deliver or make available to Buyer following execution of this Agreement) true, complete and correct copies of each Employee Plan and each Compensation Arrangement, if any, together with any other material documents relating to such Employee Plan or Compensation Arrangement, including, without limitation, any governmental filings relating to such Employee Plan or Compensation Arrangement. None of the Renaissance Companies or any of their ERISA Affiliates is or has been required to contribute to any "multiemployer plan," as defined in ERISA Section 3(37), nor has any

Renaissance Company or any such ERISA Affiliate experienced a complete or partial withdrawal, within the meaning of ERISA Section 4203 or 4205, from such a "multiemployer plan." Except as required under Code Section 4980B or ERISA Sections 601-609, no Employee Plan provides health, life insurance or medical coverage to former employees of the Renaissance Companies.

(b) Qualified Plans. Except as disclosed in Schedule 3.13, with respect to each Employee Plan, and after taking into consideration the effect of the payments to be made with respect to the Employee Plans: (1) each such Employee Plan that is intended to be tax-qualified is the subject of a favorable determination letter, and no such determination letter has been revoked, and to the best of Group's Knowledge, no revocation has been threatened, no event has occurred and no circumstances exist that would adversely affect the tax-qualification of such Employee Plan; (2) no Employee Plan is subject to Section 302 or Title IV of ERISA or Section 412 of the Code; (3) no non-exempt prohibited transaction, within the definition of Section 4975 of the Code or Title 1, Part 4 of ERISA, has occurred which would subject the Renaissance Companies to any material liability; (4) there is no termination or partial termination, or requirement to provide security with respect to any Employee Plan; (5) the fair market value of the assets of any Employee Plan would equal or exceed the value of all liabilities and obligations of such Employee Plan if such plan were to terminate on the Closing Date; and (6) the transactions contemplated by this Agreement will not result in liability under ERISA to any Renaissance Companies or Buyer, or any of their respective ERISA Affiliates, or any entitlement to any additional benefits or any acceleration of the time of payment or vesting of any benefits under any Employee Plan of any Renaissance Company for any employee of any Renaissance Company.

(c) Plan Administration. Each Employee Plan and each Compensation Arrangement has been operated and administered in all material respect in accordance with its terms and all applicable laws, including but not limited to ERISA and the Code. To the best Knowledge of Group, there are no investigations by any governmental agency or other claims (except claims for benefits payable in the normal operation of the Plan), suits or proceedings against or involving any Plan or asserting any rights to or claims for benefits under any Plan that could give rise to any material liability, and there are not any facts that could give rise to any material liability in the event of such investigation, claim, suit or proceeding.

(d) Welfare Plan Funding. The list of Employee Plans in Schedule 3.13 discloses whether each Plan that is an "employee welfare benefit plan" as defined in section 3(1) of ERISA is (i) unfunded, (ii) funded through a "welfare benefit fund," as such term is defined in section 419(e) of the Code, or other funding mechanism or (iii) insured.

(e) Each of the Renaissance Companies and their ERISA Affiliates have properly classified individuals providing services to any Renaissance Company or any ERISA Affiliates as employees or nonemployees except to the extent that a misclassification would not be material.

(f) Labor Unions. As of the date of this Agreement, other than as disclosed in Schedule 3.13, none of the Renaissance Companies is party to or bound by any collective bargaining agreement. As of the date of this Agreement, other than as disclosed in Schedule 3.13, to the Knowledge of Group, (1) none of the employees of the Renaissance Companies is presently a member of any collective bargaining unit related to his or her employment and (2) no collective bargaining unit has filed a petition for representation of any of the employees of the Renaissance Companies.

3.14 Environmental Laws. Except as disclosed in Schedule 3.14: (a) the Renaissance Companies' operations with respect to the Systems comply in all material respects with all applicable Environmental Laws as in effect on the Closing Date; and (b) none of the Renaissance Companies has used the Real Property for the manufacture, transportation, treatment, storage or disposal of Hazardous Substances except for gasoline and diesel fuel and such use of Hazardous Substances (in cleaning fluids, solvents and other similar substances) customary in the construction, maintenance and operation of a cable television system and in amounts or under circumstances that would not reasonably be expected to give rise to material liability for remediation. Except as disclosed in Schedule 3.14, as of the date of this Agreement, no Environmental Claim has been filed or issued against the Renaissance Companies. To Group's Knowledge, the Renaissance Companies' operations with respect to the Systems have complied with all applicable Environmental Laws, except such non-compliance that would not reasonably be expected to have a Material Adverse Effect.

3.15 Claims and Litigation. Except as disclosed in Schedule 3.15, as of the date of this Agreement, there is no claim, legal action, arbitration or other legal, administrative or tax proceeding, order, decree, or judgment or complaint or, to Group's Knowledge, investigation, dispute or controversy reasonably likely to result in litigation against or relating to the Renaissance Companies (or any of their respective Affiliates, directors, officers, employees or agents related to the business or operations of any Renaissance Companies) or the business or operations of any of the Systems (other than FCC and other proceedings generally affecting the cable television industry and not specific to the Renaissance Companies and other than rate complaints or certifications filed by customers or Franchising Authorities), other than routine collection matters or ordinary course matters expected to be covered by insurance policies maintained by the Renaissance Companies, subject to applicable deductibles.

3.16 Compliance With Laws. Except as disclosed in Schedule 3.16 and except for any such noncompliance as has been remedied, each of the Renaissance Companies, the Systems and the Assets are in compliance in all material respects with all Legal Requirements (including, without limitation, (i) the Code, ERISA, the National Labor Relations Act, the Cable Act, FCC Regulations, and the Copyright Act and (ii) the FCC's Cumulative Leakage Index). Group has delivered to Buyer complete and correct copies of all FCC forms relating to rate regulation filed by the Renaissance Companies with any Governmental Authority with respect to the Systems and copies of all correspondence from or to the Renaissance Companies with any Governmental Authority relating to rate regulation generally and any other Rate Regulatory Matter or specific rates charged to subscribers of the Systems, and any other documentation prepared by the Renaissance Companies supporting an exemption from the rate regulation provisions of the

Cable Act claimed by any Renaissance Company with respect to any of the Systems. Group has made available to Buyer, to the extent in the possession of the Renaissance Companies, copies of all FCC forms relating to rate regulation filed with any Governmental Authority with respect to the Systems by parties other than the Renaissance Companies and copies of all correspondence from or to parties other than the Renaissance Companies with any Governmental Authority relating to rate regulation generally and any other Rate Regulatory Matter or specific rates charged to subscribers of the Systems, and any other documentation supporting any exemption from the rate regulation provisions of the Cable Act claimed by the Systems by parties other than the Renaissance Companies. Notwithstanding the foregoing or any other provision of this Agreement to the contrary, and without limiting the provisions of Sections 6.14 and 10.2(b), Group does not make any representation or warranty with respect to compliance with any Legal Requirements dealing with, limiting or affecting the rates which can be charged by cable television systems to their customers (whether for programming, equipment, installation, service or otherwise) or any other Rate Regulatory Matter.

3.17 Transactions with Affiliates. Except to the extent disclosed in the Financial Statements and the notes thereto or Schedule 3.17, none of the Renaissance Companies is involved in any business arrangement or business relationship or is a party to any agreement, contract, commitment or transaction with any Affiliate of any of the Renaissance Companies (other than another Renaissance Company), and no Affiliate of any of the Renaissance Companies (other than another Renaissance Company) owns any property or right, tangible or intangible, that is used in the business of the Renaissance Companies (other than in its capacity as a direct or indirect equity or debt holder of the Renaissance Companies).

3.18 Certain Fees. No finder, broker, agent, financial advisor or other intermediary has acted on behalf of any Renaissance Company in connection with this Agreement, any Transaction Document or the transactions contemplated hereby or thereby, or is entitled to any payment in connection herewith or therewith which, in either case, would result in any obligation or liability to Buyer or Charter, except that Holdings has retained certain brokers and advisors and will pay all fees and expenses of such brokers and advisors in connection with the transactions contemplated hereby.

3.19 Inventory. Each Renaissance Company has inventory, spare parts and materials relating to the Systems of the type and nature and maintained at a level consistent with past practice (the "Inventory"), and such Inventory will be sufficient to operate their respective businesses in the ordinary course for at least thirty (30) days after the Closing.

3.20 Overbuilds; Competition. Except as set forth in Schedule 3.20, as of the date of this Agreement, (i) no construction programs have been undertaken by any Governmental Authority or other active cable television, multichannel multipoint distribution system (as defined by the rules and regulations of FCC), or multipoint distribution system provider in any of the Franchise Areas and, to Group's Knowledge, without investigation but upon inquiry of its regional managers and as should reasonably be known to a reasonable cable television operator, no such construction programs are proposed or threatened to be undertaken; (ii) no franchise or other applications or requests of any Person to provide cable television service in the Franchise

Areas have been filed more than two (2) weeks prior to the date hereof or, to Group's Knowledge (subject to the same limitation referred to in clause (i) above), have been filed less than two (2) weeks prior to the date hereof or are pending, threatened, or proposed; (iii) there is no other cable television or other video services provider within any of the Franchise Areas which is providing or, to Group's Knowledge (subject to the same limitation referred to in clause (i) above), has applied for a franchise to provide cable television services or other video services to any of the Franchise Areas in competition with any of the Renaissance Companies; and (iv) none of the Renaissance Companies has received any written notice that any other provider of cable television services or other existing or prospective video service provider intends to provide such cable television or other video service in competition with any Renaissance Company. Except as set forth in Schedule 3.20, no Renaissance Company is, nor is any Affiliate of any Renaissance Company, a party to any agreement restricting the ability of any third party to operate cable television systems or any other video programming distribution business within any of the Franchise Areas.

3.21 Disconnections. Schedule 3.21 sets forth (i) the number of Subscribers which each of the Renaissance Companies have disconnected from service during each of the six (6) months prior to the date hereof and (ii) a general description of the Renaissance Companies' policies relating to the connection and disconnection of Subscribers from service.

3.22 Year 2000. Each Renaissance Company has (i) initiated a review and assessment of all areas within its business that would reasonably be expected to be adversely affected by the "Year 2000 Problem" (that is, the risk that computer applications used by such Renaissance Company may be unable to recognize and perform properly date-sensitive functions involving certain dates prior to and any date after December 31, 1999), (ii) developed a plan for addressing the Year 2000 Problem on a timely basis, and (iii) to date, implemented that plan.

3.23 Budgets. Schedule 3.23 sets forth true, correct and complete copies of the Renaissance Companies' capital and operating budgets for 1999.

3.24 Cure. For all purposes under this Agreement, the existence or occurrence of any events or circumstances which constitute or cause a breach of a representation or warranty of Group (as modified by Renaissance's Disclosure Schedules) on the date such representation or warranty is made shall be deemed not to constitute a breach of such representation or warranty if such event or circumstance is cured on or prior to the Closing Date or the earlier termination of this Agreement.

SECTION 4: REPRESENTATIONS AND WARRANTIES OF HOLDINGS

Subject to any provisions of this Agreement limiting, qualifying or excluding any of the representations or warranties made herein, and to the disclosures set forth in Renaissance's Disclosure Schedules, Holdings hereby represents and warrants to Buyer as set forth in this Section 4.

4.1 Organization; Authorization and Binding Obligation. Holdings is a limited liability company, duly organized, validly existing and in good standing under the laws of the State of Delaware.

4.2 Authorization and Binding Obligation. Holdings has the requisite limited liability company power and authority to execute, deliver and perform this Agreement and the other Transaction Documents to which it is a party according to their respective terms. The execution, delivery, and performance by Holdings of this Agreement and the other Transaction Documents to which Holdings is a party have been duly authorized by all necessary action on the part of Holdings. This Agreement and the other Transaction Documents to which Holdings is a party have been duly executed and delivered by Holdings (or, in the case of Transaction Documents to be executed and delivered at Closing, when executed and delivered will be duly executed and delivered) and constitute (or, in the case of Transaction Documents to be executed and delivered at Closing, when executed and delivered will constitute) the legal, valid, and binding obligation of Holdings, enforceable against Holdings in accordance with their terms, except as the enforceability of this Agreement and such other Transaction Documents may be limited by Enforceability Exceptions.

4.3 Absence of Conflicting Agreements; Consents. Except for the expiration or termination of any applicable waiting period under the HSR Act, or as set forth in Schedule 4.3 or as would not impair the ability of Holdings to perform its obligations under this Agreement and the Transaction Documents to which it is a party, the execution, delivery and performance by Holdings of this Agreement and the other Transaction Documents to which it is a party (with or without the giving of notice, the lapse of time, or both): (a) do not require the consent of, declaration to, notice to, or filing with any Governmental Authority or any other Person under any material agreement or instrument to which Holdings is bound; (b) will not conflict with any provision of the Organizational Documents of Holdings as currently in effect; (c) assuming receipt of all Consents, will not conflict in any material way with, result in any material breach of, or constitute a default in any material respect under any Legal Requirement to which Holdings is bound; (d) assuming receipt of all Consents, will not conflict with, constitute grounds for termination of, result in a breach of, constitute a default under, or accelerate or permit the acceleration of any performance required by the terms of any material agreement or instrument to which Holdings is bound; and (e) assuming receipt of all Consents, will not result in the creation of any Encumbrance, but subject to the Legal Restrictions, upon the Purchased Interests held by Holdings. Notwithstanding the foregoing, Holdings makes no representation or warranty regarding any of the foregoing that may result from the specific legal or regulatory status of Buyer, Charter or their Affiliates or as a result of any other facts that specifically relate to the business or activities in which any of Buyer, Charter or their Affiliates is or proposes to be engaged other than the cable television business.

4.4 Title to Purchased Interests. Holdings holds all legal and beneficial rights to the Purchased Interests, free and clear of all Encumbrances, but subject to the Legal Restrictions.

4.5 Claims and Litigation. Except as disclosed in Schedule 4.5, as of the date of this Agreement, there is no claim, legal action, arbitration or other legal, administrative or tax proceeding pending or threatened in writing or, to Holdings' Knowledge, threatened (other than in writing), nor is there outstanding any order, decree or judgment against or relating to the Renaissance Companies, the Assets or the business or operations of any of the Systems (other than FCC and other proceedings generally affecting the cable television industry and not specific to the Renaissance Companies and other than rate complaints or certifications filed by customers or Franchising Authorities) that would have an adverse effect on Holdings' ability to perform its obligations under this Agreement.

4.6 Certain Fees. No finder, broker, agent, financial advisor or other intermediary has acted on behalf of Holdings in connection with this Agreement or the transactions contemplated by this Agreement, or is entitled to any payment in connection herewith or therewith which, in either case, would result in any obligation or liability to Buyer or Charter, except that Holdings has retained certain brokers and advisors and will pay all fees and expenses of such brokers and advisors in connection with the transactions contemplated hereby.

4.7 Cure. For all purposes under this Agreement, the existence or occurrence of any events or circumstances which constitute or cause a breach of a representation or warranty of Holdings (as modified by Renaissance's Disclosure Schedules) on the date such representation or warranty is made shall be deemed not to constitute a breach of such representation or warranty if such event or circumstance is cured on or prior to the Closing Date or the earlier termination of this Agreement.

SECTION 5: REPRESENTATIONS AND WARRANTIES OF BUYER AND CHARTER

Buyer and Charter jointly and severally represent and warrant to Group and Holdings as set forth in this Section 5.

5.1 Organization. Each of Buyer and Charter is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware. Each of Buyer and Charter has the requisite corporate power and authority to own, lease and operate its properties, to carry on its business in the places where such properties are now owned, leased or operated and such business is now conducted and to execute, deliver and perform this Agreement and the other Transaction Documents to which Buyer or Charter (as the case may be) is a party according to their respective terms. Each of Buyer and Charter is duly qualified and in good standing as a foreign corporation in each jurisdiction in which such qualification is required.

5.2 Authorization and Binding Obligation. The execution, delivery and performance by each of Buyer and Charter (as the case may be) of this Agreement and the other Transaction Documents to which it is a party have been duly authorized by all necessary corporate, shareholder or other action on the part of Buyer or Charter (as the case may be). This Agreement and the other Transaction Documents to which Buyer or Charter (as the case may be) is a party have been duly executed and delivered by Buyer or Charter (as the case may be) (or, in the case of Transaction Documents to be executed and delivered at Closing, when executed and delivered will be duly executed and delivered) and constitute (or, in the case of Transaction Documents to be executed and delivered at Closing, when executed and delivered will constitute) the legal, valid, and binding obligation of each of Buyer or Charter (as the case may be), enforceable against Buyer or Charter (as the case may be) in accordance with their terms, except as the enforceability of this Agreement and such other Transaction Documents may be limited by Enforceability Exceptions.

5.3 Absence of Conflicting Agreements; Consents. Except for the expiration or termination of any applicable waiting period under the HSR Act, and the filing by Charter with the SEC of any reports required to be filed in connection with the consummation of the transactions contemplated hereby, the execution, delivery and performance by each of Buyer and Charter of this Agreement and the other Transaction Documents to which Buyer or Charter (as the case may be) is a party (with or without the giving of notice, the lapse of time, or both): (a) do not require any Consent, declaration to, or filing with any Governmental Authority or any other Person that has not been obtained; (b) will not conflict with any provision of the Organizational Documents of Buyer or Charter (as the case may be), as currently in effect; (c) will not conflict with, result in a material breach of, or constitute a default in any material respect under any Legal Requirement to which Buyer or Charter (as the case may be) is bound; and (d) will not conflict with, constitute grounds for termination of, result in a breach of, constitute a default under, or accelerate or permit the acceleration of any performance required by the terms of any material agreement or instrument to which Buyer or Charter (as the case may be) is a party or bound. Notwithstanding the foregoing, neither Buyer nor Charter makes any representation or warranty regarding any of the foregoing that may result from the specific legal or regulatory status of any Renaissance Company or as a result of any other facts that specifically relate to the business or activities in which Holdings or any Renaissance Company is or proposes to be engaged other than the cable television business.

5.4 Claims and Litigation. As of the date of this Agreement, except as disclosed in Schedule 5.4, there is no pending or written threat of a claim, legal action, arbitration, governmental investigation or other legal, administrative or tax proceeding pending, nor any order, decree or judgment in progress or pending, or, to the Charter Parties' Knowledge, threatened other than in writing, against or relating to any of Buyer or Charter or the assets or business of Buyer or Charter or their respective Subsidiaries (other than FCC and other proceedings generally affecting the cable television industry and not specific to Buyer, Charter or their Subsidiaries and other than rate complaints or certifications filed by customers or franchising authorities), that would have an adverse effect on Buyer's or Charter's ability to perform its obligations under this Agreement.

5.5 Investment Purpose; Investment Company. Buyer is acquiring the Purchased Interests for investment for its own account and not with a view to the sale or distribution of any part thereof within the meaning of the Securities Act. Each of Buyer and Charter (either alone or together with its advisors) has sufficient knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of its investment in the Purchased Interests and is capable of bearing the economic risks of such investment. Each of Buyer and Charter is an informed and sophisticated purchaser, and has engaged expert advisors, experienced in the evaluation and purchase of companies such as the Renaissance Companies as contemplated hereunder. Each of Buyer and Charter has undertaken such investigation and has been provided with and has evaluated such documents and information as it has deemed necessary to enable it to make an informed and intelligent decision with respect to the execution, delivery and performance of this Agreement. Each of Buyer and Charter acknowledges that Holdings and Group have given Buyer and Charter complete and open access to the key employees, documents and facilities of the Renaissance Companies. Each of Buyer and Charter will undertake prior to Closing such further investigation and request such additional documents and information as it deems necessary. Buyer agrees to accept the Purchased Interests and the Systems in the condition they are in on the Closing Date based upon its own inspection, examination and determination with respect thereto as to all matters, and without reliance upon any express or implied representations or warranties of any nature made by or on behalf of or imputed to Holdings or Group, except as expressly set forth in this Agreement. Buyer is not an "investment company" as defined in the Investment Company Act of 1940, as amended.

5.6 Ownership of Buyer. Charter holds of record and owns beneficially more than fifty percent (50%) of all the outstanding Equity Interests of Charter Communications Holdings LLC, a Delaware limited liability company ("CCH"). CCH owns, indirectly through subsidiaries, all of the cable properties of the Charter Companies (as defined in the draft Offering Circular dated February 23, 1999 (09:13) of CCH and Charter Communications Holdings Capital Corporation).

5.7 Certain Fees. No finder, broker, agent, financial advisor or other intermediary has acted on behalf of Buyer or Charter in connection with this Agreement or the transactions contemplated by this Agreement, or is entitled to any payment in connection herewith or therewith which, in either case, would result in any obligation or liability to Holdings or Group.

5.8 Availability of Funds. Buyer has, as of the date hereof, the ability to obtain, and will have, as of the Closing Date, sufficient cash, lines of credit or other immediately available funds to enable it to consummate the transactions contemplated hereby.

5.9 Cure. For all purposes under this Agreement, the existence or occurrence of any events or circumstances which constitute or cause a breach of a representation or warranty of Buyer or Charter on the date such representation or warranty is made shall be deemed not to constitute a breach of such representation or warranty if such event or circumstance is cured on or prior to the Closing Date or the earlier termination of this Agreement.

SECTION 6: SPECIAL COVENANTS AND AGREEMENTS

6.1 Operation of Business Prior to Closing. Except as required by applicable Legal Requirements or as contemplated by this Agreement or Schedule 6.1, and subject to Group's obligation to comply with the terms and conditions hereof and the operation of the Renaissance Companies' business in the ordinary course, and except as consented to by Buyer, between the date hereof and the Closing Date, Group will cause the Renaissance Companies to operate the Systems in the ordinary course of business (subject to, and except as modified by, compliance with the following negative and affirmative covenants) and abide by the following negative and affirmative covenants:

(a) Negative Covenants. The Renaissance Companies shall not do any of the following between the date hereof and the Closing Date:

(1) Franchises. Fail to timely file a valid request for renewal in accordance with Section 626(a) of the Cable Act, or fail to use commercially reasonable efforts to renew on substantially the same or on other commercially reasonable terms any Franchise that will expire after the date hereof and prior to the date which is thirty (30) months after the Closing Date in accordance with its terms (it being understood that the Renaissance Companies shall not be required to take any steps necessary to obtain renewals of any Franchise earlier than such steps are required to be taken by applicable FCC Regulations, and obtaining renewals of any Franchise shall not be a condition precedent to Buyer's or Charter's obligations hereunder).

(2) Contracts. Modify or amend in any material respect, except in the ordinary course of business, any Contract that shall survive the Closing; or enter into any new Contracts that will be binding on the Renaissance Companies following the Closing except: (A) agreements for the provision of services to customers; (B) the renewal or extension of any existing Contract on its existing terms, in all material respects, in the ordinary course of business; (C) with respect to utility pole attachment agreements, Contracts with terms as customarily required by the utility whose poles are utilized; (D) Contracts in connection with capital expenditures made in accordance with Section 6.1(b)(7); or (E) any other contracts or commitments entered into in the ordinary course of business that are terminable on not more than sixty days prior notice without the payment of any penalty or that do not involve post-Closing obligations in excess of Fifty Thousand Dollars ($50,000) in any one case or in excess of Five Hundred Thousand Dollars ($500,000) in the aggregate.

(3) Disposition of Assets. Sell, assign, lease, swap or otherwise transfer or dispose of any of the Assets, except for Assets consumed or disposed of in the ordinary course of business.

(4) Encumbrances. Create, assume or permit to exist any Encumbrance upon the Assets, except for Permitted Encumbrances or other Encumbrances disclosed in Schedule 3.9 and subject to the Legal Restrictions.

(5) Indebtedness. Permit the Renaissance Companies to incur any additional indebtedness for borrowed money, except to the extent (if not repaid at or prior to the Closing) included in the computation of Closing Net Liabilities; provided that any such incurrence shall be in the ordinary course of business and the Renaissance Companies shall give Buyer prior notice of such borrowing;

(6) Compensation. Increase annually recurring compensation by more than 5%, on average, for the Renaissance Companies' employees retained in connection with the conduct of the business or operation of the Systems, except for customary merit or time-in-grade

increases for qualifying employees or otherwise in accordance with the Renaissance Companies' employee policies.

(7) Waivers. Waive any material right relating to the Systems or the Assets.

(8) Marketing Plan. Implement any new marketing plans not contemplated in the Renaissance Companies' budget, except as set forth in Schedule 6.1 or as consented to by Buyer, such consent not to be unreasonably withheld.

(b) Affirmative Covenants. Group shall, and shall cause the Renaissance Companies to, do the following between the date hereof and the Closing Date:

(1) Access to Information. Subject to Buyer's and Charter's obligations hereunder and under the Confidentiality Agreement with respect to confidentiality, allow Buyer and its authorized representatives reasonable access during normal business hours to the Assets and the physical plant, offices, properties and records of the Renaissance Companies for the purpose of inspection, and furnish or cause to be furnished to Buyer or its authorized representatives all information with respect to the Assets or the Renaissance Companies that Buyer may reasonably request. Any investigation or request for information shall be conducted in such a manner as not to interfere with the business or operations of the Renaissance Companies and the Systems.

(2) Insurance. Maintain the existing insurance policies on the Systems and the Assets (or comparable replacement policies).

(3) Books and Records. Maintain the Renaissance Companies' books and records substantially in accordance with past practices.

(4) Financial Information. Furnish to Buyer (i) within forty-five days after the end of each month and each calendar quarter between the date hereof and the Closing Date, an unaudited consolidated balance sheet and statement of operations for the Renaissance Companies for each such month and each such calendar quarter and (ii) any other information (including, without limitation, management notes) furnished to the Renaissance Companies' senior lenders or filed by the Renaissance Companies with the SEC, which financial information shall be prepared from the Renaissance Companies' books and records maintained in the ordinary course of business substantially in accordance with past practices.

(5) Compliance with Laws. Comply in all material respects with all Legal Requirements applicable to the Renaissance Companies and the operation of the Systems.

(6) Keep Organization Intact. Except with respect to any voluntary departure of any of the Renaissance Companies' employees between the date hereof and Closing, use commercially reasonable efforts to preserve intact the Renaissance Companies' business and

organization relating to the Systems and preserve for Buyer the goodwill of the Renaissance Companies' suppliers, customers and others having business relations with them.

(7) Capital Expenditure Program. Continue capital expenditures in the ordinary course of business in a manner substantially consistent with Schedule 6.1.

(8) Earth Stations. Within seven (7) days of the date hereof, use commercially reasonable efforts to contract for frequency coordination studies in preparation of filing an application to register with the FCC at least one receive-only earth station ("TVRO") at each Systems' headend or other site at which one or more TVROs are located as of the date hereof and which are used to provide programming to such headends, and within seven (7) days of receiving each coordination study, file such registration applications with the FCC.

(c) Certain Permitted Actions. Notwithstanding anything in this Agreement (including Sections 6.1(a) and (b) above) to the contrary, Buyer and Charter consent and agree as follows:

(1) Contractual Commitments. The Renaissance Companies may comply with all of their contractual commitments under their existing Contracts and under any Contracts entered into after the date of this Agreement in compliance with Section 6.1(a)(2) or with Buyer's and Charter's consent (in each case, as such Contracts may be in effect from time to time in accordance with Section 6.1(a)(2) or with Buyer's and Charter's consent). The Renaissance Companies may take such actions as are contemplated by the other Sections of this Agreement and otherwise comply with their obligations under the other Sections of this Agreement.

(2) Excluded Assets. The Renaissance Companies may, prior to Closing, terminate, transfer or assign to Holdings, its designee or any other Person, each of the Excluded Assets on such terms as shall be determined by Holdings, in its sole discretion.

6.2 Confidentiality; Press Release.

(a) Buyer, Charter and Holdings are parties to a Confidentiality Agreement dated February 12, 1999 (the "Confidentiality Agreement"). Notwithstanding the execution, delivery and performance of this Agreement, or the termination of this Agreement prior to Closing, the Confidentiality Agreement shall remain in full force and effect in accordance with its terms, but shall expire concurrently with the Closing hereunder.

(b) No party will issue any press release or make any other public announcements concerning this Agreement or the transactions contemplated hereby except with the prior approval (not to be unreasonably withheld) of the other parties, except that if any such disclosure is required by law, no party will make such disclosure without first providing to the other parties an advance copy of any such disclosure and a reasonable opportunity to review and comment.

6.3 Cooperation; Commercially Reasonable Efforts. Without limiting any of the obligations of the parties hereunder, the parties shall cooperate with each other and their respective counsel, accountants, agents and other representatives in all commercially reasonable respects in connection with any actions required to be taken as part of their respective obligations under this Agreement, and otherwise use their commercially reasonable efforts to consummate the transactions contemplated hereby and to fulfill their obligations hereunder as expeditiously as practicable. Charter shall provide to Holdings such information relating to Charter and its Subsidiaries and their businesses and operations as Holdings shall reasonably request.

6.4 Consents.

(a) Following the execution hereof, until the Closing Date, Group shall use its best efforts, and shall cause the Renaissance Companies to use their best efforts, and Charter shall use its best efforts, and shall cause Buyer to use its best efforts, to obtain as expeditiously as possible all Consents required to be obtained by the Renaissance Companies, including Consents under the Franchises, FCC Licenses and Contracts of the Renaissance Companies. Group shall, and shall cause the Renaissance Companies to, and Charter shall, and shall cause Buyer to, prepare and file, or cause to be prepared and filed, within fifteen (15) days after the date hereof (subject to extension for a period of up to an additional ten (10) days, if reasonably necessary for a party to complete its application), all applications (including FCC Forms 394 or other appropriate forms) required to be filed with the FCC and any Franchising Authority that are necessary for the transfer of control to Buyer in connection with the consummation of the transactions contemplated by this Agreement of the Franchises and the FCC Licenses identified in Schedule 3.8. The parties shall also make appropriate requests, as soon as practicable after the date hereof, for any Consents required under any Contract (other than the Debt Documents, which shall be governed by Section 6.7). If, notwithstanding their best efforts, Group and the other Renaissance Companies are unable to obtain any of the Consents, none of the Renaissance Companies nor Holdings shall be liable to Buyer or Charter for any breach of covenant, and, for the avoidance of doubt, after the Closing, Holdings shall not have any obligation with respect to obtaining any Consents or any liability for the failure of such Consents to be obtained. Except as expressly set forth in Section 6.4(b) below, nothing herein shall require the expenditure or payment of any funds (other than in respect of normal and usual attorneys fees, filing fees or other normal costs of doing business) or the giving of any other consideration by Buyer, Charter, Holdings or, prior to consummation of the Closing, any Renaissance Company, or any adjustment to the Cash Consideration to be paid to Holdings.

(b) (i) Without limiting Section 6.4(b)(i), (ii) or (iii), each of Buyer and Charter agrees that if in connection with the process of obtaining any Consent, a Governmental Authority or other Person purports to require any condition or any change to a Franchise, License or Contract to which such Consent relates that would be applicable to any of Buyer, Charter or any Renaissance Company as a requirement for granting its Consent, which condition or change involves a monetary payment or commitment to such Governmental Authority or other Person, either of Buyer and Charter, on the one hand, or Holdings, on the other hand, may elect, in its sole discretion, to satisfy such monetary payment or commitment, in which case, Buyer and Charter will accept (and agree that Holdings may cause any Renaissance Company to accept) any condition or change in the Franchise, License or Contract to which such Consent relates to the extent provided herein.

(ii) If, in connection with the process of obtaining any Consent from a Franchising Authority, such Franchising Authority makes a bona fide claim that any amount is owed by the relevant Renaissance Company as a result of a default under, or breach of, the corresponding Franchise, by such Renaissance Company or any predecessor in interest, Holdings shall satisfy all outstanding monetary obligations of such Renaissance Company or predecessor in interest in respect of any such bona fide default or breach.

(iii) If a Governmental Authority or other Person imposes any commercially reasonable non-monetary obligation in connection with granting its Consent under a Franchise, License or Contract, Buyer and Charter will comply with such obligation after Closing (and agree that Holdings may cause any Renaissance Company to accept) any such commercially reasonable non-monetary obligation.

(c) Buyer shall promptly furnish to any Governmental Authority or other Person from whom a Consent is requested such accurate and complete information regarding Buyer, Charter and their Subsidiaries, including financial information concerning Buyer and Charter and other information relating to the cable and other media operations of Buyer and Charter, as a Governmental Authority or other Person may reasonably require in connection with obtaining any Consent, and Buyer shall promptly furnish to Group a copy of any such information provided to a Governmental Authority or other Person, and any other information concerning Buyer and Charter as Group may reasonably request in connection with obtaining any Consent. To the extent Group is required to supply such information as to Buyer, Charter and their Subsidiaries to Persons from whom Consents are sought, Group may supply such information and shall have no obligation to Buyer or Charter with respect to the disclosure or use of such information by such Persons.

(d) It is understood and agreed that nothing herein shall prevent Buyer or Charter (or their employees, agents, representatives and any other Person acting on behalf of Buyer or Charter) from making statements or inquiries to, attending meetings of, making presentations to, or from responding to requests initiated by, Governmental Authorities or other Persons from which a Consent is sought, and Buyer shall use commercially reasonable efforts to apprise Holdings of all such requests.

6.5 HSR Act Filing. As soon as practicable after the execution of this Agreement, but in any event no later than fifteen (15) days after such execution (subject to extension for a period of up to an additional ten (10) days, if reasonably necessary for a party to complete its notification and report) if not filed by the expiration of such fifteen (15) day period, the parties will each complete and file, or cause to be completed and filed, any notification and report required to be filed under the HSR Act; and each such filing shall request early termination of the waiting period imposed by the HSR Act. The parties shall use commercially reasonable efforts to respond as promptly as reasonably practicable to any inquiries received from the Federal Trade Commission (the "FTC") and the Antitrust Division of the Department of Justice (the

"Antitrust Division") for additional information or documentation and to respond as promptly as reasonably practicable to all inquiries and requests received from any other Governmental Authority in connection with antitrust matters. The parties shall use commercially reasonable efforts to overcome any objections which may be raised by the FTC, the Antitrust Division or any other Governmental Authority having jurisdiction over antitrust matters.

6.6 Charter's Actions.

(a) No party hereto, nor any of their respective Affiliates, will take any action that is inconsistent with its obligations under this Agreement or which does, or would reasonably be expected to, hinder or delay the consummation of the transaction contemplated by this Agreement. Without limiting the generality of the foregoing, at all times between the date hereof and the Closing Date, each of Buyer and Charter will take all necessary or advisable actions to ensure, and each of Buyer and Charter will ensure, that Buyer is able to deliver the Cash Consideration at Closing.

(b) At all times between the date hereof and the Closing Date, (i) Charter shall continue to hold of record and own beneficially more than fifty percent (50%) of all the outstanding Equity Interests of CCH, and (ii) Buyer shall be a wholly-owned (direct or indirect) subsidiary of CCH.

6.7 Renaissance Debt Obligations.

(a) Buyer and Charter acknowledge and agree that all obligations of the Renaissance Companies with respect to the Senior Discount Notes and the Senior Debt (including all principal, accrued and unpaid interest and all other amounts), shall remain obligations of the Renaissance Companies through and after Closing, and each of Buyer and Charter will cooperate with the Renaissance Companies with respect to any information relating to Buyer and Charter that shall be reasonably requested by any of the holders of the Senior Debt.

(b) After the Closing, Buyer and Charter agree to cause the Renaissance Companies to commence an Offer to Purchase (as defined in the Indenture) in accordance with the terms and conditions of the Indenture and to discharge all of their obligations under the Indenture in accordance with its terms, and Buyer and Charter agree that Holdings shall not have any liability or obligation in respect thereof, including, without limitation, any change of control penalty or premium or other payment arising out of or resulting from the consummation of the transactions contemplated by this Agreement under or pursuant to the Indenture or the Senior Discount Notes.

(c) Simultaneously with the Closing and without limiting any other obligations of Buyer and Charter, Buyer and Charter shall satisfy and discharge all obligations of the Renaissance Companies in respect of the Senior Debt and the Credit Agreement (including all principal, accrued and unpaid interest and all other amounts, including any prepayment penalty or premium or any breakage costs) that become due and payable concurrently with, or as a result, of the consummation of the Closing.

6.8 Retention and Access to the Renaissance Companies' Records. Except as provided in Section 6.10(c)(1), Holdings shall, for a period of five years from the Closing Date, have access to, and the right to copy, at its expense, during usual business hours upon reasonable prior notice to Buyer and Charter, all of the books and records relating to the Renaissance Companies, Assets and Systems that were transferred to Buyer pursuant to this Agreement. Buyer shall retain and preserve all such books and records for such five year period. Subsequent to such five year period, Buyer shall only destroy such books and records if there is no ongoing litigation, governmental audit or other proceeding, and subsequent to thirty days' notice to Holdings of its right to remove and retain such books and records or to copy such books and records prior to their destruction.

6.9 Employee Matters.

(a) At Closing, Group shall cause the appropriate Renaissance Companies to terminate the employment of the Headquarters Employees and the Employment Agreements, in each case, without liability in respect thereof to any Renaissance Company, including, without limitation, pursuant to the Employment Agreements.

(b) Except as any employment agreement between any Renaissance Company and any employee may otherwise require, all employees of the Renaissance Companies who continue in employment following the Closing shall be employed on such terms and conditions as are substantially similar in the aggregate to the terms and conditions of employment of Buyer's and Charter's employees. Each such employee shall receive credit for all purposes other than benefit accrual purposes under any retirement plan or program under any Employee Plan or Compensation Arrangement of the Buyer for past service with any Renaissance Company and, to the extent credited under any Employee Plan or Compensation Arrangement of any Renaissance Company, for past service with any predecessor employer.

(c) Buyer shall offer group health plan coverage to all of the employees of the Renaissance Companies and to the spouse and dependents of such employees who become employed by the Buyer or any ERISA Affiliate of the Buyer as of the Closing on terms and conditions generally applicable to all of Buyer's similarly situated employees. For purposes of providing such coverage, Buyer shall waive all preexisting condition limitations for all such employees covered by the health care plan of any Renaissance Company as of the Closing and shall provide such health care coverage effective as of the Closing without the application of any eligibility period for coverage. In addition, Buyer shall credit all employee payments toward deductible, out-of-pocket and co-payment obligation limits under the Renaissance Companies' health care plans for the plan year which includes the Closing Date as if such payments had been made for similar purposes under Buyer's health care plans during the plan year which includes the Closing Date, with respect to employees of the Renaissance Companies and the spouse and any dependents of such employees who become employed by Buyer as of the Closing Date.

(d) Buyer shall assume full responsibility and liability for offering and providing "continuation coverage" to any "covered employee" and any "qualified beneficiary" who is covered by a "group health plan" sponsored or contributed to by any of the Renaissance Companies who has experienced a "qualifying event" or is receiving "continuation coverage" on or prior to the Closing. "Continuation coverage," "covered employee," "qualified beneficiary," "qualifying event" and "group health plan" all shall have the meanings given such terms under Section 4980B of the Code and Section 601 et seq. of ERISA. For purposes of this Section, each employee of any Renaissance Company who experiences a loss of healthcare coverage as the result of the transactions contemplated by this Agreement together with his or her spouse and dependents, if any, shall be deemed eligible for continuation coverage as provided herein.

(e) Holdings shall cause Renaissance Media to file or cause to be filed an application for a determination letter from the Internal Revenue Service with respect to the Renaissance Media LLC 401(k) Plan on or before the close of the remedial amendment period applicable in the case of disqualifying provisions under a new plan as described in 26 C.F.R. Section 1.401(b)-1.

6.10 Tax Matters.

(a) Tax Periods Ending on or Before the Closing Date. Holdings shall prepare or cause to be prepared and file or cause to be filed all Tax Returns for the Renaissance Companies (i) that are due on or before the Closing Date, or (ii) that relate to taxable periods ending on or prior to the Closing Date but are required to be filed after the Closing Date. Such Tax Returns shall be prepared in accordance with each Renaissance Company's past custom and practice, and, except as otherwise provided in this Agreement, allocations of items of income and gain and loss and deduction shall be made using the closing-of-the-books method. In the case of any Renaissance Company that is a limited liability company, such Tax Returns shall be prepared in accordance with the Organizational Documents of such Renaissance Company as in effect immediately prior to the Closing Date. In preparing each Renaissance Company's Tax Returns, Holdings shall consult with Buyer in good faith and shall provide Buyer with drafts of such Tax Returns (together with the relevant back-up information) for review and consent (which consent shall not be unreasonably withheld) at least twenty days prior to filing; provided, however, if Buyer has not provided comments on such Tax Returns to Holdings within such twenty-day period, then such consent shall be deemed to be given and, if Buyer's comments or refusal to provide such consent results in any penalties imposed upon Holdings or any Renaissance Company for failing to file a timely Tax Return, then Buyer shall be liable for and shall pay, such penalties; provided further, however, if any such penalties for failure to file a timely Tax Return could be avoided by filing an extension to file such Tax Return with the applicable Governmental Authority, Holdings shall, or shall cause the appropriate Renaissance Company to, timely file such extension. After the Closing, Buyer shall not prepare or cause to be prepared or file or cause to be filed any Tax Return for the Renaissance Companies for any period ending on or prior to the Closing Date.

(b) Tax Periods Beginning Before and Ending After the Closing Date. Buyer shall prepare or cause to be prepared and file or cause to be filed any Tax Returns of the Renaissance Companies for Tax periods which begin before the Closing Date and end after the Closing Date. Such Tax Returns shall be prepared in accordance with each Renaissance

Company's past custom and practice but, except as otherwise provided in this Agreement, allocations of items of income and gain and loss and deduction shall be made using the closing-of-the-books method. In preparing such Tax Returns, Buyer shall consult with Holdings in good faith and shall provide Holdings with drafts of such Tax Returns (together with the relevant back-up information) for review at least ten days prior to filing.

(c) Cooperation on Tax Matters.

(1) Buyer and Holdings shall cooperate fully, as and to the extent reasonably requested by the other party, in connection with the filing of Tax Returns pursuant to this Section 6.10 and any audit, litigation, or other proceeding with respect to Taxes. Such cooperation shall include the retention and (upon the other party's request) the provision of records and information which are reasonably relevant to any such audit, litigation or other proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. Buyer and Holdings agree (A) to retain all books and records with respect to Tax matters pertinent to the Renaissance Companies relating to any taxable period beginning before the Closing Date until the expiration of the statute of limitations (and, to the extent notified by Buyer or Holdings, any extensions thereof) of the respective taxable periods, and to abide by all record retention agreements entered into with any taxing authority, and (B) to give the other party reasonable written notice prior to transferring, destroying or discarding any such books and records and, if the other party so requests, Buyer or Holdings, as the case may be, shall allow the other party to take possession of such books and records to the extent they would otherwise be destroyed or discarded.

(2) Buyer and Holdings further agree, upon request, to use commercially reasonable efforts to obtain any certificate or other document from any Governmental Authority or any other Person as may be necessary to mitigate, reduce or eliminate any Tax that could be imposed (including Taxes with respect to the transactions contemplated hereby).

(d) Certain Taxes. All transfer, documentary, sales, use, stamp, registration and other such Taxes and fees (including any penalties and interest) incurred in connection with the transactions consummated pursuant to this Agreement shall be paid one-half by Buyer and one-half by Holdings when due. Buyer and Holdings will cooperate in all reasonable respects to prepare and file all necessary Tax Returns and other documentation with respect to all such transfer, documentary, sales, use, stamp, registration and other Taxes and fees. Buyer shall be liable for any Taxes attributable to any election made by Buyer or any Affiliate of Buyer with respect to any of the Renaissance Companies under Section 338 of the Code or any comparable provision of state or local law.

(e) Buyer covenants that it will not, and it will not cause or permit any Renaissance Company or any Affiliate of Buyer, (i) to take any action on or after the Closing Date, including but not limited to the distribution of any dividend or the effectuation of any redemption, that could give rise to any tax liability of any holder of membership interests in Holdings or (ii) to make or change any tax election, amend any Tax Return or take any tax position on any Tax Return, take any action, omit to take any action or enter into any transaction that results in any increased tax liability of any holder of membership interests in Holdings in respect of any Pre-Closing Tax Period.

(f) Except to the extent taken into account in Closing Net Liabilities, Buyer shall promptly pay or cause to be paid to Holdings all refunds of taxes and interest thereon received by Buyer, any Affiliate of Buyer, or any Renaissance Company attributable to taxes paid by Holdings or any Renaissance Company with respect to any Pre-Closing Tax Period.

(g) From and after the date of this Agreement, Holdings and each Renaissance Company shall not without the prior written consent of the Buyer (which consent shall not be unreasonably withheld) make, or cause or permit to be made, any Tax election that would adversely affect any of the Renaissance Companies or Buyer.

6.11 Renaissance Name. The parties agree that Holdings and its Affiliates (other than the Renaissance Companies) shall retain the right to use the names "Renaissance" and "Renaissance Media" and any and all derivations thereof, including the Renaissance Companies' internet domain and the internet addresses, "renmedia.com" and "R-Media.com"; provided that Buyer shall be entitled to have the Renaissance Companies use such name, but not such internet domain and internet addresses, for a period of one (1) year after the Closing. From and after the expiration of such period, Holdings and its Affiliates (other than the Renaissance Companies) shall retain the sole and exclusive right to use the name "Renaissance" and any and all derivations thereof, including the Renaissance Companies' internet domain and the internet addresses "renmedia.com" and "R-Media.com" and Buyer agrees to have such name removed from all trucks, signs and the other Assets used in the operation of the Systems.

6.12 No Recourse; Release of Claims. Anything in this Agreement or applicable law to the contrary notwithstanding, other than claims against Holdings or Group as and to the extent expressly provided for in Section 9.4 and Section 10 of this Agreement (and other than any claim for fraud), neither Buyer nor Charter will have any claim or recourse against any of the Released Parties as a result of the breach of any representation, warranty, covenant or agreement of Holdings or Group contained herein or otherwise arising in connection with the transactions contemplated by or the Transaction Documents or the business or operations of the Renaissance Companies prior to the Closing. Effective as of the Closing, each of Buyer and Charter and each of their respective Subsidiaries hereby releases and forever discharges each of the Released Parties from all actions, causes of action, suits, debts and claims (other than claims for fraud) arising out of facts or circumstances prior to the Closing, whether at law or in equity or otherwise, which Buyer or Charter ever had or now or hereafter may have for, upon or by reason of any matter, cause or thing whatsoever related to the Renaissance Companies, whether, contingent, accrued or otherwise arising out of facts or circumstances prior to the Closing; provided that the foregoing shall not limit Buyer's indemnification rights provided for in Section 10.

6.13 Exculpation and Indemnification. After the Closing, Buyer, Charter and the Renaissance Companies will be bound by and will assume the same obligations to satisfy (and Buyer and Charter will cause the Renaissance Companies to continue to satisfy) the rights of exculpation, indemnification and advancement of expenses to which the present and former members, stockholders, directors, representatives, officers, employees and agents of the Renaissance Companies and any of their respective Affiliates are entitled with respect to any matter existing or occurring prior to the Closing and/or with respect to this Agreement and the Transaction Documents, under each such Renaissance Company's Organizational Documents, by contract or agreement or by resolution of the Board of Representatives or Board of Directors (as the case may be) of such Renaissance Company, in accordance with the terms and conditions of any such exculpation and indemnification provisions as in effect on the date of this Agreement. Without limiting the foregoing, Charter and Buyer agree to maintain in place for a period of not less than six years from the Closing, for the benefit of the parties mentioned in the foregoing sentence, directors' and officers' insurance, on substantially the same terms and to the same extent as presently in effect for the Renaissance Companies.

6.14 Rate Regulatory Matters. The parties acknowledge and agree that notwithstanding anything in this Agreement or any other Transaction Document to the contrary (including any representation or warranty made by Group in Sections 3.11(e), 3.15 or 3.16), any matter relating to, in connection with or resulting or arising from any Rate Regulatory Matter, or any actions taken prior to or after the date hereof by any Renaissance Company to comply with or in a good faith attempt to comply with any Rate Regulatory Matter (including any rate reduction, refund, penalty or similar action having the effect of reducing the rates previously or subsequently paid by subscribers, whether instituted or implemented by or imposed on any Renaissance Company and changes to rate practices instituted or implemented by or imposed on any Renaissance Company), shall not: (a) cause or constitute, directly or indirectly, a breach by Group or Holdings of any of its representations, warranties, covenants or agreements contained in this Agreement or any other Transaction Document (and such representations, warranties, covenants, and agreements shall hereby be deemed to be modified appropriately to reflect and permit the impact and existence of such Rate Regulatory Matters and to permit any action by any Renaissance Company to comply with or attempt in good faith to comply with such Rate Regulatory Matters); (b) otherwise cause or constitute, directly or indirectly, a default or breach by any Renaissance Company or Holdings under this Agreement or any other Transaction Document; (c) result in the failure of any condition precedent to the obligations of Buyer under this Agreement or any other Transaction Document; (d) otherwise excuse Buyer's or Charter's performance of their obligations under this Agreement or any other Transaction Document; or (e) give rise to any claim for (i) any adjustment to the Cash Consideration or other compensation or (ii) indemnification, except as provided in Section 10.2(b).

6.15 Guaranty by Charter. Subject to the provisions of this Section 6.15, Charter hereby fully, unconditionally and irrevocably guarantees to Holdings the due and punctual payment of the Cash Consideration and any other monetary obligations of Buyer and the due and punctual performance of all other obligations of Buyer to Holdings, all in accordance with the terms of this Agreement. Charter hereby acknowledges that, with respect to all of Buyer's obligations, including those to pay money, including, without limitation, the Cash Consideration, this guaranty shall be a guaranty of payment and performance and not of collection and shall not be conditioned or contingent upon the pursuit of any remedies against Buyer. Charter hereby waives diligence, demand of payment, filing of claims with a court in the event of merger or bankruptcy of Buyer, any right to require a proceeding first against Buyer, the benefit of discussion, protest or notice and all demands whatsoever, and covenants that this guaranty will not be discharged as to any obligation except by satisfaction of such obligation in full. Until Holdings has been paid in full any amounts due and owing to it under this Agreement, Charter hereby irrevocably waives any claim or other rights which it may now or hereafter acquire against Buyer that arise from the existence, payment, performance or enforcement of its obligations under this guaranty and this Agreement, including, without limitation, any right of reimbursement, exoneration, contribution, indemnification, any right to participate in any claim or remedy of Holdings against Buyer or any collateral which Holdings hereafter acquires, whether or not such claim, remedy or right arises in equity, or under contract, statute or common law, including, without limitation, the right to take or receive from Buyer, directly or indirectly, in cash or other property or by set-off or in any other manner, payment or security on account of such claim or other rights. To the fullest extent permitted by applicable law, the obligations of Charter hereunder shall not be affected by (a) the failure of the applicable obligee to assert any claim or demand or to enforce any right or remedy against Charter pursuant to the provisions of this Agreement or otherwise, (b) any rescission, waiver, amendment or modification of, or any release from any of the terms or provisions of this Agreement or the invalidity or unenforceability (in whole or in part) of this Agreement, unless consented to in writing by Charter, Holdings and Group and (c) any change in the existence (corporate or otherwise) of Buyer, Charter or Holdings or any insolvency, bankruptcy, reorganization or similar proceeding affecting any of them or their assets. If any amount shall be paid to Charter in violation of the fourth sentence of this Section 6.15, and the obligations of Buyer under this Agreement shall not have been discharged in full, such amount shall be deemed to have been paid to Charter for the benefit of, and held in trust for the benefit of, Holdings, and shall forthwith be paid to Holdings. Charter acknowledges that it will receive direct and indirect benefits from the consummation of the transactions contemplated by this Agreement and that the waivers set forth in this Section 6.15 are knowingly made in contemplation of such benefits. Nothing contained in this Section 6.15 is intended to or shall impair, as among Charter and Holdings, the obligations of Charter, which are absolute and unconditional, upon failure by Buyer, to perform its obligations under this Agreement, including, without limitation, its obligation to pay to Holdings the Cash Consideration and any other monetary obligations of Buyer when payable in accordance with the terms of this Agreement, or is intended to or shall affect the relative rights of Holdings and creditors of Charter, nor shall anything herein prevent Holdings from exercising all remedies otherwise permitted by applicable law.

6.16 Disclosure Schedules. The parties acknowledge and agree that (i) Renaissance's Disclosure Schedules and Charter's Disclosure Schedules may include certain items and information solely for informational purposes for the convenience of the parties hereto and (ii) the disclosure of any matter in Charter's Disclosure Schedules or Renaissance's Disclosure Schedules shall not be deemed to constitute an acknowledgment by Holdings or Group, in the case of Renaissance's Disclosure Schedules, or Buyer or Charter, in the case of Charter's Disclosure Schedules, that the matter is material.

SECTION 7: CONDITIONS TO OBLIGATIONS OF BUYER AND CHARTER

7.1 Conditions to Obligations of the Buyer and Charter. All obligations of Buyer and Charter at the Closing hereunder are subject to the fulfillment (or waiver at the option of Buyer or Charter) prior to or at the Closing of each of the following conditions:

(a) Representations and Warranties of Group. As to the representations and warranties of Group set forth in Section 3 and of Holdings set forth in Section 4, (1) those representations and warranties set forth in Section 3 and Section 4 which are expressly stated to be made solely as of the date of this Agreement or another specified date shall be true and correct in all respects as of such date (without regard to the materiality or material adverse effect qualifiers set forth therein), and (2) all other representations and warranties of Group set forth in Section 3 and Section 4 respectively, shall be true and correct in all respects at and as of the time of the Closing as though made at and as of that time (without regard to the materiality or material adverse effect qualifiers set forth therein); provided that for purposes of each of clauses (1) and (2) above, the representations and warranties shall be deemed true and correct in all respects to the extent that the aggregate effect of the inaccuracies in such representations and warranties as of the applicable times does not constitute a Material Adverse Effect.

(b) Covenants. Group and Holdings shall have performed and complied in all material respects with all covenants and agreements required by this Agreement to be performed or complied with by them prior to or at the Closing.

(c) Consents. The Material FCC Consents shall have been obtained. The aggregate number of Equivalent Subscribers as of any applicable date, in those Franchise Areas that are Transferable Franchise Areas shall be at least ninety-five percent (95%) of the aggregate number of Equivalent Subscribers in all Franchise Areas as of such applicable date.

(d) Hart-Scott-Rodino. The requisite waiting period under the HSR Act shall have expired or been terminated, without the FTC or the Antitrust Division, as applicable, taking any action which has not been terminated or resolved.

(e) Judgment. There shall not be in effect on the date on which the Closing is to occur any judgment, decree, order or other prohibition of a court of competent jurisdiction having the force of law that would prevent the Closing, provided that Buyer and Charter shall have used commercially reasonable efforts to prevent the entry of any such judgment, decree, order or other prohibition and to appeal as expeditiously as possible any such judgment, decree, order or other prohibition that may be entered.

(f) Deliveries. Group and Holdings shall have made or stand willing to make all the deliveries to Buyer and Charter described in Section 8.2.

(g) Compliance with FIRPTA. Holdings shall have provided the Buyer with a statement, in a form reasonably satisfactory to the Buyer, pursuant to Section 1.1445-2(b)(2) of the Treasury Regulations, certifying that Holdings is not a foreign person.

(h) Material Adverse Effect. From and after the date of this Agreement until the Closing Date, no event shall have occurred which has had a Material Adverse Effect.

(i) Holdings Franchise Notice. Holdings shall have delivered to Buyer a notice that the condition set forth in the second sentence of Section 7.1(c) has been satisfied at least two (2) business days prior to the date scheduled for Closing.

7.2 Conditions to Obligations of Holdings.

All obligations of Holdings at the Closing hereunder are subject to the fulfillment (or waiver at the option of Holdings) prior to or at the Closing of each of the following conditions:

(a) Representations and Warranties. As to the representations and warranties of Buyer and Charter set forth in Section 5, (1) those representations and warranties set forth in Section 5 which are expressly stated to be made solely as of the date of this Agreement or another specified date shall be true and correct in all material respects as of such date, and (2) all other representations and warranties shall be true and correct in all material respects at and as of the Closing as though made at and as of that time.

(b) Covenants. Buyer and Charter shall have performed and complied with in all material respects all covenants and agreements required by this Agreement to be performed or complied with by them prior to or at the Closing.

(c) Hart-Scott-Rodino. The requisite waiting period under the HSR Act shall have expired or been terminated, without the FTC or the Antitrust Division, as applicable, taking any action which has not been terminated or resolved.

(d) Judgment. There shall not be in effect on the date on which the Closing is to occur any judgment, decree, order or other prohibition of a court of competent jurisdiction having the force of law that would prevent the Closing, provided that Group and Holdings shall have used commercially reasonable efforts to prevent the entry of any such judgment, decree, order or other prohibition and to appeal as expeditiously as possible any such judgment, decree, order or other prohibition that may be entered.

(e) Deliveries. Buyer and Charter shall have made or stand willing to make all the deliveries described in Section 8.3.

SECTION 8: CLOSING AND CLOSING DELIVERIES

8.1 Closing.

(a) Closing Date.

(1) Subject to satisfaction or, to the extent permitted by law, waiver, of the closing conditions described in Section 7, and subject to Section 8.1(a)(2), 8.1(a)(3) and 8.1(a)(4), the Closing shall take place on the date specified by Holdings by notice to Buyer, which specified date shall be no earlier than two business days and no later than five business days after satisfaction or waiver of the conditions set forth in Sections 7.1(c) and (d) and Sections 7.2(c), or on such earlier or later date as Holdings and Buyer shall mutually agree; provided, however, subject to Section 8.1(a)(3) and 8.1(a)(4), the Closing shall not take place beyond the Upset Date.

(2) If on the date on which the Closing would otherwise be required to take place pursuant to Section 8.1(a)(1) (A) there shall be in effect any judgment, decree, order or other prohibition of a court of competent jurisdiction having the force of law that would prevent or make unlawful the Closing, or (B) any other circumstance beyond the reasonable control of the Renaissance Companies, Holdings, Buyer or Charter (which shall in no event include any matters relating to financing of the transactions contemplated hereby) shall exist that would prevent the Closing or the satisfaction of any of the conditions precedent to any party set forth in Section 7, then either Holdings or Buyer may, at its option, postpone the date on which the Closing is required to take place until such date, to be set by the party that elects to postpone the date for Closing pursuant to this subsection (2) on at least five business days' written notice to the other party, as soon as practicable after such judgment, decree, order or other prohibition ceases to be in effect, or such other circumstance ceases to exist; provided, however, that any postponement of the date on which the Closing is required to take place to a date beyond the Upset Date shall require the consent of both Holdings and Buyer.

(3) Notwithstanding anything in this Agreement to the contrary, if on the date scheduled for Closing, the Closing has not occurred because any notice period required by Section 8.1(a)(1) or (2) has not lapsed, the Upset Date shall be extended until one business day after the lapse of such period.

(4) If the date on which the Closing would otherwise be required to take place pursuant to Section 8.1(a)(1), 8.1(a)(2) or 8.1(a)(3) the Referee shall not have completed its determination pursuant to Section 2.4(a) of any of the amount disputed by Holdings and Buyer, then Holdings may, at its option, postpone the date on which the Closing is required to take place until the third (3rd) business day after the date the Referee makes its final determination pursuant to Section 2.4(a); provided, however, that if such postponement results in the Closing taking place on a date after the Upset Date, the Upset Date shall be extended until one business day after the date of the Closing as postponed pursuant to this Section 8.1(a)(4).

(b) Closing Place. The Closing shall be held at the offices of Paul, Hastings, Janofsky & Walker LLP, 399 Park Avenue, New York, New York, 10022 or any other place or time as Group and Buyer shall mutually agree.

8.2 Deliveries by Holdings. Holdings shall deliver or cause to be delivered to Buyer the following:

(a) Purchased Interests. An assignment agreement providing for the assignment of the Purchased Interests by Holdings to Buyer, in a form reasonably satisfactory to Buyer.

(b) Officer's Certificate of Group. A certificate executed by Group, dated as of the Closing Date, certifying that the closing conditions specified in Sections 7.1(a) and (b) have been satisfied as to Group, except as disclosed in said certificate.

(c) Officer's Certificate of Holdings. A certificate executed by Holdings, dated as of the Closing Date, certifying that the closing conditions specified in Sections 7.1(a) and (b) have been satisfied as to Holdings, except as disclosed in such certificate.

(d) Secretaries' Certificate. A certificate executed by each of Holdings and Group, dated as of the Closing Date, (1) certifying that the resolutions, as attached to said certificate, were duly adopted by the members of Holdings and Group, as the case may be, authorizing and approving the execution by such party of this Agreement and the other Transaction Documents to which such party is a party and the consummation of the transactions contemplated hereby and thereby and that such resolutions remain in full force and effect; and (2) providing, as attachments thereto, Certificates of Good Standing for each of the Renaissance Companies certified by an appropriate state official of the State of their organization, all certified by such state officials as of a date not more than fifteen days before the Closing Date.

(e) Consents. Copies of Consents which have been obtained by Holdings or any of the Renaissance Companies prior to the Closing.

(f) Opinion of Counsel. Opinions of counsel to Holdings and Group, dated as of the Closing Date, substantially in the forms of Exhibit C and Exhibit G hereto.

(g) Indemnity Agreement. The Indemnity Agreement, duly executed by Holdings and the Escrow Agent.

(h) Adjustment Escrow Agreement. The Adjustment Escrow Agreement, duly executed by Holdings and the Adjustment Escrow Agent if required pursuant to Section 2.4(b).

(i) Employment Agreement Releases. Releases, in form and substance reasonably acceptable to Buyer, executed by each Person who is a party to the Employment Agreements (other than the Renaissance Companies), releasing any claims such Persons may have against any of the Renaissance Companies pursuant to the Employment Agreements.

(j) Securities Releases. If, as of the Closing Date, there are outstanding any options, warrants or other similar claims or securities in respect of the Equity Interests of the Renaissance Companies (collectively, "Options"), other than Options held by any Renaissance Company, releases, in form and substance reasonably acceptable to Buyer, executed by each holder of such Options, releasing and terminating such Options and all rights of such holder thereunder.

8.3 Deliveries by Buyer and Charter. Prior to or at the Closing, Buyer and Charter shall deliver to Holdings the following:

(a) Purchase Consideration.

(1) As provided in Section 2.4, the Closing Cash Payment to Holdings, by wire or accounts transfer of immediately available funds to one or more accounts designated by Holdings by written notice to Buyer not less than two days prior to the Closing.

(2) As provided in Sections 2.4 and 10.4, the Indemnity Fund to the Escrow Agreement, by wire or accounts transfer of immediately available funds to the account specified in the Indemnity Agreement.

(3) As and to the extent provided by Section 2.4(b), the Purchase Price Escrow Amount to the Adjustment Escrow Agent, by wire or accounts transfer of immediately available funds to the account specified in the Adjustment Escrow Agreement.

(b) Officers' Certificate. A certificate executed by each of Buyer and Charter, dated as of the Closing Date, certifying that the closing conditions specified in Sections 7.2(a) and (b) have been satisfied, except as disclosed in said certificate.

(c) Secretaries' Certificate. A certificate executed by each of Buyer and Charter, dated as of the Closing Date, (1) certifying that the resolutions, as attached to said certificate, were duly adopted by the Board of Directors and shareholders of Buyer and Charter (as the case may be), authorizing and approving the execution by Buyer and Charter of this Agreement and the other Transaction Documents to which it is a party and the consummation of the transactions contemplated hereby and thereby and that such resolutions remain in full force and effect; and (2) providing, as attachments thereto, a Certificate of Good Standing for Buyer and Charter (as the case may be) certified by an appropriate state official of the State of Delaware, certified by such state official as of a date not more than fifteen days before the Closing Date.

(d) Opinion of Counsel. An opinion of counsel to Buyer and Charter, dated as of the Closing Date, substantially in the form of Exhibit D hereto.

(e) Indemnity Agreement. The Indemnity Agreement, duly executed by Buyer, Charter and the Escrow Agent.

(f) Adjustment Escrow Agreement. The Adjustment Escrow Agreement, duly executed by Buyer, Charter and the Adjustment Escrow Agent if required pursuant to Section 2.4(b).

SECTION 9: TERMINATION

9.1 Agreement between Holdings and Buyer. This Agreement may be terminated at any time prior to the Closing and the purchase and sale of the Purchased Interests abandoned, by written agreement between Holdings and Buyer.

9.2 Termination by Holdings. This Agreement may be terminated at any time prior to the Closing by Holdings and the purchase and sale of the Purchased Interests abandoned, upon written notice to Buyer, upon the occurrence of any of the following:

(a) Conditions. If on any date determined for the Closing in accordance with Section 8.1 if each condition set forth in Section 7.1 has been satisfied (or will be satisfied by the delivery of documents at the Closing) or waived in writing by Buyer on such date and either (i) a condition set forth in Section 7.2 has not been satisfied (or will not be satisfied by the delivery of documents at the Closing) or waived in writing by Holdings on such date or (ii) Buyer or Charter has nonetheless refused to consummate the Closing. Notwithstanding the foregoing, Holdings may not rely on the failure of any condition set forth in Section 7.2 to be satisfied if such failure was principally caused by Holding's or any Renaissance Company's failure to act in good faith or a breach of or failure to perform any of its representations, warranties, covenants or other obligations in accordance with the terms of this Agreement.

(b) Upset Date. If the Closing shall not have occurred on or prior to the Upset Date as extended as provided in Section 8.1(a)(3) or Section 8.1(a)(4), unless the failure of the Closing to occur was principally caused by Holding's or any Renaissance Company's failure to act in good faith or a breach of or failure to perform any of its representations, warranties, covenants or other obligations in accordance with the terms of this Agreement.

9.3 Termination by Buyer. This Agreement may be terminated at any time prior to the Closing by Buyer and the purchase and sale of the Purchased Interests abandoned, upon written notice to Holdings, upon the occurrence of any of the following:

(a) Conditions. If on any date determined for the Closing in accordance with Section 8.1 if each condition set forth in Section 7.2 has been satisfied (or will be satisfied by the delivery of documents at the Closing) or waived in writing by Holdings on such date and either (i) a condition set forth in Section 7.1 has not been satisfied (or will not be satisfied by the delivery of documents at the Closing) or waived in writing by Buyer on such date or (ii) Holdings has nonetheless refused to consummate the Closing. Notwithstanding the foregoing, Buyer may not rely on the failure of any condition set forth in Section 7.1 to be satisfied if such failure was principally caused by Buyer's or Charter's failure to act in good faith or a breach of or failure to perform any of its representations, warranties, covenants or other obligations in accordance with the terms of this Agreement.

(b) Upset Date. If the Closing shall not have occurred on or prior to the Upset Date as extended as provided in Section 8.1(a)(3) or Section 8.1(a)(4), unless the failure of the Closing to occur was principally caused by any Buyer's or Charter's failure to act in good faith or a breach of or failure to perform any of its representations, warranties, covenants or other obligations in accordance with the terms of this Agreement.

9.4 Effect of Termination. If this Agreement is terminated as provided in this Section 9, then this Agreement will forthwith become null and void and there will be no liability on the part of any party to any other party or any other Person in respect thereof, provided that:

(a) Surviving Obligations. The obligations of the parties described in Sections 6.2, 9.4 and 11.1 (and all other provisions of this Agreement relating to expenses) will survive any such termination.

(b) Withdrawal of Applications. All filings, applications and other submissions relating to the consummation of the transaction contemplated hereby shall, to the extent practicable, be withdrawn from the Governmental Authority or other Person to whom made.

(c) Willful Breach by Buyer or Charter. No such termination will relieve Buyer or Charter from liability for a willful breach by Buyer or Charter of this Agreement (which shall in all events include, without limitation, a failure to pay the Cash Consideration and discharge the Senior Debt and the Credit Agreement), and in such event Holdings and Group shall have all rights and remedies available at law and equity, including the remedy of specific performance.

(d) Willful Breach by Holdings or Group. No such termination will relieve Holdings or Group from liability for a willful breach of this Agreement, and in such event Buyer and Charter shall have all rights and remedies available at law or equity, including the remedy of specific performance.

9.5 Attorneys' Fees. Notwithstanding any provision in this Agreement that may limit or qualify a party's remedies, in the event of a default by any party that results in a lawsuit or other proceeding for any remedy available under this Agreement, the prevailing party shall be entitled to reimbursement from the defaulting party of its reasonable legal fees and expenses (whether incurred in arbitration, at trial, or on appeal).

SECTION 10: SURVIVAL OF REPRESENTATIONS AND WARRANTIES; INDEMNIFICATION; CERTAIN REMEDIES

10.1 Survival. All representations, warranties and covenants of Holdings and Group set forth herein will survive the Closing (i) until the expiration of the applicable statute of limitations in the case of the representation and warranty contained in Section 4.4 and (ii) until the nine (9) month anniversary of the Closing Date in all other cases. All representations and warranties of Buyer and Charter and all covenants of Buyer and Charter to be performed and discharged in full prior to the Closing, in each case, set forth herein, will survive the Closing until the nine (9) month anniversary of the Closing Date. All covenants of Buyer and Charter to be performed in whole or in part after the Closing will survive the Closing until performed and discharged in full. Notwithstanding anything to the contrary contained herein, all claims made in respect of such representations, warranties and covenants will be subject to any applicable limitations set forth in this Section 10.

10.2 Indemnification by Holdings. After the Closing, but subject to Sections 10.4 and 10.5, Holdings agrees to indemnify and hold Buyer and Charter and either of their Affiliates and their respective officers, directors, representatives, shareholders, members, partners, agents and employees harmless against and with respect to, and shall reimburse Buyer and Charter and either of their Affiliates for:

(a) any and all Losses resulting from any untrue representation or breach of warranty by Holdings or Group or the nonfulfillment of any covenant to be performed by Holdings or Group contained in this Agreement or in any other document or instrument delivered pursuant hereto by Holdings or Group; provided, however, that each representation and warranty (whether made as of the date of this Agreement or made on and as of the Closing Date) contained in this Agreement for which indemnification is sought hereunder shall be read (including for purposes of determining whether a breach of such representation or warranty has occurred) without regard to, and as if such representation or warranty did not contain, materiality or material adverse effect qualifications that may be contained therein; and

(b) any rate refund liability imposed on any of the Renaissance Companies for any period arising prior to the Adjustment Time pursuant to the existing provisions of the Cable Act or any FCC Regulations heretofore adopted thereunder (but only to the extent of the out-of-pocket costs payable in respect thereof and it being understood that any claim for indemnification in respect of such liability may be made only pursuant to this Section 10.2(b) and not under any other provision of this Section 10.2).

10.3 Indemnification by Buyer and Charter. After the Closing, but subject to Section 10.5, Buyer and Charter jointly and severally agree to indemnify and hold Holdings and its Affiliates and their respective officers, directors, representatives, shareholders, members, partners, agents and employees harmless against and with respect to, and shall reimburse Holdings for any and all Losses resulting from any untrue representation, breach of warranty, or nonfulfillment of any covenant by Buyer or Charter contained in this Agreement or any other document or instrument delivered pursuant hereto by Buyer or Charter.

10.4 Indemnity Agreement. At the Closing, Buyer, Charter, Holdings and the Escrow Agent shall execute the Indemnity Agreement, in accordance with which, at the Closing, pursuant to Section 2.4, Buyer will deposit with the Escrow Agent Seven Million Five Hundred Thousand Dollars ($7,500,000.00) on behalf of Holdings in order to provide a fund for, and the exclusive source for, the payment of any indemnification to which Buyer or Charter is entitled under this Section 10 (such escrow, the "Indemnity Fund"), except that the Indemnity Fund shall not be the exclusive source for the payment of any indemnification claims made in respect of a breach of the representation and warranty contained in Section 4.4. The Indemnity Fund will be administered in accordance with the provisions of this Section 10 and the Indemnity Agreement.

10.5 Certain Limitations on Indemnification Obligations. Notwithstanding anything in this Agreement to the contrary:

(a) (i) Holdings will not be required to indemnify and will not otherwise be liable to Buyer or Charter for any matter described in Section 10.2 unless and until the aggregate amount of all Losses of Buyer and Charter in the aggregate arising therefrom for which Holdings would have indemnification liability to Buyer and Charter but for this Section 10.5(a) (i) exceeds, and then only to the extent of the excess above, Seven Hundred Fifty Thousand Dollars ($750,000.00).

(ii) Buyer and Charter will not be required to indemnify and will not otherwise be liable to Holdings for a breach of their representations and warranties set forth herein unless and until the aggregate amount of all Losses of Holdings in the aggregate arising therefrom for which Buyer or Charter would have indemnification liability to Holdings but for this Section 10.5(a)(ii) exceeds, and then only to the extent of the excess above, Seven Hundred Fifty Thousand Dollars ($750,000.00); provided, however, that it is understood and agreed that this Section 10.5(a)(ii) shall not apply to any amount payable to Holdings in respect of the nonfulfillment of any covenant to be performed by Buyer or Charter contained in this Agreement or any other document or instrument delivered pursuant hereto by Buyer or Charter.

(iii) Buyer and Charter will not be required to indemnify, and will not otherwise be liable to, Holdings for a breach of their representations and warranties for any amount in excess of Seven Million Five Hundred Thousand Dollars ($7,500,000) in the aggregate; provided, however, that it is understood and agreed this Section 10.5(a)(iii) shall not apply to any amount payable to Holdings in respect of the breach of any covenant to be performed by Buyer or Charter contained in this Agreement or any other document or instrument delivered pursuant hereto.

(b) (i) Holdings will not be required to indemnify and will not otherwise be liable to Buyer or Charter with respect to any Losses arising under Section 10.2 unless Buyer or Charter (as the case may be) gives Holdings written notice of a claim pursuant to Section 10.6(a), (i) in respect of any breach of the representation and warranty contained in Section 4.4, prior to the expiration of the applicable statute of limitations (without any extension or waiver) in respect of such claim, and (ii) in respect of any other claim, on or prior to the date that is nine (9) months after the Closing Date. Notwithstanding the foregoing, all amounts held pursuant to the Indemnity Agreement in excess of amounts previously notified by Buyer or Charter to Holdings as subject to a then outstanding bona fide claim by Buyer or Charter shall be released to Holdings on the first business day following the nine (9) month anniversary of the Closing Date in accordance with the Indemnity Agreement. Thereafter, any amounts remaining under the Indemnity Agreement shall be released from escrow and paid over to Holdings in accordance with the Indemnity Agreement.

(ii) Buyer and Charter will not be required to indemnify and will not otherwise be liable to Holdings with respect to any Losses arising under Section 10.3 with respect to any breach of the representations and warranties of Buyer and Charter set forth herein unless Holdings gives Buyer or Charter (as the case may be) written notice of such a claim pursuant to Section 10.6(a) on or prior to the date that is nine (9) months after the Closing Date.

(c) All payments required to be made by Holdings in respect of its indemnification obligations under this Section 10 shall be made solely from the Indemnity Fund (except in respect of any breach of the representation and warranty contained in Section 4.4) and the sole and exclusive remedy available to Buyer and Charter for any breach by Holdings or Group of its representations, warranties, covenants, obligations or agreements hereunder or under any of the documents or instruments delivered pursuant hereto by Group or Holdings shall be a claim for indemnification pursuant to the terms of this Section 10.

(d) (i) Anything in this Agreement or applicable law to the contrary notwithstanding, other than claims pursuant to Section 10, other than claims against the Indemnity Fund as provided for in this Agreement, and subject to the limitations set forth herein, after the Closing and except in respect of any claim for a breach of the representation and warranty contained in Section 4.4, none of Holdings, its Affiliates or any of their respective officers, directors, shareholders, members, partners, employees or agents shall have any obligation or liability to Buyer or Charter under this Section 10 or otherwise, and neither Buyer nor Charter will have any claim or recourse against Holdings, its Affiliates or any of their respective officers, directors, shareholders, members, partners, employees or agents as a result of the breach of any representation, warranty, covenant or agreement of Holdings or Group contained herein or otherwise arising out of or in connection with the transactions contemplated by this Agreement or the Transaction Documents or the business or operations of the Renaissance Companies prior to the Closing (except in respect of any claim for a breach of the representation and warranty contained in Section 4.4) and the provisions of this Section 10 shall be the sole and exclusive remedy for any such claim by Buyer or Charter for any such matters (except in respect of any claim for a breach of the representation and warranty contained in Section 4.4), whether such claims are framed in contract, tort or otherwise.

(ii) Anything in this Agreement or applicable law to the contrary notwithstanding, other than claims pursuant to this Section 10, and subject to the limitations set forth herein, after the Closing, none of Buyer, Charter, their Affiliates or any of their respective officers, directors, shareholders, members, partners, employees or agents shall have any obligation or liability to Holdings and, other than claims pursuant to this Section 10, Holdings will not have any claim or recourse against Buyer, Charter, their Affiliates or any of their respective officers, directors, shareholders, members, partners, employees or agents, in each case, as a result of the breach of any representation, warranty, covenant or agreement of Buyer or Charter contained herein or otherwise arising out of or in connection with the transactions contemplated by this Agreement or the Transaction Documents and the provisions of Section 10 shall be the sole and exclusive remedy for any such claim by Holdings for any such matters, whether such claims are framed in contract, tort or otherwise. Notwithstanding anything to the contrary contained herein, nothing in this Section 10.5(d)(ii) shall restrict, limit or affect any covenant, agreement, liability or obligation of Buyer or Charter pursuant to the terms and conditions of this Agreement, including, without limitation, pursuant to Section 6.15 and this Section 10, and any liability Buyer or Charter may have as the result of any untrue representation, breach of warranty or default or nonperformance of any covenant, agreement, liability or obligation pursuant to this Agreement or otherwise.

(e) The parties hereto agree to use commercially reasonable efforts to collect any and all insurance proceeds and other amounts recoverable from third parties to which it may be entitled in respect of any Loss prior to seeking indemnity as Claimant from the Indemnifying Party.

(f) Holdings will not be liable with respect to any Loss to the extent that the amount of such Loss was included in the computation of Closing Net Liabilities in accordance with Section 2.

(g) Notwithstanding anything in this Agreement to the contrary, Holdings shall not have any liability or obligation (for indemnification or otherwise) arising as a result of the occurrence of the Closing without certain Consents or any Buyer's or Charter's waiver of any closing condition, nor shall any adjustment be made to the Cash Consideration in respect of the foregoing.

(h) Notwithstanding anything to the contrary contained herein, Holdings shall not be required to indemnify or otherwise be liable to Buyer or Charter, pursuant to this Section 10 or otherwise, in respect of any breach of the representation and warranty contained in Section 4.4 in an aggregate amount in excess of the Cash Consideration (as decreased by the amount of Closing Net Liabilities), as finally determined pursuant to Section 2.5, received by Holdings.

10.6 Procedure for Indemnification. The procedure for indemnification shall be as follows:

(a) The party claiming indemnification (the "Claimant") shall promptly give notice to the party from which indemnification is claimed (the "Indemnifying Party") of any claim, whether between the parties or brought by a third party, specifying in reasonable detail the factual basis for the claim and the amount thereof (if known and quantifiable); provided, however, that the failure to give such notice shall not impair the Claimant's rights hereunder unless the Indemnifying Party is materially prejudiced thereby.

(b) With respect to claims solely between the parties, following receipt of notice from the Claimant of a claim, the Indemnifying Party shall have thirty (30) days to make such investigation of the claim as the Indemnifying Party deems necessary or desirable. For the purposes of such investigation, the Claimant agrees to make available to the Indemnifying Party and its authorized representatives the information relied upon by the Claimant to substantiate the claim. If the Claimant and the Indemnifying Party agree at or prior to the expiration of the thirty-day period (or any mutually agreed upon extension thereof) to the validity and amount of such claim, the Indemnifying Party shall immediately pay to the Claimant the full amount of the claim, subject to the terms hereof and the terms of, and procedures set forth in, the Indemnity Agreement. If the Claimant and the Indemnifying Party do not agree within thirty (30) days following receipt of notice of the claim from the Claimant (or any mutually agreed upon extension thereof), the Claimant may seek an appropriate remedy.

(c) With respect to any claim by a third party as to which the Claimant is entitled to indemnification under this Agreement, the Indemnifying Party shall have the right at its own expense, to participate in or assume control of the defense of such claim, and the Claimant shall cooperate fully with the Indemnifying Party, subject to reimbursement for actual out-of-pocket expenses incurred by the Claimant as the result of a request by the Indemnifying Party; provided that notwithstanding the foregoing, if such claim is from a Franchising Authority or other Governmental Authority and Charter or Buyer are seeking indemnification against Holdings in respect of such claim, Charter and Buyer may retain control of the defense of such claim, but Holdings shall have the right, at its own expense, to participate in the defense of such claim, and Buyer and Charter shall cooperate with Holdings in defending such claim and keep Holdings informed of all material strategies and developments therein. Neither Charter nor Buyer may settle any such claim by a Franchising Authority or other Governmental Authority for which Holdings would be liable without the consent of Holdings, which shall not be unseasonably withheld. If the Indemnifying Party elects to assume control of the defense of any third-party claim, the Claimant shall have the right to participate in the defense of such claim at its own expense. If the Indemnifying Party does not elect to participate in or assume control of the defense of any third-party claim, the Claimant will not enter into any settlement of such claim which could result in indemnification liability without the Indemnifying Party's prior written consent (which shall not be unreasonably withheld). Any such settlement will be binding upon Buyer and Charter or Holdings, as the case may be, for purposes of determining whether any indemnification payment is required pursuant to this Section 10.

10.7 Treatment of Indemnification Payments. Buyer, Charter and Holdings will treat all payments made pursuant to this Section 10 (including all payments made to Buyer or Charter out of the Indemnity Fund but excluding the release of any Indemnity Fund to Holdings) as an adjustment to the Cash Consideration for all purposes.

SECTION 11: MISCELLANEOUS

11.1 Fees and Expenses. Except as otherwise provided in this Agreement, each party shall pay its own expenses incurred in connection with the authorization, preparation, execution, and performance of this Agreement, including all fees and expenses of counsel, accountants, agents, and representatives.

11.2 Notices. All notices, demands, and requests required or permitted to be given under the provisions of this Agreement shall be in writing, may be sent by telecopy (with automatic machine confirmation), delivered by personal delivery, or sent by commercial delivery service or certified mail, return receipt requested, shall be deemed to have been given on the date of actual receipt, which may be conclusively evidenced by the date set forth in the records of any commercial delivery service or on the return receipt, and shall be addressed to the recipient at the address specified below, or with respect to any party, to any other address that such party may from time to time designate in a writing delivered in accordance with this Section 11.2:

If to Buyer:	Charter Communications, Inc. 12444 Powerscourt Drive, Suite 100 St. Louis, Missouri 63131 Attention: Jerald L. Kent, President & C.E.O. (with a copy to Curtis S. Shaw, General Counsel) Telephone: 314-965-0555 Telecopier: 314-965-8793
with copies (which shall not constitute notice) to:	Paul, Hastings, Janofsky & Walker LLP 399 Park Avenue New York, New York 10022 Attention: Daniel G. Bergstein, Esq. Telephone: (212) 318-6000 Telecopier: (202) 319-4090
If to Group or Holdings: (prior to the Closing) or Holdings (after the Closing):	Renaissance Media Group LLC or Renaissance Media Holdings LLC 1 Cablevision Center, Suite 100 Ferndale, New York 12734 Attention: Fred Schulte, C.E.O. Telephone: 914-295-2600 Telecopier: 914-295-2601

with copies (which shall not constitute notice) to:

Morgan Stanley Dean Witter Capital Partners
1221 Avenue of the Americas
New York, New York 10036
Attention: Michael Janson
Telephone: 212-762-6925
Telecopier: 212-762-7951

Dow, Lohnes & Albertson, PLLC
1200 New Hampshire Avenue, N.W., Suite 800
Washington, D.C. 20036
Attention: John T. Byrnes, Esq.
Telephone: 202-776-2528
Telecopier: 202-776-2222

and

Davis Polk & Wardwell
450 Lexington Avenue
New York, New York 10017
Attention: Carole Schiffman, Esq.
Telephone: 212-450-4000
Telecopier: 212-450-4800

11.3 Benefit and Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto (and, in the case of Sections 6.12 and 6.13, the parties specified therein) and their respective successors and permitted assigns; provided that (a) neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned by Holdings or Group without the prior written consent of Buyer and Charter (which consent shall not be unreasonably withheld or delayed), and (b) neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned by Buyer or Charter without the prior written consent of (i) Holdings or Group, prior to the Closing, or (ii) Holdings, after the Closing (which consent shall not be unreasonably withheld or delayed), except that Buyer may assign this Agreement, and its rights, interests and obligations hereunder to an Affiliate of Buyer as long as such assignment does not hinder or delay the consummation of the transactions contemplated hereby and by the other Transaction Documents. Consent shall be deemed to be reasonably withheld if the consenting party reasonably determines that the assignment would be reasonably likely to hinder or delay the Closing or adversely affect the payment of the Cash Consideration at the Closing. This Agreement is not intended to confer upon any Person other than the parties hereto (and, in the case of Section 6.12 and 6.13, the parties specified therein) any rights or remedies hereunder.

11.4 Further Assurances. After the Closing the parties shall take any actions and execute any other documents that may be necessary or desirable to the implementation and consummation of this Agreement upon the reasonable request of any other party, at the expense of the requesting party.

11.5 GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED, CONSTRUED, AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK (WITHOUT REGARD TO THE CHOICE OF LAW PROVISIONS THEREOF).

11.6 WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE ACTIONS OF ANY PARTY IN THE NEGOTIATION, PERFORMANCE OR ENFORCEMENT HEREOF.

11.7 SUBMISSION TO JURISDICTION; VENUE. EACH OF THE PARTIES HERETO AGREES TO SUBMIT TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE FEDERAL AND STATE COURTS SITTING IN THE BOROUGH OF MANHATTAN, STATE OF NEW YORK IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OF THE MATTERS CONTEMPLATED HEREBY. EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT IT MAY LEGALLY AND EFFECTIVELY DO SO, ANY OBJECTION IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT IN ANY SUCH NEW YORK STATE OR FEDERAL COURT. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

11.8 Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall (to the full extent permitted by applicable law) not invalidate or render unenforceable such provision in any other jurisdiction. Notwithstanding the foregoing, in the event of any such determination the effect of which is to affect materially and adversely any party, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible to the fullest extent permitted by applicable law in an acceptable manner to the end that the transactions contemplated hereby are fulfilled and consummated to the maximum extent possible.

11.9 Entire Agreement. This Agreement, the Disclosure Schedules and the Exhibits hereto, the other Transaction Documents to be delivered by the parties pursuant to this Agreement and the Confidentiality Agreement collectively represent the entire understanding and agreement between Buyer, Charter, Group and Holdings with respect to the subject matter hereof and thereof and supersede all prior agreements, understandings and negotiations between the parties. Buyer and Charter acknowledge that none of Holdings or Group has made any, or makes any, promises, representations, warranties, covenants or undertakings, express or implied, other than those expressly set forth in this Agreement, the other Transaction Documents and the Confidentiality Agreement.

11.10 Amendments; Waiver of Compliance; Consents. This Agreement may be amended and any provision of this Agreement may be waived; provided that any such amendment or waiver (a) will be binding upon Holdings or Group prior to the Closing only if such amendment or waiver is set forth in a writing executed by Holdings or Group, (b) will be binding upon Holdings after the Closing only if such amendment or waiver is set forth in a writing executed by Holdings and (c) will be binding upon Buyer or Charter only if such amendment or waiver is set forth in a writing executed by Buyer and Charter.

11.11 Counterparts. This Agreement may be signed in counterparts with the same effect as if the signature on each counterpart were upon the same instrument.

11.12 Specific Performance. The parties recognize that in the event either of Holdings or Group should refuse to perform at the Closing any of its obligations under the provisions of this Agreement, monetary damages alone will not be adequate. The Charter Parties shall therefore be entitled, in addition to any other remedies which may be available, including money damages, to obtain specific performance of any of the obligations of the Renaissance Parties under the provisions of this Agreement to be performed at Closing. In the event of any action to enforce this Agreement specifically pursuant to this Section 11.12, Holdings or Group, as applicable, hereby waives the defense that there is an adequate remedy at law.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK;
SIGNATURES ON FOLLOWING PAGES]

IN WITNESS WHEREOF, this Agreement has been executed by each of Buyer, Charter, Holdings and Group as of the date first written above.

CHARTER:	BUYER:
CHARTER COMMUNICATIONS, INC.	CHARTER COMMUNICATIONS, LLC
By: /s/ Curtis S. Shaw	By: /s/ Curtis S. Shaw
Curtis S. Shaw	Curtis S. Shaw
Senior Vice-President	Senior Vice President
GROUP:	HOLDINGS:
RENAISSANCE MEDIA GROUP LLC	RENAISSANCE MEDIA HOLDINGS LLC
By: /s/ Fred H. Schulte	By: /s/ Fred H. Schulte
Name: Fred H. Schulte	Name: Fred H. Schulte
Title: Chief Executive Officer	Title: Chief Executive Officer

Exhibit 2.5

PURCHASE AGREEMENT

DATED AS OF MARCH 22, 1999

AMONG

CHARTER COMMUNICATIONS, INC.,

CHARTER COMMUNICATIONS, LLC,

CHARTER HELICON, LLC,

HELICON PARTNERS I, L.P.,

BAUM INVESTMENTS, INC.,

AND

THE LIMITED PARTNERS
OF HELICON PARTNERS I, L.P.

LIST OF EXHIBITS

Name	Exhibit
Amended LLC Agreement	A
Excluded Assets	B
Indemnity Agreement	C
Release of Debt Obligations	D
Put Agreement	E
Sellers' Addresses	F

PURCHASE AGREEMENT

This PURCHASE AGREEMENT (this "Agreement") is dated as of March 22, 1999, by and among CHARTER COMMUNICATIONS, INC., a Delaware corporation ("Charter"), CHARTER COMMUNICATIONS LLC, a Delaware limited liability company ("Buyer"), CHARTER HELICON, LLC, a Delaware limited liability company ("GP Buyer"), HELICON PARTNERS I, L.P., a Delaware limited partnership ("Helicon"), BAUM INVESTMENTS, INC., a Delaware corporation ("BII"),, and the Limited Partners.

RECITALS:

A. BII holds certain assets, including the BII Assets, and, as of the date of this Agreement, the Limited Partners comprise all of Helicon's limited partners and hold all of Helicon's limited partnership interests and preferred interests.

B. Buyer and GP Buyer are indirect wholly owned subsidiaries of Charter.

C. Buyer desires to acquire from the Limited Partners all of their limited partnership interests and preferred interests in Helicon.

D. GP Buyer desires to acquire the BII Assets by the contribution of such BII Assets to GP Buyer, with BII receiving, in exchange for the contribution of the BII Assets, the Preferred LLC Interest.

E. The parties hereto desire to set forth the terms in accordance with which BII shall contribute the BII Assets to GP Buyer, and the Partners shall transfer their Helicon limited partnership interests and preferred interests to Buyer, in each case for the consideration and on the terms and conditions set forth in this Agreement.

AGREEMENTS:

In consideration of the above recitals and of the mutual agreements and covenants contained in this Agreement, the parties to this Agreement, intending to be bound legally, agree as follows:

SECTION 1: CERTAIN DEFINITIONS

1.1 Terms Defined in this Section. The following terms, as used in this Agreement, have the meanings set forth in this Section:

"Accounts Receivable" means all rights of the Helicon Companies to payment for goods or services provided prior to the Adjustment Time (including, but not limited to, rights to payment for cable services provided to customers of the Systems, the sale of advertising, the leasing of channels, and other goods, services and rentals).

"Adjustment Time" means 11:59 p.m., East Coast time on the Closing Date.

"Affiliate" means, with respect to any Person, any other Person that directly or indirectly through one or more intermediaries controls, is controlled by, or is under common control with, the specified Person.

"Amended LLC Agreement" means the Amended and Restated Operating Agreement of GP Buyer, substantially in the form attached hereto as Exhibit A.

"Assets" means all of the tangible and intangible assets that are owned, leased or held by the Helicon Companies and that are used or held for use in connection with the conduct of their business or the operation of the Systems other than the Excluded Assets and less any such Assets that are sold, transferred or otherwise conveyed by the Helicon Companies to third Persons prior to the Closing in accordance with the provisions of this Agreement; provided, that, with respect to any assets that are leased by the Helicon Companies, or otherwise not owned by the Helicon Companies, "Assets" includes only the interest, title and rights in such assets held by the Helicon Companies.

"Basic Subscriber" means, with respect to any System, any Subscriber to a System at the regular basic monthly subscription rate (including discounted rates offered in the ordinary course of business consistent with past practice) for at least broadcast basic cable service (either alone or in combination with any other service) for such System, who has rendered payment for at least one month's service and who has not more than Five Dollars ($5.00) more than two (2) months past due from the last day of the period to which any outstanding bill relates.

"Baum" means Theodore B. Baum, who is the sole stockholder of BII.

"BII Assets" means the assets of BII set forth on Schedule 3.3.

"Bulk Subscriber" means, with respect to any System, any Subscriber, other than a Basic Subscriber, to at least broadcast basic cable service (either alone or in combination with any other service) which is billed on a bulk basis to bulk commercial accounts, such as hotels, motels, hospitals, apartment houses and similar multiple dwelling units or other commercial accounts and who has rendered payment for at least one month's service at such Subscriber's regular basic monthly subscription rate without discount (except regularly offered discounts) and who does not have more than $10.00 that is more than two (2) months past due from the last day of the period to which any outstanding bill relates.

"Cable Act" means Title VI of the Communications Act of 1934, as amended, 47 U.S.C. Section 151 et seq., all other provisions of the Cable Communications Policy Act of 1984 and the provisions of the Cable Television Consumer Protection and Competition Act of 1992, and the provisions of the Telecommunications Act of 1996 amending Title VI of the Communications Act of 1934, in each case as amended and in effect from time to time.

"Call Agreement" means the Agreement, dated December 16, 1998, as amended January 25, 1999, among BII (as assignee) and the Subordinated Holders, entitling BII to acquire, in accordance with the terms thereof, the Warrants for an acquisition price of $43,250,000.

"Charter's Disclosure Schedules" means the Disclosure Schedules referred to in Section 5 of this Agreement and attached to this Agreement.

"Charter Parties" means Charter, Buyer and GP Buyer.

"Closing" means the purchase and sale of the Purchased Interests and the consummation of the BII Contribution pursuant to this Agreement.

"Closing Date" means the date on which the Closing occurs.

"Code" means the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder, all as amended and in effect from time to time.

"Compensation Arrangement" means any plan or compensation arrangement other than an Employee Plan, whether written or unwritten, which provides to employees, former employees, officers, directors and shareholders of Helicon or any ERISA Affiliate any compensation or other benefits, whether deferred or not, in excess of base salary or wages, including, but not limited to, any bonus or incentive plan, stock rights plan, deferred compensation arrangement, life insurance, stock purchase plan, severance pay plan and any other employee fringe benefit plan.

"Consents" means the consents, permits, approvals and authorizations of Governmental Authorities and other Persons necessary to transfer the Purchased Interests to Buyer, to effect the BII Contribution or otherwise to consummate the transactions contemplated by this Agreement.

"Contracts" means all leases, easements, rights-of-way, rights of entry, programming agreements, pole attachment and conduit agreements, customer agreements, and other agreements, written or oral (including any amendments and other modifications thereto) to which any Helicon Company is a party or which are binding upon any Helicon Company.

"Copyright Act" means the Copyright Act of 1976, as amended and in effect from time to time.

"Employee Plan" means any pension, retirement, profit-sharing, deferred compensation, vacation, severance, bonus, incentive, medical, vision, dental, disability, life insurance, other employee benefit plan as defined in Section 3(3) of ERISA or any other employee plan, program, arrangement or agreement to which any Helicon Company or any ERISA Affiliate of any Helicon Company contributes or is required to contribute, or which any Helicon Company or any such ERISA Affiliate sponsors or maintains.

"Encumbrances" means any pledge, claim, mortgage, lien, charge, encumbrance, right to purchase, right of first refusal, adverse interest, attachment, exception to or defect in title or other ownership interest or security interest of any kind or nature whatsoever.

"Enforceability Exceptions" means the exceptions or limitations to the enforceability of contracts under bankruptcy, insolvency, or similar laws affecting creditors' rights generally, by judicial discretion in the enforcement of equitable remedies and by public policies generally.

"Environmental Claim" means any claim, complaint, action, suit, proceeding, investigation or notice, including without limitation any proceeding before any federal, state or local administrative body by any Person, agent or agency of a federal, state or local government alleging potential liability arising out of, based on or resulting from (i) the release or disposal into, or the presence in the environment, including, without limitation, the indoor environment, soil, subsurface, surface or groundwater, of any pollutant, contaminant, waste, toxic substance, hazardous substance, petroleum or petroleum derivative at any location, whether or not owned by the Seller, or (ii) circumstances forming the basis of any violation, or alleged violation, of any Environmental Law.

"Environmental Law" means any and all federal, state or local laws, statues, rules, regulations, ordinances, orders, decrees or other binding obligations (i) related to releases or threatened releases of any Hazardous Material to soil, surface water, groundwater, air or any other environmental media; (ii) governing the use, treatment, storage, disposal, transport, or handling of Hazardous Material; or (iii) related to the protection of the environment and human health. Such Environmental Laws shall include, but are not limited to, RCRA, CERCLA, EPCRA, the Clean Air Act, the Clean Water Act, the Safe Drinking Water Act, the Toxic Substances Control Act, the Endangered Species Act, and any other federal, state or local laws, statutes, ordinances, rules, orders, permit conditions, licenses or any terms or provisions thereof related to clauses (i), (ii), or (iii) above.

"Equity Interests" means any and all shares, interests or other equivalent interests (however designated) in the equity of any Person, including capital stock, partnership interests and membership interests, and including any rights, options or warrants with respect thereto.

"Equivalent Subscribers" means, with respect to any System as of any date, the sum of: (A) the number of Basic Subscribers served by such System as of such date; and (B) the number of Basic Subscribers represented by the Bulk Subscribers served by such System as of such date, which number shall be calculated for each class of service provided by such System by dividing (1) the monthly billings attributable to such System's Bulk Subscribers for each such class of service provided by such System for the calendar month immediately preceding the date on which such calculation is made, by (2) the full, non-discounted monthly rate charged by such System for such class of service, respectively (excluding pass-through charges for sales taxes, line-itemized franchise fees, fees charged by the FCC and other similar line-itemized charges). For purposes of the foregoing, monthly billings shall exclude billings for a la carte or digital service tiers and for premium services, pass-through charges for sales taxes, line-itemized franchise fees, fees charged by the FCC and other similar line-itemized charges, and nonrecurring charges or credits which include those relating to installation, connection, relocation and disconnection fees and miscellaneous rental charges for equipment such as remote control devices and converters.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations thereunder, all as amended and in effect from time to time.

"ERISA Affiliate" means a trade or business affiliated within the meaning of Sections 414(b), (c) or (m) of the Code.

"Escrow Agent" means State Street Bank and Trust Company, or any other bank reasonably acceptable to Buyer and the Partners.

"Excluded Assets" means the assets listed on Exhibit B.

"FCC" means the Federal Communications Commission, or any successor agency thereof.

"FCC License" means any domestic satellite, business radio or other License issued by the FCC.

"FCC Regulations" means the rules, regulations and published policies and decisions of the FCC promulgated by the FCC with respect to the Cable Act, all as in effect from time to time.

"Franchise" means any cable television franchise, related agreements, ordinances, permits, instruments, resolutions or other authorizations issued or granted to a

Helicon Company by any Franchising Authority, including all amendments thereto and renewals or modifications thereof authorizing the construction or operation of a cable television system.

"Franchise Area" means the specific geographic area, comprising a municipality or portion of a county or other political instrumentality, in which a Helicon Company provides cable television service (A) pursuant to a Franchise, or (B) where a Franchise is being renewed or is not required, pursuant to applicable Legal Requirements.

"Franchise/FCC Consent" means any Consent that is necessary or required for the transfer of control to Charter to occur upon the consummation of the transactions contemplated by this Agreement, from a Franchising Authority or the FCC with respect to, respectively, the Franchises or the FCC Licenses.

"Franchising Authorities" means all Governmental Authorities that have issued or granted any Franchises relating to the operation of a System.

"GAAP" means generally accepted accounting principles as in effect in the United States from time to time.

"GP Interest" means the general partnership interest in Helicon held by BII.

"Governmental Authority" means any federal, state or local governmental authority or instrumentality, including any court, tribunal or administrative or regulatory agency, department, bureau, commission or board.

"Hazardous Substance" means any substance, hazardous material, or other substance or compound regulated under Environmental Laws, including, without limitation, petroleum or any refined product or fraction or derivative thereof.

"HCC" means Helicon Capital Corp., a Delaware corporation.

"Helicon Companies" means Helicon, THGLP, HPIAC, HCC and their respective Subsidiaries as listed on Schedule 3.3 hereto, each of which may be referred to herein individually as a "Helicon Company."

"Helicon Corp." means Helicon Corp., a Delaware corporation, which is one of the Limited Partners and provides certain management services pursuant to the Management Agreements with respect to the operation of the Helicon Companies.

"Helicon's Disclosure Schedules" means the Disclosure Schedules referred to in Sections 3, 4 and 6.1 of this Agreement and attached to this Agreement.

"Helicon Parties" means Helicon, BII and the Limited Partners.

"HPIAC" means HPI Acquisition Co., LLC, a Delaware limited liability company.

"HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, and the regulations promulgated by the Federal Trade Commission with respect thereto, all as amended and in effect from time to time.

"Indebtedness" of any Person means, without duplication, (a) all indebtedness for borrowed money (including but not limited to the THGLP Note); (b) all obligations issued, undertaken or assumed as the deferred purchase price of property or services (other than trade payables entered into in the ordinary course of business on ordinary terms); (c) all non-contingent reimbursement or payment obligations with respect to surety instruments; (d) all obligations evidenced by notes, bonds, debentures or similar instruments, including obligations so evidenced incurred in connection with the acquisition of property, assets or businesses; (e) all indebtedness created or arising under any conditional sale or other title retention agreement, or incurred as financing, in either case with respect to property acquired by the Person (even though the rights and remedies of the seller or bank under such agreement in the event of default are limited to repossessions or sale of such property); (f) all capitalized lease obligations; (g) all net obligations with respect to swap Contracts; (h) all indebtedness referred to in clauses (a) through (g) above secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any lien upon or in property (including accounts and contract rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Indebtedness; and (i) all guaranty obligations in respect of indebtedness or obligations of another Person that is not a Helicon Company of the kinds referred to in clauses (a) through (g) above.

"Indemnity Agreement" means the Indemnity Agreement among Buyer (as agent for and on behalf of the Charter Parties), Helicon Corp. (as agent for and on behalf of Sellers), and the Escrow Agent, substantially in the form of Exhibit C.

"Indemnity Fund" means the amount of $10,000,000 being deposited by Buyer with, or at Sellers' option, being provided by Sellers in the form of the Letters of Credit delivered to and in favor of, the Escrow Agent pursuant to the Indemnity Agreement in accordance with Sections 2.5 and 10.4 hereof and the terms of the Indemnity Agreement, to provide a fund for the payment of any indemnification to which any Charter Party shall be entitled under Section 10 hereof.

"Intangibles" means all copyrights, trademarks, trade names, service marks, service names, patents, permits, proprietary information, technical information and data, machinery and equipment warranties, and other similar intangible property rights and interests issued to or owned by any of the Helicon Companies.

"Legal Requirements" means applicable common law and any applicable statute, permit, ordinance, code or other law, rule, regulation, order, technical or other standard, requirement or procedure enacted, adopted, promulgated or applied by any Governmental Authority, including any applicable, order, judicial decision, decree or judgment which may have been handed down, adopted or imposed by any Governmental Authority, all as in effect from time to time.

"Legal Restrictions" means restrictions on transfer arising under federal and state securities laws, the Cable Act, FCC Regulations, the Franchises and the Licenses.

"Letters of Credit" means the original irrevocable letters of credit in the aggregate amount of $10,000,000 that may, at the Sellers' option, be delivered to the Escrow Agent at Closing to fund the Indemnity Fund, which letters shall permit partial drawings and be issued in customary commercial form by financial institutions reasonably acceptable to Buyer.

"Licenses" means all FCC Licenses, permits or other authorizations, and all other licenses, authorizations and permits issued by any Governmental Authority, that are held by a Helicon Company for the business or operation of the Systems, excluding the Franchises.

"Limited Partners" shall mean all holders of the LP Interests, provided, however, that BII shall only be a Limited Partner upon the exercise of the Warrants pursuant to Section 6.9.

"Loss" or "Losses" means any claims, damages, losses, liabilities, taxes, injuries to persons, property or natural resources, fines, penalties, costs and expenses (excluding any and all consequential and incidental damages), including without limitation, settlement costs and any reasonable legal, accounting or other expenses incurred in connection with investigating or defending any action or threatened actions.

"LP Interests" means the limited partnership interests in Helicon held by the Limited Partners, and by BII as contemplated by Section 6.9.

"Management Agreements" means the Agreement, dated April 8, 1996, between Helicon and Helicon Corp., and the Agreement, dated November 2, 1993, between THGLP and Helicon Corp.

"Material Adverse Effect" means a material adverse effect on the business, financial condition, results of operations, Assets or liabilities of the Helicon Companies, taken as a whole, other than those resulting from changes in economic conditions that are applicable to the cable industry generally on a national, state, or regional basis, any changes in conditions (including Rate Regulatory Matters, and other proposed or enacted federal or state governmental legislation, regulations or decisions or policies formally adopted pursuant thereto) that are applicable to the cable industry generally on a national, state or regional basis, or any changes in competitive activities affecting the Systems.

"Material Contract" means any Contract (i) that is material to the business, financial condition or results of operations of the Helicon Companies, taken as a whole or (ii) that requires payments in the aggregate of more than $50,000 per year.

"Organizational Documents" means the articles or certificate of incorporation, bylaws, certificate of limited partnership, partnership agreement, certificate of formation, limited liability company operating agreement, and all other organizational documents of any Person other than an individual.

"Partners" means BII and the Limited Partners.

"Partnership Agreement" means the Agreement of Limited Partnership of Helicon Partners I, L.P., dated as of April 8, 1996, among BII and the Limited Partners.

"Permitted Encumbrances" means each of the following: (A) liens for current taxes and other governmental charges that are not yet due and payable; (B) liens for taxes, assessments, governmental charges or levies, or claims the non-payment of which is being diligently contested in good faith or liens arising out of judgments or awards against the Helicon Companies with respect to which at the time there shall be a prosecution for appeal or there shall be a proceeding to review or the time limit has not yet run for such an appeal or review with respect to such judgment or award; provided that with respect to the foregoing liens in this clause (B) adequate reserves shall have been set aside on the Helicon Companies' books, and no foreclosure, distraint, sale or similar proceedings shall have been commenced with respect thereto that remain unstayed for a period of 60 days after their commencement; (C) liens of carriers, warehousemen, mechanics, laborers, and materialmen and other similar statutory liens incurred in the ordinary course of business for sums not yet due or being diligently contested in good faith, and for which adequate reserves have been set aside on the Helicon Companies' books; (D) liens incurred in the ordinary course of business in connection with worker's compensation and unemployment insurance or similar laws; (E) statutory landlords' liens; (F) with respect to the Real Property, leases, easements, rights to access, rights-of-way, mineral rights or other similar reservations and restrictions which are either of record or set forth in Schedule 3.9 or in the deeds or leases to such Real Property or which, either individually or in the aggregate, do not materially and adversely affect or interfere with the ownership or use of any such Real Property in the business and operations of the Systems as presently conducted; and (G) any Encumbrances relating to the Debt Obligations or as described in Schedule 3.9.

"Person" means an individual, corporation, association, partnership, joint venture, trust, estate, limited liability company, limited liability partnership, Governmental Authority or other entity or organization.

"Preferred Interests" means all preferred partnership interests in Helicon, including the Preferred Partnership Interests, the Additional Preferred Interests, any Pari Passu Preferred Interests and any Senior Equity Interests, as such terms are defined in the Partnership Agreement.

"Preferred LLC Interest" means the preferred interest in GP Buyer to be issued to BII pursuant to the BII Contribution and whose terms are set forth in the Amended LLC Agreement.

"Purchased Interests" means the LP Interests and the Preferred Interests.

"Rate Regulatory Matter" means, with respect to any cable television system, any matter or any effect on such system or the business or operations thereof, arising out of or related to the Cable Act, any FCC Regulations heretofore adopted thereunder, or any other present or future Legal Requirement dealing with, limiting or affecting the rates which can be charged by cable television systems to their customers (whether for programming, equipment, installation, service or otherwise).

"Real Property" means all of the fee and leasehold estates and, to the extent of the interest, title, and rights of the Helicon Companies in the following: buildings and other improvements thereon, easements, licenses, rights to access, rights-of-way, and other real property interests that are owned or held by any of the Helicon Companies and used or held for use in the business or operations of the Systems, plus such additions thereto and less such deletions therefrom arising between the date hereof and the Closing Date in accordance with this Agreement.

"Required Consents" means the Consents that are designated by the symbol "(R)(C)" on Schedules 3.4 and 4.2 .

"SEC" means the U.S. Securities and Exchange Commission, or any successor agency thereto.

"Securities Act" means the Securities Act of 1933, and the rules and regulations of the SEC promulgated thereunder, as amended, all as in effect from time to time.

"Sellers" means the Partners with respect to the sale of their LP Interests, the Limited Partners with respect to the sale of their Preferred Interests, and solely with respect to the representations and warranties set forth in Section 4 and the indemnification provisions set forth in Section 10, BII with respect to the BII Assets.

"Subordinated Holders" means Sandler Mezzanine Partners, L.P. Sandler Mezzanine T-E Partners, L.P., Sandler Mezzanine Foreign Partners, L.P., SunAmerica, Inc., Permal Private Equity Holdings, L.P., Private Equity Holdings, L.P. and Union Venture Corporation.

"Subscriber" means any Person to whom any Helicon Company provides cable television programming or other service through the Systems into a single household, a multiple dwelling unit, a hotel or motel unit, a commercial business or any other real property improvement.

"Subsidiary" means, with respect to any Person, any other Person of which the outstanding voting Equity Interests sufficient to elect at least a majority of its board of directors or other governing body (or, if there are no such voting interests, of which 50% or more of the Equity Interests) is owned (beneficially or otherwise) directly or indirectly by such first Person or any Subsidiary thereof.

"Systems" means the cable television systems owned and operated by any Helicon Company or any combination of any of them, each of which may be referred to herein individually as a "System."

"Tangible Personal Property" means all of the equipment, tools, vehicles, furniture, leasehold improvements, office equipment, plant, converters, spare parts and other tangible personal property which are owned or leased by any of the Helicon Companies and used or held for use in the conduct of the business or operations of the Systems, plus such additions thereto and less such deletions therefrom arising between the date hereof and the Closing Date in accordance with this Agreement.

"Tax" means any and all taxes, fees, levies, duties, tariffs, imposts and other charges of any kind imposed by any government or taxing authority, including without limitations: federal, state, local, or foreign income, gross receipts, windfall profits, severance, property, production, sales, use, license, excise, franchise, capital, transfer, employment, withholding, or other tax or governmental assessment, together with any interest, additions, or penalties with respect thereto and any interest in respect of such additions or penalties.

"Tax Return" means any tax return, declaration of estimated tax, tax report or other tax statement, or any other similar filing, including any schedule or attachment thereto, and including any amendment thereof, required to be submitted to any Governmental Authority with respect to any Tax.

"THGLP" means The Helicon Group, L.P., a Delaware limited partnership.

"THGLP Note" means the promissory note dated November 2, 1993, executed by THGLP and held by Baum, in the original principal amount of $5,000,000.

"Transaction Documents" means this Agreement, the Indemnity Agreement, the Amended LLC Agreement, the Put Agreement, the Option Agreements and the other documents, agreements, certificates and other instruments to be executed, delivered and performed by the parties in connection with the transactions contemplated by this Agreement.

"Transferable Franchise Area" means any Franchise Area with respect to which (A) any Consent necessary under a Franchise in connection with the consummation of the transactions contemplated by this Agreement shall have been obtained or shall have been deemed obtained by operation of law in accordance with the provisions of the Cable Act, or (B) no Consent is necessary under a Franchise in connection with the consummation of the transactions contemplated by this Agreement.

"Upset Date" means July 31, 1999; provided, however, that (A) in the event that the Closing shall not have occurred on or prior to July 31, 1999 due to a "governmental delay," the Upset Date shall be extended to August 30, 1999, and (B) thereafter, in the event that the Closing shall not have occurred on or prior to August 30, 1999 due to a "governmental delay," the Upset Date shall be extended to September 29, 1999; with "governmental delay" meaning the failure, without any breach by any of the parties hereto of their obligations hereunder, to receive from a Governmental Authority any consents or authorizations which are required as a condition of Closing. In the event that the Closing shall not have occurred on or prior to September 29, 1999 due to a "governmental delay," Sellers shall have the option, exercisable by written notice to the Charter Parties no later than the close of business on such date, to extend the Upset Date to November 30, 1999; provided, that, as a condition to the exercise of such option, Helicon shall have exercised commercially reasonable efforts to obtain such consents and authorizations prior to September 29, 1999; and provided, further, that, Sellers shall continue to exercise commercially reasonable efforts to obtain such consents and authorizations as soon after September 29, 1999 as is practicable.

"Warrants" means the Warrants issued as of April 8, 1996, to the Subordinated Holders by Helicon entitling them to purchase an aggregate of 2,419.1 units of Class B Common LP Interests in Helicon.

1.2 Terms Defined Elsewhere in this Agreement. For purposes of this Agreement, and in addition to the definitions set forth in the first paragraph hereof and in Section 1.1, the following terms have the meanings set forth in the sections indicated:

Term	Section
Adjustment Assets	Section 2.4(b)(1)
Adjustment Liabilities	Section 2.4(b)(2)

Term	Section
Allocation Agreement	Section 6.10(d)(ii)
Antitrust Division	Section 6.5
BII Contribution	Section 2.1
Cash Consideration	Section 2.3
Charter Agent	Section 11.7(b)
Charter Financial Statements	Section 5.6
Claimant	Section 10.6(a)
Closing Equivalent Subscribers	Section 2.4(a)
Closing Subscriber Data	Section 2.5
Closing Net Liabilities	Section 2.4(b)
Confidential Information	Section 6.2(a)
Debt Obligations	Section 2.4(b)(3)
Estimated Cash Consideration	Section 2.5
Fee Properties	Section 3.9
Final Closing Statement	Section 2.6(a)
Financial Statements	Section 3.5
FTC	Section 6.5
Indemnity Fund	Section 10.4
Indemnifying Party	Section 10.6(a)
Inventory	Section 3.19
Investment Person	Section 3.3(a)
IRS	Section 3.13(f)(viii)
Leased Properties	Section 3.9
Leases	Section 3.9
Option Agreements	Section 6.16

Term	Section
Partnership Assets	Section 6.10(d)(1)
Preliminary Closing Statement	Section 2.5
Purchase Consideration	Section 6.10(d)(2)
Put Agreement	Section 6.16
Sellers' Agent	Section 11.7(a)
Tax Partnership	Section 3.12(f)
THGLP Note Purchase Price	Section 2.2(c)
Welfare Plan	Section 3.13(d)
Year 2000 Plan	Section 6.21
Year 2000 Matters	Section 3.21

1.3 Rules of Construction. Words used in this Agreement, regardless of the gender and number specifically used, shall be deemed and construed to include any other gender and any other number as the context requires. As used in this Agreement, the word "including" is not limiting, and the word "or" is not exclusive. Except as specifically otherwise provided in this Agreement in a particular instance, a reference to a Section is a reference to a Section of this Agreement, a reference to an Exhibit is a reference to an Exhibit to this Agreement, a reference to a Schedule is a reference to a Schedule to this Agreement, and the terms "hereof," "herein," and other like terms refer to this Agreement as a whole, including the Disclosure Schedules and the Exhibits to this Agreement, and not solely to any particular part of this Agreement. The descriptive headings in this Agreement are inserted for convenience of reference only and are not intended to be part of or to affect the meaning or interpretation of this Agreement.

SECTION 2: CONTRIBUTION OF BII ASSETS; SALE AND PURCHASE OF PURCHASED INTERESTS; CASH CONSIDERATION

2.1 Contribution. Subject to the terms and conditions of this Agreement, BII hereby agrees to contribute, transfer, assign and deliver to GP Buyer at the Closing, and GP Buyer hereby agrees to acquire and assume at the Closing, all of BII's right, title and interests in, to and under the BII Assets, free and clear of all Encumbrances, subject to Legal Restrictions, in consideration of GP Buyer's issuance and transfer to BII of the Preferred LLC Interest (the "BII Contribution").

2.2 Agreement to Sell and Buy Purchased Interests. Subject to the terms and conditions set forth in this Agreement, each Seller hereby agrees to sell, transfer, assign and deliver to Buyer at the Closing, and Buyer hereby agrees to purchase and assume at the Closing, the Purchased Interests held by such Seller, free and clear of all Encumbrances, subject to Legal Restrictions as follows:

(a) Each of the Partners shall sell, transfer and convey to Buyer such Partner's LP Interest, and Buyer shall buy such LP Interest for such portion of the Cash Consideration as shall be determined in accordance with the provisions of Sections 2.3 and 2.5 hereof.

(b) Each of the Limited Partners shall sell, transfer and convey to Buyer such Limited Partner's Preferred Interest, and Buyer shall buy such Preferred Interest for such portion of the Cash Consideration as shall be determined in accordance with the provisions of Sections 2.3 and 2.5 hereof.

(c) In addition thereto, Baum shall sell, transfer and convey to Buyer the THGLP Note, and Buyer shall buy the THGLP Note for a purchase price equaling the sum, as of the Closing Date, of the principal outstanding under the THGLP Note, plus all accrued and unpaid interest thereon (the "THGLP Note Purchase Price").

2.3 Cash Consideration for LP Interests and Preferred Interests. Buyer shall pay and deliver to the Partners, as consideration for the sale of the LP Interests and the Preferred Interests, an aggregate cash payment equal to the difference of (A) Five Hundred Twenty-Eight Million Six Hundred Twenty-Eight Thousand Two Hundred Fifty Dollars ($528,628,250) less (B) the amount of the THGLP Note Purchase Price, as adjusted in accordance with Sections 2.4, 2.5 and 2.6 below (the "Cash Consideration"). The Cash Consideration (including any adjustments thereto) payable with respect to the LP Interests and Preferred Interests shall be allocated among the Partners, as determined by the Partners and specified and noticed to Buyer on the Preliminary Closing Statement (as may be modified by the Limited Partners prior to and after Closing to reflect adjustments thereto agreed to among the Partners). Each Partner shall agree, with Buyer's acknowledgment, to such allocation in writing at or prior to the Closing, and such notice and written acknowledgment shall control the allocation of the Estimated Cash Consideration among the Limited Partners at Closing.

2.4 Cash Consideration Adjustments.

(a) Closing Equivalent Subscribers. The Cash Consideration shall be decreased by the number, if any, by which the number of Closing Equivalent Subscribers is less than 170,300 multiplied by $3,230. For purposes of this Agreement, "Closing Equivalent Subscribers" means the total number of Equivalent Subscribers for all of the Systems as of the Closing Date.

(b) Closing Net Liabilities. The Cash Consideration shall be decreased by the amount of the Closing Net Liabilities. For purposes of this Agreement, "Closing Net Liabilities" means Adjustment Liabilities as of the Adjustment Time, decreased by Adjustment Assets as of the Adjustment Time.

(1) Subject to the other provisions of this Section 2.4(b), "Adjustment Assets" means, as of any date, in each case computed for the Helicon Companies on a consolidated basis and without duplication in accordance with GAAP, the sum of: (A) cash and cash equivalents; (B) prepaid expenses and deposits; (C) Accounts Receivable and other receivables; (D) Tax refunds due to any of the Helicon Companies for any Tax period ending prior to the Adjustment Time; and (E) any other current assets which are reflected in the Financial Statements or, pursuant to GAAP, should have been but were not reflected in the Financial Statements. For purposes of the foregoing, Accounts Receivable (net of any allowance for doubtful accounts) shall be valued at 100% of all Subscriber receivables that are less than one month past due, 99% of all Subscriber receivables that are between one and two months past due, 60% of all Subscriber receivables between two and three months past due, and 95% of all advertising and other receivables that are less than three months past due, in each case determined from the later of the last day of the period to which any outstanding bill relates, or the date of billing.

(2) Subject to the other provisions of this Section 2.4(b), "Adjustment Liabilities" means, as of any date, in each case computed for the Helicon Companies on a consolidated basis and without duplication in accordance with GAAP, the sum of: (A) accounts payable; (B) expenses of the Helicon Companies relating to the consummation of the transactions contemplated by this Agreement, including fees and expenses of attorneys, accountants, financial advisors and broker fees, if such fees and expenses are paid after the Closing Date, but excluding any expenses that Buyer agrees to pay or is obligated to pay pursuant to this Agreement; (C) accrued and unpaid expenses; (D) Subscriber prepayments and deposits; (E) Tax payments due and payable by any of the Helicon Companies to any Governmental Authority for all Tax periods ending on or prior to the Adjustment Time; (F) all obligations for any management fees (deferred or otherwise) owed by the Helicon Companies to Helicon Corp. under the Management Agreements; (G) the amount of the Debt Obligations as of the Adjustment Time; (H) accrued and unpaid vacation pay and sick leave related to any and all persons employed by any of the Helicon Companies; (I) one-half of the Taxes and fees described in Section 6.10(e); and (J) any other current liabilities which are reflected in the Financial Statements or, pursuant to GAAP, should have been but were not reflected in the Financial Statements.

(3) "Debt Obligations" means, with respect to the Helicon Companies on a consolidated basis without duplication, Indebtedness of the Helicon Companies, including, but not limited to, all liabilities of the Helicon Companies (as defined and determined in accordance with GAAP) under the debt instruments listed in

Schedule 3.6; provided, however, that, neither Debt Obligations nor Adjustment Liabilities shall include: (i) any amounts payable to the Subordinated Holders with respect to the Warrants; (ii) any amounts in respect of performance bonds issued on behalf of any of the Helicon Companies to secure its performance in the ordinary course of business; (iii) any amounts in the nature of prepayment penalties or other fees or expenses that are required to be paid under the terms of such debt instruments with respect to the assumption of the Debt Obligations, or the refinancing or satisfaction thereof, or the change of control of the Helicon Companies; (iv) any amounts payable with respect to leases of equipment or vehicles; and (v) any amounts payable under mortgages securing local financings as listed in Item 9 on Schedule 3.6, and (vi) the THGLP Note Purchase Price.

(4) Revenues and expenses shall be treated as prepaid or accrued so as to reflect the principle that revenues and expenses attributable to the period prior to the Adjustment Time shall be for the account of the Partners, and revenues and expenses attributable to the period after the Adjustment Time shall be for the account of Buyer.

(5) Deferred income Taxes of any Helicon Company shall not be treated as Adjustment Assets or Adjustment Liabilities.

(c) Closing Date Reimbursements. The Cash Consideration shall be increased by the amounts, if any, provided for in Sections 6.1(c)(3), and decreased by the amount, if any, provided for in Section 6.1(c)(4).

2.5 Payments at Closing. Helicon shall arrange for CableData, Inc., to complete a print-out of Subscriber data (the "Closing Subscriber Data") as of a date on or about fifteen (15) days prior to the date scheduled for the Closing, a copy of which print-out will be promptly provided by Helicon to Charter. No later than ten (10) days prior to the date scheduled for the Closing, Helicon shall prepare and deliver to Buyer a written report (the "Preliminary Closing Statement") setting forth Helicon's estimates of Closing Net Liabilities, Closing Equivalent Subscribers, and the Cash Consideration (including the portion thereof payable to each Partner) determined in accordance with Sections 2.3, 2.4 and this Section 2.5. The Preliminary Closing Statement shall be prepared by Helicon in good faith in accordance with GAAP and shall be certified by Helicon to be its good faith estimate of the Closing Net Liabilities, Closing Equivalent Subscribers and Cash Consideration as of the date thereof. Helicon shall make available to Buyer such information as Buyer shall reasonably request relating to the matters set forth in the Preliminary Closing Statement. Buyer shall notify Helicon in writing in the event Buyer disputes any amount set forth on the Preliminary Closing Statement. Buyer and Helicon shall, in good faith, use all reasonable efforts to resolve any dispute with respect to any amount set forth on the Preliminary Closing Statement prior to the date scheduled for the Closing. At Closing, in addition to the payment of the THGLP Note Purchase Price to Baum, Buyer shall pay (a) unless the Sellers shall have elected to deliver the Letters of Credit, to the Escrow Agent the amount of the Indemnity Fund, to be held by the Escrow Agent in escrow on behalf of Sellers in accordance with the terms of the Indemnity Agreement, and (b) to the Partners (allocated to them as they shall have agreed pursuant to Section 2.3), the portion of the Cash Consideration, as adjusted on the basis of the Preliminary Closing Statement (as adjusted by Helicon and Buyer prior to Closing) less the aggregate amount, if any, paid to the Escrow Agent under clause (a), with the sum of the amounts paid by Buyer under clauses (a) and (b) being referred to as the "Estimated Cash Consideration".

2.6 Post-Closing Payment of Cash Consideration Adjustments.

(a) Final Closing Statement. Within ninety (90) days after the Closing Date, Buyer shall prepare and deliver to Helicon Corp. a written report (the "Final Closing Statement") setting forth Buyer's final estimates of Closing Net Liabilities and Closing Equivalent Subscribers, determined in accordance with Section 2.4. The Final Closing Statement shall be prepared by Buyer in good faith in accordance with GAAP and shall be certified by Buyer to be, as of the date prepared, its good faith estimate of the Closing Net Liabilities, Closing Equivalent Subscribers and Cash Consideration. Buyer shall allow Helicon Corp. and its agents reasonable access after the Closing Date to make copies of the books, records and accounts of the Helicon Companies and make available to Helicon Corp. such information as Helicon Corp. reasonably requests to allow Helicon Corp. to examine the accuracy of the Final Closing Statement. If Buyer fails to deliver the Final Closing Statement to Helicon Corp. within ninety (90) days of the Closing, Buyer shall be deemed to have waived its right to payment of any Cash Consideration adjustment pursuant to Section 2.6(b)(1)(B). Within thirty (30) days after the date that the Final Closing Statement is delivered by Buyer to Helicon Corp., Helicon Corp. shall complete its examination thereof and may deliver to Buyer a written report setting forth any proposed adjustments to any amounts set forth in the Final Closing Statement. If Helicon Corp. notifies Buyer of its acceptance of the amounts set forth in the Final Closing Statement, or if Helicon Corp. fails to deliver its report of any proposed adjustments within the thirty (30) day period specified in the preceding sentence, the amounts set forth in the Final Closing Statement shall be conclusive, final, and binding on the parties as of the last day of such thirty (30) day period. Buyer and Helicon Corp. shall, in good faith, use all reasonable efforts to resolve any dispute involving the amounts set forth in the Final Closing Statement. If Helicon Corp. and Buyer fail to agree on any amount set forth in the Final Closing Statement within fifteen (15) days after Buyer receives Helicon Corp.'s report pursuant to this Section 2.6, then Helicon Corp. will retain Deloitte & Touche LLP to make the final determination, under the terms of this Agreement, of any amounts under dispute. Deloitte & Touche LLP shall endeavor to resolve the dispute as promptly as practicable and such firm's resolution of the dispute shall be final and binding on the parties, and a judgment may be entered thereon in any court of competent jurisdiction. The costs and expenses of Deloitte & Touche LLP and its services rendered pursuant to this Section 2.6 shall be borne one-half by Buyer and one-half by Sellers.

(b) Payment of Cash Consideration Adjustments.

(1) After the amount of the Cash Consideration is finally determined pursuant to Section 2.6(a), payments shall be made as follows:

(A) If the amount of the Cash Consideration as finally determined pursuant to Section 2.6(a) exceeds the amount of the Estimated Cash Consideration, then within three (3) business days after the date the amount of the Cash Consideration is finally determined, Buyer shall pay the amount of such excess to the Limited Partners, by wire or accounts transfer of immediately available funds to an account or accounts designated by the Limited Partners by written notice to Buyer. Such payment shall be made to the Limited Partners pro rata in the proportions set forth on the notice and acknowledgment referred to in Section 2.3.

(B) If the amount of the Cash Consideration as finally determined pursuant to Section 2.6(a) is less than the amount of the Estimated Cash Consideration, then within three (3) business days after the date the amount of the Cash Consideration is finally determined, the Limited Partners shall pay to Buyer the amount of such deficiency, by wire or accounts transfer of immediately available funds to an account or accounts designated by Buyer by written notice to the Limited Partners. In the event the Limited Partners do not fulfill their obligations under this Section 2.6(b)(i)(B), Buyer shall be entitled to receive the amount of such deficiency from the Indemnity Fund.

(2) Any amount which becomes payable pursuant to this Section 2.6 will constitute an adjustment to the Cash Consideration for all purposes.

SECTION 3: REPRESENTATIONS AND WARRANTIES OF THE HELICON COMPANIES

Subject to any provisions of this Agreement limiting, qualifying or excluding any of the representations or warranties made herein, and to the disclosures set forth in the Helicon Disclosure Schedules, as such schedules are referenced herein, Helicon represents and warrants to the Charter Parties as set forth in this Section 3.

3.1 Organization and Authority of Helicon. Helicon is a limited partnership duly formed, validly existing, and in good standing under the laws of the State of Delaware. Helicon has the requisite partnership power and authority to own, lease and operate its properties, to carry on its business in the places where such properties are now owned, leased or operated and in the manner in which such business is now conducted, and to execute, deliver and perform this Agreement and the other Transaction Documents to which it is a party according to their respective terms.

3.2 Authorization and Binding Obligation. The execution, delivery and performance by Helicon of this Agreement and the other Transaction Documents to which Helicon is a party have been duly authorized by all necessary partnership action on the part of Helicon. This Agreement and the other Transaction Documents to which Helicon is or will become a party have been duly executed and delivered by Helicon (or, in the case of Transaction Documents to be executed and delivered at Closing, when executed and delivered will be duly executed and delivered) and constitute (or, in the case of Transaction Documents to be executed and delivered at Closing, when executed and delivered will constitute) the legal, valid, and binding obligation of Helicon enforceable against Helicon in accordance with their terms, except as the enforceability of this Agreement and such other Transaction Documents may be limited by Enforceability Exceptions.

3.3 Organization and Ownership of Helicon Companies.

(a) Schedule 3.3 sets forth the name of each Helicon Company, including the jurisdiction of incorporation or formation (as the case may be) of each. Each Helicon Company that is a corporation is a corporation duly incorporated, validly existing, and in good standing under the laws of the jurisdiction of its incorporation. Each Helicon Company that is a limited partnership is a limited partnership duly formed, validly existing, and in good standing under the laws of the jurisdiction of its formation. Each Helicon Company that is a limited liability company is a limited liability company duly formed, validly existing, and in good standing under the laws of the jurisdiction of its formation. Each Helicon Company is duly qualified and in good standing as a foreign corporation, limited partnership, or limited liability company, as the case may be, in each jurisdiction listed in Schedule 3.3, which are all jurisdictions in which such qualification is required, except as described in Schedule 3.3. Except as disclosed in Schedule 3.3, no Helicon Company, directly or indirectly, owns, of record or beneficially, any Equity Interest in any Person (each such Person described in Schedule 3.3, an "Investment Person") or has the right or obligation to acquire, any Equity Interests in any Person. Except as disclosed in Schedule 3.3, the Helicon Company that owns the Equity Interests of each such Investment Person owns such Equity Interests free and clear of all Encumbrances subject to Legal Restrictions.

(b) Schedule 3.3 sets forth all of the authorized, issued and outstanding Equity Interests of Helicon and each other Helicon Company and the record and beneficial owner of each issued and outstanding Equity Interest of each of them. All of such issued and outstanding Equity Interests of the Helicon Companies have been duly authorized, validly issued, fully paid and, as pertaining to capital stock interests, non-assessable, and have not been issued in violation of any federal or state securities laws. Except as set forth in Schedule 3.3, the owner of the Equity Interests of each Helicon Company owns such Equity Interests free and clear of all Encumbrances subject to Legal Restrictions (except that no representation is made in this Section 3 as to the LP Interests and Preferred Interests held by the Partners or the BII Assets). Except as disclosed in

Schedule 3.3, there are no outstanding securities, options, warrants, calls, rights, commitments, agreements, arrangements or undertakings of any kind to which any Helicon Company is a party or by which any of them is bound obligating such Helicon Company to issue, deliver or sell, or cause to be issued, delivered or sold, any additional Equity Interests of such Helicon Company or obligating such Helicon Company to issue, grant, extend or enter into any such security, option, warrant, call, right, commitment, agreement, arrangement or undertaking. Helicon has delivered to Buyer complete and correct copies of the Organizational Documents of each Helicon Company as in effect on the date hereof.

3.4 Absence of Conflicting Agreements; Consents. Except for the expiration or termination of any applicable waiting period under the HSR Act, or as set forth in Schedule 3.4 or Schedule 3.8, the execution, delivery and performance by Helicon of this Agreement and the other Transaction Documents to which Helicon is a party: (a) do not require the consent of, notice or declaration to, or filing with any Governmental Authority or any other Person under any Franchise, License (including any FCC License), or Material Contract; (b) will not conflict with any provision of the Organizational Documents of Helicon or any other Helicon Company, each as currently in effect; (c) assuming receipt of all Consents set forth on Schedule 3.4, will not conflict with, result in a breach of, or constitute a default under any Legal Requirement to which Helicon or any other Helicon Company is bound; (d) assuming receipt of all Consents set forth on Schedule 3.4, will not conflict with, constitute grounds for termination of, result in a material breach of, constitute a material default under, or accelerate or permit the acceleration of any performance required by the terms of any Franchise, License (including any FCC License), or Material Contract; and (e) assuming receipt of the Consents set forth on Schedule 3.4, will not result in the creation of any Encumbrance upon the Assets or the Purchased Interests. Notwithstanding the foregoing, Helicon makes no representation or warranty regarding any of the foregoing that may result from the specific legal or regulatory status of any of the Charter Parties or as a result of any other facts that specifically relate to the business or activities in which any of the Charter Parties is or proposes to be engaged other than the cable television business.

3.5 Financial Statements. Helicon has furnished Buyer with true and complete copies of the audited financial statements (including the notes and schedules thereto) and unaudited financial statements listed in Schedule 3.5 (collectively, the "Financial Statements"), and such Financial Statements are by this reference incorporated into and deemed a part of Helicon's Disclosure Schedules. Except as disclosed in Schedule 3.5 and except, in the case of the unaudited Financial Statements, for the omission of footnotes and changes resulting from customary and recurring year-end adjustments, (which will be in accordance with past practice and are not expected to be material) the Financial Statements: (1) have been prepared from the books and records of the Helicon Companies to which they relate, with no material difference between such Financial Statements and the financial records maintained, and the accounting methods applied, by the Helicon Companies for tax purposes; (2) have been prepared in accordance with

GAAP consistently applied and maintained throughout the periods indicated (except as indicated in the notes thereto); and (3) present fairly in all material respects the financial condition of the Helicon Companies to which they relate as at their respective dates and the results of operations and with respect to the audited Financial Statements, the cash flows, for the periods then ended.

3.6 Debt Obligations; Absence of Undisclosed Liabilities.

(a) Except as provided in or arising pursuant to the loan or credit agreements, notes, bonds, indentures and other agreements and instruments listed in Schedule 3.6, or under certain of the leases for Tangible Personal Property listed in Schedule 3.9, the Helicon Companies have no Indebtedness.

(b) None of the Helicon Companies has any Indebtedness, liability, or obligation of a type required by GAAP to be reflected on a balance sheet that is not reflected or reserved against in the latest balance sheet of such Helicon Company included in the Financial Statements, other than Indebtedness, liabilities and obligations that were incurred in the ordinary course of business after the date of the latest balance sheet of such Helicon Company, which would not, in the aggregate, reasonably be expected to be material.

3.7 Absence of Certain Changes. Between September 30, 1998 and the date of this Agreement, except as disclosed in Schedule 3.7 and except for matters occurring after the date hereof that are permitted by the provisions of this Agreement or consented to by the Charter Parties, no Helicon Company has:

(a) made any sale, assignment, lease, or other transfer of assets other than in the ordinary course of business with suitable replacements being obtained therefor (unless such assets were unnecessary or obsolete);

(b) issued any note, bond or other debt security, or created, incurred, assumed, or guaranteed any Indebtedness;

(c) made or promised any material increase in the salary or other compensation payable or to become payable to any executive officer or other employee of any Helicon Company other than in the ordinary course of business or as contemplated under any employment arrangement currently in effect;

(d) experienced any occurrences, or been involved in any transactions which, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect;

(e) entered into any transaction, other than transactions entered into in the ordinary course of business, which would be required to be presented in the audited financial statements of the Helicon Companies and the notes thereto prepared in conformity with GAAP, applied in a manner consistent with the past practices of the Helicon Companies relating to the preparation of audited financial statements of the Helicon Companies;

(f) amended or terminated any Material Contract, or any material License, agreement or understanding to which any Helicon Company is a party, except in the ordinary course of business;

(g) waived or released any material right or claim relating to any Helicon Company or the Systems except in the ordinary course of business; provided, however, that all material rights or claims related to any Helicon Company or the Systems waived or released between December 31, 1998 and the date of this Agreement are set forth on Schedule 3.7; provided further, however, that for purposes of the indemnification provisions set forth in Section 10, "material" shall not be "read out" of the previous proviso; or

(h) entered into an agreement to do any of the things described in the preceding clauses (a) through (g).

3.8 Franchises, Licenses, Material Contracts. Schedule 3.8 contains a list of the Franchises (including the Franchising Authority which granted each Franchise, the stated expiration date of each Franchise, and the System to which the Franchise applies), material FCC Licenses and other material Licenses and Material Contracts in effect on the date hereof, each pending application for a Franchise, material License or Material Contract, and a list of any System or portion thereof owned or operated by the Helicon Companies which does not require a Franchise authorizing the installation, construction, development, ownership or operation of the same; which list is true, correct and complete in all material respects. Except as disclosed in Schedule 3.8, each Helicon Company has obtained and possesses and is the legal holder of all material Franchises and material Licenses (including FCC Licenses) which are necessary or required to entitle it to install, construct, develop, own or lease, operate and use its assets and properties and to carry on and conduct its business and operations as presently conducted. Helicon has delivered to Buyer true and complete copies of all Franchises, FCC Licenses, other material Licenses and Material Contracts. Except as disclosed in Schedule 3.8, the Franchises, FCC Licenses, other material Licenses and Material Contracts are in full force and effect (subject to expiration at the end of their current term as disclosed on Schedule 3.8), and are valid, binding and enforceable in accordance with their terms, except to the extent such enforceability may be affected by Enforceability Exceptions. Except as disclosed in Schedule 3.8, the Helicon Companies are in material compliance with the terms of the Franchises (including the payment of any fees due thereunder), FCC Licenses, other material Licenses and Material Contracts, and as of the date of this Agreement none of the Helicon Companies has received any written notice from a Franchising Authority, the FCC, or a consultant representing a Franchising Authority, any state cable regulatory authority or the FCC to the effect that any of the Helicon Companies are not currently in material compliance with the terms of the Franchise granted by any Franchising Authority or with an FCC License. Except as set forth in Schedule 3.8, a valid request for renewal has been timely filed in accordance with Section 626(a) of the Cable Act with the proper Franchising Authority with respect to each Franchise that has expired prior to, or will expire within, thirty (30) months after the date of this Agreement.

3.9 Title to and Condition of Real Property and Tangible Personal Property. Schedule 3.9 lists all (i) material Real Property owned in fee by any of the Helicon Companies as of the date of this Agreement ("Fee Properties") and describes the current use thereof; (ii) material Real Property leasehold interests held by any of the Helicon Companies, as lessee, as of the date of this Agreement (the "Leased Properties") and describes the current use thereof and describes the applicable leases and any amendments or modifications thereof (collectively, the "Leases") pursuant to which the Helicon Companies lease such Leased Properties; and (iii) material Leases under which any Helicon Company is a lessor affecting such Fee Properties, of any such Helicon Company. Helicon has delivered to Buyer a true and correct copy of (i) each deed pursuant to which any of the Helicon Companies acquired any material Fee Property, together with any survey and title insurance policies issued to such Helicon Company and in its possession, (ii) each lease under which any Helicon Company is a lessor affecting such Fee Property and in its possession, (iii) any other material easements, rights-of-way, covenants, conditions and restrictions, document or agreement affecting title to such Fee Property and in the case of this clause (iii) in the possession of the Helicon Companies; and (iv) each material lease for a Leased Property under which any Helicon Company is a lessee. Except as disclosed in Schedule 3.9, (a) each Helicon Company owning a material Fee Property has good and marketable title thereto; (b) each Helicon Company that owns any material item of Tangible Personal Property has good and valid title thereto; (c) each Helicon Company that leases a material Leased Property has a valid leasehold interest therein (subject to expiration of such lease in accordance with its terms); (d) each Helicon Company that leases any material item of Tangible Personal Property has a valid leasehold interest therein (subject to expiration of such lease in accordance with its terms), in each case of (a), (b), (c) and (d) above, free and clear of all Encumbrances other than Permitted Encumbrances; (e) each of the material Leases are in full force and effect and have not been modified or amended in any respect; (f) no material default exists under any of the Leases; (g) none of the Helicon Companies are a party to any lease of Tangible Personal Property with annual lease payments in excess of $50,000; and (h) all material easements, rights-of-way and similar agreements benefitting any of the Fee Properties or Leased Properties and which are material to the business of any of the Helicon Companies as presently conducted are in full force and effect, and the Helicon Companies are in material compliance with such agreements and no material default exists thereunder. All structures on the Fee Properties and Leased Properties are structurally sound and in good operating condition and repair, and all Tangible Personal Property are in good operating condition, normal wear and tear excepted, except that the foregoing representation is not made with respect to any Real Property, improvements thereon and Tangible Personal Property acquired in acquisitions of Systems since December 31, 1998, which property is "as is, where is." Notwithstanding the express language of this Section 3.9 or as may otherwise be provided in this Agreement, no representation or warranty is being made as to title to the internal wiring, house drops and unrecorded dwelling-units easements, rights of entry or rights-of-way held or used by the Helicon Companies.

3.10 Intangibles. Schedule 3.10 contains a true and complete description of the material Intangibles (exclusive of those required to be listed in Schedule 3.8), that are owned or leased by any of the Helicon Companies and that are reasonably necessary for the conduct of the business or operations of the Systems as currently conducted. To Helicon's knowledge, except as to potential copyright liability arising from the performance, exhibition or carriage of any music on the Systems or except as disclosed in Schedule 3.10, none of the Helicon Companies is infringing upon any trademarks, trade names, copyrights or similar intellectual property rights of others.

3.11 Information Regarding the Systems.

(a) Helicon has delivered to Buyer a copy of the "System Profiles" that are prepared by the Helicon Companies in the ordinary course of business. The "System Profiles" are substantially accurate; provided, however, that if any information in the System Profiles shall conflict with any information disclosed in Helicon's Disclosure Schedules, such scheduled information shall be considered to be the more accurate information.

(b) Subscribers. Schedule 3.11 sets forth the approximate number of Equivalent Subscribers as of the date indicated therein (including the approximate number of Equivalent Subscribers served in each Franchise Area and served by each headend, in case as of the date indicated therein). The "System Profiles" delivered pursuant to Section 3.11(a) provide a description, as of the respective dates set forth therein, of all Subscriber rates, tariffs and other charges for cable television and other services provided by any Helicon Company. Helicon has delivered to Buyer a Cable Data, Inc. print-out listing all free, discount or other promotional service obligations of any Helicon Company with respect to the Systems as of the date of such print-out. None of the Helicon Companies has any obligation or liability for the refund of the monies to Subscribers other than as evidenced by their respective refund (including deposit) account credit balances or as may be required under the rules and regulations relating to rates promulgated by the FCC under the Cable Act. The Subscriber records of the Helicon Companies are prepared by Cable Data, Inc. in accordance with its customary practices. At January 31, 1999, (i) the total number of Subscribers was approximately 170,000, and (ii) the Systems were capable of providing service to approximately 235,000 homes without the need for any line extension other than a standard drop from an adjoining public road. As used in the preceding sentence, a "home" shall mean a unit of residential housing, including single family and each unit of a multi-family dwelling units, and any commercial or institutional real property improvement.

(c) Certain Systems Information. Schedule 3.11 sets forth the approximate number of plant miles for each System and the approximate bandwidth capability of each System. The "System Profiles" delivered pursuant to Section 3.11(a) provide a list of the stations and signals carried by each System, and the channel position of each such signal and station. Except as set forth on Schedule 3.11, each such station is carried pursuant to a retransmission consent, "must carry" request or other programming agreement.

(d) Franchise and FCC Matters. All reports or other documents, payments or submissions required to be filed by any of the Helicon Companies with any of the Franchising Authorities or the FCC have been duly filed or submitted and were materially correct when filed. The Helicon Companies are permitted under all applicable Franchises and FCC Regulations to distribute the television broadcast signals distributed by the Systems (except during periods covered by bona fide requests for nonduplication or syndex blackouts in accordance with FCC Regulations) and to utilize all carrier frequencies generated by the operations of the Systems, and are authorized or licensed in all material respects to operate all the facilities of the Systems required by Legal Requirements to be authorized or licensed.

(e) Request for Signal Carriage. Except for nonduplication and blackout notices received in the ordinary course of business, none of the Helicon Companies has received any FCC order requiring any System to carry a television broadcast signal or to terminate carriage of a television broadcast signal with which it has not complied, and, except as disclosed in Schedule 3.11, the Helicon Companies have complied in all material respects with all written and bona fide requests or demands received from television broadcast stations to carry or to terminate carriage of a television broadcast signal on a System.

(f) Rate Regulatory Matters. Schedule 3.11 sets forth a list of all Governmental Authorities that are certified to regulate basic service rates of the Systems pursuant to the Cable Act and FCC Regulations as of the date of this Agreement. No pending rate complaints have been filed with the FCC against the Systems according to the FCC's log, dated January 1, 1999, which reflects rate complaints filed through December 31, 1998. Except as set forth on Schedule 3.11, as of the date of this Agreement, none of the Helicon Companies has received any written notice, and to Helicon's knowledge, any notice (other than written notice) from any Governmental Authority that it has any obligation or liability to refund to subscribers of the Systems any portion of the revenue received by any of such Helicon Company from Subscribers of the Systems (excluding revenue with respect to deposits for converters, encoders, decoders, and related equipment and other prepaid items) that has not been resolved.

(g) Insurance. The Systems and Assets are insured against claims, loss or damage in amounts generally customary in the cable television industry and consistent with the Helicon Companies' past practices. Schedule 3.11 lists all policies of insurance maintained, owned or held by all Helicon Companies on the date hereof with respect to the Systems and Assets, which list is true and complete in all material respects. All such policies are outstanding and in full force and effect on the date hereof and, to Helicon's knowledge, are with financially sound insurers. From December 31, 1997 to the date of this Agreement, no insurance carrier has denied any material claim for insurance made by any Helicon Company in respect of any of the Systems and Assets or refused to renew any policy covering any of the Systems and Assets.

(h) Right of First Refusal. Except as set forth on Schedule 3.11, no Person (including any Governmental Authority) has any right to acquire any interest in connection with the transactions contemplated hereby in any of the Systems (including, without limitation, any right of first refusal or similar right), other than rights of condemnation or eminent domain afforded by law or upon the termination of or default under any Franchise.

3.12 Taxes.

(a) The Helicon Companies have timely filed or have caused to be filed all required Tax Returns with the appropriate Governmental Authorities in all jurisdictions in which such Tax Returns are required to be filed by the Helicon Companies (except Tax Returns listed on Schedule 3.12 for which the filing date has been extended and such extension period has not expired), and all Taxes of the Helicon Companies have been properly accrued or paid to the extent such Taxes have become due and payable. Helicon has delivered to Buyer true, correct and complete copies of the Tax Returns (in the form filed) listed in Schedule 3.12. The Financial Statements reflect an adequate reserve in accordance with GAAP (without regard to any amounts reserved for deferred taxes) for all material unpaid Taxes payable by the Helicon Companies for all Tax periods and portions thereof through the date of such Financial Statements. Except as disclosed in Schedule 3.12, none of the Helicon Companies has executed any waiver or extensions of any statute of limitations on the assessment or collection of any Tax or with respect to any liability arising therefrom. Except as disclosed in Schedule 3.12, none of the federal, state or local income Tax Returns filed by the Helicon Companies during the prior three years has been audited by any taxing authority. Except as disclosed in Schedule 3.12, (i) neither the IRS nor any other Governmental Authority has asserted, or to the best knowledge of each of the Helicon Companies, threatened to assert any deficiency or claim for additional Taxes against, or any adjustment of Taxes relating to, any of the Helicon Companies and, to the best knowledge of each of the Helicon Companies, no basis exists for any such deficiency, claim or adjustment, and (ii) to the best knowledge of each of the Helicon Companies, there are no proposed reassessments of any property owned by any of the Helicon Companies that would affect the Taxes of any of the Helicon Companies. There are no material Tax liens on any assets of the

Helicon Companies, other than liens for current Taxes not yet due and payable and liens for Taxes that are being contested in good faith by appropriate proceedings and are disclosed on Schedule 3.12.

(b) Except as disclosed in Schedule 3.12, none of the Helicon Companies was included or is includible in any consolidated, combined or unitary Tax Return with any entity.

(c) None of the Helicon Companies has entered into any compensatory agreements with respect to the performance of services which payment thereunder would result in a non-deductible expense to such Helicon Company pursuant to Section 280G of the Code or an excise Tax to the recipient of such payment pursuant to Section 4999 of the Code. No acceleration of the vesting schedule for any property that is substantially unvested within the meaning of the regulations under Section 83 of the Code will occur in connection with the transactions contemplated by this Agreement.

(d) No consent under Section 341(f) of the Code has been filed with respect to any of the Helicon Companies.

(e) Each of the Helicon Companies has had since its inception and will continue to have through the Closing Date the federal tax status (i.e., partnership, C corporation or S corporation) such entity reported on its 1997 federal Tax Returns, except as results from any actions taken pursuant to this Agreement.

(f) Except as disclosed in Schedule 3.12, none of the Helicon Companies have been at any time a member of any partnership, joint venture or other arrangement or contract which is treated as a partnership for federal, state, local or foreign tax purposes (a "Tax Partnership") or the holder of a beneficial interest in any trust for any period for which the statute of limitations for any Tax has not expired, except for a Tax Partnership which is a Helicon Company.

(g) The Helicon Companies have withheld or collected and paid over to the appropriate Governmental Authorities or are properly holding for such payment all material Taxes required by law to be withheld or collected.

(h) Except as disclosed in Schedule 3.12, there are no tax sharing agreements or similar arrangements with respect to or involving any of the Helicon Companies.

(i) Except as disclosed in Schedule 3.12, none of the Helicon Companies has any (i) income reportable for a period ending after the Closing Date but attributable to a transaction (e.g., an installment sale) occurring in or a change in accounting method made for a period ending on or prior to the Closing Date which resulted in a deferred reporting of income from such transaction or from such change in accounting method (other than a deferred intercompany transaction), or (ii) deferred gain or loss arising out of any deferred intercompany transaction.

3.13 Employee Matters.

(a) Employee Plans. Schedule 3.13 contains a list of all Employee Plans and material Compensation Arrangements. The Helicon Companies have delivered or made available to Buyer true, complete and correct copies of each Employee Plan and each Compensation Arrangement, if any, and all material related documents, including without limitation: (i) the most recent summary plan description (together with any summary of material modifications) and material employee communications, (ii) any governmental filing or communication, including material documents received from any Governmental Authority for the past three years, (iii) any funding agreements or contracts, and (iv) any other material contracts or agreements related to such Employee Plan or Compensation Arrangement. None of the Helicon Companies or any of their ERISA Affiliates has experienced a complete or partial withdrawal, within the meaning of ERISA Section 4203 or 4205, from any "multiemployer plan" (as defined in ERISA Section 3(37)). Except as required under Code Section 4980B or ERISA Section 601-609, no Employee Plan provides life insurance, health or medical coverage to former employees of the Helicon Companies.

(b) Qualified Plans. Except as disclosed in Schedule 3.13, with respect to each Employee Plan, and after taking into consideration the effect of the payments to be made with respect to the Employee Plans: (1) each such Employee Plan that is intended to be tax-qualified is the subject of a favorable determination letter (a copy of which has been provided or made available to Buyer) except as described in Schedule 3.13, and no such determination letter has been revoked, and to the best of any Helicon Company's knowledge, no revocation has been threatened, no event has occurred and no circumstances exist that would adversely affect the tax-qualification of such Employee Plan; (2) no such Employee Plan has been amended since the effective date of its most recent determination letter in any respect that might adversely affect its qualification; (3) no Employee Plan is subject to Section 302 or Title IV of ERISA or Section 412 of the Code; (4) no non-exempt prohibited transaction, within the definition of Section 4975 of the Code or Title 1, Part 4 of ERISA, has occurred which would subject the Helicon Companies to any material liability; (5) there is no termination or partial termination, or requirement to provide security with respect to any Employee Plan; (6) the fair market value of the assets of any Employee Plan would exceed the value of all liabilities and obligations of such Employee Plan if such plan were to terminate on the Closing Date; (7) the transactions contemplated by this Agreement will not result in liability under ERISA to Helicon or the other Helicon Companies or Buyer, or any of their respective ERISA Affiliates, or any entitlement to any additional benefits or any acceleration of the time of payment or vesting of any benefits under any Employee Plan for any employee of any Helicon Company; and (8) at all times on or prior to the Closing, each Employee Plan that is intended to be tax-qualified, satisfied all minimum coverage and minimum participation requirements, if any, imposed on such Employee Plan by the applicable terms of the Code and ERISA.

(c) Plan Administration. Each Employee Plan and each Compensation Arrangement has been operated and administered in all material respects in accordance with its terms and all applicable laws, including but not limited to ERISA and the Code. To the knowledge of the Helicon Companies, there are no pending or threatened investigations by any governmental agency or other claims (except claims for benefits payable in the normal operation of the Plan), suits or proceedings against or involving any Plan or asserting any rights to or claims for benefits under any Plan that could give rise to any material liability and there are not any facts that could give rise to any material liability in the event of any such investigation, claim, suit or proceeding.

(d) Welfare Plan Funding. The list of Employee Plans in Schedule 3.13 discloses whether each Plan that is an "employee welfare benefit plan" as defined in section 3(1) of ERISA ("Welfare Plan") is (i) unfunded, (ii) funded through a "welfare benefit fund," as such term is defined in section 419(e) of the Code, or other funding mechanism or (iii) insured. Other than Welfare Plans provided under a collective bargaining agreement, each such Welfare Plan may be amended or terminated without material liability to any Helicon Company (other than the payment of benefits accruing prior to such termination) at any time after the Closing Date.

(e) Labor Unions. As of the date of this Agreement, other than as disclosed in Schedule 3.13, none of the Helicon Companies is party to or bound by any collective bargaining agreement. As of the date of this Agreement, other than as disclosed in Schedule 3.13, to the knowledge of Helicon, (1) none of the employees of the Helicon Companies is presently a member of any collective bargaining unit related to his or her employment and (2) no collective bargaining unit has filed a petition for representation of any of the employees of the Helicon Companies. The Helicon Companies have fulfilled their obligations under the collective bargaining agreements set forth in Schedule 3.13.

(f) All Helicon Companies and their ERISA Affiliates have properly classified individuals providing services to any Helicon Company or any ERISA Affiliates as employees or non-employees, except to the extent that a misclassification would be immaterial.

(g) With respect to each Welfare Plan that is funded wholly or partially through an insurance policy, there will be no material liability of any Helicon Company or an ERISA Affiliate, as of Closing Date, under any such insurance policy or ancillary agreement with respect to such insurance policy in the nature of a retroactive rate adjustment loss sharing arrangement or other actual or contingent liability arising wholly or partially out of events occurring prior to the Closing Date.

3.14 Environmental Laws. Except as disclosed in Schedule 3.14 and except for any such noncompliance of an insubstantial nature that has been remedied as required by applicable Environmental Laws: (a) the Helicon Companies' operations with respect to the Systems have complied and comply in all material respects with all applicable Environmental Laws; (b) none of the Helicon Companies has used the Real Property for the manufacture, transportation, treatment, storage or disposal of Hazardous Substances except for gasoline and diesel fuel and such use of Hazardous Substances (in cleaning fluids, solvents and other similar substances) customary in the construction, maintenance and operation of a cable television system and in amounts or under circumstances that would not reasonably be expected to give rise to material liability for remediation; and (c) to Helicon's knowledge, the Real Property complies and has complied in all material respects with all applicable Environmental Laws. Except as disclosed in Schedule 3.14, as of the date of this Agreement, no Environmental Claim has been filed or issued against the Helicon Companies.

3.15 Claims and Litigation. Except as disclosed in Schedule 3.15, there is no claim, legal action, arbitration or other legal, governmental, administrative or tax proceeding, nor any order, complaint, decree, or judgment, or to Helicon's knowledge, investigation, dispute or controversy, in progress or pending, or to Helicon's knowledge, threatened in writing against or relating to the Helicon Companies, any of their respective directors, officers, employees or, to Helicon's knowledge, agents with respect to their performance of duties in such capacity, the Assets or the business or operations of any of the Systems other than (i) proceedings generally affecting the cable television industry and not specific to the Helicon Companies; (ii) claims and legal actions arising in the ordinary course of business with respect to the payment by Subscribers for services rendered by any of the Helicon Companies; (iii) non-material disputes with respect to programming agreements; and (iv) claims or legal actions arising in the ordinary course of business that are reasonably expected to be covered by insurance policies held by the Helicon Companies (subject to applicable deductibles).

3.16 Compliance With Laws. Except as disclosed in Schedule 3.16 and except for any such noncompliance as has been remedied, each of the Helicon Companies has complied in all material respects with, and the Systems and the Assets are in compliance in all material respects with, all applicable Legal Requirements. Helicon has delivered to Buyer complete and correct copies of all material FCC forms that have been prepared since January 1, 1993, by or on behalf of any of the Helicon Companies, to the extent in the possession of any of the Helicon Companies, relating to rate regulation filed with any Governmental Authority with respect to the Systems and copies of all material correspondence with any Governmental Authority relating to rate regulations generally and any other Rate Regulatory Matter or specific rates charged to subscribers of the Systems.

3.17 Transactions with Affiliates. Except to the extent disclosed in the notes to the Financial Statements or as described in Schedule 3.17, none of the Helicon

Companies has been involved in any business arrangement or business relationship or is a party to any agreement, contract, commitment or transaction with any Affiliate of any of the Helicon Companies (other than another Helicon Company) and no Affiliate of any of the Helicon Companies (other than another Helicon Company) owns any property or right, tangible or intangible, that is used in the business of the Helicon Companies (other than in its capacity as a direct or indirect equity or debt holder of the Helicon Companies).

3.18 Broker. Neither Helicon nor any of the other Helicon Companies or any Person acting on their behalf has incurred any liability for any finders' or brokers' fees or commissions in connection with the transactions contemplated by this Agreement and the Transaction Documents except that Sellers will pay any amounts due Waller Capital Corporation.

3.19 Inventory. Each Helicon Company has inventory, spare parts and materials relating to the Systems of the type and nature and maintained at a level consistent with past practice (the "Inventory"), and such Inventory will be sufficient to operate their respective businesses in the ordinary course for at least thirty (30) days after the Closing.

3.20 Overbuilds. Except as set forth in Schedule 3.20 or except for direct broadcast satellite service or Satellite Master Antenna Television, (i) no construction programs have been undertaken by any Person to distribute cable television services or other video programming services by wire or wireless in any of the Franchise Areas and, to Helicon's knowledge, without investigation but upon inquiry of its regional managers and as should reasonably be known to a reasonable cable television operator, no such construction programs are proposed or threatened to be undertaken; (ii) to Helicon's knowledge (subject to the same limitation referred to in clause (i) above), no franchise or other applications or requests of any Person have been filed or are pending or threatened, or proposed which are reasonably likely to materially adversely impact any of the Systems; (iii) there is no other Person within any of the Franchise Areas which is providing or, to Helicon's knowledge (subject to the same limitation referred to in clause (i) above), has applied for a franchise to provide cable television services or other video programming by wire or wireless services to any of the Franchise Areas in competition with any of the Helicon Companies; and (iv) none of the Helicon Companies have received any written notice that any other Person intends to provide cable television services or other video programming services by wire or wireless in any of the Franchise Areas. Except as set forth on Schedule 3.8, no Helicon Company is, nor is any Affiliate of any Helicon Company, a party to any agreement restricting the ability of any third party to operate cable television systems or any other video programming distribution business within any of the Franchise Areas.

3.21 Year 2000. Each Helicon Company has (i) initiated a review and assessment of all areas within its business that could reasonably be expected to be adversely affected by "Year 2000 Matters" (that is, the risk that computer applications used by such Helicon Company may be unable to recognize and perform properly date-sensitive functions involving certain dates prior to and any date after December 31, 1999), (ii) developed a plan (the "Year 2000 Plan") (a copy of which has been delivered to Buyer) for addressing Year 2000 Matters on a timely basis, and (iii) as of the date of this Agreement, commenced implementation of the Year 2000 Plan.

3.22 Disconnections. Schedule 3.22 sets forth (i) the approximate number of Subscribers which each of the Helicon Companies have disconnected from service during each of the six (6) months prior to the date hereof and (ii) a general description of the Helicon Companies' policies relating to the connection and disconnection of Subscribers from service.

3.23 Budgets. Schedule 3.23 sets forth true, correct and complete copies of the Helicon Companies' capital budgets for 1999. Helicon has previously delivered to Charter a true, correct and complete copy of the Helicon Companies' operating budget for 1999.

3.24 Cure. For all purposes under this Agreement, the existence or occurrence of any events or circumstances which constitute or cause a breach of a representation or warranty of Helicon (including Helicon's Disclosure Schedules) on the date such representation or warranty is made shall be deemed not to constitute a breach of such representation or warranty if such event or circumstance is cured on or prior to the Closing Date or the earlier termination of this Agreement.

SECTION 4: REPRESENTATIONS AND WARRANTIES OF SELLERS

Subject to any provisions of this Agreement limiting, qualifying or excluding any of the representations or warranties made herein, each Seller severally represents and warrants to the Charter Parties (with respect to such Seller and not with respect to any other Seller) as set forth in this Section 4.

4.1 Authority of Sellers; Authorization and Binding Obligation. Such Seller has the requisite corporate, partnership or other applicable power, authority and legal capacity to execute, deliver and perform this Agreement and the other Transaction Documents to which such Seller is a party according to their respective terms. The execution, delivery, and performance by such Seller of this Agreement and the other Transaction Documents to which such Seller is or will become a party have been duly authorized by all necessary corporate, partnership or other applicable action on the part of such Seller. This Agreement and the other Transaction Documents to which such Seller is or will become a party have been duly executed and delivered by such Seller (or, in the case of Transaction Documents to be executed and delivered at Closing, when executed and delivered will be duly executed and delivered) and constitute (or, in the case of Transaction Documents to be executed and delivered at Closing, when executed and delivered will constitute) the legal, valid, and binding obligation of such Seller, enforceable against such Seller in accordance with their terms, except as the enforceability of this Agreement and such other Transaction Documents may be limited by Enforceability Exceptions.

4.2 Absence of Conflicting Agreements; Consents. Except for the expiration or termination of any applicable waiting period under the HSR Act, or as set forth in Schedule 4.2, the execution, delivery and performance by such Seller of this Agreement and the other Transaction Documents to which such Seller is a party: (a) do not require any consent of, declaration to, notice to, or filing with any Governmental Authority or any other Person that has not been obtained; (b) will not conflict with any provision of the Organizational Documents of such Seller as currently in effect; (c) assuming receipt of the Consents set forth on Schedule 3.4 or Schedule 4.2, will not conflict with, result in a breach of, or constitute a default under any Legal Requirement to which such Seller is bound; (d) assuming receipt of the Consents set forth on Schedule 3.4 or Schedule 4.2, will not conflict with, constitute grounds for termination of, result in a material breach of, constitute a material default under, or accelerate or permit the acceleration of any performance required by the terms of any material agreement or instrument to which such Seller is bound; and (e) assuming receipt of the Consents set forth on Schedule 3.4 or Schedule 4.2, will not result in the creation of any Encumbrance upon the Purchased Interests held by such Seller. Notwithstanding the foregoing, no Seller makes any representation or warranty regarding any of the foregoing that may result from the specific legal or regulatory status of any Charter Party or as a result of any other facts that specifically relate to the business or activities in which any Charter Party is or proposes to be engaged other than the cable television business.

4.3 Title to BII Assets. BII represents that it holds of record and owns beneficially the GP Interest and has good and marketable title to the other BII Assets, in each case, free and clear of all Encumbrances, subject to Legal Restrictions.

4.4 Title to the LP Interests and the Preferred Interests. Each Limited Partner represents that it holds of record and owns beneficially the LP Interests and the Preferred Interests set forth by its name on Schedule 3.3, free and clear of all Encumbrances, subject to Legal Restrictions except as set forth in Schedule 4.2. BII represents, solely as of Closing, that it holds of record and owns beneficially the LP Interest acquired pursuant to Section 6.9 hereof, free and clear of all Encumbrances, subject to Legal Restrictions.

4.5 Broker. Neither such Seller nor any Person acting on its behalf has incurred any liability for any finders' or brokers' fees or commissions in connection with the transactions contemplated by this Agreement and the Transaction Documents except that Sellers will pay any amounts due Waller Capital Corporation.

4.6 Investment Purpose. BII is acquiring the Preferred LLC Interest for investment for its own account and not with a view to the sale or distribution of any part thereof within the meaning of the Securities Act.

4.7 Cure. For all purposes under this Agreement, the existence or occurrence of any events or circumstances which constitute or cause a breach of a representation or warranty of such Seller (including Helicon's Disclosure Schedules), on the date such representation or warranty is made shall be deemed not to constitute a breach of such representation or warranty if such event or circumstance is cured on or prior to the Closing Date or the earlier termination of this Agreement.

SECTION 5: REPRESENTATIONS AND WARRANTIES OF THE CHARTER PARTIES

The Charter Parties represent and warrant to each Seller as set forth in this Section 5.

5.1 Organization; Authorization and Binding Obligation.

(a) Charter is a corporation duly incorporated, validly existing, and in good standing under the laws of the State of Delaware. Charter has the requisite corporate power and authority to own, lease, and operate its properties, to carry on its business in the places where such properties are now owned, leased or operated and in the manner in which such business is now conducted, and to execute, deliver and perform this Agreement and the other Transaction Documents to which Charter is a party according to their respective terms. Charter is duly qualified and in good standing as a foreign corporation in each jurisdiction in which such qualification is required.

(b) Each of Buyer and GP Buyer is a limited liability company duly organized, validly existing, and in good standing under the laws of the State of Delaware. Each of Buyer and GP Buyer has the requisite power and authority to own, lease, and operate its properties, to carry on its business in the places where such properties are now owned, leased or operated and in the manner in which such business is now conducted, and to execute, deliver and perform this Agreement and the other Transaction Documents to which each of Buyer and GP Buyer is a party according to their respective terms. Each of Buyer and GP Buyer is duly qualified and in good standing as a foreign limited liability company in each jurisdiction in which such qualification is required.

5.2 Authorization and Binding Obligation. The execution, delivery, and performance by each Charter Party of this Agreement and the other Transaction Documents to which Buyer is or will become a party have been duly authorized by all necessary corporate, shareholder or other action on the part of such Charter Party. This Agreement and the other Transaction Documents to which such Charter Party is or will become a party have been duly executed and delivered by such Charter Party (or, in the case of Transaction Documents to be executed and delivered at Closing, when executed and delivered will be duly executed and delivered) at Closing, when executed and delivered will be duly executed and delivered) and constitute (or, in the case of Transaction Documents to be executed and delivered at Closing, when executed and delivered will constitute) the legal, valid, and binding obligation of each Charter Party, enforceable against such Charter Party in accordance with their terms, except as the enforceability of this Agreement and such other Transaction Documents may be limited by Enforceability Exceptions.

5.3 Absence of Conflicting Agreements; Consents. Except for the expiration or termination of any applicable waiting period under the HSR Act or as set forth in Schedule 5.3, and the filing by Charter with the SEC of any reports required to be filed in connection with the consummation of the transactions contemplated hereby, the execution, delivery and performance by the Charter Parties of this Agreement and the other Transaction Documents to which each such Charter Party is a party: (a) does not require any consent of, notice or declaration to, or filing with any Governmental Authority or any other Person that has not been obtained; (b) will not conflict with any provision of the Organizational Documents of such Charter Party, as currently in effect; (c) assuming receipt of the Consents set forth on Schedule 5.3, will not conflict with, result in a material breach of or constitute a material default under any Legal Requirement to which such Charter Party is bound; and (d) assuming receipt of the Consents set forth on Schedule 5.3, will not conflict with, constitute grounds for termination of, result in a breach of, constitute a default under, or accelerate or permit the acceleration of any performance required by the terms of any material agreement or instrument to which such Charter Party is a party or bound. Notwithstanding the foregoing, none of the Charter Parties makes any representation or warranty regarding any of the foregoing that may result from the specific legal or regulatory status of any Seller or any Helicon Company or as a result of any other facts that specifically relate to the business or activities in which any Seller or any Helicon Company is or proposes to be engaged other than the cable television business.

5.4 Capital Structure and Operations of GP Buyer. Prior to the Closing, GP Buyer had no Subsidiaries and conducted no business other than the retention of accountants, attorneys, financial advisors and other professionals and other than actions taken in connection with the transactions contemplated hereby. Charter represents that it owns beneficially all of GP Buyer's and Buyer's issued and outstanding Equity Interests.

5.5 Claims and Litigation. Except as disclosed in Schedule 5.5, there is no claim, legal action, arbitration, or other legal, governmental, administrative or tax proceeding, nor any order, complaint, decree or judgment or, to the Charter Parties' knowledge, any investigation, dispute or controversy, in progress or pending, or to the Charter Parties' knowledge threatened in writing, against or relating to any Charter Party, any of their respective directors, officers, employees or, to the Charter Parties' knowledge, agents with respect to their performance of duties in such capacity, the assets or business of such Charter Party or its Subsidiaries other than (i) proceedings generally affecting the cable television industry and not specific to such Charter Party or its Subsidiaries; (ii) claims and legal actions arising in the ordinary course of business with respect to the payment by Subscribers for services rendered by the Charter Parties or its Subsidiaries; and (iii) claims or legal actions arising in the ordinary course of business that are reasonably expected to be covered by insurance policies held by the Charter Parties and their Subsidiaries (subject to applicable deductibles).

5.6 Financial Statements. Charter has furnished Helicon with true and complete copies of the audited financial statements and the unaudited financial statements listed in Schedule 5.6 (the "Charter Financial Statements") and such Charter Financial Statements are by this reference incorporated into and deemed a part of Charter's Disclosure Schedules. Except as disclosed in Schedule 5.6 and except, in the case of the unaudited Charter Financial Statements, for the omission of footnotes and changes resulting from customary and recurring year-end adjustments (which will be in accordance with past practice and are not expected to be material), the Charter Financial Statements: (1) have been prepared from the books and records of the Charter Parties to which they relate, with no material difference between such Charter Financial Statements and the financial records maintained, and the accounting methods applied, by the Charter Parties for tax purposes; (2) have been prepared in accordance with GAAP consistently applied and maintained throughout the periods indicated (except as indicated in the notes thereto); and (3) present fairly in all material respects the financial condition of the Charter Parties to which they relate as at their respective dates and the results of operations and with respect to the audited Charter Financial Statements, the cash flows, for the periods then ended.

5.7 Investment Purpose; Investment Company. Buyer is acquiring the Purchased Interests for investment for its own account and not with a view to the sale or distribution of any part thereof within the meaning of the Securities Act. Buyer is not an "investment company" as defined in the Investment Company Act of 1940, as amended.

5.8 Availability of Preferred LLC Interest and Funds. As of the Closing, Charter shall have taken all actions necessary with respect to the approval and issuance of the Preferred LLC Interest, and Buyer shall have available sufficient funds to enable it to consummate the transactions contemplated hereby.

5.9 Broker. No Charter Party nor any Person acting on behalf of any Charter Party has incurred any liability for any finders' or brokers' fees or commissions in connection with the transactions contemplated by this Agreement except as described in Section 11.1.

5.10 Cure. For all purposes under this Agreement, the existence or occurrence of any events or circumstances which constitute or cause a breach of a representation or warranty of the Charter Parties on the date such representation or warranty is made shall be deemed not to constitute a breach of such representation or warranty if such event or circumstance is cured on or prior to the Closing Date or the earlier termination of this Agreement.

5.11 Tax Matters Concerning GP Buyer. No election has ever been filed or otherwise made with respect to GP Buyer that would cause GP Buyer to be classified as other than a disregarded entity for federal and state income Tax purposes with respect to taxable period(s) or portions thereof ending prior to the Closing Date. Immediately following the consummation of the transactions contemplated by this Agreement, if GP Buyer were incorporated, GP Buyer would not be classified as an "investment company," within the meaning of Sections 721(b) and 351(e) of the Code.

SECTION 6: SPECIAL COVENANTS AND AGREEMENTS

6.1 Operation of Business Prior to the Closing. Except as required by applicable Legal Requirements or as provided in Schedule 6.1 or Section 6.1(c), and except as consented to in writing by the Charter Parties between the date hereof and the Closing Date, Helicon will operate and cause the Helicon Companies to operate the Systems in the ordinary course of business (subject to, and except as modified by, compliance with the following negative and affirmative covenants and the other covenants set forth in this Section 6) and abide by the following negative and affirmative covenants:

(a) Negative Covenants. The Helicon Companies shall not do any of the following:

(1) Franchises. Fail to timely file a valid request for renewal in accordance with Section 626(a) of the Cable Act, or fail to use commercially reasonable efforts to renew on substantially the same or on other commercially reasonable terms any Franchise that will expire after the date hereof and prior to the date which is thirty months after the Closing Date in accordance with its terms (it being understood that the Helicon Companies shall not be required to take any steps necessary to obtain renewals of any Franchise earlier than such steps are required to be taken by applicable FCC Regulations, and obtaining renewals of any Franchise shall not be a condition precedent to the Charter Parties' obligations hereunder).

(2) Contracts. Modify or amend in any material respect, except in the ordinary course of business, any Contract that shall survive the Closing; or enter into any new Contracts that will be binding on the Helicon Companies following the Closing except: (A) agreements for the provision of services to customers; (B) the renewal or extension of any existing Contract on its existing terms, in all material respects, in the ordinary course of business; (C) contracts or commitments entered into in the ordinary course of business that are terminable on not more than sixty days prior notice or that do not involve post-Closing obligations in excess of Fifty Thousand Dollars ($50,000) in any one case or in excess of Five Hundred Thousand Dollars ($500,000) in

the aggregate; or (D) with respect to utility pole attachments agreements, Contracts with terms as customarily required by the utility whose poles are utilized.

(3) Disposition of Assets. Sell, assign, lease, swap, or otherwise transfer or dispose of any of the Assets, except as set forth in Schedule 6.1 and except for assets consumed or disposed of in the ordinary course of business.

(4) Encumbrances. Create, assume or permit to exist any Encumbrance upon the Assets, except for Permitted Encumbrances or Encumbrances disclosed in Schedules 3.3, 3.6 or 3.9.

(5) Indebtedness. Other than Indebtedness in respect of vehicle leases, permit the Helicon Companies to incur any additional Indebtedness except to the extent repaid at or prior to Closing; provided that any such incurrence shall be in the ordinary course of business and the Helicon Companies shall give Buyer prior notice thereof.

(6) Marketing Programs. Implement any new marketing plans that are materially different from marketing plans previously implemented by the Helicon Companies.

(b) Affirmative Covenants. Helicon shall do, and shall cause the Helicon Companies to do, the following:

(1) Access to Information. Subject to the Charter Parties' obligations hereunder to maintain the confidentiality of the Confidentiality Information, allow Buyer and its authorized representatives reasonable access during normal business hours to the Assets, physical plant, offices, properties and records for the purpose of inspection, and furnish or cause to be furnished to Buyer or its authorized representatives all information with respect to the Assets or the Helicon Companies that Buyer may reasonably request. Any investigation or request for information shall be conducted in such a manner as not to interfere with the business or operations of the Systems.

(2) Insurance. Maintain the existing insurance policies on the Systems and the Assets (or comparable replacement policies).

(3) Books and Records. Maintain the Helicon Companies' books and records in accordance with past practices.

(4) Financial Information. Furnish to Buyer, as prepared by the Helicon Companies in the ordinary course of business from their books and records maintained in accordance with past practices: (i) an unaudited consolidated balance sheet and statement of operations for the Helicon Companies for each calendar quarter within forty-five days after the end of such calendar quarter between the date hereof and the

Closing Date, (ii) an unaudited, unconsolidated monthly cash flow statement for each region included in the Helicon Company's operations, within forty-five days after the end of each month between the date hereof and the Closing Date, and (iii) any other financial or operational information furnished to the Helicon Companies' lenders.

(5) Compliance with Laws. Comply in all material respects with all Franchises and Legal Requirements applicable to the Helicon Companies and the operation of the Systems.

(6) Keep Organization Intact. Except with respect to any voluntary departure of any of the Helicon Companies' employees between the date hereof and Closing, use its commercially reasonable efforts to preserve intact its business and organization relating to the Systems and preserve for Buyer the goodwill of the Helicon Companies' suppliers, customers and others having business relations with it.

(c) Certain Permitted Actions. Notwithstanding anything in this Agreement (including Sections 6.1(a) and (b) above) to the contrary, the Charter Parties consent and agree as follows:

(1) Contractual Commitments. The Helicon Companies shall comply in all material respects with all of their contractual commitments under their existing Contracts and under any Contracts entered into after the date of this Agreement in compliance with Section 6.1(a)(2) or with the Charter Parties' consent (in each case, as such Contracts may be in effect from time to time in accordance with Section 6.1(a)(2) or with the Charter Parties' consent). The Helicon Companies may take such actions as are contemplated by the other Sections of this Agreement (excluding Sections 6.1(a) and (b)) and otherwise comply with their obligations under the other Sections of this Agreement (excluding Sections 6.1(a) and (b)).

(2) Capital Expenditures. The Helicon Companies shall make routine capital expenditures in a manner substantially consistent with the capital budget set forth in Schedule 3.23.

(3) Pending Acquisitions. The Helicon Companies may consummate the transactions set forth in Schedule 6.1, subject to the provisions set forth in Schedule 6.1. At Closing, the Cash Consideration shall be increased by the amounts paid by the Helicon Companies between February 28, 1999 and Closing as purchase price to the sellers to consummate the transactions described in Schedule 6.1.

(4) Sale of Internet Business. The Helicon Companies may proceed with the sale of their Internet business, provided, however, if the sale is consummated prior to Closing, the Cash Consideration shall be decreased at Closing by the net amount (after payment of related expenses and liabilities) of any consideration payable to the Helicon Companies in connection with such sale; and provided, further, if

the sale is not consummated prior to Closing, Adjustments Liabilities shall not include (i) the Debt Obligations identified on Schedule 3.6 as having been incurred with respect to the Internet business, and (ii) related expenses and liabilities.

(5) Resale of Long Distance Service. The Helicon Companies may continue with the resale of long distance service as provided in the agreement therefore listed in Schedule 3.8 hereto.

(6) Excluded Assets. The Helicon Companies may, prior to Closing, (i) assign each of the Excluded Assets to any of the Sellers, its designees or any other Person, or (ii) otherwise provide for the discharge or termination of any Excluded Asset comprising a contractual arrangement described on Exhibit B; provided, however, that such assignments, either individually or in the aggregate, do not result in any adverse Tax consequence to any of the Helicon Companies which is not included in Adjustment Liabilities in the computation of Closing Net Liabilities.

6.2 Confidentiality; Press Release.

(a) The Helicon Companies and the Sellers may from time to time in the course of this transaction disclose to the Charter Parties information and material concerning the Sellers, the Helicon Companies, the Assets and Systems, including proprietary information, contracts, marketing information, technical information, product or service concepts, subscriber information, rates, financial information ideas, concepts and research and development, and any analysis, compilations, studies or other documents prepared by or on behalf of the Charter Parties in respect thereof (hereafter collectively referred to as "Confidential Information"). The term "Confidential Information" does not include any item of information that (1) is publicly known at the time of its disclosure, (2) is lawfully received from a third party not bound in a confidential relationship with a party hereto, (3) is published or otherwise made known to the public by any source other than a party bound by the provisions hereof, or (4) was generated by the Charter Parties independently. The Charter Parties agree that, except as required by applicable law, Confidential Information received from the Helicon Companies or the Sellers shall be used solely in connection with the transaction contemplated by this Agreement. Each Charter Party, except as required by applicable law, shall treat confidentially and not directly or indirectly, divulge, reveal, report, publish, transfer or disclose, for any purpose whatsoever (other than to its investors, financing sources and agents, each of whom shall maintain the confidentiality of such Confidential Information for the purpose of consummating the transactions contemplated by this Agreement), all or any portion of the Confidential Information disclosed to it by the Helicon Companies or the Sellers. In the event of a breach of the covenants contained in this Section 6.2, the Helicon Companies and the Sellers shall be entitled to seek injunctive relief as well as any and all other remedies at law or equity. If the Closing does not occur, the Confidential Information, except for that portion which consists of analysis, compilations, studies or other documents prepared by or on behalf of the Charter Parties shall be destroyed.

(b) No party will issue any press release or make any other public announcements concerning this Agreement or the transaction contemplated hereby except in consultation with the other parties, except for disclosures required by law. With respect to press releases or any other public announcements required by law, the party intending to make such release or disclosure shall provide the other parties with an advance copy and reasonable opportunity to review.

6.3 Cooperation: Commercially Reasonable Efforts. The parties shall cooperate with each other and their respective counsel and accountants in all commercially reasonable respects in connection with any actions required to be taken as part of their respective obligations under this Agreement, and otherwise use their commercially reasonable efforts to consummate the transactions contemplated hereby and to fulfill their obligations hereunder as expeditiously as practicable. Charter shall provide to Helicon and Sellers such information relating to Charter and its Subsidiaries and their businesses and operations as Helicon and Sellers shall reasonably request. Helicon shall use commercially reasonable efforts to cause its accountants to cooperate, at the Charter Parties' expense, with any reasonable request of the Charter Parties with respect to the inclusion of the Helicon Companies' financial statements and such accountants' report thereon in any filing with the SEC or any other Governmental Authority.

6.4 Consents.

(a) Following the execution hereof and (if necessary) following the Closing, Helicon shall use commercially reasonable efforts, and shall cause the Helicon Companies to use commercially reasonable efforts, to obtain as expeditiously as possible all Consents required to be obtained by the Helicon Companies or Sellers, including (i) Consents under the Franchises, Licenses and Contracts of the Helicon Companies and (ii) Consents of the Subordinated Holders. In the event Helicon cannot obtain the Consent of a Subordinated Holder, Helicon shall use commercially reasonable efforts to obtain an extension with respect to any action of such Subordinated Holder that may prevent, hinder or delay the Closing. Helicon shall, and shall cause the Helicon Companies to, prepare and file, or cause to be prepared and filed, within fifteen (15) days after the date hereof, all applications required to be filed with the FCC and any Franchising Authority (except for all FCC Forms 394, which shall be filed within five (5) days of the date hereof), that are necessary for the transfer of control to Charter in connection with the consummation of the transactions contemplated by this Agreement of the Franchises and the Licenses identified in Schedule 3.4, subject to receipt from Charter of its respective portions of such applications, which portions the Charter Parties have prepared and are delivering to Helicon on the date hereof. Subject to the other provisions of this Section 6.4, if, notwithstanding their commercially reasonable efforts, Helicon and the other Helicon Companies are unable to obtain any of the Consents, none of the

Helicon Companies nor Sellers shall be liable to any of the Charter Parties for any breach of covenant, and after the Closing, Sellers shall not have any obligation with respect to obtaining any Consents or any liability for the failure of such Consents to be obtained. Nothing herein shall require the expenditure or payment of any funds (other than in respect of normal and usual attorneys fees, filing fees or other normal costs of doing business) or the giving of any other consideration by Sellers or any Helicon Company.

(b) Each of the Charter Parties agrees to cooperate with the Helicon Companies and Sellers in all commercially reasonable respects in obtaining any necessary Consents. The parties shall use commercially reasonable efforts to overcome any opposition to obtaining any Consents. Without limiting the foregoing, if in connection with the process of obtaining any Consent, a Governmental Authority or other Person imposes any condition or any change to a Franchise, License or Contract to which such Consent relates that would be applicable to any Charter Party or any Helicon Company as a requirement for granting its Consent, Buyer may negotiate jointly with Helicon with such Governmental Authority or other Person, as appropriate, with respect to such condition or change, and each agrees that neither the Helicon Companies nor the Charter Parties shall have any obligation to bear any monetary obligations to a Governmental Authority or other Person as a condition to obtaining any required Consent therefrom; provided, however, that either may elect, in its sole discretion, to satisfy such monetary obligations, in which case, the Charter Parties will accept (and agree that Helicon may cause any Helicon Company to accept) any condition or change in the Franchise, License or Contract to which such Consent relates to the extent provided herein. The Charter Parties will comply with any reasonable request (as determined in their sole discretion) to fulfill any non-monetary obligations in connection with the granting of a Consent to a transfer of a Franchise. The Charter Parties shall promptly furnish to any Governmental Authority or other Person from whom a Consent is requested such accurate and complete information regarding the Charter Parties and their Subsidiaries including financial information concerning the Charter Parties and other information relating to the cable and other media operations of the Charter Parties, as such Governmental Authority or other Person may reasonably require in connection with obtaining any Consent, and Buyer shall promptly furnish to Helicon a copy of any such information provided to any Governmental Authority or other Person, and any other information concerning the Charter Parties as Helicon may reasonably request in connection with obtaining any Consent. To the extent Helicon is required to supply such information as to the Charter Parties and their Subsidiaries to Persons from whom Consents are sought, Helicon may supply such information and shall have no obligation to the Charter Parties with respect to the disclosure or use of such information by such Persons. It is understood and agreed that nothing contained in this Section 6.4(b) shall prevent the Charter Parties (or their employees, agents, representatives and any other Person acting on behalf of the Charter Parties) from making statements or inquiries to, attending meetings of, making presentations to, or from responding to requests initiated by Governmental Authorities or other Persons from whom a Consent is sought, and the

Charter Parties shall use commercially reasonable efforts to apprise Helicon of all such requests.

6.5 HSR Act Filing. As soon as practicable after the execution of this Agreement, but in any event no later than thirty days after such execution, the parties will each complete and file, or cause to be completed and filed, any notification and report required to be filed under the HSR Act; and each such filing shall request early termination of the waiting period imposed by the HSR Act. The parties shall use commercially reasonable efforts to respond as promptly as reasonably practicable to any inquiry received from the Federal Trade Commission (the "FTC") and the Antitrust Division of the Department of Justice (the "Antitrust Division") for additional information or documentation and to respond as promptly as reasonably practicable to all inquiries and requests received from any Governmental Authority in connection with antitrust matters. The parties shall use commercially reasonable efforts to overcome any objections which may be raised by the FTC, the Antitrust Division or any other Governmental Authority having jurisdiction over antitrust matters. The fees relating to the filings required by the HSR Act shall be shared equally by Charter, on the one hand, and Helicon, on the other hand.

6.6 Ability to Consummate Transactions.

(a) No Charter Party will take any action that does, or could reasonably be expected to, disqualify Charter to be the transferee of control of the Helicon Companies as the holder of the Franchises and the owner and operator of the Assets and Systems.

(b) None of the parties hereto will take any action that is inconsistent with its respective obligations under this Agreement or which does, or would reasonably be expected to, materially hinder or delay the consummation of the transactions contemplated by this Agreement. Without limiting the generality of the foregoing, at all times between the date hereof and the Closing Date, each Charter Party will take all necessary or advisable actions to ensure, and each Charter Party will ensure, that Charter is able to deliver the Preferred LLC Interest at Closing, and that Buyer is able to deliver the Cash Consideration at Closing, and each Seller will take all necessary or advisable actions to ensure, and each Seller will ensure, that such Seller will be able to sell, transfer, deliver its respective Purchased Interest, at Closing.

6.7 Continuation or Refinancing of the Debt Obligations.

(a) The Charter Parties acknowledge and agree that all obligations of the Helicon Companies with respect to the debt instruments that are listed in Schedule 3.6 (including all principal, accrued and unpaid interest and all other amounts) shall remain obligations of the Helicon Companies through and after Closing, and each of the Charter Parties will cooperate with the Helicon Companies with respect to any information on or assurances by the Charter Parties that shall be reasonably requested by any of the holders of such debt instruments with respect to the continuation of such obligations subsequent to Closing; provided, however, that if, and only to the extent that, any of the holders of such debt instruments shall, in accordance with the terms thereof, demand payment as a condition of the grant of their Consent to the consummation hereof, the Charter Companies shall take such actions as shall be necessary to effect the refinancing of the Debt Obligations held by such holders on the Closing Date. Notwithstanding any other provision hereof, the Charter Parties shall bear and pay any amounts in the nature of prepayment penalties or other fees or expenses that are required to be paid under the terms of the debt instruments that are listed in Schedule 3.6 with respect to the assumption of the Debt Obligations, or the refinancing or satisfaction thereof, or the change of control of the Helicon Companies.

(b) The Charter Parties shall release and hold harmless the Sellers and Baum at the Closing from any further obligations with respect to the debt instruments that are listed in Schedule 3.6, such release being substantially in the form attached hereto as Exhibit D.

6.8 Retention and Access to the Helicon Companies' Records. Except as provided in Section 6.10(c)(1), Sellers shall, for a period of five years from the Closing Date or such shorter period as is required by statute, have access to, and the right to copy, at their expense, during usual business hours upon reasonable prior notice to Buyer, all of the books and records relating to the Helicon Companies, Assets and Systems that were transferred to Buyer pursuant to this Agreement. Buyer shall retain and preserve all such books and records for such five year period or such shorter period as is allowed by statute. Subsequent to such five year period or such or such shorter period as is allowed by statute, Buyer shall only destroy such books and records and subsequent to thirty days' notice to Sellers of their right to remove and retain such books and records or to copy such books and records prior to their destruction; provided, however, that Buyer shall retain or deliver to the Sellers all books and records related to any ongoing litigation or audit or investigation by a Governmental Authority.

6.9 Purchase and Exercise of Warrants. BII shall purchase all of the outstanding Warrants from the Subordinated Holders pursuant to its rights as Baum's assignee under the Call Agreement in exchange for cash or the issuance of a note with full recourse to BII and guaranteed by Baum and shall exercise the Warrants and pay to Helicon an aggregate exercise price in cash of $3,628,250.

6.10 Tax Matters. The following provisions shall govern the allocation of responsibility between the Charter Parties and Sellers for certain tax matters following the Closing Date:

(a) Tax Periods Ending on or Before the Closing Date. Helicon Corp. shall prepare or cause to be prepared and file or cause to be filed all Tax Returns for the Helicon Companies (i) that are due on or before the Closing Date, or (ii) that relate to taxable periods ending on or prior to the Closing Date but are required to be filed after the Closing Date. Such Tax Returns shall be prepared in accordance with each Helicon Company's past custom and practice, and allocations of items of income and gain and loss and deduction shall be made using the closing of the books method. In the case of any Helicon Company that is a partnership or limited liability company, such Tax Returns shall be prepared in accordance with the Organizational Documents of such Helicon Company as in effect on the Closing Date. In preparing each Helicon Company's Tax Returns, Helicon Corp. shall consult with Buyer in good faith and shall provide Buyer with drafts of such Tax Returns (together with the relevant back-up information) for review at least ten days prior to filing.

(b) Tax Periods Beginning Before and Ending After the Closing Date. Buyer shall prepare or cause to be prepared and file or cause to be filed any Tax Returns of the Helicon Companies for Tax periods which begin before the Closing Date and end after the Closing Date. Such Tax Returns shall be prepared in accordance with each Helicon Company's past custom and practice. In preparing such Tax Returns, Buyer shall consult with Helicon Corp. in good faith and shall provide Helicon Corp. with drafts of such Tax Returns (together with the relevant back-up information) for review at least ten days prior to filing.

(c) Cooperation on Tax Matters.

(1) The Charter Parties and Helicon Corp. shall cooperate fully, as and to the extent reasonably requested by the other party, in connection with the filing of Tax Returns pursuant to this Section 6.10 and any audit, litigation, or other proceeding with respect to Taxes. Such cooperation shall include the retention and (upon the other party's request) the provision of records and information which are reasonably relevant to any such audit, litigation, or other proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. The Charter Parties and Helicon Corp. agree (A) to retain all books and records with respect to Tax matters pertinent to the Helicon Companies relating to any taxable period beginning before the Closing Date until the expiration of the statute of limitations (and, to the extent notified by any Charter Party or Helicon Corp., any extensions thereof) of the respective taxable periods, and to abide by all record retention agreements entered into with any taxing authority, and (B) to give the other party reasonable written notice prior to transferring, destroying or discarding any such books and records and, if the other party so requests, Buyer or Helicon Corp., as the case may be, shall allow the other party to take possession of such books and records to the extent they would otherwise be destroyed or discarded.

(2) The Charter Parties and Helicon Corp. further agree, upon request, to use commercially reasonable efforts to obtain any certificate or other document from any Governmental Authority or any other Person as may be necessary to

mitigate, reduce or eliminate any Tax that could be imposed (including Taxes with respect to the transactions contemplated hereby).

(3) The Charter Parties and the Partners agree that if any of them receives any notice of an audit or examination from any Governmental Authority with respect to Taxes of any Helicon Company for any taxable period or portion thereof ending on or prior to the Closing Date, then the recipient of such notice shall, within three (3) days of the receipt thereof, notify and provide copies of such notice to the other party, as the case may be, in accordance with the notice provisions of Section 11.2.

(4) The Charter Parties further agree that immediately after the Closing, BII shall be relieved of its responsibilities with respect to post-Closing matters as the "tax matters partner," within the meaning of Section 6231(a)(7) of the Code, of Helicon and THGLP, and that the Charter Parties shall take any and all actions required to be taken to effectuate the same.

(d) Section 754 Elections; Allocation of Purchase Price. (1) To the extent not already in effect, each Helicon Company that is treated as a partnership for federal income tax purposes shall timely file an election under Section 754 of the Code so that such entities shall be able to adjust the tax basis of their assets (collectively, the "Partnership Assets") under Section 743(b) of the Code as a result of the transactions contemplated herein.

(2) The aggregate amount of the Cash Consideration and any liabilities of the Helicon Companies (the "Purchase Consideration") shall be allocated among the Partnership Assets in an allocation agreement (the "Allocation Agreement") to be prepared in accordance with the rules under Sections 743(b), 751, 755 and 1060 of the Code. Buyer shall deliver a draft of the Allocation Agreement to Helicon Corp. at least thirty (30) days prior to the Closing Date for approval and consent, and Buyer and Helicon Corp. shall mutually agree upon the Allocation Agreement prior to the Closing Date. In this regard, Buyer and Helicon Corp. agree that for purposes of such Allocation Agreement seventy-eight percent (78%) of the Purchase Consideration shall be allocated to the Franchises and twenty-two percent (22%) of the Purchase Consideration shall be allocated to the Partnership Assets that are tangible assets. Neither Buyer nor Helicon Corp. shall unreasonably withhold its approval and consent with respect to the Allocation Agreement. Buyer and Sellers agree that the Allocation Agreement shall be amended to reflect any post-Closing adjustments determined under Section 2.6 of this Agreement. Unless otherwise required by applicable law, Buyer, Sellers and the Helicon Companies agree to act, and cause their respective affiliates to act, in accordance with the computations and allocations contained in the Allocation Agreement in any relevant Tax Returns or similar filings (including any forms or reports required to be filed pursuant to Section 1060 of the Code ("1060 Forms")), to cooperate in the preparation of any 1060 Forms, to file such 1060 Forms in the manner required by applicable law and to not take

any position inconsistent with such Allocation Agreement upon examination of any tax refund or refund claim, in any litigation or otherwise.

(e) Certain Taxes. All transfer, documentary, sales, use, stamp, registration and other such Taxes and fees (including any penalties and interest but excluding any income tax) incurred in connection with the transactions consummated pursuant to this Agreement shall be borne equally by the Charter Parties and the Sellers. If and to the extent that such Taxes and fees are included in Adjustment Liabilities pursuant to Section 2.4(b)(2), Seller's share of such Taxes and fees shall be paid by the Helicon Companies. The Charter Parties and Helicon Corp. will cooperate in all reasonable respects to prepare and file all necessary Tax Returns and other documentation with respect to all such transfer, documentary, sales, use, stamp, registration and other Taxes and fees.

(f) The Charter Parties agree that they will not, and will not cause or permit any of their Affiliates or any Helicon Company to, amend any Tax Return of any Helicon Company with respect to any taxable period or portion thereof ending on or prior to the Closing Date without the prior written consent of Helicon Corp. Nothing in this Section 6.10(f) shall be construed to affect the Buyer's rights pursuant to Section 6.10(h) herein.

(g) From and after the date of this Agreement, Helicon Corp. and each Helicon Company shall not without the prior written consent of the Buyer (which consent shall not be unreasonably withheld) make, or cause or permit to be made, any Tax election that would adversely affect Buyer in any material respect.

(h) Contests. (1) In the case of an audit or administrative proceeding that relates to taxable periods ending on or before the Closing Date with respect to any income Tax Return of the Helicon Companies, Helicon Corp. (as agent for and on behalf of the Sellers) shall have the right at its expense to participate in and control the conduct of such audit or proceeding; the Charter Parties also may participate in any such audit or proceeding and, if Helicon Corp. (as agent for and on behalf of the Sellers) does not assume the defense of any such audit or proceeding, the Charter Parties may defend the same in such manner as they may deem appropriate, including, but not limited to, settling such audit after giving ten (10) days prior written notice to the Partners setting forth the terms and conditions of settlement. In the event that issues relating to a potential adjustment are required to be dealt with in the same proceeding as separate issues relating to a potential adjustment for which the Charter Parties would be liable, the Charter Parties shall have the right, at their expense, to control the audit or proceeding with respect to the latter issues.

(2) Neither the Charter Parties nor Helicon Corp. (as agent for and on behalf of the Sellers) shall enter into any compromise or agree to settle any claim pursuant to any Tax audit or proceeding which would adversely affect the other party for

such year or a subsequent year without the written consent of the other party, which consent may not be unreasonably withheld. The Charter Parties and Helicon Corp. (as agent for and on behalf of the Sellers) agree to cooperate, and the Charter Parties agree to cause the Helicon Companies to cooperate, in the defense against or compromise of any claim in any audit or proceeding.

(i) The Charter Parties agree that they will not, and will not cause or permit any of their Affiliates to, file or otherwise make any election with respect to GP Buyer that would cause GP Buyer to be classified as an entity other than a partnership for federal and state income Tax purposes with respect to post-Closing Tax periods.

6.11 Helicon Name. Helicon Corp. and Helicon Group Ltd. retain the right to use the name "Helicon" after the Closing, and the Charter Parties agree to change, within one year after the Closing, the name of each Helicon Company include any variant of "Helicon" to a name that does not include any variant of "Helicon."

6.12 Releases. Except as expressly provided in Section 10 or 6.13 hereof, with respect to the transactions contemplated by this Agreement, after the Closing, (a) no Charter Party nor any of its respective Affiliates will have any claim (other than claims for fraud) against or be entitled to enforce any provision of the Partnership Agreement against, any Seller nor any of such Seller's Affiliates, or any of their respective present and former officers, directors, stockholders, partners, representatives or agents, and all such claims (except claims made pursuant to Section 10 and claims for fraud) are hereby waived and released, and (b) no Seller nor any of such Seller's Affiliates will have any rights or any claim (other than claims for fraud), under or be entitled to enforce any provision of the Partnership Agreement against, any Charter Party, any of its Affiliates, or any of their respective present and former officers, directors, stockholders, partners, representatives or agents, and all such claims (except claims made pursuant to Section 10 or 6.13, and claims for fraud) are hereby waived and released.

6.13 Exculpation and Indemnification. After the Closing, Buyer, GP Buyer and the Helicon Companies will be bound by and will assume the same obligations to satisfy (and Buyer and GP Buyer will cause the Helicon Companies to continue to satisfy) the rights of exculpation, indemnification and advancement of expenses to which the present and former directors, officers, employees and agents of the Helicon Companies and the Sellers are entitled with respect to any matter existing or occurring prior to the Closing and/or with respect to this Agreement and the Transaction Documents, under each such Helicon Company's existing Organizational Documents or resolution of Helicon's Advisory Committee, in accordance with the terms and conditions of any such exculpation and indemnification provisions as in effect on the date of this Agreement.

6.14 Employee Matters.

(a) Except as otherwise provided in or required by any employment agreement between any Helicon Company and any employee, all employees of the Helicon Companies who continue in employment following the Closing shall be employed at the same salary or hourly rate as in effect immediately prior to Closing without material reduction for a period of six months following the Closing and shall be employed on such terms and conditions as are substantially similar in the aggregate to the terms and conditions of employment of Buyer's employees. Each such employee shall receive credit for all purposes (other than benefit accrual purposes under any defined benefit retirement plan) under any Employee Plan or Compensation Arrangement of the Buyer for past service with any Helicon Company and, to the extent credited under any Employee Plan or Compensation Arrangement of any Helicon Company, for past service with any predecessor employer.

(b) Buyer shall offer group health plan coverage to all of the employees of the Helicon Companies and to the spouse and dependents of such employees who become employed by Buyer or any ERISA Affiliate of the Buyer as of the Closing on terms and conditions generally applicable to all of Buyer's similarly situated employees. For purposes of providing such coverage, Buyer shall waive all pre-existing condition limitations for all such employees covered by the health care plan of any Helicon Company as of the Closing and shall provide such health care coverage effective as of the Closing without the application of any eligibility period for coverage. In addition, Buyer shall credit all employee payments toward deductible out-of-pocket and co-payment obligation limits under the Helicon Companies' health care plans for the plan year which includes the Closing Date as if such payments had been made for similar purposes under Buyer's health care plans during the plan year which includes the Closing Date, with respect to employees of the Helicon Companies and the spouse and any dependents of such employees who become employed by Buyer as of the Closing Date.

(c) Buyer shall assume full responsibility and liability for offering and providing "continuation coverage" to any "covered employee" and any "qualified beneficiary" who is covered by a "group health plan" sponsored or contributed to by any of the Helicon Companies who has experienced a "qualifying event" or is receiving "continuation coverage" on or prior to the closing. "Continuation coverage," "covered employee," "qualified beneficiary," "qualifying event" and "group health plan" all shall have the meanings given such terms under Section 4980B of the Code and Section 601 et seq. of ERISA. For purposes of this Section, each employee at any Helicon Company and each employee of Helicon Corp. who experiences a loss of health care coverage as a result of the transactions contemplated by this Agreement together with their spouse and dependents, if any, shall be deemed eligible for continuation coverage as provided herein.

6.15 Assignment of Certain Arrangements with Affiliates.

(a) Prior to Closing Helicon Corp. will assign the Management Agreements to BII except that Helicon Corp. shall retain the right to receive the deferred management fees thereunder, which deferred management fees shall comprise Adjustment Liabilities. The Management Agreements shall be included at Closing in the BII Assets. At Closing, GP Buyer shall pay to Helicon Corp. the amount of such deferred management fees, in satisfaction in full of Helicon Corp.'s right to receive such deferred management fees.

(b) Prior to Closing, subject to the receipt of any Consents, Helicon Corp. will assign to Helicon, and Helicon will assume the programming agreements that have been entered into by Helicon Corp. as manager, as described in Schedules 3.8 and 3.17 hereof.

6.16 Put. Charter shall cause to be delivered at Closing to BII with respect to the Preferred LLC Interest, the put agreement (the "Put Agreement"), substantially in the form attached hereto as Exhibit E, duly executed by Paul Allen, Charter's controlling stockholder, which agreement shall entitle each holder of all or part of the units of the Preferred LLC Interest, at his option at any time until and through the fifth anniversary of the Closing Date, to put to Mr. Allen or his designee such number of units of such Preferred LLC Interest as such holder shall elect, for an amount equal to the number of such "put" units multiplied by the original issue price of such units, plus any accrued and unpaid dividends on such "put" units. On the date hereof, Charter is executing and delivering option agreements, (the "Option Agreements"), granting certain rights to BII and three other Partners in the event of an initial public offering of the common stock of Charter or one of its affiliates.

6.17 Guaranty by Charter. Subject to the provisions of this Section 6.17, Charter hereby fully, unconditionally and irrevocably guarantees to Sellers the due and punctual payment of the Cash Consideration and any other monetary obligations of Buyer and the due and punctual performance of all other obligations of Buyer or GP Buyer, all in accordance with the terms of this Agreement. Charter hereby acknowledges that, with respect to all of Buyer's and GP Buyer's obligations to pay money, including the Cash Consideration, this guaranty shall be a guaranty of payment and performance and not of collection and shall not be conditioned or contingent upon the pursuit of any remedies against Buyer or GP Buyer. Charter hereby waives diligence, demand of payment, filing of claims with a court in the event of merger or bankruptcy of Buyer or GP Buyer, any right to require a proceeding first against Buyer or GP Buyer, the benefit of discussion, protest or notice and all demands whatsoever, and covenants that this guaranty will not be discharged as to any obligation except by satisfaction of such obligation in full. Until the Sellers have been paid in full any amounts due and owing to Sellers under this Agreement, Charter hereby irrevocably waives any claim or other rights which it may now or hereafter acquire against Buyer and GP Buyer that arise from the existence, payment, performance or enforcement of its obligations under this Agreement, including any right of reimbursement, exoneration, contribution, indemnification, any right to participate in any claim or remedy of Sellers against Buyer or GP Buyer, or any collateral which Sellers hereafter acquire, whether or not such claim, remedy or right arises in equity, or under contract, statute or common law, including the right to take or receive from Buyer or GP Buyer, directly or indirectly, in cash or other property or by set-off or in any other manner, payment or security on account of such claim or other rights. To the fullest extent permitted by applicable law, the obligations of Charter hereunder shall not be affected by (a) the failure of the applicable obligee to assert any claim or demand or to enforce any right or remedy against Charter pursuant to the provisions of this Agreement or otherwise, (b) any rescission, waiver, amendment or modification of, or any release from any of the terms or provisions of this Agreement or the invalidity or unenforceability (in whole or in part) of this Agreement, unless consented to in writing by Charter and Sellers and (c) any change in the existence (corporate or otherwise) of Buyer, Charter or any of the Sellers or any insolvency, bankruptcy, reorganization or similar proceeding affecting any of them or their assets. If any amount shall be paid to Charter in violation of the preceding sentence and the obligations of Buyer or GP Buyer under this Agreement shall not have been discharged in full, such amount shall be deemed to have been paid to Charter for the benefit of, and held in trust for the benefit of, Sellers, and shall forthwith be paid to Sellers. Charter acknowledges that it will receive direct and indirect benefits from the consummation of the transactions contemplated by this Agreement and that the waivers set forth in this Section 6.17 are knowingly made in contemplation of such benefits. Nothing contained in this Section 6.17 is intended to or shall impair, as among Charter and Sellers, the obligations of Charter, which are absolute and unconditional, upon failure by Buyer or GP Buyer to perform their respective obligations under this Agreement, including the obligation to pay to Sellers the Cash Consideration and any other monetary obligations of Buyer when payable in accordance with the terms of this Agreement, or is intended to or shall affect the relative rights of Sellers and creditors of Charter, nor shall anything herein prevent Sellers from exercising all remedies otherwise permitted by applicable law.

6.18 Disclosure Schedules. The parties acknowledge and agree that (i) Helicon's Disclosure Schedules and Charter's Disclosure Schedules may include certain items and information solely for informational purposes for the convenience of the parties hereto, and (ii) the disclosure of any matter in Helicon's Disclosure Schedules or Charter's Disclosure Schedules shall not be deemed to constitute an acknowledgment by the Helicon Parties, in this case of Helicon's Disclosure Schedules, or the Charter Parties, in the case of Charter's Disclosure Schedules, that the matter is material.

6.19 Further Assurances. After the date hereof the parties shall take any commercially reasonable actions and execute any other documents that may be reasonably necessary or desirable to the implementation and consummation of this Agreement upon the reasonable request of the other party, at the expense of the requesting party.

6.20 Environmental Reports. At any time after the date hereof, Buyer shall have the right to engage an environmental consultant to conduct a Phase I environmental audit and to prepare a Phase I environmental report, and if recommended in such Phase I environmental report, a Phase II environmental audit and Phase II environmental report for each Real Property listed on Schedule 3.9. The cost of Phase I and Phase II environmental audits and reports shall be borne by Buyer. The Helicon Companies shall cooperate with Buyer, in connection with such Phase I and Phase II environmental audits and reports, including providing all reasonable access to their respective properties and facilities.

6.21 Year 2000 Matters. The Helicon Companies shall have taken commercially reasonable actions to implement the Year 2000 Plan and to complete implementation of the Year 2000 Plan as soon as is reasonably practicable. The Helicon Companies shall cooperate with the Charter Parties prior to the Closing with respect to the Year 2000 Matters. Such cooperation shall include providing the Charter Parties with status reports as the Charter Parties may reasonably request regarding Year 2000 Matters.

6.22 Representations, Warranties and Covenants of Baum. By his execution here below in joinder to this Agreement with respect to this Section 6.22, Baum agrees as follows:

(a) Baum represents and warrants to the Charter Parties: (i) that his joinder hereto and any Transaction Document to which he will become a party have been duly executed and delivered by him (or, in the case of Transaction Documents to be executed and delivered at Closing, when executed and delivered will be duly executed and delivered) and constitute (or, in the case of Transaction Documents to be executed and delivered at Closing, when executed and delivered will constitute) his legal, valid, and binding obligation, enforceable against him in accordance with their terms, except as the enforceability of this Agreement and such other Transaction Document may be limited by Enforceability Exceptions; and (ii) that his performance of his obligations under this Section 6.22 does not require any consent of, declaration to, notice to, or filing with any Governmental Authority or any other Person that has not been obtained, will not conflict with, result in a breach of, or constitute a default under any Legal Requirement to which he is bound, and will not conflict with, result in a material breach of, or constitute a material default under any material agreement or instrument to which he is bound.

(b) Baum represents and warrants to the Charter Parties that Baum holds all legal and beneficial rights to the THGLP Note free and clear, and will transfer such note to Buyer at Closing free and clear of all Encumbrances, subject to Legal Restrictions.

(c) Baum covenants to perform his obligations under Sections 2.2(c), 8.2(c), and 8.3(b)(1) hereof.

(d) Baum, Sellers and the Charter Parties agree that for purposes of Sections 7.1(b) and 10.5 hereof, Baum's representations and warranties in (i) subsections (a) and (b) above shall comprise representations and warranties of Sellers under Section 4 hereof, and (ii) subsection (b) above shall comprise representations and warranties of Sellers under Section 4.4 hereof.

(e) After the Closing, Baum agrees to indemnify and hold the Charter Parties harmless against and with respect to, and shall reimburse Buyer for any and all Losses resulting from any untrue representation or breach of warranty by Baum set forth in subsections (a) or (b) above, or the nonfulfillment of any covenant by Baum in subsection (c) above or in any Transaction Document to which Baum is a party; provided, however, that the foregoing indemnity will be subject to the limitations in Section 10.5 hereof as if Baum comprised a Seller hereunder, and provided, further, that to implement such foregoing indemnity, Baum shall comprise an "Indemnifying Party" under Section 10.6 hereof.

SECTION 7: CONDITIONS TO OBLIGATIONS OF THE CHARTER PARTIES AND SELLERS

7.1 Conditions to Obligations of the Charter Parties. All obligations of the Charter Parties at the Closing hereunder are subject to the fulfillment prior to or at the Closing of each of the following conditions:

(a) Representations and Warranties of Helicon. As to the representations and warranties of Helicon set forth in Section 3, (1) each of those representations and warranties set forth in Section 3 which is expressly stated to be made solely as of the date of this Agreement or another specified date shall be true and correct in all respects as of such date, without regard to the materiality or Material Adverse Effect qualifiers set forth therein, and (2) each of the other representations and warranties of Helicon set forth in Section 3 shall be true and correct in all respects at and as of the time of the Closing as though made at and as of that time, without regard to the materiality or Material Adverse Effect qualifiers set forth therein (except for representations and warranties with respect to the delivery of documents to Buyer or the listing of documents on a Schedule hereto), provided that for purposes of each of clauses (1) and (2) above, the representations and warranties shall be deemed true and correct in all respects to the extent that the aggregate effect of the inaccuracies in such representations and warranties as of the applicable times does not constitute a Material Adverse Effect, when compared with the state of facts that would exist if all such representations and warranties were true in all respects as of the applicable times.

(b) Representations and Warranties of Sellers. As to the representations and warranties of Sellers set forth in Section 4, (1) each of those representations and warranties set forth in Section 4 which is expressly stated to be made solely as of the date of this Agreement or another specified date shall be true and correct in all respects as of such date, without regard to the materiality or Material Adverse Effect qualifiers set forth therein, and (2) each of the other representations and warranties of Sellers set forth in Section 4 shall be true and correct in all respects at and as of the time of the Closing as though made at and as of that time, without regard to the materiality, or Material Adverse Effect qualifiers set forth therein (except for representations and warranties with respect to the delivery of documents to Buyer or the listing of documents on a Schedule hereto), except in each case of clauses (1) and (2) to the extent that the aggregate effect of the inaccuracies in such representations and warranties as of the applicable times does not constitute a Material Adverse Effect, when compared with the state of facts that would exist if all such representations and warranties were true in all respects as of the applicable times.

(c) Covenants. The Helicon Parties, the Sellers and Baum shall have performed and complied in all material respects with all covenants and agreements required by this Agreement to be performed or complied with by them prior to or at the Closing.

(d) Consents. (i) The aggregate number of Equivalent Subscribers as of the Closing, in those Franchise Areas that are Transferable Franchise Areas shall be at least ninety percent (90%) of the aggregate number of Equivalent Subscribers in all Franchise Areas as of the Closing, (ii) one hundred twenty (120) days shall have elapsed and no extensions of such 120-day period shall have been granted since the date of filing of the FCC Form 394 with respect to any Franchise Consent which has not been obtained; and (iii) all other Required Consents shall have been obtained.

(e) Hart-Scott-Rodino. The requisite waiting period, if any, under the HSR Act shall have expired or been terminated.

(f) Judgment. There shall not be in effect on the date on which the Closing is to occur any judgment, decree, order or other prohibition having the force of law that would prevent or make unlawful the Closing, provided that the Charter Parties shall have used commercially reasonable efforts to prevent the entry of any such judgment, decree, order or other legal prohibition and to appeal as expeditiously as possible any such judgment, decree, order or other legal prohibition that may be entered.

(g) Deliveries. The Helicon Parties shall have made or stand willing to make all the deliveries to Buyer described in Section 8.2.

(h) Material Adverse Change. No event shall have occurred between the date of this Agreement and the date on which the Closing is to occur that has had a Material Adverse Effect.

(i) Purchase and Exercise of Warrants. BII (a) shall have purchased all of the outstanding Warrants from the Subordinated Holders pursuant to its rights as Baum's assignee under the Call Agreement and (b) shall have exercised the Warrants.

7.2 Conditions to Obligations of Sellers.

All obligations of each Seller at the Closing hereunder are subject to the fulfillment prior to or at the Closing of each of the following conditions:

(a) Representations and Warranties. All representations and warranties of the Charter Parties set forth in Section 5 shall be true and complete in all material respects at and as of the Closing Date as though made at and as of that time.

(b) Covenants. The Charter Parties shall have performed and complied with in all material respects all covenants and agreements required by this Agreement to be performed or complied with by them prior to or at the Closing.

(c) Consents. (i) The aggregate number of Equivalent Subscribers as of the Closing, in those Franchise Areas that are Transferable Franchise Areas shall be at least ninety percent (90%) of the aggregate number of Equivalent Subscribers in all Franchise Areas as of the Closing, (ii) one hundred twenty (120) days shall have elapsed and no extensions of such 120-day period shall have been granted since the date of filing of the FCC Form 394 with respect to any Franchise Consent which has not been obtained; and (iii) all Required Consents shall have been obtained.

(d) Hart-Scott-Rodino. The requisite waiting period, if any, under the HSR Act shall have expired or been terminated.

(e) Judgment. There shall not be in effect on the date on which the Closing is to occur any judgment, decree, order or other prohibition having the force of law that would prevent or make unlawful the Closing, provided that Helicon Parties shall have used commercially reasonable efforts to prevent the entry of any such judgment, decree, order or other legal prohibition and to appeal as expeditiously as possible any such judgment, decree, order or other legal prohibition that may be entered.

(f) Release from Debt Instruments. Sellers and Baum shall have been released as provided in Section 6.7(b) by the Charter Parties from any further obligations with respect to the debt instruments that are listed in Schedule 3.6.

(g) Deliveries. The Charter Parties shall have made or stand willing to make all the deliveries described in Section 8.3.

SECTION 8: CLOSING AND CLOSING DELIVERIES

8.1 Closing.

(a) Closing Date.

(1) Subject to satisfaction or, to the extent permitted by law, waiver, of the closing conditions described in Section 7, and subject to Section 8.1(a)(2),

the Closing shall take place on a date specified by the mutual agreement of Helicon and Buyer, or in the absence of such agreement, on the last business day of such calendar month in which the conditions set forth in Sections 7.1(d) and (e) and Sections 7.2(c) and (d) shall have been satisfied or waived; provided, however, that if the last business day of such calendar month in which such conditions shall have been satisfied or waived shall be beyond the Upset Date, then the Closing shall occur on the Upset Date.

(2) If on the date on which the Closing would otherwise be required to take place pursuant to Section 8.1(a)(1), (A) there shall be in effect any judgment, decree, or order that would prevent or make unlawful the Closing, or (B) any other circumstance beyond the reasonable control of the Helicon Parties or the Charter Parties shall exist that would prevent the Closing or the satisfaction of any of the conditions precedent to any party set forth in Section 7, then either Helicon or Buyer may, at its option, postpone the date on which the Closing is required to take place until such date, to be set by the party that elects to postpone the date for Closing pursuant to this subsection (2) on at least five business days' written notice to the other party, as soon as practicable after such judgment, decree, or order ceases to be in effect, or such other circumstance ceases to exist; provided, however, that any postponement of the date on which the Closing is required to take place to a date beyond the Upset Date shall require the consent of both Helicon and Buyer.

(b) Closing Place. The Closing shall be held at the offices of Paul, Hastings, Janofsky & Walker LLP, 399 Park Avenue, 31st Floor, New York, New York 10022, or any other place or time as Helicon and Buyer shall mutually agree.

8.2 Delivery by Sellers. The Sellers shall deliver or cause to be delivered to the Charter Parties the following:

(a) BII Assets. An assignment agreement providing for the assignment and contribution of the BII Assets by BII to GP Buyer, in a form reasonably satisfactory to GP Buyer, together with any certificates representing the GP Interest.

(b) Purchased Interests. An assignment agreement providing for the assignment of the LP Interests and the Preferred Interests by the Limited Partners to Buyer, in a form reasonably satisfactory to Buyer, together with any certificates representing the LP Interests or the Preferred Interests, duly endorsed for transfer.

(c) THGLP Note. An assignment agreement providing for the assignment of the THGLP Note by Buyer, in a form reasonably satisfactory to Buyer, together with the original THGLP Note.

(d) Officer's Certificate of Helicon and BII. A certificate executed by BII, on its own behalf and in its capacity as the general partner of Helicon, dated as of the

Closing Date, certifying that the closing conditions specified in Sections 7.1(a) and (c) have been satisfied as to Helicon or BII, except as disclosed in such certificate.

(e) Sellers' Certificate. A certificate executed by Sellers, dated as of the Closing Date, certifying that the closing conditions specified in Sections 7.1(b) and (c) have been satisfied as to Sellers and Baum, except as disclosed in such certificate.

(f) Secretaries' Certificates. A certificate executed by Helicon and BII, dated as of the Closing Date, (1) certifying that the resolutions, as attached to said certificate, were duly adopted by BII, on its own behalf and in its capacity as the general partner of Helicon, as the case may be, authorizing and approving the execution by such party of this Agreement and the other Transaction Documents to which such party is a party and the consummation of the transactions contemplated hereby and thereby and that such resolutions remain in full force and effect; and (2) providing, as attachments thereto, Certificates of Good Standing for Helicon and each of the other Helicon Companies certified by an appropriate state official of the State of their organization, all certified by such state officials as of a date not more than fifteen days before the Closing Date.

(g) Compliance with FIRPTA. A certificate executed by each Seller, in a form reasonably satisfactory to the Buyer, pursuant to Section 1.1445-2(b)(2) of the Treasury Regulations, certifying that such Seller is not a foreign person.

(h) Consents. Copies of Consents which have been obtained by Helicon or Sellers prior to the Closing.

(i) Indemnity Agreement. The Indemnity Agreement, duly executed by Helicon Corp. (as agent for and on behalf of Sellers) and the Escrow Agent.

(j) Amended LLC Agreement. The Amended LLC Agreement duly executed by BII.

(k) Resignations. Written resignations, effective on the Closing Date, of all officers, managers and directors of the Helicon Companies.

(l) Terminations. Written terminations, effective on the Closing Date, of all management and other similar agreements, as listed in Schedule 3.17, between any of the Sellers and any of the Helicon Companies, except as provided in Section 6.15 hereof.

(m) Bank Accounts. True and complete information regarding each Helicon Company's bank accounts containing cash deposits as of the Closing Date and the names of all authorized signatories on all such accounts.

(n) Organizational, Financial, and Tax Records. All corporate, partnership or limited liability company records (including minute books and stock books and registers) and financial and tax records of each of the Helicon Companies that are not located at one of the offices or sites included in the Real Property.

(o) Opinions of Counsel. (i) An opinion of Dow, Lohnes & Albertson, PLLC, counsel to Helicon, dated as of the Closing Date, in form and substance reasonably satisfactory to Buyer; and (ii) an opinion of counsel to certain Partners, dated as of the Closing Date, in form and substance reasonably satisfactory to Buyer.

(p) Put Agreement. The Put Agreement duly executed by BII.

8.3 Delivery by the Charter Parties. Prior to or at the Closing, the Charter Parties shall deliver to Sellers the following:

(a) Assumption Agreements

(1) An assumption agreement providing for the assumption by GP Buyer of the BII Assets, in a form reasonably satisfactory to BII.

(2) An assumption agreement providing for the assumption by Buyer of the LP Interests and the Preferred Interests, in a form reasonably satisfactory to Sellers.

(3) An assumption agreement providing for the assumption by GP Buyer of the Management Agreements, in a form reasonably satisfactory to Helicon Corp.

(b) Purchase Consideration.

(1) The purchase price for the THGLP Note, as set forth in Section 2.2(c) hereof, by wire transfer of immediately available funds to an account designated by Baum by written notice to Buyer not less than two days prior to Closing.

(2) As provided in Section 2.5, the payments to the Escrow Agent, if the Partners do not elect to deliver the Letters of Credit, by wire or accounts transfer of immediately available funds to one or more accounts designated by the Escrow Agent, and the Estimated Cash Consideration, less the payments to the Escrow Agent, to the Partners in accordance with the allocation agreed to among them pursuant to Section 2.3 hereof, by wire or accounts transfer of immediately available funds to one or more accounts designated by the Partners, in each case by written notice to Buyer not less than two days prior to the Closing.

(c) Officers' Certificate. A certificate executed by each of the Charter Parties, dated as of the Closing Date, certifying that the closing conditions specified in Sections 7.2(a) and (b) have been satisfied, except as disclosed in said certificate.

(d) Secretaries' Certificate. A certificate executed by each of the Charter Parties, dated as of the Closing Date, (1) certifying that the resolutions, as attached to said certificate, were duly adopted by the Board of Directors of such Charter Party, authorizing and approving the execution by such Charter Party of this Agreement and the other Transaction Documents to which such Charter Party is a party and the consummation of the transactions contemplated hereby and thereby and that such resolutions remain in full force and effect; and (2) providing, as attachments thereto, a Certificate of Good Standing for such Charter Party certified by an appropriate state official of the State of Delaware, certified by such state official as of a date not more than fifteen days before the Closing Date.

(e) Amended LLC Agreement. The Amended LLC Agreement duly executed by Charter and GP Buyer.

(f) Indemnity Agreement. The Indemnity Agreement, duly executed by Buyer (as agent for and on behalf of the Charter Parties), and the Escrow Agent.

(g) Opinion of Counsel. An opinion of Paul, Hastings, Janofsky & Walker LLP, counsel to Buyer, dated as of the Closing Date, in form and substance reasonably satisfactory to the Partners.

(h) Put Agreement. The Put Agreement executed by Paul G. Allen.

SECTION 9: TERMINATION

9.1 Agreement between Helicon and Buyer. This Agreement may be terminated at any time prior to the Closing by agreement between Helicon and Buyer.

9.2 Termination by Helicon. This Agreement may be terminated at any time prior to the Closing by Helicon, and the BII Contribution and the purchase and sale of the Purchased Interests abandoned, upon written notice to Buyer, upon the occurrence of any of the following:

(a) Conditions. If on any date determined for the Closing in accordance with Section 8.1 if each condition set forth in Section 7.1 has been satisfied (or will be satisfied by the delivery of documents at the Closing) or waived in writing on such date and either a condition set forth in Section 7.2 has not been satisfied (or will not be satisfied by the delivery of documents at the Closing) or waived in writing on such date or a Charter Party has nonetheless refused to consummate the Closing. Notwithstanding the foregoing, Helicon may not rely on the failure of any condition set forth in Section 7.2 to be satisfied if such failure was principally caused by any Helicon Party's failure to act in good faith or a breach of or failure to perform any of its representations, warranties, covenants or other obligations in accordance with the terms of this Agreement.

(b) Upset Date. If the Closing shall not have occurred on or prior to the Upset Date, unless the failure of the Closing to occur was principally caused by Helicon Party's failure to act in good faith or a breach of or failure to perform any of its representations, warranties, covenants or other obligations in accordance with the terms of this Agreement.

(c) Closing Equivalent Subscribers. If the Closing Equivalent Subscribers shall be less than 150,000, provided, that termination pursuant to this Section 9.2(c) shall not be effective, and shall be void ab initio, in the event that Buyer delivers notice to Helicon that Buyer is willing to close notwithstanding the failure of the Closing Equivalent Subscribers to be at least 150,000; provided, further, that, if Buyer elects to close as provided in the immediately foregoing proviso, than notwithstanding the actual number of Closing Equivalent Subscribers or any other provision of this Agreement, the Estimated Cash Consideration payable by Buyer at such Closing shall be an amount equal to Four Hundred Eighty-Four Million Five Hundred Thousand Dollars ($484,500,000) decreased by the amount of the Closing Net Liabilities pursuant to Section 2.4(b) and adjusted pursuant to Section 2.4(c).

9.3 Termination by Buyer. This Agreement may be terminated at any time prior to the Closing by Buyer, and the BII Contribution and purchase and sale of the Purchased Interests abandoned, upon written notice to Helicon, upon the occurrence of any of the following:

(a) Conditions. If on any date determined for the Closing in accordance with Section 8.1 if each condition set forth in Section 7.2 has been satisfied (or will be satisfied by the delivery of documents at the Closing) or waived in writing on such date and either a condition set forth in Section 7.1 has not been satisfied (or will not be satisfied by the delivery of documents at the Closing) or waived in writing on such date or any Helicon Party has nonetheless refused to consummate the Closing. Notwithstanding the foregoing, Buyer may not rely on the failure of any condition set forth in Section 7.1 to be satisfied if such failure was principally caused by any Charter Party's failure to act in good faith or a breach of or failure to perform any of its representations, warranties, covenants or other obligations in accordance with the terms of this Agreement.

(b) Upset Date. If the Closing shall not have occurred on or prior to the Upset Date, unless the failure of the Closing to occur was principally caused by any Charter Party's failure to act in good faith or a breach of or failure to perform any of its representations, warranties, covenants or other obligations in accordance with the terms of this Agreement.

(c) Closing Equivalent Subscribers. If the Closing Equivalent Subscribers shall be less than 150,000.

9.4 Effect of Termination. If this Agreement is terminated as provided in this Section 9, then this Agreement will forthwith become null and void and there will be no liability on the part of any party to any other party or any other Person in respect thereof, provided that:

(a) Surviving Obligations. The obligations of the parties described in Sections 6.2, 9.4 and 11.1 (and all other provisions of this Agreement relating to expenses) will survive any such termination.

(b) Withdrawal of Applications. All filings, applications and other submissions relating to the consummation of the transaction contemplated hereby shall, to the extent practicable, be withdrawn from the Governmental Authority or other Person to whom made.

(c) Willful Breach by the Charter Parties. No such termination will relieve Buyer from liability for a willful breach by the Charter Parties of this Agreement, and in such event the Helicon Parties shall have all rights and remedies available at law and equity, including the remedy of specific performance.

(d) Willful Breach by the Helicon Parties. No such termination will relieve the Helicon Parties from liability for a willful breach of this Agreement, and in such event the Charter Parties shall have all rights and remedies available at law or equity, including the remedy of specific performance.

(e) No Recourse. Anything in this Agreement or applicable law to the contrary notwithstanding, in the event this Agreement is terminated as provided in this Section 9:

(1) No Charter Party will have any claim or recourse against Baum, any of the Sellers, or any of their or the Helicon Parties' respective officers, directors, shareholders, partners, employees, agents or Affiliates (other than the Helicon Companies) as a result of the breach of any representation, warranty, covenant or agreement of any Helicon Party contained herein or otherwise arising out of or in connection with the transactions contemplated by this Agreement or the business or operations of the Helicon Companies prior to the Closing. The Charter Parties' sole recourse shall be against the Helicon Companies.

(2) No Helicon Party will have any claim or recourse against any of the Charter Parties' respective officers, directors, shareholders, partners, employees, agents or Affiliates (other than the Charter Parties) as a result of the breach of any representation, warranty, covenant or agreement of any Charter Party contained herein or otherwise arising out of or in connection with the transactions contemplated by this Agreement or the compliance by the Charter Parties with their covenants prior to the Closing. The Helicon Parties' sole recourse shall be against the Charter Parties.

9.5 Attorney's Fees. Notwithstanding any provision in this Agreement that may limit or qualify a party's remedies, in the event of a default by any party that results in a lawsuit or other proceeding for any remedy available under this Agreement, the prevailing party shall be entitled to reimbursement from the defaulting party of its reasonable legal fees and expenses (whether incurred in arbitration, at trial, or on appeal).

SECTION 10: SURVIVAL OF REPRESENTATIONS AND WARRANTIES; INDEMNIFICATION; CERTAIN REMEDIES

10.1 Survival. All representations, warranties and covenants set forth herein will survive the Closing, provided that all claims made in respect of such representations, warranties and covenants will be subject to any applicable limitations set forth in this Section 10.

10.2 Indemnification by Sellers. After the Closing, but subject to Section 10.5, the Sellers agree to indemnify and hold the Charter Parties harmless against and with respect to, and shall reimburse Buyer for:

(a) any and all Losses resulting from any untrue representation or breach of warranty by Helicon or the nonfulfillment of any covenant to be performed at or prior to Closing by Helicon contained in this Agreement or any other Transaction Document to which Helicon is a party; and

(b) any and all Losses resulting from any untrue representation or breach of warranty by such Seller or the nonfulfillment of any covenant by such Seller contained in this Agreement or any other Transaction Document to which such Seller is a party.

For purposes of this Section 10, each representation and warranty (whether made as of the date of this Agreement or made on and as of the Closing Date) contained in this Agreement for which indemnification is sought hereunder shall be read (including for purposes of determining whether a breach of such representation or warranty has occurred) without regard to, and as if such representation or warranty did not contain materiality or Material Adverse Effect qualifications that may be contained therein (except for representations and warranties with respect to the delivery of documents to Buyer or the listing of documents on a Schedule hereto).

10.3 Indemnification by the Charter Parties. After the Closing, but subject to Section 10.5, the Charter Parties jointly and severally agree to indemnify and hold Sellers harmless against and with respect to, and shall reimburse Sellers for any and all Losses resulting from any untrue representation or breach of warranty by any Charter Party or the nonfulfillment of any covenant by any Charter Party contained in this Agreement or any other Transaction Document to which such Charter Party is a party.

10.4 Indemnity Agreement. At the Closing, Buyer (as agent for and on behalf of the Charter Parties), Helicon Corp. (as agent for and on behalf of Sellers), and the Escrow Agent shall execute the Indemnity Agreement, in accordance with which Buyer will deposit the Indemnity Fund with or, at the Sellers' option, the Sellers will deliver the Letters of Credit to the Escrow Agent on the Closing Date in order to provide a fund for, and the exclusive source for, the payment of any indemnification to which any Charter Party is entitled under this Section 10 (such escrow, the "Indemnity Fund"); provided, however, that the Indemnity Fund shall not be the exclusive source for the payment of any indemnification to which any Charter Party is entitled as a result of a breach of the representations and warranties set forth in Section 4.3 or 4.4.

(a) The Indemnity Fund will be administered in accordance with the provisions of this Section 10 and the Indemnity Agreement.

(b) On the first business day following the twelve-month anniversary of the Closing Date, the Indemnity Fund, less any amount subject to an outstanding claim by the Charter Parties, shall be released from escrow and paid over to the Partners. Thereafter, any remaining Indemnity Fund shall be released from escrow and paid over to Sellers, in accordance with the Indemnity Agreement.

10.5 Certain Limitations on Indemnification Obligations. Notwithstanding anything in this Agreement to the contrary:

(a) The following limitations shall apply to any of the Charter Parties or any of the Sellers, as the Claimant, with respect to its claims against the Sellers or the Charter Parties, as the Indemnifying Party, for indemnity for matters described in Section 10.2 or 10.3, as the case may be, other than any claim by Sellers regarding the nonfulfillment of the Charter Parties' obligation to pay the Cash Consideration or issue the Preferred LLC Interest (in which event the following limitations shall not apply):

(1) The Indemnifying Party will not be required to indemnify or otherwise be liable to the Claimant for matters described in Section 10.2 or 10.3 (as the case may be) unless and until the aggregate amount of all Losses of the Claimant arising therefrom for which the Indemnifying Party would have indemnification liability to the Claimant but for this Section 10.5(a)(1), exceeds, and then only to the extent of the excess above, $400,000; provided, however, that this Section 10.5(a)(1) shall not apply to any

amount payable to Buyer or Sellers pursuant to Section 2.6, or as a result of a breach of any of the representations and warranties set forth in Sections 4.3 or 4.4.

(2) No Indemnifying Party will be required to indemnify or otherwise be liable to the Claimant with respect to any Losses arising under Section 10.2 or 10.3 (as the case may be) unless the Claimant gives the Indemnifying Party written notice of a claim pursuant to Section 10.2 or 10.3 (as the case may be) on or prior to the date that is twelve months after the Closing Date, provided, that such twelve-month limitation shall not apply in the case of any breach of any of the representations and warranties set forth in Sections 4.3 or 4.4; and

(3) Except for a claim of a breach of any of the representations and warranties set forth in Sections 4.3 and 4.4, the sole and exclusive remedy available to the Claimant shall be a claim for indemnity pursuant to the terms of this Section 10.

(4) The amount payable to the Claimant by the Indemnifying Party in respect of a Loss shall be computed net of any insurance payments received with respect thereto that reduces the amount of such Loss that would otherwise be sustained. The parties hereto agree to use commercially reasonable efforts to collect any and all insurance proceeds to which it may be entitled in respect of any Loss prior to seeking indemnity as Claimant from the Indemnifying Party.

(5) No party shall have any liability or obligation (for indemnification or otherwise) arising as a result of any other party's waiver of any closing condition, nor shall any adjustment be made to the Cash Consideration in respect of the foregoing.

(6) No Indemnifying Party will have any liability or obligation for any inaccuracy in any representation or warranty made by such party in this Agreement (1) which did not exist as of the date of this Agreement and which arose other than by reason of any breach by a Indemnifying Party of any covenant or agreement of such party set forth in this Agreement, or (2) if such inaccuracy does not exist at the time of the Closing.

(b) Notwithstanding anything in this Agreement to the contrary, the following additional limitations shall apply with respect to claims against the Sellers, as the Indemnifying Party, by the Charter Parties, as Claimants, for indemnity for any matter described in Section 10.2:

(1) Anything in this Agreement or applicable law to the contrary notwithstanding, other than claims (i) with respect to the Indemnity Fund as provided for in this Agreement and (ii) for breaches of representations and warranties contained in Sections 4.3 and 4.4, no Seller, its Affiliates or any of their respective officers, directors, shareholders, members, partners, employees or agents shall have any

obligation or liability to any Charter Party under this Section 10 or otherwise, and no Charter Party will have any claim or recourse against Seller, its Affiliates or any of their respective officers, directors, shareholders, members, partners, employees or agents as a result of the breach of any representation, warranty, covenant or agreement of any Helicon Party or any Seller contained herein or otherwise arising out of or in connection with the transactions contemplated by this Agreement or the Transaction Documents or the business or operations of the Helicon Companies prior to the Closing.

(2) All payments required to be made by Sellers or any Seller in respect of their indemnification obligations under this Section 10 shall be made solely from the Indemnity Fund except for any misrepresentation or breach by any Seller of any representations and warranties by such Seller in Section 4.3 or 4.4 hereof, in which event such Seller shall be solely liable with respect to any indemnity due the Charter Parties under Section 10.2(b) above.

(3) Sellers shall not be liable with respect to any Loss to the extent that the amount of such Loss was included as an Adjustment Liability in the computation of Closing Net Liabilities in accordance with Section 2.

(4) No Seller will have any liability or obligation for any inaccuracy in any representation or warranty made by any Helicon Party in this Agreement which relates to any Excluded Asset.

(5) Sellers shall have no obligation to indemnify or otherwise be liable to the Charter Parties with respect to any claim for breach of any representation or warranty by any of the Helicon Parties or otherwise, arising from any presence of Hazardous Substances on any of the Real Property described on Schedule 3.9 to the extent that such presence of Hazardous Substances shall have been disclosed or revealed to the Charter Parties in any environmental assessments undertaken between the date hereof and the Closing Date; provided, however, that notwithstanding the foregoing, the representations and warranties on environmental matters by Helicon in Section 3.14, unqualified by the results of such environmental assessments, shall continue to comprise a closing condition under Section 7.1(a) hereof.

(6) No Seller will have any liability or obligation for any untrue representation or breach of warranty with respect to inaccuracy in any representation or warranty set forth in Section 3.20 that exists as of the Closing Date that did not exist as of the date of this Agreement.

(c) The foregoing limitations shall not apply with respect to claims arising following the Closing relating to any breach of the terms of the Amended LLC Agreement, the Put Agreement, Option Agreement or the release from Debt Obligations.

10.6 Procedure for Indemnification. The procedure for indemnification shall be as follows:

(a) The party claiming indemnification (the "Claimant") shall promptly give notice to the party from which indemnification is claimed (the "Indemnifying Party") of any claim, whether between the parties or brought by a third party, specifying in reasonable detail the factual basis for the claim and the amount thereof (if known and quantifiable); provided, however, that the failure to give such notice shall not impair the Claimant's rights under this Section 10 unless such failure to give such notice shall have materially impaired the Indemnifying Party's ability to defend against such third-party claim.

(b) With respect to claims solely between the parties, following receipt of notice from the Claimant of a claim, the Indemnifying Party shall have thirty days to make such investigation of the claim as the Indemnifying Party deems necessary or desirable. For the purposes of such investigation, the Claimant agrees to make available to the Indemnifying Party and its authorized representatives the information relied upon by the Claimant to substantiate the claim. If the Claimant and the Indemnifying Party agree at or prior to the expiration of the thirty-day period (or any mutually agreed upon extension thereof) to the validity and amount of such claim, the Indemnifying Party shall immediately pay to the Claimant the full amount of the claim. If the Claimant and the Indemnifying Party do not agree within the thirty-day period (or any mutually agreed upon extension thereof), the Claimant may seek appropriate remedy at law or equity.

(c) With respect to any claim by a third party as to which the Claimant is entitled to indemnification under this Agreement, the Indemnifying Party shall have the right at its own expense, to participate in or assume control of the defense of such claim, and the Claimant shall cooperate fully with the Indemnifying Party, subject to reimbursement for actual out-of-pocket expenses incurred by the Claimant as the result of a request by the Indemnifying Party; provided that notwithstanding the foregoing, if such claim is from a Franchising Authority or other Governmental Authority and any of the Charter Parties are seeking indemnification against the Sellers in respect of such claim, the Charter Party may retain control of the defense of such claim, but the Sellers shall have the right, at their own expense, to participate in the defense of such claim, and the Charter Party shall cooperate with the Sellers in defending such claim and keep the Sellers informed of all material strategies and developments therein. The Charter Parties may not settle any such claim by a Franchising Authority or other Governmental Authority for which the Sellers would be liable without the consent of the Sellers, which shall not be unreasonably withheld. Claimant will not enter into any settlement of such claim which could result in indemnification liability without the Indemnifying Party's prior written consent (which shall not be unreasonably withheld) without the Indemnifying Party's prior written consent (not to be unreasonably withheld or delayed). Any such settlement will be binding upon the Charter Parties and Sellers for purposes of determining whether any indemnification payment is required pursuant to this Section 10.

10.7 Treatment of Indemnification Payments. The Charter Parties and Sellers will treat all payments made pursuant to this Section 10 (including all payments made to the Charter Parties out of the Indemnity Fund but excluding the release of any Indemnity Fund to Sellers) as an adjustment to the Cash Consideration for all purposes hereof, except to the extent the laws of a particular jurisdiction provide otherwise, in which case such payments shall be made in an amount sufficient to indemnify the relevant party on an after-Tax basis.

SECTION 11: MISCELLANEOUS

11.1 Fees and Expenses. Except as otherwise provided in this Agreement, each party shall pay its own expenses incurred in connection with the authorization, preparation, execution, and performance of this Agreement, including all fees and expenses of counsel, accountants, agents, and representatives. Sellers shall bear and pay any amounts payable to Waller Capital Corporation in connection with this Agreement and the transaction contemplated hereby.

11.2 Notices. All notices, demands, and requests required or permitted to be given under the provisions of this Agreement shall be in writing, may be sent by telecopy (with automatic machine confirmation), delivered by personal delivery, or sent by commercial delivery service or certified mail, return receipt requested, shall be deemed to have been given on the date of actual receipt, which may be conclusively evidenced by the date set forth in the records of any commercial delivery service or on the return receipt, and shall be addressed to the recipient at the address specified below, or with respect to any party, to any other address that such party may from time to time designate in a writing delivered in accordance with this Section 11.2:

If to the Charter Parties:	Charter Communications, Inc. 12444 Powerscourt Drive, Suite 100 St. Louis, Missouri 63131 Attention: Jerald L. Kent, President & C.E.O. (with a copy to Curtis S. Shaw, General Counsel) Telephone: 314-965-0555 Telecopier: 314-965-8793
with copy (which shall not constitute notice) to:	Paul, Hastings, Janofsky & Walker LLP 399 Park Avenue, 31st Floor New York, New York 10022 Attention: Neil A. Torpey, Esq. Telephone: 212-318-6000 Telecopier: 212-319-4090

If to Helicon (prior to the Closing) or Helicon Corp. (after the Closing):	To Helicon Corp.'s address as set forth on Exhibit F hereto.
with copies (which shall not constitute notice) to:	Dow, Lohnes & Albertson, PLLC 1200 New Hampshire Avenue, N.W., Suite 800 Washington, D.C. 20036 Attention: Leonard J. Baxt, Esq. Telephone: 202-776-2528 Telecopier: 202-776-2222 and
	Becker & Company LLC 551 Madison Avenue New York, NY 10022 Attention: Stuart Becker Telephone: 212-223-9800 Telecopier: 212-223-0072
If to a Seller:	At the address specified for such Seller on the attached Exhibit F

11.3 Benefit and Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns; provided that (a) neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned by any Helicon Party without the prior written consent of the Charter Parties (which consent shall not be unreasonably withheld or delayed), and (b) neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned by the Charter Parties without the prior written consent of the Helicon Parties (prior to the Closing) or the Sellers (after the Closing) (which consent shall not be unreasonably withheld or delayed); provided, however, that Buyer may assign its rights, interests or obligations hereunder to an Affiliate without the prior written consent of the Helicon Parties or the Seller, as the case may be; provided, however, (i) such assignment does not hinder or delay the consummation of the transactions contemplated hereby and by the other Transaction Documents and (ii) Charter may not assign its obligations under Section 6.17, which shall remain in full force and effect notwithstanding any such assignment. Consent shall be deemed to be reasonably withheld if the consenting party reasonably determines that the assignment would be reasonably likely to hinder or delay the Closing. This Agreement is not intended to confer upon any Person other than the parties hereto any rights or remedies hereunder.

11.4 GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED, CONSTRUED, AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE (WITHOUT REGARD TO THE CHOICE OF LAW PROVISIONS THEREOF).

11.5 Entire Agreement. This Agreement, the Disclosure Schedules and the Exhibits hereto, and the other Transaction Documents to be delivered by the parties pursuant to this Agreement, collectively represent the entire understanding and agreement between the Helicon Parties and the Charter Parties with respect to the subject matter of this Agreement and supersedes all prior agreements, understandings and negotiations between the parties. The Charter Parties acknowledge that none of the Helicon Parties has made any, or makes any, promises, representations, warranties, covenants or undertakings, express or implied, other than those expressly set forth in this Agreement.

11.6 Amendments; Waiver of Compliance. This Agreement may be amended and any provision of this Agreement may be waived; provided that any such amendment or waiver (a) will be binding upon any Helicon Party prior to the Closing only if such amendment or waiver is set forth in a writing executed by such Helicon Party, (b) will be binding upon Baum or each Seller after the Closing only if such amendment or waiver is set forth in a writing executed by Baum or each Seller, as the case may be, and (c) will be binding upon any Charter Party only if such amendment or waiver is set forth in a writing executed by such Charter Party.

11.7 Agency Appointments by the Sellers and the Charter Parties.

(a) Each Seller hereby irrevocably constitutes and appoints Helicon (for all periods prior to the Closing) and Helicon Corp. (for all periods after the Closing) as the true and lawful attorney-in-fact and agent of such Seller (in such capacity, Helicon and Helicon Corp. are referred to as "Sellers' Agent"), to act for such Seller in Seller's name, place and stead with respect to all matters relating to this Agreement and the other Transaction Documents and all of the transactions contemplated hereby and thereby, including without limiting the generality of the foregoing, to execute and deliver all waivers, consents, approvals and notices to and receive all notices provided or permitted hereby or thereby; to waive, modify or amend any of the terms of this Agreement and the other Transaction Documents and to make all endorsements thereon provided or permitted under this Agreement or the other Transaction Documents; to receive all payments or other funds provided or permitted and to give all receipts, acquittances, discharges and acknowledgments in respect thereof; to pay all expenses relating to the transactions contemplated by this Agreement and the other Transaction Documents; to represent such Seller in any proceedings hereunder prior to the Closing; to represent such Seller in indemnification proceedings hereunder; to execute, acknowledge, certify, deliver, file and/or record any and all instruments and other documents; and to take any and all other actions in connection with the execution, delivery and performance of this Agreement and the other Transaction Documents and the transactions contemplated hereby or thereby as Sellers' Agent, in its sole discretion, may deem necessary, appropriate or convenient in connection therewith. Each Seller agrees that any action that may be taken by Helicon under this Agreement prior to the Closing may be taken by BII, on Helicon's behalf as its general partner, in Helicon's sole discretion.

(b) Each Charter Party hereby irrevocably constitutes and appoints Buyer as the true and lawful attorney-in-fact and agent of such Charter Party (in such capacity, Buyer is referred to as the "Charter Agent"), to act for such Charter Party in such Charter Party's name, place and stead with respect to all matters relating to this Agreement and the other Transaction Documents and all of the transactions contemplated hereby and thereby, including without limiting the generality of the foregoing, to execute and deliver all waivers, consents, approvals and notices to and receive all notices provided or permitted hereby or thereby; to waive, modify or amend any of the terms of this Agreement and the other Transaction Documents and to make all endorsements thereon provided or permitted under this Agreement or the other Transaction Documents; to receive all payments or other funds provided or permitted and to give all receipts, acquittances, discharges and acknowledgments in respect thereof; to pay all expenses relating to the transactions contemplated by this Agreement and the other Transaction Documents; to represent such Charter Party in any proceedings hereunder prior to the Closing; to represent such Charter Party in indemnification proceedings hereunder; to execute, acknowledge, certify, deliver, file and/or record any and all instruments and other documents; and to take any and all other actions in connection with the execution, delivery and performance of this Agreement and the other Transaction Documents and the transactions contemplated hereby or thereby as Charter Agent, in its sole discretion, may deem necessary, appropriate or convenient in connection therewith.

11.8 Consent and Agreement of Sellers. Each Seller consents to the execution, delivery and performance of this Agreement by Helicon, BII, Baum and each other Seller, and to the taking by each other Helicon Party and each Helicon Company of all actions contemplated by this Agreement to be taken by such Person. Subject to the terms and conditions of this Agreement, each Seller agrees to consummate the transactions contemplated by this Agreement in accordance with its terms, as this Agreement may be amended pursuant to Section 11.6.

11.9 Specific Performance. The parties recognize in the event that any Helicon Party or any Charter Party, as the case may be, should refuse to perform under the provisions of this Agreement, monetary damages alone will not be adequate. The Charter Parties and the Helicon Parties shall therefore each be entitled, in addition to any other remedies which may be available, including monetary damages, to obtain specific performance of the terms of this Agreement. In the event of any action to enforce this Agreement specifically, the parties hereto each waive the defense that there is an adequate remedy at law.

11.10 Counterparts. This Agreement may be signed in counterparts with the same effect as if the signature on each counterpart were upon the same instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK;
SIGNATURES ON FOLLOWING PAGES]

IN WITNESS WHEREOF, this Agreement has been executed by each of the Helicon Parties and each of the Charter Parties as of the date first written above.

CHARTER:

CHARTER COMMUNICATIONS, INC.

By: /s/ Curtis S. Shaw

Name: Curtis S. Shaw

Title: Senior Vice President

BUYER:

CHARTER COMMUNICATIONS, LLC

By: /s/ Curtis S. Shaw

Name: Curtis S. Shaw

Title: Senior Vice President

GP BUYER:

CHARTER HELICON, LLC

By: /s/ Curtis S. Shaw

Name: Curtis S. Shaw

Title: Senior Vice President

HELICON:

HELICON PARTNERS I, L.P.

By: BAUM INVESTMENTS, INC., its general partner

By: /s/ Theodore B. Baum

Name: Theodore B. Baum
Title: President

BII:

BAUM INVESTMENTS, INC.

By: /s/ Theodore B. Baum

Name: Theodore B. Baum
Title: President

LIMITED PARTNERS:

HELICON CORP.

By: /s/ Theodore B. Baum

Name: Theodore B. Baum
Title: President

HELICON GROUP LTD.

By: /s/ Theodore B. Baum

Name: Theodore B. Baum
Title: President

TREDD INVESTORS, a general partnership

By: /s/ Theodore B. Baum

Name: Theodore B. Baum

Title:

TREDD INVESTORS TWO, a general partnership

By: /s/ Theodore B. Baum

Name: /s/ Theodore B. Baum

Title:

ROBERTS CABLE CORPORATION

By: /s/ Herbert J. Roberts

Name: Herbert J. Roberts
Title: President

GAK CABLE INC.

By: /s/ Gregory A. Kriser

Name: Gregory A. Kriser
Title: President

GIMBEL CABLE CORP.

By: /s/ Thomas L. Gimbel

Name: Thomas L. Gimbel
Title: President

BAUM INVESTMENTS, INC.

By: /s/ Theodore B. Baum

Name: Theodore B. Baum
Title: President

JOINDER BY THEODORE B. BAUM

The undersigned, Theodore B. Baum, hereby affirms and evidences his agreement to the provisions of Section 6.22 of the foregoing Purchase Agreement.

/s/ Theodore B. Baum
- ------------------------------------
THEODORE B. BAUM

Date: March 22, 1999

Exhibit 2.7(b)

PURCHASE AND SALE AGREEMENT
by and among
THE SELLERS LISTED ON
THE SIGNATURE PAGES HERETO,
RIFKIN ACQUISITION PARTNERS, L.L.L.P.

and

CHARTER COMMUNICATIONS, INC.
Dated as of April 26, 1999

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THIS PURCHASE AND SALE AGREEMENT is made and entered into as of April 26, 1999 by and among the sellers listed on the signature pages hereto as of the date hereof (collectively, "Sellers"), and Rifkin Acquisition Partners, L.L.L.P., a Colorado registered limited liability limited partnership (the "Company"), and Charter Communications, Inc., a Delaware corporation ("Buyer").

WHEREAS, Sellers collectively own all of the outstanding partnership interests in the Company, with the exception of a limited partnership interest owned by Greenwich Street (RAP) Partners I, L.P., a Subsidiary of InterLink Communications Partners, LLLP ("InterLink"), which interest Buyer will be indirectly purchasing pursuant to a Purchase and Sale Agreement dated as of the date hereof (the "InterLink Agreement") among InterLink, the general and limited partners of InterLink, and Buyer;

WHEREAS, the Company and its subsidiaries own and operate cable television systems and businesses in respect thereof serving customers in various areas in the States of Georgia, Illinois, and Tennessee (which areas of service are hereinafter collectively referred to as the "Service Areas");

WHEREAS, Sellers, severally and not jointly, in reliance upon the representations and warranties of Buyer, desire to sell to Buyer, and Buyer, in reliance upon the representations and warranties of Sellers and the Company, desires to purchase from Sellers, all of the outstanding partnership interests of the Company owned by Sellers, on the terms and subject to the conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein set forth, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

As used in this Agreement, the following terms shall have the following meanings:

1.1 "1992 Act" means the Cable Television Consumer Protection and Competition Act of 1992, as amended.

1.2 "Accrued Vacation Pay" means the obligation of the Company to its employees for accrued vacation pay through the Closing Date.

1.3 "Additional Financial Statements" means (i) as to monthly statements, the Company's unaudited Statement of Operations for each monthly period after the period ended December 31, 1998, and (ii) as to quarterly statements, the Company's unaudited Balance Sheet and related Statements of Operations and Statements of Changes in Financial Position for each quarterly period after the period ended December 31, 1998.

1.4 "Affiliate" has the meaning given to such term in the Securities Exchange Act of 1934, as amended.

1.5 "Assets" means collectively all of the Company's business, assets, properties and rights used or useful by the Company in conducting its Business.

1.6 "Audited Financial Statements" has the meaning set forth in Section 5.6.

1.7 "Basic Customers" means (i) all bona fide Non-Delinquent CATV customers of the Systems (i.e., the first connections) that have paid in full, on a nondiscounted basis (other than senior citizen discounts and seasonal customer discounts), for at least one Monthly Billing Period for the services ordered by the respective customer, and to whom the respective System is rendering its basic (or expanded basic, as the case may be) CATV service (whether or not in conjunction with any tiered or premium services) at that System's then applicable monthly rate therefor, plus (ii) all Basic Customer Equivalents.

1.8 "Basic Customer Equivalents" means equivalent bona fide Non-Delinquent CATV customers of the Systems that are commercial establishments and multi-dwelling units (e.g., bars, taverns, apartment buildings, dormitories, hospitals, etc.) that are billed on a bulk basis for basic (or expanded basic) service, which have paid in full the charges for at least one Monthly Billing Period. The number of Basic Customer Equivalents shall be deemed to be equal to the quotient that is derived from dividing: (a) the gross basic (or, if applicable, expanded basic) billings to all such commercial establishments, multi-dwelling units, or other customers that are billed on a bulk basis for basic (or expanded basic) service (but excluding billings from a la carte tiers or premium services, installation or other non-recurring charges, converter rental, any fees or charges for any outlet or connection other than the first outlet or connection in any single family household or (with respect to a bulk account, in any residential unit, e.g., an individual apartment or rental unit), pass-through charges for sales taxes, line-itemized franchise fees, fees charged by the FCC and the like) attributable to such commercial establishment, multi-dwelling unit or other customer during the most recent Monthly Billing Period ended prior to the date of calculation (but excluding billings in excess of a single Monthly Billing Period's charge) by (b) the rate charged by the respective System to individual homes as of December 31, 1998, for basic service (or, (i) if the respective commercial establishment, multi-dwelling unit or other customer also takes expanded basic service, then by the rate charged by that System to individual homes as of December 31, 1998, for basic and expanded basic service and (ii) if the respective commercial establishment, multi-dwelling unit or other customer takes services which are neither expanded basic or basic services, then by a rate which is an equivalent retail rate for such service), exclusive of any charges for the additional services, franchise fees, taxes, etc. which are excluded from the calculation of gross basic (or, if applicable, expanded basic) billings set forth in clause (a) above, such rate to be not less than the respective System's standard rate for such service.

1.9 "Basic Customer Threshold" has the meaning set forth in Section 2.4(a).

1.10 "Basic Services" means the lowest tier of CATV programming sold to customers of the Systems for which such customers pay a fixed monthly fee, excluding Expanded Basic Services, a la carte tiers, premium services, pay-per-view television and any charges for additional outlets and installation fees and any revenues derived from the rental of converters, remote control devices and other like charges for equipment.

1.11 "Business" means the provision of CATV and related ancillary services by the Company Group through the Systems in and around the Service Areas.

1.12 "Buyer" has the meaning set forth in the first paragraph of this Agreement.

1.13 "Buyer Confidentiality Agreement" means the Confidentiality Agreement between Buyer and the Company dated as of January 18, 1999.

1.14 "CARS" means CATV relay service.

1.15 "CATV" means cable television.

1.16 "Charter Plan" has the meaning set forth in Section 13.12.

1.17 "Charter Transfer Plan" has the meaning set forth in Section 13.12(c).

1.18 "Closing" has the meaning set forth in Section 3.1.

1.19 "Closing Adjustment Certificate" means the certificate to be delivered by the Company to Buyer, not less than five business days prior to the Closing Date, pursuant to Section 2.4(c).

1.20 "Closing Date" has the meaning set forth in Section 3.1.

1.21 "Closing Escrow Agreement" means an indemnification escrow agreement substantially in the form of Exhibit 2.5 hereto.

1.22 "Communications Act" means the Communications Act of 1934, as amended.

1.23 "Company Group" means the Company and each of its Subsidiaries.

1.24 "Company's 401(k) Plan" has the meaning set forth in Section 13.12.

1.25 "Computer Systems" means any hardware or software embedded systems, equipment and cable plant, or headend, building and other facilities used in connection with the Business, including any firmware, application programs, billing systems, operating systems, user interfaces, files and databases, that are date dependent or which process date related data, and that might be adversely affected by the advent or changeover to the year 2000 or by the advent or changeover to any leap year.

1.26 "Contract" means any contract, mortgage, deed of trust, bond, indenture, lease, license, permit, note, Franchise, certificate, option, warrant, right or other instrument, document, obligation or agreement, whether written or oral.

1.27 "Continuing Employees" has the meaning set forth in Section 13.12.

1.28 "Credit Facility" means loans to the Company in the maximum principal amount of $145 million pursuant to an Amended and Restated Credit Agreement dated as of March 1, 1996 among the Company, First Union National Bank of North Carolina, as Administrative Agent, Bankers Trust Company, as Syndication Agent and the lenders party thereto.

1.29 "DeMinimis Agreements" means (i) the Company Group's written or verbal agreements with customers (other than bulk customers) entered into in the ordinary course of business for the provision of CATV service at the standard rates charged by the respective System for such service, and (ii) Contracts that are not Material Agreements because those Contracts involve payments of less than $25,000 individually over the life of such Contracts and less than $250,000 in the aggregate for all such Contracts over the life of such Contracts.

1.30 "Disbursement Agent" means R&A Management, LLC, a Colorado limited liability company.

1.31 "Effective Time" means the time on which the Closing has been consummated on the Closing Date.

1.32 "Encumbrances" means, collectively, all debts, claims, liabilities, obligations, taxes, liens, mortgages, security interests and other encumbrances of any kind, character or description, whether accrued, absolute, contingent or otherwise (and whether or not reflected or reserved against in the balance sheets, books of account and records of the Company).

1.33 "Environmental Law" means any applicable federal, state, or local law, statute, standard, ordinance, rule, regulation, code, license, permit, authorization, approval, and any consent order, administrative or judicial order, judgment, decree, injunction, or settlement agreement between any member of the Company Group and a governmental entity relating to the protection, preservation or restoration of the environment (including, without limitation, air, water, land, plant and animal life or any other natural resource).

1.34 "Environmental Permit" means any permit, license, approval, consent or other authorization required by any applicable Environmental Law.

1.35 "Escrow Agent" means U.S. Bank, National Association.

1.36 "Expanded Basic Services" means an optional tier of video services offered by any member of the Company Group to its customers under various different names, as such term is commonly used in the CATV industry.

1.37 "FAA" means the Federal Aviation Administration.

1.38 "FCC" means the Federal Communications Commission.

1.39 "FCC Licenses" means all licenses, permits, earth station registrations and other authorizations issued by the FCC and used in conjunction with the operation of any System or the Business.

1.40 "Final Closing Certificate" means the certificate to be delivered by Buyer to Disbursement Agent within ninety (90) days after the Closing Date pursuant to Section 2.4(d).

1.41 "Franchise" means, with respect to any System, the respective franchise agreement (or, in lieu thereof, the respective license, consent, permit, approval or authorization) entered into, issued or otherwise granted by any state or local (e.g., city, county, parish, town or village) governmental body, for the construction, installation or operation of that System, together with all relevant instruments, resolutions and franchise-related statutes and ordinances.

1.42 "GAAP" means generally accepted accounting principles in the United States of America as in effect from time to time set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and the statements and pronouncements of the Financial Accounting Standards Board, or in such other statements by such other entity as may be in general use by significant segments of the accounting profession, which are applicable to the circumstances as of the date of determination.

1.43 "Governmental Authority" has the meaning set forth in Section 4.3(b).

1.44 "Hazardous Substance" means any substance or material, whether solid, liquid or gas, listed, defined, designated or classified as hazardous, toxic, radioactive or dangerous, or otherwise regulated, under any Environmental Law, whether by type or by quantity; Hazardous Substance includes, without limitation, any toxic waste, pollutant, contaminant, hazardous substance, toxic substance, hazardous waste, special waste, industrial substance or petroleum or any derivative or by-product thereof, radon, radioactive material, asbestos, asbestos-containing material, urea formaldehyde foam installation, lead and polychlorinated biphenyl classified as hazardous, toxic, radioactive or dangerous, or otherwise regulated under any Environmental Law.

1.45 "Homes Passed" means all single family homes, and all residential units in multi-dwelling units, capable of being serviced by any System without further trunk or feeder line construction.

1.46 "HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

1.47 "Improvements" means all buildings, structures, CATV towers and fixtures, and other improvements now or hereafter actually or constructively attached to the Real Estate, and all modifications, additions, restorations or replacements of the whole or any part thereof.

1.48 "Indemnifiable Damages" means any and all liabilities in respect of losses, suits, proceedings, demands, judgments, damages, expenses and costs (including, without limitation, reasonable counsel fees and costs and expenses) incurred in the investigation, defense or settlement of any claims covered by the indemnification set forth in this Agreement, other than special, incidental, punitive or consequential damages. For avoidance of doubt, "Indemnifiable Damages" does not include any liability that has been fully accrued, accounted for and satisfied by means of the Final Closing Certificate described in Section 2.4(d).

1.49 "Indemnification Provisions" has the meaning set forth in Section 7.13.

1.50 "Indemnity Fund" means the sum of Twenty Million Dollars ($20,000,000) to be deposited by Buyer or guaranteed by the Letter(s) of Credit at the Closing with the Escrow Agent pursuant to the Closing Escrow Agreement, plus accrued interest thereon, in order to fund the indemnification obligations of the Sellers and the InterLink Sellers under the RAP Indemnity Agreement. Such $20,000,000 amount shall be deposited by Buyer with the Escrow Agent, and shall be comprised of (a) a portion of the purchase price under the InterLink Agreement reflecting the InterLink Sellers' pro rata portion of the RAP Equity Value, and (b) a portion of the Purchase Price hereunder (and Letter(s) of Credit) reflecting the Sellers' pro rata interest in the RAP Equity Value.

1.51 "Indenture" means the Indenture, dated as of January 15, 1996, by and among the Company and Rifkin Acquisition Capital Corp., as Issuers, certain subsidiary guarantors and Marine Midland Bank, as Trustee.

1.52 "InterLink" means InterLink Communications Partners, LLLP, a Colorado registered limited liability limited partnership.

1.53 "InterLink Agreement" has the meaning set forth in the Recitals.

1.54 "InterLink Sellers" has the meaning given the term "Sellers" in the InterLink Agreement.

1.55 "Legal Proceedings" has the meaning set forth in Section 5.18.

1.56 "Letter(s) of Credit" means one or more letter(s) of credit delivered to the Escrow Agent at the Closing, in form and substance reasonably satisfactory to Buyer (such that Buyer is in substantially the same position as if cash had been deposited by Buyer into the Indemnity Fund), guaranteeing one or more Sellers' payment of their aggregate pro rata allocation of the Indemnity Fund.

1.57 "License" means that certain License Agreement between the Disbursement Agent and an Affiliate of Buyer, dated the Closing Date.

1.58 "Material Adverse Effect" means any effect that is or is reasonably likely to be materially adverse to the Assets, the Business or the results of operations or financial condition of the Company Group, taken as a whole, except for effects due to general economic conditions or changes in regulatory and competitive conditions affecting the CATV industry generally.

1.59 "Material Agreement" means any Contract of any nature (other than one required to be listed by Section 5.9) to which any member of the Company Group is a party, or by which any member of the Company Group or any of their properties is bound, which (i) by its terms obligates the Company Group to pay more than $25,000, (ii) in the aggregate with all such Contracts obligates the Company Group to pay more than $250,000, (iii) provides for the provision of internet access or internet services to the Company Group's customers, or (iv) restricts or prohibits a member of the Company Group or any Affiliate of the Company Group from engaging in any business anywhere in the world.

1.60 "Monthly Billing Period" means the respective monthly period (whether such period is a calendar month or, as in the case of any System that engages in cycle billing, any other monthly period) to which any System-generated customer bill for CATV services relates.

1.61 "Necessary Contract" means any Contract to which any member of the Company Group is a party and which is necessary for any member of the Company Group's (i) use of any tower, office or headend site, (ii) pole attachments, (iii) rights-of-way, (iv) service to any residential development or any commercial or residential dwelling unit, (v) material licenses and easements, or (vi) operation of the Business or the Systems.

1.62 "Neutral Accounting Firm" shall mean KPMG Peat Marwick.

1.63 "Non-Delinquent" means a customer who does not have a past due balance of more than two (2) Monthly Billing Periods (except as otherwise set forth on Schedule 1.1(A) with respect to the bulk accounts itemized thereon) from the first day of the initial Monthly Billing Period to which a bill relates (except for past due amounts representing late fees and other minimal ancillary charges) totaling $5.00 or less.

1.64 "Outside Date" has the meaning set forth in Section 11.1(a)(ii).

1.65 "Partnership Agreement" means the Second Amended and Restated Agreement of Limited Partnership of the Company, dated August 31, 1995, as amended.

1.66 "Permitted Encumbrances" means (a) materialmen's, mechanic's, carriers', or other like liens arising in the ordinary course of business, or deposits to obtain the release of such liens, securing obligations aggregating less than $250,000, (b) liens for current taxes not yet due and payable; (c) imperfections of title that do not interfere with the use or detract from the value of such property; (d) liens to be released at or prior to Closing; and (e) in the case of the Real Estate owned or real property leased by any member of the Company Group, (i) such leases for real property, (ii) municipal and zoning ordinances, (iii) such rights of way as do not interfere with the use or detract from the value of the property, (iv) standard (printed) title insurance exceptions and (v) easements for public utilities, recorded building and use restrictions and covenants which do not materially interfere with the present use of or materially detract from the value of the property, and other minor encumbrances.

1.67 "Person" means an individual, corporation, limited liability company, partnership, sole proprietorship, association, joint venture, joint stock company, trust, incorporated organization, or governmental agency or other entity.

1.68 "Premium Customer" means a Basic Customer who subscribes to and has been (or is to be) charged for any optional single channel or a la carte service for which there is a specified charge.

1.69 "Purchase Price" has the meaning set forth in Section 2.2.

1.70 "Purchase Price Adjustment Holdback" means the sum of Two Million Dollars ($2,000,000) to be paid by Buyer to Disbursement Agent at the Closing and retained by Disbursement Agent as described in Section 2.3. Such $2,000,000 shall be paid by Buyer to Disbursement Agent, and shall be comprised of (a) a portion of the purchase price under the InterLink Agreement reflecting the pro rata portion of the aggregate percentage interest in the RAP Equity Value indirectly owned by the InterLink Sellers, and (b) a portion of the Purchase Price hereunder reflecting the Sellers' pro rata interest in the RAP Equity Value.

1.71 "Purchase Price Allocation Schedule" means a schedule, to be delivered by the Company (on behalf of the Sellers) to Buyer at least five (5) days prior to the Closing, containing (a) each Seller's pro rata percentage interest in the RAP Equity Value, (b) the portion of the Purchase Price, expressed in dollars, to be delivered to each Seller at the Closing and (c) the pro rata percentage interest of each InterLink Seller in the RAP Equity Value.

1.72 "Purchased Interests" means, collectively, the partnership interests of the Company owned by Sellers, to be purchased by Buyer pursuant to this Agreement.

1.73 "RAM" means Rifkin Acquisition Management, L.P., a Colorado limited partnership, the general partner of the Company.

1.74 "RAP Equity Value" has the meaning set forth in Section 2.2.

1.75 "RAP Indemnity Agreement" means the RAP Indemnity Agreement attached hereto as Exhibit 1.75 hereto, providing for certain indemnities of the parties hereunder and under the InterLink Agreement.

1.76 "Real Estate" means each parcel of real property owned by a member of the Company Group at the date hereof together with any other parcels of real property acquired by a member of the Company Group between the date hereof and the Closing Date.

1.77 "Required Consents" means those approvals and consents set forth on Schedule 5.3 separately designated as consents required for Closing.

1.78 "Rifkin Transfer Plan" has the meaning set forth in Section 13.12(c).

1.79 "RT" means RT Investments Corp., a Colorado corporation, the general partner of RAM.

1.80 "Sellers" has the meaning set forth in the first paragraph of this Agreement.

1.81 "Senior Subordinated Notes" means $125 million of senior subordinated notes issued by the Company and Rifkin Acquisition Capital Corp. pursuant to the Indenture, together with a $3.0 million promissory note containing equivalent rights issued by the Company to Monroe M. Rifkin.

1.82 "Service Areas" has the meaning set forth in the third paragraph of this Agreement.

1.83 "Services Agreement" has the meaning set forth in Section 7.17.

1.84 "Signals" has the meaning set forth in Section 5.16(b).

1.85 "Subsidiaries" means, with respect to any Person, any Affiliate directly or indirectly controlled by such Person.

1.86 "System" means all of the assets, property and business constituting any CATV system of the Company Group, each of which Systems (together with the respective Service Areas served thereby) is described in Schedule 1.1(B) hereto.

1.87 "Tax" and "Taxes" means all federal, state, local, foreign or other taxing authority gross income, gross receipts, gains, profits, net income, franchise, sales, use, ad valorem, property, value added, recording, business license, possessory interest, payroll, withholding, excise, severance, transfer, employment, alternative or add-on minimum, stamp, occupation, premium, environmental or windfall profits taxes, and other taxes, charges, fees, levies, imposts, customs, duties, licenses or other assessments, together with any interest and any penalties, additions to tax or additional amounts imposed by any Governmental Authority.

1.88 "Tax Return" means any return, report, statement, information statement and the like required to be filed with any Governmental Authority with respect to Taxes.

1.89 "Third Party" means any Person other than the Company, Buyer, Sellers or any Affiliate of Buyer.

1.90 "Third Party Systems" means Computer Systems of any supplier, distributor, partner, customer or technology infrastructure provider used in connection with the Business, including, without limitation, such Computer Systems of electric utilities, telephone companies and offsite data processors with whom any member of the Company Group has an ongoing or anticipated contractual or commercial relationship.

1.91 "Unaudited Financial Statements" has the meaning set forth in Section 5.6.

1.92 "Vehicles" means the vehicles utilized by the Company in the operation of the Business as set forth on Schedule 1.1(C).

1.93 "Year 2000 Ready" or "Year 2000 Readiness" means that the Computer Systems are designed to be used prior to, during and after the calendar year 2000 A.D., and that such item can successfully manipulate, interpret, accept, generate or otherwise process date-dependent or date-related data without generating incorrect or abnormal results, or experiencing a loss or disruption of functionality due to an inability to correctly handle dates in, or relating to, the 21st century, including, without limitation, correctly calculating leap years.

1.94 "Year 2000 Remediation Program" means an enterprise-wide program implemented by the Company and affecting all members of the Company Group, to make Year 2000 Ready Computer Systems and other items related to Business. Such Year 2000 Remediation Program must (i) include a plan for implementing solutions recommended by vendors, distributors and manufacturers of the Computer Systems, and (ii) be conducted by Persons with qualifications or experience related to Year 2000 Readiness and such Persons must have organized an enterprise wide program management office that reports to, or an enterprise wide program management structure with oversight by, executive level management.

1.95 "Year Disbursement Amount" has the meaning set forth in Section 2.5.

The plural of any term defined in the singular, and the singular of any term defined in the plural, shall have a meaning correlative to such defined term.

ARTICLE II
PURCHASE AND SALE OF PURCHASED INTERESTS

2.1 Purchase and Sale of Purchased Interests.

On the terms and subject to the conditions set forth in this Agreement, each Seller hereby severally and not jointly agrees to sell to Buyer, and Buyer hereby agrees to purchase from each Seller, the Purchased Interests owned by such Seller, as listed opposite the name of such Seller on Schedule 2.1 hereof.

2.2 Purchase Price.

The aggregate purchase price payable by Buyer for the Purchased Interests (the "Purchase Price") shall be equal to the product of (x) Six Hundred Forty-Three Million Dollars ($643,000,000), as adjusted pursuant to Sections 2.4(a) and (b), minus the aggregate principal amount of the Company's outstanding indebtedness on the Closing Date pursuant to the Credit Facility and the Senior Subordinated Notes (the "RAP Equity Value"), times (y) the aggregate percentage interest in the RAP Equity Value represented by the Purchased Interests set forth on the Purchase Price Allocation Schedule, expressed as a decimal.

2.3 Payment of Purchase Price.

The Purchase Price, less (i) the Sellers' pro rata portion of the Indemnity Fund (excluding amounts guaranteed by the Letter(s) of Credit) and (ii) the Sellers' pro rata portion of the Purchase Price Adjustment Holdback, will be paid at the Closing to Sellers (by federal wire transfer of immediately available funds to accounts of Sellers designated in writing to Buyer by the Company (on behalf of Sellers) at least five (5) business days prior to the Closing) in accordance with the Purchase Price Allocation Schedule. Concurrently with such payment, (i) Buyer shall deposit the Purchase Price Adjustment Holdback with the Disbursement Agent for use and disbursement in accordance with Sections 2.4(f) and 2.4(g) and (ii) Buyer and those Sellers delivering the Letter(s) of Credit shall deposit the Indemnity Fund and deliver the Letter(s) of Credit pursuant to Section 2.5. Buyer shall be entitled to rely exclusively on the Purchase Price Allocation Schedule and shall have no responsibility to determine whether the Purchase Price Allocation Schedule was properly prepared. The aggregate (i) consideration to Sellers in connection with the transactions contemplated hereby, (ii) consideration to the InterLink Sellers pursuant to clause (y) of Section 2.2 of the InterLink Agreement, and (iii) any continuing liabilities of the Company, shall be allocated between the tangible assets and Franchises of the Company by allocating an amount to the tangible assets of the Company equal to the adjusted basis for federal income tax purposes of such tangible assets, and the remainder to the stock of Subsidiaries and Franchises. The parties shall not take any tax position inconsistent with such allocation.

2.4 Adjustments and Prorations.

The RAP Equity Value shall be adjusted as follows (with a corresponding adjustment to be made to the Purchase Price hereunder and under the InterLink Agreement), with all such adjustments being effective as of the Effective Time:

(a) The RAP Equity Value shall be reduced if the number of Basic Customers is less than 188,531 (as adjusted below, the "Basic Customer Threshold"), by an amount equal to $3,411 for each Basic Customer less than the Basic Customer Threshold. Notwithstanding anything herein to the contrary, in the event that any commercial establishments or multi-dwelling units that are served pursuant to a right of entry agreement on December 31, 1998 are subsequently served pursuant to a bulk agreement, the Basic Customer Threshold shall be reduced by the number of individual retail customers served pursuant to such right of entry agreement on the date of conversion to a bulk agreement, and shall be increased by the number of Basic Customer Equivalents represented by such bulk agreement.

(b) The RAP Equity Value shall be increased at Closing if, as of the Effective Time, the current assets of the Company Group exceed the current liabilities of the Company Group by the amount by which such current assets exceed current liabilities. The RAP Equity Value shall be decreased at Closing, if, as of the Effective Time, the current liabilities of the Company Group exceed the current assets of the Company Group by the amount by which such current liabilities exceed current assets. Except as otherwise specified herein, current assets and current liabilities shall be determined in accordance with GAAP, with all normal year end adjustments for GAAP purposes having been completed or posted as of the Effective Time. Notwithstanding anything else contained herein, for purposes of making the calculations hereunder:

(i) Without limiting the applicability of GAAP with respect to other items, current assets shall include (a) cash and cash equivalents, (b) marketable securities, (c) customer and advertising accounts receivable determined pursuant to subsection (iii) below, (d) non-customer deposits and advance payments, (e) prepaid expenses and (f) other current assets; provided, however, that current assets shall not include inventory.

(ii) Customer accounts receivable of the Company Group shall be included as current assets in an amount for the Company's customer accounts receivable for services rendered on or prior to the Closing Date by the Company Group, equal to 99% of the face amount of the receivables which, as of the Effective Time, are sixty (60) days or less past due from the first day of the respective Monthly Billing Period to which a bill relates. Payments for any advertising accounts receivable of a member of the Company Group as current assets shall include only an amount for any Company Group member's advertising accounts receivable for advertising run on or prior to the Closing Date, equal to 95% of all advertising receivables that are less than 90 days past due from the date of the applicable invoice;

(iii) Without limiting the applicability of GAAP with respect to other items, current liabilities shall include (a) the amount of customer deposits (and any interest thereon that a member of the Company Group is required to refund or credit its customers) and customer prepayments; (b) Accrued Vacation Pay for those employees who are employees on the Closing Date; (c) deferred revenue; (d) accruals for franchise fees, pole rental fees, other rental or similar charges or payments payable in respect of any Company Group Contracts not being terminated pursuant hereto, payrolls, payroll taxes, insurance premiums to the extent that such insurance is not being terminated pursuant hereto, sales and use taxes payable in respect of CATV service and equipment furnished in connection with the operation of the Systems, power and utility charges, real and personal property taxes and rentals, applicable copyright or other fees, sales and service charges, taxes and similar items, in each case relating to periods on or prior to the Closing Date; and (e) other current liabilities; provided, however, that current liabilities shall not include (i) the current portion of any long-term debt, (ii) deferred taxes, and (iii) any obligations to pay access fees in connection with right of entry agreements or bulk agreements that the Company becomes obligated to pay after the date hereof, but only to the extent that Buyer has been informed of such obligations and has granted its consent in writing to the payment of such access fees.

(iv) Cash flow of the Company Group on the Closing Date shall be allocated one-half prior to the Effective Time and one-half after the Effective Time.

(c) The Company shall deliver to Buyer, not less than five (5) business days prior to the Closing Date, a certificate (the "Closing Adjustment Certificate") signed by an executive officer of RT, which shall set forth the Company's reasonable good faith estimates of the respective amounts of the adjustments set forth in Sections 2.4(a) and (b) above, as of the Effective Time. The Closing Adjustment Certificate shall be in form and substance reasonably acceptable to Buyer, and the Company shall therewith deliver to Buyer a copy of such supporting evidence as shall be appropriate hereunder and as Buyer may reasonably request. At the Closing, there will be a settlement between Buyer and Disbursement Agent with respect to the adjustments set forth in Sections 2.4(a) and (b) above, with all such adjustments made or estimated by Disbursement Agent and Buyer and the amounts determined by Buyer and Disbursement Agent pursuant to the provisions of this Section 2.4 shall be paid to Buyer or Sellers, as appropriate, by an increase or decrease in the RAP Equity Value, as appropriate, on the Closing Date, with a final settlement within ninety (90) days after the Closing Date (as provided in Section 2.4(d) below).

(d) Within ninety (90) days after the Closing Date, Buyer shall deliver to Disbursement Agent a certificate (the "Final Closing Certificate") to be signed by an executive officer of Buyer setting forth any changes to the adjustments made as of the Closing pursuant to Sections 2.4(a) and (b), together with a copy of such supporting evidence as shall be appropriate hereunder and as Disbursement Agent may reasonably request. If Disbursement Agent shall conclude that the Final Closing Certificate does not accurately reflect the changes to be made to the closing adjustments pursuant to this Section 2.4, Disbursement Agent shall, within thirty (30) days after its receipt of the Final Closing Certificate, provide to Buyer its written statement (together with any supporting documentation as Buyer may reasonably request) of any discrepancy or discrepancies believed to exist. Disbursement Agent's representatives shall be permitted reasonable access by Buyer to all personnel, books, records, billing service reports and other documents reasonably deemed necessary or appropriate by Disbursement Agent for the determination of the adjustments and pro rations. Buyer's representatives shall be permitted reasonable access by Disbursement Agent, RAM and RT to all personnel, books, records, billing service reports and other documents reasonably deemed necessary or appropriate by Buyer for the determination of the adjustments and pro rations.

(e) Buyer and Disbursement Agent shall attempt jointly to resolve any discrepancies within thirty (30) days after receipt of Disbursement Agent's discrepancy statement, which resolution, if achieved, shall be binding upon all parties to this Agreement and not subject to dispute or review. If Buyer and Disbursement Agent cannot resolve the discrepancies to their mutual satisfaction within such thirty (30) day period, Buyer and Disbursement Agent shall, within the following ten (10) days, jointly designate the Neutral Accounting Firm to review the Final Closing Certificate together with Disbursement Agent's discrepancy statement and any other relevant documents. The cost of retaining the Neutral Accounting Firm shall be borne 50% by the Disbursement Agent (on behalf of the Sellers and InterLink Sellers) and 50% by Buyer. The Neutral Accounting Firm shall report its conclusions in writing to Buyer and Disbursement Agent and such conclusions as to adjustments pursuant to this Section 2.4 shall be conclusive on all parties to this Agreement and not subject to dispute or review.

(f) The Disbursement Agent will hold the Purchase Price Adjustment Holdback in a segregated, interest bearing account until the adjustments required by Sections 2.4(a) and (b) have been determined, and will disburse the Purchase Price Adjustment Holdback in accordance with Section 2.4(g).

(g) If, after such adjustments, (i) the aggregate RAP Equity Value is increased from that delivered at the Closing (treating the cash amounts in the Indemnity Fund and the Purchase Price Adjustment Holdback as having been delivered at the Closing to Sellers and the InterLink Sellers), then Buyer shall pay the Disbursement Agent (for the benefit of Sellers and the InterLink Sellers) such increase in the RAP Equity Value in immediately available funds within three (3) business days of such determination and the Disbursement Agent shall pay the amount delivered by Buyer, together with the Purchase Price Adjustment Holdback, to Sellers and the InterLink Sellers in accordance with the percentages set forth on the Purchase Price Allocation Schedule, (ii) the aggregate RAP Equity Value is reduced from that delivered at the Closing (treating the cash amounts in the Indemnity Fund and the Purchase Price Adjustment Holdback as having been delivered at the Closing to Sellers and the InterLink Sellers) by an amount that is less than or equal to the Purchase Price Adjustment Holdback, then the Disbursement Agent shall pay to Buyer, out of the Purchase Price Adjustment Holdback, the reduction in the RAP Equity Value, in immediately available funds within three (3) business days of such determination, and shall pay any remaining portion of the Purchase Price Adjustment Holdback to Sellers and the InterLink Sellers pro rata in accordance with the percentages set forth on the Purchase Price Allocation Schedule, or (iii) the aggregate RAP Equity Value is reduced from that delivered at the Closing (treating the cash amounts in the Indemnity Fund and the Purchase Price Adjustment Holdback as having been delivered at the Closing to Sellers and the InterLink Sellers) by an amount that is in excess of the Purchase Price Adjustment Holdback, then each Seller and each InterLink Seller will pay to the Disbursement Agent its pro rata share of such excess, based on the percentages indicated on the Purchase Price Allocation

Schedule, and the Disbursement Agent shall pay such excess amount, together with the Purchase Price Adjustment Holdback, to Buyer in immediately available funds within five (5) business days of such determination.

2.5 Indemnity Escrow.

At the Closing, Buyer shall deposit with the Escrow Agent the Indemnity Fund pursuant to the Closing Escrow Agreement. All amounts in the Indemnity Fund in excess of the sum of (a) $10,000,000, and (b) the amount of all pending claims made by Buyer for indemnification pursuant to Section 2.1 of the RAP Indemnity Agreement, shall be paid to Disbursement Agent (for the benefit of the Sellers and the InterLink Sellers) at the close of business on the first business day after the date which is six months after the Closing Date. The remainder of the Indemnity Fund, if any, less the amount of all pending claims made by Buyer for indemnification pursuant to Section 2.1 of the RAP Indemnity Agreement (the "Year Disbursement Amount"), shall be paid to Disbursement Agent (for the benefit of the Sellers and the InterLink Sellers) at the close of business on the first business day after the date which is one year after the Closing Date. The Disbursement Agent shall disburse to Sellers and the InterLink Sellers, in accordance with the percentages set forth on the Purchase Price Allocation Schedule, any amount of the Indemnity Fund released pursuant to this Section 2.5. Except as to claims arising from breaches of Sections 5.4, 5.8 and (to the extent set forth in Section 2.1(b) of the RAP Indemnity Agreement) 5.22, release of any amounts from the Indemnity Fund shall relieve Sellers and the InterLink Sellers of obligations under Section 2.1 of the RAP Indemnity Agreement to the extent of the amounts so released. Sellers expressly agree that any post-Closing Date adjustments under Section 2.4 shall be paid in the manner provided in Section 2.4(g) and, unless Buyer so elects (in its sole and absolute discretion), any amounts owed by Sellers and the InterLink Sellers under such sections shall not be paid from the Indemnity Fund. Any one or more Sellers may elect to deliver at the Closing the Letter(s) of Credit, in which case (1) such Sellers' allocable share of the Indemnity Fund shall be released to them at Closing, and (2) any amount to be paid from the Indemnity Fund pursuant to Article XII shall be paid proportionately (based on the relative aggregate percentage interests of the Sellers delivering the Letter(s) of Credit) from the cash portion of the Indemnity Fund and from draws upon the Letter(s) of Credit.

ARTICLE III
CLOSING

3.1 Closing Date.

Subject to the satisfaction of the terms and conditions of this Agreement, the closing of the transactions contemplated hereby (the "Closing") shall occur at 10:00 a.m., Mountain Time, at the offices of Baker & Hostetler LLP in Denver, Colorado, on September 2, 1999, or, if later, as soon as practicable (and in any event within five (5) business days) following the satisfaction or waiver of the parties' conditions to the Closing, or such other date as may be mutually agreeable to the Company and Buyer (the "Closing Date"). At any time after September 2, 1999, Buyer may demand a Closing upon five (5) days' written notice waiving all of Buyer's conditions to Closing provided that the conditions to Closing set forth in Articles VIII and X have been satisfied or waived (other than conditions to be satisfied at the Closing).

3.2 Default; Specific Performance.

If Sellers or the Company shall fail or refuse to consummate the transactions set forth in this Agreement on or prior to the Closing Date in breach of this Agreement, or otherwise breach any other material obligation hereunder, then, in addition to any other remedies available to Buyer, Buyer may, at its option, invoke any equitable remedies it may have to enforce the sale of the Purchased Interests hereunder or such other material provision, including, without limitation, an action or suit for specific performance. Each Seller acknowledges that in the event of such Seller's breach of its obligations hereunder, Buyer will suffer irreparable harm and such Seller hereby irrevocably waives the defense that Buyer has an adequate remedy at law. If Buyer shall fail or refuse to consummate the transactions set forth in this Agreement on or prior to the Closing Date in breach of this Agreement, or otherwise breach any other material obligation hereunder, then, in addition to any other remedies available to Sellers, any Seller may, at its option, invoke any equitable remedies it may have to enforce the purchase of the Purchased Interests hereunder, including, without limitation, an action or suit for specific performance. Buyer acknowledges that in the event of Buyer's breach of its obligations hereunder, Sellers will suffer irreparable harm and Buyer hereby irrevocably waives the defense that Sellers have an adequate remedy at law.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES
OF
SELLERS

Each Seller hereby, severally and not jointly, represents and warrants (as of the date of this Agreement, except where a prior or future date is indicated) as follows, and acknowledges that Buyer is relying on such representations and warranties in connection with the purchase of the Purchased Interests:

4.1 Title to Purchased Interests.

Such Seller owns, beneficially and of record, all of the Purchased Interests identified opposite such Seller's name on Schedule 2.1, free and clear of all liens and encumbrances other than, (i) liens securing obligations under the Credit Facility, and (ii) if applicable, any liens or encumbrances that will be terminated or otherwise released prior to the Closing. Upon the Closing, Buyer will have valid title to all of the Purchased Interests identified opposite such Seller's name on Schedule 2.1, free and clear of all liens and encumbrances, other than any liens or encumbrances created by Buyer or arising through Buyer, and other than pledges required by the Credit Facility (which the lenders are required to release in accordance with the terms of the Credit Facility and associated pledge documents).

4.2 Enforceability of Agreement.

This Agreement has been duly and validly executed and delivered by such Seller and constitutes a legal, valid and binding obligation of such Seller, enforceable against such Seller in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, moratorium and other similar laws or principles affecting the rights of creditors generally and except for limitations imposed by general principles of equity.

4.3 No Conflict; Required Filings and Consents.

(a) Except as set forth on Schedule 4.3 hereto (and assuming compliance with the HSR Act), the execution and delivery of this Agreement by such Seller does not, and the performance by such Seller of its obligations under this Agreement will not, (i) conflict with or violate the operating agreement, agreement of limited partnership, certificate of limited partnership, certificate of incorporation, by-laws or equivalent organizational documents of such Seller, (ii) assuming receipt of consents described in Schedule 4.3 or 5.3 hereto, and except as set forth in Section 4.3(b)(i), conflict with or violate any law, rule, regulation, order, judgment or decree applicable to such Seller or by which any property or asset of such Seller is bound or affected or (iii) result in any breach or violation of, or constitute any default (or an event which with notice or lapse of time or both would become a default) under, or give rise to any right of termination, cancellation or acceleration of any obligation or the loss of a material benefit under, any Contract to which such Seller is a party or by which such Seller or any property or asset of such Seller is bound, except as would not impair such Seller's ability to perform its obligations under this Agreement.

(b) The execution and delivery of this Agreement by such Seller does not, and the performance of this Agreement by such Seller will not, require such Seller to obtain or make any consent, approval, authorization or permit of, filing with, or notification to, any governmental or regulatory authority, domestic or foreign, including, without limitation, any governmental administrative agency or franchising authority (each a "Governmental Authority"), except for the matters disclosed in Schedule 4.3 hereto or except (i) for applicable requirements, if any, of (A) federal or state securities or "blue sky" laws, (B) the Communications Act, and (C) state and local Governmental Authorities, including Franchise authorities listed on Schedule 5.3 hereto, and (ii) as required under the HSR Act.

4.4 Brokers' Fees.

Neither such Seller nor anyone authorized to act on his or its behalf has retained any broker, finder or agent or agreed to pay any brokerage fee, finder's fee or commission with respect to the transactions contemplated by this Agreement.

4.5 Organization and Qualification.

Such Seller, if not a natural person, is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation and has the requisite power and authority and all necessary governmental approvals to own, lease and operate its properties and to carry on its business as it is now being conducted, except where the failure to be so organized, existing or in good standing or to have such power, authority and governmental approvals would not materially interfere with such Seller's ability to enter into this Agreement and perform its obligations hereunder.

4.6 Authority Relative to this Agreement.

Such Seller, if not a natural person, has all necessary power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement by such Seller and the consummation by such Seller of the transactions contemplated hereby have been duly and validly authorized by all necessary individual or entity action and no other individual or entity action on the part of such Seller is necessary to authorize this Agreement or to consummate the transactions contemplated hereby.

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

As an inducement to Buyer to enter into this Agreement and to consummate the transactions contemplated hereby, the Company hereby represents and warrants (as of the date of this Agreement, except where a prior or future date is indicated) to Buyer as follows:

5.1 Organization and Qualification; Subsidiaries.

(a) Each member of the Company Group is a partnership, limited liability company or corporation duly organized, validly existing and/or in good standing under the laws of the jurisdiction of its incorporation or organization. Each member of the Company Group has the requisite power and authority and all necessary governmental approvals to own, lease and operate its properties and to carry on its business as it is now being conducted except for those which would not, in the aggregate, be material. Each member of the Company Group is duly qualified or licensed as a foreign corporation to do business, and is in good standing, in each jurisdiction where the character of the properties owned, leased or operated by it or the nature of its business makes such qualification or licensing necessary, except for failures which, in the aggregate would not be material.

(b) A complete and correct list of the members of the Company Group, which list sets forth the amount of capital stock of or other equity interests in such member owned by the Company, directly or indirectly, together with holdings of all other equity holders (if applicable), is set forth on Schedule 5.1(B).

5.2 Organizational Documents.

The Company has heretofore delivered to Buyer a complete and correct copy of each of the agreement of limited partnership, operating agreement, limited liability company certificate, certificate of limited partnership, certificate of incorporation and bylaws, or equivalent organizational documents, each as amended to date, of each member of the Company Group. Such organizational documents are in full force and effect and constitute all of the organizational documents relating to the members of the Company Group. No member of the Company Group is in violation of any provision of its agreement of limited partnership, certificate of limited partnership, operating agreement, certificate of incorporation, bylaws or equivalent organizational documents, as applicable.

5.3 Effect of Agreement.

(a) All approvals and consents required under (i) any of the Company Group's Franchises, FCC Licenses, Necessary Contracts or Material Agreements, and (ii) any applicable government regulations, in any such case, in order for the consummation of the sale of the Purchased Interests to Buyer pursuant to this Agreement are listed in Schedule 5.3 hereto, with Franchise and FCC approvals identified as such. Other than as set forth on Schedule 5.3, the execution and delivery of this Agreement by Sellers and the Company does not, and the performance of this Agreement by Sellers and the Company will not, require any member of the Company Group to obtain or make any consent, approval, authorization or permit of, or filing with or notification to, any Governmental Authority, except (i) for applicable requirements, if any, of federal or state securities or "blue sky" laws, and (ii) as required under the HSR Act.

(b) Subject to obtaining the requisite approvals and consents listed in Schedule 5.3 hereto, neither the execution, delivery and performance by Sellers and the Company of this Agreement nor the consummation of the transactions contemplated hereby, alone or in conjunction with any other event (such as a voluntary or involuntary termination of employment), will (i) conflict with, or result in a breach of the terms of, or constitute a default under, or a violation of, or give rise to any termination right under, amendment or extension of, or a loss of any benefit under, any Material Agreements, Franchises and Necessary Contracts, (ii) result in the violation of any law, rule, regulation, order, writ, judgment, decree, determination or award presently in effect or having applicability to a member of the Company Group (except to the extent of violations which, individually or in the aggregate would not be material), (iii) conflict with or violate the certificate of incorporation, by-laws, operating agreement or partnership agreement of any member of the Company Group, or (iv) result in any payment becoming due to any employee, former employee, officer, director, or consultant, or any of their dependents (other than (1) the signing bonuses or stay put bonuses permitted pursuant to Section 7.3(e) hereof, or (2) any benefits under the severance plans listed on Schedule 5.20, of each Company Group member or any ERISA Affiliates); (v) increase any benefits otherwise payable under any Plan; or (vi) result in the acceleration of the time of payment or vesting of any benefits under any Plan except as disclosed on Schedule 5.20. Subject to obtaining such approvals and consents, such execution, delivery, performance or consummation will not give to others any rights of termination, acceleration or cancellation in or with respect to, or a loss of any material benefit under, any Material Agreement of (or relating to the Business of) the Company Group.

5.4 Capitalization.

The Purchased Interests to be sold to Buyer pursuant to this Agreement, as identified on Schedule 2.1 hereto, constitute all outstanding partnership interests of the Company, with the exception of the limited partnership interest owned by Greenwich Street (RAP) Partners I, L.P., a Subsidiary of InterLink. The Company owns, directly or through one or more Subsidiaries, free and clear of all liens and encumbrances, and free and clear of any other limitation or restriction (other than liens securing obligations under the Credit Facility), all of the outstanding general partner interests, limited partner interests, and all other outstanding equity interests of each Subsidiary of the Company. Other than as included in the Purchased Interests or as otherwise allocated from the Purchase Price on the Purchase Price Allocation Schedule, there are no (i) options, warrants or other rights or Contracts obligating any member of the Company Group to issue or sell any shares of capital stock of, or other equity interests in, any member of the Company Group or to pay cash in lieu thereof, (ii) equity equivalents, stock appreciation rights, performance shares, interests in the ownership or earnings of any member of the Company Group or other similar rights issued by a Company Group member or (iii) outstanding obligations of any member of the Company Group to purchase, redeem or otherwise acquire any equity interest therein.

5.5 Authority Relative to this Agreement.

The Company has all necessary power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement by the Company and the consummation by the Company of the transactions contemplated hereby have been duly and validly authorized by all necessary partnership action and no other partnership proceedings on the part of the Company are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by the Company and, assuming the due authorization, execution and delivery by the other parties hereto, constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, moratorium and similar laws or principles affecting the rights of creditors generally and except for limitations imposed by general principles of equity.

5.6 Financial Statements.

Attached hereto as Schedule 5.6 are copies of (i) the Company's Balance Sheet at December 31, 1998 and related Statement of Operations and Statement of Changes in Financial Position of the Company for its fiscal year then ended, which have been audited by the Company's independent certified public accountant (the "Audited Financial Statements") and (ii) all completed monthly unaudited statements of operations, together with month-end balance sheets, for the months of January and February, 1999 (the "Unaudited Financial Statements"). The Audited Financial Statements and Unaudited Financial Statements (i) were prepared in conformity with GAAP consistently applied, and (ii) present fairly the financial position of the Company at the dates indicated and the results of operations of the Company and changes in financial position for the periods indicated, subject to normal quarterly and year-end audit adjustments (none of which are expected to be material in amount) and footnotes. The Additional Financial Statements to be delivered pursuant to Section 7.4(ii) that are for quarterly periods will (i) be prepared in conformity with GAAP applied consistently with the Audited Financial Statements, and (ii) present fairly the financial position of the Company at the dates indicated and the results of operations of the Company and changes in financial position for the periods indicated, subject to normal year-end and quarter-end audit adjustments (none of which are expected to be material in amount) and footnotes. The Additional Financial Statements to be delivered pursuant to Section 7.4(ii) that are for monthly periods will (i) be prepared in conformity with generally accepted accounting principles applied consistently with the Audited Financial Statements, and (ii) present fairly the results of operations of the Company for the periods indicated, subject to normal year-end and quarter-end audit adjustments (none of which are expected to be material in amount) and footnotes. Whenever references are made throughout this Agreement to Audited Financial Statements, it will be understood that all notes and exhibits are included therein, except as herein otherwise expressly provided.

5.7 Undisclosed Liabilities.

No member of the Company Group has any material liabilities or obligations, whether accrued, absolute, contingent or otherwise, and whether due or to become due, and the Company does not know of any basis for any claim against any member of the Company Group for any such liabilities or obligations, except (i) to the extent set forth in this Agreement or in the Schedules hereto, including the Audited Financial Statements attached hereto, (ii) liabilities under the DeMinimis Agreements, or (iii) liabilities, debts or obligations incurred in the ordinary course of business of the Company since December 31, 1998, none of which individually or in the aggregate will have a Material Adverse Effect.

5.8 Tax Returns and Audits.

(a) Each member of the Company Group has timely filed all material federal, state, local and foreign Tax Returns required to be filed by it through the date hereof and shall timely file all Tax Returns required to be filed at or before the Closing. Such reports and returns are and will be true, correct and complete in all material respects. Each member of the Company Group has paid and discharged all Taxes due from it, other than such taxes that are being contested in good faith by appropriate proceedings and are adequately reserved as shown in the audited consolidated balance sheet of such entity dated December 31, 1998. Neither the Internal Revenue Service (the "IRS") nor any other taxing authority or agency, domestic or foreign, is now asserting or, to the knowledge of any member of the Company Group, threatening to assert against any member of the Company Group any material deficiency or material claim for additional Taxes. Moreover, no member of the Company Group has knowledge of any facts on the basis of which taxing authorities could assert material deficiencies or material claims described in the preceding sentence. Each member of the Company Group has withheld or collected and paid over to the appropriate Governmental Authorities or is properly holding for such payment all Taxes required by law to be withheld or collected. No member of the Company Group has any liability for the Taxes of any Person (other than a member of the Company Group) pursuant to Section 1.1502-6 of the Treasury Regulations promulgated under the Code or comparable provisions of any taxing authority in respect of a consolidated or combined Tax Return. There are no liens for Taxes upon the assets of any member of the Company Group other than (i) liens for current Taxes not yet due and payable, (ii) liens for Taxes that are being contested in good faith by appropriate proceedings and (iii) other liens which, in the aggregate, are not material.

(b) Each member of the Company Group has had and will continue to have through the Closing Date the federal tax status (i.e., partnership or C corporation) such entity reported on its December 31, 1997 federal Tax Returns, except as results from any actions taken pursuant to this Agreement. There are no outstanding agreements or waivers extending the statutory period of limitation applicable to any Tax Returns required to be filed by, or which include or are treated as including, any member of the Company Group.

(c) Except as set forth on Schedule 5.8, no Member of the Company Group is involved in or subject to any joint venture, partnership or other arrangement or contract which is treated as a partnership for federal, state, local or foreign income tax purposes (a "Tax Partnership"), except for a Tax Partnership which is a Subsidiary.

(d) No consent to the application of section 341(f)(2) of the Code has been filed with respect to any property or assets held, acquired, or to be acquired by any member of the Company Group.

(e) Except as set forth on Schedule 5.8, there are no tax sharing agreements or similar arrangements with respect to or involving any member of the Company Group.

(f) Except as set forth in Schedule 5.8, no member of the Company Group was included or is includable in any consolidated or unitary Tax Return with any entity other than a Tax Return filed that includes only members of the Company Group.

(g) No member of the Company Group has agreed to or is required to make any material adjustment under section 481(a) of the Code.

(h) Except as set forth in Schedule 5.8, no member of the Company Group has entered into any compensatory agreements with respect to the performance of services which payment thereunder would result in a non-deductible expense to such company pursuant to Section 280G of the Code or an excise Tax to the recipient of such payment pursuant to Section 4999 of the Code.

5.9 Franchises and Necessary Contracts.

Each member of the Company Group has validly and legally obtained and duly holds the Franchises, the FCC Licenses and the Necessary Contracts. Attached hereto as Schedule 5.9(A) is a true and accurate list of each Franchise held by the Company Group (including the member of the Company Group holding each Franchise, the Franchising Authority which granted each Franchise, the stated expiration date of each Franchise, and the System to which the Franchise applies), each pending application relating to any Franchise, and a list of any System or portion thereof which does not, for the reason set forth on such Schedule, require a franchise authorizing the installation, construction, development, ownership or operation of the same, which list is true, correct and complete. No member of the Company Group is providing CATV service in any area other than as set forth on Schedule 5.9(A). Attached hereto as Schedule 5.9(B) is a true and accurate list of each FCC License (including the expiration date thereof) and each Necessary Contract. The Company Group is in compliance (and the operations of the Systems and the Assets are being conducted in compliance) in all material respects with the provisions of all Franchises, FCC Licenses and the Necessary Contracts, all of the Franchises, the FCC Licenses and Necessary Contracts are in full force and effect, and there are no pending (or to Company's knowledge, threatened) modifications, amendments (other than extensions of the term) or revocations by the issuers of the Franchises, the FCC Licenses or any other third parties with respect to the Necessary

Contracts. The Company does not have any knowledge of any material breach of any Franchise or Necessary Contract by any other parties thereto. Except as disclosed in Schedule 5.9(C) or as specifically contained in the Franchises, the Necessary Contracts, or other Material Agreements, no promises or commitments which are to be fulfilled after the Closing Date have been made with respect to capital improvements relating to the Systems. Except as described on Schedule 5.9(C), the Company Group holds all of the Franchises and material FCC Licenses necessary to operate the Business in the manner in which it is currently being operated. The Company Group has received no notice, either formal or informal, that any Franchise or FCC License would not be renewed in the ordinary course and is aware of no basis for the denial, revocation or modification of any Franchise or FCC License. Pursuant to subsections (a) through (g) of Section 626 of the Cable Communications Policy Act of 1984, as amended, the Company Group has timely submitted proposals for renewal of all Franchises having a remaining term of thirty-six (36) months or less as of the date hereof, and has provided Buyer with copies of all proposals for renewal, preliminary assessments and franchisor determinations described in subsection (c) of said Section 626.

5.10 Material Agreements and Obligations.

(a) Schedule 5.10(A) hereto lists the Material Agreements. Except for those contracts listed on the Schedules hereto, the DeMinimis Agreements, the Credit Facility, and the Senior Subordinated Notes, no member of the Company Group is a party to any written or oral contract with respect to the Systems that is not cancelable without penalty upon thirty (30) days' notice or less, including any:

(i) bonus, incentive, pension, profit sharing, retirement, hospitalization, insurance, or other plan providing for deferred or other compensation to employees, or any other employee benefit or "fringe benefit" plan, including, without limitation, vacation, sick leave, medical or other insurance plans or any union collective bargaining or any other contract with any labor union;

(ii) employment contract for any Person on a full-time, part-time, consulting or other basis;

(iii) agreement or indenture relating to the borrowing of money or to mortgaging, pledging or otherwise placing a lien on any asset or group of assets of any member of the Company Group;

(iv) guarantee of any obligation;

(v) lease or agreement under which it is lessee or lessor, or holds or operates any property, real or personal, owned by any other party, except for any lease under which the aggregate annual rental payments do not exceed $25,000;

(vi) Contract or group of related Contracts with the same party or any group of affiliated parties which requires or may in the future require aggregate consideration by or to any member of the Company Group in excess of $25,000;

(vii) Contract in effect between any member of the Company Group and any Seller (or an Affiliate thereof) or any of the officers, directors or Affiliates of any member of the Company Group;

(viii) obligations of any member of the Company Group to make payments to any Seller (or an Affiliate thereof) or any Affiliate of any member of the Company Group;

(ix) loans by any member of the Company Group to any Seller (or any Affiliate thereof) or any of the officers, directors or Affiliates of each member of the Company Group.

(b) Each member of the Company Group has, in all material respects, performed all obligations required to be performed by it and is not in material default under, or in material breach of, or in receipt of any claim of material default under, any Material Agreement; and the Company does not have any knowledge of any material breach by the other parties to any Material Agreement.

(c) There is no term or provision of any Contract not included on the Schedules hereto to which any member of the Company Group is a party or by which it or any of its properties is bound that would have a Material Adverse Effect. There is no term or provision of any federal or state judgment, decree or order applicable to or binding upon any member of the Company Group, the enforcement of which would have a Material Adverse Effect.

5.11 Systems' Capacity, Customers and Rates.

(a) Schedule 5.11(A) hereto lists, as of December 31, 1998 (or as of the respective date therein specified), (i) the system bandwidth for each System, (ii) programming offered, (iii) approximate linear miles of aerial and underground plant (i.e., main trunk and distribution or feeder cable); provided, that for purposes of this subsection (iii), the term "approximate" shall allow a variance of plus or minus 10% from the number of linear miles of aerial and underground plant set forth on Schedule 5.11(A), (iv) the approximate number of Homes Passed, (v) the total number of retail and bulk equivalent basic customers (including an approximate breakdown of the number of retail customers among Franchises) as reported by Cable Data, (vi) the aggregate number of premium units subscribed to by the Company Group's Premium Subscribers, (vii) subscriber rates for all services including basic and premium services, tier services, additional outlets and converter rental charges in and for each of the Service Areas, (viii) the community unit identification number ("CUID Number") for each franchise community; (ix) a list of all free, discount or other promotional service obligations (other than those free, discount or other promotional service obligations which are regularly offered or arise in the ordinary course of business); and (x) the Signals carried by each System and the channel position of each such Signal and, with respect to TV station signals, whether carried pursuant to must-carry requirements or retransmission consent, which information is true and correct, in all material respects. Except where specifically indicated on Schedule 5.11(A), each of the respective channel lineups set forth in Schedule 5.11(A) is capable of being viewed in its entirety by each Subscriber in the applicable System (subject to ordinary course service interruptions).

(b) Except as set forth in Schedule 5.11(B), all reports or other documents, payments (including, without limitation, all franchise fees and FCC regulatory fees) or submissions required to be filed by the Company Group with respect to any Franchise or the

Business have, in all material respects, been duly and timely filed and/or paid with the appropriate authority and were correct in all material respects when filed.

5.12 Employees.

(a) The Company is not aware that any officer, executive employee or any group of employees of the Company Group has or have any plans to terminate his, her or their employment with the Company Group. Each member of the Company Group has complied in all material respects with all applicable laws relating to the employment of labor, including provisions thereof relating to wages, hours, equal opportunity, collective bargaining and the payment of social security and other taxes, and except as set forth in Schedule 5.12 hereto, no member of the Company Group has received any notice of any claim at the date of this Agreement and during the preceding three years that it has not complied in any material respect with any laws relating to the employment of employees or that it is liable for any arrearages of wages or any taxes or penalties for failure to comply with any laws. No member of the Company Group has written policies and/or employee handbooks or manuals except those set forth in Schedule 5.12.

(b) Except as set forth in Schedule 5.12 hereto, no member of the Company Group is, and during the 12 months prior to the date of this Agreement no member of the Company Group has been, involved in any labor discussion with any unit or group seeking to become the bargaining unit for any of its employees. Except as set forth in Schedule 5.12 hereto, no member of the Company Group is a party to any collective bargaining agreement and there are no unfair labor practice or arbitration proceedings pending with respect to any member of the Company Group or, to the knowledge that the Company, threatened and there are no facts or circumstances known to the Company that could reasonably be expected to give rise to such a claim. To the knowledge of the Company, there are no organizational efforts presently underway or threatened involving any employees of the Company Group or any of the employees performing work for the Company but provided by an outside employment agency, if any. Within the last 12 months, there has been no work stoppage, strike or other consorted activity by any employees of the Company Group.

(c) Except as set forth in the Schedule 5.12 and as to those employees (if any) represented by a labor organization, all employees of the Company Group are employed at-will. Except as set forth in Schedule 5.12, completion of the transactions contemplated by this Agreement will not result in any payment or increased payment becoming due from any member of the Company Group to any officer, director, or employee of, or consultant to, a member of the Company Group.

(d) No member of the Company is a party to any agreement for the provision of labor from any outside agency except as set forth in Schedule 5.12. To the knowledge of the Company, at the date of this Agreement and during the preceding three years, there have been no claims by employees of such outside agencies, if any, with regard to employees assigned to work for the Company Group, and no claims by any governmental agency with regard to such employees except as set forth in Schedule 5.12.

5.13 Absence of Certain Developments.

Except as set forth on Schedule 5.13 hereto, and except for the transactions contemplated by this Agreement, no Company Group member has, insofar as the Systems or the Assets are concerned, since December 31, 1998:

(i) except for borrowings under the Credit Facility in the ordinary course of business, borrowed any amount or incurred or become subject to any liabilities (absolute or contingent) except liabilities incurred in the ordinary course of business;

(ii) mortgaged or pledged any of its assets, tangible or intangible, or subjected them to any lien, charge or other encumbrance, except Permitted Encumbrances and liens securing indebtedness under the Credit Facility;

(iii) sold, assigned or transferred any of its tangible assets, except in the ordinary course of business, or canceled any debts or claims (other than unpaid subscriber debts and claims in the ordinary course of business);

(iv) suffered any substantial losses other than consistent with recent operating history;

(v) except in the ordinary course of business, waived or released any material right or claim;

(vi) made any changes in employee compensation or personnel policies, including the establishment of any bonus, insurance, severance, deferred compensation, pension, retirement, profit sharing, option, stock purchase or other Plan (as defined below), declared, paid or committed to pay a bonus or additional salary or compensation to any Person (other than the stay put bonuses or signing bonuses permitted pursuant to Section 7.3 (e) hereof), or made any other increase in the compensation payable to or to become payable to any executive officers of any member of the Company Group, except in the ordinary course of business and consistent with past practices;

(vii) entered into any other transaction other than in the ordinary course of business;

(viii) amended or terminated any Contract listed in any Schedule hereto, except in the ordinary course of business and except for Contracts that have expired by their own terms;

(ix) suffered any material damage, destruction or casualty loss, whether or not covered by insurance; or

(x) has suffered a Material Adverse Effect, or has had any event or events occur that, individually or in the aggregate, are reasonably likely to result in a Material Adverse Effect;

(xi) materially changed any of its accounting principles or practices, or revalued such Assets or Systems for financial reporting, property tax or other purposes;

(xii) entered into any Contract or understanding to do any of the foregoing.

5.14 Real Property.

Schedule 5.14 hereto contains a legal description of each parcel of Real Estate owned by the Company Group together with a description of the type of use of each such parcel. The Company has furnished to Buyer a copy of any title insurance policy or other evidence of title issued with respect to each owned parcel of Real Estate owned by the Company Group in the possession of the Company Group. Except for any Permitted Encumbrances, the Company or a Subsidiary thereof is the sole owner (both legal and equitable) of, and has good and marketable title in fee simple absolute to, each parcel of Real Estate listed on Schedule 5.14 and all buildings, structures and improvements thereon, and the unfettered right to occupy the leased property free and clear of any options to lease or purchase. The location and use (i.e., headend, tower or office site) of each real property leased by the Company Group is identified on Schedule 5.9(B). All of the Real Estate, and all of the real property leased by the Company Group, utilized as a headend, office or tower site has unfettered access to public roads or streets and all utilities and services necessary for the proper conduct and operation of the Systems. The Real Estate and all of the real property leased by the Company Group complies and is operated in material compliance with all applicable laws. There are no defects in the physical condition of the Real Estate or the improvements located on the Real Estate which could impair or prevent the current or proposed use thereof by the Company Group. No member of the Company Group has received any notice from any governmental body (a) requiring it to make any material repairs or changes to the Real Estate or the improvements located on the Real Estate or (b) giving notice of any material governmental actions pending. There is no action, proceeding or litigation pending (or, to the best knowledge of the Company, contemplated or threatened): (i) to take all or any portion of the Real Estate, or any interest therein, by eminent domain; or (ii) to modify the zoning of, or other governmental rules or restrictions applicable to, the Real Estate or the use or development thereof in any manner which could impair or prevent the current or proposed use thereof by the Company Group. There are no contracts or other obligations outstanding for the sale, exchange or transfer of any of the Real Estate.

5.15 Title to Assets; Personal Property.

A member of the Company Group is the sole owner (both legal and equitable) of and has good and marketable title to the Assets constituting personal property, tangible and intangible, free and clear of all mortgages, liens, security interests, charges, claims, restrictions and other encumbrances of every kind other than with respect to the liens securing the Company Group's indebtedness and the Permitted Encumbrances. The material items of machinery, equipment and other tangible assets included in the Assets are in satisfactory operating condition, reasonable wear and tear excepted, and conform, in all material respects, to all applicable ordinances, rules, regulations and technical standards, including the rules, regulations and technical standards of the FCC and the local franchise authorities, and all applicable building, zoning and other laws. As of the Closing, the amount of Assets constituting inventory of set-top cable boxes will be adequate to cover usage projected by the budget provided to Buyer for thirty days after the Closing Date for each of the following types of boxes: (i) standard analog, (ii) advanced analog, and (iii) digital.

5.16 Compliance with Laws.

(a) The operations of the Systems have been, and are being, conducted in material compliance with all applicable laws, rules, regulations and other requirements of all federal, state, county or local governmental authorities or agencies.

(b) (i) The Company Group is permitted under all applicable Franchises and FCC rules, regulations and orders to distribute the transmissions (whether television, satellite, radio or otherwise) of video programming or other information that the Systems make available to customers of the Systems (the "Signals") presently being carried to such customers and to utilize all carrier frequencies generated by the operations of the Systems, and are licensed to operate all the facilities required by law to be licensed, including without limitation, any business radio and any CARS system being operated as part of the Systems; and (ii) other than requests for network nonduplication and syndex protection and sports league (e.g., NBA, NHL, MLB) blackout requests, no written requests or orders have been received by any member of the Company Group during the three years preceding the date of this Agreement from the FCC, the United States Copyright Office, any local or other television station or system or from any other Person (x) challenging or questioning the legal right of a member of the Company Group to distribute the Signals, own or operate any System or to own, operate or use any FCC licensed or registered facility owned, operated and/or used by the Company Group in conjunction with the Company Group's operation of any System or (y) requiring any System to carry a television broadcast signal or to terminate carriage of a television broadcast signal with which the Company Group has not complied, and (iii) except as disclosed in Schedule 5.16(B), the Company Group has complied with all written and bona fide requests or demands received from television broadcast stations to carry or to terminate carriage of a television broadcast signal on a System, including, without limitation, all retransmission consent agreements to which any member of the Company Group is a party.

(c) The Company Group is in compliance with the applicable Cumulative Leakage Index and Equal Employment Opportunity requirements of the FCC.

(d) The Company Group has deposited with the United States Copyright Office all statements of account and other documents and instruments, and has paid all such royalties, supplemental royalties, fees and other sums to the United States Copyright Office with respect to the business and operations of the Systems as are required under the Copyright Act to obtain, hold and maintain the compulsory license for CATV systems prescribed in Section 111 of the Copyright Act. The Company Group and the Systems are in material compliance with the Copyright Act and the rules and regulations of the Copyright Office. The Company Group and the Systems are entitled to hold and do hold the compulsory copyright license described in Section 111 of the Copyright Act, which compulsory copyright license is in full force and effect and has not been revoked, canceled, encumbered or adversely affected in any manner. The carriage, transmission or use of the Signals has not and does not subject the Systems or any Company Group member to any

FCC proceedings or any suits or actions, including without limitation, suits or actions for copyright infringement.

(e) All necessary FAA and FCC approvals and registrations have been obtained and/or filed with respect to the height and location of those towers owned by the Company or the appropriate member of the Company Group, and those towers are being operated in material compliance with applicable FCC and FAA rules.

(f) There is no inquiry, claim, action or demand pending before the United States Copyright Office or the Copyright Royalty Tribunal which questions the copyright filings or payments made by any Company Group member with respect to the Systems other than routine inquiries or proposed corrections. The Company will provide Buyer with copies of any and all additional inquiries, claims, actions or demands during the period between the date of this Agreement and the Closing Date.

(g) Copies of all aeronautical frequency notices filed with the FCC with respect to the Systems have been delivered to Buyer.

(h) Schedule 5.16(H) sets forth a list of all Governmental Authorities that are certified to regulate rates of the Systems pursuant to the Communications Act and FCC Regulations as of the date of this Agreement. Except as set forth on Schedule 5.16(H), no rate complaints are pending with the FCC against the Systems, no Company Group member has received any written (or to the Company's knowledge other) notice from any Governmental Authority that it has any obligation or liability to rollback its rates for Basic or Expanded Basic Service or otherwise to refund to customers of the Systems any portion of the revenue received by the Company Group from such customers (excluding revenue with respect to deposits for converters, encoders, decoders and related equipment and other prepaid items) that has not been resolved. The Company Group has made a good faith effort to set its rates in accordance with applicable statutory provisions, rules, regulations and orders and is aware of no basis for rollbacks or refunds. The Company has delivered to Buyer complete and correct copies of all FCC forms relating to rate regulation of the Systems filed with any Governmental Authority, copies of all correspondence with any Governmental Authority relating to such rate regulation and any other documentation justifying the rates charged to customers of, or otherwise supporting an exemption from the rate regulation provisions of the Communications Act claimed with respect to, any of the Systems. The customer records of the Systems contain the names, addresses and payment histories of, and services delivered to, all Persons known by the Company to be receiving any CATV service from any member of the Company Group with respect to the Systems.

(i) Except as set forth on Schedule 5.16(I), as of the date of this Agreement, (i) no construction programs relating to the provision or proposed provision of CATV service have been undertaken by any Person in any of the Service Areas and, to the Company's knowledge, without investigation but upon inquiry of its regional managers and as should reasonably be known to a reasonable CATV operation, no such construction programs are proposed or threatened to be undertaken, (ii) no franchise or other applications or requests of any Person to provide CATV service in the Service Areas have been filed or to the Company's knowledge are threatened or proposed; (iii) there is no other CATV or other video services provider (excluding DBS providers) within any of the Service Areas which is providing or, to the Company's knowledge, has applied for a franchise or otherwise intends to provide CATV services or other video services (excluding DBS services) to any of the Service Areas in competition with any of the Systems. Except as set forth in Schedule 5.16(I), no Company Group member is a party to any agreement restricting the ability of any Third Party to operate CATV systems or any other video programming distribution business within any of the Service Areas.

5.17 Transactions.

Except as disclosed on Schedule 5.17 hereto, since December 31, 1998, no member of the Company Group has entered into any transaction outside the ordinary course of its business, and there has not been any material change in the manner in which the Company Group conducts its business. Since December 31, 1998, there has not been any Material Adverse Effect.

5.18 Litigation and Legal Proceedings.

Set forth on Schedule 5.18 hereto is a complete and accurate list and description of all suits, claims, actions and administrative, arbitration or other similar proceedings relating to the Company Group (including proceedings concerning labor disputes or grievances, civil rights discrimination cases and affirmative action proceedings) and all governmental investigations pending or, to the knowledge of the Company, threatened, in each case to which any member of the Company Group is a party, or against its properties or business, and each judgment, order, injunction, decree or award relating to a member of the Company Group or the Assets (whether rendered by a court or administrative agency, or by arbitration pursuant to a grievance or other procedure) to which a member of the Company Group is a party that is unsatisfied or requires continuing compliance therewith (such suits, actions, claims, judgments, orders, injunctions, decrees and awards are herein referred to as "Legal Proceedings"). To the Company's knowledge, there are no facts or circumstances that would give rise to any material claims against the Systems or the Assets, other than such claims as may be applicable to the CATV industry generally. The foregoing warranty specifically excludes matters undertaken by or pending before Congress, the FCC, the Copyright Royalty Tribunal or any state governmental authority in any state in which any System is located which would have applicability to CATV systems in general but to which no Company Group member is expressly a party.

5.19 Brokers' Fees.

Neither, RT, RAM nor any member of the Company Group has employed any broker or finder or incurred any liability for any brokerage fees, commissions or finders' fees in connection with the transactions contemplated by this Agreement.

5.20 Plans; ERISA.

(a) Existence of Plans. For purposes of this Agreement, the term "Plans" shall mean (i) all "employee benefit plans" (as such term is defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), of which any member of the Company Group, or any member of the same controlled group as a member of the Company Group within the meaning of Section 4001(a)(14) of ERISA (an "ERISA

Affiliate") is or ever was a sponsor or participating employer or as to which a member of the Company Group or any of their ERISA Affiliates makes contributions or is required to make contributions, and (ii) any similar employment, severance or other arrangement or policy of any of the Company Group members or any of their ERISA Affiliates (whether written or oral) providing for health, life, vision or dental insurance coverage (including self-insured arrangements), workers' compensation, disability benefits, supplemental unemployment benefits, vacation benefits or retirement benefits, fringe benefits, or for profit sharing, deferred compensation, bonuses, stock options, stock appreciation or other forms of incentive compensation or post-retirement insurance, compensation or benefits. Except as disclosed on Schedule 5.20, neither a member of the Company Group nor any of their respective ERISA Affiliates maintains or sponsors (or ever maintained or sponsored), or makes or is required to make contributions to, any Plans. None of the Plans is or was a "multi-employer plan," as defined in Section 3(37) of ERISA. None of the Plans is or was a "defined benefit pension plan" within the meaning of Section 3(35) of ERISA. None of the Plans provides or provided post-retirement medical or health benefits. None of the Plans is or was a "welfare benefit fund," as defined in Section 419(e) of the Code, or an organization described in Sections 501(c)(9) or 501(c)(20) of the Code. No member of the Company Group or any ERISA Affiliate is or was a party to any collective bargaining agreement. Except as disclosed on Schedule 5.20, no member of the Company Group or any ERISA Affiliate has announced or otherwise made any commitment to create or amend any Plan. Notwithstanding any statement or indication in this Agreement to the contrary, except as disclosed on Schedule 5.20, there are no Plans which the Company will not be able to terminate immediately after the Closing in accordance with their terms and ERISA. The Company has made available to Buyer true and complete copies of: (i) each of the Plans and any related funding agreements thereto (including insurance contracts) including all amendments, all of which are legally valid and binding and in full force and effect and there are no defaults thereunder, (ii) the currently effective Summary Plan Description pertaining to each of the Plans, as applicable, (iii) the three (3) most recent annual reports for each of the Plans (including all related schedules), (iv) the most recent Internal Revenue Service determination or opinion letter, as applicable, for each Plan which is intended to constitute a qualified plan under Section 401 of the Code and each amendment to each of the foregoing documents, and (v) for each unfunded Plan, financial statements which shall fairly present the financial condition and the results of operations of such Plan in accordance with GAAP, consistently applied, as of such dates.

(b) Penalties. To the Company's knowledge, no member of the Company Group or any of their respective ERISA Affiliates is subject to any material liability, tax or penalty whatsoever to any Person or agency whomsoever as a result of engaging in a prohibited transaction under ERISA or the Code, and no member of the Company Group or any of their respective ERISA Affiliates has any knowledge of any circumstances which reasonably might result in any material liability, tax or penalty, including but not limited to, a penalty under Section 502 of ERISA, as a result of a breach of any duty under ERISA or under other applicable laws. Each Plan which is required to comply with the provisions of Sections 4980B and 4980C of the Code, or with the requirements referred to in Section 4980D of the Code, has complied in all material respects. No event has occurred which could subject any Plan to tax under Section 511 of the Code.

(c) Qualification. Each of the Plans which is intended to be a qualified plan under Section 401(a) of the Code has received a favorable determination or opinion letter from the Internal Revenue Service, and has been operated in all material respects in accordance with its terms and with the provisions of the Code. All of the Plans have been administered and maintained in substantial compliance with ERISA, the Code and all other applicable laws. All contributions required to be made to each of the Plans under the terms of that Plan, ERISA, the Code or any other applicable laws have been timely made. Each Plan intended to meet the requirements for tax-favored treatment under Subchapter B of Chapter 1 of the Code meet such requirements. Except as set forth in Schedule 5.20, the Company Group members have not made any payments, are not obligated to make any payments, and are not parties to any Contract or Plan that under certain circumstances, considered either individually or in the aggregate, could require any of them to make any payments, that are not deductible as a result of the provisions set forth in Section 280G of the Code or the treasury regulations thereunder or would result in an excise tax to the recipient of any such payment under Section 4999 of the Code. The Audited Financial Statements and the Unaudited Financial Statements properly reflect all amounts required to be accrued as liabilities to date under each of the Plans. Except as disclosed on Schedule 5.20 or as set forth in Section 13.12, the execution and performance of this Agreement will not (i) result in any obligation or liability (with respect to accrued benefits or otherwise) of any member of the Company Group or Buyer to any Plan, or any present or former employee of a member of the Company Group, (ii) be a trigger event under any Plan that will result in any payment (whether of severance pay or otherwise) becoming due to any present or former employee, officer, director, shareholder, contractor, or consultant, or any of their dependents, or (iii) accelerate the time of payment or vesting, or increase the amount, of compensation due to any employee, officer, director, shareholder, contractor, or consultant of a member of the Company Group. With respect to any insurance policy which provides, or has provided, funding for benefits under any Plan, (I) there is and will be no liability of the any member of the Company Group or Buyer in the nature of a retroactive or retrospective rate adjustment, loss sharing arrangement, or actual or contingent liability as of the Closing Date, nor would there be any such liability if such insurance policy were terminated as of the Closing Date, and (II) no insurance company issuing any such policy is in receivership, conservatorship, bankruptcy, liquidation, or similar proceeding, and, to the knowledge of the Company, no such proceedings with respect to any insurer are imminent.

(d) Litigation. Other than routine claims for benefits under the Plans, there are no pending, or, to the best knowledge of the Company Group, threatened, investigations, proceedings, claims, lawsuits, disputes, actions, audits or controversies involving the Plans, or the fiduciaries, administrators, or trustees of any of the Plans or the Company, any Subsidiary or any of their respective ERISA Affiliates as the employer or sponsor under any Plan, with any of the IRS, the Department of Labor, the PBGC, any participant in or beneficiary of any Plan or any other Person whomsoever. The Company Group knows of no reasonable basis for any such claim, lawsuit, dispute, action or controversy.

5.21 Insurance, Surety Bonds, Damages.

Set forth on Schedule 5.21 hereto is a correct list of all insurance policies and surety bonds of the Company Group now in effect, including the names of the insureds and their addresses. The premiums on such insurance policies and bonds have been currently paid, and such policies and bonds are valid, outstanding and enforceable, in full force and effect and insure against risks and liabilities and provide for coverage to the extent and in a manner required of or deemed reasonably appropriate and sufficient by the Company. The Company Group will maintain coverage of similar kinds and amounts and will pay the premium for such coverage through the Closing Date.

5.22 Environmental Laws.

Except as set forth in Schedule 5.22: (i) each member of the Company Group is in material compliance with all Environmental Laws; (ii) no member of the Company Group has received, since January 1, 1994, any order, directions or notices relating to any release or threatened release of any Hazardous Substance, or alleging a violation of any Environmental Law and no government agency has submitted to any member of the Company Group any request for information pursuant to any Environmental Law relating to the Systems; (iii) to the best of the Company's knowledge, there are no material Environmental Permits required under any Environmental Law in connection with the operation of the Systems; and (iv) there has been no generation, use, treatment, disposal, or actual or threatened release of any Hazardous Substance by the Company Group or, to the Company's knowledge (without any obligation of further investigation), by any other party at, in, under, or about any of the real property currently or formerly owned, leased, occupied or used by any member of the Company Group. Except as set forth on Schedule 5.22, no Company Group member has received, since January 1, 1994, any notification pursuant to any Environmental Laws that: (i) any work, repairs, construction or capital expenditures are required to be made in respect of any of the Assets as a condition of continued compliance with any Environmental Laws; or (ii) any currently held material Environmental Permit relating to the Systems is about to be made subject to materially different limitations or conditions, or is about to be revoked, withdrawn or terminated. The Company has provided Buyer with complete and correct copies of all studies, reports or surveys in the possession of RAM, RT or any Company Group member relating to the presence or alleged presence of Hazardous Substances at, on or affecting the Real Estate or leased or occupied real property.

5.23 No Other Commitment to Sell.

No part of the Systems or any of the Assets is directly or indirectly subject in any manner to any written or oral commitment or any arrangement for the sale, transfer, assignment, or disposition thereof, in whole or in part, except (i) as provided in any of the Company's Franchises or in the general security provisions of any of the Company's debt instruments, (ii) the sale any Asset in the ordinary course of business which has been or will be replaced by the Company on or before the Closing Date with a replacement Asset of equal or greater value, or (iii) as otherwise set forth in Schedule 5.23 hereto.

5.24 Year 2000.

The Company Group has used diligent efforts to ensure that its Computer Systems are Year 2000 Ready and that there shall be no Material Adverse Effect on the Company by reason of the advent of the year 2000. Without limiting the generality of the foregoing, the Company Group has (A) with respect to its own Computer Systems, (i) initiated a review and assessment of all Computer Systems; (ii) developed the Year 2000 Remediation Program delivered to Buyer; (iii) has complied in all material respects with the Year 2000 Remediation

Program delivered to Buyer, and (iv) has taken all steps to date such that it reasonably expects to complete the Year 2000 Remediation Program by December 31, 1999, and (B) with respect to Third Party Systems, has no reason to believe, after due inquiry, that such Third Party Systems will adversely impact the Year 2000 Readiness of the Computer Systems.

5.25 Trademarks, Patents and Copyrights.

Each member of the Company Group owns or possesses adequate licenses or other valid rights, title and interest to use all patents, patent rights, trademarks, trademark rights, trade names, trade name rights, copyrights, service marks, trade secrets, applications for trademarks and for service marks, know-how and other proprietary rights and information (collectively, "Intellectual Property") used or held for use in connection with the business of each member of the Company Group as currently conducted or as contemplated to be conducted, except for Intellectual Property owned by the Disbursement Agent and to be licensed to Buyer pursuant to the License. The Company is unaware of any assertion or claim challenging the validity of any of the foregoing (or any basis therefor). To the knowledge of the Company, the conduct of the business of each member of the Company Group as currently conducted does not infringe, either directly or indirectly, any patent, patent right, license, trademark, trademark right, trade name, trade name right, service mark or copyright of any Third Party. To the knowledge of the Company, there are no infringements of any proprietary rights owned by or licensed by or to each member of the Company Group. The Disbursement Agent owns all right, title and interest in the trademarks "Cablevision Communications," "Total TV" and "Total Web," including without limitation all intellectual property therein, which trademarks will be licensed to the Company pursuant to the License, covering a period of 180 days from the Closing Date.

ARTICLE VI
REPRESENTATIONS AND WARRANTIES OF BUYER

As an inducement to Sellers to enter into this Agreement and to consummate the transactions contemplated hereby, Buyer hereby represents (as of the date of this Agreement) and warrants as follows:

6.1 Organization.

Buyer is a corporation duly organized, validly existing, and in good standing under the laws of the State of Delaware and has the power and authority to own and use its properties and to transact the business in which it is engaged and to acquire the Purchased Interests pursuant to this Agreement.

6.2 Authority Relative to this Agreement.

Buyer has all necessary corporate power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement by Buyer and the consummation by Buyer of the transactions contemplated hereby have been duly and validly authorized by all necessary corporate action and no other corporate proceedings on the part of Buyer are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by Buyer and, assuming the due authorization, execution and delivery by the other parties hereto, constitutes a legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms.

6.3 No Conflict; Required Filings and Consents.

(a) The execution and delivery of this Agreement and all other instruments or documents executed by Buyer in connection herewith and the consummation of the transactions contemplated hereby will not (i) conflict with or violate the certificate of incorporation, or bylaws of Buyer, (ii) conflict with or violate any law, rule, regulation, order, judgment or decree applicable to Buyer or by which any property or asset of Buyer is bound or affected or (iii) result in any breach of or constitute a default (or an event which with notice or lapse of time or both would become a default) under, any Contract to which Buyer is a party or by which Buyer or any property or asset of Buyer is bound except, in the case of clauses (ii) and (iii), for any such conflicts, violations, breaches, defaults or other occurrences that would not prevent or delay consummation of the Closing, or otherwise prevent Buyer from performing its obligations under this Agreement.

(b) The execution and delivery of this Agreement by Buyer does not, and the performance of this Agreement by Buyer will not, require Buyer to obtain or make any consent, approval, authorization or permit of, or filing with or notification to, any Governmental Authority, except (i) for applicable requirements, if any, of (A) federal or state securities or "blue sky" laws, (B) the Communications Act, and (C) state and local governmental authorities, including state and local Franchise authorities, (ii) as required under the HSR Act and (iii) where failure to obtain such consents, approvals, authorizations or permits, or to make such filings or notifications, would not prevent or delay consummation of the Closing or otherwise prevent Buyer from performing its obligations under this Agreement.

6.4 Financial Capability.

Buyer has the financial ability to purchase the Purchased Interests in accordance with terms of this Agreement. Buyer has available and will have available as of the Closing Date funds sufficient to pay the Purchase Price in accordance with Section 2.2.

6.5 Litigation.

There is no claim, action or proceeding pending or threatened against Buyer of which Buyer has received notice, which if determined adversely would prevent or delay the consummation of the transactions contemplated by this Agreement, and no judgement, order or decree has been entered nor any such liability incurred having such effect.

6.6 No Violation of FCC Cross Ownership Rules.

On the Closing Date, Buyer will not be in violation of any FCC restrictions regarding the ownership of competing media and related businesses that materially adversely affect the ability of Buyer to own the Business.

6.7 Investment Intent; Sophisticated Buyer.

Buyer (a) is an informed sophisticated entity with sufficient knowledge and experience in investing so as to be able to evaluate the risks and merits of its investment in securities of the Company to be acquired pursuant hereto, (b) is financially able to bear the risks of investing in the Company, (c) has had an opportunity to discuss the business, management and financial affairs of the Company Group with the management of the Company Group, (d) is acquiring such securities for its own account for the purpose of investment and not with a view to or for sale in connection with any distribution thereof, (e) understands that (i) such securities have not been registered under the Securities Act, (ii) such securities must be held indefinitely unless a subsequent disposition thereof is registered under the Securities Act or is exempt from such registration, (f) has no present need for liquidity in connection with its purchase of such securities, (g) understands that the purchase of such securities involves a high degree of risk, and (h) acknowledges that the purchase of such securities is consistent with its general investment objectives.

6.8 Finders' and Brokers' Fees.

Except for the fees of Communications Equities Associates, which will be paid solely by Buyer, no broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transaction provided for in this Agreement based upon arrangements made by or on behalf of Buyer.

ARTICLE VII
COVENANTS

7.1 Access.

Between the date of this Agreement and the Closing Date, the Company shall, and shall cause RAM, RT and each other member of the Company Group and their respective officers and employees to, (i) give Buyer and its respective officers, employees, accountants, counsel, financing sources and other agents and representatives full access, during normal business hours, to all buildings, offices, properties, plants and other facilities and to all contracts, internal reports, data processing files and records, Federal, state, local and foreign tax returns and records, commitments, books, records and affairs of the Company Group, whether located on the premises of the Company or at another location; (ii) furnish promptly to Buyer a copy of each report, schedule, registration statement and other document filed or received by any member of the Company Group during such period pursuant to the requirements of Federal securities laws or regulations; (iii) permit Buyer to make such inspections as it may reasonably require; (iv) cause its officers and employees and the other Company Group officers and employees to furnish Buyer such financial, operating, technical and product data and other information with respect to the business and properties of the Company Group as Buyer from time to time may reasonably request, including without limitation financial statements and schedules; (v) allow Buyer the opportunity to interview such employees and other personnel and Affiliates of the Company Group as they may reasonably request; and (vi) cooperate with Buyer and its Affiliates and representatives in arranging for an orderly transition in connection with the transfer of control of the Company; provided, however, that no investigation pursuant to this Section 7.1 shall affect or be deemed to modify any representation or warranty made by the Company herein. Materials furnished to Buyer pursuant to this Section 7.1 may be used by Buyer for strategic and integration planning purposes relating to accomplishing the transactions contemplated hereby. Prior to the Closing, any information provided to Buyer or its representatives pursuant to this Agreement shall be held by Buyer and its representatives in confidence in accordance with and subject to the terms of the Buyer Confidentiality Agreement.

7.2 Environmental Assessment.

Buyer shall have the right to commission, at Buyer's cost and expense, a so-called "Phase I" environmental site assessment of the Company Group's assets (a "Phase I Assessment"), provided that no such Phase I Assessment shall be commenced more than forty-five days after the date hereof. If the Phase I Assessment indicates that a so-called "Phase II" assessment (a "Phase II Assessment") or other additional testing or analysis of the Real Estate or other leased or occupied real property is advisable, then, subject to any enforceable and reasonably nonnegotiable restrictions placed thereon by a Third Party owner or lessor of any real property involved, Buyer may elect to cause its agents to conduct such testing and analysis, provided, however, that to the extent reasonably requested by the Company, (i) such testing shall be conducted under the Company's reasonable oversight and in a manner that does not materially interfere with the Business, and (ii) Buyer shall provide reasonable assurance that tested property will not be damaged or, if damaged, will be repaired at Buyer's expense. The Company shall use its commercially reasonable efforts to comply with any reasonable request for information made by Buyer or its agents in connection with any such investigation. The Company covenants that any response to any such request for information will be complete and correct in all material respects. The Company will afford Buyer and its agents access to all operations of the Company at all reasonable times and in a reasonable manner in connection with any such investigation subject to any reasonably required approval of the Company's landlords, which approval the Company will use its commercially reasonable efforts to obtain.

7.3 Interim Period Operations.

From the date hereof until the Closing, the Company shall use its commercially reasonable efforts to operate pursuant to the terms of the budget previously provided by the Company to Buyer. The Company shall proceed with the capital expenditure projects set forth on Schedule 7.3(A) in accordance with the capital expenditure budget provided to Buyer. Notwithstanding anything herein to the contrary, neither the Sellers nor the Company shall be liable to Buyer for any delays in connection with such capital expenditure projects due to factors outside their control including, but not limited to, weather delays, material shortages, and labor strikes. From the date hereof until the Closing, except as otherwise contemplated by this Agreement or with Buyer's prior consent, not to be unreasonably withheld, RT, RAM and each member of the Company Group shall carry on its business in the ordinary course consistent with past practice and use commercially reasonable efforts to preserve intact its business organizations and material relationships with Third Parties. Without limiting the generality of the foregoing, RT, RAM and each member of the Company Group shall not without the prior written consent of Buyer, which consent shall not be unreasonably withheld:

(a) make any material capital expenditures, as determined in accordance with GAAP, except for capital expenditures referred to in Schedule 7.3(A) hereto;

(b) agree or commit to dispose of any material assets out of the ordinary course of business where the proceeds of disposition or the net book value of the relevant assets exceed $50,000;

(c) merge or consolidate with any Person, acquire any stock or other ownership interest in any Person or, the assets of any business as an entirety ;

(d) except as required by law, adopt, amend, modify, spin-off, transfer or assume any of the assets or liabilities of, terminate or partially terminate any benefit plan;

(e) (i) except in the ordinary course of business consistent with past practice, (x) make any change in the compensation payable or to become payable to any officer, director, employee, agent, Affiliate or consultant, or (y) enter into any severance, termination or other similar agreement, (ii) enter into or amend any employment agreement, (iii) make any loans to any of its officers, directors, employees, agents, Affiliates or consultants, (iv) make any material change in its existing borrowing or lending arrangements for or on behalf of any of such Persons, or (v) otherwise enter into any transactions with or make any payment to or for any Affiliate of any member of the Company Group (other than payment of management fees consistent with past practice), in each case whether contingent on consummation of the transactions contemplated hereby or otherwise. Notwithstanding anything provided herein to the contrary, this Section 7.3(e) shall not apply with respect to signing bonuses, stay put bonuses or similar items paid directly or indirectly by Sellers (including through a resulting adjustment to the RAP Equity Value under Section 2.4);

(f) declare, set aside or pay any dividend or other distribution other than a cash distribution, in respect of the equity of any member of the Company Group (other than any such dividend or distribution paid to another member of the Company Group), or redeem or otherwise acquire any of its respective securities;

(g) issue, sell, deliver or agree or commit to issue, sell or deliver (whether through the issuance or granting of options, warrants, commitments, subscription, rights to purchase or otherwise) any stock of any class or any other securities or partnership interests of any member of the Company Group or amend any of the terms of any securities of any member of the Company Group outstanding on the date hereof ;

(h) except as previously disclosed to Buyer, change the rates or marketing practices applicable to any System without notifying Buyer;

(i) enter into any Contract or Contracts relating to the Business that individually or in the aggregate call for payments, or otherwise involving expenditures, over their terms in excess of $100,000, except in the ordinary course of business consistent with past practice, and except for the renewal of any such Contract that would, but for such renewal, terminate in accordance with its terms prior to Closing;

(j) enter into, or amend in any material respect, any Contract with @Home or any other party providing for Internet access to the Company Group's customers.

(k) engage in any line of business, or enter into any Contract, unrelated to the Business;

(l) incur any debt not having market terms for bank debt and that is not repayable without penalty or premium within six months of the Closing Date;

(m) become a guarantor or surety of any indebtedness of any other Person;

(n) take any action that could reasonably be expected to cause the condition described in Section 9.2 to become untrue; or

(o) take, or agree in writing or otherwise to take, any of the foregoing actions or any actions.

7.4 Delivery of Documents to Buyer.

The Company covenants that, to the extent that it has not already done so, the Company will insofar as practicable deliver or otherwise make available to Buyer for inspection, at the locations where RT, RAM or the Company Group maintains such information, the following within thirty (30) days after the date hereof, or as specifically delineated below:

(i) the Company's most recently prepared managerial reports and customer accounting records, which shall include a customer accounts receivable aging report summarizing, respectively, customers whose accounts are at least one, two, and three or more Monthly Billing Periods overdue, for the last (or then most recently concluded) regular Monthly Billing Period. The Company further covenants to deliver to Buyer the monthly customer accounting records within 20 days after the end of each calendar month prior to the Closing and to deliver the managerial reports as soon as practicable.

(ii) Copies of the Additional Financial Statements as soon as possible after completion, but in any case, within forty-five (45) days of the end of the period covered by any such Additional Financial Statement.

(iii) Copies of such as-built engineering drawings as the Company has in its possession for the Systems, or, if not available, such design maps and plant drawings and as-built engineering drawings as the Company has in its possession will be made available to Buyer for inspection and at the Closing will be left on site at the respective System office for Buyer.

(iv) Copies of any and all bonds in force with regard to the Systems and the Company Group.

(v) Copies of all written Contracts and other documents listed in the Schedules hereto, including any and all contracts in force with any union or collective bargaining unit representing any employee of any member of the Company Group together with a certificate of a duly authorized executive officer, certifying that to the best of such officer's knowledge the copies so delivered are true and complete in all material respects.

(vi) Copies of any required Registration Statements filed with the FCC pursuant to 47 C.F.R. ss.76.12.

(vii) The Initial Notice of Identity and Signal Carriage, and all subsequent statements of account filed with the Copyright Office within the past three years and all Notices of Change of Identity or Signal Carriage filed within the past three years shall be made available for inspection by Buyer or its representatives upon reasonable notice.

(viii) Copies of radio licenses, earth station licenses and CARS licenses.

(ix) Copies of must carry elections and retransmission consent agreements subject to any confidentiality restrictions contained in such agreements;

To the extent that any of the items referred to above are received or filed after a date which is 30 days from the date hereof, the Company covenants to deliver such items to Buyer as soon as practicable after receipt or filing.

7.5 No Impairment of Title.

From the date hereof until the Closing, no Seller shall sell, dispose of, mortgage, pledge or otherwise encumber any of the Purchased Interests, except as required under the current terms of the Credit Facility.

7.6 No Amendment to Organizational Documents.

From the date hereof until the Closing, the Company shall not, and shall not permit any other member of the Company Group to, amend, in any material respect, the agreement of limited partnership, certificate of limited partnership, certificate of incorporation, bylaws or other organizational documents of such entity.

7.7 Franchise Renewals; Required Consents; HSR Filings.

(a) Until the Closing, the Company shall, and shall cause each other member of the Company Group to, timely file valid requests for renewal of the Franchises in accordance with Section 626 of the Communications Act (47 USC ss. 546) and shall use its diligent, good faith, commercially reasonable efforts to renew on substantially the same terms any Franchise that will expire within thirty-six (36) months after the date hereof in accordance with its terms.

(b) The Company will use, and will cause each member of the Company Group to use, its diligent, good faith, commercially reasonable efforts to (i) obtain in writing, as promptly as possible and at its expense, all of the Required Consents and any other consent, authorization or approval required to be obtained in connection with the transactions contemplated by this Agreement, and deliver to Buyer copies of such Required Consents and such other consents, authorizations or approvals promptly after they are obtained; and (ii) give any required written notice in connection with the transactions; provided, that the Company will afford Buyer the opportunity to review, approve and revise the form of letter or application proposed to request the Required Consent or the form of written notice prior to delivery to the Third Party or the Affiliate of a party whose consent is sought or to whom notification is required. The Company and Buyer will, and the Company will cause each member of the Company Group to, cooperate with and assist each other in obtaining all Required Consents and no party shall intentionally take any action or steps or refrain from taking any action or steps where the result would prejudice or jeopardize the obtaining of any Required Consent. Without limiting the generality of the foregoing, the Company and Buyer agree to attend City Council or similar meetings and hearings before local and county administrative bodies. If, in connection with the process of obtaining any Required Consent, a Governmental Authority makes a bona fide claim that any amount is owed by the franchise holder as a result of a default under, or breach of, the corresponding Franchise by a member of the Company Group or any predecessor in interest, the Company Group shall satisfy all outstanding monetary obligations in respect of any such bona fide default or breach except to the extent any member of the Company Group is contesting such claim in good faith. No member of the Company Group will accept or agree or accede to any material modifications or amendments to, or the imposition of any material condition to the transfer of, any of the Franchises, FCC Licenses or Necessary Contracts that are not acceptable to Buyer. Notwithstanding the foregoing, as soon as practicable after the date of this Agreement (and in no event more than twenty (20) business days hereafter), Buyer will deliver to the Company, and the Company will cause each member of the Company Group to deliver to Buyer, its portion, complete and executed, of requests or applications for approval of the transfer of control or assignment of the Franchises, FCC Licenses and Necessary Contracts, and as soon as practicable thereafter (but in no event more than ten (10) business days) the Company shall deliver, or cause to be delivered, to the appropriate Governmental Authority, (i) a FCC Form 394 with respect to each Franchise other than to any Governmental Authority that the parties have agreed will not initially receive FCC Form 394; provided, that if either party subsequently requests that FCC Form 394 be completed, executed and delivered to any such Governmental Authority that did not initially receive a FCC Form 394 with respect to any Franchise, then each party will deliver to the other its portion, completed and executed, of appropriate FCC Form 394, and the Company shall deliver, or cause to be delivered, the completed FCC Form 394 to such Governmental Authority as soon as practicable but in any event within fifteen (15) business days after a party has made such request; and (ii) such other FCC forms as are necessary to obtain the FCC's consent to the assignment or transfer of control of the FCC Licenses. Without the prior consent of the other party, neither party shall agree with any Governmental Authority to extend or to toll the time limits applicable to such Governmental Authority's consideration of any FCC Form 394 filed with such Governmental Authority. The foregoing notwithstanding, neither party (nor their respective employees, agents, representatives or any other Person acting on behalf of a party) shall be precluded from making statements or inquiries to, attending meetings of, making presentations to, or from responding to requests initiated by, Governmental Authorities or other Persons from which a consent is sought, and each party shall apprise the other of all such requests.

(c) Each of the Company and Buyer, to the extent required, shall file (or shall cause its ultimate parent entity to file, if applicable) as soon as practicable (but in any event within thirty (30) days) following the date of this Agreement, the appropriate notifications required under the HSR Act in connection with the transactions contemplated by this Agreement. The Company or Buyer, as the case may be, shall promptly inform the other of any material communication from the FCC, the Federal Trade Commission, the Department of Justice or any other Governmental Authority regarding any matter related to any antitrust or trade regulatory laws of any Governmental Authority ("Antitrust Laws") as they bear upon the purchase and sale of the Purchased Interests under this Agreement. If Buyer or any member of the Company Group receives a request for additional information or documentary material from any such Governmental Authority with respect to the transactions contemplated hereby, such party will endeavor in good faith and will use commercially reasonable efforts to make or cause to be made, as soon as reasonably practicable and after consultation with the other party, an appropriate response in compliance with such request. Buyer and the Company shall, and shall cause their filing affiliates to, use their respective commercially reasonable efforts to overcome any objections that may be raised by the Federal Trade Commission, the Department of Justice or any other Governmental Authority having jurisdiction over antitrust matters. The Company and Buyer shall, and shall cause their respective filing affiliates to, cooperate to prevent inconsistencies between their respective filings and between their respective responses to all such inquiries and responses, and will furnish to each other such necessary information and reasonable assistance as the other may reasonably request in connection with its preparation of necessary filings or submissions under the HSR Act. Notwithstanding the foregoing, no party shall be required to make any significant change in the operations or activities of the business (or any material assets employed therein) of such party or any of its Affiliates, if a party determines in good faith that such change would be materially adverse to the operations or activities of the business (or any material assets employed therein) of such party or any of its Affiliates having significant assets, net worth or revenue. The Company and Buyer shall split equally the applicable filing fees under the HSR Act.

7.8 Notification.

RT, RAM, each member of the Company Group, on the one hand, and Buyer, on the other hand, shall:

(a) prior to the Closing, in the event of the occurrence of any fact or circumstance that would cause or constitute a breach of any of its representations and warranties set forth herein, give notice thereof to the other party;

(b) promptly notify the other party of any material notice or other material communication from any Governmental Authority received by it in connection with the transactions contemplated by this Agreement.

7.9 Reasonable Efforts; Additional Actions.

Buyer, the Company and, with respect to Sections 9.1, 9.2, and 9.5, each Seller (as to those matters reasonably within such Seller's control), shall use, and the Company shall cause each member of the Company Group to use, commercially reasonable efforts to cause all conditions in Articles VIII, IX and X to be satisfied and the Closing contemplated hereby to occur. Buyer and each Seller that is a party to the InterLink Agreement (or that controls a party to the InterLink Agreement), to the extent within such Seller's control, shall use commercially reasonable efforts to cause the transactions contemplated by the InterLink Agreement to be consummated. Without limiting the foregoing, subject to the terms and conditions of this Agreement, (i) Buyer, the Company and (as to those matters reasonably within such Seller's control) each Seller shall use, and the Company shall cause each member of the Company Group to use, all reasonable efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations, or to remove any injunctions or other impediments or delays, and to consummate the transactions contemplated by this Agreement and (ii) in any vote of the Company's limited partners necessary to authorize any action contemplated hereby, including without limitation the restructurings described in Section 7.11. Sellers agree to vote their Purchased Interests in favor of such action. In case at any time after the Effective Time any further action is necessary or desirable to carry out the purposes of this Agreement or to vest Buyer with full title in and to the Purchased Interests and all properties, assets, rights, approvals, immunities and Franchises of the Company Group, Sellers and the proper officers, members, partners and directors of each Person that is a party to this Agreement shall take all such necessary action.

7.10 Tax Matters.

(a) Cooperation on Tax Matters.

(i) Buyer and Sellers shall reasonably cooperate in connection with the preparation and filing of any Tax Return with respect to members of the Company Group.

(ii) Buyer and Sellers further agree, upon request, to use commercially reasonable efforts to obtain any certificate or other document from any Governmental Authority or any other Person as may be necessary to mitigate, reduce or eliminate any Tax that could be imposed (including Taxes with respect to the transactions contemplated hereby).

(iii) Buyer and the Company, on one hand, and Sellers, on the other hand, agree that if any of them receives any notice of an audit or examination from any Governmental Authority with respect to Taxes of any Company Group member for any taxable period or portion thereof ending on or prior to the Closing Date, then the recipient of such notice shall, within three (3) business days of the receipt thereof, notify and provide copies of such notice to the other party, as the case may be, in accordance with the notice provisions of Section 13.13.

(iv) The Disbursement Agent (on behalf of Sellers) shall prepare and file all federal and state income tax returns of the Company for all periods ending on or prior to the Closing Date, and Buyer agrees to cause the Company to execute each such return, except as provided below in this paragraph. The Disbursement Agent (on behalf of Sellers) shall cause each such return to be prepared and, together with all related work papers, delivered to Buyer for review at least 15 business days prior to the due date for filing of such return. Such returns shall be prepared in accordance with assumptions and practices for returns filed by the Company in recent years with respect to the timing of income, deductions, gains and losses to the extent that such assumptions and practices affect the inclusion of such items in pre-Closing versus post-Closing taxable periods. If Buyer (x) reasonably determines that any such return does not comply with the previous sentence, or that the execution of any such return would likely subject the Company or the Person executing the return on behalf of the Company to civil or criminal penalties, and (y) within five business days after receipt of such return, provides written notice of such determination and the specific reasons for such determination to the Disbursement Agent, then such return shall be forwarded to the Neutral Accounting Firm for review. The Neutral Accounting Firm shall report its conclusions to the Disbursement Agent and Buyer within seven business days after receipt of such return indicating whether it concurs with all or part of Buyer's determination and, if so, specifying the changes to such return needed to comply with the requirements of this paragraph and to avoid civil or criminal penalties. Buyer shall cause the Company to promptly execute such return without any changes thereto (if the Neutral Accounting Firm does not indicate that changes are needed) or with the changes specified by the Neutral Accounting Firm (if the Neutral Accounting Firm indicates that changes are needed). The conclusions of the Neutral Accounting Firm shall be conclusive and binding on all parties to this Agreement and shall not be subject to dispute or review. The cost of retaining the Neutral Accounting Firm to review any return shall be borne 50% by the Disbursement Agent (on behalf of the Sellers) and 50% by Buyer.

(b) Section 754 Elections; Allocation of Purchase Price.

(i) To the extent not already in effect, each Company Group member that is treated as a partnership for federal income tax purposes shall timely file an election under Section 754 of the Code so that such entities shall be able to adjust the tax basis of their assets (collectively, the "Partnership Assets") under Section 743(b) of the Code as a result of the transactions contemplated herein.

(ii) The aggregate amount described in the penultimate sentence of Section 2.3 shall be allocated among the Partnership Assets in an allocation agreement (the "Allocation Agreement") to be prepared in accordance with Section 2.3 hereof and the rules under Sections 743(b), 751, 755 and 1060 of the Code. Buyer shall deliver a draft of the Allocation Agreement to the Company at least thirty (30) days prior to the Closing Date for approval and consent, and Buyer and the Company shall mutually agree upon the Allocation Agreement prior to the Closing Date. Neither Buyer nor the Company shall unreasonably withhold its approval and consent with respect to the Allocation Agreement. Buyer and Sellers agree that the Allocation Agreement shall be amended to reflect any post-Closing adjustments determined under Section 2.4 of this Agreement. Unless otherwise required by applicable law, Buyer, Sellers and the Company Group agree to act, and cause their respective affiliates to act, in accordance with the computations and allocations contained in the Allocation Agreement in any relevant Tax Returns or similar filings (including any forms or reports required to be filed pursuant to Section 1060 of the Code ("1060 Forms")), to cooperate in the preparation of any 1060 Forms, to file such 1060 Forms in the manner required by applicable law and to not take any position inconsistent with such Allocation Agreement upon examination of any tax refund or refund claim, in any litigation or otherwise.

(c) Certain Taxes. All transfer, documentary, sales, use, stamp, registration and other such Taxes and fees (including any penalties and interest but excluding any income tax) incurred in connection with the transactions consummated pursuant to this Agreement shall be borne equally by Buyer and the Disbursement Agent (on behalf of Sellers). If and to the extent that such Taxes and fees are included in current liabilities pursuant to Section 2.4, Seller's share of such Taxes and fees shall be paid by the Company Group. Buyer and Sellers will cooperate in all reasonable respects to prepare and file all necessary Tax Returns and other documentation with respect to all such transfer, documentary, sales, use, stamp, registration and other Taxes and fees.

(d) Tax Elections. From and after the date of this Agreement, the Company and each Company Group Member shall not without the prior written consent of the Buyer (which consent shall not be unreasonably withheld) make, or cause or permit to be made, any Tax election that would bind the Company or Buyer in any material respect.

(e) Contests.

(i) In the case of an audit or administrative proceeding that relates to taxable periods ending on or before the Closing Date with respect to any income Tax Return of the Company, Disbursement Agent (on behalf of Sellers) shall assume, defend and control the conduct of such audit or proceeding. In the event that issues relating to a potential adjustment are required to be dealt with in the same proceeding as separate issues relating to a potential adjustment for which the Buyer would be liable, Buyer shall have the right, at its expense, to control the audit or proceeding with respect to the latter issues.

(ii) Buyer shall not enter into any compromise or agree to settle any claim pursuant to any Tax audit or proceeding which would bind the Company for any pre-Closing period without the written consent of the Disbursement Agent, which consent shall not be unreasonably withheld or delayed. Sellers shall not enter into any compromise or agree to settle any claim pursuant to any Tax audit or proceeding which would bind the Company or Buyer for any post-Closing period without the written consent of Buyer, which consent shall not be unreasonably withheld or delayed. Buyer and Sellers agree to cooperate, and Buyer agrees to cause the Company Group to cooperate, in the defense against or compromise of any claim in any audit or proceeding, at the expense (excluding general and administrative expenses) of the defending party.

(iii) The members of the Company Group shall not take a position on any Tax Return with respect to such entity's federal tax status (i.e., partnership, S corporation or C corporation) different than that which such entity reported on its 1997 federal Tax Returns.

7.11 Restructuring.

The Company agrees to cooperate, and to cause each member of the Company Group to cooperate, with Buyer, at Buyer's cost and expense (other than general and administrative expenses), prior to the Effective Time in restructuring the legal form or ownership of any member of the Company Group, changing the form of equity ownership of any member of the Group, permitting Buyer or any of its Affiliates to purchase interests in, or assets of, Subsidiaries of the Company from either the Company or a Subsidiary of the Company or effecting other restructurings of the transactions contemplated herein; provided, however, that such cooperation may be withheld if and to the extent the Company reasonably determines that such cooperation would likely have an adverse effect (including, without limitation, with respect to Taxes, but excluding any effect for which Buyer agrees to provide reasonable compensation) on (i) the Company or InterLink (unless all conditions to Closing under Articles VIII, IX and X have or will be satisfied or waived prior to the effective time of any proposed restructurings and such restructurings would be effected on the Closing Date), (ii) any of the Sellers or InterLink Sellers or (iii) any of the direct or indirect owners of the Sellers or InterLink Sellers.

7.12 Year 2000 Remediation Program.

The Company shall, and shall cause RAM, RT and each other member of the Company Group and their respective officers and employees to: (i) until the Closing Date, use diligent, commercially reasonable efforts to implement the Year 2000 Remediation Program by the Closing Date, (ii) assist and cooperate with Buyer in the refinement and implementation of the Year 2000 Remediation Program, (iii) assist and cooperate with Buyer in developing and implementing plans for Buyer to continue the Year 2000 Remediation Program after the Closing Date, and (iv) implement all solutions identified as reasonably necessary to members of the Company Group by vendors, distributors and manufacturers of the Computer Systems and Third Party Systems in order to ensure Year 2000 Readiness, except for those solutions that the vendor cannot provide by the Closing Date.

7.13 Exculpation and Indemnification.

Buyer shall ensure that the Company's obligations provided for in Section 13 of the Company's Partnership Agreement, with respect to the indemnification of RAM, the limited partners of the Company, the members of the Company's Advisory Committee, and any of their respective partners and Affiliates (the "Indemnification Provisions") shall continue in effect, and shall not be amended or eliminated, for a period of at least five years following the Closing Date. During such five year period, neither the Buyer nor any of its successors or assigns shall permit any other Person to acquire effective control of the Company unless (i)such Person undertakes that it will not permit the Indemnification Provisions to be amended or eliminated during such period or (ii) Buyer assumes such obligations during such period. Neither the Company nor any of its successors or assigns will transfer all or the majority of its assets to any one or more Persons in a single transaction or series of related transactions (including but not limited to any transfer in connection with the liquidation or termination of the Company or any merger or consolidation involving the Company), unless either Buyer or such transferee agrees to assume and be responsible for the obligations of the Company under the Indemnification Provisions during the five year period commencing on the Closing Date. At the Closing, Buyer will assume the obligations of Sellers under the Company's Partnership Agreement.

7.14 Credit Facility; Senior Subordinated Notes.

The Company, upon Buyer's request and with Buyer's assistance, will use commercially reasonable efforts, at Buyer's expense, to obtain any consents of lenders under the Credit Facility that are necessary to permit the Company to keep the Credit Facility in place following the Closing. Following the Closing, Buyer will comply with the terms of the Credit Facility and the Indenture, including, but not limited to, the giving of any required notice of change of control of the Company and offer to repurchase to each holder of the Senior Subordinated Notes within 30 days of the Closing Date, in accordance with the terms of the Senior Subordinated Notes. If the Credit Facility is required to be prepaid, Buyer agrees to do so at the Closing.

7.15 Admission of Buyer as a Substitute Limited Partner.

Each party will take such action as is required on its part pursuant to the Company's Partnership Agreement in order that, upon the Closing, Buyer will be admitted as a Substitute Limited Partner (as defined in the Company's Partnership Agreement) under the provisions of the Company Partnership Agreement.

7.16 Publicity.

Except as required by applicable law, prior to the Closing (i) the Company and Buyer shall consult with and cooperate with the other prior to the Closing Date with respect to the content and timing of all press releases and other public announcements concerning this Agreement and the transactions contemplated hereby and (ii) neither the Company nor Buyer shall make any such release or announcement without the prior written consent and approval of the other, which consent and approval shall not be unreasonably withheld. After the Closing Date, except as required by applicable law, (i) Disbursement Agent and Buyer shall consult with and cooperate with the other with respect to the content and timing of all press releases and other public announcements concerning this Agreement and the transactions contemplated hereby and (ii) neither Disbursement Agent nor Buyer shall make any such release or announcement without the prior written consent and approval of the other, which consent and approval shall not be unreasonably withheld.

7.17 Services Provided by and to Alliance.

At the Closing, the Company will execute and deliver, and will cause Alliance Communications, LLC to execute and deliver, a Services Agreement substantially in the form of Exhibit 7.17 (the "Services Agreement").

ARTICLE VIII
CONDITIONS PRECEDENT TO THE OBLIGATIONS OF ALL PARTIES

The obligations of each of the parties to consummate the transaction contemplated hereby are subject to the conditions that:

8.1 Orders Prohibiting Consummation of Transactions.

At the Closing Date, there shall exist no applicable law, rule, regulation, order, judgment or injunction the effect of which is to prohibit consummation of the transactions contemplated by this Agreement, other than any rule, regulation or order relating to Franchises, which shall be governed by Section 9.8 hereof.

8.2 HSR Act.

All necessary pre-merger notification filings required under the HSR Act will have been made with the Federal Trade Commission and the United States Department of Justice and the prescribed waiting periods (and any extensions thereof) will have expired or been terminated.

ARTICLE IX
CONDITIONS PRECEDENT TO BUYER'S OBLIGATIONS

All obligations of Buyer under this Agreement are subject to the fulfillment (or waiver in whole or in part by Buyer in writing) on or before the Closing Date (or such earlier date as may be specified), of each of the following conditions:

9.1 Compliance with Agreement.

The Company and Sellers shall have performed and complied in all material respects with all of their obligations under this Agreement to be performed by them at or prior to Closing and there shall be no material uncured default of the Company or Sellers under any term of this Agreement. Without limiting the generality of the foregoing, all Purchased Interests shall have been tendered for sale to Buyer, using instruments of conveyance in form and substance reasonably satisfactory to Buyer, accompanied by all certificates, if any exist, representing certificated Purchased Interests.

9.2 Correctness of Representations and Warranties.

Each of the representations and warranties of the Company and Sellers set forth in this Agreement shall be true and correct in all respects on the Closing Date (without giving effect to the materiality or Material Adverse Effect qualifiers set forth therein) with the same force and effect as if such representations and warranties had been made on and as of such date (except to the extent such representations and warranties expressly speak as of an earlier date (other than the general qualifiers in the lead in to Articles IV, V and VI)), except for such failures to be true and correct that would not in the aggregate have a Material Adverse Effect.

9.3 No Adverse Change in Business or Properties.

Since December 31, 1998, there shall not have been a Material Adverse Effect.

9.4 Certificate of Officer.

The Company shall deliver to Buyer a certificate of an authorized executive officer of RT dated the Closing Date, certifying as to the fulfillment of the conditions set forth in Sections 9.1, 9.2 and 9.3 above, together with a certified authorizing resolution and incumbency certificate.

9.5 Proceedings and Documents.

All Company Group and Seller corporate and other proceedings, taken in connection with the transactions contemplated hereby and all documents incident thereto shall be reasonably satisfactory in form and substance to Buyer and its counsel.

9.6 Opinion of Counsel.

Buyer shall have received from Baker & Hostetler LLP, a favorable opinion of such counsel, dated as of the Closing Date, substantially in the form of Exhibit 9.6 hereto.

9.7 Opinion of FCC Counsel.

Buyer shall have received from Seller's FCC counsel, Cole, Raywid, & Braverman LLP, a favorable opinion of such counsel, dated as of the Closing Date, substantially in the form of Exhibit 9.7 hereto.

9.8 Consents.

All consents, waivers, approvals or authorizations of franchisors, Governmental Authorities and other Third Parties that are Required Consents in connection with the change of control of the Company to Buyer and the other transactions contemplated by this Agreement shall have been obtained in substantially the form set forth in Exhibit 9.8 hereto, and the Company shall have delivered to Buyer copies of all such consents and approvals so obtained; provided, however, that with respect to Franchise approvals, this condition shall have been deemed to have been met if the Franchises with respect to which such consents, waivers, approvals or authorizations which have not been obtained do not cover more than five percent (5%) of the customers of the Company Group, taken as a whole.

9.9 Purchase of Interests under InterLink Agreement.

The transactions contemplated by the InterLink Agreement shall have been consummated, or will be consummated simultaneously with the transactions contemplated hereunder.

9.10 Services Agreement.

Alliance Communications, LLC shall have executed and delivered the Services Agreement.

ARTICLE X
CONDITIONS PRECEDENT TO SELLERS' OBLIGATIONS

All obligations of Sellers under this Agreement are subject to fulfillment (or waiver in whole or in part by Sellers in writing) on or before the Closing Date (or such earlier date as may be specified) of each of the following conditions:

10.1 Correctness of Representations and Warranties.

Each of the representations and warranties of Buyer set forth in this Agreement shall be true and correct in all respects on the Closing Date (without giving effect to the materiality or Material Adverse Effect qualifiers set forth therein) with the same force and effect as if such representations and warranties had been made on and as of such date (except to the extent such representations and warranties specifically speak as of an earlier date), except for such failures to be true and correct that would not in the aggregate materially impair Buyer's ability to perform its obligations hereunder or subject any Seller to any material liability or loss of benefit.

10.2 Compliance with Agreement.

Buyer shall have performed and complied in all material respects with all of its obligations under this Agreement to be performed by it at or prior to Closing and there shall be no material uncured default of the Buyer under any term of this Agreement.

10.3 Certificate of Officer.

Buyer shall have delivered to Sellers a certificate of an executive officer dated the Closing Date, certifying as to the fulfillment of the conditions set forth in Sections 10.1 and 10.2 above, together with a certified authorizing resolution and incumbency certificate.

10.4 Proceedings and Documents.

All Buyer corporate and other proceedings taken in connection with the transactions contemplated hereby and all documents incident thereto shall be reasonably satisfactory in form and substance to the Disbursement Agent, the Company and the Company's counsel.

10.5 Opinion of Counsel.

Seller shall have received from Buyer's counsel, Irell & Manella LLP, a favorable opinion of such counsel, dated as of the Closing Date, substantially in the form of Exhibit 10.5 hereto.

10.6 Sale of Interests under InterLink Agreement.

Buyer and the InterLink Sellers shall have consummated, or will simultaneously consummate, the transactions contemplated by the InterLink Agreement, except that this condition shall not apply if one or more InterLink Sellers have failed to deliver their interests in breach of the InterLink Agreement and Buyer and the remaining InterLink

Sellers have consummated, or will simultaneously consummate, the transactions contemplated thereby.

10.7 Services Agreement.

Buyer shall have executed and delivered the Services Agreement.

ARTICLE XI
RIGHTS TO TERMINATE; BREACH

11.1 Termination.

(a) This Agreement may be terminated prior to the Closing:

(i) at any time by mutual consent of the Disbursement Agent (on behalf of Sellers) and Buyer;

(ii) by either the Disbursement Agent (on behalf of Sellers) or Buyer by written notice to the other, if the Closing has not occurred on or prior to December 31, 1999 (the "Outside Date"); provided further that (x) Buyer shall only be permitted to terminate this Agreement under this paragraph (ii) if Buyer is not in material breach of this Agreement or the InterLink Agreement and no prior breach of either such agreement by Buyer has materially contributed to the delay in the consummation of the Closing, and (y) the Disbursement Agent (on behalf of Sellers) shall only be permitted to terminate this Agreement under this paragraph (ii) if the Company, InterLink, the Sellers and the InterLink Sellers are not in material breach of this Agreement or the InterLink Agreement and no prior breach of either such agreement by any such Person has materially contributed to the delay in the consummation of the Closing;

(iii) by Buyer, upon a breach of one or more representations or warranties of Company or Sellers herein (without giving effect to the materiality or Material Adverse Effect qualifiers set forth therein) such as would, in the aggregate, have a Material Adverse Effect, or upon any material breach of any covenant or agreement on the part of the Company or any Seller set forth in this Agreement, in each case that has not been cured within 30 days following receipt by the Company of written notice of such breach;

(iv) by the Disbursement Agent (on behalf of Sellers), upon a breach of one or more representations or warranties of Buyer herein (without giving effect to the materiality or Material Adverse Effect qualifiers set forth therein) such as would, in the aggregate, materially impair Buyer's ability to perform its obligations hereunder or subject any Seller to any material liability or loss of benefit, or upon any material breach of any covenant or agreement on the part of Buyer set forth in this Agreement, in each case that has not been cured within 30 days following receipt by Buyer of written notice of such breach.

(b) In the event either the Disbursement Agent or Buyer shall terminate this Agreement pursuant to Section 11.1(a), the terminating party shall give prompt written notice thereof to the other parties hereto, and this Agreement shall thereupon terminate, without further action by any of the parties hereto. If the Agreement is terminated as provided herein:

(i) except as otherwise provided herein, the termination of this Agreement shall not relieve any party of any liability for breach of this Agreement prior to the date of termination; and

(ii) all filings, applications and other submissions relating to the assignment of the Purchased Interests made pursuant to this Agreement shall, to the extent practicable, be withdrawn from the agency or other Person to which made.

ARTICLE XII

[INTENTIONALLY OMITTED]

ARTICLE XIII
MISCELLANEOUS

13.1 Seller Liability Several and not Joint.

Buyer acknowledges and agrees that the obligations of the Sellers under this Agreement are several and not joint. Wherever this Agreement refers to the several liability of the Sellers or a Seller's "pro rata portion" of any amount, such liability or portion shall be determined based on the respective percentage interest of such Seller in the RAP Equity Value set forth on the Purchase Price Allocation Schedule. Wherever this Agreement refers to the several liability of the InterLink Sellers or an InterLink Seller's "pro rata portion" of any amount, such liability or portion shall be determined based on the respective indirect percentage interest in the RAP Equity Value of such InterLink Seller set forth in the Purchase Price Allocation Schedule.

13.2 Appointment of Sellers' Representative.

Each of Sellers hereby irrevocably appoints Disbursement Agent as the agent and attorney-in-fact of such Seller, with full power of substitution and resubstitution to do such things and to take such actions (including without limitation to execute on such Seller's behalf the Closing Escrow Agreement regarding Buyer's retention of a portion of the Indemnity Fund in certain circumstances) in the name and on behalf of such Seller, as this Agreement provides may be done or taken on behalf of Sellers. Each of Sellers acknowledges and agrees that this appointment and power of attorney is irrevocable during the term of this Agreement and is coupled with an interest. Each of Sellers hereby agrees to indemnify and hold harmless Disbursement Agent for all actions or inactions of Disbursement Agent taken or not taken in good faith in connection with, and permitted under, this Agreement.

13.3 Expenses.

Except as otherwise provided in this Agreement, each party shall pay its own expenses, taxes and other costs incident to or resulting from this Agreement whether or not the transactions contemplated hereby are consummated. Buyer's costs include, but are not limited to, fees for the filing or recording of instruments of transfer. The Sellers and Buyer shall each pay one-half of any sales or use tax arising out of or resulting from this

Agreement, with the Sellers' portion being paid pro rata in accordance with the percentages indicated on the Purchase Price Allocation Schedule.

13.4 Knowledge.

For purposes of this Agreement, the Company shall be deemed to have knowledge of and be aware of all facts, circumstances and information of which Monroe M. Rifkin, Kevin B. Allen, Jeffrey D. Bennis, Dale D. Wagner, Peter N. Smith and Paul Bambei have knowledge or are aware.

13.5 Assignment.

Neither this Agreement, nor any right hereunder, may be assigned by any of the parties hereto, except that at any time, Buyer may (upon at least seven (7) days prior written notice to the Company) at any time prior to the first filing of Forms 394 with franchisors, assign all of its rights hereunder to an entity owned and controlled by Paul G. Allen, provided, that, notwithstanding any such assignment, Buyer shall (with such entity) be and remain liable to Sellers for the performance and fulfillment of all of Buyer's covenants, duties and obligations hereunder.

13.6 Successors.

This Agreement shall be binding upon and inure to the benefit of Buyer and its heirs, successors or assigns, and Sellers and their respective heirs, successors or permitted assigns, subject in all respects to Section 13.5 hereof.

13.7 Entire Agreement.

This Agreement, including the Schedules and Exhibits hereto, constitutes the entire agreement of the parties, and supersedes all prior documents, agreements (including, without limitation, that certain letter of intent between the Company and Buyer dated February 8, 1999), promises, covenants, arrangements, communications, representations or warranties, whether oral or written, by or on behalf of either party hereto or any officer, employee, representative or agent of either party hereto.

13.8 Third Parties.

Except as specifically set forth or referred to herein, nothing herein expressed or implied is intended or shall be construed to confer upon or give to any Person, other than the parties hereto and their permitted successors or assigns, any rights or remedies under or by reason of this Agreement.

13.9 Amendments in Writing.

The terms of this Agreement may not be amended, modified or waived except by written agreement among the parties. The failure of any party to enforce any right arising under this Agreement on one or more occasions will not operate as a waiver of that or any other right on that or any other occasion.

13.10 Governing Law.

This Agreement shall be construed in accordance with and governed by the laws of the State of New York, without regard to the conflicts of laws provisions thereof.

13.11 Interpretation.

The headings of the Articles and Sections of this Agreement are inserted for convenience of reference only and shall not constitute a part hereof or affect in any way the meaning or interpretation of this Agreement. Each of the parties hereto acknowledges that it has actively participated in the preparation, drafting and review of this Agreement, and each party hereby waives any claim that this Agreement or any provision hereof (or any Exhibit or Schedule hereto) is to be construed against the other party hereto as the draftsperson thereof.

13.12 Certain Provisions Relating to R&A Management LLC's 401(k) Plan.

(a) As of the Closing Date, the Company or any Affiliate thereof shall cause the account balances in the Rifkin & Associates, Inc. 401(k) Retirement Savings Plan, a plan qualified and exempt under Sections 401(a), 401(k) and 501(a) of the Internal Revenue Code of 1986, as amended ("Company's 401(k) Plan") of all participants who continue to be employees of the Company after the Closing Date ("Continuing Employees") to become fully vested and nonforfeitable. Each Continuing Employee's period of service with Company or its Affiliates before the Closing shall be counted in determining eligibility for, and vesting of, benefits under each employee benefit plan maintained or sponsored by the Company, Buyer or their Affiliates after the Closing, or to which the Company, Buyer or their Affiliates contribute after the Closing. Each Continuing Employee shall be covered as of the Closing under any employee benefit plan maintained or sponsored by the Company, Buyer or their Affiliates, or to which the Company, Buyer, or their Affiliates contribute, providing health care benefits (whether or not through insurance) without regard to any waiting period or any condition or exclusion based on any pre-existing conditions, medical history, claims experience, evidence of insurability, or genetic factors. After the Closing, R&A Management, LLC and its Affiliates will continue to provide continuation coverage under Section 4980B of the Code to "qualified beneficiaries" who had "qualifying events" (as such terms are defined in Section 4980B of the Code) on or before the Closing Date.

(b) As soon as reasonably practicable following the Closing Date, an amount in cash equal to the aggregate value of the account balances in the Company's 401(k) Plan attributable to Continuing Employees, which account balances shall include any employer matching contributions in respect of employee contributions made prior to the Closing Date and shall be valued, to the extent administratively feasible, so as to include earnings and losses to a date not more than thirty (30) days prior to the date of transfer, will be transferred to the Charter Communications, Inc. 401(k) Plan (the "Charter Plan"), along with corresponding liabilities to Persons entitled to payment of benefits pursuant to the terms of Company's 401(k) Plan; provided, however, that Buyer shall have no obligation to cause the Charter Plan to accept such a transfer if such a transfer (i) would violate Section 414(l) of the Code, (ii) could not be accomplished unless the Charter Plan were amended to provide any form of benefit distribution not available as of the Closing Date under the Charter Plan, or (iii) would not be commercially reasonable or administratively practicable. After the aforesaid transfer of account balances, the payment of benefits under Charter Plan for Continuing Employees shall be the sole responsibility of Buyer or any Affiliate thereof, and Buyer acknowledges and warrants to the Company that neither it nor any Affiliate thereof shall have any responsibility or obligation whatsoever therefor.

(c) As soon as reasonably practicable following the later of the Closing Date or the date of the receipt by the Rifkin & Associates, Inc. Et Al Defined Contribution Transfer Plan (the "Rifkin Transfer Plan") of a favorable determination letter from the Internal Revenue Service, Charter shall establish a plan similar to the Rifkin Transfer Plan (the "Charter Transfer Plan"), and an amount in cash equal to the aggregate value of the account balances in the Rifkin Transfer Plan attributable to Continuing Employees, which account balances shall be valued, to the extent administratively feasible, so as to include earnings and losses to a date not more than thirty (30) days prior to the date of transfer, will be transferred to the Charter Transfer Plan, along with corresponding liabilities to Persons entitled to payment of benefits pursuant to the terms of the Rifkin Transfer Plan. After the aforesaid transfer of account balances, the payment of benefits under the Charter Transfer Plan for Continuing Employees shall be the sole responsibility of Buyer or any Affiliate thereof, and Buyer acknowledges and warrants to the Company that neither it nor any Affiliate thereof shall have any responsibility or obligation whatsoever therefor.

13.13 Notices.

All notices hereunder shall be in writing and shall be deemed to have been delivered on the date of the first attempted delivery by (i) the United States Postal Service, unless otherwise provided herein, to the respective party if mailed by certified mail, return receipt requested, or (ii) a reputable overnight delivery service, to the respective party at its address set forth below or such other address as either party may designate to the other by written notice in accordance herewith:

If to Sellers:

R&A Management, LLC
360 South Monroe Street, Suite 600
Denver, Colorado 80209
Attention: Kevin B. Allen
Telecopy: (303) 322-3553

with a complete copy under separate cover (which copy by itself shall not constitute notice) to:

Stuart G. Rifkin, Esq.
Baker & Hostetler
303 East 17th Avenue, Suite 1100
Denver, Colorado 80110
Telecopy: (303) 861-7805

If to Buyer:

Charter Communications, Inc.
12444 Powerscourt Drive
St. Louis, Missouri 63131
Attention: Jerald L. Kent, President
Telecopy: (314) 965-8793

with a complete copy under separate cover (which copy by itself shall not constitute notice) to:

Charter Communications, Inc.
12444 Powerscourt Drive
St. Louis, Missouri 63131
Attention: Curtis S. Shaw, Esq.
Senior Vice President & General Counsel
Telecopy: (314) 965-8793

and to:

Irell & Manella LLP
1800 Avenue of the Stars
Suite 900
Los Angeles, California 90067
Attention: Alvin G. Segel, Esq.
Telecopy: (310) 203-7199

13.14 Severability.

Any provision hereof which is prohibited or unenforceable shall be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof.

13.15 Counterparts.

This Agreement may be executed in one or more counterparts and each executed copy shall constitute an original.

[SIGNATURES BEGIN ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereunto have duly executed this Agreement.

BUYER:

CHARTER COMMUNICATIONS, INC.

By: /s/ Curtis S. Shaw

Name: Curtis S. Shaw

Title: Senior Vice President

COMPANY:

RIFKIN ACQUISITION PARTNERS, L.L.L.P.

By: Rifkin Acquisition Management, L.P., its General Partner

By: RT Investments Corp., its General Partner

By: /s/ Kevin B. Allen

Kevin B. Allen, Vice President

DISBURSEMENT AGENT:

R&A MANAGEMENT, LLC

By: Rifkin & Associates, Inc., its Manager

By: /s/ Kevin B. Allen

Kevin B. Allen, Chief Executive Officer

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

SELLERS:

RIFKIN ACQUISITION MANAGEMENT, L.P.,

By: RT INVESTMENTS CORP., its General Partner

By: /s/ Kevin B. Allen

____

Kevin B. Allen, Vice President

VS&A COMMUNICATIONS PARTNERS II, L.P.

By: VS&A EQUITIES II, L.P.
its General Partner

By: /s/ S. Gerard Benford

____

S. Gerard Benford, a General Partner

VS&A-RAP, INC.

By: /s/ S. Gerard Benford

____

S. Gerard Benford, Vice President

GREENWICH STREET (RAP) PARTNERS I, L.P.

By: GSP RAP (GP) ACQUISITION, LLC, its General Partner

By: INTERLINK COMMUNICATIONS PARTNERS, LLLP,
its Sole Member

By: Rifkin, Co., its General Partner

By: /s/ Kevin B. Allen

____

Kevin B. Allen, Vice President

IEP HOLDINGS I LLC

By: HAMPSHIRE EQUITY PARTNERS, L.P. I

By: LEXINGTON PARTNERS, L.P.,
its General Partner

By: LEXINGTON PARTNERS, INC.,
its General Partner

By: /s/ David H. Morse
____
David H. Morse, Vice President

PAINEWEBBER CAPITAL INC.

By: /s/ Dhananjay Pai
____
Dhananjay Pai, President

PW PARTNERS 1995, L.P.

By: PAINEWEBBER PARTNERS II INC.,
its General Partner

By: /s/ Dhananjay Pai
____
Dhananjay Pai, Vice President

RIFKIN CHILDREN'S TRUST

By: /s/ Monroe M. Rifkin
____
Monroe M. Rifkin, Co-Trustee

RIFKIN CHILDREN TRUST-II

By: /s/ Monroe M. Rifkin
____
Monroe M. Rifkin, Co-Trustee

RIFKIN CHILDREN'S TRUST III

By: /s/ Monroe M. Rifkin

Monroe M. Rifkin, Co-Trustee

360 GROUP, INC.

By: /s/ Dale D. Wagner

Dale D. Wagner, Treasurer

RIFKIN FAMILY INVESTMENT COMPANY, L.L.L.P.

By: its General Partners

/s/ Monroe M. Rifkin

Monroe M. Rifkin, General Partner

/s/ Stuart G. Rifkin

Stuart G. Rifkin, General Partner

/s/ Bruce A. Rifkin

Bruce A. Rifkin, General Partner

/s/ Ruth R. Bennis

Ruth R. Bennis, General Partner

/s/ Charles R. Morris, III

CHARLES R. MORRIS, III

/s/ Jeffrey D. Bennis

JEFFREY D. BENNIS

/s/ Stephen E. Hattrup

STEPHEN E. HATTRUP

/s/ Dale D. Wagner

DALE D. WAGNER

INDEX TO EXHIBITS

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Exhibit 2.5	Form of Closing Escrow Agreement
Exhibit 7.17	Form of Services Agreement
Exhibit 9.6	Form of Seller's Counsel Opinion
Exhibit 9.7	Form of Seller's FCC Counsel Opinion
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Exhibit 10.5	Form of Buyer's Opinion of Counsel

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RAP INDEMNITY AGREEMENT

THIS RAP INDEMNITY AGREEMENT is made and entered into as of April 26, 1999 (this "Agreement"), by and among the persons listed on the signature pages hereto as of the date hereof under the heading "Sellers" (collectively, the "Sellers"), all of the sellers (collectively, the "InterLink Sellers") under the InterLink Purchase and Sale Agreement (as defined below), and Charter Communications, Inc., a Delaware corporation (the "Buyer").

RECITALS:

A. The Sellers collectively own all of the outstanding partnership interests in Rifkin Acquisition Partners, L.L.L.P., a Colorado registered limited liability limited partnership (the "Company"), with the exception of a limited partnership interest owned indirectly by InterLink.

B. Pursuant to that certain Purchase and Sale Agreement, dated as of the date hereof, by and among the Sellers, the Company, and the Buyer (the "RAP Purchase and Sale Agreement"), the Buyer is purchasing the partnership interests that the Sellers own in the Company.

C. Pursuant to that certain Purchase and Sale Agreement, dated as of the date hereof, by and among of InterLink Communications Partners LLLP, a Colorado registered limited liability limited partnership ("InterLink"), the InterLink Sellers, and the Buyer (the "InterLink Purchase and Sale Agreement"), the Buyer is purchasing general and limited partnership interests in InterLink and, as a result, will indirectly acquire the limited partnership interest InterLink owns indirectly in the Company.

D. The parties desire to enter into this Agreement in connection with the closings under the RAP Purchase and Sale Agreement and the InterLink Purchase and Sale Agreement.

NOW, THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Defined Terms. Terms used, but not otherwise defined, herein shall have the respective meanings assigned to them in the RAP Purchase and Sale Agreement.

2. Indemnification. Subject to the terms and conditions hereof, the parties hereto agree to provide the following indemnification:

2.1 Indemnification by the Sellers and the InterLink Sellers With Respect to the Company. From and after the Closing, subject to Section 2.1 (a), (b), and (c) below, the Sellers and the InterLink Sellers shall severally, and not jointly, indemnify the Buyer against and hold it harmless from any and all Indemnifiable Damages which the Buyer may suffer or incur by reason of (i) the Company's breach of any of the Company's representations and warranties contained in the RAP Purchase and Sale Agreement or any document, certificate, or agreement delivered by the Company pursuant thereto; or (ii) the Company's breach prior to the Closing of any of the Company's covenants or agreements contained in the RAP Purchase and Sale Agreement or any document, certificate, or agreement delivered by the Company pursuant thereto. However, notwithstanding anything contained in this Agreement or the RAP Purchase and Sale Agreement to the contrary, if the Buyer makes any claim for damages, the Buyer will use reasonable efforts to mitigate the amount and nature thereof in accordance with customary industry maintenance procedures. Notwithstanding anything to the contrary herein, the foregoing obligation of the Sellers and the InterLink Sellers to indemnify the Buyer shall be subject to and limited by each of the following qualifications:

(a) All representations and warranties made by the Company in the RAP Purchase and Sale Agreement (or any document, certificate, or agreement delivered pursuant thereto) shall survive the Closing for a period of one year thereafter other than (a) the representations and warranties set forth in Section 5.8 of the RAP Purchase and Sale Agreement, which shall survive for the duration of the applicable statute of limitations, (b) the representations and warranties set forth in Section 5.22 of the RAP Purchase and Sale Agreement, which shall survive the Closing for a period of two years thereafter, and (c) the representations and warranties set forth in Section 5.4 of the RAP Purchase and Sale Agreement, which shall survive indefinitely. The period of survival of the respective representations and warranties provided for in this Section is referred to herein as the "Indemnity Period." No claim for indemnification for breach of a representation or warranty may be asserted after the expiration of the Indemnity Period of such representation or warranty; provided that the written assertion of any claim by a party against the other hereunder with respect to the breach or alleged breach of any representation or warranty (or a series of facts stated in the written assertion of the claim which would support such breach) shall extend the Indemnity Period for such representation or warranty with respect to such claim through the date such claim is conclusively resolved. No investigation by a party shall relieve the other party from any liability for any misrepresentation or breach of warranty made by such other party in the RAP Purchase and Sale Agreement or any related agreement.

(b) Other than with respect to a breach of Section 5.4 or 5.8 of the RAP Purchase and Sale Agreement, (i) the Sellers and the InterLink Sellers shall have no liability to the Buyer on or account of any Indemnifiable Damages provided in Section 2.1 unless and until such damages in the aggregate exceed Two Million Five Hundred Thousand Dollars ($2,500,000) (the "Threshold Amount"), in which event the Buyer shall be entitled to all (subject to clause (ii) below in this paragraph) of the Indemnifiable Damages from the first dollar; and (ii) the total liability of the Sellers and the InterLink Sellers for their respective indemnity obligation under this Section 2.1 shall be limited, in all respects to, and shall be payable solely from, and to the extent of, the Indemnity Fund and the Buyer's sole and exclusive remedy shall be recourse to the Indemnity Fund upon and subject to the Buyer's compliance with the terms and conditions of the Closing Escrow Agreement; provided, however, that (1) if Section 2.1(c) Damages (as defined below) have been paid from the Indemnity Fund, and if the amount remaining in the Indemnity Fund is insufficient to satisfy claims payable under this Section 2.1(b), then the Sellers and the InterLink Sellers, pro rata in accordance with the percentages set forth in the Purchase Price Allocation Schedule, shall pay to the Disbursement Agent and the Disbursement Agent shall pay to the Buyer the lesser of (x) the amount of Section 2.1(c) Damages paid from the Indemnity Fund, and (y) the amount by which claims under this Section 2.1(b) exceeds the Indemnity Fund, and (2) upon release of the Year Disbursement Amount, each Seller and each InterLink Seller shall thereafter continue to be severally obligated to satisfy claims for breaches of Section 5.22 brought during the relevant Indemnity Period, in an aggregate amount no greater than the portion of the Year Disbursement Amount actually received by such Person.

(c) With respect to any indemnification sought for a breach of Sections 5.4 and 5.8 of the RAP Purchase and Sale Agreement, the Sellers and the InterLink Sellers shall be obligated to indemnify the Buyer in respect of its Indemnifiable Damages pro rata in accordance with the respective percentages set forth on the Purchase Price Allocation Schedule. Notwithstanding paragraph (b) above, such indemnification for breaches of Section 5.4 and Section 5.8 of the RAP Purchase and Sale Agreement (i) shall not be subject to the Threshold Amount set forth in (b)(i) above and (ii) shall not be limited by the amount of the Indemnity Fund. In the event the Sellers and the InterLink Sellers are obligated to indemnify the Buyer in respect of Indemnifiable Damages for breaches of Section 5.4 or 5.8 of the RAP Purchase and Sale Agreement (the "Section 2.1(c) Damages"), such obligation will be paid first from the Indemnity Fund to the extent of any amounts remaining in the Indemnity Fund, and if insufficient funds remain in the Indemnity Fund, then each Seller and InterLink Seller shall be obligated for, and shall pay to the Disbursement Agent, its pro rata share (based upon the percentages set forth on the Purchase Price Allocation Schedule) of such shortfall, and the Disbursement Agent shall pay the amount of the shortfall to the Buyer.

2.2 Indemnification by each Seller for Seller Breaches. From and after the Closing, each Seller shall indemnify the Buyer against and hold it harmless from any and all Indemnifiable Damages which the Buyer may suffer or incur by reason of (i) inaccuracy of any of the representations or warranties of such Seller contained in Article IV of the RAP Purchase and Sale Agreement; or (ii) such Seller's breach of any of its covenants or agreements contained in the RAP Purchase and Sale Agreement or any document, certificate, or agreement delivered by such Seller pursuant thereto. Notwithstanding anything contained in this Section 2.2 to the contrary, if there is a claim for damages, the Buyer will use commercially reasonable efforts to mitigate the amount and nature thereof in accordance with customary industry maintenance procedures. The foregoing obligation of each Seller to indemnify the Buyer shall be subject to and limited by each of the following qualifications:

(a) Each of the representations, warranties, covenants and agreements made by such Seller in the RAP Purchase and Sale Agreement or in any documents or instruments delivered by such Seller pursuant thereto shall survive the Closing thereunder for a period of one (1) year thereafter, other than the representations and warranties set forth in Section 4.1 of the RAP Purchase and Sale Agreement, which shall survive indefinitely. Any claims made by the Buyer pursuant to this Section 2.2 shall not be subject to the Threshold Amount. In addition, each Seller shall be directly liable for all amounts required to be paid by such Seller under this Section 2.2 and such amounts shall not be paid from, nor subject to the limits of, the Indemnity Fund.

(b) Each such Seller individually, and not jointly, will indemnify the Buyer and hold it harmless with respect to Indemnifiable Damages required to be paid by such

Seller under this Section 2.2. Upon the occurrence of an event to which an individual Seller's indemnity obligation under this Section 2.2 applies, the Buyer shall seek indemnification with respect to such Seller's liability for such event only from such Seller and not from any other Seller(s).

2.3 Indemnification by the Buyer. From and after the Closing, the Buyer shall indemnify the Sellers and the InterLink Sellers against and hold them harmless from any and all Indemnifiable Damages which any of the Sellers or the InterLink Sellers may suffer or incur by reason of (i) the Buyer's breach of any of the Buyer's representations and warranties contained in the RAP Purchase and Sale Agreement or any document, certificate, or agreement delivered by the Buyer pursuant thereto; (ii) the Buyer's breach of any of the Buyer's covenants or agreements contained in this Agreement or the RAP Purchase and Sale Agreement or any document, certificate, or agreement delivered by the Buyer pursuant thereto; or (iii) any liability for claims made by third parties against any of the Sellers or the InterLink Sellers arising out of the operation of the Systems by the Buyer after the Closing Date. Without limiting the generality of the foregoing, with respect to the measurement of Indemnifiable Damages, the Sellers and the InterLink Sellers shall have the right to be put in the same financial position as they would have been in had the Buyer not breached the respective representation, warranty, covenant, or agreement. The foregoing obligation of the Buyer to indemnify the Sellers and the InterLink Sellers shall be subject to and limited by the qualification that each of the representations and warranties made by the Buyer in the RAP Purchase and Sale Agreement or pursuant thereto shall survive for a period of one (1) year from and after the Closing Date, unless a claim shall have been commenced prior to such time in which case the applicable representations and warranties shall survive with respect to such claim until such claim has been resolved, and thereafter all such representations and warranties shall be extinguished, and no action for the enforcement of the foregoing obligation may be commenced with respect to any claim made more than one year following the Closing Date.

2.4 Effect of Materiality Qualifiers. For purposes of this Section 3, the determination of whether any breach of any representation or warranty in Articles IV, V, and VI of the RAP Purchase and Sale Agreement has occurred, as well as the determination of the Indemnifiable Damages therefrom, shall be made without regard to any materiality or Material Adverse Effect qualifiers therein.

2.5 Notice and Right to Defend Third Party Claims. Promptly upon receipt of notice of any claim, demand, or assessment made by any Third Party or the commencement of any suit, action, or proceeding brought by any Third Party in respect of which indemnity may be sought under any provision of Section 3 of this Agreement, the party seeking indemnification (the "Indemnitee") will give written notice thereof to the party from whom indemnification is sought (the "Indemnitor") promptly and in any event within sufficient time to enable the Indemnitor to respond to such claim, demand, or assessment or answer or otherwise plead in such suit, action, or proceeding. The failure or omission of such Indemnitee to so notify promptly the Indemnitor of any such Third Party claim, demand, assessment, suit, action, or proceeding shall not relieve such Indemnitor from any liability which it may have to such Indemnitee in connection therewith, except to the extent that the Indemnitor shall have been actually prejudiced thereby. In case any Third Party claim, demand, or assessment shall be asserted or Third Party suit, action, or proceeding commenced against an Indemnitee, and such Indemnitee shall notify the Indemnitor of the commencement thereof, the Indemnitor shall be entitled to participate therein, and, to the extent that it may wish, to assume the defense, conduct, or settlement thereof, with counsel reasonably satisfactory to the Indemnitee by providing the Indemnitee with written notice within 10 business days after the Indemnitor's receipt of the Indemnitee's notice of the claim, demand, assessment, suit, action, or proceeding. After notice from the Indemnitor to the Indemnitee of its election so to assume the defense, conduct, or settlement thereof within such 10 business day period, the Indemnitor will not be liable to the Indemnitee for any legal or other expenses subsequently incurred by the Indemnitee in connection with the defense, conduct, or settlement thereof. The Indemnitee, at Indemnitor's cost and expense, will cooperate with the Indemnitor in connection with any such claim, and make personnel, books and records relevant to the claim available to the Indemnitor. Neither party shall settle such claim, demand, assessment, suit, action, or proceeding without the consent of the other party, which shall not be unreasonably withheld provided that in no event shall either party be obligated to consent to any settlement which (i) arises from or is part of any criminal action, suit, or proceeding, (ii) contains a stipulation to, confession of judgment with respect to, or admission or acknowledgment of, any liability or wrongdoing on the part of such party, (iii) provides for injunctive relief, or other relief or finding other than money damages, which is binding on such party, or (iv) does not contain an unconditional release of such party.

2.6 Exclusive Remedy. From and after the Closing Date, the sole and exclusive remedy of any party hereto for any claim arising under this Agreement or the RAP Purchase and Sale Agreement (or any certificate, document, or agreement delivered pursuant thereto) against any other party shall be the indemnification rights provided in this Section 2, provided that nothing herein shall relieve any party from any liability for actual fraud. Notwithstanding anything to the contrary in Sections 2.1 and 2.2 hereof, no Seller or InterLink Seller shall be liable to the Buyer for Indemnifiable Damages in excess of the pro rata portion, based upon the percentages set forth on the Purchase Price Allocation Schedule, of the Purchase Price received by such Seller or such InterLink Seller (as the case may be).

3. Miscellaneous. The following miscellaneous provisions shall apply to this Agreement:

3.1 Assignment. Neither this Agreement, nor any right hereunder, may be assigned by any of the parties hereto, except that at any time, the Buyer may (upon at least seven (7) days prior written notice to the Company) at any time prior to the first filing of Forms 394 with any of the Company Group's franchisors assign all of its rights hereunder to an entity owned and controlled by Paul G. Allen, provided, that, notwithstanding any such assignment, the Buyer shall (with such entity) be and remain liable to the Sellers and the InterLink Sellers for the performance and fulfillment of all of the Buyer's covenants, duties, and obligations hereunder.

3.2 Successors. This Agreement shall be binding upon and inure to the benefit of the Buyer and its heirs, successors or permitted assigns, and the Sellers and the InterLink Sellers and their respective heirs, successors, or permitted assigns, subject in all respects to Section 3.1 hereof.

3.3 Entire Agreement. This Agreement and the RAP Purchase and Sale Agreement (including the schedules and exhibits thereto) constitute the entire agreement of the parties with respect to the subject matter hereof, and supersede all prior documents, agreements (including, without limitation, that certain letter of intent between the Sellers and the Buyer, dated February 8, 1999, and that certain letter of intent between InterLink and the Buyer, dated February 8, 1999), promises, covenants, arrangements, communications, representations or warranties, whether oral or written, with respect to the subject matter hereof by or on behalf of any party hereto or any officer, employee, representative, or agent of any party hereto.

3.4 Third Parties. Except as specifically set forth or referred to herein, nothing herein expressed or implied is intended or shall be construed to confer upon or give to any Person, other than the parties hereto and their permitted successors or assigns, any rights or remedies under or by reason of this Agreement.

3.5 Seller and InterLink Sellers Liability Several and not Joint. Buyer acknowledges and agrees that the obligations of the Sellers and the InterLink Sellers under this Agreement are several and not joint. Wherever this Agreement refers to the several liability of the Sellers or a Seller's "pro rata portion" of any amount, such liability or portion shall be determined based on the respective percentage interest of such Seller set forth on the Purchase Price Allocation Schedule. Wherever this Agreement refers to the several liability of the InterLink Sellers or an InterLink Seller's "pro rata portion" of any amount, such liability or portion shall be determined based on the respective percentage interest of such InterLink Sellerset forth in the Purchase Price Allocation Schedule.

3.6 Amendments in Writing. The terms of this Agreement may not be amended, modified, or waived except by written agreement among the Buyer and the Sellers and the InterLink Sellers whose percentages set forth in the Purchase Price Allocation Schedule aggregate at least 66-2/3%. The failure of any party to enforce any right arising under this Agreement on one or more occasions will not operate as a waiver of that or any other right on that or any other occasion.

3.7 Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of New York, without regard to the conflicts of laws provisions thereof.

3.8 Interpretation. The headings used in this Agreement are inserted for convenience of reference only and shall not constitute a part hereof or affect in any way the meaning or interpretation of this Agreement. Each of the parties hereto acknowledges that it has actively participated in the preparation, drafting, and review of this Agreement, and each party hereby waives any claim that this Agreement or any provision hereof is to be construed against the other party hereto as the draftsperson thereof.

3.9 Notices. All notices hereunder shall be in writing and shall be deemed to have been delivered on the date of the first attempted delivery by (a) the United States Postal Service, unless otherwise provided herein, to the respective party if mailed by certified mail, return receipt requested, or (b) a reputable overnight delivery service, to the respective party at its address set forth below or such other address as either party may designate to the other by written notice in accordance herewith:

If to the Sellers or the InterLink Sellers:

R&A Management, LLC
360 South Monroe Street, Suite 600
Denver, Colorado 80209
Attention: Kevin B. Allen

S. Gerard Benford
Veronis, Suhler & Associates
350 Park Avenue
New York, New York 10022

David H. Morse
Hampshire Equity Partners
520 Madison Avenue, 33rd Floor
New York, New York 10022

Daniel M. Gill
Willis Stein & Partners
227 West Monroe Street, Suite 4300
Chicago, Illinois 60606

Dhananjay Pai
PaineWebber Capital Inc.
1285 Avenue of the Americas, 14th Floor
New York, New York 10019

Monroe M. Rifkin
360 South Monroe Street, Suite 600
Denver, Colorado 80209

With a complete copy under separate cover (which copy by itself shall not constitute notice) to:

Stuart G. Rifkin, Esq.
Baker & Hostetler LLP
303 East 17th Avenue, Suite 1100
Denver, Colorado 80203-1264

If to the Buyer:

Charter Communications, Inc.
12444 Powerscourt Drive
St. Louis, Missouri 63131
Attention: Jerald L. Kent, President
Telecopy: (314) 965-8793

With a complete copy under separate cover (which copy by itself shall not constitute notice) to:

Curtis S. Shaw, Esq.
Senior Vice President & General Counsel
Charter Communications
12444 Powerscourt Drive
St. Louis, Missouri 63131

and to:

Irell & Manella LLP
1800 Avenue of the Stars
Suite 900
Los Angeles, California 90067
Attention: Alvin G. Segel, Esq.
Telecopy: (310) 203-7199

3.10 Severability. Any provision hereof which is prohibited or unenforceable shall be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof.

3.11 Counterparts. This Agreement may be executed in one or more counterparts, and by the parties hereto in separate counterparts, each executed copy of which shall constitute an original and all of which together shall constitute one agreement.

IN WITNESS WHEREOF, the parties hereunto have duly executed this Agreement.

BUYER:

CHARTER COMMUNICATIONS, INC.

By: ------------------------
Name: Curtis S. Shaw
Title: Senior Vice President

SELLERS:

RIFKIN ACQUISITION MANAGEMENT, L.P.,

By: RT INVESTMENTS CORP., its General Partner

By: ___________________________________

Name: _________________________________

Title: ________________________________

VS&A COMMUNICATIONS PARTNERS II, L.P.

By: VS&A EQUITIES II, L.P. its General Partner

By: ___________________________________
Jeffrey T. Stevenson,
a General Partner

VS&A-RAP, INC.

By: ___________________________________
Jeffrey T. Stevenson,
President

GREENWICH STREET (RAP) PARTNERS I, L.P.

By: GSP RAP (GP) ACQUISITION, LLC, its General Partner

By: INTERLINK COMMUNICATIONS PARTNERS, LLLP, its Sole Member

By: Rifkin, Co., its General Partner

By: ___________________________________
Kevin B. Allen, Vice President

IEP HOLDINGS I LLC

By: HAMPSHIRE EQUITY PARTNERS, L.P. I

By: LEXINGTON PARTNERS, L.P.,
its General Partner

By: LEXINGTON PARTNERS, INC., its General
Partner

By:

David H. Morse, Vice President

PAINEWEBBER CAPITAL INC.

By:

Dhananjay Pai, President

PW PARTNERS 1995, L.P.

By: Painewebber Partners II, Inc.
its General Partner

By:

Dhananjay Pai, Vice President

RIFKIN CHILDREN'S TRUST

By:

Monroe M. Rifkin, Trustee

RIFKIN CHILDREN TRUST-II

By:

Monroe M. Rifkin, Trustee

RIFKIN CHILDREN'S TRUST III

By: /s/ Monroe M. Rifkin

Monroe M. Rifkin, Trustee

360 GROUP, INC.

By: /s/ Dale D. Wapner

Dale D. Wagner, Treasurer

RIFKIN FAMILY INVESTMENT COMPANY, L.L.L.P.

By: its General Partners

/s/ Monroe M. Rifkin

Monroe M. Rifkin, General Partner

/s/ Stuart G. Rifkin

Stuart G. Rifkin, General Partner

/s/ Bruce A. Rifkin

Bruce A. Rifkin, General Partner

/s/ Ruth R. Bennis

Ruth R. Bennis, General Partner

/s/ Charles R. Morris

CHARLES R. MORRIS, III

/s/ Jeffrey D. Bennis

JEFFREY D. BENNIS

/s/ Stephen E. Hattrup

STEPHEN E. HATTRUP

/s/ Dale D. Wagner

DALE D. WAGNER

INTERLINK PARTNERS:

RIFKIN, CO.

By: /s/ Kevin B. Allen

Name: Kevin B. Allen
Title: Vice President

HAMPSHIRE MEDIA PARTNERS II, L.P.

By: LEXINGTON MEDIA PARTNERS II, L.P., its General Partner

By: LEXINGTON EQUITY PARTNERS II, INC., its General Partner

By: /s/ David Morse

Name: David Morse
Title: Vice President

HAMPSHIRE EQUITY PARTNERS CAYMAN D.B. II, L.P.

By: LEXINGTON EQUITY PARTNERS CAYMAN II D.B., L.P., its General Partner

By: LEXINGTON EQUITY PARTNERS II, INC., its General Partner

By: /s/ David Morse

Name: David Morse
Title: Vice President

HAMPSHIRE EQUITY PARTNERS CAYMAN II, L.P.

By: LEXINGTON EQUITY PARTNERS CAYMAN II, L.P., its General Partner

By: LEXINGTON EQUITY PARTNERS II, INC., its General Partner

By: /s/ David Morse

Name: David Morse
Title: Vice President

LEXINGTON MEDIA PARTNERS II, L.L.C.

By: LEXINGTON MEDIA PARTNERS II, L.P., its Manager

By: LEXINGTON EQUITY PARTNERS II, INC., its General Partner

By: /s/ David Morse

Name: David Morse
Title: Vice President

THE PERMANENT UNIVERSITY FUND OF THE STATE OF TEXAS

By: UNIVERSITY OF TEXAS INVESTMENT MANAGEMENT COMPANY, its Investment Manager

By: /s/ Austin M. Long, III

Name: Austin M. Long, III
Title: Managing Director Private Markets

THE BOARD OF REGENTS OF THE UNIVERSITY
OF TEXAS SYSTEM

By: UNIVERSITY OF TEXAS INVESTMENT
MANAGEMENT COMPANY,
its Investment Manager

By: /s/Austin M. Long III

Name: Austin M. Long III

Title: Managing Director
Private Markets

WILLIS STEIN & PARTNERS II, L.P.

By: WILLIS STEIN & PARTNERS
MANAGEMENT II, L.P., its General
Partner

By: WILLIS STEIN & PARTNERS MANAGEMENT
II, LLC, its General Partner

By:/s/Daniel M. Gill

Name: Daniel M. Gill

Title: Managing Director

WILLIS STEIN & PARTNERS DUTCH, L.P.

By: WILLIS STEIN & PARTNERS
MANAGEMENT II, L.P., its General
Partner

By: WILLIS STEIN & PARTNERS MANAGEMENT
II, LLC, its General Partner

By:/s/Daniel M. Gill

Name: Daniel M. Gill

Title: Managing Director

INTERLINK INVESTMENT CORP.

By:/s/Kevin B. Allen

Name: Kevin B. Allen
Title: Vice President

INTERLINK INVESTMENT II, LLC

By:/s/ Kevin B. Allen

Name: Kevin B. Allen
Title: Manager

RIFKIN & ASSOCIATES, INC.

By:/s/ Monroe M. Rifkin

Name: Monroe M. Rifkin
Title: Chairman of the Board

RIFKIN FAMILY INVESTMENT COMPANY, L.L.L.P.

By: its General Partners

/s/ Monroe M. Rifkin

Monroe M. Rifkin, General Partner

/s/ Stuart G. Rifkin

Stuart G. Rifkin, General Partner

/s/ Bruce A. Rifkin

Bruce A. Rifkin, General Partner

/s/ Ruth R. Bennis

Ruth R. Bennis, General Partner

MORRIS CHILDREN TRUST

By:/s/ Charles R. Morris, III

Charles R. Morris, III, Trustee

CRM II LIMITED PARTNERSHIP, LLLP

By: /s/ Charles R. Morris III

Name: Charles R. Morris III
Title: GP

NAS PARTNERS I L.L.C.

By: /s/ John G. Quigley

Name: John G. Quigley
Title: Member

NASSAU CAPITAL PARTNERS II, L.P.

By: NASSAU CAPITAL, LLC
its General Partner

By: /s/ John G. Quigley

Name: John G. Quigley
Title: Member

FIRST UNION INVESTORS, INC.

By: /s/ Scott B. Perper

Name: Scott B. Perper
Title: Senior Vice President

NORWEST EQUITY CAPITAL, LLC

By: ITASCA NEC, LLC, its Member

By: /s/ John P. Whaley

Name: John P. Whaley
Title: Managing Administrative Member

DLJ FUND INVESTMENT PARTNERS II, L.P.

By: DLJ LBO PLANS MANAGEMENT CORPORATION,
its General Partner

By: /s/ Ivy Dodes

Name: Ivy Dodes
Title: Vice President

DLJ PRIVATE EQUITY EMPLOYEES FUND, L.P.

By: DLJ LBO PLANS MANAGEMENT CORPORATION,
its General Partner

By: /s/ Ivy Dodes

Name: Ivy Dodes
Title: Vice President

DLJ PRIVATE EQUITY PARTNERS FUND, L.P.

By: WSW CAPITAL INC., its General Partner

By: /s/ Ivy Dodes

Name: Ivy Dodes
Title: Vice President

DLJ CAPITAL CORPORATION

By: /s/ Ivy Dodes

Name: Ivy Dodes
Title: Vice President

DLJ CAPITAL PARTNERS I, LLC

By: DLJ LBO PLANS MANAGEMENT CORPORATION,
its Managing Member

By: /s/ Ivy Dodes

Name: Ivy Dodes
Title: Vice President

CIP INTERLINK L.L.C.

By: CO-INVESTMENT PARTNERS, L.P., its
Member

By: CIP PARTNERS LLC, its General Partner

By: /s/ Walter M. Cain

Name: Walter M. Cain
Title: Individual Managing Member

PROCIFIC INTERLINK CORPORATION

By: /s/ Hamza Amiri

Name: Hamza Amiri
Title: Director

INDIANA CABLEVISION MANAGEMENT CORP.

By: /s/ Monroe M. Rifkin

Monroe M. Rifkin, President

/s/ Monroe M. Rifkin

MONROE M. RIFKIN

/s/ Kevin B. Allen

KEVIN B. ALLEN

/s/ Jeffrey D. Bennis

JEFFREY D. BENNIS

/s/ Stephen E. Hattrup

STEPHEN E. HATTRUP

/s/ Bruce A. Rifkin

BRUCE A. RIFKIN

/s/ Peter N. Smith

PETER N. SMITH

/s/ Dale D. Wagner

DALE D. WAGNER

/s/ Stuart G. Rifkin

STUART G. RIFKIN

/s/ Paul A. Bambei

PAUL A. BAMBEI

/s/ Lucille A. Maun

LUCILLE A. MAUN

/s/ Ruth R. Bennis

RUTH R. BENNIS

Exhibit 2.7(d)

CHARTER COMMUNICATIONS, INC.
12444 POWERSCOURT DRIVE
ST. LOUIS, MISSOURI 63131

June 30, 1999

R&A Management LLC
360 South Monroe Street, Suite 600
Denver, Colorado 80209
Attention: Kevin B. Allen

Re: Purchase and Sale Agreement dated April 26, 1999 among InterLink Communications Partners, LLLP, Charter Communications, Inc. and the Sellers listed on the signature pages thereto.

Gentlemen:

This is to confirm our prior understanding regarding the assignment by Charter Communications, Inc. ("CCI") of its rights and obligations under the above-referenced Purchase and Sale Agreement (the "Agreement") to Charter Communications Operating, LLC ("CCO"), an indirect subsidiary of CCI controlled by Paul G. Allen. Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Agreement.

Pursuant to Section 13.5 of the Agreement, CCI, as the Buyer, hereby assigns the Agreement, and all of its rights and obligations thereunder, to CCO; provided, however, that CCI shall (with CCO) be and remain liable to Sellers for the performance and fulfillment of the covenants, duties and obligations of the Buyer under the Agreement. CCO, by its acknowledgement below, accepts the aforementioned assignment and agrees to perform all of the obligations of Buyer under the Agreement.

Please confirm your acknowledgement of this assignment as Sellers Representative in the space provided below and return a copy of the acknowledged letter to CCI.

Sincerely,

CHARTER COMMUNICATIONS, INC.

By: ______________________________
Name: Curtis S. Shaw
Title: Senior Vice President

ACCEPTED AND AGREED:

CHARTER COMMUNICATIONS OPERATING, LLC

By: ____
Name: Curtis S. Shaw
Title:

R&A MANAGEMENT, LLC (on behalf of Sellers and Interlink Partners):

By: Rifkin & Associates, Inc., its Manager

By: ____
Kevin B. Allen, Chief Executive Officer

INTERLINK COMMUNICATIONS PARTNERS, LLLP

By: Rifkin & Associates, Inc., its Manager

By: ____
Kevin B. Allen, Vice President

cc: Stuart G. Rifkin, Esq.
Kevin Finch, Esq.

Exhibit 2.7(e)

CHARTER COMMUNICATIONS, INC.
12444 POWERSCOURT DRIVE
ST. LOUIS, MISSOURI 63131

June 30, 1999

R&A Management LLC
360 South Monroe Street, Suite 600
Denver, Colorado 80209
Attention: Kevin B. Allen

Re: Purchase and Sale Agreement dated April 26, 1999 among Rifkin Acquisition Partners, L.L.L.P., Charter Communications, Inc. and the Sellers listed on the signature pages thereto.

Gentlemen:

This is to confirm our prior understanding regarding the assignment by Charter Communications, Inc. ("CCI") of its rights and obligations under the above-referenced Purchase and Sale Agreement (the "Agreement") to Charter Communications Operating, LLC ("CCO"), an indirect subsidiary of CCI controlled by Paul G. Allen. Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Agreement.

Pursuant to Section 13.5 of the Agreement, CCI, as the Buyer, hereby assigns the Agreement, and all of its rights and obligations thereunder, to CCO; provided, however, that CCI shall (with CCO) be and remain liable to Sellers for the performance and fulfillment of the covenants, duties and obligations of the Buyer under the Agreement. CCO, by its acknowledgement below, accepts the aforementioned assignment and agrees to perform all of the obligations of Buyer under the Agreement.

Please confirm your acknowledgement of this assignment as Sellers Representative in the space provided below and return a copy of the acknowledged letter to CCI.

Sincerely,

CHARTER COMMUNICATIONS, INC.

By: ______________________________
Name: Curtis S. Shaw
Title: Senior Vice President

ACCEPTED AND AGREED:

CHARTER COMMUNICATIONS OPERATING, LLC

By: ______________________________
Name: Curtis S. Shaw
Title:

R&A MANAGEMENT, LLC (on behalf of Sellers):

By: Rifkin & Associates, Inc., its Manager

By: ______________________________
Kevin B. Allen, Chief Executive Officer

RIFKIN ACQUISITION PARTNERS, L.L.L.P.

By: Rifkin Acquisition Management, L.P., its General Partner

By: RT Investments Corp., its General Partner

By: ______________________________
Kevin B. Allen, Vice President

cc: Stuart G. Rifkin, Esq.
Kevin Finch, Esq.

Exhibit 2.7(f)

Charter Communications, Inc.
12444 Powerscourt Drive
St. Louis, Missouri 63131

June 30, 1999

R&A Management, LLC
360 South Monroe Street, Suite 600
Denver, Colorado 80209
Attention: Kevin B. Allen

Re: RAP Indemnity Agreement dated April 26, 1999 among InterLink Communications Partners, LLP, Charter Communications, Inc., and the Sellers and InterLink Partners listed on the signature pages thereto.

Gentlemen:

This is to confirm our prior understanding regarding the assignment by Charter Communications, Inc. ("CCI") of its rights and obligations under the above-referenced RAP Indemnity Agreement (the "Agreement") to Charter Communications Operating, LLC ("CCO"), an indirect subsidiary of CCI controlled by Paul G. Allen. Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Agreement.

Pursuant to Section 3.1 of the Agreement, CCI, as the Buyer, hereby assigns the Agreement, and all of its rights and obligations thereunder, to CCO; provided, however, that CCI shall (with CCO) be and remain liable to Sellers for the performance and fulfillment of the covenants, duties and obligations of the Buyer under the Agreement. CCO, by its acknowledgment below, accepts the aforementioned assignment and agrees to perform all of the obligations of Buyer under the Agreement.

Pleas confirm your acknowledgment of this assignment as Sellers Representative in the space provided below and return a copy of the acknowledged letter to CCI.

Sincerely,

CHARTER COMMUNICATIONS, INC.

By: ______________________________
Name: Curtis S. Shaw
Title: Senior Vice President

ACCEPTED AND AGREED:

CHARTER COMMUNICATIONS OPERATING, LLC

By: ______________________________
Name: Curtis S. Shaw
Title:

R&A MANAGEMENT, LLC (on behalf of Sellers and InterLink Partners):

By: Rifkin & Associates, Inc., its Manager

By: _________________________________
Kevin B. Allen, Chief Executive Officer

INTERLINK COMMUNICATIONS PARTNERS, LLP

By: Rifkin, Co., its General Partner

By: _________________________________
Kevin B. Allen, Vice President

cc: Stuart G. Rifkin, Esq.
Kevin Finch, Esq.

EXHIBIT 5.1

July 22, 1999

Charter Communications Holdings, LLC
Charter Communications Holdings Capital Corporation
12444 Powerscourt Drive
Suite 100
St. Louis, Missouri 63131

Re: Charter Communications Holdings, LLC
Charter Communications Holdings Capital Corporation
Registration Statement on Form S-4

Ladies and Gentlemen:

This opinion is delivered in our capacity as counsel to Charter Communications Holdings, LLC, a Delaware limited liability company, and Charter Communications Holdings Capital Corporation, a Delaware corporation (together, the "Issuers"), in connection with the Issuers' registration statement on Form S-4 (the "Registration Statement") filed with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Securities Act"). The Registration Statement relates to the offering by the Issuers of 8.250% Senior Notes due 2007, 8.625% Senior Notes due 2009 and 9.920% Senior Discount Notes due 2011 (collectively, the "Notes")

In connection with this opinion, we have examined copies or originals of such documents, resolutions, certificates and instruments of the Issuers as we have deemed necessary to form a basis for the opinion hereinafter expressed. In addition, we have reviewed certificates of public officials, statutes, records and other instruments and documents as we have deemed necessary to form a basis for the opinion hereinafter expressed. In our examination of the foregoing, we have assumed, without independent investigation, (i) the genuineness of all signatures and the authority of all persons or entities signing all documents examined by us, and (ii) the authenticity of all documents submitted to us as originals and the conformity to authentic original documents of all copies submitted to us as certified, conformed or photostatic copies.

With regard to certain factual matters, we have relied, without independent investigation or verification, upon statements and representations of representatives of the Issuers.

Based upon and subject to the foregoing, we are of the opinion that, as of the date hereof, when the Notes have been duly authenticated by Harris Trust and Savings Bank in its capacity as Trustee, and duly executed and delivered on behalf of the Issuers against payment therefor as contemplated by the registration statement, the Notes will be legally issued and will constitute binding obligations of the Issuers, subject to applicable bankruptcy, insolvency, reorganization, fraudulent conveyance and transfer, moratorium or other laws now or hereafter in effect relating to or affecting the rights or remedies of creditors generally and by general principles of equity (whether applied in a proceeding at law or in equity) including, without limitation, standards of materiality, good faith and reasonableness in the interpretation and enforcement of contracts, and the application of such principles to limit the availability of equitable remedies such as specific performance.

We hereby consent to being named as counsel to the Issuers in the Registration Statement, to the references therein to our firm under the caption "Legal Matters," and to the inclusion of this opinion as an exhibit to the Registration Statement. In giving this consent, we do not thereby admit that we are within the category of persons whose consent is required under Section 7 of the Securities Act, or the rules and regulations of the Commission thereunder.

Very truly yours,

/s/ Paul, Hastings, Janofsky & Walker LLP

[LETTERHEAD OF PAUL, HASTINGS, JANOFKSY & WALKER LLP]

July 22, 1999

Charter Communications Holdings, LLC
Charter Communications Holdings Capital Corporation
12444 Powerscourt Drive
Suite 100
St Louis, Missouri 63131

Re: Charter Communications Holdings, LLC
Charter Communications Holdings Capital Corporation
Registration Statement on Form S-4

Ladies and Gentlemen:

Reference is made to the registration statement on Form S-4 (the "Registration Statement") to be filed by Charter Communications Holdings, LLC, a Delaware limited liability company, and Charter Communications Holdings Capital Corporation, a Delaware corporation (together, the "Issuers"), with the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended. The Registration Statement relates to the offer to exchange (the "Exchange Offer") by the Issuers the 8.250% Senior Notes due 2007, 8.625% Senior Notes due 2009 and 9.920% Senior Discount Notes due 2011 (collectively, the "New Notes") for any and all outstanding 8.250% Senior Notes due 2007, 8.625% Senior Notes due 2009 and 9.920% Senior Discount Notes due in 2011 of the Issuers (collectively, the "Original Notes"). Capitalized terms used herein and that are not separately defined shall have the meanings assigned to them in the Registration Statement.

Based upon and subject to the foregoing, and consideration of applicable law, we are of the opinion that the statements set forth under the caption "Material United States Federal Income Tax Considerations" in the Registration Statement, subject to the limitations described therein, are the material United States federal income tax consequences of the Exchange Offer relevant to the U.S. holders, and the ownership and disposition of the New Notes relevant to the U.S. holders and, in certain circumstances, non-U.S. holders. Our opinion is based on United States federal income tax laws, Treasury regulations, Internal Revenue Service rulings, official pronouncements and judicial decisions, all as in effect on the date hereof and all of which are subject to change, possibly with retroactive effect, or different interpretations, and we do not undertake to update or supplement this letter to reflect any such changes.

No opinion is expressed on any matters other than those specifically referred to herein. The opinion expressed herein is for your benefit and for the benefit of the holders of the New Notes and may not be relied upon in any manner or for any purpose by any other person.

We hereby consent to being named as counsel to the Issuers in the Registration Statement, to the references therein to our firm under the caption "Material United States Federal Income Tax Considerations," and to the inclusion of this opinion as an exhibit to the Registration Statement. In giving this consent, we do not thereby admit that we are within the category of persons whose consent is required under Section 7 of the Securities Act, or the rules and regulations of the Commission thereunder.

Very truly yours,

/s/ Paul, Hastings, Janofsky & Walker LLP

PAUL, HASTINGS, JANOFKSY & WALKER LLP

Exhibit 10.2

AMENDED AND RESTATED
MANAGEMENT AGREEMENT

THIS AMENDED AND RESTATED MANAGEMENT AGREEMENT (this "Agreement") is made as of the 17th day of March, 1999, by and between Charter Communications Operating, LLC, a Delaware limited liability company (the "Company"), and Charter Communications, Inc., a Delaware corporation (the "Manager"):

A. The Company desires to retain the Manager to manage and operate the cable television systems owned by Company and its subsidiaries on the date hereof and any cable television systems subsequently acquired by the Company and its subsidiaries (the "Cable Systems").

B. The Manager has agreed to manage and operate the Cable Systems, all upon the terms and conditions hereinafter set forth.

C. This Agreement amends and restates in its entirety the Management Agreement dated as of February 23, 1999 between the parties hereto.

In consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. Retention of the Manager. The Company hereby appoints the Manager as a manager for the Cable Systems, and the Manager hereby agrees to serve the Company as a manager for the Cable Systems, pursuant to the terms and conditions hereinafter set forth.

2. Authority and Duties of the Manager.

(a) The Company agrees to seek the advice of the Manager regarding the business, properties and activities of the Cable Systems during the term hereof, and subject to the direction, control and general supervision of the Company, the Manager agrees to provide such advice. The Manager shall give such advice in a businesslike, efficient, lawful and professional manner in accordance with this Agreement.

(b) Without limiting the generality of the foregoing, the Manager shall provide all managing services with respect to the operation of the Cable Systems, including, but not limited to the following:

(i) advice concerning the hiring, termination, performance and training of personnel;

(ii) review, consultation and advice concerning personnel, operations, engineering and other management and operating policies and procedures;

(iii) review, consultation and advice concerning maintenance standards for plant and equipment of the Cable Systems, advice as to the Cable Systems' normal repairs, replacements, maintenance and plant upgrades, and provide for periodic inspections;

(iv) recommendations on all necessary action to keep the operation of the Cable Systems in compliance, in all material respects, with the conditions of the Company's franchises and all applicable rules, regulations and orders of any federal, state, county or municipal authority having jurisdiction over the Cable Systems;

(v) assistance in the negotiation, on behalf of the Company, of operating agreements (including, but not limited to, pole attachment agreements, office and headend leases, easements and right-of-way agreements), contracts for the purchase, lease, license or use of properties, equipment and rights as may be necessary or desirable in connection with the operation or maintenance of the Cable Systems and such other agreements on behalf of the Company as are necessary or advisable for the furnishing of program services for the Cable Systems;

(vi) development of recommendations for, and negotiate the acquisition and maintenance of, such insurance coverage with respect to the Cable Systems as the Company may determine upon advice and consultation of the Manager;

(vii) guidance on all marketing, sales promotions and advertising for the Cable Systems;

(viii)assistance in the financial budgeting process and the implementation of appropriate accounting, financial, administrative and managerial controls for the Cable Systems;

(ix) preparation for use by the Company of financial reports and maintenance of books of accounts and other records reflecting the results of operation of each Cable System and/or subsidiary; and

(x) advice and consultation with the Company in connection with any and all aspects of the Cable Systems and the day to day operation thereof and consultation with the Company with respect to the selection of attorneys, consultants and accountants.

3. Management Fee; Expenses.

(a) All expenses, costs, losses, liabilities or damages incurred with respect to the ownership or operation of the Cable Systems, including, without limitation, wages, salaries and other labor costs incurred in the construction, maintenance, expansion or operation of the Cable Systems, or personnel working on special projects or services for the Company, will be paid by the Company and, to the extent that the Manager pays or incurs any obligation for any such expenses, costs, losses, liabilities or damages, the Company, subject to the limitations set forth in Section 5, will pay or reimburse the Manager therefor, as well as for any reasonable out-of-pocket expenses incurred by the Manager in the performance of its obligations under this Agreement. Subject to the payment priority provisions of this Section 3, the Company agrees to pay the Manager, in addition to any reimbursement of expenses, and the Manager shall be entitled to receive, as the Manager's compensation for the services to be rendered hereunder, a yearly management fee (the "Management Fee") equal to three and one-half percent (3.5%) of the Gross Revenue (as determined in accordance with generally accepted accounting principles) of the Company, payable quarterly in arrears. "Gross Revenue" will include all revenues from the operation of the Cable Systems including, without limitation, subscriber payments, advertising revenues and revenues from other services provided by the Cable Systems, but not including interest income or income from investments unrelated to the Cable Systems. Accrual of such Management Fee shall commence upon February 23, 1999. The fee payable pursuant to this paragraph for any quarter shall be reduced by the amount of any management fees with respect to Gross Revenue of a subsidiary of the Company and separately paid to the Manager for such quarter pursuant to a separate management agreement between the Manager and a subsidiary of the Company.

Notwithstanding the foregoing, the Management Fee due and payable as provided in this Section 3 shall be subordinated and junior in right of payment to the prior payment in full in cash of all of the Senior Debt (as defined below) and shall not be paid except to the extent allowed under the Credit Agreement (as defined below). In the event of any bankruptcy or similar proceeding relative to the Company (a "Reorganization"), then all of the Senior Debt shall first be paid in full in cash before any payment of the Management Fee is made, and in any Reorganization any amount payable in respect of the Management Fee shall be paid directly to the Funding Agent referred to below, unless all the Senior Debt has been paid in full in cash. The Manager hereby irrevocably authorizes the Funding Agent, as attorney-in-fact for the manager, to vote, file or prove any claim or proof of claim in any Reorganization in respect of the Management Fee and to demand, sue for, collect and receive any such payment. The Manager shall take any actions requested by the Funding Agent in order to accomplish any of the foregoing. If the Manager receives any payment hereunder in violation of the terms hereof or in connection with any Reorganization (prior to the payment in full in cash of the Senior Debt), the Manager shall hold such payment in trust for the benefit of the holders of the Senior Debt and forthwith pay it over to the Funding Agent. Amounts payable to the Manager in accordance with this Section 3 which remain unpaid by reason of the foregoing shall be accrued as a liability of the Company and shall be payable as soon as the conditions to payment are fulfilled. The deferred portion of the Management

Fees will bear interest at the rate of ten percent (10%) per annum, compounded annually, from the date otherwise due and payable until the payment thereof.

As used herein, (i) "Credit Agreement" means the Credit Agreement, dated as of March 18, 1999, among the Company, certain of its affiliates, the Lenders parties thereto and the Funding Agent, Documentation Agents, Syndication Agents and Administrative Agents named therein, as amended, restated, supplemented or otherwise modified from time to time, and (ii) "Senior Debt" means the principal amount of all loans and guarantee obligations from time to time outstanding or owing under the Credit Agreement and the other loan documents executed and delivered by the Company pursuant thereto, together with interest thereon (including any interest subsequent to any filing for Reorganization, whether or not such interest would constitute an allowed claim, calculated at the rate set forth for overdue loans in the Credit Agreement) and all other obligations of the Company under the Credit Agreement and such other loan documents.

(b) Notwithstanding any termination of this Agreement pursuant to Section 4, the Manager shall, subject to the limitations set forth above, remain entitled (i) to receive the fee set forth in Section 3(a) for the remaining portion of the calendar quarter in which such termination occurred (payable in the same manner and at the same time as if the Manager were entitled to receive such fee with respect to the entire quarter); and (ii) to receive payment of the deferred Management Fees at the time of such termination if, and to the extent that, payment thereof is otherwise permitted under Section 3(a).

4. Term of Agreement. The term of this Agreement shall be ten years, unless sooner terminated pursuant to the terms of this Agreement. This Agreement may be terminated as follows: (a) by the Company immediately upon written notice to the manager for Cause (as defined below) or (b) automatically on the consummation of the sale of all or substantially all of the Company's assets. For purposes hereof, "Cause" shall exist if the Manager has engaged in gross negligence or willful misconduct in the performance of its duties hereunder which could have a material adverse effect on the Company.

5. Liability. The Company shall bear any and all expenses, liabilities, losses or damages resulting from the operation of the Cable Systems, and the Manager, its partners, officers, directors and employees shall not, under any circumstances, be held liable therefor, except that the Manager shall be liable for any loss or damage which results from its own gross negligence or willful misconduct. Neither the Manager nor any of its partners, members, officers, directors and employees shall be held to have incurred any liability to the Company, the Cable Systems or any third party by virtue of any action not constituting gross negligence or willful misconduct taken in good faith by it in discharge of its duties hereunder, and the Company agrees to indemnify the manager and its shareholders, partners, directors, officers and employees and hold the Manager and its partners, directors, officers and employees harmless with respect to any and all claims that may be made against any of them in respect of the foregoing, including, but not limited to, reasonable attorneys' fees.

6. Notices. All notices, demands, requests or other communications which may be or are required to be given, served or sent by a party pursuant to this Agreement shall be in writing and shall be deemed given upon receipt if personally delivered (including by messenger or recognized delivery or courier service) or on the date of receipt on the return receipt if mailed by registered or certified mail, return receipt requested, postage prepaid, delivered or addressed as set forth below. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed receipt of the notice:

(a) If to the Company:

Charter Communications Operating, L.L.C.
12444 Powerscourt Drive, Suite 400
St. Louis, Missouri 63131
Attention: Jerald L. Kent

(b) If to the Manager:

Charter Communications, Inc.
12444 Powerscourt Drive, Suite 400
St. Louis, Missouri 63131
Attention: Jerald L. Kent

7. Governing Law. This Agreement and the rights and obligations of the parties hereunder and the persons subject hereto shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York, without giving effect to the choice of law principles thereof.

8. Miscellaneous. This Agreement shall be binding upon and inure to the benefit of and be enforceable by and against the parties hereto and their respective successors and assigns. This Agreement embodies the entire agreement and understanding among the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings relating to the subject matter hereof. The headings in this Agreement are for purposes of reference only and shall not limit or otherwise affect the meaning hereof. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument. This Agreement is not transferable or assignable by any of the parties hereto except as may be expressly provided herein. This Agreement may not be amended, supplemented or otherwise modified except in accordance with the Credit Agreement.

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

CHARTER COMMUNICATIONS OPERATING, LLC,
a Delaware limited liability company

By: /S/ Curtis S. Shaw

Name: Curtis S. Shaw
Title: Senior Vice President

CHARTER COMMUNICATIONS, INC.,
a Delaware corporation

By: /S/ Curtis S. Shaw

Name: Curtis S. Shaw
Title: Senior Vice President

Exhibit 10.3

CONSULTING AGREEMENT

CONSULTING AGREEMENT made and entered into as of this 10th day of March, 1999, by and between VULCAN NORTHWEST INC., a Washington corporation ("Vulcan"), and CHARTER COMMUNICATIONS, INC., a Delaware corporation ("Charter"), Charter Communications Holdings, LLC ("Holdings"). Holdings and its present and future subsidiaries and affiliates are referred to herein collectively as the "Companies."

RECITALS

A. Vulcan and Charter have certain knowledge and experience in evaluating, negotiating and implementing Acquisitions (as herein defined).

B. The Companies desire to avail themselves of Vulcan's and Charter's expertise for the benefit of the Companies on the terms and conditions set forth herein.

C. Vulcan and Charter are willing to render services to the Companies in connection with Acquisitions on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Retention of Vulcan and Charter

a. Subject to the terms and conditions of this Agreement, the Companies hereby retain Vulcan and Charter, and Vulcan and Charter hereby agree to render services to the Companies, as consultants in respect of all Acquisitions made by any of the Companies.

b. Vulcan and Charter shall at all times be and conduct themselves as independent contractors in respect of the Companies, and shall not, under any circumstances, create or purport to create any obligation on behalf of the Companies.

2. Duties of Vulcan and Charter. Vulcan and Charter shall provide advisory, financial and other consulting services with respect to acquisitions of the business, assets or stock (whether by merger or otherwise) of other companies by any of the Companies ("Acquisitions"). Such services for the Companies, shall include participation in the evaluation, negotiation and implementation of Acquisitions as requested by the Companies.

3. Fees. As consideration for Vulcan's and Charter's services hereunder, the Companies shall pay to them with respect to each Acquisition made by any of the Companies during the term hereof a fee equal to one percent (1%) of the aggregate enterprise value of each such Acquisition, payable in cash at the closing of each such Acquisition (or, if payable with respect to any contingent portion of the aggregate consideration, payable when such contingent payment is made). For purposes of determining the enterprise value of an Acquisition, such value shall be deemed to include all cash paid together with the value of any non-cash consideration (including securities and the value of any assets exchanged for assets being acquired) and the amount of any indebtedness and other liabilities assumed, by operation of law or otherwise, in connection with the Acquisition. Vulcan and Charter shall determine the allocation of all fees as between them and the Companies shall have no obligation or right to participate in such determination.

4. Expenses. All reasonable out-of-pocket expenses incurred by Vulcan and Charter in connection with its services hereunder shall be borne by the Companies or reimbursed to Vulcan and Charter.

5. Duration. This Agreement shall become effective as of the date hereof and shall continue in effect until December 31, 2000, but this agreement shall automatically renew for successive one year terms unless written notice of termination is given by the Companies to Vulcan and Charter at the direction of members of the Board of Directors who would be entitled to approve this Agreement at the time such notice is given or by Vulcan and Charter to the Companies, in each case at least 120 days prior to the close of the then current one year period.

6. Notices. All notices relating to this Agreement shall be in writing and shall be addressed to the other party at its address stated below, or to such changed address as the other party may have been given by notice. All notice shall be effective upon receipt:

If to VULCAN:

VULCAN NORTHWEST INC.
110 110th Avenue, N.E., Suite 550
Bellevue, WA 98004
Attn: William D. Savoy, President
Telephone: 425 453 1940
Facsimile: 425 453 1985

If to CHARTER:

CHARTER COMMUNICATIONS, INC.
12444 Powerscourt Drive, Suite 100
St. Louis, MO 63131
Attn: Jerald Kent, President
Telephone:314 965 0555
Facsimile:314 965 8793

If to HOLDINGS:

CHARTER COMMUNICATIONS HOLDINGS, LLC
c/o Charter Communications, Inc.
12444 Powerscourt Drive, Suite 100
St. Louis, MO 63131
Attn: Jerald Kent, President
Telephone:314 965 0555
Facsimile:314 965 8793

7. Binding Effect; Assignability. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors. This Agreement and the rights and obligations hereunder shall not be assignable or delegable by the parties hereto other than to their affiliates.

8. Indemnification. Charter agrees to indemnify and hold harmless Vulcan and Charter, the officers, directors and stockholders of Vulcan and Charter, and their respective agents, employees and affiliates from and against all claims, actions or demands that arise out of this Agreement and the services provided hereunder or in connection herewith and any expenses (including reasonable attorneys' fees), losses or damages resulting from such claims, actions and demands, including amounts paid in settlement or compromise thereof; provided, however, that this indemnity shall not extend to the conduct of such indemnified parties not undertaken in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Companies.

9. Entire Agreement. This Agreement sets forth the entire agreement between the parties relating to the subject matter hereof. None of the terms, covenants or conditions hereof may be waived or amended except by a written instrument signed by the party to be charged therewith.

10. Governing Law. This Agreement shall be governed in all respects by the laws of the State of Delaware.

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

VULCAN NORTHWEST INC.

By: /s/ William D. Savoy

CHARTER COMMUNICATIONS, INC.

By: /s/ Kent D. Kalkwarf

CHARTER COMMUNICATIONS
HOLDINGS, LLC

By: /s/ Kent D. Kalkwarf

Exhibit 10.4

CHARTER COMMUNICATIONS HOLDINGS, LLC

1999 OPTION PLAN

CHARTER COMMUNICATIONS HOLDINGS, LLC
1999 OPTION PLAN

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PLAN INTRODUCTION

The Plan is designed to advance the Company's interests by encouraging Employees and Consultants of the Company and its Affiliates to acquire a proprietary interest in the Company. It provides that Membership Interests representing an aggregate of 10% of the aggregate equity value of the Company on the date of the adoption of the Plan may be optioned to Employees and Consultants of the Company and its Affiliates. All Employees and Consultants of the Company are eligible to receive Options, but the Administrator is entitled to select the individuals to whom such options actually will be granted.

Options granted under the Plan are nontransferable (other than by will or the laws of descent and distribution, or except as authorized by the Administrator) and may not be exercised more than ten years after the date they are granted.

The Company will receive no cash consideration for granting Options under the Plan. However, when an Option is exercised, the holder is required to pay the Exercise Price for the Membership Interests of the Company to be issued under the exercised Option.

The Plan will be administered by the Administrator and will terminate ten years after the date it is adopted by the Board, unless earlier terminated by the Administrator.

CHARTER COMMUNICATIONS HOLDINGS, LLC

1999 OPTION PLAN

SECTION 1

DEFINITIONS

As used herein, the following terms have the meanings hereinafter set forth unless the context clearly indicates to the contrary:

(a) "Act" means the Securities Act of 1933, as amended.

(b) "Administrator" means the Board or the Committee, whichever shall be administering the Plan from time to time in the discretion of the Board, as described in Section 3 of the Plan.

(c) "Affiliate" means with respect to any person or entity, any other person or entity who controls, is controlled by or is under common control with such person or entity.

(d) "Allen" means Paul G. Allen, an individual, who is Chairman of the board of directors of CCI.

(e) "Board" means the board of directors of the Company.

(f) "Cause" means the Optionee (i) has committed any crime, (ii) has committed any act of fraud, embezzlement or gross dishonesty, (iii) has committed any act of sex discrimination or sexual harassment under the provisions of any Federal, state or local law, resulting in any of the above cases in a material financial loss to the Company or damage to the reputation of the Company, (iv) has refused to comply with the lawful directives of the Board or of the Optionee's supervisors, within ten (10) days after written notice thereof from the Board or the Company, or (v) has engaged in conduct which constitutes gross negligence or willful misconduct, which conduct is not cured within ten (10) days after written notice thereof from the Board or the Company.

(g) "CCI" shall mean Charter Communications, Inc., a Delaware corporation.

(h) "Change of Control" means a direct or indirect sale of more than 49.9% of the outstanding Membership Interests of the Company, except where Allen and his Affiliates retain effective voting control of the Company, the merger or consolidation of the Company, with or into any other corporation or entity, other than a wholly-owned subsidiary of the Company except where Allen and his Affiliates have effective voting control of the surviving entity, or any other transaction, or event, a result of which is that Allen holds less than 50.1% of the voting power of the surviving entity, except where Allen and his Affiliates retain effective voting control of the Company, or a sale of all or substantially all of the assets of the Company (other than to an entity majority-owned or controlled by Allen and his Affiliates).

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

(j) "Committee" means the Board or a committee appointed by the Board in accordance with Section 3 of the Plan.

(k) "Company" means Charter Communications Holdings, LLC, a Delaware limited liability company.

(l) "Consultant" means a person who is retained by the Company or any of its Affiliates as a consultant, but not as an Employee.

(m) "Date of Grant" means the date as of which Options are granted to Consultants and Employees as specified in the applicable Option Agreement.

(n) "Employee" means any person, including a manager of the Company, who is employed by the Company or any Affiliate.

(o) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(p) "Exercise Price" means the price per membership interest of the Membership Interests subject to each Option as provided in Section 6.3.

(q) "Fair Market Value" shall mean the fair market value of the Company (i) as determined by the Administrator prior to the consummation of an Initial Public Offering and (ii) according to the following formula from and after the consummation of an Initial Public Offering: (A) the sum of (I) the total number of outstanding shares of common stock of the Public Company, assuming the exercise of all options, warrants or other similar rights held by any person to purchase common stock of the Public Company, multiplied by the Share Value, plus (II) the debt of the Public Company as reflected on its financial statements, minus (III) the fair market value, as determined by the Administrator, of all assets of the Public Company, including the exercise price of all options, warrants, or similar rights deemed exercised under clause (I) of this sentence, other than Membership Interests, divided by (B) the Percentage Interest of the Membership Interests which the Public Company holds in the Company.

(r) "Initial Public Offering" means the consummation of a firm commitment underwritten initial public offering pursuant to an effective registration statement filed under the Act, covering the offer and sale of shares of common stock of the Company's Parent or a successor corporation through which the business of the Company will be carried out.

(s) "Kent" means Jerald L. Kent, an individual, who is President, Chief Executive Officer and a director of the Company and CCI.

(t) "Member" means a member of the Company.

(u) "Membership Interest" means a membership interest in the Company.

(v) "Option" means an option to purchase a Membership Interest pursuant to the provisions of this Plan.

(w) "Option Agreement" means the agreement described in Section 6.1 between the Company and the Optionee under which the Optionee may purchase Membership Interests hereunder.

(x) "Optionee" means an Employee or Consultant who receives an Option pursuant to this Plan.

(y) "Option Spread" means with respect to each Option, an amount equal to the product of (i) the excess of (a) the Exercise Price of such Option over (b) the Fair Market Value (plus the Exercise Price of all options taken into account in computing Percentage Interest) multiplied by the Percentage Interest per Membership Interest with respect to such Option, and (ii) the number of Membership Interests covered by such Option at the time of determination.

(z) "Option Term" means, with respect to an Option, the period of time commencing on the date of the grant of such Option and ending on the date immediately preceding the tenth anniversary thereof, subject to earlier termination as provided herein, during which an Option may be exercised.

(aa) "Parent" means an Affiliate which is manager of, and/or the direct or indirect owner of an excess of fifty percent (50%) of the equity interests in, the Company.

(bb) "Percentage Interest" of an Option or Membership Interest means the percentage interest that an exercise of such Option or possession of such Membership Interest would give the Optionee in the Company assuming the exercise of all Options held by all Optionees and the exercise of all options and warrants held by any person to purchase Membership Interests.

(cc) "Plan" means the Charter Communications Holdings, LLC 1999 Option Plan, the terms of which are set forth herein.

(dd) "Public Company" means the Parent or successor corporation to the Company whose shares will be sold pursuant to the Initial Public Offering.

(ee) "Purchase Agreement" means that certain Purchase Agreement dated July 29, 1998 among Paul G. Allen, Charter Communications, Inc. and certain other parties.

(ff) "Share Value" means (i) upon the consummation of an Initial Public Offering, the price per share of the common stock of the Public Company upon the consummation of the Initial Public Offering, and (ii) after the consummation of an Initial Public Offering, the average of the highest and lowest quoted selling prices on the principal national securities exchange on which the common stock of the Public Company is listed or admitted to trading, or, if not listed or admitted to trading on any national securities exchange, as reported by the NASDAQ Stock Market's National Market, on the day in question.

SECTION 2

THE PLAN

2.1 Name. This Plan shall be known as "Charter Communications Holdings, LLC 1999 Option Plan."

2.2 Purpose. The purpose of this Plan is to advance the interests of the Company and its Affiliates by affording Employees and Consultants of the Company and its Affiliates an opportunity to acquire or increase their proprietary interest in the Company by the grant to such individuals of Options under the terms set forth herein. By thus encouraging such individuals to acquire or increase their proprietary interest in the Company, the Company seeks to attract, motivate and retain those highly competent individuals upon whose judgment, initiative, leadership, and continued efforts the success of the Company in large measure depends.

2.3 Intention. It is intended that all Options issued under this Plan will be nonstatutory Options and the terms of this Plan shall be interpreted in accordance with such intention.

SECTION 3

ADMINISTRATION

3.1 Administration. This Plan shall be administered initially by the Board, although the Board, in its discretion and from time to time, may designate a Committee as the Administrator in substitution for the Board, and may redesignate itself as Administrator following the designation of a Committee as Administrator. The Administrator will interpret this Plan, prescribe and rescind rules and regulations relating to the administration of this Plan, and make all other determinations necessary or advisable for the proper administration of this Plan subject to the provisions of Sections 4.1, 5.2, 8.1 and 10.5. The Administrator may act at any time at a meeting duly held, or by unanimous written consent, in accordance with the provisions of the Company's operating agreement applicable to the proceedings of the Board or a Committee, as the case may be. Notwithstanding the foregoing, from and after such time as the Company or its Parent is subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, the Plan shall be administered by a Committee, which will then consist solely of two or more persons who are "non-employee directors" within the meaning of Rule 16b-3 promulgated under the Exchange Act and "outside directors" within the meaning of Section 162(m) of the Code.

3.2 Duties. The interpretation and construction by the Administrator of any provisions of this Plan, of any Option Agreement hereunder, or of any Option granted thereunder, shall be final and binding on any Employee, Consultant or Optionee, or any person claiming by or through an Employee, Consultant or Optionee. No member of the Administrator shall be liable for any action, failure to act, determination or interpretation made in good faith with respect to this Plan, any Option Agreement issued hereunder or any Option granted thereunder.

SECTION 4

PARTICIPATION

4.1 Eligibility. The Optionees shall be those existing and prospective Employees and Consultants to the Company or any Affiliate (collectively, "Participants" and individually a "Participant") to whom Options may be granted from time to time by the Administrator based upon the recommendation of Kent. The

Administrator shall designate, from time to time and based upon the recommendation of Kent, the number of Options to be granted to each Participant.

SECTION 5

MEMBERSHIP INTERESTS SUBJECT TO PLAN

5.1 Membership Interests Available for Options. Subject to adjustment pursuant to the provisions of Section 5.2 hereof, the total number of Membership Interests which may be issued upon the exercise of all Options shall not exceed 25,009,798 Membership Interests, which shall be equal to the number of Membership Interests representing an aggregate of 10% of the aggregate equity value of the Company on the date of the adoption of this Plan. If any Option shall expire or terminate for any reason without having been exercised in full, new Options may be granted covering Membership Interests originally set aside for the exercise of such expired or terminated Option. From and after such time as the Company or its Parent is subject to the reporting requirements of Sections 13 or 15(d) of the Exchange Act, no Optionee may receive grants during any fiscal year of the Company or portion thereof, of Options which, in the aggregate cover more than 15,000,000 Membership Interests, subject to adjustment as provided in Section 5.2. If an Option expires or terminates for any reason without having been exercised in full, the unrepurchased Membership Interests subject to that expired or terminated Option will continue to count against the maximum numbers of Membership Interests for which Options may be granted to an Optionee during any fiscal year of the Company or its Parent or portion thereof.

5.2 Adjustments.

(a) Subject to any required action by the Board, Kent, and/or the Members, the number of Membership Interests covered by the Plan as provided in Section 5.1 hereof, the number of Membership Interests covered by each outstanding Option and the Exercise Price thereof shall be proportionately adjusted for any increase or decrease in the number of issued Membership Interests resulting from a subdivision or consolidation of Membership Interests or the distribution of Membership Interests on Membership Interests without consideration. Notwithstanding the foregoing, nothing in this Plan shall be interpreted to provide dilution protection with respect to the Options or the number of Membership Interests covered by the Plan in the event, and to the extent of any additional equity contribution to the Company.

(b) Subject to the provisions of Section 5.2(d), and subject to any required action by the Board, Kent, and/or the Members, if the Company shall merge with another entity and the Company is the surviving entity in such merger and under the terms of such merger the Membership Interests outstanding immediately prior to the merger remain outstanding and unchanged, each outstanding Option shall continue to apply to the Membership Interests subject thereto and shall also pertain and apply to any additional securities and other property, if any, to which a holder of the number of Membership Interests subject to the Option would have been entitled as a result of the merger.

(c) If the Company shall merge with another entity and the Company is not the surviving entity in such merger, and such merger does not constitute a Change of Control, the Administrator may, in its discretion, do one or more of the following: (i) shorten the period during which Options are exercisable (provided they remain exercisable for at least 30 days after the date that notice such shortening is given to the Optionees); (ii) accelerate any vesting schedule to which an Option is subject; (iii) arrange to have the surviving or successor entity assume the Options or grant replacement options with appropriate adjustments in the option 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 the shares of stock, securities or other property (including cash) as may be issuable or payable as a result of such merger with respect to or in exchange for the number of Membership Interests purchasable and receivable upon the exercise of the Options had such exercise occurred in full prior to such merger; or (iv) with the prior written consent of the Optionee (unless otherwise stated in such Optionee's Option Agreement), cancel Options upon the payment to such Optionee in cash, with respect to each Option to the extent then exercisable (including any Options as to which the exercise has been accelerated as contemplated in clause (ii) above), of any amount that is the equivalent of the Option Spread at the effective time of the merger. The Administrator may also provide for one or more of the foregoing alternatives in any particular Option Agreement.

(d) Notwithstanding any other provision contained in this Plan, in the event of a Change of Control, any unvested Options issued under this Plan to any Optionee shall immediately vest; provided, however, that to the extent that the acceleration of the exercisability of Options would result in the disallowance under Section 280G of the Code of tax deductions which would otherwise be available to the Company or its Affiliates, or in liability of such Optionee or any person obtaining rights in the Option under Section 6.2 for any excise tax under Section 4999 of the Code, such unvested Options will not immediately vest unless the Company receives prior written consent from the Optionee at least thirty (30) days prior to the Change of Control. In the event of a Change of Control, the Administrator may, in its discretion, do one or more 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 the Optionees); (ii) arrange to have the surviving or successor entity assume the Options or grant replacement options with appropriate adjustments in the option prices and adjustments in the number and kind of securities issuable upon exercise 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 of Control with respect to or in exchange for the number of Membership Interests purchasable and receivable upon the exercise of the Options had such exercise occurred in full prior to such Change of 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 5.2(d)), of an amount that is the equivalent of the Option Spread at the effective time of the Change of Control. The Administrator may also provide for one or more of the foregoing alternatives in any particular Option Agreement.

(e) To the extent that the foregoing adjustments relate to securities of the Company, such adjustments shall be made by the Administrator, whose determination shall be conclusive and binding on all persons.

SECTION 6

OPTIONS

6.1 Option Grant and Agreement. Each Option grant shall be evidenced by a written Option Agreement, dated as of the date of grant and executed by the Company and the Optionee, which Option Agreement shall set forth the number of Options granted, the Exercise Price, the Option Term, the vesting schedule of such Options, and such other terms and conditions as may be determined appropriate by the Administrator, provided that such terms and conditions are consistent with the Plan. The Option Agreement shall incorporate this Plan by reference and provide that any inconsistencies or disputes shall be resolved in favor of the Plan language.

6.2 Transferability. An Option granted under the Plan shall, by its terms, be non-transferable by the Optionee, either voluntarily or by operation of law, other than by will or the laws of descent and distribution pursuant to a qualified domestic relations order as defined in the Code, and shall be exercisable during the Optionee's lifetime only by the Optionee, the Optionee's executor, or, to the extent permitted by the Administrator or by the terms of the Option Agreement, the spouse of the Optionee who obtained the Option pursuant to such qualified domestic relations order described herein. Notwithstanding the foregoing, to the extent that the Administrator so authorizes at the time an Option is granted or amended, such Option may be assigned, in connection with the Optionee's estate plan, in whole or in part, during the Optionee's lifetime to one or more members of the Optionee's immediate family or to a trust established exclusively for one or more of such immediate family members. Rights under the assigned portion may be exercised by the person or persons who acquire a proprietary interest in such Option pursuant to the assignment. The terms applicable to the assigned portion shall be the same as those in effect for the Option immediately before such assignment and shall be set forth in such documents issued to the assignee as the Administrator deems appropriate. For purposes of this Section 6.2, the term "immediate family" means an individual's spouse, children, stepchildren, grandchildren and parents.

6.3 Exercise Price.

(a) The Exercise Price shall be equal to the Percentage Interest of such Options multiplied by the Fair Market Value.

(b) Upon an Initial Public Offering and at all times thereafter, Membership Interests shall be automatically exchanged for shares of the Public Company in accordance with Section 9 of this Plan.

6.4 Option Term. The Option Term shall be determined by the Administrator, subject to any limitations imposed by this Plan, but in any event shall not be more than ten years from the date such Option is granted. Options may be subject to earlier termination as provided in this Plan.

6.5 Vesting, Payment Upon Relocation of Headquarters, and Repurchase of Options and Membership Interests. The vesting of each Option shall be as set forth in the Option Agreement according to the following general guideline: (i) with respect to Options granted by the Board on February 9, 1999, vesting shall be as set forth in the February 9, 1999 Board resolution, and (ii) with regard to all other Options, one fourth (1/4) shall become exercisable on the 15 month anniversary (the "15 Month Anniversary") of the Date of Grant, and 1/45th of the remaining Options shall become exercisable on each of the 45 months following the 15 Month Anniversary, until all such Options are exercisable, provided, however, that if an Initial Public Offering has not occurred, Options will only be exercisable upon termination of employment for any reason other than for Cause, or upon death or disability or immediately prior to the expiration of such Option. If the Company shall relocate its existing Headquarters outside the greater St. Louis, Missouri area on or before December 23, 2001 without the prior written consent of Kent, or of Barry L. Babcock or Howard L. Wood if Kent is not surviving at the time such consent is sought (a "Headquarters Breach"):

(a) unless otherwise provided in the Optionee's Option Agreement, with respect to any Optionee who is a member of the corporate staff and is employed and located at the St. Louis corporate headquarters and to whom Options have been granted and who does not relocate, if less than 40% of the Options held by such Optionee have vested, then for purposes of this paragraph (a) of Section 6.5, 40% of all Options held by such Optionee will be deemed to have vested. With respect to such Optionee's Options which have vested or are deemed to have vested pursuant to this paragraph (a) of Section 6.5, and which have not already been exercised, the Company shall pay, to each such Optionee in full satisfaction of such Option an amount equal to the greater of (I) the Option Spread or (II) (A) if the Headquarters Breach occurs on or before December 23, 1999, an amount equal to three (3) times the annual base salary of such Optionee, or (B) if the Headquarters Breach occurs thereafter but on or before December 23, 2000, an amount equal to two (2) times the annual base salary of such Optionee, or (C) if the breach occurs thereafter but on or before December 23, 2001, an amount equal to the annual base salary of such Optionee; and

(b) if any payment is made to any Optionee pursuant to paragraph (a) of Section 6.5 above, then all Options granted to such Optionee shall be automatically canceled.

6.6 Method of Exercising Options; Withholding Tax. Options shall be exercised by a written notice, delivered to the Company at its principal office in St. Louis, Missouri or such other address that may be designated by the Company, specifying the number of Membership Interests to be purchased and tendering payment in full for such Membership Interests. Payment may be tendered in cash or by certified, bank cashier's or teller's check or by Membership Interests (valued at Fair Market Value as of the date of tender), or some combination of the foregoing or such other form of consideration which has been approved by the Administrator, including any approved cashless exercise mechanism. The right to deliver in full or partial payment of such Exercise Price any consideration other than cash shall be limited to such frequency as the Administrator shall determine in its absolute discretion. In the event all or part of the Exercise Price is paid in Membership Interests, any excess of the value of such Membership Interests over the Exercise Price will be returned to the Optionee as follows: (i) any whole Membership Interest remaining in excess of the Exercise Price will be returned in kind, and may be represented by one or more Membership Interest certificates; and (ii) any partial Membership Interests remaining in excess of the Exercise Price will be returned in cash.

In the event the Company determines that it is required to withhold state or Federal income tax as a result of the exercise of an Option, as a condition to the exercise thereof, the Optionee may be required to make arrangements satisfactory to the Company to enable it to satisfy such withholding requirements. Payment of such withholding requirements may be made, in the discretion of the Administrator, (i) in cash, (ii) by delivery of Membership Interests registered in the name of the Optionee, (iii) by the Company not issuing such number of Membership Interests subject to the Option as have a Fair Market Value at the time of exercising equal to the amount to be withheld, (iv) withholding from other compensation due to the Optionee, or (v) any combination of (i), (ii), (iii) and (iv) above.

6.7 Rights in the Event of Termination Other Than for Cause.

(a) In the event that an Optionee's employment or service as a Consultant with the Company or its Affiliates is terminated prior to an Initial Public Offering other than for Cause, the Optionee shall have (subject to Section 6.2 of the Plan) the right (but not the obligation, except as herein provided), for a period (taking into account any earlier termination date provided by the Plan) of thirty (30) days from such termination of employment or service to (i) put vested Options to the Company, or Allen at Allen's option, at a purchase price equal to the Option Spread and (ii) put all Membership Interests to the Company (whether or not acquired on the exercise of an Option hereunder), or Allen at Allen's option, held by the Optionee on the date of termination at a purchase price equal to the Fair Market Value multiplied by the Percentage Interest of the Membership Interests. In the event that the Optionee does not exercise its rights to put all vested Options and Membership Interests as specified in this Section 6.7, Allen or, at his option, the Company, shall have the right (but not the obligation, except as herein provided), for a period (taking into account any earlier termination date provided by the Plan) of sixty (60) days after having received written notice that the Optionee will not put such Options and Membership Interests to the Company, to pay to the Optionee with respect to all vested Options (or underlying Membership Interests if such Options have been exercised) held by such individual, the Option Spread as of the date of termination (or the Fair Market Value multiplied by the Percentage Interest of the Membership Interest if the Options have already been exercised). Any amounts to be paid to an Optionee pursuant to this Section 6.7 shall be paid, at the option of Allen or the Company, in cash or in the form of a ten (10) year note bearing annual interest at a rate of at least six percent (6%) (any such greater amount to be at the sole discretion of Allen or the Company as the case may be) with the principal to be paid at the end of the tenth year, such payment to be made within thirty (30) days after the end of the fiscal quarter in which the call or put is exercised. Concurrent with any such payment, the Options shall be canceled and the Membership Interests shall be transferred to Allen or the Company, as the case may be.

(b) In the event that an Optionee's employment or service as a Consultant with the Company and all of its Affiliates is terminated other than for Cause subsequent to an Initial Public Offering, such Optionee shall have the right to exercise any vested Options within sixty (60) days of the termination of employment. After such sixty-day period, all unexercised vested or unvested Options held by such individual shall automatically be canceled.

6.8 Rights in the Event of Termination For Cause. Notwithstanding the foregoing, if an Optionee's employment or service is terminated for Cause, (a) the Options not exercised prior to the termination are automatically canceled, and (b) Allen, or, at his option, the Company, shall have the right (but not the obligation), for a period of ninety (90) days following such termination for Cause, to purchase all Membership Interests held by such Optionee (whether or not acquired on the exercise of an Option granted hereunder) for a purchase price equal to the Exercise Price at which the Optionee acquired the Membership Interests, or the Optionee's purchase price for the Membership Interests if the Membership Interests were not acquired on the exercise of an Option.

6.9 Rights in the Event of Death or Disability. In the event of an Optionee's death or disability, (i) all vested Options may be exercised (by the Optionee or in the case of death by the Optionee's estate or person who acquired the right to exercise such Options by bequest or inheritance) until the earlier of their expiration, or one (1) year after the date of the Optionee's death or disability and any Options not so exercised shall automatically be canceled, (ii) if an Initial Public Offering has not taken place as of the Optionee's date of death or disability, the Optionee, (or in the case of death the Optionee's estate or person who acquired the right to exercise such Options by bequest or inheritance) may (A) put such Options to the Company, or Allen at Allen's option, at a purchase price equal to the Option Spread and (B) put all Membership Interests (whether or not acquired on the exercise of an Option hereunder) held by the Optionee on the date of death or disability to the Company, or Allen at Allen's option, at a purchase price equal to the Fair Market Value multiplied by the Percentage Interest of the Membership Interests for a period of thirty (30) days, and (iii) if an Initial Public Offering has not taken place as of the Optionee's date of death or disability, and the Optionee has not exercised its rights to put all vested Options and all Membership Interests to the Company, or Allen at Allen's option, as specified in Section 6.9(ii), Allen, or at his option, the Company, shall have the right, for a period of sixty (60) days after having received written notice that the Optionee will not exercise its rights as specified in Section 6.9(ii), to purchase all vested Options held by such Optionee at a purchase price equal to the Option Spread and all Membership Interests (whether or not acquired on the exercise of an Option hereunder) held by the Optionee on the date of death or disability at a purchase price equal to the Fair Market Value multiplied by the Percentage Interests of such Membership Interests. All payments due to the Optionee pursuant to this Section 6.9 shall be paid promptly in cash. All unvested Options shall be canceled in the event of an Optionee's death or disability.

6.10 Rights in the Event of Termination For Any Other Reason. Upon termination for any reason, all unvested Options shall immediately be canceled and the Optionee shall not be entitled to any payment therefor except as expressly provided for herein. Except as expressly provided for in Sections 6.7(b) and 6.9 hereof, all vested Options shall be automatically canceled if not exercised within ninety (90) days after such termination.

SECTION 7

MEMBERSHIP INTERESTS ISSUED
PURSUANT UPON THE EXERCISE OF AN OPTION

7.1 Issuance of Certificates. The Company shall not be required to issue or deliver any certificate for Membership Interests purchased upon the exercise of any Option, or any portion thereof, prior to fulfillment of all of the following applicable conditions:

(a) The admission of such Membership Interests to listing on all stock exchanges or markets on which the Membership Interests are then listed to the extent such admission is necessary;

(b) The completion of any registration or other qualification of such Membership Interests under any federal or state securities laws or under the rulings or regulations of the Securities and Exchange Commission or any other governmental regulatory body, which the Board shall in its sole discretion deem necessary or advisable, or the determination by the Board in its sole discretion that no such registration or qualification is required;

(c) The obtaining of any approval or other clearance from any federal or state governmental agency which the Board shall, in its sole discretion, determine to be necessary or advisable; and

(d) The lapse of such reasonable period of time following the exercise of the Option as the Board from time to time may establish for reasons of administrative convenience.

Notwithstanding the foregoing, the Company shall not be obligated to issue or deliver any certificates for Membership Interests purchased upon the exercise of an Option or any portion thereof, unless required by Federal, or state law.

7.2 Compliance with Securities and Other Laws. In no event shall the Company be required to sell, issue or deliver Membership Interests pursuant to Options if in the opinion of the Board the issuance thereof would constitute a violation by either the Optionee or the Company of any provision of any law or regulation of any governmental authority or any securities exchange. As a condition of any sale or issuance of Membership Interests pursuant to Options, the Company may place legends on the Membership Interests, issue stop-transfer orders and require such agreements or undertakings from the Optionee as the Company may deem necessary or advisable to assure compliance with any such law or regulation, including if the Company or its counsel deems it appropriate, representations from the Optionee that the Optionee is acquiring the

Membership Interests solely for investment and not with a view to distribution and that no distribution of the Membership Interests acquired by the Optionee will be made unless registered pursuant to applicable federal and state securities laws or unless, in the opinion of counsel to the Company, such registration is unnecessary.

SECTION 8

TERMINATION, AMENDMENT AND MODIFICATION OF PLAN

8.1 Termination, Amendment and Modification of Plan. Subject to the approval of Kent, the Administrator may from time to time, with respect to any Options at the time outstanding or granted to Optionees, suspend or discontinue the Plan or revise or amend it in any respect whatsoever; provided, that, any such action shall not adversely affect in any manner Options then outstanding, whether vested or not.

8.2 Plan Termination. Unless terminated earlier as provided in Section 8.1, the Plan shall terminate ten years from the date it is adopted by the Board and no Option shall be granted under this Plan after such date.

8.3 Effect of Termination, Amendment or Modification of Plan. Notwithstanding Sections 8.1 and 8.2, no termination, amendment or modification of the Plan shall in any manner affect any Option theretofore granted under the Plan without the consent of the Optionee or a person who shall have acquired the right to exercise the Option by will or the laws of descent and distribution.

SECTION 9

OCCURRENCE OF INITIAL PUBLIC OFFERING

From and after the occurrence of an Initial Public Offering, each Membership Interest held as a result of an exercise of an Option will automatically be exchanged into that number of shares of the common stock of the Public Company determined by multiplying the Percentage Interest of such Membership Interests by the Fair Market Value, and dividing by the Share Value. Any shares of the common stock of the Public Company received by an Optionee in exchange for Membership Interests shall be subject to purchase by Allen or the Company in the same manner as Membership Interests upon the termination of the employment or consulting relationship of the Optionee for cause as described in Section 6.8. It is the intent of this Section 9 that an Optionee will receive that number of shares of common stock of the Public Company necessary to provide such Optionee with an aggregate economic benefit equal to the value of such Optionee's Options and Membership Interests

SECTION 10

MISCELLANEOUS

10.1 No Employment Rights. Nothing in the Plan or in any Option granted hereunder or in any Option Agreement relating thereto shall confer upon any individual the right to continue in the employ or service of the Company or its Affiliates.

10.2 Binding Effect. The Plan shall be binding upon the successors and assigns of the Company.

10.3 Singular, Plural, Gender. Whenever used herein, except where the context clearly indicates to the contrary, nouns in the singular shall include the plural, and the masculine pronoun shall include the feminine gender.

10.4 Headings. Headings of the Sections hereof are inserted for convenience and reference and constitute no part of the Plan.

10.5 Effective Date. This Plan shall be effective as of February 9, 1999, subject to the approval of this Plan by the Board and Kent.

10.6 Rights as Member. An Optionee or transferee of an Option shall have no rights as a Member with respect to any Membership Interests subject to such Option prior to the purchase of such Membership Interests by exercise of such Option as provided herein.

10.7 Applicable Law. This Plan and the Options granted hereunder shall be interpreted, administered and otherwise subject to the laws of the State of Delaware, without giving effect to the conflicts of laws provisions thereof.

Exhibit 10.5

MEMBERSHIP INTERESTS PURCHASE AGREEMENT

This Membership Interests Purchase Agreement is entered into as of July 22, 1999, by and between CHARTER COMMUNICATIONS HOLDING COMPANY, LLC, a Delaware limited liability company (the "COMPANY") and PAUL G. ALLEN, an individual ("BUYER") with reference to the following facts.

W I T N E S S E T H

A. The Company is authorized to issue membership interests representing equity interests in the Company ("Membership Interests");

B. The Company currently has outstanding 217,585,246 Units of Membership Interests ("Units") and has granted options to purchase another 17,218,976 Units;

C. On March __, 1999, Buyer and Charter Communications Holding Company, LLC, now a wholly-owned subsidiary of the Company, agreed that Buyer would commit to invest $1.325 billion in additional equity, as needed, on economic terms equivalent to those stated herein.

D. The Company wishes to have Buyer or one of his affiliates purchase an aggregate of $1.325 billion in Units on the terms and conditions set forth herein in order to facilitate (a) the consummation of certain pending acquisitions by the Company; and (b) the sale by the Company of Units to Charter Communications, Inc. ("CCI") in a contemplated initial public offering by CCI, and the sale by CCI to Buyer of certain shares of its Class B Common Stock having characteristics no less favorable to Buyer than those reflected in the Registration Statement on Form S-1 of CCI dated July __, 1999; and

Buyer desires to subscribe for and purchase the additional Units of Membership Interests on the terms and conditions set forth herein.

A G R E E M E N T

NOW, THEREFORE, in consideration of the mutual promises contained herein and for other good and valuable consideration, the Company and Buyer hereby agree as follows:

1. Purchase and Sale of Membership Interests. On the terms and subject to the conditions contained in this Agreement, the Company hereby agrees to issue and sell to Buyer or his designee, and Buyer hereby agrees to purchase or cause to be purchased from the Company, (a) at the First Closing (as defined below), 22,087,622 Units for an aggregate purchase price of Five Hundred Million Dollars ($500,000,000.00) (the "FIRST ISSUANCE ACQUIRED MEMBERSHIP INTERESTS"), and (b) at the Second Closing (as defined below), an additional 36,445,577 Units for an aggregate purchase price of Eight Hundred Twenty-Five Million Dollars ($825,000,000.00) (the "SECOND ISSUANCE ACQUIRED MEMBERSHIP INTERESTS", and collectively with the First Issuance Acquired Membership Interests, the "Acquired Membership Interests")).

2. Closing; Deliveries.

(a) First Closing. The closing of the purchase and sale of the First Issuance Acquired Membership Interests (the "FIRST CLOSING") shall occur at the offices of Irell & Manella LLP ("I&M"), 1800 Avenue of the Stars, Suite 900, Los Angeles, California 90067, on a date on or before July 30, 1999 to be agreed upon by the Company and Buyer. At the First Closing, the Company shall deliver to Buyer or his designee one or more certificates evidencing the First Issuance Acquired Membership Interests registered in the name of Buyer or his designee and Buyer shall pay or cause to be paid to the Company the purchase price for the First Issuance Acquired Membership Interests by check or wire transfer. The date on which the First Closing occurs is hereinafter referred to as the "FIRST CLOSING DATE."

(b) Second Closing. The closing of the purchase and sale of the Second Issuance Acquired Membership Interests (the "SECOND CLOSING") shall occur at the offices of I&M on a date after July 30, 1999 and on or before September 1, 1999 to be agreed upon by the Company and Buyer. At the Second Closing, the Company shall deliver to Buyer or his designee one or more certificates evidencing the Second Issuance Acquired Membership Interests registered in the name of Buyer or his designee and Buyer shall pay or cause to be paid to the Company the purchase price for the Second Issuance Acquired Membership Interests by check or wire transfer. The date on which the Second Closing occurs is hereinafter referred to as the "SECOND CLOSING DATE."

[3. Programming. The Company shall grant Buyer the right to program up to eight digital channels on each cable system now or hereafter owned or operated by the Company or its subsidiaries, the exact numbers of channels to be determined based on the megahertz level of each such system. The terms and conditions of such grants shall be finalized prior to the Second Closing.]

4. Miscellaneous.

(a) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, as such laws are applied to contracts entered into and performed in such state without resort to that state's conflict-of-laws rules.

(b) Severability. In the event one or more of the provisions of this Agreement should, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

(c) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be an original, but all of which, when taken together, shall constitute one and the same agreement. This Agreement shall become effective when one or more counterparts has been signed by each of the parties and delivered to the other party.

(d) Headings. The section headings in this Agreement have been inserted for identification and reference and shall not by themselves determine the meaning or interpretation of any provision of this Agreement.

(e) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, personal representatives and permitted assigns. The Company acknowledges that Buyer may assign its rights and obligations under this Agreement to any entity that Buyer owns all of the outstanding equity interests in.

(f) Costs of Enforcement. If any party to this Agreement seeks to enforce its rights under this Agreement by legal proceedings or otherwise, or seeks a declaration of any rights or obligations under this Agreement, the non-prevailing party shall pay all costs and expenses incurred by the prevailing party, including, without limitation, all legal fees and expenses.

(g) Entire Agreement. This Agreement constitutes and contains the entire agreement of the parties with respect to the transactions contemplated by this Agreement and supersedes all prior or contemporaneous negotiations, correspondence, arrangements, letters of intent, understandings and agreements relating to the substance thereof.

(h) Notices. Any notice or delivery that any party hereto is required or desires to give hereunder to any other party shall be in writing and may be given by hand delivery or by nationally recognized overnight courier or by mailing the same to the other party at the address set forth below (or to such other address as may have theretofore been substituted therefor by written notice to the other party hereto given as herein provided) by certified or registered United States mail, postage prepaid or by confirmed telecopy. Notices and deliveries shall be deemed given as follows: when sent, if sent by telecopy with delivery confirmed; when delivered and receipted for (or upon the date of attempted delivery where delivery is refused), if hand delivered or delivered by nationally recognized overnight courier; or when receipted for (or upon the date of attempted delivery where delivery is refused or a properly addressed and mailed notice is returned as undeliverable or unclaimed), if sent by certified or registered mail. Whenever under the terms hereof the time for giving a notice or performing an act fails on a Saturday, Sunday or holiday, such time shall be extended to the next business day. For the purpose of this Agreement the addresses of the parties hereto shall be as follows until changed in accordance with the terms hereof:

If to the COMPANY:

Charter Communications Holding Company LLC
12444 Powerscourt Drive, Suite 400
St. Louis, MO 63131

Attn: Jerald L. Kent, President and Chief Executive Officer

If to BUYER:

Paul G. Allen
110th Avenue N.E., Suite 550
Bellevue, WA 98004

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

CHARTER COMMUNICATIONS HOLDING COMPANY LLC,
a Delaware limited liability company

By: /s/ Jerald L. Kent

Its: Chief Executive Officer

BUYER

/s/ Paul G. Allen

Paul G. Allen

Exhibit 23.2

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the use of our reports covering the audited financial statements of Charter Communications Holdings, LLC, CCA Group, CharterComm Holdings, L.P., Long Beach Acquisition Corp., Sonic Communications Cable Television Systems, and Greater Media Cablevision Systems (and to all references to our Firm) included in or made a part of this registration statement.

/s/ ARTHUR ANDERSEN LLP

ST. LOUIS, MISSOURI

JULY 22, 1999

Exhibit 23.3

INDEPENDENT AUDITORS' CONSENT

The Board of Directors
Charter Communications, Inc.:

We consent to the use of our report on the consolidated balance sheets of Marcus Cable Company, L.L.C. and subsidiaries as of December 31, 1998 and 1997 and the related consolidated statements of operations, members' equity and cash flows for the period from April 23, 1998 to December 31, 1998 and the consolidated statements of operations, partners' capital (deficit) and cash flows for the period from January 1, 1998 to April 22, 1998 and for each of the years in the two-year period ended December 31, 1997 included herein and to the reference to our firm under the heading "Experts" in the prospectus.

/s/ KPMG LLP

Dallas, Texas

July 22, 1999

Exhibit 23.4

CONSENT OF INDEPENDENT AUDITORS

We consent to the reference to our firm under the caption "Experts" and to the use of our report dated February 22, 1999 (except for Note 11, as to which the date is February 24, 1999), with respect to the consolidated financial statements of Renaissance Media Group LLC included in Amendment No. 4 to the Registration Statement on (Form S-4 No. 333-77499) and related Prospectus of Charter Communications Holdings, LLC and Charter Communications Holdings Capital Corporation for the registration of $3,575,000,000 Senior Notes and Senior Discount Notes.

/s/ ERNST & YOUNG LLP

New York, New York

July 22, 1999

Exhibit 23.5

INDEPENDENT AUDITORS' CONSENT

The Board of Directors
Charter Communications, Inc.:

We consent to the use of our report included herein with respect to the combined financial statements of Helicon Partners I, L.P. and affiliates as of December 31, 1997 and 1998 and for each of the years in the three-year period ended December 31, 1998.

/s/ KPMG LLP

New York, New York

July 22, 1999

Exhibit 23.6

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the use in the Prospectus constituting part of this Registration Statement on Form S-4 of Charter Communications Holdings, LLC and Charter Communications Holdings Capital Corporation of our report dated April 20, 1999 relating to the combined financial statements of InterMedia Cable Systems, which appears in such Registration Statement. We also consent to the reference to us under the headings "Experts" in such Registration Statement.

/s/ PRICEWATERHOUSECOOPERS LLP

San Francisco, California

July 22, 1999

Exhibit 23.7

We hereby consent to the use in this Registration Statement on Form S-4 of Charter Communications Holdings, LLC and Charter Communications Holdings Capital Corporation of our reports dated March 19, 1999 relating to the financial statements of Rifkin Acquisition Partners, L.L.L.P., and Rifkin Cable Income Partners LP for the year ended December, 31, 1998, which appear in such Registration Statement. We also consent to the references to us under the headings "Experts" in such Registration Statement.

/s/ PRICEWATERHOUSECOOPERS LLP

Denver, Colorado

July 22, 1999

Exhibit 23.8

CONSENT OF INDEPENDENT AUDITORS

We consent to the reference to our firm under the caption "Experts" and to the use of our reports dated February 19, 1999, with respect to the consolidated financial statements of R/N South Florida Cable Management Limited Partnership and Indiana Cable Associates, Ltd. included in Amendment No. 4 to the Registration Statement on Form S-4 and related Prospectus of Charter Communications Holdings, LLC and Charter Communications Holdings Capital Corporation for the registration of $3,575,000,000 Senior Notes and Senior Discount Notes.

/s/ ERNST & YOUNG LLP

Denver, Colorado

July 22, 1999

Exhibit 23.9

CONSENT OF INDEPENDENT AUDITORS

We consent to the reference to our firm under the caption "Experts" and to the use of our report dated February 22, 1999, with respect to the combined financial statements of the Picayune MS, Lafourche LA, St. Tammany LA, St. Landry LA, Pointe Coupee LA and Jackson TN cable television systems included in Amendment No. 4 to the Registration Statement on (Form S-4 No. 333-77499) and related Prospectus of Charter Communications Holdings, LLC and Charter Communications Holdings Capital Corporation for the registration of $3,575,000,000 Senior Notes and Senior Discount Notes.

/s/ ERNST & YOUNG LLP

New York, New York

July 22, 1999

Exhibit 23.10

CONSENT OF INDEPENDENT AUDITORS

We consent to the reference to our firm under the caption "Experts" and to the use of our report dated March 16, 1998, with respect to the combined financial statements of the Picayune MS, Lafourche LA, St. Tammany LA, St. Landry LA, Pointe Coupee LA and Jackson TN cable television systems included in Amendment No. 4 to the Registration Statement on (Form S-4 No. 333-77499) and related Prospectus of Charter Communications Holdings, LLC and Charter Communications Holdings Capital Corporation for the registration of $3,575,000,000 Senior Notes and Senior Discount Notes.

/s/ ERNST & YOUNG LLP

New York, New York

July 22, 1999

Exhibit 99.1

LETTER OF TRANSMITTAL

CHARTER COMMUNICATIONS HOLDINGS, LLC
CHARTER COMMUNICATIONS HOLDINGS CAPITAL CORPORATION
OFFER TO EXCHANGE THEIR
8.250% SENIOR NOTES DUE 2007, 8.625% SENIOR NOTES DUE 2009 AND
9.920% SENIOR DISCOUNT NOTES DUE 2011
WHICH HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933
FOR ANY AND ALL OF THEIR OUTSTANDING 8.250%
SENIOR NOTES DUE 2007, 8.625% SENIOR NOTES DUE 2009 AND
9.920% SENIOR DISCOUNT NOTES DUE 2011
PURSUANT TO THE PROSPECTUS DATED ______, 1999

THE EXCHANGE OFFER WILL EXPIRE
AT 5:00 P.M., NEW YORK CITY TIME, ON ______, 1999,
UNLESS THE OFFER IS EXTENDED.

THE EXCHANGE AGENT FOR THE EXCHANGE OFFER IS:

HARRIS TRUST AND SAVINGS BANK

By Registered, Certified or Overnight Mail or By Hand:

Harris Trust Company of New York
Wall Street Plaza
88 Pine Street
19th Floor
New York, New York 10005
Attention: Corporate Trust Department

By Facsimile: (212) 701-7624 Telephone Number: (212) 701-7637

DELIVERY OF THIS LETTER OF TRANSMITTAL TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE OR TRANSMISSION OF THIS LETTER OF TRANSMITTAL VIA FACSIMILE TO A NUMBER OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY. THE INSTRUCTIONS CONTAINED HEREIN SHOULD BE READ CAREFULLY BEFORE THIS LETTER OF TRANSMITTAL IS COMPLETED. Capitalized terms used but not defined herein shall have the same meaning given them in the Prospectus (as defined below).

This Letter of Transmittal is to be completed by holders of Original Notes (as defined below) either if Original Notes are to be forwarded herewith or if tenders of Original Notes are to be made by book-entry transfer to an account maintained by HARRIS TRUST AND SAVINGS BANK (the "Exchange Agent") at The Depository Trust Company ("DTC") pursuant to the procedures set forth in "The Exchange Offer -- Procedures for Tendering" in the Prospectus.

Holders of Original Notes whose certificates (the "Certificates") for such Original Notes are not immediately available or who cannot deliver their Certificates and all other required documents to the Exchange Agent on or prior to the Expiration Date (as defined in the Prospectus) or who cannot complete the procedures for book-entry transfer on a timely basis, must tender their Original Notes according to the guaranteed delivery procedures set forth in "The Exchange Offer -- Guaranteed Delivery Procedures" in the Prospectus.

SEE INSTRUCTION 1. DELIVERY OF DOCUMENTS TO THE DEPOSITORY TRUST COMPANY ("DTC") DOES NOT CONSTITUTE DELIVERY TO THE EXCHANGE AGENT.

NOTE: SIGNATURES MUST BE PROVIDED BELOW
PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY

ALL TENDERING HOLDERS COMPLETE THIS BOX:

DESCRIPTION OF ORIGINAL NOTES TENDERED			
IF BLANK, PLEASE PRINT NAME AND ADDRESS OF REGISTERED HOLDER	ORIGINAL NOTES TENDERED (ATTACH ADDITIONAL LIST OF NOTES)		
	CERTIFICATE NUMBER(S)*	PRINCIPAL AMOUNT OF ORIGINAL NOTES	PRINCIPAL AMOUNT OF ORIGINAL NOTES TENDERED (IF LESS THAN ALL)**
		TOTAL AMOUNT TENDERED:	

* Need not be completed by book-entry holders.
** Original Notes may be tendered in whole or in part in denominations of $1,000 and integral multiples thereof. All Original Notes held shall be deemed tendered unless a lesser number is specified in this column.

(BOXES BELOW TO BE CHECKED BY ELIGIBLE INSTITUTIONS ONLY)

[ ] CHECK HERE IF TENDERED ORIGINAL NOTES ARE BEING DELIVERED BY BOOK-ENTRY TRANSFER MADE TO THE ACCOUNT MAINTAINED BY THE EXCHANGE AGENT WITH DTC AND COMPLETE THE FOLLOWING:

Name of Tendering Institution: ___________________________

DTC Account No. ____________________ Transaction Code No. ______

[ ] CHECK HERE AND ENCLOSE A PHOTOCOPY OF THE NOTICE OF GUARANTEED DELIVERY IF TENDERED ORIGINAL NOTES ARE BEING DELIVERED PURSUANT TO A NOTICE OF GUARANTEED DELIVERY PREVIOUSLY SENT TO THE EXCHANGE AGENT AND COMPLETE THE FOLLOWING:

Name(s) of Registered Holder(s): ___________________________

Window Ticket Number (if any): ___________________________

Date of Execution of Notice of Guaranteed Delivery: ______________

Name of Institution which Guaranteed Delivery: ________________

IF GUARANTEED DELIVERY IS TO BE MADE BY BOOK-ENTRY TRANSFER:

Name of Tendering Institution: ---

DTC Account No. ------------------------------- Transaction Code No. ------

[ ] CHECK HERE IF TENDERED BY BOOK-ENTRY TRANSFER AND NON-EXCHANGED ORIGINAL NOTES ARE TO BE RETURNED BY CREDITING THE DTC ACCOUNT NUMBER SET FORTH ABOVE.

[ ] CHECK HERE IF YOU ARE A BROKER-DEALER WHO ACQUIRED THE ORIGINAL NOTES FOR ITS OWN ACCOUNT AS A RESULT OF MARKET MAKING OR OTHER TRADING ACTIVITIES (A "PARTICIPATING BROKER-DEALER") AND WISH TO RECEIVE 10 ADDITIONAL COPIES OF THE PROSPECTUS AND 10 COPIES OF ANY AMENDMENTS OR SUPPLEMENTS THERETO.

Name: --

Address: ---

Ladies and Gentlemen:

The undersigned hereby tenders to Charter Communications Holdings, LLC, a Delaware limited liability company, and Charter Communications Holdings Capital Corporation, a Delaware corporation (together, the "Issuers"), the above described aggregate principal amount of the Issuers' 8.250% Senior Notes due 2007, 8.625% Senior Notes due 2009 and 9.920% Senior Discount Notes due 2011 (the "Original Notes") in exchange for a like aggregate principal amount of the Issuers' 8.250% Senior Notes due 2007, 8.625% Senior Notes due 2009 and 9.920% Senior Discount Notes due 2011, respectively, (the "New Notes") which have been registered under the Securities Act of 1933 (the "Securities Act"), upon the terms and subject to the conditions set forth in the Prospectus dated ____ , 1999 (as the same may be amended or supplemented from time to time, the "Prospectus"), receipt of which is acknowledged, and in this Letter of Transmittal (which, together with the Prospectus, constitute the "Exchange Offer").

Subject to and effective upon the acceptance for exchange of all or any portion of the Original Notes tendered herewith in accordance with the terms and conditions of the Exchange Offer (including, if the Exchange Offer is extended or amended, the terms and conditions of any such extension or amendment), the undersigned hereby sells, assigns and transfers to or upon the order of the Issuers all right, title and interest in and to such Original Notes as are being tendered herewith. The undersigned hereby irrevocably constitutes and appoints the Exchange Agent as its agent and attorney-in-fact (with full knowledge that the Exchange Agent is also acting as agent of the Issuers in connection with the Exchange Offer) with respect to the tendered Original Notes, with full power of substitution (such power of attorney being deemed to be an irrevocable power coupled with an interest), subject only to the right of withdrawal described in the Prospectus, to (i) deliver Certificates for Original Notes to the Issuers together with all accompanying evidences of transfer and authenticity to, or upon the order of, the Issuers, upon receipt by the Exchange Agent, as the undersigned's agent, of the New Notes to be issued in exchange for such Original Notes, (ii) present Certificates for such Original Notes for transfer, and to transfer the Original Notes on the books of the Issuers, and (iii) receive for the account of the Issuers all benefits and otherwise exercise all rights of beneficial ownership of such Original Notes, all in accordance with the terms and conditions of the Exchange Offer.

THE UNDERSIGNED HEREBY REPRESENTS AND WARRANTS THAT THE UNDERSIGNED HAS FULL POWER AND AUTHORITY TO TENDER, EXCHANGE, SELL, ASSIGN AND TRANSFER THE ORIGINAL NOTES TENDERED HEREBY AND THAT, WHEN THE SAME ARE ACCEPTED FOR EXCHANGE, THE ISSUERS WILL ACQUIRE GOOD, MARKETABLE AND UNENCUMBERED TITLE THERETO, FREE AND CLEAR OF ALL LIENS, RESTRICTIONS, CHARGES AND ENCUMBRANCES, AND THAT THE ORIGINAL NOTES TENDERED HEREBY ARE NOT SUBJECT TO ANY ADVERSE CLAIMS OR PROXIES. THE UNDERSIGNED WILL, UPON REQUEST, EXECUTE AND DELIVER ANY ADDITIONAL DOCUMENTS DEEMED BY THE ISSUERS OR THE EXCHANGE AGENT TO BE NECESSARY OR DESIRABLE TO COMPLETE THE EXCHANGE, ASSIGNMENT AND TRANSFER OF THE ORIGINAL NOTES TENDERED HEREBY, AND THE UNDERSIGNED WILL COMPLY WITH ITS OBLIGATIONS UNDER THE EXCHANGE AND REGISTRATION RIGHTS AGREEMENT. THE UNDERSIGNED HAS READ AND AGREES TO ALL OF THE TERMS OF THE EXCHANGE OFFER.

The name(s) and address(es) of the registered holder(s) of the Original Notes tendered hereby should be printed above, if they are not already set forth above, as they appear on the Certificates representing such Original Notes. The Certificate number(s) and the Original Notes that the undersigned wishes to tender should be indicated in the appropriate boxes above.

If any tendered Original Notes are not exchanged pursuant to the Exchange Offer for any reason, or if Certificates are submitted for more Original Notes than are tendered or accepted for exchange, Certificates for such nonexchanged or nontendered Original Notes will be returned (or, in the case of Original Notes tendered by book-entry transfer, such Original Notes will be credited to an account maintained at DTC), without expense to the tendering holder, promptly following the expiration or termination of the Exchange Offer.

The undersigned understands that tenders of Original Notes pursuant to any one of the procedures described in "The Exchange Offer -- Procedures for Tendering" in the Prospectus and in the instructions hereto will, upon the Issuers' acceptance for exchange of such tendered Original Notes, constitute a binding agreement between the undersigned and the Issuers upon the terms and subject to the conditions of the Exchange Offer. The undersigned recognizes that, under certain circumstances set forth in the Prospectus, the Issuers may not be required to accept for exchange any of the Original Notes tendered hereby.

Unless otherwise indicated herein in the box entitled "Special Issuance Instructions" below, the undersigned hereby directs that the New Notes be issued in the name(s) of the undersigned or, in the case of a book-entry transfer of Original Notes, that such New Notes be credited to the account indicated above maintained at DTC. If applicable, substitute Certificates representing Original Notes not exchanged or not accepted for exchange will be issued to the undersigned or, in the case of a book-entry transfer of Original Notes, will be credited to the account indicated above maintained at DTC. Similarly, unless otherwise indicated under "Special Delivery Instructions," please deliver New Notes to the undersigned at the address shown below the undersigned's signature.

By tendering Original Notes and executing this Letter of Transmittal, the undersigned hereby represents and agrees that (i) the undersigned is not an "affiliate" (as defined in Rule 405 under the Securities Act) of the Issuers or any of their subsidiaries, (ii) any New Notes to be received by the undersigned are being acquired in the ordinary course of its business, (iii) the undersigned has no arrangement or understanding with any person to participate in a distribution (within the meaning of the Securities Act) of New Notes to be received in the Exchange Offer, and (iv) if the undersigned is not a Broker-Dealer, the undersigned is not engaged in, and does not intend to engage in, a distribution (within the meaning of the Securities Act) of such New Notes. By tendering Original Notes pursuant to the Exchange Offer and executing this Letter of Transmittal, a holder of Original Notes which is a Broker-Dealer represents and agrees, consistent with certain interpretive letters issued by the staff of the Division of Corporation Finance of the Securities and Exchange Commission to third parties, that (a) such Original Notes held by the Broker-Dealer are held only as a nominee, or (b) such Original Notes were acquired by such Broker-Dealer for its own account as a result of market-making activities or other trading activities and it will deliver the Prospectus (as amended or supplemented from time to time) meeting the requirements of the Securities Act in connection with any resale of such New Notes (provided that, by so acknowledging and by delivering a prospectus, such Broker-Dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act). See "The Exchange Offer -- Terms of the Exchange Offer" and "Plan of Distribution" in the Prospectus.

The Issuers have agreed that, subject to the provisions of the Exchange and Registration Rights Agreements, the Prospectus, as it may be amended or supplemented from time to time, may be used by a Participating Broker-Dealer (as defined below) in connection with resales of New Notes received in exchange for Original Notes, where such Original Notes were acquired by such Participating Broker-Dealer for its own account as a result of market-making activities or other trading activities, for a period ending 180 days after the Expiration Date (subject to extension under certain limited circumstances described in the Prospectus) or, if earlier, when all such New Notes have been disposed of by such Participating Broker-Dealer. However, a Participating Broker-Dealer who intends to use the Prospectus in connection with the resale of New Notes received in exchange for Original Notes pursuant to the Exchange Offer must notify the Issuers, or cause the Issuers to be notified, on or prior to the Expiration Date, that it is a Participating Broker-Dealer. Such notice may be given in the space provided herein for that purpose or may be delivered to the Exchange Agent at one of the addresses set forth in the Prospectus under "The Exchange Offer -- Exchange Agent." In that regard, each Broker-Dealer who acquired Original Notes for its own account as a result of market-making or other trading activities (a "Participating Broker-Dealer"), by tendering such Original Notes and executing this Letter of Transmittal, agrees that, upon receipt of notice from the Issuers of the occurrence of any event or the discovery of any fact which makes any statement contained or incorporated by reference in the Prospectus untrue in any material respect or which causes the Prospectus to omit to state a material fact necessary in order to make the statements contained or incorporated by reference therein, in light of the circumstances under which they were made, not misleading or of the occurrence of certain other events specified in the Exchange and Registration Rights Agreements, such Participating Broker-Dealer will suspend the sale of New Notes pursuant to the Prospectus until the Issuers have amended or supplemented the Prospectus to correct such misstatement or omission and have furnished copies of the amended or supplemented Prospectus to the Participating Broker-Dealer or the Issuers have given notice that the sale of the New Notes may be resumed, as the case may be.

If the Issuers give such notice to suspend the sale of the New Notes, it shall extend the 180-day period referred to above during which Participating Broker-Dealers are entitled to use the Prospectus in connection with the resale of New Notes by the number of days in the period from and including the date of the giving of such notice to and including the date when the Issuers shall have made available to Participating Broker-Dealers copies of the supplemented or amended Prospectus necessary to resume resales of the New Notes or to and including the date on which the Issuers have given notice that the use of the applicable Prospectus may be resumed, as the case may be.

Holders of Original Notes whose Original Notes are accepted for exchange will not receive accrued interest on such Original Notes for any period from and after the last Interest Payment Date to which interest has been paid or duly provided for on such Original Notes prior to the original issue date of the New Notes or, if no such interest has been paid or duly provided for, will not receive any accrued interest on such Original Notes, and the undersigned waives the right to receive any interest on such Original Notes accrued from and after such Interest Payment Date or, if no such interest has been paid or duly provided for, from and after ______ 1999.

All authority herein conferred or agreed to be conferred in this Letter of Transmittal shall survive the death or incapacity of the undersigned and any obligation of the undersigned hereunder shall be binding upon the heirs, executors, administrators, personal representatives, trustees in bankruptcy, legal representatives, successors and assigns of the undersigned. Except as stated in the Prospectus, this tender is irrevocable.

HOLDER(S) SIGN HERE
(SEE INSTRUCTIONS 2, 5 AND 6)
(PLEASE COMPLETE SUBSTITUTE FORM W-9 BELOW)

(NOTE: SIGNATURE(S) MUST BE GUARANTEED IF REQUIRED BY INSTRUCTION 2)

Must be signed by registered holder(s) exactly as name(s) appear(s) on Certificate(s) for the Original Notes hereby tendered or on a security position listing, or by any person(s) authorized to become the registered holder(s) by endorsements and documents transmitted herewith (including such opinions of counsel, certifications and other information as may be required by the Issuers or the Trustee for the Original Notes to comply with the restrictions on transfer applicable to the Original Notes). If signature is by an attorney-in-fact, executor, administrator, trustee, guardian, officer of a corporation or another acting in a fiduciary capacity or representative capacity, please set forth the signer's full title. See Instruction 5.

(SIGNATURE(S) OF HOLDER(S))

Dated: ________________________, 1999

Name(s): ____
(Please Print)

Address: ____
(Include Zip Code)

Area Code and Telephone Number: ____

TAXPAYER IDENTIFICATION OR SOCIAL SECURITY NUMBER(S)

GUARANTEE OF SIGNATURE(S)
(SEE INSTRUCTIONS 2 AND 5)

Authorized Signature: ____

Name: ____
(Please Print)

Date: ____, 1999

Capacity of Title: ____

Name of Firm: ____

Address: ____
(Include Zip Code)

Area Code and Telephone Number: ____

SPECIAL ISSUANCE INSTRUCTIONS
(SEE INSTRUCTIONS 1, 5 AND 6)

To be completed ONLY if the New Notes are to be issued in the name of someone other than the registered holder of the Original Notes whose name(s) appear(s) above:

Issue New Notes to:

Name:

(Please Print)

Address:

- --
(Include Zip Code)

- --
(Taxpayer Identification or Social Security No.)

SPECIAL DELIVERY INSTRUCTIONS
(SEE INSTRUCTIONS 1, 5 AND 6)

To be completed ONLY if the New Notes are to be sent to someone other than the registered holder of the Original Notes whose name(s) appear(s) above, or to such registered holder(s) at an address other than that shown above.

Mail New Notes to:

Name:

(Please Print)

Address:

- --
(Include Zip Code)

- --
(Taxpayer Identification or Social Security No.)

INSTRUCTIONS

FORMING PART OF THE TERMS AND CONDITIONS OF THE EXCHANGE OFFER

1. DELIVERY OF LETTER OF TRANSMITTAL AND CERTIFICATES; GUARANTEED DELIVERY PROCEDURES. This Letter of Transmittal is to be completed either if (a) Certificates are to be forwarded herewith or (b) tenders are to be made pursuant to the procedures for tender by book-entry transfer set forth in "The Exchange Offer -- Procedures for Tendering" in the Prospectus. Certificates, or timely confirmation of a book-entry transfer of such Original Notes into the Exchange Agent's account at DTC, as well as this Letter of Transmittal (or facsimile thereof), properly completed and duly executed, with any required signature guarantees, and any other documents required by this Letter of Transmittal, must be received by the Exchange Agent at one of its addresses set forth herein on or prior to the Expiration Date. Original Notes may be tendered in whole or in part in the principal amount of $1,000 and integral multiples thereof.

Holders who wish to tender their Original Notes and (I) whose Original Notes are not immediately available or (ii) who cannot deliver their Original Notes, this Letter of Transmittal and all other required documents to the Exchange Agent on or prior to the Expiration Date or (iii) who cannot complete the procedures for delivery by book-entry transfer on a timely basis, may tender their Original Notes by properly completing and duly executing a Notice of Guaranteed Delivery pursuant to the guaranteed delivery procedures set forth in "The Exchange Offer -- Guaranteed Delivery Procedures" in the Prospectus. Pursuant to such procedures: (I) such tender must be made by or through an Eligible Institution (as defined below); (ii) a properly completed and duly executed Notice of Guaranteed Delivery, substantially in the form made available by the Issuers, must be received by the Exchange Agent on or prior to the Expiration Date; and (iii) the Certificates (or a book-entry confirmation (as defined in the Prospectus) representing all tendered Original Notes, in proper form for transfer, together with a Letter of Transmittal (or facsimile thereof), properly completed and duly executed, with any required signature guarantees and any other documents required by this Letter of Transmittal, must be received by the Exchange Agent within three New York Stock Exchange trading days after the date of execution of such Notice of Guaranteed Delivery, all as provided in "The Exchange Offer -- Guaranteed Delivery Procedures" in the Prospectus.

The Notice of Guaranteed Delivery may be delivered by hand or transmitted by facsimile or mail to the Exchange Agent, and must include a guarantee by an Eligible Institution in the form set forth in such Notice. For Original Notes to be properly tendered pursuant to the guaranteed delivery procedure, the Exchange Agent must receive a Notice of Guaranteed Delivery on or prior to the Expiration Date. As used herein and in the Prospectus, "Eligible Institution" means a firm or other entity identified in Rule 17Ad-15 under the Exchange Act as "an eligible guarantor institution," including (as such terms are defined therein) (i) a bank; (ii) a broker, dealer, municipal securities broker or dealer or government securities broker or dealer; (iii) a credit union; (iv) a national securities exchange, registered securities association or clearing agency; or (v) a savings association.

THE METHOD OF DELIVERY OF CERTIFICATES, THIS LETTER OF TRANSMITTAL AND ALL OTHER REQUIRED DOCUMENTS IS AT THE OPTION AND SOLE RISK OF THE TENDERING HOLDER AND THE DELIVERY WILL BE DEEMED MADE ONLY WHEN ACTUALLY RECEIVED BY THE EXCHANGE AGENT. IF DELIVERY IS BY MAIL, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, OR OVERNIGHT DELIVERY SERVICE IS RECOMMENDED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ENSURE TIMELY DELIVERY.

The Issuers will not accept any alternative, conditional or contingent tenders. Each tendering holder, by execution of a Letter of Transmittal (or facsimile thereof), waives any right to receive any notice of the acceptance of such tender.

2. GUARANTEE OF SIGNATURES. No signature guarantee on this Letter of Transmittal is required if:

(i) this Letter of Transmittal is signed by the registered holder (which term, for purposes of this document, shall include any participant in DTC whose name appears on a security position listing as the owner of the Original Notes) of Original Notes tendered herewith, unless such holder(s) has completed either the box entitled "Special Issuance Instructions" or the box entitled "Special Delivery Instructions" above, or

(ii) such Original Notes are tendered for the account of a firm that is an Eligible Institution.

In all other cases, an Eligible Institution must guarantee the signature(s) on this Letter of Transmittal. See Instruction 5.

3. INADEQUATE SPACE. If the space provided in the box captioned "Description of Original Notes" is inadequate, the Certificate number(s) and/or the principal amount of Original Notes and any other required information should be listed on a separate signed schedule which is attached to this Letter of Transmittal.

4. PARTIAL TENDERS AND WITHDRAWAL RIGHTS. Tenders of Original Notes will be accepted only in the principal amount of $1,000 and integral multiples thereof. If less than all the Original Notes evidenced by any Certificate submitted are to be tendered, fill in the principal amount of Original Notes which are to be tendered in the box entitled "Principal Amount of Original Notes Tendered (if less than all)." In such case, new Certificate(s) for the remainder of the Original Notes that were evidenced by your old Certificate(s) will only be sent to the holder of the Original Notes, promptly after the Expiration Date. All Original Notes represented by Certificates delivered to the Exchange Agent will be deemed to have been tendered unless otherwise indicated.

Except as otherwise provided herein, tenders of Original Notes may be withdrawn at any time on or prior to the Expiration Date. In order for a withdrawal to be effective on or prior to that time, a written, telegraphic, telex or facsimile transmission of such notice of withdrawal must be timely received by the Exchange Agent at one of its addresses set forth above or in the Prospectus on or prior to the Expiration Date. Any such notice of withdrawal must specify the name of the person who tendered the Original Notes to be withdrawn, the aggregate principal amount of Original Notes to be withdrawn, and (if Certificates for Original Notes have been tendered) the name of the registered holder of the Original Notes as set forth on the Certificate for the Original Notes, if different from that of the person who tendered such Original Notes. If Certificates for the Original Notes have been delivered or otherwise identified to the Exchange Agent, then prior to the physical release of such Certificates for the Original Notes, the tendering holder must submit the serial numbers shown on the particular Certificates for the Original Notes to be withdrawn and the signature on the notice of withdrawal must be guaranteed by an Eligible Institution, except in the case of Original Notes tendered for the account of an Eligible Institution. If Original Notes have been tendered pursuant to the procedures for book-entry transfer set forth in "The Exchange Offer -- Procedures for Tendering," the notice of withdrawal must specify the name and number of the account at DTC to be credited with the withdrawal of Original Notes, in which case a notice of withdrawal will be effective if delivered to the Exchange Agent by written, telegraphic, telex or facsimile transmission. Withdrawals of tenders of Original Notes may not be rescinded. Original Notes properly withdrawn will not be deemed validly tendered for purposes of the Exchange Offer, but may be retendered at any subsequent time on or prior to the Expiration Date by following any of the procedures described in the Prospectus under "The Exchange Offer -- Procedures for Tendering."

All questions as to the validity, form and eligibility (including time of receipt) of such withdrawal notices will be determined by the Issuers, in its sole discretion, whose determination shall be final and binding on all parties. Neither the Issuers, any affiliates or assigns of the Issuers, the Exchange Agent nor any other person shall be under any duty to give any notification of any irregularities in any notice of withdrawal or incur any liability for failure to give any such notification. Any Original Notes which have been tendered but which are withdrawn will be returned to the holder thereof without cost to such holder promptly after withdrawal.

5. SIGNATURES ON LETTER OF TRANSMITTAL, ASSIGNMENTS AND ENDORSEMENTS. If this Letter of Transmittal is signed by the registered holder(s) of the Original Notes tendered hereby, the signature(s) must correspond exactly with the name(s) as written on the face of the Certificate(s) without alteration, enlargement or any change whatsoever.

If any of the Original Notes tendered hereby are owned of record by two or more joint owners, all such owners must sign this Letter of Transmittal.

If any tendered Original Notes are registered in different name(s) on several Certificates, it will be necessary to complete, sign and submit as many separate Letters of Transmittal (or facsimiles thereof) as there are different registrations of Certificates.

If this Letter of Transmittal or any Certificates or bond powers are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, such persons should so indicate when signing and must submit proper evidence satisfactory to the Issuers, in its sole discretion, of such persons' authority to so act.

When this Letter of Transmittal is signed by the registered owner(s) of the Original Notes listed and transmitted hereby, no endorsement(s) of Certificate(s) or separate bond power(s) are required unless New Notes are to be issued in the name of a person other than the registered holder(s). Signature(s) on such Certificate(s) or bond power(s) must be guaranteed by an Eligible Institution.

If this Letter of Transmittal is signed by a person other than the registered owner(s) of the Original Notes listed, the Certificates must be endorsed or accompanied by appropriate bond powers, signed exactly as the name or names of the registered owner(s) appear(s) on the Certificates, and also must be accompanied by such opinions of counsel, certifications and other information as the Issuers or the Trustee for the Original Notes may require in accordance with the restrictions on transfer applicable to the Original Notes. Signatures on such Certificates or bond powers must be guaranteed by an Eligible Institution.

6. SPECIAL ISSUANCE AND DELIVERY INSTRUCTIONS. If New Notes are to be issued in the name of a person other than the signer of this Letter of Transmittal, or if New Notes are to be sent to someone other than the signer of this Letter of Transmittal or to an address other than that shown above, the appropriate boxes on this Letter of Transmittal should be completed. Certificates for Original Notes not exchanged will be returned by mail or, if tendered by book-entry transfer, by crediting the account indicated above maintained at DTC. See Instruction 4.

7. IRREGULARITIES. The Issuers determine, in their sole discretion, all questions as to the form of documents, validity, eligibility (including time of receipt) and acceptance for exchange of any tender of Original Notes, which determination shall be final and binding on all parties. The Issuers reserve the absolute right to reject any and all tenders determined by it not to be in proper form or the acceptance of which, or exchange for, may, in the view of counsel to the Issuers, be unlawful. The Issuers also reserve the absolute right, subject to applicable law, to waive any of the conditions of the Exchange Offer set forth in the Prospectus under "The Exchange Offer -- Conditions" or any conditions or irregularity in any tender of Original Notes of any particular holder whether or not similar conditions or irregularities are waived in the case of other holders. The Issuers' interpretation of the terms and conditions of the Exchange Offer (including this Letter of Transmittal and the instructions hereto) will be final and binding. No tender of Original Notes will be deemed to have been validly made until all irregularities with respect to such tender have been cured or waived. Neither the Issuers, any affiliates or assigns of the Issuers, the Exchange Agent, nor any other person shall be under any duty to give notification of any irregularities in tenders or incur any liability for failure to give such notification.

8. QUESTIONS, REQUESTS FOR ASSISTANCE AND ADDITIONAL COPIES. Questions and requests for assistance may be directed to the Exchange Agent at one of its addresses and telephone number set forth on the front of this Letter of Transmittal. Additional copies of the Prospectus, the Notice of Guaranteed Delivery and

the Letter of Transmittal may be obtained from the Exchange Agent or from your broker, dealer, commercial bank, trust company or other nominee.

9. 31% BACKUP WITHHOLDING; SUBSTITUTE FORM W-9. Under U.S. Federal income tax law, a holder whose tendered Original Notes are accepted for exchange is required to provide the Exchange Agent with such holder's correct taxpayer identification number ("TIN") on Substitute Form W-9 below. If the Exchange Agent is not provided with the correct TIN, the Internal Revenue Service (the "IRS") may subject the holder or other payee to a $50 penalty. In addition, payments to such holders or other payees with respect to Original Notes exchanged pursuant to the Exchange Offer may be subject to 31% backup withholding.

The box in Part 2 of the Substitute Form W-9 may be checked if the tendering holder has not been issued a TIN and has applied for a TIN or intends to apply for a TIN in the near future. If the box in Part 2 is checked, the holder or other payee must also complete the Certificate of Awaiting Taxpayer Identification Number below in order to avoid backup withholding. Notwithstanding that the box in Part 2 is checked and the Certificate of Awaiting Taxpayer Identification Number is completed, the Exchange Agent will withhold 31% of all payments made prior to the time a properly certified TIN is provided to the Exchange Agent. The Exchange Agent will retain such amounts withheld during the 60 day period following the date of the Substitute Form W-9. If the holder furnishes the Exchange Agent with its TIN within 60 days after the date of the Substitute Form W-9, the amounts retained during the 60 day period will be remitted to the holder and no further amounts shall be retained or withheld from payments made to the holder thereafter. If, however, the holder has not provided the Exchange Agent with its TIN within such 60 day period, amounts withheld will be remitted to the IRS as backup withholding. In addition, 31% of all payments made thereafter will be withheld and remitted to the IRS until a correct TIN is provided.

The holder is required to give the Exchange Agent the TIN (e.g., social security number or employer identification number) of the registered owner of the Original Notes or of the last transferee appearing on the transfers attached to, or endorsed on, the Original Notes. If the Original Notes are registered in more than one name or are not in the name of the actual owner, consult the enclosed "Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9" for additional guidance on which number to report.

Certain holders (including, among others, corporations, financial institutions and certain foreign persons) may not be subject to these backup withholding and reporting requirements. Such holders should nevertheless complete the attached Substitute Form W-9 below, and write "exempt" on the face thereof, to avoid possible erroneous backup withholding. A foreign person may qualify as an exempt recipient by submitting a properly completed IRS Form W-8, signed under penalties of perjury, attesting to that holder's exempt status. Please consult the enclosed "Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9" for additional guidance on which holders are exempt from backup withholding.

Backup withholding is not an additional U.S. Federal income tax. Rather, the U.S. Federal income tax liability of a person subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained.

10. LOST, DESTROYED OR STOLEN CERTIFICATES. If any Certificate(s) representing Original Notes have been lost, destroyed or stolen, the holder should promptly notify the Exchange Agent. The holder will then be instructed as to the steps that must be taken in order to replace the Certificate(s). This Letter of Transmittal and related documents cannot be processed until the procedures for replacing lost, destroyed or stolen Certificate(s) have been followed.

11. SECURITY TRANSFER TAXES. Holders who tender their Original Notes for exchange will not be obligated to pay any transfer taxes in connection therewith. If, however, New Notes are to be delivered to, or are to be issued in the name of, any person other than the registered holder of the Original Notes tendered, or if a transfer tax is imposed for any reason other than the exchange of Original Notes in connection with the Exchange Offer, then the amount of any such transfer tax (whether imposed on the registered holder or any other persons) will be payable

by the tendering holder. If satisfactory evidence of payment of such taxes or exemption therefrom is not submitted with the Letter of Transmittal, the amount of such transfer taxes will be billed directly to such tendering holder.

IMPORTANT: THIS LETTER OF TRANSMITTAL (OR FACSIMILE THEREOF) AND ALL OTHER REQUIRED DOCUMENTS MUST BE RECEIVED BY THE EXCHANGE AGENT ON OR PRIOR TO THE EXPIRATION DATE.

TO BE COMPLETED BY ALL TENDERING NOTEHOLDERS
(SEE INSTRUCTION 9)

PAYEE'S NAME: ______________________________________

SUBSTITUTE FORM W-9 DEPARTMENT OF THE TREASURY, INTERNAL REVENUE SERVICE PAYER'S REQUEST FOR TAXPAYER IDENTIFICATION NUMBER ("TIN") AND CERTIFICATION	PART 1--PLEASE PROVIDE YOUR TIN IN THE BOX AT RIGHT AND CERTIFY BY SIGNING AND DATING BELOW	- Social Security Number OR EMPLOYER IDENTIFICATION NUMBER
	CERTIFICATION--UNDER THE PENALTIES OF PERJURY, I CERTIFY THAT (1) the number shown on this form is my correct Taxpayer Identification Number (or that I am waiting for a number to be issued to me). (2) I am not subject to backup withholding because: (a) I am exempt from backup withholding, (b) I have not been notified by the Internal Revenue Service (the "IRS") that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (C) the IRS has notified me that I am no longer subject to withholding. (3) any other information provided on this form is true and correct. CERTIFICATION INSTRUCTIONS--YOU MUST CROSS OUT ITEM (2) ABOVE IF YOU HAVe BEEN NOTIFIED BY THE IRS THAT YOU ARE CURRENTLY SUBJECT TO BACKUP WITHHOLDING BECAUSE OF UNDER-REPORTING INTEREST OR DIVIDENDS ON YOUR TAX RETURN. HOWEVER, IF AFTER BEING NOTIFIED BY THE IRS THAT YOU WERE SUBJECT TO BACKUP WITHHOLDING, YOU RECEIVED ANOTHER NOTIFICATION FROM THE IRS THAT YOU ARE NO LONGER SUBJECT TO BACKUP WITHHOLDING, DO NOT CROSS OUT ITEM (2). SIGNATURE DATE	PART 2 AWAITING TIN

NOTE: FAILURE TO COMPLETE AND RETURN THIS FORM MAY IN CERTAIN CIRCUMSTANCES RESULT IN BACKUP WITHHOLDING OF 31% OF ANY AMOUNTS PAID TO YOU PURSUANT TO THE EXCHANGE OFFER. PLEASE REVIEW THE ENCLOSED GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9 FOR ADDITIONAL DETAILS.

YOU MUST COMPLETE THE FOLLOWING CERTIFICATE IF YOU CHECKED THE BOX IN PART 2 OF SUBSTITUTE FORM W-9.

CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER

I certify under penalties of perjury that a Taxpayer Identification Number has not been issued to me, and either (1) I have mailed or delivered an application to receive a Taxpayer Identification Number to the appropriate Internal Revenue Service Center or Social Security Administration Office or (2) I intend to mail or deliver an application in the near future. I understand that if I do not provide a Taxpayer Identification Number by the time of payment, 31% of all payments made to me on account of the New Notes shall be retained until I provide a Taxpayer Identification Number to the Exchange Agent and that, if I do not provide my Taxpayer Identification Number within 60 days, such retained amounts shall be remitted to the Internal Revenue Service as backup withholding and 31% of all reportable payments made to me thereafter will be withheld and remitted to the Internal Revenue Service until I provide a Taxpayer Identification Number.

Signature ------------------------------------ Date ---------- , 1999

Exhibit 99.2

FORM OF NOTICE OF GUARANTEED DELIVERY

NOTICE OF GUARANTEED DELIVERY
FOR TENDER OF
8.250% SENIOR NOTES DUE 2007,
8.625% SENIOR NOTES DUE 2009,
AND 9.920% SENIOR DISCOUNT NOTES DUE 2011 OF
CHARTER COMMUNICATIONS HOLDINGS, LLC
AND
CHARTER COMMUNICATIONS HOLDINGS CAPITAL CORPORATION

This Notice of Guaranteed Delivery, or one substantially equivalent to this form, must be used to accept the Exchange Offer (as defined below) if (i) certificates for the Issuers' (as defined below) 8.250% Senior Notes due 2007, 8.625% Senior Notes due 2009 and 9.920% Senior Discount Notes due 2011 (collectively, the "Original Notes") are not immediately available, (ii) Original Notes, the Letter of Transmittal and all other required documents cannot be delivered to Harris Trust and Savings Bank (the "Exchange Agent") on or prior to the Expiration Date (as defined in the Prospectus referred to below) or (iii) the procedures for delivery by book-entry transfer cannot be completed on a timely basis. This Notice of Guaranteed Delivery may be delivered by hand, overnight courier or mail, or transmitted by facsimile transmission, to the Exchange Agent. See "The Exchange Offer--Procedures for Tendering" in the Prospectus.

THE EXCHANGE OFFER WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME ON   , 1999, UNLESS THE OFFER IS EXTENDED, (THE "EXPIRATION DATE"). TENDERS OF ORIGINAL NOTES MAY BE WITHDRAWN AT ANY TIME PRIOR TO 5:00 P.M. NEW YORK CITY TIME ON THE EXPIRATION DATE.

The Exchange Agent for the Exchange Offer is:

HARRIS TRUST AND SAVINGS BANK

By Registered, Certified or Overnight Mail or By Hand:

Harris Trust Company of New York
Wall Street Plaza
88 Pine Street
19th Floor
New York, New York 10005
Attention: Corporate Trust Department

By Facsimile: (212) 701-7624 Telephone Number: (212) 701-7637

DELIVERY OF THIS NOTICE OF GUARANTEED DELIVERY TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE OR TRANSMISSION OF THIS NOTICE OF GUARANTEED DELIVERY VIA FACSIMILE TO A NUMBER OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY.

THIS NOTICE OF GUARANTEED DELIVERY IS NOT TO BE USED TO GUARANTEE SIGNATURES. IF A SIGNATURE ON A LETTER OF TRANSMITTAL IS REQUIRED TO BE GUARANTEED BY AN "ELIGIBLE INSTITUTION" UNDER THE INSTRUCTIONS THERETO, SUCH SIGNATURE GUARANTEE MUST APPEAR IN THE APPLICABLE SPACE PROVIDED IN THE SIGNATURE BOX ON THE LETTER OF TRANSMITTAL.

THE GUARANTEE ON THE NEXT PAGE MUST BE COMPLETED.

Ladies and Gentlemen:

The undersigned hereby tenders to Charter Communications Holdings, LLC, a Delaware limited liability company, and Charter Communications Holdings Capital Corporation, a Delaware corporation (together, the "Issuers"), upon the terms and subject to the conditions set forth in the Prospectus dated , 1999, (as the same may be amended or supplemented from time to time, the "Prospectus"), and the related Letter of Transmittal (which together constitute the "Exchange Offer"), receipt of which is hereby acknowledged, the aggregate principal amount of Original Notes set forth below pursuant to the guaranteed delivery procedures set forth in the Prospectus under the caption "The Exchange Offer--Procedures for Tendering."

Aggregate Principal Amount Tendered:	Name(s) of Registered Holder(s):
Certificate No(s). (if available):	Addresses:
If Original Notes will be tendered by book-entry transfer, provide the following information: DTC Account Number:	Area Code and Telephone Number(s):

GUARANTEE (NOT TO BE USED FOR SIGNATURE GUARANTEE)

The undersigned, a firm or other entity identified in Rule 17Ad-15 under the Securities Exchange Act of 1934, as amended, as an "eligible guarantor institution," including (as such terms are defined therein): (i) a bank; (ii) a broker, dealer, municipal securities broker, municipal securities dealer, government securities broker, government securities dealer; (iii) a credit union; (iv) a national securities exchange, registered securities association or clearing agency; or (v) a savings association (each, an "Eligible Institution"), hereby guarantees to deliver to the Exchange Agent, at one of its addresses set forth above, either the Original Notes tendered hereby in proper form for transfer, or confirmation of the book-entry transfer of such Original Notes to the Exchange Agent's account at The Depository Trust Company ("DTC"), pursuant to the procedures for book-entry transfer set forth in the Prospectus, in either case together with one or more properly completed and duly executed Letter(s) of Transmittal (or facsimile thereof) and any other required documents within three New York Stock Exchange trading days after the date of execution of this Notice of Guaranteed Delivery.

The undersigned acknowledges that it must deliver the Letter(s) of Transmittal and the Original Notes tendered hereby to the Exchange Agent within the time period set forth above and that failure to do so could result in a financial loss to the undersigned.

Name of Firm: --

Address: --

Area Code and
Telephone Number: --

(Authorized Signature)

Title: ---

Name: ---

(Please type or print)

Date: ---

NOTE: DO NOT SEND ORIGINAL NOTES WITH THIS NOTICE OF GUARANTEED DELIVERY. ACTUAL SURRENDER OF ORIGINAL NOTES MUST BE MADE PURSUANT TO, AND BE ACCOMPANIED BY, A PROPERLY COMPLETED AND DULY EXECUTED LETTER OF TRANSMITTAL AND ANY OTHER REQUIRED DOCUMENTS.

INSTRUCTIONS FOR NOTICE OF GUARANTEED DELIVERY

1. DELIVERY OF THIS NOTICE OF GUARANTEED DELIVERY. A properly completed and duly executed copy of this Notice of Guaranteed Delivery and any other documents required by this Notice of Guaranteed Delivery must be received by the Exchange Agent at its address set forth herein prior to the Expiration Date. The method of delivery of this Notice of Guaranteed Delivery and any other required documents to the Exchange Agent is at the election and sole risk of the holder, and the delivery will be deemed made only when actually received by the Exchange Agent. If delivery is by mail, registered mail with return receipt requested, properly insured, is recommended. As an alternative to delivery by mail the holders may wish to consider using an overnight or hand delivery service. In all cases, sufficient time should be allowed to assure timely delivery. For a description of the guaranteed delivery procedures, see Instruction-1 of the Letter of Transmittal.

2. SIGNATURES ON THIS NOTICE OF GUARANTEED DELIVERY. If this Notice of Guaranteed Delivery is signed by the registered holder(s) of the Original Notes, the signature must correspond with the name(s) written on the face of the Original Notes without

alteration, enlargement, or any change whatsoever. If this Notice of Guaranteed Delivery is signed by a participant of the Book-Entry Transfer Facility whose name appears on a security position listing as the owner of the Original Notes, the signature must correspond with the name shown on the security position listing as the owner of the Original Notes.

If this Notice of Guaranteed Delivery is signed by a person other than the registered holder(s) of any Original Notes listed or a participant of the Book-Entry Transfer Facility, this Notice of Guaranteed Delivery must be accompanied by appropriate bond powers, signed as the name of the registered holder(s) appears on the Original Notes or signed as the name of the participant shown on the Book-Entry Transfer Facility's security position listing.

3. REQUESTS FOR ASSISTANCE OR ADDITIONAL COPIES. Questions and requests for assistance for additional copies of the Prospectus may be directed to the Exchange Agent at the address specified in the Prospectus. Holders may also contact their broker, dealer, commercial bank, trust company, or other nominee for assistance concerning the Exchange Offer.