AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON JUNE 21, 1999

REGISTRATION NO. 333-77499

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

AMENDMENT NO. 2 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
(314) 965-0555
(NAME, ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF AGENT FOR SERVICE)

COPIES TO:

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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 JUNE 21, 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 new notes will be governed by the same indentures governing the original notes. The new notes will be substantially identical to the original notes except that you will not have any exchange or registration rights in connection with the new notes.

- 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 18 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.

THE COMPANY

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

- basic programming, which generally includes a variety of entertainment programming, locally originated programming and the retransmission of local broadcast stations;

- expanded basic programming, known in the cable industry as cable programming service tier, or CPST, which offers more services than basic programming;

- premium channels, which provide unedited, commercial-free movies, sports and other special event entertainment programming; and

- pay-per-view television programming, where customers are charged a fee for individual programs.

We have begun to offer digital cable television services to customers in some of our systems, and are also expanding into other entertainment, educational and communications services, including high-speed Internet access. In addition, we are currently upgrading our cable systems to offer services which will allow our customers to interact with the programming we provide. Such services are referred to as interactive services. As of March 31, 1999, we served approximately 2.4 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 three months ended March 31, 1999, pro forma for the acquisitions we completed during 1999, our revenues were approximately $311 million and our EBITDA was approximately $143 million. For the year ended December 31, 1998, pro forma for the acquisitions and a merger we completed during 1999, our revenues were approximately $1.2 billion and our earnings before interest, taxes, depreciation and amortization, or EBITDA, was approximately $532 million.

We have pursued and executed a strategy of operating, developing, acquiring and consolidating cable systems with the primary goals of increasing our customer base and operating cash flow by consistently emphasizing superior customer service. Without giving effect to the cable systems we acquired in 1998, we increased our customer base by 4.8%, revenues by 9.5% and EBITDA by 11% during that year. This customer growth was more than twice the national average of 1.7% for 1998. In 1997, our customer growth was 3.5%, significantly higher than the national average of 2.0% for 1997.

In addition to growing our customer base internally, we have grown significantly through acquisitions. Over the past five years, our management team has successfully completed 22 acquisitions, including two acquisitions in 1999. We have also entered into six agreements to acquire additional cable systems. These recent and pending acquisitions serve a total of approximately 1.3 million customers.

Our principal executive offices are located at 12444 Powerscourt Drive, St. Louis, Missouri 63131. Our telephone number is (314)965-0555 and our e-mail address is www.chartercom.com.

BUSINESS STRATEGY

Our business strategy is to grow our customer base and increase our operating cash flow by:

- maximizing customer satisfaction;

- implementing decentralized operations with centralized financial controls;

- pursuing strategic acquisitions;

- upgrading our systems;

- emphasizing innovative marketing; and

- offering new products and services.

RECENT EVENTS

RECENT ACQUISITIONS

In the second quarter of 1999, we completed two transactions in which we acquired cable systems serving a total of approximately 200,000 customers in four states. The total purchase price for these acquisitions was approximately $699 million. For the three months ended March 31, 1999, these systems had revenues of approximately $24.4 million and EBITDA of approximately $12.6 million. For the year ended December 31, 1998, these systems had revenues of approximately $57.2 million and EBITDA of approximately $28.4 million.

PENDING ACQUISITIONS

In addition to the recent acquisitions described above, since the beginning of 1999, we have entered into six agreements to acquire additional cable systems. The total purchase price for these acquisitions will be approximately $3.9 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 1.1 million customers in 18 states. For the three months ended March 31, 1999, these systems had revenues of approximately $144.2 million, and EBITDA of approximately $59.0 million. For the year ended December 31, 1998, such systems had revenues of approximately $464.0 million and EBITDA of approximately $271.6 million. 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, Charter Communications, Inc. managed three groups of systems. Since Charter Communications, Inc. held only a minority interest in two of these groups, their financial statements were not consolidated with those of Charter Communications, Inc. or with each other. In connection with our acquisition by Mr. Allen on December 23, 1998:

- Charter Communications, Inc. became the owner of all of the interests in all three groups;

- we changed our corporate structure by converting certain corporations and partnerships into limited liability companies; and

- we merged certain subsidiaries.

In February 1999, Charter Communications Holdings, LLC, or Charter Holdings, was formed as a wholly owned subsidiary of Charter Communications, Inc. and Charter Communications Operating LLC, or Charter Operating, was formed as a wholly owned subsidiary of Charter Holdings. All of Charter Communications, Inc.'s equity interests in all of its subsidiaries were transferred to Charter Operating. In May 1999, Charter Communications Holding Company, LLC was formed as a wholly owned subsidiary of Charter Communications, Inc. All of Charter Communications, Inc.'s equity interests in Charter Holdings were transferred to Charter Communications Holding Company.

The following is a breakdown of the three groups of systems and where they are today:

(1) Charter Communications Properties Holdings LLC, which is now Charter Communications Properties, LLC.

(2) The CCA Group, which consisted of three sister companies,

(a) CCT Holdings, LLC,

(b) CCA Holdings, LLC, and

(c) Charter Communications Long Beach, LLC.

These three companies were merged out of existence and their operating companies renamed.

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

Mr. Allen acquired Marcus Cable Company, L.L.C., or Marcus Cable, and all of its operating subsidiaries. In February 1999, Marcus Holdings Company, LLC or Marcus Holdings was formed and all of Mr. Allen's interests in Marcus Cable Company, L.L.C. or Marcus Cable were transferred to Marcus Holdings. In April 1999, Marcus Holdings was merged into Charter Holdings. The operating subsidiaries of Marcus Holdings became subsidiaries of Charter Holdings.

All of the recent and pending acquisitions described in this prospectus were or will be acquired by Charter Holdings or one or more of its subsidiaries.

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.
Certain Federal Tax Considerations................	We believe that the exchange of original notes for new notes pursuant to the exchange offer will not be a taxable event for United States federal income tax purposes. A holder's holding period for new notes will include the holding period for original notes. See "Certain Federal 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	$ 24,483	$ 310,618	$ 134,653	$ --	$ 445,271
Operating expenses:						
Operating, general and administrative	152,075	10,881	162,956	73,342	--	236,298
Corporate expense charges(a)	5,323	724	6,047	1,033	--	7,080
Depreciation and amortization	153,747	26,098	179,845	79,856	--	259,701
Management fees	--	275	275	2,507	--	2,782
Total operating expenses	311,145	37,978	349,123	156,738	--	505,861
Loss from operations	(25,010)	(13,495)	(38,505)	(22,085)	--	(60,590)
Interest expense	(71,591)	(14,586)	(86,177)	(38,514)	(13,550)	(138,241)
Interest income	1,733	108	1,841	151	--	1,992
Other income (expense)	15	--	15	(137)	--	(122)
Net loss	$ (94,853)	$ (27,973)	$ (122,826)	$ (60,585)	$(13,550)	$ (196,961)
OTHER FINANCIAL DATA:						
EBITDA(b)	$ 130,485	$ 12,711	$ 143,196	$ 57,785		$ 200,981
EBITDA margin(c)	45.6%	51.9%	46.1%	42.9%		45.1%
Adjusted EBITDA(d)	134,060	13,602	147,662	61,311		208,973
Cash flows from operating activities	45,824	5,390	51,214	31,790		83,004
Cash interest expense						109,186
Capital expenditures	$ 109,629	$ 3,653	$ 113,282	$ 39,815		$ 153,097
Total debt to annualized EBITDA						8.2x
Total debt to annualized Adjusted EBITDA						7.9
EBITDA to cash interest expense						1.8
EBITDA to interest expense						1.5
Deficiency of earnings to cover fixed charges(e)						$ 196,961
BALANCE SHEET DATA (AT END OF PERIOD):						
Total assets	$8,357,282	$ 12,027	$8,369,309	$3,271,029	$ --	$11,640,338
Total debt	4,754,018	--	4,754,018	1,869,158	--	6,623,176
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	4,161,000	293,000	4,454,000	1,622,000		6,076,000
Basic customers	2,364,000	200,000	2,564,000	1,111,000		3,675,000
Basic penetration(f)	56.8%	68.3%	57.6%	68.5%		60.5%
Premium units	1,347,000	83,000	1,430,000	671,000		2,101,000
Premium penetration(g)	57.0%	41.5%	55.8%	60.4%		57.2%
Average monthly revenue per basic customer(h)	$ 40.35	$ 40.81	$ 40.38	$ 40.40		$ 40.39

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	$ 93,316	$1,153,198	$ 504,125	$ --	$ 1,657,323
Operating expenses:							
Operating, general and administrative	310,100	231,050	43,357	584,507	262,852	--	847,359
Corporate expenses charges(a)	16,493	17,042	2,786	36,321	3,973	--	40,294
Depreciation and amortization	375,899	252,855	53,004	681,758	274,727	--	956,485
Management fees	--	--	1,077	1,077	13,595	--	14,672
Total operating expenses	702,492	500,947	100,224	1,303,663	555,147	--	1,858,810
Loss from operations	(90,802)	(52,755)	(6,908)	(150,465)	(51,022)	--	(201,487)
Interest expense	(207,468)	(137,953)	(61,757)	(407,178)	(150,243)	4,400	(553,021)
Other income (expense)	518	--	437	955	(6,299)	--	(5,344)
Net loss	$(297,752)	$(190,708)	$ (68,228)	$ (556,688)	$ (207,564)	$ 4,400	$ (759,852)
OTHER FINANCIAL DATA:							
EBITDA(b)	$ 285,615	$ 200,100	$ 46,533	$ 532,248	$ 217,406		$ 749,654
EBITDA margin(c)	46.7%	44.6%	49.9%	46.2%	43.1%		45.2%
Adjusted EBITDA(d)	301,590	217,142	49,959	568,691	241,273		809,964
Cash flows from operating activities	137,160	139,908	12,399	289,467	61,995		351,462
Cash interest expense							436,432
Capital expenditures	$ 213,353	$ 224,723	$ 5,001	$ 443,077	$ 86,106		$ 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)							$ 759,852
BALANCE SHEET DATA (AT END OF PERIOD):							
Total assets	$7,235,656	$ --	$ 716,060	$7,951,716	$3,634,684	$125,000	$11,711,400
Total debt	3,523,201	--	703,000	4,226,201	2,204,821	128,602	6,559,624
Members' equity	3,429,291	--	--	3,429,291	1,325,000	(3,602)	4,750,689

	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	289,000	4,181,000	1,506,000		5,687,000
Basic customers.............	1,255,000	1,062,000	195,000	2,512,000	1,105,000		3,617,000
Basic penetration(f)........	58.4%	60.9%	67.5%	60.1%	73.4%		63.6%
Premium units...............	845,000	411,000	87,000	1,343,000	724,000		2,067,000
Premium penetration(g)......	67.3%	38.7%	44.6%	53.5%	65.5%		57.1%
Average monthly revenue per basic customer(h).........	NM	NM	$ 39.88	$ 32.26	$ 38.02		$ 38.18

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

(b) 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. 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 Communications, Inc. 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 with the excess purchase price recorded as franchises, 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			
	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 Communications, Inc. provided corporate management and consulting services to us. CCA Group, and CharterComm Holdings paid fees to Charter Communications, Inc. 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 Communications, Inc. on behalf of Charter Holdings. Management fees/corporate expense charges 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 Communications, Inc. 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 risk factors, as well as the other information in this prospectus, before tendering original notes in exchange for new notes.

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 recent and pending acquisitions, our total indebtedness would have been approximately $6.6 billion, our total members' equity would have been approximately $4.7 billion, and the deficiency of our earnings available to cover fixed charges would have been approximately $197 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;
- require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, which will reduce our funds available for working capital, capital expenditures, acquisitions of additional systems and other general corporate requirements;
- limit our flexibility in planning for, or reacting to, changes in our business and the cable industry generally;
- place us at a competitive disadvantage compared to our competitors that have proportionately less debt;
- limit our ability to borrow additional funds, if we need them, due to applicable financial and restrictive covenants in such indebtedness; and
- increase our interest expenses above current levels due to increases in interest rates, since much of our borrowings are and will continue to be at variable rates of interest.

We anticipate incurring substantial additional debt in the future to finance additional acquisitions and 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.

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 indebtedness, including the notes, to grow our business or to fund our other liquidity needs.

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, among other things, restrict the ability of our subsidiaries to:

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

In addition, our credit facilities contain, among other covenants:

- covenants, such as financial maintenance ratios, which may restrict the ability of our subsidiaries to distribute funds to service principal and interest payments on the notes; and

- requirements that Charter Operating, the borrower on a consolidated basis with our other subsidiaries, maintain specified financial ratios.

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. 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 and in any event when a default exists under our credit facilities, funds may not be distributed by Charter Operating to Charter Holdings to pay interest or principal on the notes. Additionally, 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. If the 8.250% notes are not refinanced at least six months prior to the date of their maturity, the entire amount due under our credit facilities will become due and payable and we may not have the ability to make such payment.

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 1995 and have grown rapidly since then through acquisitions of cable systems. Our merger with Marcus Holdings on April 7, 1999 nearly doubled the number of customers we serve. Additionally, our recent and pending acquisitions will increase the number of customers served by our systems by approximately 55%. As a result, historical financial information about us may not be indicative of the future or of results that can be achieved by us with the cable systems which will be under our control. Although we have experienced internal customer growth, recent growth in

revenue, and growth in EBITDA, there can be no assurance that growth or positive cash flow will continue to be achieved within the combined systems or other systems we may acquire in the future.

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 and $200 million for 1998. The companies we acquired through our merger with Marcus Holdings reported net losses from continuing operations, before extraordinary items, of $109 million for 1997 and $248 million for 1998. We cannot predict what impact, if any, continued losses will have on our ability to finance our operations in the future.

IF OUR CAPITAL INVESTMENT PROGRAM DOES NOT RESULT IN SUFFICIENTLY INCREASED REVENUES, WE MAY NOT BE ABLE TO OBTAIN ADDITIONAL CAPITAL TO FUND OUR PLANNED UPGRADES AND OTHER CAPITAL EXPENDITURES. THIS COULD ADVERSELY AFFECT OUR ABILITY TO OFFER NEW SERVICES, WHICH COULD ADVERSELY AFFECT OUR GROWTH, OUR FINANCIAL CONDITION AND OUR 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 our existing systems. 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 our existing systems. As we make additional acquisitions, we expect that our need to make additional capital expenditures will increase. If we cannot obtain the funds we need, we may not be able to fund these planned upgrades and other capital expenditures. 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 and enhanced 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, we cannot predict the success of our acquisition strategy. Recently, the cable television industry has undergone significant consolidation which has reduced the number of future acquisition prospects for us. 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 AS WELL AS OUR GROWTH STRATEGY.

Upon the completion of our recent and 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 2.4 million customers as of March 31, 1999. In addition, we expect to acquire more cable systems in the future. This strategy poses the following risks:

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

- Acquired businesses sometimes result in unexpected liabilities and contingencies which could be expensive and might hinder our growth.

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

Potentially successful acquisitions initially may be a material drain on our cash and other resources while we integrate them with our other systems. We cannot assure you that we will successfully integrate any acquired systems into our operations. The fact that we are aggressively seeking and attempting to complete acquisitions enhances these risks.

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

Our pending acquisitions are subject to regulatory approvals, including the approval of the relevant public utilities commission in the state of the cable systems to be acquired where relevant. No assurance can be given that the necessary approvals will be received. These pending acquisitions are also subject to certain 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.

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

Programming has been and is expected to continue to be our largest single expense item. The combined programming costs of Charter Holdings, CCA Group, and CharterComm Holdings were equal to approximately 21% of revenues in 1998. In recent years the cable industry has experienced a rapid escalation in the cost of programming, in particular, sports programming. Our programming costs for the services carried on our basic and expanded basic levels of service increased by approximately 12%, on a per customer basis, from 1997 to 1998. 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 affect our profitability and cash flow.

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. Mr. Allen may make decisions which are adverse to your interests. There can be no assurance that the interests of either Mr. Allen or his affiliates will not conflict with the interests of the holders of the notes.

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 has 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, affiliates of Mr. Allen have signed agreements to purchase cable systems with a total of approximately 1.8 million customers. Charter Communications, Inc., of which Mr. Allen is the majority owner, as well as some of the officers of Charter Communications, Inc. who currently manage our cable systems, will have a substantial role in managing these outside systems. Charter Communications, Inc. 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 Communications, Inc. between our systems and outside systems held by Mr. Allen could give rise to conflicts of interest. Charter Communications, Inc. 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 Communications, Inc. 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.

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 federal 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. There should be no expectation that Mr. Allen or our other equity holders will fund our operations or obligations in the future.

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 many 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, competitive 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. Additionally, the Federal Communications Commission and the U.S. Congress are considering proposals to enhance the ability of direct broadcast satellite providers to gain access to additional programming, and to authorize them to transmit local broadcast signals to local markets on a broader basis than permitted under current law. If they gain permission and are able to deliver local or regional broadcast signals more broadly, cable system operators will lose a competitive advantage over direct broadcast satellite providers.

We also face competition within the subscription television industry from non-cable technologies for distributing television broadcast signals. Current and potential competitors include:

- direct broadcast satellite providers, which transmit signals via satellite;

- multichannel multipoint distribution systems, or wireless cable, which distributes cable television signals through microwave signals; and

- operators of satellite master antenna television systems, a distribution system that feeds satellite signals, usually to multiple dwelling units such as hotels and apartments.

Electric utilities also have the potential to become significant competitors in the video marketplace, as many of them already possess fiber optic transmission lines, which are capable of transmitting signals over long distances with minimum signal loss or distortion, in certain of the areas they serve. We also face competition 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 hope that upgrading our cable systems will give us an advantage over our competitors, although we cannot assure you that such upgrades 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. Advances in communications technology and changes in the marketplace and the regulatory and legislative environment are constantly occurring. We cannot predict the specific effect ongoing or future developments might have on us or the general effect these developments might have on the cable television industry. We also cannot predict the extent to which this competition may affect our business and operations in the future.

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 affect our ability to compete. 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. Although these overbuild situations are relatively uncommon, they may occur in additional systems.

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. There can be no assurance 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. Our inability to provide enhanced services in a timely manner or to anticipate the demands of the market place could have a material adverse effect on our ability to compete and, consequently, on our business, results of operations and financial condition.

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 of cable systems and has resulted in additional oversight by the Federal Communications Commission and state local franchising authorities. Cable operators are subject to, among other things:

- rate regulations;

- requirements that, under certain 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. Among these is a proposal which would require cable operators to provide access to their cable networks to other Internet service providers such as telephone companies. 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 such 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. Legislation and regulations change, and we cannot predict the impact of future developments on the cable television industry in general or on us, in particular.

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 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.

DESPITE THE CURRENT DEREGULATION OF PRICING GUIDELINES, CONCERNS OVER CABLE RATE INCREASES COULD GIVE RISE TO FURTHER REGULATION. THIS COULD IMPAIR OUR ABILITY TO RAISE RATES TO COVER OUR INCREASING COSTS.

As of March 31, 1999, the pricing guidelines of cable programming packages for all cable operators was deregulated. This affords cable operators substantially more flexibility in implementing rate changes. However, the Federal Communications Commission and the U.S. Congress continue to be concerned that rates for cable services are rising at a rate exceeding inflation. It is therefore possible that either the U.S. Congress or the Federal Communications Commission will further restrict the ability of cable television operators to implement desired rate increases. Should this occur, it could impede our ability to raise rates to cover increased costs.

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 generally are subject to significant regulation as well as higher fees for attaching cable wires to poles, known in the cable industry as 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. Such 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.

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.

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

Many existing computer systems and applications, and other control devices and embedded computer chips use only two chips rather than four to identify a year, without considering 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. In addition, two interacting systems, applications, devices or chips, each of which has been individually fixed so that it will properly handle this year 2000 problem, could nonetheless suffer a failure to integrate because their method of dealing with the problem is not compatible.

This year 2000 problem impacts our owned or licensed computer systems and equipment used in connection with internal operations. It also impacts 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.

We are addressing the year 2000 problem with respect to our internal operations. Much of our assessment efforts has involved, and depends on, inquiries to third party service providers. Certain of these third parties that have certified the readiness of their products will not certify that such products have operating compatibility within our systems. If we, or a significant third party with whom we interact with by 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, including inability to process transactions, send invoices, accept customer orders or provide customers with products and 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. 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. Any such disruption could have a material adverse effect on our operations causing a decline in cash flow and revenues.

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 net proceeds totaling approximately $2.92 billion from the private placement of the original notes. Discounts and commissions and other expenses payable by us totaled approximately $125 million. Some of the net proceeds were used to complete the cash tender offers in an amount of approximately $1.0 billion for certain then-outstanding notes of our subsidiaries. Some of the net proceeds totalling approximately $1.3 billion were also used to pay-off a portion of our previous credit facilities, including accrued interest.

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	$ 3,507,789
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	1,085
10% senior discount notes -- Renaissance(c)	--	111,369
Total long-term debt	4,754,018	6,623,176
Members' equity(d)	3,326,142	4,651,142
Total capitalization	$8,080,160	$11,274,318

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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.

(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 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, LLC. They are 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 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 acquisitions 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. However, no significant adjustments are anticipated.

The unaudited pro forma adjustments are based upon available information and certain assumptions that we believe are reasonable. 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	$ 24,483	$ 310,618	$ 134,653	$ --	$ 445,271
Operating expenses:						
Operating, general and administrative	152,075	10,881	162,956	73,342	--	236,298
Corporate expense charges (Note C)	5,323	724	6,047	1,033	--	7,080
Depreciation and amortization	153,747	26,098	179,845	79,856	--	259,701
Management fees	--	275	275	2,507	--	2,782
Total operating expenses	311,145	37,978	349,123	156,738	--	505,861
Loss from operations	(25,010)	(13,495)	(38,505)	(22,085)	--	(60,590)
Interest expense	(71,591)	(14,586)	(86,177)	(38,514)	(13,550)	(138,241)
Interest income	1,733	108	1,841	151	--	1,992
Other income (expense)	15	--	15	(137)	--	(122)
Net income (loss)	$ (94,853)	$(27,973)	$ (122,826)	$ (60,585)	$ (13,550)	$ (196,961)
OTHER FINANCIAL DATA:						
EBITDA (Note D)	$ 130,485	$ 12,711	$ 143,196	$ 57,785		$ 200,981
EBITDA margin (Note E)	45.6%	51.9%	46.1%	42.9%		45.1%
Adjusted EBITDA (Note F)	134,060	13,602	147,662	61,311		208,973
Cash flows from operating activities	45,824	5,390	51,214	31,790		83,004
Cash interest expense						109,186
Capital expenditures	$ 109,629	$ 3,653	$ 113,282	$ 39,815		$ 153,097
Total debt to annualized EBITDA						8.2x
Total debt to annualized Adjusted EBITDA						7.9
EBITDA to cash interest expense						1.8
EBITDA to interest expense						1.5
Deficiency of earnings to cover fixed charges (Note G)						$ 196,961
OPERATING DATA (AT END OF PERIOD, EXCEPT FOR AVERAGES):						
Homes passed	4,161,000	293,000	4,454,000	1,622,000		6,076,000
Basic customers	2,364,000	200,000	2,564,000	1,111,000		3,675,000
Basic penetration (Note H)	56.8%	68.3%	57.6%	68.5%		60.5%
Premium units	1,347,000	83,000	1,430,000	671,000		2,101,000
Premium penetration (Note I)	57.0%	41.5%	55.8%	60.4%		57.2%
Average monthly revenue per basic customer (Note J)	$ 40.35	$ 40.81	$ 40.38	$ 40.40		$ 40.39

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	TOTAL RECENT	GREATER MEDIA SYSTEMS	INTERMEDIA SYSTEMS	HELICON	RIFKIN(a)	OTHER	TOTAL PENDING
Revenues	$15,254	$ 9,151	$24,405	$20,394	$ 48,288	$21,252	$ 50,914	$3,354	$144,202
Operating expenses:									
Operating, general and administrative	6,889	4,681	11,570	12,757	26,080	11,277	27,028	1,594	78,736
Depreciation and amortization	6,655	5,536	12,191	2,425	26,100	6,828	26,187	938	62,478
Management fees	--	275	275	--	781	1,063	841	--	2,685
Total operating expenses	13,544	10,492	24,036	15,182	52,961	19,168	54,056	2,532	143,899
Income (loss) from operations	1,710	(1,341)	369	5,212	(4,673)	2,084	(3,142)	822	303
Interest expense	(4,797)	(2,450)	(7,247)	(157)	(5,778)	(7,821)	(11,414)	(758)	(25,928)
Interest income	90	18	108	--	77	51	--	--	128
Other income (expense)	--	--	--	(16)	--	--	(3,851)	--	(3,867)
Income (loss) before income tax expense (benefit)	(2,997)	(3,773)	(6,770)	5,039	(10,374)	(5,686)	(18,407)	64	(29,364)
Income tax (benefit) expense	58	--	58	2,088	(1,396)	--	(537)	--	155
Income (loss) before extraordinary item	$(3,055)	$(3,773)	$(6,828)	$ 2,951	$ (8,978)	$(5,686)	$(17,870)	$ 64	$(29,519)

	THREE MONTHS ENDED MARCH 31, 1999					
	RECENT ACQUISITIONS				PENDING ACQUISITIONS	
		PRO FORMA				PRO FORMA
	HISTORICAL	ACQUISITIONS(b)	ADJUSTMENTS	TOTAL	HISTORICAL	ACQUISITIONS(b)
Revenues..............	$24,405	$ 78	$ --	$ 24,483	$144,202	$ 6,400
Operating expenses:						
Operating, general and administrative....	11,570	35	(724)(d)	10,881	78,736	3,541
Corporate expense charges...........	--	--	724(d)	724	--	--
Depreciation and amortization......	12,191	34	13,873(e)	26,098	62,478	1,376
Management fees.....	275	--	--	275	2,685	280
Total operating expenses..........	24,036	69	13,873	37,978	143,899	5,197
Income (loss) from operations..........	369	9	(13,873)	(13,495)	303	1,203
Interest expense......	(7,247)	(25)	(7,314)(f)	(14,586)	(25,928)	(1,309)
Interest income.......	108	--	--	108	128	23
Other income (expense)...........	--	--	--	--	(3,867)	(44)
Income (loss) before income tax expense (benefit)...........	(6,770)	(16)	(21,187)	(27,973)	(29,364)	(127)
Income tax (benefit) expense.............	58	--	(58)(h)	--	155	(114)
Income (loss) before extraordinary item................	$(6,828)	$(16)	$(21,129)	$(27,973)	$(29,519)	$ (13)

	THREE MONTHS ENDED MARCH 31, 1999		
	PENDING ACQUISITIONS		
	PRO FORMA		
	DISPOSITIONS(c)	ADJUSTMENTS	TOTAL
Revenues..............	$(15,949)	$ --	$ 134,653
Operating expenses:			
Operating, general and administrative....	(7,902)	(1,033)(d)	73,342
Corporate expense charges...........	--	1,033(d)	1,033
Depreciation and amortization......	(6,883)	22,885(e)	79,856
Management fees.....	(458)	--	2,507
Total operating expenses..........	(15,243)	22,885	156,738
Income (loss) from operations..........	(706)	(22,885)	(22,085)
Interest expense......	(4)	(11,273)(f)	(38,514)
Interest income.......	--	--	151
Other income (expense)...........	--	3,774(g)	(137)
Income (loss) before income tax expense (benefit)...........	(710)	(30,384)	(60,585)
Income tax (benefit) expense.............	--	(41)(h)	--
Income (loss) before extraordinary item................	$ (710)	$ (30,343)	$ (60,585)

(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.

(b) Represents the historical results of operations for the period from January 1, 1999 through the date of acquisition for acquisitions completed by

Renaissance, the InterMedia systems, Helicon and Rifkin, and for the period from January 1, 1999 through March 31, 1999 for acquisitions to be completed subsequent to March 31, 1999.

(c) Represents the elimination of the operating results primarily related to the cable systems to be transferred to the InterMedia systems.

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

(e) Represents additional amortization of franchises as a result of our recent and pending acquisitions. The excess of purchase price over the net tangible assets acquired, $3.6 billion, is expected to be recorded in franchises and amortized over 15 years.

(f) Reflects additional interest expense on borrowings which will be used to finance the acquisitions using a 7.4% interest rate.

(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 lower interest expense consists of the following (dollars in thousands):

DESCRIPTION	INTEREST EXPENSE
Notes (at blended rate of 9.0%)	$67,250
Credit facilities (at blended rate of 7.4%)	63,750
Amortization of debt issuance costs	3,900
Commitment fee on unused portion of our credit facilities ($652,000 at 0.375%)	600
10% senior discount notes -- Renaissance	2,750
Total pro forma interest expense	138,250
Less -- interest expense (including our recent and pending acquisitions)	124,700
Adjustment	$13,550

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

NOTE D: 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. 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	$ 93,316	$1,153,198	$ 504,125	$ --	$1,657,323
Operating expenses:							
Operating, general and administrative	310,100	231,050	43,357	584,507	262,852	--	847,359
Corporate expense charges (Note E)	16,493	17,042	2,786	36,321	3,973	--	40,294
Depreciation and amortization	375,899	252,855	53,004	681,758	274,727	--	956,485
Management fees	--	--	1,077	1,077	13,595	--	14,672
Total operating expenses	702,492	500,947	100,224	1,303,663	555,147	--	1,858,810
Loss from operations	(90,802)	(52,755)	(6,908)	(150,465)	(51,022)	--	(201,487)
Interest (expense) benefit	(207,468)	(137,953)	(61,757)	(407,178)	(150,243)	4,400	(553,021)
Other income (expense)	518	--	437	955	(6,299)	--	(5,344)
Net income (loss)	$(297,752)	$(190,708)	$(68,228)	$ (556,688)	$(207,564)	$4,400	$ (759,852)
OTHER FINANCIAL DATA:							
EBITDA (Note F)	$ 285,615	$ 200,100	$ 46,533	$ 532,248	$ 217,406		$ 749,654
EBITDA margin (Note G)	46.7%	44.6%	49.9%	46.2%	43.1%		45.2%
Adjusted EBITDA (Note H)	301,590	217,142	49,959	568,691	241,273		809,964
Cash flows from operating activities	137,160	139,908	12,399	289,467	61,995		351,462
Cash interest expense							436,432
Capital expenditures	$ 213,353	$ 224,723	$ 5,001	$ 443,077	$ 86,106		$ 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)							$ 759,852
OPERATING DATA (AT END OF PERIOD, EXCEPT FOR AVERAGES):							
Homes passed	2,149,000	1,743,000	289,000	4,181,000	1,506,000		5,687,000
Basic customers	1,255,000	1,062,000	195,000	2,512,000	1,105,000		3,617,000
Basic penetration (Note J)	58.4%	60.9%	67.5%	60.1%	73.4%		63.6%
Premium units	845,000	411,000	87,000	1,343,000	724,000		2,067,000
Premium penetration (Note K)	67.3%	38.7%	44.6%	53.5%	65.5%		57.1%
Average monthly revenue per basic customer (Note L)	NM	NM	$ 39.88	$ 38.26	$ 38.02		$ 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)

(a) Represents additional amortization of franchises as a result of the acquisition of us by Mr. Allen. The excess of purchase price over the net tangible assets acquired, $3.6 billion, was recorded in franchises, 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 Communications, Inc. at that time exceeded the allocated costs incurred by

Charter Communications, Inc. 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 Communications, Inc. 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
Corporate expenses		--			17,042(c)	17,042
Depreciation and amortization	64,669	174,968	--	--	13,218(d)	252,855
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 Communications, Inc. on behalf of Marcus Cable. Management fees charged to Marcus Cable exceeded the costs incurred by Charter Communications, Inc. by $1.3 million.

(d) As a result of the acquisition of Marcus Cable by Paul G. Allen, the excess of purchase price over the net tangible and identifiable intangible assets, $2.5 billion, was recorded as franchises, 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 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	ACE	TOTAL RECENT	GMI SYSTEMS	INTERMEDIA SYSTEMS	HELICON	RIFKIN(a)
Revenues	$ 41,524	$15,685	$ 57,209	$78,635	$176,062	$ 75,577	$124,382
Operating expenses:							
Operating, general and administrative	21,037	7,441	28,478	48,852	86,753	40,179	63,815
Corporate expense charges	--	--	--	--	--	--	--
Depreciation and amortization	19,107	6,784	25,891	8,612	85,982	24,290	47,657
Management fees	--	471	471	--	3,147	3,496	4,106
Total operating expenses	40,144	14,696	54,840	57,464	175,882	67,965	115,578
Income from operations	1,380	989	2,369	21,171	180	7,612	8,804
Interest expense	(14,358)	(4,501)	(18,859)	(535)	(25,449)	(27,634)	(30,482)
Interest income	158	122	280	--	341	93	--
Other income (expense)	--	--	--	(493)	23,030	--	44,959
Income (loss) before income tax expense (benefit)	(12,820)	(3,390)	(16,210)	20,143	(1,898)	(19,929)	23,281
Income tax (benefit) expense	135	--	135	7,956	1,623	--	(4,178)
Income (loss) before extraordinary item	$(12,955)	$(3,390)	$(16,345)	$12,187	$ (3,521)	$(19,929)	$ 27,459

	YEAR ENDED DECEMBER 31, 1998	
	PENDING ACQUISITIONS -- HISTORICAL	
	OTHER ACQUISITIONS	TOTAL PENDING
Revenues	$ 9,336	$463,992
Operating expenses:		
Operating, general and administrative	4,618	244,217
Corporate expense charges	--	--
Depreciation and amortization	2,794	169,335
Management fees	--	10,749
Total operating expenses	7,412	424,301
Income from operations	1,924	39,691
Interest expense	(2,375)	(86,475)
Interest income	--	434
Other income (expense)	3	67,499
Income (loss) before income tax expense (benefit)	(448)	21,149
Income tax (benefit) expense	--	5,401
Income (loss) before extraordinary item	$ (448)	$ 15,748

	YEAR ENDED DECEMBER 31, 1998					
	RECENT ACQUISITIONS				PENDING ACQUISITIONS	
		PRO FORMA				PRO FORMA
	HISTORICAL	ACQUISITIONS(b)	ADJUSTMENTS	TOTAL RECENT	HISTORICAL	ACQUISITIONS(b)
Revenues	$ 57,209	$36,107	$ --	$ 93,316	$463,992	$109,841
Operating expenses:						
Operating, general and administrative	28,478	17,665	(2,786)(d)	43,357	244,217	58,180
Corporate expense charges	--	--	2,786(d)	2,786	--	--
Depreciation and amortization	25,891	13,987	13,126(e)	53,004	169,335	24,526
Management fees	471	606	--	1,077	10,749	3,783
Total operating expenses	54,840	32,258	13,126	100,224	424,301	86,489
Income (loss) from operations	2,369	3,849	(!3,126)	(6,908)	39,691	23,352
Interest expense	(18,859)	(5,787)	(37,111)(f)	(61,757)	(86,475)	(28,859)
Interest income	280	157	--	437	434	175
Other income (expense)	--	96	(96)(g)	--	67,499	307
Income (loss) before income tax expense (benefit)	(16,210)	(1,685)	(50,333)	(68,228)	21,149	(5,025)
Income tax expense (benefit)	135	1,191	(1,326)(h)	--	5,401	927
Income (loss) before extraordinary item	$(16,345)	$(2,876)	$(49,007)	$(68,228)	$ 15,748	$ (5,952)

	YEAR ENDED DECEMBER 31, 1998		
	PENDING ACQUISITIONS		
	PRO FORMA		
	DISPOSITIONS(c)	ADJUSTMENTS	TOTAL PENDING
Revenues	$(69,708)	$ --	$ 504,125
Operating expenses:			
Operating, general and administrative	(35,572)	(3,973)(d)	262,852
Corporate expense charges	--	3,973(d)	3,973
Depreciation and amortization	(40,811)	121,677(e)	274,727
Management fees	(937)	--	13,595
Total operating expenses	(77,320)	121,677	555,147
Income (loss) from operations	7,612	(121,677)	(51,022)
Interest expense	19,543	(54,452)(f)	(150,243)
Interest income	(10)	--	599
Other income (expense)	(380)	(74,324)(g)	(6,898)
Income (loss) before income tax expense (benefit)	26,765	(250,453)	(207,564)
Income tax expense (benefit)	310	(6,638)(h)	--
Income (loss) before extraordinary item	$ 26,455	$(243,815)	$(207,564)

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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.

(b) Represents the historical results of operations for the period from January 1, 1998 through the date of acquisition 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.

(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.

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

(e) Represents additional amortization of franchises as a result of our recent and pending acquisitions. The excess of purchase price over the net tangible assets acquired, $3.6 billion, is expected to be recorded in franchises, amortized over 15 years.

(f) Reflects additional interest expense on borrowings which will be used to finance the acquisitions using a 7.4% interest rate.

(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
Notes (at blended rate of 9.0%)	$ 269,000
Credit facilities (at blended rate of 7.4%)	255,000
Amortization of debt issuance costs	15,600
Commitment fee on unused portion of credit facilities ($652,000 at 0.375%)	2,400
10% senior discount notes -- Renaissance	11,000
Total pro forma interest expense	553,000
Less -- interest expense (including Marcus Cable and recent acquisitions and pending acquisitions)	(557,400)
Adjustment	$ (4,400)

NOTE E: Charter Communications, Inc. 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. 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	$(692,594)	$ 345,766	$ (315,302)	$ 30,464
Accounts receivable, net	30,314	1,903	32,217	21,942	54,159
Prepaid expenses and other	15,882	1,817	17,699	10,297	27,996
Total current assets	1,084,556	(688,874)	395,682	(283,063)	112,619
Property, plant and equipment	1,533,197	79,921	1,613,118	600,691	2,213,809
Franchises	5,607,539	620,980	6,228,519	2,866,476	9,094,995
Other assets	131,990	--	131,990	86,925	218,915
Total assets	$8,357,282	$ 12,027	$8,369,309	$3,271,029	$11,640,338
Accounts payable and accrued expenses	216,397	11,272	227,669	73,594	301,263
Payables to manager of cable television systems	12,554	--	12,554	--	12,554
Other current liabilities	--	755	755	--	755
Total current liabilities	228,951	12,027	240,978	73,594	314,572
Long-term debt	4,754,018	--	4,754,018	1,869,158	6,623,176
Other long-term liabilities	48,171	--	48,171	3,277	51,448
Members' equity	3,326,142	--	3,326,142	1,325,000	4,651,142
Total liabilities and equity	$8,357,282	$ 12,027	$8,369,309	$3,271,029	$11,640,338

NOTE A: Pro forma balance sheet for our recent acquisitions and pending acquisitions consists of the following (dollars in thousands):

	AS OF MARCH 31, 1999								
	RECENT ACQUISITIONS -- HISTORICAL			PENDING ACQUISITIONS -- HISTORICAL					
	RENAISSANCE	AMERICAN CABLE	TOTAL RECENT	GREATER MEDIA SYSTEMS	INTERMEDIA SYSTEMS	HELICON	RIFKIN	OTHER	TOTAL PENDING
Cash and cash equivalents	$ 8,901	$ 1,201	$ 10,102	$ 2,440	$ --	$ 11,464	$ 7,580	$ 585	$ 22,069
Accounts receivable, net	1,283	620	1,903	2,577	13,949	1,619	12,009	1,450	31,604
Receivable from related party	--	--	--	--	5,038	--	--	--	5,038
Prepaid expenses and other	381	1,436	1,817	3,052	1,053	2,867	2,789	110	9,871
Deferred income tax asset	--	--	--	--	--	--	--	--	--
Total current assets	10,565	3,257	13,822	8,069	20,040	15,950	22,378	2,145	68,582
Receivable from related party	--	--	--	--	--	--	--	--	--
Property, plant and equipment	64,594	15,327	79,921	58,196	225,682	88,723	283,208	9,934	665,743
Franchises	222,971	143,546	366,517	2,653	240,567	12,096	456,523	55,452	767,291
Deferred income tax assets	--	--	--	--	13,994	--	--	--	13,994
Other assets	16,129	2,334	18,463	80	3,697	83,546	72,148	205	159,676
Total assets	$314,259	$164,464	$478,723	$68,998	$503,980	$ 200,315	$834,257	$67,736	$1,675,286
Accounts payable and accrued expenses	$ 7,649	$ 3,623	$ 11,272	$ 6,022	$ 19,030	$ 16,496	$ 34,486	$ 1,899	$ 77,933
Current deferred revenue	--	--	--	1,904	11,944	--	2,092	1,207	17,147
Note payable to related party	135	--	135	--	3,057	--	--	--	3,057
Other current liabilities	1,406	--	1,406	--	--	--	--	--	--
Total current liabilities	9,190	3,623	12,813	7,926	34,031	16,496	36,578	3,106	98,137
Deferred revenue	--	--	--	--	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	--	--	--	--	412,436	5,137	--	--	417,573
Other long-term liabilities, including redeemable preferred shares	--	--	--	3,618	14,430	18,708	--	--	36,756
Equity	92,566	42,841	135,407	57,454	39,183	(135,371)	248,699	25,716	235,681
Total liabilities and equity	$314,259	$164,464	$478,723	$68,998	$503,980	$ 200,315	$834,257	$67,736	$1,675,286

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...	$ 10,102	$(702,696)(c)	$(692,594)	$ 22,069	$ 90	$ (1,797)
Accounts receivable, net....	1,903	--	1,903	31,604	54	(1,671)
Receivable from related party.....................	--	--	--	5,038	--	--
Prepaid expenses and other.....................	1,817	--	1,817	9,871	713	(287)
Total current assets......	13,822	(702,696)	(688,874)	68,582	857	(3,755)
Property, plant and equipment.................	79,921	--	79,921	665,743	12,975	(78,027)
Franchises..................	366,517	254,463(f)	620,980	767,291	98	(342,844)
Deferred income tax assets....................	--	--	--	13,994	--	--
Other assets................	18,463	(18,463)(h)	--	159,676	--	(523)
Total assets..............	$478,723	$(466,696)	$ 12,027	$1,675,286	$13,930	$(425,149)
Accounts payable and accrued expenses..................	$ 11,272	$ --	$ 11,272	$ 77,933	$ 896	$ (4,280)
Current deferred revenue....	--	--	--	17,147	--	--
Note payable to related party.....................	135	(135)(i)	--	3,057	--	--
Other current liabilities...	1,406	(651)(d)	755	--	--	--
Total current liabilities.............	12,813	(786)	12,027	98,137	896	(4,280)
Deferred revenue............	--	--	--	3,900	173	--
Deferred income taxes.......	--	--	--	7,405	--	--
Long-term debt..............	330,503	(330,503) (j)	--	875,834	1,260	(420,528)
Note payable to related party, including accrued interest..................	--		--	417,573	--	--
Other long-term liabilities...............	--	--	--	36,756	--	(341)
Equity......................	135,407	(135,407)(k)	--	235,681	11,601	--
Total liabilities and equity..................	$478,723	$(466,696)	$ 12,027	$1,675,286	$13,930	$(425,149)

AS OF MARCH 31, 1999

	PENDING ACQUISITIONS	
	PRO FORMA	
	ADJUSTMENTS	TOTAL
Cash and cash equivalents...	$ (335,664)(c)	$ (315,302)
Accounts receivable, net....	(8,045)(d)	21,942
Receivable from related party.....................	(5,038)(e)	--
Prepaid expenses and other.....................	--	10,297
Total current assets......	(348,747)	(283,063)
Property, plant and equipment.................	--	600,691
Franchises..................	2,441,931(f)	2,866,476
Deferred income tax assets....................	(13,994)(g)	--
Other assets................	(72,228)(h)	86,925
Total assets..............	$2,006,962	$3,271,029
Accounts payable and accrued expenses..................	$ (955)	$ 73,594
Current deferred revenue....	(17,147)(d)	--
Note payable to related party.....................	(3,057)(i)	--
Other current liabilities...	--	--
Total current liabilities.............	(21,159)	73,594
Deferred revenue............	(4,073)(d)	--
Deferred income taxes.......	(7,405)(g)	--
Long-term debt..............	1,412,592(j)	1,869,158
Note payable to related party, including accrued interest..................	(417,573)(i)	--
Other long-term		

liabilities...............	(33,138)(j)	3,277
Equity......................	1,077,718(k)	1,325,000
Total liabilities and equity..................	$2,006,962	$3,271,029

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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 the InterMedia systems as part of a swap of cable systems.

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

(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) Reflects the excess purchase price over the amounts assigned to net tangible assets, amortized over 15 years.

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

(h) Represents the elimination of deferred debt issuance costs and a reduction in carrying value of various intangible assets, including goodwill, subscriber lists, noncompete agreements and organization costs, based on estimated fair values.

(i) Represents liabilities retained by the seller.

(j) Represents the following:

Long-term debt not assumed	(675,700)
Additional borrowings under our credit facilities	1,757,789
	$1,082,089

(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 Communications, Inc. 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			
	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			
	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 Communications, Inc. provided corporate management and consulting services to us. CCA Group and CharterComm Holdings paid fees to Charter Communications, Inc. 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 Communications, Inc. 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 Communications, Inc. 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, 1994	1/1/95 THROUGH 9/30/95	10/1/95 THROUGH 12/31/95	YEAR ENDED DECEMBER 31, 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	45.14	34.00	--	--	--	--	--
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 recently purchased and pending significant events, including the acquisition of us by Paul G. Allen, our merger with Marcus Holdings, recent and pending acquisitions and the refinancing of our previous credit facilities and 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) the operation and development of the Charter Companies 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.

Charter Holdings was formed in February 1999 as a wholly owned subsidiary of Charter Communication, Inc. through its wholly owned cable television operating subsidiary, Charter Communications Properties, LLC, or Charter Properties, commenced operations with the acquisition of cable television systems on September 30, 1995.

Prior to the Charter Acquisition, Charter Communication, Inc. owned a minority interest in, and managed the CCA Group and CharterComm Holdings. Through Charter Properties, CCI pursued and executed a strategy of operating, developing, acquiring and consolidating cable systems, including the Sonic acquisition for approximately $228.4 million. Because Charter Communication, Inc. was only a minority equity holder in the CCA Group and CharterComm Holdings, the financial statements of these entities were not consolidated with those of Charter Communication, Inc.

Our acquisition by Paul G. 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 Communication, Inc. for an aggregate purchase price of $2.2 billion, excluding $2.0 billion in debt we assumed. Subsequently, Charter Properties was contributed to Charter Operating a direct wholly owned subsidiary of Charter Holdings. The contribution 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. In conjunction with our acquisition, Charter Communication, Inc. acquired the controlling interests of the CCA Group and CharterComm Holdings and in February 1999 transferred these companies to Charter Operating. Charter Holdings accounted for the acquisitions of the CCA Group and CharterComm Holdings in accordance with purchase accounting, and accordingly, the financial statements for periods after December 23, 1998 include the accounts of Charter Properties, the CCA Group and CharterComm Holdings.

In April 1998, Paul G. Allen purchased substantially all of the outstanding equity interests in Marcus Holdings. In April, 1999, Marcus Holdings merged with Charter

Holdings, with Charter Holdings as the serving entity. Beginning in October 1998, Charter Communication, Inc. began to manage the cable operations of Marcus Holdings. Immediately prior to the closing of our merger with Marcus Holdings, Mr. Allen purchased the remaining minority interest in Marcus 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 and Renaissance. In addition to these acquisitions, since the beginning of 1999, we have entered into definitive agreements to acquire the Greater Media Systems, Helicon, the InterMedia Systems, Rifkin and certain cable assets of Cable Satellite, all as forth on the table below.

			AS OF AND FOR THE THREE MONTHS ENDED 3/31/99		
				(DOLLARS IN THOUSANDS)	
ACQUISITION	DATE(A)	PURCHASE PRICE	BASIC SUBSCRIBERS	REVENUE	EBITDA
American Cable	4/99	$240 million	68,000	$ 9,151	$ 4,213
Renaissance	4/99	459 million	132,000	15,254	8,455
Greater Media Systems	2nd Quarter 1999	500 million	174,000	20,394	7,621
Helicon	3rd Quarter 1999	550 million	171,000	21,252	8,963
InterMedia Systems	3rd or 4th Quarter 1999	872.7 million -- systems' swap	408,000 (142,000) 266,000	48,288	21,504
Rifkin	3rd or 4th Quarter 1999	1,460 million	463,000	50,914	19,194
Other	2nd Quarter	148 million	37,000	3,354	1,760
Total		$4,229.7 million	1,311,000	$169,124	$75,622

(a) Total represents closing date for recent acquisitions and anticipated closing date for pending acquisitions.

The systems acquired pursuant to these recent acquisitions and the 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

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 household penetration, premium revenue and cash flow.

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 CCI for corporate management and consulting services. Charter Holdings records actual corporate expense charges incurred by CCI on behalf of Charter Holdings. Prior to the Charter Acquisition, the CCA Group and CharterComm Holdings recorded management fees payable to CCI equal to 3.0% to 5.0% of gross revenues plus certain expenses. In October 1998, CCI began managing the cable operations of Marcus Holdings under a management fee arrangement. The 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 December 23, 1998, for the period from January 1, 1998 through March 31, 1998 and for the years ended December 31, 1997 and 1996 and

(2) Charter Holdings (comprised of Charter Properties, CCA Group, CharterComm Holdings and Marcus Holdings) for the period from January 1, 1999 through March 31, 1999 and 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	
	(DOLLARS IN THOUSANDS)					
STATEMENT OF OPERATIONS						
Revenues..............	$ 14,881	100.0%	$ 18,867	100.0%	$ 49,731	100.0%
Operating expenses						
Operating costs.....	5,888	39.6%	9,157	48.5%	18,751	37.7%
General and administrative costs............	2,235	15.0%	2,610	13.8%	7,201	14.5%
Depreciation and amortization......	4,593	30.9%	6,103	32.3%	16,864	33.9%
Management fees/ corporate expense charges...........	446	3.0%	566	3.0%	6,176	12.4%
Total operating expenses..........	13,162	88.4%	18,436	97.7%	48,992	98.5%
Income (loss) from operations..........	1,719	11.6%	431	2.3%	739	1.5%
Interest income.......	20	0.1%	41	0.2%	44	0.1%
Interest expense......	(4,415)	(29.7%)	(5,120)	(27.1%)	(17,277)	(34.7%)
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%)

	12/24/98 THROUGH 12/31/98		THREE MONTHS ENDED 3/31/99		THREE MONTHS ENDED 3/31/98	
STATEMENT OF OPERATION						
Revenues..............	$ 23,450	100.0%	$ 286,135	100.0%	$ 4,782	100.00%
Operating expenses						
Operating costs.....	9,957	42.5%	86,650	30.3%	1,583	33.1%
General and administrative costs............	2,722	11.6%	65,425	22.9%	1,055	22.1%
Depreciation and amortization......	13,811	58.9%	153,747	53.7%	1,605	33.6%
Management fees/ corporate expense charges...........	766	3.3%	5,323	1.9%	143	3.0%
Total operating expenses..........	27,256	116.2%	311,145	108.7%	4,386	91.7%
Income (loss) from operations..........	(3,806)	(16.2%)	(25,010)	(8.7%)	396	8.3%
Interest income.......	133	0.6%	1,733	0.6%	8	0.2%
Interest expense......	(5,051)	(21.5%)	(71,591)	(25.0%)	(1,329)	(27.8%)
Other income (expense)...........	--	--	3,619	1.3%	2	0.0%
Net loss.............	$ (8,724)	(37.2%)	$ (91,249)	(31.9%)	$ (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 $281.1 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 Communication, Inc. (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 EXPENSES. Operating expenses increased by $85.1 million, or 5,373.8%, from $1.6 million for the period from January 1, 1998 through March 31, 1998 to $86.7 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 expenses were $24.6 million, $16.6 million, $3.8 million and $39.9 million for the three months ended March 31, 1999, respectively.

GENERAL AND ADMINISTRATIVE EXPENSES. General and administrative expenses increased by $64.4 million, or 6,101.4%, from $1.1 million for the period from January 1, 1998 through March 31, 1998 to $65.4 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 incremental general and administrative expenses were $21.9 million, $10.3 million, $3.1 million and $29.1 million, 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 6,849.7% 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.

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 Communications, Inc. charges related to equity appreciation rights plans of $3.8 million for the period from January 1, 1998 through December 23, 1998 and an increase of $1.5 million in management services provided by Charter Communications, Inc. as a result of the acquisition of Sonic.

INTEREST EXPENSE. Interest expense increased by $12.2 million, or 237.4%, from $5.1 million in 1997 to $17.3 million for the period from January 1, 1998 through December 23, 1998. This increase resulted primarily from the indebtedness of $220.6 million, including a note payable for $60.7 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, 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 Communications, Inc. 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. 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 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	97.5%	468,896	96.8%	567,070	99.3%
Income (loss) from operations	$ 9,102	2.5%	$ 15,259	3.2%	$ 3,894	0.7%

	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	--	0.0%
Depreciation and amortization	13,811	58.9%
Management fees/corporate expense charges	766	3.3%
Total operating expenses	27,256	116.2%
Income (loss) from operations	$ (3,806)	-16.2%

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 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 Acquisition Corp. 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 Acquisition Corp. 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 Acquisition Corp. 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 Acquisition Corp. 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 Communications, Inc. 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 Acquisition Corp. 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 Acquisition Corp. 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 Acquisition Corp. 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 Communications, Inc. to provide the management services.

OUTLOOK

Our business strategy emphasizes the growth of our customer base and the increase of our operating cash flow by pursuing strategic acquisitions and upgrading our systems to enable us to offer new products and services. We intend to continue to pursue strategic acquisitions and believe that the current consolidation activity in the cable industry offers substantial opportunities to further our acquisition strategy. 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. In developing and enhancing cable system "clusters", our acquisition strategy is opportunistic and depends in part upon cable systems becoming available in the marketplace. Because many of our operating areas include other significant cable operators with nearby systems, marketplace availability and pricing may be heavily influenced by interest level of other potential purchasers. The changing competitive telecommunications market also impacts this strategy.

Among the factors we consider in acquiring a cable system are:

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

- 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 amounts;

- the technological state of such system; and

- the level of competition within the local market.

The success of this strategy will be based on our ability to continue to acquire cable systems, which meet our business strategy, obtain financing, maintain cash flows and manage growth.

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. 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 "space" 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.

We also believe our upgraded systems will provide enhanced picture quality and system reliability.

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 service, and 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 pending acquisitions are completed over the next three years, we plan to spend an additional $700 million for capital bandwidth capacity of 550 megahertz or greater so that we may offer advanced cable services and $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.

On March 17, 1999, Charter Holdings issued $600 million in principal amount of 8.250% notes, $1.5 billion in principal amount of 8.625% notes and $1.475 billion outstanding under 9.920% notes. The net proceeds of approximately $3.0 billion, combined with the borrowings under our credit facilities, were used to consummate the 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% and 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 notes, Charter Holdings refinanced substantially all existing credit facilities of its subsidiaries with new credit facilities entered into by Charter Operating. In February and March 1999, we commenced cash tender offers to purchase 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 Operating Cable 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 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 Charter Operating Credit Agreement also provides 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 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 credit facilities bear interest at the Base Rate or the Eurodollar Rate, as defined in the credit facilities, 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.

CERTAIN TRENDS AND UNCERTAINTIES

SUBSTANTIAL LEVERAGE. As of March 31, 1999, pro forma for our recent acquisitions and pending acquisitions, our total indebtedness would have been approximately $6.6 billion, our total members' equity would have been approximately $4.7 billion, and the deficiency of our earnings available to cover fixed charges would have been approximately $197 million. We anticipate incurring substantial additional debt in the future to finance additional acquisitions and 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 face could intensify.

Our ability to make payments on our debt, including the notes and to fund 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 indebtedness, to grow our business or to fund our other liquidity and capital needs.

The degree to which we are leveraged could have material consequences to us and our business, including, but not limited to:

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

- increasing our vulnerability to general adverse economic and cable industry conditions, including interest rate fluctuations;

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

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

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

- limiting our ability to borrow additional funds, due to applicable financial and restrictive covenants in such indebtedness.

VARIABLE INTEREST RATES. A significant portion of our indebtedness 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 indebtedness;

- issue equity;

- repurchase or redeem equity interests and indebtedness;

- create liens; and

- make certain investments or acquisitions.

In addition, our credit facilities contain, among other covenants, requirements that Charter Operating, one of our subsidiaries and the borrower on a consolidated basis with our other subsidiaries, maintain specified financial ratios. The ability to comply with these provisions may be affected by events beyond our control. The breach of any of these covenants will result in default under our credit facilities. 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. Additionally, if the amounts outstanding under our credit facilities are accelerated, it would be an event of default under and we may not be able to repay such amounts or the notes. If the 8.250% notes are not refinanced at least six months prior to the date of their maturity, the entire

amount due under our credit facilities shall become due and payable. As of March 31, 1999, we are in compliance with the covenants of our credit facilities.

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. The ability to retain key acquired personnel may require additional cost for such things as severance packages or other employee benefits. However, acquisitions historically have had minimal employee benefit related cost and all benefit plans have been terminated with acquired employees transferring to the Charter 401(k) Plan. The failure to retain or obtain needed personnel or to implement management, operating or financial systems necessary to successfully integrate acquired operations or otherwise manage growth when and as needed could have a material adverse effect on our business, results of operations and financial condition.

REGULATION AND LEGISLATION. Cable systems are extensively regulated at the federal, state, and local level. Rate regulation of cable systems has been in place since passage of the 1992 Cable Act, 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.

The 1992 Cable Act and the Federal Communications Commission'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

Federal Communications Commission and local or state franchise authorities. The Cable Acts and the corresponding Federal Communications Commission regulations have established must carry/retransmission consent and rate regulations.

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 requiring a cable system to carry the station ("must carry") or negotiating for payments for granting permission to the cable operator to carry the station ("retransmission consent"). 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. A rulemaking is now pending at the Federal Communications Commission regarding the imposition of dual digital and analog must carry.

The 1992 Cable Act permits certified local franchising authorities to order refunds of basic service 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 us has been insignificant. We may be required to refund additional amounts in the future.

We believe that we have complied in all material respects with the provisions of the 1992 Cable Act, including the rate setting provisions promulgated by the Federal Communications Commission. However, in jurisdictions that have chosen not to certify, refunds covering the previous twelve-month period may be ordered upon certification if we are unable to justify its basic rates. We are unable to estimate at this time the amount of refunds, if any, that may be payable by us in the event certain of its rates are successfully challenged by franchising authorities or found to be unreasonable by the Federal Communications Commission. We do not believe that the amount of any such refunds would have a material adverse effect on our 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. This allows us more flexibility in implementing rate changes. The Federal Communications Commission and Congress continue to be concerned that rates for cable programming services are rising at a rate exceeding inflation. It is therefore possible that either Congress or the Federal Communications Commission will further restrict the ability of cable television operators to implement desired rate increases. Should this occur, it could impede our ability to raise rates to cover increased costs.

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,
	1999	2000	2001	2002	2003	THEREAFTER	TOTAL	1998
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 existing 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	2000	2001	2002	2003	THEREAFTER	TOTAL	1999
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 suffer "integration 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) 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 problem,

(2) remediation and replacement to address problems identified in stage one and

(3) testing of the remediation and replacement conducted in stage two. We plan to complete all stages for our existing systems by August 1999. We are monitoring

the remediation process for systems we are acquiring in 1999 to ensure completion of remediation before or as we acquire these systems.

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 also 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. However, we cannot determine at this time the materiality of information technology and non-information technology issues, if any, relating to the year 2000 problem affecting those cable television systems. We have included the acquired cable television systems in our year 2000 taskforce's plan and 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

If applicable law or interpretations of the staff of the Securities and Exchange Commission are changed so that the new notes received by holders who make all of the necessary representations in the letter of transmittal are not or would not be, upon receipt, transferrable by each such holder without restriction under the Securities Act of 1933, 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.

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.

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.

Pursuant to the registration rights agreements, if the exchange offer is not be consummated prior to the exchange offer termination date, as defined below, we are required to cause to be filed with the Securities and Exchange Commission a shelf registration statement with respect to the original notes as promptly as practicable after the exchange offer termination date, and thereafter use its best efforts to have the shelf registration statement declared effective.

"Exchange offer termination date" means 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 consummated within 180 days after the Issue Date.

If any of the events described in the definition of "exchange offer termination date" occurs, we will refuse to accept any original notes and will return all tendered original notes.

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 cable television services. Our service offerings include the following programming packages:

- basic programming, which generally includes a variety of entertainment programming, locally originated programming and the retransmission of local broadcast stations;

- expanded basic programming, known in the cable industry as cable programming service tier, or CPST, which offers more services than basic programming;

- premium channels, which provide unedited, commercial-free movies, sports and other special event entertainment programming, and

- pay-per-view television programming, where customers are charged a fee for individual programs.

We have begun to offer digital cable television services to customers in some of our systems, and are also expanding into other entertainment, educational and communications services, including high-speed Internet access. These new services will take advantage of the significant bandwidth of our cable systems. In addition, we are currently upgrading our cable systems to offer services which will allow our customers to interact with the programming we provide. Such services are referred to as interactive services. As of March 31, 1999, we served approximately 2.4 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 three months ended March 31, 1999, pro forma for the acquisitions and the merger with Marcus Holdings we completed during 1999, our revenues were approximately $311 million and our EBITDA was approximately $143 million. For the year ended December 31, 1998, pro forma for the acquisitions and the merger with Marcus Holdings we completed during 1998, our revenues were approximately $1.1 billion and our EBITDA was approximately $486 million.

Approximately 97% of our equity is beneficially owned by Paul G. Allen, the co-founder of Microsoft Corporation. The remaining equity is owned by our founders, Jerald L. Kent, Barry L. Babcock and Howard L. Wood. Mr. Kent is the President and Chief Executive Officer and a director of Charter Communications, Inc.

We have pursued and executed a strategy of operating, developing, acquiring and consolidating cable systems with the primary goals of increasing our customer base and operating cash flow by consistently emphasizing superior customer service. Without giving effect to the cable systems we acquired in 1998, we increased our customer base by 4.8%, revenues by 9.5% and EBITDA by 11% during that year. This customer growth was more than twice the national average of 1.7% for 1998. In 1997, our customer growth was 3.5%, significantly higher than the national average of 2.0% for 1997.

In addition to growing our customer base internally, we have grown significantly through acquisitions. Over the past five years, our management team has successfully completed 22 acquisitions, including two acquisitions in 1999. We also have entered into six agreements to acquire additional cable systems. These recent acquisitions and pending acquisitions serve a total of approximately 1.3 million customers.

Pro forma for our recent acquisitions and pending acquisitions, our revenues for the three months ended March 31, 1999 would have been $445 million and our EBITDA would have been $201 million. Pro forma for the merger with Marcus Holdings and our recent acquisitions and pending acquisitions, for the year ended December 31, 1998 our revenues would have been approximately $1.7 billion and our EBITDA would have been $750 million. Pro forma for our recent and pending acquisitions we serve approximately 3.7 million customers. As we acquire and integrate these and other cable systems in the future, we believe that the implementation of our operating philosophy will provide meaningful opportunities to enhance the operating results of such systems.

Paul G. Allen, our principal owner and one of the computer industry's visionaries, has long believed that the broadband capabilities of cable systems facilitate the convergence of cable television, computers and telecommunications. Mr. Allen believes that this convergence, which he calls the "Wired World," will rely on the cable platform to deliver an array of new services. These services include digital video programming, high-speed Internet access, Internet protocol telephony, which can connect communications with different platforms, and electronic commerce. Because of cable's ability to provide all of these services, we believe that individuals and businesses will view cable as an important service.

BUSINESS STRATEGY

Our business strategy is to grow our customer base and increase our operating cash flow by:

- maximizing customer satisfaction;
- implementing decentralized operations with centralized financial controls;
- pursuing strategic acquisitions;
- upgrading our systems;
- emphasizing innovative marketing; and
- offering new products and services.

MAXIMIZING CUSTOMER SATISFACTION. To maximize customer satisfaction, we operate our business to provide reliable, high-quality 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. In 1998, J.D. Power and Associates ranked us third among major cable system operators in overall customer satisfaction. We believe that our customer service efforts have contributed to our superior customer growth, increased acceptance of our new and enhanced service offerings and increased the strength of the Charter brand name.

IMPLEMENTING DECENTRALIZED OPERATIONS WITH 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:

- increases our ability to respond to customer needs and programming preferences;
- improves our customer service;
- 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 senior management in our corporate office to develop budgets and coordinate marketing, programming, purchasing and engineering activities. 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 performance compensation. We have committed to adopt a plan to distribute to members of corporate management and to key regional and system-level management personnel equity-based incentive compensation based on 10% of our equity value on a fully-diluted basis.

PURSUING STRATEGIC ACQUISITIONS. We intend to continue to pursue strategic acquisitions and believe that the current consolidation activity in the cable industry offers substantial opportunities to further our acquisition strategy. 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.

In addition, we recognize the benefits of "swapping" cable systems with other cable operators to reinforce the advantages of our "clustering" strategy. Among the factors we consider in acquiring a cable system are:

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

- 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 amounts;

- the technological state of such system; and

- the level of competition within the local market.

We believe the benefits associated with "swapping" cable systems with other cable operators helps reinforce the advantages inherent in our "clustering" strategy. 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 operation and, if feasible, develop "clusters" in new geographic areas within existing regions. In developing and enhancing cable system "clusters," our acquisition strategy is opportunistic and depends in part upon cable systems becoming available in the marketplace. Because many of our operating areas include other significant cable operators with nearby systems, marketplace availability and pricing may

be heavily influenced by interest levels of other potential purchasers. The changing competitive telecommunications market also impacts this strategy.

UPGRADING OUR SYSTEMS. Over the next three years, we plan to spend approximately $900 million, or $1.2 billion pro forma for our recent and pending acquisitions, to upgrade our systems' bandwidth capacity to 550 megahertz or greater. Upgrading to at least 550 megahertz of bandwidth capacity will allow us to:

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

- increase program offerings; and

- permit two-way communication, which will give our customers the ability to send and receive signals over one cable system with high speed cable access, as opposed to using a separate telephone line to send signals.

For example, having a bandwidth capacity of 550 megahertz enables us to offer our customers up to 82 channels of analog service while also providing our customers with advanced cable services. In addition, we intend to use some of this bandwidth for digital service. If bandwidth is used for digital service as opposed to analog service, customers get even more channels and advanced cable services at competitive rates.

We believe our planned upgrade will also reduce the number of headends. A headend is the control center of a cable television system, where incoming signals are amplified, converted, processed and combined for transmission to customers. Reducing the number of headends will reduce headend and maintenance expenditures and, together with other upgrades, will provide enhanced picture quality and system reliability. Since we expect that a portion of our future growth will be achieved through revenues from additional and enhanced services, our strategy to upgrade our systems becomes a vital component for us to achieve such expectations. Additionally, by upgrading our systems, we attempt to gain an advantage over our competitors.

Today, approximately 57% of our customers are served by cable systems with at least 550 megahertz bandwidth capacity, and approximately 35% of our customers have two-way communication capability. By year end 2001, we expect that approximately 92% of our customers will be served by cable systems with at least 550 megahertz bandwidth capacity and two-way communication capability.

EMPHASIZING INNOVATIVE MARKETING. We have developed and successfully implemented a variety of innovative marketing techniques to attract new customers and enhance the level of service provided to our existing customers. Our marketing efforts focus on delivering well targeted, branded entertainment and information services that provide value, choice, convenience and quality. We utilize 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. We also have a coordinated strategy for retaining customers that includes televised retention advertising to reinforce the link between quality service and the Charter brand name and to encourage customers to purchase higher service levels. Successful implementation of these marketing techniques has resulted in internal customer growth rates in excess of the cable industry averages in each year from 1995 through 1998 for the Charter systems. The Marcus systems came under common management with us in

October 1998, and we have begun to implement our marketing techniques throughout those systems.

OFFERING NEW PRODUCTS AND SERVICES. By upgrading our systems, we will be able to expand the array of services and advanced products we can offer to our customers. Using digital technology, we plan to offer additional channels on our existing service tiers, create new service tiers, introduce multiplexing 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 also plan to provide advanced services including high-speed Internet access and interactive services. We have entered into agreements with several providers of high-speed Internet and other interactive services, including EarthLink Network, Inc., High Speed Access Corp., WorldGate Communications, Inc., Wink Communications, Inc. and At Home Corporation.

RECENT EVENTS

AMERICAN CABLE. In April 1999, we purchased American Cable Entertainment, LLC. 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 and EBITDA of approximately $4.2 million. For the year ended December 31, 1998, American Cable had revenues of approximately $15.7 million and EBITDA of approximately $7.9 million. At year end 1998, none of the American Cable system's customers were served by systems with 550 megahertz bandwidth capacity or greater.

RENAISSANCE. In May 1999, we purchased Renaissance Media Group LLC for approximately $459 million, consisting of cash of $348 million and $111 million of debt to be assumed. 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 and EBITDA of approximately $8.4 million. For the year ended December 31, 1998, Renaissance had revenues of approximately $41.5 million and EBITDA of approximately $20.6 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 February 1999, Charter Communications, Inc. entered into an agreement to purchase certain cable systems of Greater Media Cablevision Inc. for approximately $500 million. Charter Communications, Inc. assigned its rights under this agreement to one of our subsidiaries. The Greater Media systems are located in Massachusetts, have approximately 174,000 customers and will be 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 and EBITDA of approximately $7.6 million. For the year ended December 31, 1998, the Greater Media systems had revenues of approximately $78.6 million and EBITDA of approximately $29.3 million. At year end 1998, approximately 75% of the Greater Media systems customers were served by systems with at least 550 megahertz bandwidth capacity. We anticipate that this transaction will close during the third quarter of 1999.

HELICON. In March 1999, two of our subsidiaries entered into an agreement to acquire Helicon Partners I, L.P. for approximately $550 million, of which $25 million will be payable in the form of preferred limited liability company interests in one of the

subsidiaries. Helicon owns cable systems located in Alabama, Georgia, New Hampshire, North Carolina, West Virginia, South Carolina, Tennessee, Pennsylvania, Louisiana and Vermont, has approximately 174,000 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 and EBITDA of approximately $8.9 million. For the year ended December 31, 1998, Helicon had revenues of approximately $75.6 million and EBITDA of approximately $32.0 million. At year end 1998, approximately 69% of Helicon's customers were served by systems with at least 550 megahertz bandwidth capacity. We anticipate that this transaction will close during the third quarter of 1999.

INTERMEDIA SYSTEMS. In April 1999, we entered into agreements to purchase certain cable systems of InterMedia Capital Partners IV, L.P., InterMedia Partners and their affiliates in exchange for cash 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 customers 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 262,000 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 and EBITDA of approximately $21.4 million. For the year ended December 31, 1998, the InterMedia systems had revenues of approximately $176.1 million and EBITDA of approximately $86.2 million, respectively. At year end 1998, approximately 79% of these customers were served by systems with at least 550 megahertz bandwidth capacity. We anticipate that acquisition of the InterMedia Systems will close during the third or fourth quarter of 1999.

RIFKIN. In April 1999, Charter Communications, Inc. entered into agreements to purchase Rifkin Acquisition Partners, L.L.L.P. for a purchase price of approximately $1.46 billion. Charter Communications, Inc. has assigned its rights under such agreements to us. 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. The terms of such election are being negotiated with the sellers' representative. 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. These systems will primarily be operated as part of our Central, Southern and Southeast regions. For the three months ended March 31, 1999, Rifkin had revenues of approximately $50.9 million and EBITDA of approximately $23.0 million. For the year ended December 31, 1998, Rifkin had revenues of approximately $124.4 million and EBITDA of approximately $101.4 million. At year end 1998, approximately 36% of Rifkin's customers were served by systems with at least 550 megahertz bandwidth capacity. 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 Communications, Inc. and a subsidiary of Charter Communications, Inc. have entered into

definitive agreements for such subsidiary to purchase Vista Broadband Communications, LLC and certain cable assets of Cable Satellite of South Miami, Inc. By these other acquisitions, we plan to acquire cable systems located in southern California, Georgia and southern Florida, have a total of approximately 37,000 customers and will be operated as part of our Southern and Southeast regions. 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 $4.4 million and EBITDA of approximately $2.0 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 and EBITDA of approximately $4.7 million.

MARCUS MERGER. On April 7, 1999, Marcus Holdings, merged with Charter Holdings, the surviving entity and an issuer of the notes. As a result of this merger, the subsidiaries of Marcus Holdings became our subsidiaries.

THE COMPANY'S SYSTEMS

Our systems consist of approximately 65,900 miles of coaxial and approximately 8,500 sheath miles of fiber optic cable passing approximately 4.2 million households and serving approximately 2.4 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.

CORPORATE MANAGEMENT. We are managed from our corporate offices in Dallas, Texas and St. Louis, Missouri. The senior management of Charter Communications, Inc. 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/Ft. 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. The two divisions are managed by two Senior Vice Presidents who report directly to Mr. Kent and are responsible for overall supervision of our seven operating regions. Within each region, certain groups of cable systems are further organized into groups known as "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. Unless otherwise indicated, 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..................	997,000	595,000	486,000	603,000	160,000	748,000	572,000	4,161,000
Basic customers...............	502,000	365,000	186,000	399,000	124,000	439,000	349,000	2,364,000
Basic penetration(c)..........	50.4%	61.3%	38.3%	66.2%	77.5%	58.7%	61.0%	56.8%
Premium units.................	318,000	206,000	135,000	148,000	120,000	252,000	168,000	1,347,000
Premium penetration(d)........	63.3%	56.4%	74.9%	37.1%	96.8%	57.4%	48.1%	57.0%
FINANCIAL DATA:								
Revenues, in millions(e)......	$65.7	$45.5	$25.6	$44.6	$15.9	$49.2	$39.3	$285.8
Average monthly total revenue per customer(f).............	$43.63	$41.55	$45.88	$37.26	$42.74	$37.36	$37.54	$40.30

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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 by the Charter Companies and the Marcus Companies 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, versus the projected U.S. median household growth of 5.2% 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 365,000 customers of which approximately 247,000 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 Ft. 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 Ft. 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 North Central Region will be responsible for managing the approximately 170,000 customers associated with the pending acquisition of cable systems from GMI 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 439,000 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 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, 1998, 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 349,000 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. A node is a single connection to a cable system's main, high-capacity fiber optic cable that is shared by a number of customers. Coaxial cable is then connected from each node to the individual homes or 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 in cascade, which are needed to increase signal capacity, 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 service 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 "space" 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 a premium to the basic rate are provided 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 $11.16 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. As of March 31, 1999, the average monthly fee was $18.90 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 $6.68 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 TECHNOLOGIES. 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 with 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 which is expected 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 towards 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 urban communities;

- "Multiplexes" of premium channels to which a customer previously subscribed, such as multiple channels of HBO or Showtime, which are marketed in systems serving both rural and urban communities; and

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

As part of our current pricing strategy for digital services, we have established a retail rate of $6.95 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 television access, using a service such as WorldGate, and

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

We can 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 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 system, we also provide our commercial customers fiber optic cable access cable 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 actually use these services is currently a small percentage.

	BASIC CUSTOMERS WITH ADVANCED SERVICES AVAILABLE AS OF	
	MARCH 31, 1999	DECEMBER 31, 1999
High-Speed Internet Access via Cable Modems:		
EarthLink/Charter Pipeline	413,000	740,000
High Speed Access	15,000	640,000
@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. A "cable modem" is a peripheral device attached to a personal computer that allows the user to send and receive data over a cable system. 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 $29.95 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 @Home, under which @Home currently provides Internet service to customers in our systems serving Fort Worth, University Park and Highland Park, Texas. The @Home network provides high-speed, cable modem-based Internet access using the cable infrastructure. As of March 31, 1999, we offered @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, which permit networks of computers to be connected within an area, 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.

Subscribers 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 76% use it at least once a week. Although the WorldGate service bears the WorldGate brand name, the Internet "domain name" of the subscribers 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 subscribers 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 Communications, Inc. 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 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. 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.

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 opposed to the 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.

We currently maintain eight call centers located in our seven regions. 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. Where appropriate, we establish and operate major call centers which today handle customer call volume for more than 58% of our customers. 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 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.

TARGET MARKETING. We have an innovative marketing program. We utilize market research on selected systems, compare the data to national research and tailor a marketing program for each individual market. We gather detailed customer information through our regional marketing representatives and use the Claritas geodemographic data program and consulting services to create unique packages of services and marketing programs. These marketing efforts and the follow-up analysis provide consumer information down to the city block or suburban subdivision level, which allows us to create very targeted marketing programs. We seek to maximize our revenue per customer through the use of "tiered" packaging strategies to market premium services and to develop and promote niche programming services. We regularly use targeted direct mail campaigns to sell these tiers and services to our existing customer base. We are developing an in-depth profile database that goes beyond existing and former customers to include all homes passed. This database information is expected to improve our targeted direct marketing efforts, bringing us closer toward our objective of increasing total customers as well as sales per customer for both new and existing customers. For example, using customer profile data currently available, we are able to identify 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 Corporation, sponsor of a national marketing competition across all industries, as the first place winner in their media division, which includes cable systems operations, telecommunications and newspapers, for our national segmenting and targeted marketing program.

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 the MVP 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 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,
- inflationary increases, and
- other factors affecting the cable television industry generally.

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 following our merger with Marcus Holdings, 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 following our merger with Marcus Holdings 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 there can be no assurance 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 $11.16 for basic service and $18.90 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. There can be no assurance, however, that any particular franchise will be renewed or that it can be renewed on commercially favorable terms. Our failure to obtain renewals of the 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--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%	513,000	22%
2003 to 2005....................	239	21%	456,000	19%
2006 or after...................	578	50%	1,067,000	45%
Total......................	1,158	100%	2,364,000	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. Accordingly, cable operators in rural areas, where "off-air" reception is more limited, generally achieve higher penetration rates than do operators in most major metropolitan areas, where numerous, high quality "off-air" signals are available. The 1996 Telecom Act directed the Federal Communications Commission to establish, and the Federal Communications Commission has adopted, regulations and policies for the issuance of licenses for digital television, known as DTV, to incumbent television broadcast licensees. DTV is expected 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 providers offer most of the same programming as cable television, but also offer certain sports packages not available through cable systems and a wide array of pay-per-view movies. 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. At least one DBS provider is now attempting to provide this programming in certain major markets. Congress is now considering legal action that would remove these legal obstacles. After recent mergers, the two primary DBS providers are DirecTV, Inc., and EchoStar Communications Corporation. In addition, there are several companies licensed to operate a DBS system who have yet to begin service.

- 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. Well financed businesses from outside the cable industry, such as the public utilities 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. Although the total number of municipal overbuild cable systems remains small, the potential profitability of a cable system is adversely affected if the local subscriber base is divided among multiple cable systems. Additionally, 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 Telecommunications Act of 1996 which were designed to enhance competition in the cable television and local telephone markets. Federal cross-ownership restrictions historically limited entry by local telephone companies into the cable television business. The 1996 Telecom Act modified this cross-ownership restriction, making it possible for local exchange carriers who have considerable resources to provide a wide variety of video services competitive with services offered by cable systems.

As we expand our offerings to include telecommunications services, we will be subject to competition from other telecommunications providers. The telecommunications industry is highly competitive and includes competitors with greater financial and personnel resources, who have brand name recognition and long-standing relationships with regulatory authorities. Moreover, mergers, joint ventures and alliances among franchise, wireless or private cable television operators, local exchange carriers and others may result in providers capable of offering cable television 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. SNET PersonalVision, Inc. has a cable television franchise to offer cable service in the entire state of Connecticut and has begun offering cable television service in certain communities. 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" such as condominiums, apartment complexes, and private residential communities. These private cable systems may enter into exclusive agreements with such MDUs, which may preclude operators of franchise systems from serving residents of such private complexes, although certain states mandate that franchised cable operators have access to MDUs. Due to the widespread availability of satellite earth stations, 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. It is possible that, as a result of the expansion under the 1996 Telecom Act of the scope of entities which are exempt from regulation as "cable systems," some SMATV systems previously regulated as "cable systems" are now exempt from regulation under the Communications Act of 1934, as amended. 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. However, most MMDS operators continue to program in analog technology due to the significant capital cost in upgrading to digital technology, combined with a high disconnect ratio for this service. Analog MMDS is limited to approximately 33 channels. Additionally, 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.

- OPEN-VIDEO SYSTEMS. The 1996 Telecom Act established the open video system, known as "OVS," as a new legal framework for the delivery of video programming. Under the statute and the Federal Communication Commission's rules, a local exchange carrier or other entrant, other than a cable system operator, may distribute video programming to customers, without the requirement to obtain a local franchise, although the OVS operator must provide non-discriminatory access to unaffiliated programmers on a portion of its channel capacity. The Federal Communications Commission has to date certified several different companies to provide OVS in various parts of the United States. The Fifth Circuit Court of Appeals, however, recently invalidated certain of the Federal Communication Commission's OVS rules, including the Federal Communication Commission's rule preempting local franchise requirements. The Fifth Circuit decision may be subject to further appeal.

- PUBLIC UTILITY HOLDING COMPANIES. The 1996 Telecom Act also authorizes registered utility holding companies and their subsidiaries to provide video programming services, notwithstanding the applicability of the Public Utility Holding Company Act. Electric utilities have the potential to become significant competitors in the video marketplace, as many of them already possess fiber optic and other transmission lines in areas they serve. In the last year, several utilities have announced, commenced, or moved forward with ventures involving multichannel video programming distribution. See "Regulation and Legislation."

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, we had approximately 4,770 full-time equivalent employees of which 265 were represented by the International Brotherhood of Electrical Workers. We believe we have an excellent relationship with our employees and have never experienced a work stoppage.

INSURANCE

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

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 Commission at Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549, and at the 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 Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. You can also review such material by accessing the 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 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 1996 Telecom Act requires the Federal Communications Commission to undertake a host of implementing rulemakings. Moreover, Congress and the Federal Communications Commission have frequently revisited the subject of cable regulation. Future legislative and regulatory changes could adversely affect our operations, and there have been calls in Congress and at the Federal Communications Commission to maintain or even tighten cable regulation in the absence of widespread effective competition.

CABLE RATE REGULATION. The 1992 Cable Act imposed an extensive rate regulation regime on the cable television industry, which limited the ability of cable companies to increase subscriber fees. Under that regime, all cable systems 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 either:

(1) low subscriber penetration, less than 30%, by the incumbent cable operator;

(2) appreciable subscriber penetration, more than 15%, by competing multichannel video providers;

(3) a municipally-affiliated multichannel video provider offering service to 50% of the community; or

(4) a competing multichannel video provider affiliated with a local telephone company offering service to the community.

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.

The Federal Communications Commission itself directly administers rate regulation of any cable programming service tier which typically contains 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 FCC's rate regulations, 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. 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 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 and Congress have provided various forms of rate relief for smaller cable systems owned by smaller operators. If requisite eligibility criteria are satisfied, a cable operator may be allowed to rely on a vastly simplified cost-of-service rate justification and/or may be allowed to avoid regulation of cable programming service tier rates entirely. Under Federal Communications Commission regulations, cable systems serving 15,000 or fewer subscribers, which are owned by or affiliated with a cable company serving in the aggregate no more than 400,0000 subscribers, can submit a simplified cost-of-service filing under which the regulated rate, including equipment charges, will be presumed reasonable if it equates to no more than $1.24 per channel. Eligibility for this relief continues if the small cable system is subsequently acquired by a larger cable operator, but is lost when and if the individual system serves in excess of 15,000 subscribers. The 1996 Telecom Act immediately deregulated the cable programming service tier rates of cable systems serving communities with fewer than 50,000 subscribers, which are owned by or affiliated with entities serving, in the aggregate,

no more than one percent of the nation's cable customers and having no more than $250 million in annual revenues.

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 Oregon recently upheld the legal ability of local franchising authority to impose such conditions, but an appeal is anticipated. These developments could broaden 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. As described above, we are now witnessing the beginning of local exchange carrier competition in certain metropolitan areas.

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. In Connecticut, the Department of Public Utility Control granted Southern New England Telephone, or SNET, a franchise to serve the entire state of Connecticut. SNET is operational, with approximately 21,000 cable subscribers in several Connecticut communities, including one in which we provide cable television service. Pursuant to the terms of SNET's franchise, its services must pass all homes in Connecticut within eleven years.

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 that is, any ownership interest exceeding 10 percent, 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" requirement, which requires a cable system to carry the station, or a "retransmission consent," where such stations negotiate for payments for granting permission to the cable operator to carry the station. 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, noting 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 affiliated cable operators over 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 FCC REGULATIONS. In addition to the Federal Communications Commission regulations noted above, there are other FCC regulations 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 Communications, Inc. pursuant to a management agreement between Charter Communications, Inc. 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 (the "Executive Officers") who are responsible for providing significant services with respect to our management and operations.

EXECUTIVE OFFICERS AND DIRECTORS	AGE	POSITION
Paul G. Allen	46	Chairman of the Board of Charter Communications, Inc.
William D. Savoy	34	Director of Charter Holdings and Charter Communications, Inc.
Jerald L. Kent	42	President, Chief Executive Officer and Director of Charter Holdings, Charter Capital and Charter Communications, Inc.
Barry L. Babcock	52	Vice Chairman of Charter Communications, Inc.
Howard L. Wood	60	Vice Chairman of Charter Communications, Inc.
David G. Barford	40	Senior Vice President Operations of Charter Communications, Inc. -- Western Division
Mary Pat Blake	43	Senior Vice President -- Marketing and Programming of Charter Communications, Inc.
Eric A. Freesmeier	46	Senior Vice President -- Administration of Charter Communications, Inc.
Thomas R. Jokerst	49	Senior Vice President -- Advanced Technology Development of Charter Communications, Inc.
Kent D. Kalkwarf	39	Senior Vice President and Chief Financial Officer of Charter Holdings, Charter Capital and Charter Communications, Inc.
Ralph G. Kelly	42	Senior Vice President -- Treasurer of Charter Holdings, Charter Capital and Charter Communications, Inc.
David L. McCall	43	Senior Vice President Operations of Charter Communications, Inc. -- Eastern Division
John C. Pietri	49	Senior Vice President -- Engineering of Charter Communications, Inc.
Steven A. Schumm	46	Executive Vice President, Assistant to the President of Charter Holdings, Charter Capital and Charter Communications, Inc.
Curtis S. Shaw	50	Senior Vice President, General Counsel and Secretary of Charter Holdings, Charter Capital and Charter Communications, Inc.

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

PAUL G. ALLEN is the Chairman of the Board of Directors of Charter Communications, Inc. 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 as Interval Research Corporation, of which Mr. Allen is the controlling shareholder and a director. 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 Communications, Inc. Mr. Savoy is also President of Vulcan Northwest Inc., managing the personal finances of Paul G. Allen, and Vice President of Vulcan Ventures Inc., a venture capital fund wholly owned by Mr. Allen, 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 Communications, Inc., and President and Chief Executive Officer and director of Charter Holdings, Charter Capital and Charter Communications, Inc. and has previously held the position of Chief Financial Officer of Charter Communications, Inc. Prior to co-founding Charter Communications, Inc., 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 Communications, Inc. and Vice Chairman of Charter Communications, Inc. and has been involved in the cable industry since 1979. Prior to founding Charter Communications, Inc. 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 Communications, Inc. and Vice Chairman of Charter Communications, Inc. Prior to founding Charter Communications,

Inc., 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 Communications, Inc. -- Western Division, where he has primary responsibility for all cable operations in the Central, Western, North Central and MetroPlex Regions. Prior to joining Charter Communications, Inc., 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 Communications, Inc. and is responsible for all aspects of marketing, sales and programming and advertising sales. Prior to joining Charter 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 Communications, Inc. 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 Communications, Inc., 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 Communications, Inc. Prior to his appointment to this position, Mr. Jokerst held the position of Senior Vice President -- Engineering since December 1993. Prior to joining Charter, 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 Communications, Inc. Prior to joining Charter Communications, Inc., 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 Communications, Inc. Mr. Kelly joined Charter Communications, Inc. 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 Communications, Inc. 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 Communications, Inc. -- Eastern Division. Mr. McCall joined Charter Communications, Inc. in January 1995 as Regional Vice President Operations and he has primary responsibility for all cable system operations managed by Charter Communications, Inc. in the Southeast, Southern and Northeast Regions of the United States. Prior to joining Charter Communications, Inc., 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 Communications, Inc. in November 1998 as Senior Vice President -- Engineering. Prior to joining Charter Communications, Inc., 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 Communications, Inc. Mr. Schumm joined Charter Communications, Inc. in December 1998 and currently directs the MIS Regulatory and Financial Controls Groups. Prior to joining Charter Communications, Inc., 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 Communications, Inc. and is responsible for all legal aspects of their business, government relations and the duties of the corporate secretary. Mr. Shaw joined Charter Communications, Inc. in February 1997. Prior to joining Charter Communications, Inc., 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 Communications, Inc., except for Mr. McCall, who is compensated by an operating subsidiary. Charter Communications, Inc. is entitled to receive management fees from us for providing its management and consulting services. See "Certain Relationships and Related Transactions."

OPTION PLAN

Charter Operating has adopted a plan providing for the grant of options to purchase up to an aggregate of 10% of the equity value of Charter Operating. The plan provides for grants of options to employees, officers, directors and consultants of Charter Operating and its affiliates. The plan is intended to promote the long-term financial interest of Charter Operating and its affiliates by encouraging eligible individuals to acquire an ownership position in Charter Operating and its affiliates and provides incentives for performance. The plan was originally adopted by us and was assumed by Charter Operating. Options granted under the plan will vest one-fourth on the 15-month anniversary of the date of grant. One forty-fifth of the remaining options vest each month after the initial vesting. However, if there have not been a public offering of the equity interests of Charter Operating or an affiliate, vesting will occur only upon termination of employment for any reason other than for cause or disability. The options expire after ten years from the date of grant.

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 Bylaws 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.

PRINCIPAL EQUITY HOLDERS

Charter Holdings is a direct, wholly owned subsidiary of Charter Communications Holding Company, LLC which, in turn, is a direct, wholly owned subsidiary of Charter Communications, Inc. The beneficial ownership of the equity of Charter Communications, Inc. 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 Communications, Inc. 12444 Powerscourt Drive St. Louis, MO 63131	Common Stock	4,029.4359(1)	2.34%
Barry L. Babcock c/o Charter Communications, Inc. 12444 Powerscourt Drive St. Louis, MO 63131	Common Stock	1,962.9574	1.14%
Howard L. Wood c/o Charter Communications, 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 that we and our directors, executive officers and affiliates 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, 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 did acquire such 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 Communications, Inc. 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 Communications, Inc. On February 10, 1999, Charter Operating was formed as a wholly owned subsidiary of Charter Holdings. All of Charter Communications, Inc.'s equity interests in its operating subsidiaries were transferred to Charter Operating. On May 25, 1999, Charter Communications Holding Company, LLC was formed as a wholly owned subsidiary of Charter Communications, Inc. All of Charter Communications, Inc.'s equity interests in Charter Holdings were transferred to Charter Communications Holding Company, LLC.

In March 1999, we paid an affiliate of Mr. Allen $20,000,000 for reimbursement of direct costs incurred in connection with his 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 certain outstanding notes of subsidiaries of Marcus Holdings. Marcus Holdings issued a promissory note in favor of Charter Holdings, secured by a pledge of the equity interests in Marcus Cable as collateral. 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; 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 Communications, Inc. provided management and consulting services to us. In exchange for these services, Charter Communications, Inc. 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. 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 Communications, Inc. under the previous management agreements during the last three years were as follows:

YEAR	FEES PAID	TOTAL FEES EARNED
	(IN THOUSANDS)	
March 31, 1999	$ 5,323	$10,015
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 10% per annum.

PREVIOUS MANAGEMENT AGREEMENT WITH MARCUS. On October 6, 1998, Marcus entered into a Management Consulting Agreement with Charter Communications, Inc. pursuant to which Charter Communications, Inc. 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. Management fees paid to Charter Communications, Inc. for the three months ended March 31, 1999 totaled approximately $5,323. 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 Communications, Inc. under the new management agreement.

THE NEW MANAGEMENT AGREEMENT. On February 23, 1999, Charter Communications, Inc. 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 Communications, Inc. 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 Communications, Inc. 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 Communications, Inc. pays or incurs any such expenses, costs, losses, liabilities or damages, it will be reimbursed. In addition to any reimbursement of expenses, Charter Communications, Inc. 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 Communications, Inc. 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 Communications, Inc. quarterly in arrears. If the current management agreement is terminated, Charter Communications, Inc. is entitled to receive the fee payable for an entire quarter, even if termination occurred before the end of that quarter. Additionally, Charter Communications, Inc. is entitled to receive payment of any deferred amount. The accrual of such management fee commenced on February 23, 1999.

Pursuant to the terms of the new management agreement, we have agreed to indemnify and hold harmless Charter Communications, Inc. 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.

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 us 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 Communications, Inc. and Vulcan Ventures, Inc., a company founded by Mr. Allen in 1986 to research and implement his investments. Mr. Allen owns 100% of the equity of Vulcan Ventures, and is the President, Chief Executive Officer and Chairman of the Board. William B. Savoy, another of our directors, 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 Communications, Inc. 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, we committed to provide High Speed Access exclusive access to at least 750,000 homes passed. 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. 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. The agreements will continue until High Speed Access ceases to provide services to an end user residing in a home passed in a committed system.

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, which it acquired for $20 million in cash. 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 on or before November 25, 2000. 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. Vulcan Ventures subsequently assigned the warrants to Charter Communications, Inc.

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 24, 1997, Charter Communications, Inc. signed an Affiliation Agreement with WorldGate pursuant to which we will offer the WorldGate service to our customers. Pursuant to the agreement, we have agreed to use our reasonable best efforts to deploy the WorldGate Internet access service within our cable television systems and to install the appropriate headend equipment in all of our major markets. Major markets for purposes of this agreement include those in which we have more than 25,000 customers. 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.

On November 24, 1997, Charter Communications, Inc. 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.

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 Communications, Inc. signed a Cable Affiliation Agreement with Wink to deploy this enhanced broadcasting technology in our systems. 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. 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. 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.

On November 30, 1998, Vulcan Ventures acquired 1,162,500 shares of Wink's Series C Preferred Stock for approximately $9.3 million. 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 programming agreement with Charter Communication, Inc., ZDTV has agreed to provide us with their programming for broadcast via our cable television systems. On February 5, 1999, Vulcan Programming, Inc., another affiliate of Mr. Allen, acquired an approximate one-third interest in ZDTV. The remaining approximate two-thirds 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. Pursuant to a programming agreement with Charter Communications, Inc., USA Networks has agreed to provide their programming for broadcast via our cable television systems. Mr. Allen and Mr. Savoy are also directors 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 Communications, Inc. has agreed to enter into a carriage agreement with Oxygen pursuant to which we intend to carry Oxygen programming content on our cable systems.

DESCRIPTION OF THE CREDIT FACILITIES

On March 18, 1999, all of our then-existing senior indebtedness, 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 senior secured credit facilities provided for borrowings of up to $2.75 billion.

The initial senior secured credit facilities were increased on April 30, 1999 by $1.35 billion of additional senior secured credit facilities. Obligations under the credit facilities are guaranteed by Charter Operating's parent, Charter Holdings, and by Charter Operatings' subsidiaries. The obligations under the credit facilities are secured by pledges by Charter Operating of inter-company obligations and the ownership interests of Charter Operating in 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 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 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 credit facilities also provide for an incremental term facility, 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. After an initial period in which interest rate margins will be fixed, interest rates for the credit 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 indebtedness of Charter Operating and its subsidiaries, exclusive of the outstanding notes and other indebtedness for money borrowed, including guarantees by Charter Operating and its subsidiaries by Charter Holdings.

The credit facilities provide Charter Operating with two interest rate options, to which a margin is added: a base rate, generally, the "prime rate" of interest option and an interest rate option based on the London InterBank Offered Rate. The 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 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) Paul G. 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 35%, 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 the credit facilities. If the 8.250% notes are not refinanced prior to six months before their maturity date, the entire amount outstanding of the credit facilities will become due and payable. This summary is qualified in its entirety by reference to the credit agreement and the related documents pertaining to the credit facilities.

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 the Company 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;

  - 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.

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 being collectively referred to as "Restricted Payments", unless, at the time of and after giving effect to such Restricted Payment:

(4) no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof; and

(5) 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

(6) 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 Company 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 meets the criteria of more than one of the categories of Permitted Debt described in clauses (1) through (12) above, or 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 the Company 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 Commission, so long as any Notes are outstanding, Charter Holdings will furnish to the holders of Notes, within the time periods specified in the Commission's rules and regulations:

(1) all quarterly and annual financial information that would be required to be contained in a filing with the 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" and, with respect to the annual information only, a report on the annual financial statements by Charter Holdings' certified independent accountants; and

(2) all current reports that would be required to be filed with the 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) certain events of bankruptcy or insolvency with respect to Charter Holdings or any of its Significant Subsidiaries.

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 may declare all the 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 may direct the trustee in its exercise of any trust or power. 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 by notice to the Trustee may on behalf of the holders of all of the notes 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 in the next two succeeding paragraphs, the indentures or the notes may be amended or supplemented with the consent of the holders of at least a majority in principal amount, in the case of the 8.250% notes and the 8.625% notes, and aggregate principal amount at maturity, in the case of the 9.920% notes, of the notes of such series then outstanding, including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, notes, and 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, in the case of the 8.250% notes and the 8.625% notes, and aggregate principal amount at maturity, in the case of the 9.920% notes, of the notes of such series then outstanding, including, without limitation, consents obtained in connection with a purchase of, or tender offer or 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 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 Communications, 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 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 DTC and its nominee or their respective successors are permitted.

Upon the issuance of a global security, 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 Depository Trust Company or persons that hold interests through

participants. Ownership of beneficial interests will be shown on, and the transfer of that ownership interest will be effected only through, records maintained by 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 Depository Trust Company's nominee will be made in immediate available funds to Depository Trust Company's nominee as the registered owner of the global securities. The issuers and the trustee will treat 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 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 Depository Trust Company, the issuers, the Trustee or the Initial Purchasers.

So long as Depository Trust Company or its nominee is the registered owner or holder of the global security, 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 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 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, 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.

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 DTC interests in the global security are credited. Further,

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 Depository Trust Company has agreed to the procedures described above in order to facilitate transfers of interests in global securities among participants of 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 Depository Trust Company or its participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Depository Trust Company has provided the following information to us. 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 U.S. 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) Depository Trust Company notifies the issuers that it is unwilling or unable to continue as depository or if 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 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 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:

(i) 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.

"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.

"CHARTER CAPITAL" means Charter Communications Holdings Capital Corporation, a Delaware corporation.

"CHARTER HOLDINGS" means Charter Communications Holdings, LLC, a Delaware limited liability company.

"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 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 provided such terms are determined by such Person to be customary in comparable financings and such restrictions are determined by the Company not to materially affect the Company's 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.

"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 DEFAULTS" means:

(1) the issuers default in the payment when due of interest on the notes and such default continues for a period of 30 days;

(2) the issuers default in payment when due of the principal of or premium, if any, on the notes;

(3) the Company or any of its Restricted Subsidiaries, or the guarantor or any of its Restricted Subsidiaries, fails to comply with any of the provisions of Sections 4.16 or 5.01;

(4) the Company or any of its Restricted Subsidiaries, or the guarantor or any of its Restricted Subsidiaries, fails to comply with any of their other covenants or agreements in the indentures for 30 days after written notice thereof has been given to the Company by the trustee or to the Company and the trustee by holders of at least 25% of the aggregate principal amount of the notes outstanding;

(5) the Company or any of its Restricted Subsidiaries, or the guarantor or any of its Restricted Subsidiaries, defaults 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, or the payment of which is guaranteed by the Company or any of its Restricted Subsidiaries, or by the Guarantor 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) the Company or any of its Restricted Subsidiaries, or the guarantor or any of its Restricted Subsidiaries, fails 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;

(7) the Company, the guarantor or any of their 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 the Company, the guarantor or any of their Significant Subsidiaries in an involuntary case;

(b) appoints a custodian of the Company, the guarantor or any of their Significant Subsidiaries or for all or substantially all of the property of the Company, the guarantor or any of their Significant Subsidiaries; or

(c) orders the liquidation of the Company, the guarantor or any of their Significant Subsidiaries;

and the order or decree remains unstayed and in effect for 60 consecutive days.

(9) except as permitted by the indenture, the Guarantee of the guarantor shall be held in any judicial proceeding to be unenforceable or invalid or shall cease for any reason to be in full force and effect or the guarantor, or any Person acting on behalf of the guarantor, shall deny or disaffirm its obligations under the Guarantee;

(10) except as permitted by this Indenture, any of the pledge documents cease to be in full force and effect, other than in accordance with their respective terms or the terms of the Indenture, or any of the pledge documents cease to give the trustee or the Company, as the case may be, the Liens purported to be created thereby, or any pledge document is declared null and void, or the Company or the guarantor shall repudiate or deny in writing that it has any liability or obligation under any pledge document.

"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.

"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.

"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 the Company 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.

"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 the Company 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 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 to the extent 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 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.

"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.

"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.

CERTAIN FEDERAL TAX CONSIDERATIONS

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

Set forth below are the material United States federal income tax consequences relevant to, in the opinion of Paul, Hastings, Janofsky & Walker, LLP, our legal counsel, of the exchange offer. Except where noted, 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 by a holder of notes that is an individual citizen or resident of the United States or a United States corporation that purchased the notes pursuant to their original issue. 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

The exchange of new notes pursuant to the exchange offer will be treated as a continuation of the corresponding original notes because the terms of the new notes are not materially different from the terms of the original notes. Accordingly:

(1) such exchange will not constitute a taxable event to a U.S. holder,

(2) no gain or loss will be realized by a U.S. holder upon receipt of a new note,

(3) the holding period of the new note will include the holding period of the original note exchanged therefor and

(4) the adjusted tax basis of the new notes will be the same as the adjusted tax basis of the original notes 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. This means that such notes 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 U.S. 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 remains 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, the 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 exchange. Amounts attributable to accrued but unpaid interest on the 8.250% notes and the 8.625% notes will be treated as ordinary interest income and

(2) the holder's adjusted tax basis in such note. A holder's adjusted tax basis in a note will equal the purchase price paid by such holder for the note increased 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 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 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 U.S. 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 U.S. 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 a 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 U.S. tax identification number. For purposes of the U.S. 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 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 U.S. 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, redemption, retirement or other taxable disposition of a note by a person other than a U.S. holder generally will not be subject to U.S. 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 U.S. 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 U.S. federal estate tax if the interest on the notes qualifies for the portfolio interest exemption from U.S. federal income 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 U.S. 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 U.S. 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 U.S. 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 U.S. 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 U.S. withholding tax pursuant to a tax treaty, or interest that is exempt from U.S. 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 may 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.

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 Communications, Inc. (Charter). 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 controlling interests 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, 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. The excess of the purchase price over the amounts assigned to net tangible assets was $3.6 billion and is included in 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.

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 the excess of the cost of properties acquired over the amounts assigned to net tangible assets at the date of acquisition 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 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).

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.

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 during 1999.

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 (CCHC) is a co-issuer of the CCH Notes. CCHC is a wholly owned finance subsidiary of Charter Holdings with no independent assets or operations.

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	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 Communications, Inc. (Charter). 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 controlling interests 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, 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 the excess of the cost of properties acquired over the amounts assigned to net tangible assets at the date of acquisition 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.

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.

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 will be terminated and all amounts will be 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.

MARCUS CABLE COMPANY, L.L.C. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

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

MARCUS CABLE COMPANY, L.L.C. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

(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.

MARCUS CABLE COMPANY, L.L.C. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

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	YEAR ENDED DECEMBER 31 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	YEAR ENDED DECEMBER 31 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.

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 the excess of the cost of properties acquired over the amounts assigned to net tangible assets at date of acquisition 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.

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

CCA GROUP

NOTES TO COMBINED FINANCIAL STATEMENTS -- (CONTINUED)

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,

CCA GROUP

NOTES TO COMBINED FINANCIAL STATEMENTS -- (CONTINUED)

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

CCA GROUP

NOTES TO COMBINED FINANCIAL STATEMENTS -- (CONTINUED)

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 will be terminated and all amounts will be 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,	YEAR ENDED DECEMBER 31	
	1998	1997	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.

CHARTERCOMM HOLDINGS, L.P.
AND SUBSIDIARIES

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.

CHARTERCOMM HOLDINGS, L.P.
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(DOLLARS IN THOUSANDS)

	PERIOD FROM JANUARY 1, 1998, THROUGH DECEMBER 23,	YEAR ENDED DECEMBER 31,	
	1998	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.

CHARTERCOMM HOLDINGS, L.P.
AND SUBSIDIARIES

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.

CHARTERCOMM HOLDINGS, L.P.
AND SUBSIDIARIES

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 the excess of the cost of properties acquired over the amounts assigned to net tangible assets at date of acquisition 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

CHARTERCOMM HOLDINGS, L.P.
AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

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.

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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 will be terminated and all amounts will be 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.

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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,		YEAR ENDED SEPTEMBER 30,		
	1999	1998	1998	1997	1996
	(UNAUDITED)				
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,		YEAR ENDED SEPTEMBER 30,		
	1999	1998	1998	1997	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

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(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.

(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.

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.

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

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)

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

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NOTES TO COMBINED FINANCIAL STATEMENTS -- (CONTINUED)

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

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NOTES TO COMBINED FINANCIAL STATEMENTS -- (CONTINUED)

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

PICAYUNE MS, LAFOURCHE LA, ST. TAMMANY LA, ST. LANDRY LA,
POINTE COUPEE LA, AND JACKSON TN CABLE TELEVISION SYSTEMS
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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.

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	DECEMBER 31, 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.

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.

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.

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.

HELICON PARTNERS I, L.P. AND AFFILIATES

NOTES TO COMBINED FINANCIAL STATEMENTS -- (CONTINUED)

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	

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.

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

HELICON PARTNERS I, L.P. AND AFFILIATES

NOTES TO COMBINED FINANCIAL STATEMENTS -- (CONTINUED)

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.

HELICON PARTNERS I, L.P. AND AFFILIATES

NOTES TO COMBINED FINANCIAL STATEMENTS -- (CONTINUED)

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	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.

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)

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
INTERMEDIA CAPITAL PARTNERS IV, L.P.)

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

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)

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,

INTERMEDIA CABLE SYSTEMS
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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.

INTERMEDIA CABLE SYSTEMS
(COMPRISED OF COMPONENTS OF INTERMEDIA PARTNERS AND
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NOTES TO COMBINED FINANCIAL STATEMENTS -- (CONTINUED)
(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

INTERMEDIA CABLE SYSTEMS
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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

INTERMEDIA CABLE SYSTEMS
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NOTES TO COMBINED FINANCIAL STATEMENTS -- (CONTINUED)
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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

RIFKIN CABLE INCOME PARTNERS L.P.

NOTES TO FINANCIAL STATEMENTS -- (CONTINUED)

FRANCHISE COSTS

Franchise costs are amortized using the straight-line method over the remaining lives of the franchises as of the date they were acquired, ranging from 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

RIFKIN CABLE INCOME PARTNERS L.P.

NOTES TO FINANCIAL STATEMENTS -- (CONTINUED)

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 Management Corp. (CEM)
- Cable Equities of Colorado, Ltd. (CEC)
- 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

RIFKIN ACQUISITION PARTNERS, L.L.L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

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.

RIFKIN ACQUISITION PARTNERS, L.L.L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

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

(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)

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	12/31/97	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

R/N SOUTH FLORIDA CABLE MANAGEMENT LIMITED PARTNERSHIP

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

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

SONIC COMMUNICATIONS CABLE TELEVISION SYSTEMS

NOTES TO FINANCIAL STATEMENTS -- (CONTINUED)

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.

LONG BEACH ACQUISITION CORP.

NOTES TO FINANCIAL STATEMENTS -- (CONTINUED)

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 Communications, Inc. (Charter). 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 controlling interests 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, 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. The excess of the purchase price over the amounts assigned to net tangible assets was $3.6 billion and is included in franchises. 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. However, no significant adjustments are anticipated.

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.

CHARTER COMMUNICATIONS HOLDINGS, LLC AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

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.

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. 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 during 1999.

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.

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		CAPITAL CONTRIBUTION RECEIVABLE	TOTAL
		GENERAL PARTNER	CLASS A LIMITED PARTNERS		
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

	1998	1999
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

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)

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.

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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(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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(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

INTERMEDIA CABLE SYSTEMS

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NOTES TO CONDENSED COMBINED FINANCIAL

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(DOLLARS IN THOUSANDS)

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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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	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	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)

ASSETS (PLEDGED)	3/31/99
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.

$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.

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 Communications, Inc., 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

1.1	Purchase Agreement, dated as of March 12, 1999, by and among Charter Communications Holdings, LLC, Charter Communications Holdings Capital Corporation, 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.
2.1	Merger Agreement, dated March 31, 1999, by and between Charter Communications Holdings, LLC and Marcus Cable Holdings, LLC
2.2(a)	Membership Purchase Agreement, dated as of January 1, 1999, by and between ACEC Holding Company, LLC and Charter Communications, Inc.*
2.2(b)	Assignment of Membership Purchase Agreement, dated as of February 23, 1999, by and between Charter Communications, Inc. and Charter Communications Entertainment II, LLC*
2.3(a)	Asset Purchase Agreement, dated as of February 17, 1999, among Greater Media, Inc., Greater Media Cablevision, Inc. and Charter Communications, Inc.*
2.3(b)	Assignment of Asset Purchase Agreement, dated as of February 23, 1999, by and between Charter Communications, Inc. and Charter Communications Entertainment I, LLC*
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*
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.*
2.6(a)	Asset and Stock Purchase Agreement, dated April 20, 1999, between Intermedia Partners of West Tennessee, L.P. and Charter Communications, LLC
2.6(b)	Stock Purchase Agreement, dated April 20, 1999, between TCID 1P-V, Inc. and Charter Communications, LLC
2.6(c)	RMG Purchase Agreement, dated as of April 20, 1999, between Robin Media Group, Inc., InterMedia Partners of West Tennessee, L.P. and Charter RMG, LLC.
2.6(d)	Asset Exchange Agreement, dated April 20, 1999, among InterMedia Partners Southeast Charter Communications, LLC, Charter Communications Properties, LLC, and Marcus Cable Associates, L.L.C.
2.6(e)	Asset Exchange Agreement, dated April 20, 1999, among InterMedia Partners, a California Limited Partnership, Brenmor Cable Partners, L.P. and Robin Media Group, Inc.
2.6(f)	Common Agreement, dated April 20, 1999, between InterMedia Partners, InterMedia Partners Southeast, InterMedia Partners of West Tennessee, L.P., InterMedia Capital Partners IV, L.P., InterMedia Partners IV, L.P., Brenmor Cable Partners, L.P., TCID IP-V, Inc., Charter Communications, LLC, Charter Communications Properties, LLC, Marcus Cable Associates, L.L.C. and Charter RMG, LLC**

2.7(a)	Purchase and Sale Agreement, dated as of April 26, 1999, by and among Interlink Communications Partners, LLLP, the sellers listed therein and Charter Communications, Inc.
2.7(b)	Purchase and Sale Agreement, dated as of April 26, 1999, by and among Rifkin Acquisition Partners, L.L.L.P., the sellers listed therein and Charter Communications, Inc.*
2.7(c)	RAP Indemnity Agreement, dated April 26, 1999, by and among the sellers listed therein and Charter Communications, Inc.*
2.7(d)	Assignment of Purchase Agreement with Interlink*
2.7(e)	Assignment of Purchase Agreement with Rifkin*
2.7(f)	Assignment of RAP Indemnity Agreement*
3.1	Certificate of Formation of Charter Communications Holdings, LLC
3.2	Limited Liability Company Agreement of Charter Communications Holdings, LLC
3.3	Certificate of Incorporation of Charter Communications Holdings Capital Corporation
3.4	By-Laws of Charter Communications Holdings Capital Corporation
4.1(a)	Indenture relating to the 8.250% Senior Notes due 2007, dated as of March 17, 1999, between Charter Communications Holdings, LLC, Charter Communications Holdings Capital Corporation and Harris Trust and Savings Bank
4.1(b)	Form of 8.250% Senior Note due 2007 (included in Exhibit No. 4.1(a))
4.1(c)	Exchange and Registration Rights Agreement, dated March 17, 1999, by and among Charter Communications Holdings, LLC, Charter Communications Holdings Capital Corporation, 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., relating to the 8.250% Senior Notes due 2007
4.2(a)	Indenture relating to the 8.625% Senior Notes due 2009, dated as of March 17, 1999, among Charter Communications Holdings, LLC, Charter Communications Holdings Capital Corporation and Harris Trust and Savings Bank
4.2(b)	Form of 8.625% Senior Note due 2009 (included in Exhibit No. 4.2(a))
4.2(c)	Exchange and Registration Rights Agreement, dated March 17, 1999, by and among Charter Communications Holdings, LLC, Charter Communications Holdings Capital Corporation, 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., relating to the 8.625% Senior Notes due 2009
4.3(a)	Indenture relating to the 9.920% Senior Discount Notes due 2011, dated as of March 17, 1999, among Charter Communications Holdings, LLC, Charter Communications Holdings Capital Corporation and Harris Trust and Savings Bank
4.3(b)	Form of 9.920% Senior Discount Note due 2011 (included in Exhibit No. 4.3(a))

4.3(c)	Exchange and Registration Rights Agreement, dated March 17, 1999, by and among Charter Communications Holdings, LLC, Charter Communications Holdings Capital Corporation, 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., relating to the 9.920% Senior Discount Notes due 2011
5.1	Opinion of Paul, Hastings, Janofsky & Walker LLP regarding legality*
8.1	Opinion of Paul, Hastings, Janofsky & Walker LLP regarding tax matters*
10.1	Credit Agreement, dated as of March 18, 1999, between Charter Communications Operating, LLC and certain lenders and agents named therein
10.2	Amended and Restated Management Agreement, dated March 17, 1999, between Charter Communications Operating, LLC and Charter Communications, Inc.*
10.3	Consulting Agreement, dated as of March 10, 1999, by and between Vulcan Northwest Inc., Charter Communications, Inc. and Charter Communications Holdings, LLC*
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 Holdings Capital 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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* To be filed by 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 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 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 twenty-first day of June 1999.

CHARTER COMMUNICATIONS HOLDINGS, LLC

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

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each individual whose signature appears below constitutes and appoints Curtis S. Shaw his true and lawful attorney-in-fact and agent with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments to this registration statement, and to file the same with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in, and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent or his substitute and substitutes, may lawfully do or cause to be done by virtue hereof.

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
/s/ WILLIAM D. SAVOY William D. Savoy	Director	June 21, 1999
/s/ JERALD L. KENT Jerald L. Kent	President, Chief Executive Officer and Director	June 21, 1999
/s/ KENT D. KALKWARF Kent D. Kalkwarf	Senior Vice President and Chief Financial Officer	June 21, 1999

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Charter Communications Holdings Capital Corporation has duly caused this 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 twenty-first day of June 1999.

CHARTER COMMUNICATIONS HOLDINGS CAPITAL CORPORATION

By: /s/ CURTIS S. SHAW

Name: Curtis S. Shaw
Title: Senior Vice President, General Counsel and Secretary

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each individual whose signature appears below constitutes and appoints Curtis S. Shaw his true and lawful attorney-in-fact and agent with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments to this registration statement, and to file the same with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in, and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

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
/s/ WILLIAM D. SAVOY William D. Savoy	Director	June 21, 1999
/s/ JERALD L. KENT Jerald L. Kent	President, Chief Executive Officer and Director	June 21, 1999
/s/ KENT D. KALKWARF Kent D. Kalkwarf	Senior Vice President and Chief Financial Officer	June 21, 1999

EXHIBIT INDEX

1.1	Purchase Agreement, dated as of March 12, 1999, by and among Charter Communications Holdings, LLC, Charter Communications Holdings Capital Corporation, 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.
2.1	Merger Agreement, dated March 31, 1999, by and between Charter Communications Holdings, LLC and Marcus Cable Holdings, LLC
2.2(a)	Membership Purchase Agreement, dated as of January 1, 1999, by and between ACEC Holding Company, LLC and Charter Communications, Inc.*
2.2(b)	Assignment of Membership Purchase Agreement, dated as of February 23, 1999, by and between Charter Communications, Inc. and Charter Communications Entertainment II, LLC*
2.3(a)	Asset Purchase Agreement, dated as of February 17, 1999, among Greater Media, Inc., Greater Media Cablevision, Inc. and Charter Communications, Inc.*
2.3(b)	Assignment of Asset Purchase Agreement, dated as of February 23, 1999, by and between Charter Communications, Inc. and Charter Communications Entertainment I, LLC*
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*
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.*
2.6(a)	Asset and Stock Purchase Agreement, dated April 20, 1999, between InterMedia Partners of West Tennessee, L.P. and Charter Communications, LLC
2.6(b)	Stock Purchase Agreement, dated April 20, 1999, between TCID 1P-V, Inc. and Charter Communications, LLC
2.6(c)	RMG Purchase Agreement, dated as of April 20, 1999, between Robin Media Group, Inc., InterMedia Partners of West Tennessee, L.P. and Charter RMG, LLC
2.6(d)	Asset Exchange Agreement, dated April 20, 1999, among InterMedia Partners Southeast, Charter Communications, LLC, Charter Communications Properties, LLC, and Marcus Cable Associates, L.L.C.
2.6(e)	Asset Exchange Agreement, dated April 20, 1999, among InterMedia Partners, a California Limited Partnership, Brenmor Cable Partners, L.P. and Robin Media Group, Inc.
2.6(f)	Common Agreement, dated April 20, 1999, between InterMedia Partners, InterMedia Partners Southeast, InterMedia Partners of West Tennessee, L.P., InterMedia Capital Partners IV, L.P., InterMedia Partners IV, L.P., Brenmor Cable Partners, L.P., TCID IP-V, Inc., Charter Communications, LLC, Charter Communications Properties, LLC, Marcus Cable Associates, L.L.C. and Charter RMG, LLC**
2.7(a)	Purchase and Sale Agreement, dated as of April 26, 1999, by and among Interlink Communications Partners, LLLP, the sellers listed therein and Charter Communications, Inc.

2.7(b)	Purchase and Sale Agreement, dated as of April 26, 1999, by and among Rifkin Acquisition Partners, L.L.L.P., the sellers listed therein and Charter Communications, Inc.*
2.7(c)	RAP Indemnity Agreement, dated April 26, 1999, by and among the sellers listed therein and Charter Communications, Inc.*
2.7(d)	Assignment of Purchase Agreement with Interlink*
2.7(e)	Assignment of Purchase Agreement with Rifkin*
2.7(f)	Assignment of RAP Indemnity Agreement*
3.1	Certificate of Formation of Charter Communications Holdings, LLC
3.2	Limited Liability Company Agreement of Charter Communications Holdings, LLC
3.3	Certificate of Incorporation of Charter Communications Holdings Capital Corporation
3.4	By-Laws of Charter Communications Holdings Capital Corporation
4.1(a)	Indenture relating to the 8.250% Senior Notes due 2007, dated as of March 17, 1999, between Charter Communications Holdings, LLC, Charter Communications Holdings Capital Corporation and Harris Trust and Savings Bank
4.1(b)	Form of 8.250% Senior Note due 2007 (included in Exhibit No. 4.1(a))
4.1(c)	Exchange and Registration Rights Agreement, dated March 17, 1999, by and among Charter Communications Holdings, LLC, Charter Communications Holdings Capital Corporation, 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., relating to the 8.250% Senior Notes due 2007
4.2(a)	Indenture relating to the 8.625% Senior Notes due 2009, dated as of March 17, 1999, among Charter Communications Holdings, LLC, Charter Communications Holdings Capital Corporation and Harris Trust and Savings Bank
4.2(b)	Form of 8.625% Senior Note due 2009 (included in Exhibit No. 4.2(a))
4.2(c)	Exchange and Registration Rights Agreement, dated March 17, 1999, by and among Charter Communications Holdings, LLC, Charter Communications Holdings Capital Corporation, 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., relating to the 8.625% Senior Notes due 2009
4.3(a)	Indenture relating to the 9.920% Senior Discount Notes due 2011, dated as of March 17, 1999, among Charter Communications Holdings, LLC, Charter Communications Holdings Capital Corporation and Harris Trust and Savings Bank
4.3(b)	Form of 9.920% Senior Discount Note due 2011 (included in Exhibit No. 4.3(a))

4.3(c)	Exchange and Registration Rights Agreement, dated March 17, 1999, by and among Charter Communications Holdings, LLC, Charter Communications Holdings Capital Corporation, 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., relating to the 9.920% Senior Discount Notes due 2011
5.1	Opinion of Paul, Hastings, Janofsky & Walker LLP regarding legality*
8.1	Opinion of Paul, Hastings, Janofsky & Walker LLP regarding tax matters*
10.1	Credit Agreement, dated as of March 18, 1999, between Charter Communications Operating, LLC and certain lenders and agents named therein
10.2	Amended and Restated Management Agreement, dated March 17, 1999, between Charter Communications Operating, LLC and Charter Communications, Inc.*
10.3	Consulting Agreement, dated as of March 10, 1999, by and between Vulcan Northwest Inc., Charter Communications, Inc. and Charter Communications Holdings, LLC*
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)
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99.1	Form of Letter of Transmittal*
99.2	Form of Notice of Guaranteed Delivery*

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* To be filed by amendment.

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

Exhibit 1.1

CHARTER COMMUNICATIONS HOLDINGS, LLC
CHARTER COMMUNICATIONS HOLDINGS CAPITAL CORPORATION

$600,000,000 8.250% Senior Notes due 2007
$1,500,000,000 8.625% Senior Notes due 2009
$1,475,000,000 9.920% Senior Discount Notes due 2011

Purchase Agreement

March 12, 1999

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.
Nesbitt Burns Securities Inc.
c/o Goldman, Sachs & Co.
85 Broad Street,
New York, New York 10004

Ladies and Gentlemen:

Charter Communications Holdings, LLC, a Delaware limited liability company (the "Company"), and Charter Communications Holdings Capital Corporation, a Delaware corporation ("Charter Capital" and, together with the Company, the "Issuers"), propose, subject to the terms and conditions stated herein, to issue and sell to the Purchasers named in Schedule I hereto (the "Purchasers") (i) an aggregate of $600,000,000 principal amount of 8.250% Senior Notes due 2007 (the "Eight-Year Senior Notes"), (ii) an aggregate of $1,500,000,000 principal amount of 8.625% Senior Notes due 2009 (the "Ten-Year Senior Notes" and, together with the Eight-Year Senior Notes, the "Senior Notes") and (iii) an aggregate of $1,475,000,000 principal amount at maturity (approximately $905,561,500 gross proceeds) of 9.920% Senior Discount Notes due 2011 (the "Senior Discount Notes" and, together with the Senior Notes, the "Notes"). The Eight-Year Senior Notes will be unconditionally guaranteed (the "Eight-Year Senior Note Guarantees" and, together with the Eight-Year Senior Notes, the "Eight-Year Senior Securities"), the Ten-Year Senior Notes will be unconditionally guaranteed (the "Ten-Year Senior Note Guarantees" and, together with the Ten-Year Senior Notes, the "Ten-Year Senior Securities"), and the Senior Discount Notes will be unconditionally guaranteed (the "Senior Discount Guarantees" and, together with the Senior Discount Notes, the "Senior Discount Securities"), each as to payment of principal, premium (if any) and interest on a senior unsecured basis by Marcus Cable Holdings, LLC, a Delaware limited liability company (the "Guarantor"). For the purposes of this agreement, the term

"Senior Note Guarantees" means the Eight-Year Senior Note Guarantees and the Ten-Year Senior Note Guarantees, collectively; the term "Guarantees" means the Senior Note Guarantees and the Senior Discount Guarantees, collectively; the term "Senior Securities" means the Eight-Year Senior Securities and the Ten-Year Senior Securities, collectively; and the term "Securities" means the Senior Securities and the Senior Discount Securities, collectively. The Notes will be equally and ratably secured by a pledge by the Company of the senior note of the Guarantor due April 1, 2007 in the principal amount of approximately $1.5 billion (the "Mirror Note") pursuant to a pledge agreement (the "Company Pledge Agreement") to be dated March 17, 1999. The Mirror Note will be secured by the pledge by the Guarantor to the Company of all of the membership interests of Marcus Cable Company, L.L.C., a wholly owned subsidiary of the Guarantor, pursuant to a pledge agreement (the "Guarantor Pledge Agreement" and, together with the Company Pledge Agreement, the "Pledge Agreements"), to be dated March 17, 1999. The Pledge Agreements and the Mirror Note are herein referred to as the "Pledge Documents." If the merger of the Guarantor with and into the Company (the "Marcus Combination") has occurred prior to the issuance of the Notes, then the related Guarantees will not be issued and the Pledge Documents will not be executed.

1. The Issuers and the Guarantor represent and warrant to, and agree with, each of the Purchasers that:

(a) A preliminary offering circular, dated February 24, 1999 (the "Preliminary Offering Circular") and an offering circular, dated March 12, 1999 (the "Offering Circular") have been prepared in connection with the offering of the Securities. The Preliminary Offering Circular and the Offering Circular and any amendments or supplements thereto did not and will not, as of their respective dates, contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Issuers by a Purchaser through Goldman, Sachs & Co. expressly for use therein;

(b) None of the Issuers, the Guarantor or any of their subsidiaries has sustained since the date of the latest audited financial statements included in the Offering Circular any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, otherwise than as set forth or contemplated in the Offering Circular; and, since the respective dates as of which information is given in the Offering Circular, there has not been any change in the capital stock or other ownership interests or long-term debt of the Issuers, the Guarantor or any of their subsidiaries or any material adverse change, or any development involving a prospective material adverse change, in or affecting the general affairs, management, financial position, members' or stockholders' equity or results of operations of the Issuers, the Guarantor and their subsidiaries, otherwise than as set forth or contemplated in the Offering Circular;

(c) Each of the Issuers, the Guarantor and their subsidiaries has good and marketable title in fee simple to all real property and good and valid title to all personal property owned by it reflected as owned in the financial statements or elsewhere

in the Offering Circular, in each case free and clear of all liens, encumbrances and defects except such as are described in the Offering Circular or such as do not materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by the Issuers, the Guarantor and their subsidiaries; and any real property and buildings held under lease by the Issuers, the Guarantor and their subsidiaries are held by them under valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere with the use made and proposed to be made of such property and buildings by the Issuers, the Guarantor and their subsidiaries;

(d) Each of the Company and the Guarantor has been duly formed and is validly existing as a limited liability company in good standing under the laws of the State of Delaware, and Charter Capital has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware; each of the Issuers and the Guarantor has power and authority to own its properties and conduct its business as described in the Offering Circular, and has been duly qualified as a foreign corporation or limited liability company, as the case may be, for the transaction of business and is in good standing under the laws of each other jurisdiction in which it owns or leases properties or conducts any business so as to require such qualification, or is subject to no liability or disability by reason of the failure to be so qualified in any such jurisdiction, except such as would not, individually or in the aggregate, have a material adverse effect on the current or future financial position, members' or stockholders' equity or results of operations of the Issuers, the Guarantor and their subsidiaries taken as a whole (a "Material Adverse Effect"); and each subsidiary of the Issuers and the Guarantor (other than Charter Capital) has been duly formed and is validly existing as a corporation or limited liability company, as the case may be, in good standing under the laws of its jurisdiction of formation;

(e) All of the outstanding ownership interests of the Issuers and the Guarantor have been duly and validly authorized and issued and are fully paid and non-assessable; and all of the outstanding ownership interests of each subsidiary of the Issuers have been duly and validly authorized and issued, are fully paid and non-assessable and (except as otherwise set forth in the Offering Circular) are owned directly or indirectly by the Issuers and the Guarantor, free and clear of all liens, encumbrances, equities or claims;

(f) The Eight-Year Senior Notes have been duly authorized and, when executed by the Issuers and authenticated by the Trustee (as defined) in accordance with the provisions of the Eight-Year Senior Note Indenture (as defined) and when delivered to, and paid for, by the Purchasers in accordance with the terms of this Agreement, will have been duly executed, authenticated, issued and delivered and will constitute valid and legally binding obligations of the Issuers entitled to the benefits provided by the indenture to be dated as of March 17, 1999 (the "Eight-Year Senior Note Indenture") between the Issuers, the Guarantor and Harris Trust and Savings Bank, as trustee (the "Trustee"), under which they are to be issued and enforceable against the Issuers in accordance with their terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equity principles;

(g) The Ten-Year Senior Notes have been duly authorized and, when executed by the Issuers and authenticated by the Trustee in accordance with the provisions of the Ten-Year Senior Note Indenture (as defined) and when delivered to, and paid for, by the Purchasers in accordance with the terms of this Agreement, will have been duly executed, authenticated, issued and delivered and will constitute valid and legally binding obligations of the Issuers entitled to the benefits provided by the indenture to be dated as of March 17, 1999 (the "Ten-Year Senior Note Indenture" and, together with the Eight-Year Senior Note Indenture, the "Senior Note Indentures") between the Issuers, the Guarantor and the Trustee, under which they are to be issued and enforceable against the Issuers in accordance with their terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equity principles;

(h) The Senior Discount Notes have been duly authorized and, when executed by the Issuers and authenticated by the Trustee in accordance with the provisions of the Senior Discount Note Indenture (as defined) and when delivered to, and paid for, by the Purchasers in accordance with the terms of this Agreement, will have been duly executed, authenticated, issued and delivered and will constitute valid and legally binding obligations of the Issuers entitled to the benefits provided by the indenture to be dated as of March 17, 1999 (the "Senior Discount Note Indenture" and, together with the Senior Note Indentures, the "Indentures") between the Issuers, the Guarantor and the Trustee, under which they are to be issued and enforceable against the Issuers in accordance with their terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equity principles; and the Notes will conform to the descriptions thereof in the Offering Circular and will be in substantially the form previously delivered to you;

(i) The Guarantees have been duly authorized by the Guarantor, and when the Notes are executed by the Issuers and authenticated by the Trustee in accordance with the provisions of the Indentures and, in the case of the Notes, delivered to and paid for by the Purchasers in accordance with the provisions of this Agreement, will constitute legal, valid and binding obligations of the Guarantor entitled to the benefits provided by the Indentures and enforceable against the Guarantor in accordance with their terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equity principles; and the Guarantees will conform in all material respects to the descriptions thereof in the Offering Circular;

(j) The Indentures have been duly authorized and, when executed and delivered by the Issuers and the Guarantor (and assuming the due execution and delivery thereof by the Trustee), the Indentures will constitute valid and legally binding instruments, enforceable against the Issuers and the Guarantor in accordance with their terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equity principles; the Indentures meet the requirements for qualification under the Trust Indenture Act; and the Indentures will conform in all material respects to the descriptions thereof in the Offering Circular;

(k) The exchange and registration rights agreements to be entered into between the Issuers, the Guarantor and the Purchasers relating to the Securities, substantially in the form of Exhibits A, B and C hereto (the "Registration Rights Agreements"), have been duly authorized by the Issuers and the Guarantor, and when executed and delivered by the Issuers and the Guarantor (assuming the due execution and delivery thereof by the Purchasers), will constitute valid and legally binding instruments, enforceable against the Issuers and the Guarantor in accordance with their terms, except that (A) the enforcement thereof may be subject to (i) bankruptcy, insolvency, reorganization and other laws of general applicability relating to creditors' rights and (ii) general principles of equity, and (B) any rights to indemnity or contribution thereunder may be limited by federal and state securities laws and public policy considerations; and the Registration Rights Agreements will conform in all material respects to the descriptions thereof in the Offering Circular;

(l) The Exchange Notes (as defined in each of the Registration Rights Agreements) have been duly authorized by the Issuers and the Guarantor and, when executed, authenticated, issued and delivered in accordance with the Indentures and the Registration Rights Agreements (assuming the due authorization, execution and delivery of the Indentures by the Trustee), will constitute valid and legally binding instruments, entitled to the benefits provided by the Indentures under which they are to be issued, and enforceable against the Issuers and the Guarantor in accordance with their terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equity principles; and the Exchange Notes will conform in all material respects to the descriptions thereof in the Offering Circular;

(m) The Mirror Note has been duly authorized by the Guarantor and, when executed by the Guarantor, will constitute the legal, valid and binding obligation of the Guarantor enforceable against the Guarantor in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equity principles;

(n) The Company Pledge Agreement, when duly executed and delivered by the parties thereto, will create and constitute a valid and enforceable security interest in, lien upon or pledge of the Mirror Note, subject to no other security interest, claim, lien, encumbrance or adverse interest of any nature and no right or option to acquire the same in favor of any other person or entity, except as permitted by the Company Pledge Agreement. Upon the filing of UCC-1 financing statements in appropriate form in the requisite filing offices, the security interest, lien or pledge created by the Company Pledge Agreement will be a perfected security interest with respect to that portion of such pledged collateral in which a security interest can be perfected by the filing of a financing statement, prior to all other claims or security interests therein except as permitted by the Company Pledge Agreement. The Company Pledge Agreement has been duly and validly authorized by the Company and, when executed and delivered by the Company, will constitute a valid and legally binding agreement of the Company enforceable against the Company in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization or other laws of general applicability affecting creditors' rights and to general equity principles;

(o) The Guarantor Pledge Agreement, when duly executed and delivered by the parties thereto, will create and constitute a valid and enforceable security interest in, lien upon or pledge of the capital stock of Marcus Cable Company, L.L.C., subject to no other security interest, claim, lien, encumbrance or adverse interest of any nature and no right or option to acquire the same in favor of any other person or entity, except as permitted by the Guarantor Pledge Agreement. Upon the filing of UCC-1 financing statements in appropriate form in the requisite filing offices, the security interest, lien or pledge created by the Guarantor Pledge Agreement will be a perfected security interest with respect to that portion of such pledged collateral in which a security interest can be perfected by the filing of a financing statement, prior to all other claims or security interests therein except as permitted by the Guarantor Pledge Agreement. The Guarantor Pledge Agreement has been duly and validly authorized by the Guarantor and, when executed and delivered by the Guarantor, will constitute a valid and legally binding agreement of the Guarantor enforceable against the Guarantor in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization or other laws of general applicability affecting creditors' rights and to general equity principles;

(p) None of the transactions contemplated by this Agreement (including, without limitation, the use of the proceeds from the sale of the Securities) will violate or result in a violation of Section 7 of the Securities Exchange Act of 1934 (the "Exchange Act"), or any regulation promulgated thereunder, including, without limitation, Regulations T, U, and X of the Board of Governors of the Federal Reserve System;

(q) Prior to the date hereof, none of the Issuers, the Guarantor or any of their affiliates has taken any action which is designed to or which has constituted or which might have been expected to cause or result in stabilization or manipulation of the price of any security of the Issuers or the Guarantor in connection with the offering of the Securities;

(r) The issue and sale of the Securities and the compliance by the Issuers and the Guarantor with all of the provisions of the Securities, the Indentures, the Registration Rights Agreements, the Pledge Documents and this Agreement and the consummation of the transactions herein and therein contemplated will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement, lease, license, franchise agreement, permit or other agreement or instrument to which the Issuers, the Guarantor or any of their subsidiaries is a party or by which the Issuers, the Guarantor or any of their subsidiaries is bound or to which any of the property or assets of the Issuers, the Guarantor or any of their subsidiaries is subject, other than such conflicts, breaches, violations or defaults which would not, individually or in the aggregate, have a Material Adverse Effect, nor will such action result in any violation of the provisions of the Charter or by-laws (or other organizational document) of the Issuers or the Guarantor nor will such action result in any violation of any statute or any order, rule or regulation of any court or governmental agency or body, including without limitation, the Federal Communications Act of 1934, as amended, the Cable Communications Policy Act of 1984, the Cable Television Consumer Protection and Competition Act of 1992 and the Telecommunications Reform Act of 1996 (collectively, the

"Cable Acts") or any order, rule or regulation of the Federal Communications Commission (the "FCC"), having jurisdiction over the Issuers, the Guarantor or any of their subsidiaries or any of their properties, other than such violations which would not, individually or in the aggregate, have a Material Adverse Effect; and no consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required, including, without limitation, under the Cable Acts or any order, rule or regulation of the FCC, for the issue and sale of the Securities or the consummation by the Issuers and the Guarantor of the transactions contemplated by this Agreement, the Indentures, the Registration Rights Agreements or the Pledge Documents, except such consents, approvals, authorizations, registrations or qualifications as have been made and except as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Securities by the Purchasers and except such as will be made in the case of the Registration Rights Agreements or such as may be required by the National Association of Securities Dealers, Inc. ("NASD");

(s) None of the Issuers, the Guarantor or any of their subsidiaries is (a) in violation of its Charter or by-laws (or other organizational document), (b) in default in the performance of any obligation, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement, lease, license, permit or other agreement or instrument to which it is a party or by which it or any of its properties may be bound or (c) in violation of any law, statute, rule or regulation or any judgment, decree or order, in any such case, of any domestic or foreign court or governmental or regulatory agency or other body having jurisdiction over the Issuers, the Guarantor or their subsidiaries, or any of their properties or assets, including, without limitation, the Cable Acts or any order, rule or regulation of the FCC, except, in the case of clauses (b) and (c), such as would not individually or in the aggregate have a Material Adverse Effect;

(t) The statements set forth in the Offering Circular under the captions "Description of Notes," insofar as they purport to constitute a summary of the terms of the Securities, under the captions "Risk Factors," "Business," "Regulation and Legislation," "Certain Relationships and Related Transactions," "Description of the Credit Facilities" and "Certain Federal Tax Considerations," insofar as they purport to describe the provisions of the laws and documents referred to therein, are accurate in all material respects;

(u) Other than as set forth in the Offering Circular, there are no legal or governmental proceedings pending to which the Issuers, the Guarantor or any of their subsidiaries is a party or of which any property of the Issuers, the Guarantor or any of their subsidiaries is the subject which, if determined adversely to the Issuers, the Guarantor or any of their subsidiaries, would individually or in the aggregate have a Material Adverse Effect; and, to the best knowledge of the Issuers and the Guarantor and except as disclosed in the Offering Circular, no such proceedings are threatened or contemplated by governmental authorities or threatened by others;

(v) Each of the Issuers and the Guarantor carries insurance (including self-insurance) in such amounts and covering such risks as in its reasonable determination is adequate for the conduct of its business and the value of its properties;

(w) Except as set forth in the Offering Circular, there is no strike, labor dispute, slowdown or work stoppage with the employees of any of the Issuers or the Guarantor or their subsidiaries which is pending or, to the best knowledge of the Issuers and the Guarantor, threatened which would, individually or in the aggregate, have a Material Adverse Effect;

(x) None of the Issuers or the Guarantor is, or after giving effect to the offering and sale of the Securities will be, an "investment company," as such term is defined in the United States Investment Company Act of 1940, as amended (the "Investment Company Act");

(y) None of the Issuers, the Guarantor or any of their subsidiaries, or any person acting on its or their behalf (other than the Purchasers, as to whom the Issuers, the Guarantor and their subsidiaries make no representation) has offered or sold the Securities by means of any general solicitation or general advertising within the meaning of Rule 502(c) under the Securities Act of 1933 (the "Act") or, with respect to Securities sold outside the United States to non-U.S. persons (as defined in Rule 902 under the Act), by means of any directed selling efforts within the meaning of Rule 902 under the Act and the Issuers, the Guarantor, any affiliate of the Issuers or the Guarantor and any person acting on its or their behalf (other than the Purchasers, as to whom the Issuers, the Guarantor and their subsidiaries make no representation) has complied with and will implement the "offering restriction" within the meaning of such Rule 902;

(z) Within the preceding six months, none of the Issuers, the Guarantor or any other person acting on behalf of the Issuers or the Guarantor has offered or sold to any person any Securities, or any securities of the same or a similar class as the Securities, other than Securities offered or sold to the Purchasers hereunder. The Issuers and the Guarantor will take reasonable precautions designed to insure that any offer or sale, direct or indirect, in the United States or to any U.S. person (as defined in Rule 902 under the Act) of any Securities or any substantially similar security issued by the Issuers and the Guarantor, within six months subsequent to the date on which the distribution of the Securities has been completed (as notified to the Issuers by Goldman, Sachs & Co.), is made under restrictions and other circumstances reasonably designed not to affect the status of the offer and sale of the Securities in the United States and to U.S. persons contemplated by this Agreement as transactions exempt from the registration provisions of the Act;

(aa) The audited consolidated financial statements of the Issuers, the Guarantor and their subsidiaries included in the Offering Circular present fairly in all material respects the consolidated financial position, results of operations and cash flows of the Issuers, the Guarantor and their subsidiaries at the dates and for the periods to which they relate and have been prepared in accordance with generally accepted accounting principles applied on a consistent basis, except as otherwise stated therein. The summary and selected financial and statistical data in the Offering Circular present fairly in all material respects the information shown therein and have been prepared and compiled on a basis consistent with the audited financial statements included therein, except as otherwise stated therein;

(bb) The pro forma financial statements (including the notes thereto) and the other pro forma financial information included in the Offering Circular (i) comply as to form in all material respects with the applicable requirements of Regulation S-X for Form S-1 promulgated under the Exchange Act, as amended, and (ii) have been properly computed on the bases described therein; the assumptions used in the preparation of the pro forma financial data and other pro forma financial information included in the Offering Circular are reasonable and the adjustments used therein are appropriate to give effect to the transactions or circumstances referred to therein;

(cc) Arthur Andersen LLP and KPMG LLP, who have certified certain financial statements of the Issuers, the Guarantor and their subsidiaries, are, based upon such representations by such firms to us, each independent public accountants as required by the Act and the rules and regulations of the Commission thereunder; and Ernst & Young LLP, who have certified certain financial statements of Renaissance Media Group LLC and the combined statements of the Picayune, MS, Lafourche, LA, St. Tammany, LA, St. Landry, LA, Point Coupee, LA and Jackson, TN cable television systems, are, based upon such representation by such firm to us, independent public accountants as required by the Act and the rules and regulations thereunder;

(dd) The Issuers and the Guarantor have reviewed their operations and those of their subsidiaries to evaluate the extent to which the business or operations of the Issuers, the Guarantor or any of their subsidiaries will be affected by the Year 2000 Problem. As a result of such review, except as disclosed in the Offering Circular the Issuers and the Guarantor have no reason to believe that the Year 2000 Problem will have a Material Adverse Effect or result in any material loss or interference with the business or operations of either of the Issuers or the Guarantor or their subsidiaries. The "Year 2000 Problem" as used herein means any significant risk that computer hardware or software used in the receipt, transmission, processing, manipulation, storage, retrieval, retransmission or other utilization of data or in the operation of mechanical or electrical systems of any kind will not, in the case of dates or time periods occurring after December 31, 1999, function at least as effectively as in the case of dates or time periods occurring prior to January 1, 2000;

(ee) The Issuers, the Guarantor and their subsidiaries own or possess, or can acquire on reasonable terms, adequate licenses, trademarks, service marks, trade names, copyrights and know-how (including trade secrets and other proprietary or confidential information, systems or procedures) (collectively, "intellectual property") necessary to conduct the business now or proposed to be operated by each of them as described in the Offering Circular, except where the failure to own, possess or have the ability to acquire any such intellectual property would not, individually or in the aggregate, have a Material Adverse Effect; and none of the Issuers, the Guarantor or any of their subsidiaries has received any notice of infringement of or conflict with (and none actually knows of any such infringement of or conflict with) asserted rights of others with respect to any of such intellectual property which, if any such assertions of infringement or conflict were sustained, individually or in the aggregate, would have a Material Adverse Effect;

(ff) Except as described in the Offering Circular, the Issuers, the Guarantor and their subsidiaries have obtained all consents, approvals, orders, certificates, licenses, permits, franchises and other authorizations of and from, and have made all declarations and filings with, all governmental and regulatory authorities (including, without limitation, the FCC), all self-regulatory organizations and all courts and other tribunals legally necessary to own, lease, license and use their respective properties and assets and to conduct their respective businesses in the manner described in the Offering Circular, except to the extent that the failure to so obtain or file, individually or in the aggregate, would not have a Material Adverse Effect;

(gg) The Issuers, the Guarantor and their subsidiaries have filed all necessary federal, state and foreign income and franchise tax returns required to be filed as of the date hereof, except where the failure to so file such returns would not result, individually or in the aggregate, in a Material Adverse Effect, and have paid all taxes shown as due thereon; and there is no tax deficiency that has been asserted against the Issuers, the Guarantor or any of their subsidiaries that could reasonably be expected to result, individually or in the aggregate, in a Material Adverse Effect;

(hh) The Issuers, the Guarantor and their subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurances that (A) transactions are executed in accordance with management's general or specific authorization; (B) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain accountability for assets; (C) access to assets is permitted only in accordance with management's general or specific authorization; and (D) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences; and

(ii) Each of the franchises held by the Issuers, the Guarantor and their subsidiaries that are material to the Issuers, the Guarantor and their subsidiaries taken as a whole is in full force and effect, with no material restrictions or qualifications; such franchises constitute all of the franchises necessary for the Issuers and the Guarantor to conduct their business in the manner and to the full extent now operated and as described in the Offering Circular; and to the best knowledge of the Issuers and the Guarantor, no event has occurred which permits, or with notice or lapse of time or both would permit, the revocation or non-renewal of any franchises, assuming the filing of timely renewal applications and the timely payment of all applicable filing and regulatory fees to the applicable franchising authority, or which might result, individually or in the aggregate, in any other material impairment of the rights of the Issuers, the Guarantor and their subsidiaries in the franchises. Except as described in the Offering Circular, the Issuers and the Guarantor have no reason to believe that any franchise that is required for the operation of the Issuers, the Guarantor and their subsidiaries will not be renewed in the ordinary course.

2. (a) Subject to the terms and conditions herein set forth, the Issuers agree to issue and sell to each of the Purchasers, and each of the Purchasers agrees, severally and not jointly, to purchase from the Issuers, at a purchase price of 97.733% of the principal amount thereof, plus accrued interest, if any, from March 17, 1999 to the Time of Delivery

hereunder, the principal amount of Eight-Year Senior Notes set forth opposite the name of such Purchaser in Schedule I hereto.

(b) Subject to the terms and conditions herein set forth, the Issuers agree to issue and sell to each of the Purchasers, and each of the Purchasers agrees, severally and not jointly, to purchase from the Issuers, at a purchase price of 97.695 % of the principal amount thereof, plus accrued interest, if any, from March 17, 1999 to the Time of Delivery hereunder, the principal amount of Ten-Year Senior Notes set forth opposite the name of such Purchaser in Schedule I hereto.

(c) Subject to the terms and conditions herein set forth, the Issuers agree to issue and sell to each of the Purchasers, and each of the Purchasers agrees, severally and not jointly, to purchase from the Issuers, at a purchase price of 60.0126% of the principal amount at maturity thereof, plus accretion, if any, from March 17, 1999 to the Time of Delivery hereunder, the principal amount at maturity of Senior Discount Notes set forth opposite the name of such Purchaser in Schedule I hereto.

3. Upon the authorization by you of the release of the Securities, the several Purchasers propose to offer the Securities for sale upon the terms and conditions set forth in this Agreement and the Offering Circular and each Purchaser hereby represents and warrants to, and agrees with the Issuers that:

(a) It will offer and sell the Securities only: (i) to persons who it reasonably believes are "qualified institutional buyers" ("QIBs") within the meaning of Rule 144A under the Act in transactions meeting the requirements of Rule 144A or (ii) upon the terms and conditions set forth in Annex I to this Agreement;

(b) It is a QIB; and

(c) It has not offered and will not offer or sell the Securities by any form of general solicitation or general advertising, including but not limited to the methods described in Rule 502(c) under the Act.

4. (a) The Securities to be purchased by each Purchaser hereunder will be represented by definitive global Securities in book-entry form which will be deposited by or on behalf of the Issuers with The Depository Trust Company ("DTC") or its designated custodian. The Issuers will deliver the Securities to Goldman, Sachs & Co., for the account of each Purchaser, against payment by or on behalf of such Purchaser of the purchase price therefor by wire transfer of same day funds wired in accordance with the written instructions of the Company, by causing DTC to credit the Securities to the account of Goldman, Sachs & Co. at DTC. The Issuers will cause the certificates representing the Securities to be made available to Goldman, Sachs & Co. for checking at least twenty-four hours prior to the Time of Delivery (as defined below) at the office of DTC or its designated custodian (the "Designated Office"). The time and date of such delivery and payment shall be 9:30 a.m., New York City time, on March 17, 1999 or such other time and date as Goldman, Sachs & Co. and the Issuers may agree upon in writing. Such time and date are herein called the "Time of Delivery."

(b) The documents to be delivered at the Time of Delivery by or on behalf of the parties hereto pursuant to Section 7 hereof, including the cross-receipt for the Securities

and any additional documents requested by the Purchasers pursuant to Section 7(h) hereof, will be delivered at such time and date at the offices of Cahill Gordon & Reindel, 80 Pine Street, New York, New York 10005 or such other location as the parties mutually agree (the "Closing Location"), and the Securities will be delivered at the Designated Office, all at the Time of Delivery. A meeting will be held at the Closing Location at 3 p.m., New York City time, on the New York Business Day next preceding the Time of Delivery, at which meeting the final drafts of the documents to be delivered pursuant to the preceding sentence will be available for review by the parties hereto. For the purposes of this Section 4, "New York Business Day" shall mean each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in New York are generally authorized or obligated by law or executive order to close.

5. Each of the Issuers and the Guarantor agree with each of the Purchasers:

(a) To prepare the Offering Circular in a form approved by you; to make no amendment or any supplement to the Offering Circular which shall be disapproved by you promptly after reasonable notice thereof; and to furnish you with copies thereof;

(b) Promptly from time to time to take such action as you may reasonably request to qualify the Securities for offering and sale under the securities laws of such jurisdictions as you may request and to comply with such laws so as to permit the continuance of sales and dealings therein in such jurisdictions for as long as may be necessary to complete the distribution of the Securities, provided that in connection therewith neither the Issuers nor the Guarantor shall be required to qualify as a foreign corporation or limited liability company, as the case may be, or to file a general consent to service of process in any jurisdiction;

(c) To furnish the Purchasers with copies of the Offering Circular and each amendment or supplement thereto signed by an authorized officer of each of the Issuers and the Guarantor with the independent accountants' report(s) in the Offering Circular, and any amendment or supplement containing amendments to the financial statements covered by such report(s), signed by the accountants, and additional copies thereof in such quantities as you may from time to time reasonably request, and if, at any time prior to the expiration of nine months after the date of the Offering Circular, any event shall have occurred as a result of which the Offering Circular as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made when such Offering Circular is delivered, not misleading, or, if for any other reason it shall be necessary or desirable during such same period to amend or supplement the Offering Circular, to notify you and upon your request to prepare and furnish without charge to each Purchaser and to any dealer in securities as many copies as you may from time to time reasonably request of an amended Offering Circular or a supplement to the Offering Circular which will correct such statement or omission or effect such compliance;

(d) During the period beginning from the date hereof and continuing until the date six months after the Time of Delivery, not to offer, sell, contract to sell or otherwise dispose of, except as provided hereunder, any securities of the Issuers or the Guarantor that are substantially similar to the Securities;

(e) Not to be or become, at any time prior to the expiration of two years after the Time of Delivery, an open-end investment company, unit investment trust, closed-end investment company or face-amount certificate company that is or is required to be registered under Section 8 of the Investment Issuers Act;

(f) At any time when the Issuers or the Guarantor is not subject to Section 13 or 15(d) of the Exchange Act, for the benefit of holders from time to time of Securities, to furnish at its expense, upon request, to holders of Securities and prospective purchasers of securities information (the "Additional Issuer Information") satisfying the requirements of subsection (d)(4)(i) of Rule 144A under the Act;

(g) To use its best efforts to cause the Securities to be eligible for the PORTAL trading system of the NASD;

(h) To furnish to the holders of the Securities as soon as practicable after the end of each fiscal year an annual report (including a balance sheet and statements of income, members' or stockholders' equity and cash flows of the Issuers and the Guarantor and their consolidated subsidiaries certified by independent public accountants) and, as soon as practicable after the end of each of the first three quarters of each fiscal year (beginning with the fiscal quarter ending after the date of the Offering Circular), to make available to holders of the Securities consolidated summary financial information of the Issuers, the Guarantor and their subsidiaries for such quarter in reasonable detail;

(i) During a period of three years from the date of the Offering Circular, to furnish to you copies of all reports or other communications (financial or other) furnished to holders of ownership interests of the Issuers and the Guarantor for which the Issuers and the Guarantor otherwise would be required to file Form 8-K under the Exchange Act if they were subject to the reporting requirements of the Exchange Act and to deliver to you (i) as soon as they are available, copies of any reports and financial statements furnished to or filed with the Commission or any securities exchange on which the Securities or any class of securities of the Issuers or the Guarantor is listed; and (ii) such additional information concerning the business and financial condition of the Issuers and the Guarantor as you may from time to time reasonably request (such financial statements to be on a consolidated basis to the extent the accounts of the Issuers, the Guarantor and their subsidiaries are consolidated in reports furnished to the holders of their ownership interests generally or to the Commission);

(j) During the period of two years after the Time of Delivery, none of the Issuers or the Guarantor will, and none will permit any of its "affiliates" (as defined in Rule 144 under the Act) to, resell any of the Securities which constitute "restricted securities" under Rule 144 that have been reacquired by any of them;

(k) To use the net proceeds received by it from the sale of the Securities pursuant to this Agreement in the manner specified in the Offering Circular under the caption "Use of Proceeds"; and

(l) If the Marcus Combination has not been consummated on or prior to the Closing Date, then the Issuers and the Guarantor will take all commercially reasonable actions necessary to consummate the Marcus Combination as soon as is reasonably practicable thereafter.

6. Each of the Issuers and the Guarantor covenants and agrees with the several Purchasers that the Issuers and the Guarantor will pay or cause to be paid the following: (i) the fees, disbursements and expenses of the Issuers' and the Guarantor's counsel and accountants in connection with the issue of the Securities and all other expenses in connection with the preparation, printing and filing of the Preliminary Offering Circular and the Offering Circular and any amendments and supplements thereto and the mailing and delivering of copies thereof to the Purchasers and dealers; (ii) the cost of printing or producing any Agreement among Purchasers, this Agreement, the Indentures, the Registration Rights Agreements, the Pledge Documents, the Blue Sky and Legal Investment Memoranda, closing documents (including any compilations thereof) and any other documents in connection with the offering, purchase, sale and delivery of the Securities; (iii) all expenses in connection with the qualification of the Securities for offering and sale under state securities laws as provided in Section 5(b) hereof, including the fees and disbursements of counsel for the Purchasers in connection with such qualification and in connection with the Blue Sky and legal investment surveys; (iv) any fees charged by securities rating services for rating the Securities; (v) the cost of preparing the Securities; (vi) the fees and expenses of the Trustee and any agent of the Trustee and the fees and disbursements of counsel for the Trustee in connection with the Indentures and the Securities; (vii) any cost incurred in connection with the designation of the Securities for trading in PORTAL; and (viii) all other costs and expenses incident to the performance of its obligations hereunder which are not otherwise specifically provided for in this Section. It is understood, however, that, except as provided in this Section, and Sections 8 and 11 hereof, the Purchasers will pay all of their own costs and expenses, including the fees of their counsel, transfer taxes on resale of any of the Securities by them, and any advertising expenses connected with any offers they may make.

7. The obligations of the Purchasers hereunder shall be subject, in their discretion, to the condition that all representations and warranties and other statements of the Issuers and the Guarantor herein are, at and as of the Time of Delivery, true and correct, the condition that the Issuers and the Guarantor shall have performed all of their obligations hereunder theretofore to be performed, and the following additional conditions:

(a) Cahill Gordon & Reindel, counsel for the Purchasers, shall have furnished to you such opinion or opinions, dated the Time of Delivery, with respect to such matters as you may reasonably request.

(b) Paul, Hastings, Janofsky & Walker LLP, counsel for the Issuers, shall have furnished to you their written opinion, dated the Time of Delivery, in form and substance satisfactory to you, to the effect that:

(i) The Company has been duly formed and is validly existing as a limited liability company in good standing under the laws of the State of Delaware, and Charter Capital has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware; each of the Issuers has the organizational power and authority to own its properties and conduct its business as described in the Offering Circular;

(ii) Each of the subsidiaries of the Issuers (other than Charter Capital) listed on Schedule A attached to such counsel's opinion (the "Charter Subsidiaries") has been duly incorporated or formed, as the case may be, and is validly existing as a corporation or limited liability company, as the case may be, in good standing under the laws of its jurisdiction of formation;

(iii) To the best of such counsel's knowledge and other than as set forth in the Offering Circular, there are no legal or governmental proceedings pending to which the Issuers or any of the Charter Subsidiaries is a party or of which any property of the Issuers or any of the Charter Subsidiaries is the subject which, if determined adversely to the Issuers or any of the Charter Subsidiaries, would individually or in the aggregate have a Material Adverse Effect; and, to the best of such counsel's knowledge and other than as set forth in the Offering Circular, no such proceedings are threatened or contemplated by governmental authorities or threatened by others;

(iv) This Agreement has been duly authorized, executed and delivered by the Issuers;

(v) The Notes have been duly authorized by the Issuers, and, when executed and authenticated in accordance with the provisions of the Indentures and delivered to and paid for by the Purchasers in accordance with the terms of this Agreement, will be valid and legally binding obligations of the Issuers, entitled to the benefits provided by the Indentures and enforceable against the Issuers in accordance with their terms, subject, as to enforcement, to applicable bankruptcy, reorganization, insolvency or other similar laws affecting creditors' rights generally and to general equity principles;

(vi) Assuming the Guarantees have been duly authorized by the Guarantor, the Guarantees, when the Notes are executed by the Issuers and authenticated by the Trustee in accordance with the provisions of the Indentures (assuming the due authorization, execution and delivery thereof by the Trustee) and, in the case of the Notes, delivered to and paid for by the Purchasers in accordance with this Agreement, will constitute a legal, valid and binding obligation of the Guarantor entitled to the benefits provided by the Indentures and enforceable against the Guarantor in accordance with their terms, subject, as to enforcement, to applicable bankruptcy, reorganization, insolvency or other similar laws affecting creditors' rights generally and to general equity principles;

(vii) Assuming the Mirror Note has been duly authorized and executed by the Guarantor, the Mirror Note will constitute a legal, valid and binding obligation of the Guarantor entitled to the benefits provided by the Mirror Note and enforceable against the Guarantor in accordance with its terms, subject, as to enforcement, to applicable bankruptcy, reorganization, insolvency or other similar laws affecting creditors' rights generally and to general equity principles;

(viii) The Company Pledge Agreement has been duly authorized and executed by the Company. The Company Pledge Agreement, together with the delivery of the Mirror Note to the Trustee in the State of New York, will create in favor of the Trustee a valid and perfected security interest therein as security for the Secured Obligations (as defined in the Company Pledge Agreement). Assuming that the Trustee took delivery of the Mirror Note without notice of any adverse claim (within the meaning of the Uniform Commercial Code as in effect in the State of New York as of the date hereof (the "UCC")), the Trustee will acquire its interest in the Mirror Note free of any adverse claim;

(ix) The Guarantor Pledge Agreement, together with the delivery of the certificates evidencing membership interests of Marcus Cable Company, L.L.C., duly endorsed in the name of the Company or in blank (or accompanied by a document of assignment duly executed in the name of the Company or in blank), to the Company in the State of New York, will create in favor of the Company a valid and perfected security interest therein as security for the Secured Obligations (as defined in the Guarantor Pledge Agreement). Assuming that the Company took delivery of such certificates without notice of any adverse claim (within the meaning of the UCC), the Company will acquire its interest in such certificates free of any adverse claim;

(x) The Indentures have been duly authorized, executed and delivered by the Issuers and (assuming the due authorization, execution and delivery by the Guarantor and the due execution and delivery thereof by the Trustee) constitute valid and legally binding instruments, enforceable against the Issuers and the Guarantor in accordance with their terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equity principles;

(xi) The Registration Rights Agreements have been duly authorized, executed and delivered by the Issuers and (assuming the due authorization, execution and delivery by the Guarantor and the due execution and delivery thereof by the Purchasers) constitute valid and legally binding instruments, enforceable against the Issuers and the Guarantor in accordance with their terms, except that (A) the enforcement thereof may be subject to (i) bankruptcy, insolvency, reorganization and other laws of general applicability relating to creditors' rights and (ii) general principles of equity, and (B) any rights to indemnity or contribution thereunder may be limited by federal and state securities laws and public policy considerations;

(xii) The Exchange Notes have been duly authorized by the Issuers and (assuming the due authorization by the Guarantor), when executed, authenticated, issued and delivered in accordance with the Indentures and the Registration Rights Agreements (assuming the due authorization, execution and delivery of the Indentures by the Trustee), will constitute valid and legally binding instruments, entitled to the benefits provided by the Indentures under which they are to be issued, and enforceable against the Issuers in accordance with their terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equity principles;

(xiii) The Securities, the Exchange Notes, the Indentures, the Registration Rights Agreements and the Pledge Documents conform in all material respects to the descriptions thereof in the Offering Circular;

(xiv) The issue and sale of the Securities and the compliance by the Issuers with all of the provisions of the Securities, the Indentures, the Registration Rights Agreements, the Pledge Documents and this Agreement and the consummation of the transactions herein and therein contemplated will not, to the best of our knowledge, result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement, lease, license, permit or other agreement or instrument specifically identified to such counsel by the Issuers as material to the Issuers on a schedule, nor do any such actions result in any violation of the provisions of the charter or by-laws (or other organizational document) of the Issuers or any Federal or New York State statute or any order, rule or regulation of any Federal or New York State court or governmental agency or body having jurisdiction over the Issuers or any of the Charter Subsidiaries or any of their properties;

(xv) No consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required for the issue and sale of the Securities or the consummation by the Issuers of the transactions contemplated by this Agreement, the Indentures, the Registration Rights Agreements or the Pledge Documents, except such consents, approvals, authorizations, registrations or qualifications as have been obtained or as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Securities by the Purchasers;

(xvi) The statements set forth in the Offering Circular under the caption "Description of Notes," insofar as they purport to constitute a summary of the terms of the Securities, and under the captions "Certain Relationships and Related Transactions -- Management Agreements -- Management Agreements Relating to the Charter Companies and -- The New Management Agreement," "Description of the Credit Facilities" and "Certain Federal Tax Considerations," insofar as they purport to describe the provisions of the laws and documents referred to therein, fairly summarize the provisions of any such laws and documents in all material respects;

(xvii) Assuming the accuracy of the representations and warranties of the Issuers and the Guarantor contained in Sections 1(y) and (z) of this Agreement and the representations and warranties of the Purchasers contained in Section 3 of this Agreement, no registration of the Securities under the Act, and no qualification of an indenture under the United States Trust Indenture Act of 1939 with respect thereto, is required for the offer, sale and initial resale of the Securities by the Purchasers in the manner contemplated by this Agreement; and

(xviii) Neither of the Issuers is an "investment company," as such term is defined in the Investment Company Act.

Such opinion shall also state that such counsel has no reason to believe that the Offering Circular and any further amendments or supplements thereto made by the Issuers prior to the Time of Delivery (other than the financial statements therein, as to which such counsel need express no opinion) contained as of its date or contains as of the Time of Delivery an untrue statement of a material fact or omitted or omits, as the case may be, to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(c) Cole, Raywid & Braverman, L.L.P., special communications counsel to the Issuers and the Guarantor, shall have furnished to you their written opinion, dated the Time of Delivery, in form and substance reasonably satisfactory to you, to the effect that:

(i) The issue and sale of the Securities and the compliance by the Issuers and the Guarantor with all of the provisions of the Securities, the Indentures, the Registration Rights Agreements, the Pledge Documents and this Agreement and the consummation of the transactions herein and therein contemplated do not and will not contravene the Cable Acts or any order, rule or regulation of the FCC, having jurisdiction over the Issuers and the Guarantor or any of their subsidiaries or over any of their property;

(ii) To the best of such counsel's knowledge, no consent, approval, authorization or order of, or registration, qualification or filing with, any court or regulatory authority or other governmental agency or instrumentality is required under the Cable Acts or any order, rule or regulation of the FCC in connection with the issue and sale of the Securities and the compliance by the Issuers and the Guarantor with all of the provisions of the Securities, the Indentures, the Registration Rights Agreements, the Pledge Documents and this Agreement and the consummation of the transactions herein and therein contemplated;

(iii) The statements set forth in the Offering Circular under the captions "Risk Factors -- Risks Associated with Regulation of the Cable Industry" and "Regulation and Legislation," insofar as they constitute summaries of laws referred to therein, including the Cable Acts and the published rules, regula-

tions and policies promulgated by the FCC thereunder, fairly summarize the matters described therein;

(iv) To the knowledge of such counsel based solely upon its review of publicly available records of the FCC and operational information provided by the Company's management, the Company, the Guarantor and their subsidiaries hold all FCC licenses for Cable Antennae Relay Services necessary to conduct the business of the Company, the Guarantor and their subsidiaries as currently conducted, except to the extent the failure to hold such FCC licenses would not, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect;

(v) To the knowledge of such counsel based solely upon its review of publicly available records of the FCC and operational information provided by the Company's management, during the time the cable systems of the Company and its subsidiaries have been owned by the Company and its subsidiaries and except for those systems previously owned or controlled by the Guarantor, all registration statements have been filed with the FCC; all frequencies within the restricted aeronautical and navigational bands (i.e., 108-136 and 225-400 MHz) which are currently being used in connection with the operation of the cable systems of the Company and its subsidiaries have been authorized for such use by the FCC except to the extent failure to have such authorization would not, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect; and each of the cable systems of the Company and its subsidiaries subject to EEO compliance certification by the FCC has been certified by the FCC for annual EEO compliance during the time such cable systems of the Company and its subsidiaries have been owned by the Company and its subsidiaries; except for 1998 EEO filings, for which EEO certification is still pending, and except to the extent failure to have such certification would not, individually or in the aggregate, be reasonably expected to have a Materially Adverse Effect; and

(vi) Except as disclosed in the Offering Circular and except with respect to rate regulation matters, and general rulemakings and similar matters relating generally to the cable television industry, to such counsel's knowledge, based solely upon its review of the publicly available records of the FCC and upon inquiry of the Company's, the Guarantor's and their subsidiaries' management, during the time the cable systems of the Company, the Guarantor and their subsidiaries have been owned by the Company, the Guarantor and their subsidiaries (A) there has been no adverse FCC judgment, order or decree issued by the FCC relating to the ongoing operations of any of the Company, the Guarantor or one of their subsidiaries that has had or could reasonably be expected to have a Material Adverse Effect; and (B) there are no actions, suits, proceedings, inquiries or investigations by or before the FCC pending or threatened in writing against or specifically affecting the Company, the Guarantor or any of their subsidiaries or any cable system of the Company, the Guarantor or any of their subsidiaries which could, individually or in the aggregate, be reasonably expected to result in a Material Adverse Effect.

(d) Irell & Manella LLP, counsel for the Guarantor, shall have furnished to you their written opinion, dated the Time of Delivery, in form and substance satisfactory to you, to the effect that:

(i) The Guarantor has been duly formed and is validly existing as a limited liability company in good standing under the laws of the State of Delaware; the Guarantor has the organizational power and authority to own its properties and conduct its business as described in the Offering Circular;

(ii) Each of the subsidiaries of the Guarantor listed on Schedule A attached to such counsel's opinion (the "Marcus Subsidiaries") has been duly incorporated or formed, as the case may be, and is validly existing as a corporation or limited liability company, as the case may be, in good standing under the laws of its jurisdiction of formation;

(iii) To the best of such counsel's knowledge and other than as set forth in the Offering Circular, there are no legal or governmental proceedings pending to which the Guarantor or any of the Marcus Subsidiaries is a party or of which any property of the Guarantor or any of the Marcus Subsidiaries is the subject which, if determined adversely to the Guarantor or any of the Marcus Subsidiaries, would individually or in the aggregate have a Material Adverse Effect; and, to the best of such counsel's knowledge and other than as set forth in the Offering Circular, no such proceedings are threatened or contemplated by governmental authorities or threatened by others;

(iv) This Agreement has been duly authorized, executed and delivered by the Guarantor;

(v) The Guarantees have been duly authorized by the Guarantor;

(vi) The Indentures have been duly authorized, executed and delivered by the Guarantor;

(vii) The Registration Rights Agreements have been duly authorized, executed and delivered by the Guarantor;

(viii) The Exchange Notes have been duly authorized by the Guarantor;

(ix) The Mirror Note has been duly authorized, executed and delivered by the Guarantor;

(x) The Guarantor Pledge Agreement has been duly authorized and executed by the Guarantor;

(xi) The issue and sale of the Securities and the compliance by the Guarantor with all of the provisions of the Securities, the Indentures, the Registration Rights Agreements, the Pledge Documents and this Agreement and the consummation of the transactions herein and therein contemplated will not, to the best of such counsel's knowledge, result in a breach or violation of any

of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement, lease, license, permit or other agreement or instrument specifically identified to such counsel by the Guarantor as material to the Guarantor, nor do any such actions result in any violation of the provisions of the Charter or by-laws (or other organizational document) of the Guarantor or any Federal or California State statute or any order, rule or regulation of any Federal or California State court or governmental agency or body having jurisdiction over the Guarantor or any of the Marcus Subsidiaries or any of their properties;

(xii) No consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required for the consummation by the Guarantor of the transactions contemplated by this Agreement, the Indentures, the Registration Rights Agreements or the Pledge Documents, except such consents, approvals, authorizations, registrations or qualifications as have been obtained or as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Securities by the Purchasers;

(xiii) The statements set forth in the Offering Circular under the caption "Certain Relationships and Related Transactions -- Management Agreements -- Management Agreement Relating to the Marcus Companies," insofar as they purport to describe the documents referred to therein, fairly summarize the provisions of such documents in all material respects; and

(xiv) The Guarantor is not an "investment company," as such term is defined in the Investment Company Act.

(e) Curtis Shaw, Esq., General Counsel of Charter Communications, Inc., shall have furnished to you his written opinion, dated the Time of Delivery, in form and substance satisfactory to you, to the effect that:

(i) All of the outstanding ownership interests of the Issuers have been duly and validly authorized and issued and, assuming receipt by the Issuers of the requisite consideration therefor, are fully paid and non-assessable;

(ii) The Issuers and their subsidiaries have been duly qualified as a foreign corporation or limited liability company, as the case may be, in those jurisdictions set forth in a schedule to such counsel's opinion; and

(iii) All of the outstanding ownership interests of each subsidiary of the Issuers (other than Charter Capital) have been duly and validly authorized and issued and, assuming receipt by the Issuers of the requisite consideration therefor, are fully paid and non-assessable.

(f) On the date of the Offering Circular prior to the execution of this Agreement and also at the Time of Delivery, each of Arthur Andersen LLP, KPMG LLP and Ernst & Young LLP shall have furnished to you a letter or letters, dated the respective dates of delivery thereof, in form and substance satisfactory to you.

(g) (i) None of the Issuers, the Guarantor or any of their subsidiaries shall have sustained since the date of the latest audited financial statements included in the Offering Circular any loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, otherwise than as set forth or contemplated in the Offering Circular, and (ii) since the respective dates as of which information is given in the Offering Circular there shall not have been any change in the capital stock or long-term debt of the Issuers, the Guarantor or any of their subsidiaries or any change, or any development involving a prospective change, in or affecting the general affairs, management, financial position, stockholders' equity or results of operations of the Issuers, the Guarantor and their subsidiaries, otherwise than as set forth or contemplated in the Offering Circular, the effect of which, in any such case described in clause (i) or (ii), is in the judgment of the Purchasers so material and adverse as to make it impracticable or inadvisable to proceed with the public offering or the delivery of the Securities on the terms and in the manner contemplated in this Agreement and in the Offering Circular.

(h) On or after the date hereof (i) no downgrading shall have occurred in the rating accorded the debt securities of either of the Issuers or the Guarantor by any "nationally recognized statistical rating organization," as that term is defined by the Commission for purposes of Rule 436(g)(2) under the Act, and (ii) no such organization shall have publicly announced that it has under surveillance or review, with possible negative implications, its rating of any of the debt securities of either of the Issuers or the Guarantor.

(i) On or after the date hereof there shall not have occurred any of the following: (i) a suspension or material limitation in trading in securities generally on the New York Stock Exchange; (ii) a general moratorium on commercial banking activities declared by either Federal or New York State authorities; (iii) the outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war, if the effect of any such event specified in this clause (iii) in the judgment of the Purchasers makes it impracticable or inadvisable to proceed with the offering or the delivery of the Securities on the terms and in the manner contemplated in the Offering Circular; or (iv) the occurrence of any material adverse change in the existing financial, political or economic conditions in the United States or elsewhere, which in the judgment of the Purchasers, would materially and adversely affect the financial markets or the market for the Securities and other debt securities.

(j) The Securities shall have been designated for trading on PORTAL.

(k) The Issuers and the Guarantor shall have furnished or caused to be furnished to you at the Time of Delivery certificates of officers of each of the Issuers and the Guarantor satisfactory to you as to the accuracy of the representations and warranties of the Issuers and the Guarantor herein at and as of such Time of Delivery, as to the performance by the Issuers and the Guarantor of all of their obligations hereunder to be performed at or prior to such Time of Delivery, as to the matters set forth in subsections (g) and (h) of this Section and as to such other matters as you may reasonably request.

8. (a) The Issuers and the Guarantor, jointly and severally, will indemnify and hold harmless each Purchaser against any losses, claims, damages or liabilities, joint or several, to which such Purchaser may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any Preliminary Offering Circular or the Offering Circular, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact necessary to make the statements therein not misleading, and will reimburse each Purchaser for any legal or other expenses reasonably incurred by such Purchaser in connection with investigating or defending any such action or claim as such expenses are incurred; provided, however, that the Issuers and the Guarantor shall not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in any Preliminary Offering Circular or the Offering Circular or any such amendment or supplement in reliance upon and in conformity with written information furnished to the Issuers by any Purchaser through Goldman, Sachs & Co. expressly for use therein.

(b) The Purchasers, severally and not jointly, will indemnify and hold harmless the Issuers and the Guarantor against any losses, claims, damages or liabilities to which the Issuers and the Guarantor may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any Preliminary Offering Circular or the Offering Circular, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in any Preliminary Offering Circular or the Offering Circular or any such amendment or supplement in reliance upon and in conformity with written information furnished to the Issuers by such Purchaser through Goldman, Sachs & Co. expressly for use therein; and will reimburse the Issuers and the Guarantor for any legal or other expenses reasonably incurred by the Issuers and the Guarantor in connection with investigating or defending any such action or claim as such expenses are incurred.

(c) Promptly after receipt by an indemnified party under subsection (a) or (b) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party shall not relieve it from any liability which it may have to any indemnified party otherwise than under such subsection. In case any such action shall be brought against any indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such subsection for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other

than reasonable costs of investigation. Any indemnifying party shall not, in connection with any one action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the fees and expenses of more than one separate firm of attorneys (in addition to any local counsel) for all indemnified parties. The Issuers and the Guarantor shall not be required to indemnify the Purchasers for any amounts paid or payable by the Purchasers in the settlement of any action, proceeding or investigation without the written consent of the Company, which consent shall not be unreasonably withheld. No indemnifying party shall, without the written consent of the indemnified party, effect the settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified party is an actual or potential party to such action or claim) unless such settlement, compromise or judgment (i) includes an unconditional release of the indemnified party from all liability arising out of such action or claim and (ii) does not include a statement as to, or an admission of, fault, culpability or a failure to act, by or on behalf of any indemnified party.

(d) If the indemnification provided for in this Section 8 is unavailable to or insufficient to hold harmless an indemnified party under subsection (a) or (b) above in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Issuers and the Guarantor on the one hand and the Purchasers on the other from the offering of the Securities. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law or if the indemnified party failed to give the notice required under subsection (c) above, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Issuers and the Guarantor on the one hand and the Purchasers on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Issuers and the Guarantor on the one hand and the Purchasers on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Issuers and the Guarantor bear to the total underwriting discounts and commissions received by the Purchasers, in each case as set forth in the Offering Circular. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Issuers and the Guarantor on the one hand or the Purchasers on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Issuers, the Guarantor and the Purchasers agree that it would not be just and equitable if contribution pursuant to this subsection (d) were determined by pro rata allocation (even if the Purchasers were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this subsection (d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this

subsection (d), no Purchaser shall be required to contribute any amount in excess of the amount by which the total price at which the Securities underwritten by it and distributed to investors were offered to investors exceeds the amount of any damages which such Purchaser has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. The Purchasers' obligations in this subsection (d) to contribute are several in proportion to their respective underwriting obligations and not joint.

(e) The obligations of the Issuers and the Guarantor under this Section 8 shall be in addition to any liability which the Issuers and the Guarantor may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls any Purchaser within the meaning of the Act; and the obligations of the Purchasers under this Section 8 shall be in addition to any liability which the respective Purchasers may otherwise have and shall extend, upon the same terms and conditions, to each officer and director of the Issuers and the Guarantor and to each person, if any, who controls the Issuers and the Guarantor within the meaning of the Act.

9. (a) If any Purchaser shall default in its obligation to purchase the Securities which it has agreed to purchase hereunder, you may in your discretion arrange for you or another party or other parties to purchase such Securities on the terms contained herein. If within thirty-six hours after such default by any Purchaser you do not arrange for the purchase of such Securities, then the Issuers and the Guarantor shall be entitled to a further period of thirty-six hours within which to procure another party or other parties satisfactory to you to purchase such Securities on such terms. In the event that, within the respective prescribed periods, you notify the Issuers that you have so arranged for the purchase of such Securities, or the Issuers and the Guarantor notify you that they have so arranged for the purchase of such Securities, you or the Issuers and the Guarantor shall have the right to postpone the Time of Delivery for a period of not more than seven days, in order to effect whatever changes may thereby be made necessary in the Offering Circular, or in any other documents or arrangements, and the Issuers and the Guarantor agree to prepare promptly any amendments to the Offering Circular which in your opinion may thereby be made necessary. The term "Purchaser" as used in this Agreement shall include any person substituted under this Section with like effect as if such person had originally been a party to this Agreement with respect to such Securities.

(b) If, after giving effect to any arrangements for the purchase of the Securities of a defaulting Purchaser or Purchasers by you and the Issuers and the Guarantor as provided in subsection (a) above, the aggregate principal amount of such Securities which remains unpurchased does not exceed one-tenth of the aggregate principal amount of all the Securities, then the Issuers and the Guarantor shall have the right to require each non-defaulting Purchaser to purchase the principal amount of Securities which such Purchaser agreed to purchase hereunder and, in addition, to require each non-defaulting Purchaser to purchase its pro rata share (based on the principal amount of Securities which such Purchaser agreed to purchase hereunder) of the Securities of such defaulting Purchaser or Purchasers for which such arrangements have not been made; but nothing herein shall relieve a defaulting Purchaser from liability for its default.

(c) If, after giving effect to any arrangements for the purchase of the Securities of a defaulting Purchaser or Purchasers by you and the Issuers and the Guarantor as pro-

vided in subsection (a) above, the aggregate principal amount of Securities which remains unpurchased exceeds one-tenth of the aggregate principal amount of all the Securities, or if the Issuers and the Guarantor shall not exercise the right described in subsection (b) above to require non-defaulting Purchasers to purchase Securities of a defaulting Purchaser or Purchasers, then this Agreement shall thereupon terminate, without liability on the part of any non-defaulting Purchaser or the Issuers and the Guarantor, except for the expenses to be borne by the Issuers, the Guarantor and the Purchasers as provided in Section 6 hereof and the indemnity and contribution agreements in Section 8 hereof; but nothing herein shall relieve a defaulting Purchaser from liability for its default.

10. The respective indemnities, agreements, representations, warranties and other statements of the Issuers, the Guarantor and the several Purchasers, as set forth in this Agreement or made by or on behalf of them, respectively, pursuant to this Agreement, shall remain in full force and effect, regardless of any investigation (or any statement as to the results thereof) made by or on behalf of any Purchaser or any controlling person of any Purchaser, or the Issuers and the Guarantor, or any officer or director or controlling person of the Issuers or the Guarantor, and shall survive delivery of and payment for the Securities.

11. If this Agreement shall be terminated pursuant to Section 9 hereof, the Issuers and the Guarantor shall not then be under any liability to any Purchaser except as provided in Sections 6 and 8 hereof; but, if for any other reason other than a termination pursuant to Section 7(i), the Securities are not delivered by or on behalf of the Issuers and the Guarantor as provided herein, the Issuers and the Guarantor will reimburse the Purchasers through you for all out-of-pocket expenses approved in writing by you, including fees and disbursements of counsel, reasonably incurred by the Purchasers in making preparations for the purchase, sale and delivery of the Securities, but the Issuers and the Guarantor shall then be under no further liability to any Purchaser except as provided in Sections 6 and 8 hereof.

12. In all dealings hereunder, you shall act on behalf of each of the Purchasers, and the parties hereto shall be entitled to act and rely upon any statement, request, notice or agreement on behalf of any Purchaser made or given by you jointly or by Goldman, Sachs & Co. on behalf of you as Purchasers.

All statements, requests, notices and agreements hereunder shall be in writing, and if to the Purchasers shall be delivered or sent by mail, telex or facsimile transmission to you as Purchasers in care of Goldman, Sachs & Co., 32 Old Slip, 9th Floor, New York, New York 10005, Attention: Registration Department; and if to the Issuers or the Guarantors shall be delivered or sent by mail, telex or facsimile transmission to the address of the Issuers and the Guarantor set forth in the Offering Circular, Attention: Secretary; provided, however, that any notice to a Purchaser pursuant to Section 8(c) hereof shall be delivered or sent by mail, telex or facsimile transmission to such Purchaser at its address set forth in its Purchasers' Questionnaire, or telex constituting such Questionnaire, which address will be supplied to the Issuers and the Guarantor by you upon request. Any such statements, requests, notices or agreements shall take effect upon receipt thereof.

13. This Agreement shall be binding upon, and inure solely to the benefit of, the Purchasers, the Issuers, the Guarantor and, to the extent provided in Sections 8 and 10 hereof, the officers and directors of the Issuers, the Guarantor and the Purchasers and each

person who controls the Issuers, the Guarantor or any Purchaser, and their respective heirs, executors, administrators, successors and assigns, and no other person shall acquire or have any right under or by virtue of this Agreement. No purchaser of any of the Securities from any Purchaser shall be deemed a successor or assign by reason merely of such purchase.

14. Time shall be of the essence of this Agreement.

15. This Agreement shall be governed by and construed in accordance with the laws of the State of New York without giving effect to the principles of conflicts of law thereof.

16. This Agreement may be executed by any one or more of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all such respective counterparts shall together constitute one and the same instrument.

If the foregoing is in accordance with your understanding, please sign and return to us counterparts hereof, and upon the acceptance hereof by you, on behalf of each of the Purchasers, this letter and such acceptance hereof shall constitute a binding agreement between each of the Purchasers, the Issuers and the Guarantor. It is understood that your acceptance of this letter on behalf of each of the Purchasers is pursuant to the authority set forth in a form of Agreement among Purchasers, the form of which shall be submitted to the Issuers and the Guarantor for examination upon request, but without warranty on your part as to the authority of the signers thereof.

Very truly yours,

CHARTER COMMUNICATIONS HOLDINGS, LLC

By: /s/ ELOISE ENGMAN

Name: Eloise Engman
Title: Vice President

CHARTER COMMUNICATIONS HOLDINGS
CAPITAL CORPORATION

By: /s/ ELOISE ENGMAN

Name: Eloise Engman
Title: Vice President

MARCUS CABLE HOLDINGS, LLC,
as Guarantor

By: Marcus Cable Properties L.L.C.,
as Manager

By: Marcus Cable Properties, Inc.,
as Manager

By: /s/ MARCY LIFTON

Name: Marcy Lifton
Title: Senior Vice President and
Assistant Secretary

Accepted as of the date hereof:

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.
Nesbitt Burns Securities Inc.

By: Goldman, Sachs & Co.

By: /s/ GOLDMAN, SACHS & CO.

Name:
Title:

SCHEDULE I

Purchaser	Principal Amount of Eight-Year Senior Notes to Be Purchased
Goldman, Sachs & Co.	$120,000,000
Chase Securities Inc.	120,000,000
Donaldson, Lufkin & Jenrette Securities Corporation	120,000,000
Bear, Stearns & Co. Inc.	60,000,000
NationsBanc Montgomery Securities LLC	60,000,000
Salomon Smith Barney Inc.	60,000,000
Credit Lyonnais Securities (USA) Inc.	12,000,000
First Union Capital Markets Corp.	12,000,000
Prudential Securities Incorporated	12,000,000
TD Securities (USA) Inc.	12,000,000
CIBC Oppenheimer Corp.	6,000,000
Nesbitt Burns Securities Inc.	6,000,000
Total	$600,000,000

Purchaser	Principal Amount of Ten-Year Senior Notes to Be Purchased
Goldman, Sachs & Co.	$300,000,000
Chase Securities Inc.	300,000,000
Donaldson, Lufkin & Jenrette Securities Corporation	300,000,000
Bear, Stearns & Co. Inc.	150,000,000
NationsBanc Montgomery Securities LLC	150,000,000
Salomon Smith Barney Inc.	150,000,000
Credit Lyonnais Securities (USA) Inc.	30,000,000
First Union Capital Markets Corp.	30,000,000
Prudential Securities Incorporated	30,000,000
TD Securities (USA) Inc.	30,000,000
CIBC Oppenheimer Corp.	15,000,000
Nesbitt Burns Securities Inc.	15,000,000
Total	$1,500,000,000

Purchaser	Principal Amount At Maturity of Senior Discount Notes to be Purchased
Goldman, Sachs & Co.	$295,000,000
Chase Securities Inc.	295,000,000
Donaldson, Lufkin & Jenrette Securities Corporation	295,000,000
Bear, Stearns & Co. Inc.	147,500,000
NationsBanc Montgomery Securities LLC	147,500,000
Salomon Smith Barney Inc.	147,500,000
Credit Lyonnais Securities (USA) Inc.............	29,500,000
First Union Capital Markets Corp.	29,500,000
Prudential Securities Incorporated	29,500,000
TD Securities (USA) Inc.	29,500,000
CIBC Oppenheimer Corp.	14,750,000
Nesbitt Burns Securities Inc.	14,750,000
Total	$1,475,000,000

ANNEX I

(1) The Securities have not been and will not be registered under the Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Act or pursuant to an exemption from the registration requirements of the Act. Each Purchaser represents that it has offered and sold the Securities, and will offer and sell the Securities (i) as part of their distribution at any time and (ii) otherwise until 40 days after the later of the commencement of the offering and the Time of Delivery, only in accordance with Rule 903 of Regulation S or Rule 144A or pursuant to Paragraph 2 of this Annex I under the Act. Accordingly, each Purchaser agrees that neither it, its affiliates nor any persons acting on its or their behalf has engaged or will engage in any directed selling efforts with respect to the Securities, and it and they have complied and will comply with the offering restrictions requirement of Regulation S. Each Purchaser agrees that, at or prior to confirmation of sale of Securities (other than a sale pursuant to Rule 144A, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Securities from it during the restricted period a confirmation or notice to substantially the following effect:

> "The Securities covered hereby have not been registered under the U.S. Securities Act of 1933 (the "Securities Act") and may not be offered and sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date, except in either case in accordance with Regulation S (or Rule 144A if available) under the Securities Act. Terms used above have the meaning given to them by Regulation S."

Terms used in this paragraph have the meanings given to them by Regulation S.

Each Purchaser further agrees that it has not entered and will not enter into any contractual arrangement with respect to the distribution or delivery of the Securities, except with its affiliates or with the prior written consent of the Issuers.

(2) Notwithstanding the foregoing, Securities in registered form may be offered, sold and delivered by the Purchasers in the United States and to U.S. persons pursuant to Section 3 of this Agreement without delivery of the written statement required by paragraph (1) above.

(3) Each Purchaser further represents and agrees that (i) it has not offered or sold and prior to the date six months after the date of issue of the Securities will not offer or sell any Securities to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not re-

sulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995, (b) it has complied, and will comply, with all applicable provisions of the Financial Services Act of 1986 of Great Britain with respect to anything done by it in relation to the Securities in, from or otherwise involving the United Kingdom, and (c) it has only issued or passed on and will only issue or pass on in the United Kingdom any document received by it in connection with the issuance of the Securities to a person who is of a kind described in Article 11(3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1996 of Great Britain or is a person to whom the document may otherwise lawfully be issued or passed on.

(4) Each Purchaser agrees that it will not offer, sell or deliver any of the Securities in any jurisdiction outside the United States except under circumstances that will result in compliance with the applicable laws thereof, and that it will take at its own expense whatever action is required to permit its purchase and resale of the Securities in such jurisdictions. Each Purchaser understands that no action has been taken to permit a public offering in any jurisdiction outside the United States where action would be required for such purpose. Each Purchaser agrees not to cause any advertisement of the Securities to be published in any newspaper or periodical or posted in any public place and not to issue any circular relating to the Securities, except in any such case with Goldman, Sachs & Co.'s express written consent and then only at its own risk and expense.

EXHIBIT A

FORM OF EIGHT-YEAR SENIOR NOTE
EXCHANGE AND REGISTRATION RIGHTS AGREEMENT

EXHIBIT B

FORM OF TEN-YEAR SENIOR NOTE
EXCHANGE AND REGISTRATION RIGHTS AGREEMENT

EXHIBIT C

FORM OF SENIOR DISCOUNT NOTE
EXCHANGE AND REGISTRATION RIGHTS AGREEMENT

Exhibit 2.1

MERGER AGREEMENT
BETWEEN MARCUS CABLE HOLDINGS, LLC AND CHARTER
COMMUNICATIONS HOLDINGS LLC

This Merger Agreement (this "AGREEMENT") is entered into as of this 31st day of March 1999, by and between MARCUS CABLE HOLDINGS, LLC ("MCH") and CHARTER COMMUNICATIONS HOLDINGS LLC ("CCH").

RECITALS

WHEREAS, MCH is a limited liability company organized under the laws of the State of Delaware;

WHEREAS, CCH is a limited liability company organized under the laws of the State of Delaware; and

WHEREAS, MCH and CCH intend to merge into a single entity pursuant to this Agreement and the applicable laws of the State of Delaware, and for the surviving entity to be a limited liability company.

NOW THEREFORE, MCH and CCH hereby agree that MCH shall be merged (the "MERGER") with and into CCH in accordance with the applicable laws of the State of Delaware, with CCH being the surviving entity (which, in its capacity as the surviving entity, is sometimes referred to herein as "SURVIVING LLC"), that the name of the surviving entity shall not be changed as a result of the Merger, and that the terms and conditions of the Merger and the mode of carrying it into effect shall be as follows:

1. Effective Date. The Merger shall be effective upon the filing of the Certificate of Merger with the Secretary of State of the State of Delaware (the "EFFECTIVE DATE").

2. Certificate of Formation. The Certificate of Formation of CCH is not amended by this Agreement, and shall be the Certificate of Formation of Surviving LLC from and after the Effective Date, subject to the right of Surviving LLC to amend its Certificate of Formation in accordance with the laws of the State of Delaware.

3. Equity Interests of MCH. Each 1% membership interest of MCH ("MCH INTEREST") prior to the Merger shall be converted into 883,227.165 membership units of the Surviving LLC ("SURVIVING LLC UNITS"), such that following the Merger, Marcus Cable Properties LLC, a Delaware limited liability company shall hold 3,337,362.2 Surviving LLC Units, and Vulcan Cable, Inc., a Washington corporation, shall hold 84,985,354.3 Surviving LLC Units.

4. [INTENTIONALLY OMITTED]

5. Effect of the Merger. On the Effective Date, the separate existence of MCH shall cease, and it shall be merged with and into Surviving LLC. All the property, real, personal and mixed, of each of MCH and CCH, and all debts due to either of them, shall be transferred to or retained in, as the case may be, and vested in Surviving LLC, without further act or deed. Surviving LLC shall thenceforth be responsible and liable for all the liabilities and obligations of each of MCH and CCH, and any claim or judgment against either of MCH or CCH may be enforced against Surviving LLC.

6. Approvals. This Agreement shall be submitted for the requisite approvals to be obtained by MCH and by CCH in accordance with their respective governing documents and in accordance with the laws of the State of Delaware.

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

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

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

MARCUS CABLE HOLDINGS, LLC

By: MARCUS CABLE PROPERTIES, L.L.C.
By: Marcus Cable Properties, Inc.
Its: Manager

By: /s/ Ralph Kelly

Ralph Kelly
Vice President and Asst. Secretary

CHARTER COMMUNICATIONS HOLDINGS LLC

By: /s/ Curtis S. Shaw

Name: Curtis S. Shaw
Title: Senior Vice President

Exhibit 2.6(a)

ASSET AND STOCK PURCHASE AGREEMENT

dated as of April 20, 1999

by and between

INTERMEDIA PARTNERS OF WEST TENNESSEE, L.P.

and

CHARTER COMMUNICATIONS, LLC

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ASSET AND STOCK PURCHASE AGREEMENT

THIS ASSET AND STOCK PURCHASE AGREEMENT is made as of April 20, 1999 by and between InterMedia Partners of West Tennessee, L.P., a California limited partnership ("IPWT"), and CHARTER COMMUNICATIONS, LLC, a Delaware limited liability company ("Charter").

RECITALS

A. Following the consummation of certain transactions which will occur concurrently with the transactions contemplated by this Agreement (each as more fully described in the Common Agreement (as defined in Recital D below)), IPWT (i) will own and operate cable television systems which are franchised or hold other operating authority and operate in and around West Tennessee and Kingsport, Tennessee as listed on Schedule 5.17.2-A (the "IPWT Systems") and (ii) will be the beneficial owner of all of the issued and outstanding shares of the Class A Common Stock, $100 par value per share (the "Shares"), of Robin Media Group, Inc., a Nevada corporation ("RMG").

B. RMG owns and operates cable television systems which are franchised or hold other operating authority and operate in and around East Tennessee and Gainesville, Georgia as listed on Schedule 5.17.2-B (the "RMG Systems" and, collectively with the IPWT Systems, the "Systems"), as well as in and around Brentwood, Tennessee (the "Brentwood Systems"), and, at Closing, Tennessee LLC, a Delaware limited liability company ("Tennessee LLC"), will own the RMG Systems located in and around East Tennessee.

C. This Agreement sets forth the terms and conditions upon which IPWT will sell or cause to be sold, and Charter will purchase or cause to be purchased (i) substantially all of the Assets comprising or used or useful in the Cable Business associated with the IPWT Systems (the "IPWT Assets") and (ii) the Shares.

D. IPWT, Charter and certain of their respective Affiliates have entered into that certain Common Agreement (the "Common Agreement") pursuant to which they have agreed to certain issues common to each of the transfers made pursuant to this Agreement and to certain other related transactions (each as more fully described in the Common Agreement). The common issues addressed include revenue and working capital adjustments, closing conditions, and indemnification for breaches of representations, warranties, covenants and agreements.

AGREEMENTS

In consideration of the covenants and agreements set forth herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties hereby agree as follows:

1. DEFINITIONS. In addition to the terms defined elsewhere in this Agreement, the following capitalized terms or terms otherwise defined in this Section 1 shall have the meanings set forth below:

1.1. 1992 Cable Act. The Cable Television Consumer Protection and Competition Act of 1992, as amended, and the FCC rules and regulations promulgated thereunder.

1.2. Affiliate. With respect to any Person, any other Person controlling, controlled by or under common control with such Person. As used in this Agreement, "control" means the ownership, directly or indirectly, of voting securities representing the right generally to elect a majority of the directors (or similar officials) of a Person or the possession, by contract or otherwise, of the authority to direct the management and policies of a Person. Notwithstanding the foregoing, prior to the Closing Date, neither (a) AT&T Corporation, Tele-Communications, Inc., nor any of their direct or indirect subsidiaries (collectively, the "AT&T Affiliates"), shall be considered Affiliates of IPWT for any purpose herein or hereunder; (b) neither Paul Allen, Vulcan Cable, Inc., Vulcan Cable II, Inc., Marcus Cable Properties, L.L.C. nor any other Person directly or indirectly controlled by Paul Allen that is not engaged in the cable television business (collectively, the "Allen Affiliates") shall be considered Affiliates of Charter for any purpose herein or hereunder; and (c) InterMedia Partners, a California limited partnership, Brenmor Cable Partners, L.P. and TCID IP-V, Inc., on the one hand, and InterMedia Partners Southeast, IPWT, InterMedia Partners IV, L.P., and Robin Media Group, Inc., on the other hand, shall not be deemed Affiliates of each other.

1.3. Agreement. This Asset and Stock Purchase Agreement.

1.4. Intentionally Omitted

1.5. Assets. All of the assets, privileges, contracts, licenses, permits, franchises, authorizations, rights, interests, claims and other properties, real and personal, tangible and intangible, of every type and description (a) which are owned, leased, held for, used or useful in, or otherwise related to the Cable Business, (b) in which IPWT, RMG or any of their Affiliates has any right, title or interest or in which IPWT, RMG or any of their Affiliates acquires any right, title or interest on or before the Closing Time, and (c) which are not Excluded Assets. The Assets include the Tangible Personal Property, Owned Property, Leased Property, Other Real Property Interests, Systems Franchises, Systems Licenses, Systems Contracts, Books and Records and Other Intangibles, but not the Shares.

1.6. Basic Services. The lowest tier of service offered to subscribers of a System.

1.7. Books and Records. All engineering records, files, data, drawings, blueprints, schematics, reports, lists, plans and procedures and all other files of correspondence, lists, records and reports concerning the Cable Business, including subscribers and prospective subscribers of the Systems, signal and program carriage and dealings with Governmental Authorities with respect to the Systems, including all reports filed with respect to the Systems by or on behalf of IPWT, RMG or any of their Affiliates with the FCC and statements of account filed with respect to the Systems by or on behalf of IPWT, RMG or any of their Affiliates with the U.S. Copyright Office, but excluding all documents, reports and records relating to any employee of the IPWT Systems who has not given consent to disclosure of such documents, reports and records.

1.8. Business Day. Any day other than a Saturday, Sunday or a day on which the banking institutions in New York, New York, Denver, Colorado, San Francisco, California or St. Louis, Missouri are required or authorized to be closed.

1.9. Cable Act. The Cable Communications Policy Act of 1984, as amended, and the FCC rules and regulations promulgated thereunder.

1.10. Cable Business. The cable television businesses and other revenue-generating businesses and operations relating to the Systems conducted by IPWT, RMG or any of their Affiliates through the Systems.

1.11. Charter Required Consents. Any and all consents, authorizations and approvals under or in connection with Charter's business or any Contract, Lien or Legal Requirement by which Charter, any of its Affiliates or their respective assets are bound, required for Charter to purchase the IPWT Assets and the Shares and to otherwise perform its obligations under this Agreement and the Transaction Documents.

1.12. Closing. The closing of the transactions contemplated by this Agreement.

1.13. Closing Time. 11:59 p.m., Eastern time, on the Closing Date.

1.14. Communications Act. The Communications Act of 1934, as amended, and the FCC rules and regulations promulgated thereunder.

1.15. Contract. Any contract, mortgage, deed of trust, bond, indenture, lease, license, note, franchise, certificate, option, warrant, right or other instrument, document, obligation or agreement, whether written or oral.

1.16. Code. United States Internal Revenue Code of 1986, as amended.

1.17. Environmental Law. Any Legal Requirement relating to pollution or the protection of public health, safety, welfare or the environment, including CERCLA, OSHA and RCRA and including Legal Requirements relating to emissions, discharges, releases or threatened releases of Hazardous Substances into the environment (including ambient air, surface water, ground water or land) or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Substances.

1.18. ERISA. The Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder and published interpretations with respect thereto.

1.19. ERISA Affiliate. As to any Person, any trade or business, whether or not incorporated, which together with such Person would be deemed a single employer within the meaning of Section 4001 of ERISA.

1.20. Expanded Basic Services. Any video programming provided over a cable television system, regardless of service tier, other than Basic Services and Pay TV.

1.21. FCC. The Federal Communications Commission.

1.22. Governmental Authority. The United States of America, any state, commonwealth, territory or possession of the United States of America and any political subdivision or quasi-governmental authority of any of the same, including any court, tribunal, department, commission, board, bureau, agency, body, county, municipality, province, parish or other instrumentality of any of the foregoing.

1.23. Hazardous Substances. Any pollutant, contaminant, chemical, industrial, toxic, hazardous or noxious substance or waste which is regulated by a Governmental Authority, including (a) any petroleum or petroleum compounds (refined or crude), flammable substances, explosives, radioactive materials or any other materials or pollutants which pose a significant hazard or potential significant hazard to the Owned Property or Other Real Property Interests or to Persons in or about the

Owned Property or Other Real Property Interests or cause the Owned Property or Other Real Property Interests to be in violation of any Legal Requirements; (b) any "hazardous waste" as defined by the Resource Conservation and Recovery Act of 1976 (RCRA) (42 U.S.C. ss.ss. 6901) and the rules and regulations promulgated thereunder; (c) any "hazardous substance" as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. 9601 et seq.) (CERCLA), as amended, and the rules and regulations promulgated thereunder; (d) any substance regulated by the Toxic Substances Control Act (TSCA) (42 U.S.C. ss. 2601 et seq.) or the Insecticide, Fungicide and Rodenticide Act (IFRA) (7 U.S.C. ss. 136 et seq.), each, as amended, and the rules and regulations promulgated thereunder; (e) asbestos or asbestos-containing material of any kind or character; (f) polychlorinated biphenyls; (g) any substances regulated under the provisions of Subtitle I of RCRA relating to underground storage tanks; (h) any materials or substances designated as "hazardous substances" pursuant to the Clean Water Act (33 U.S.C. ss. 1251 et seq.); (i) "economic poison," as defined in the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. ss. 135 et seq.); (j) any substance the presence, use, handling, treatment, storage or disposal of which on the Owned Property or Leased Property is regulated or prohibited by any Environmental Law; and (k) any other substance which by any Environmental Law requires special handling, reporting or notification of any Governmental Authority in its collection, storage, use, treatment or disposal.

1.24. HSR Act. The Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder.

1.25. Intellectual Property. With respect to the Cable Business, any (a) trademarks, trade dress, trade names, service marks, logos and other similar proprietary rights, (b) domain names, (c) copyrights and (d) patents and patentable know-how, inventions and processes, in each case used in the Cable Business.

1.26. IP-IV. InterMedia Partners IV, L.P., a California limited partnership and Affiliate of IPWT.

1.27. IPSE. InterMedia Partners Southeast, a California general partnership and Affiliate of IPWT.

1.28. IPWT Required Consents. Any and all consents, authorizations and approvals under or in connection with the Assets (including the Systems Franchises, Systems Licenses, and Systems Contracts) or any Contract, Lien or Legal Requirement by which IPWT, RMG, any of their Affiliates or any of their respective Assets are bound, required (a) for IPSE to distribute the Kingsport System to IP-IV, (b) for IP-IV to contribute the Kingsport System and the Shares to IPWT, (c) for IPWT to transfer the IPWT Assets and the Shares to Charter pursuant to this Agreement and to otherwise perform its obligations under this Agreement and the Transaction Documents, (d) for Charter to operate the IPWT Systems and to own, lease, use and operate the IPWT Assets and the IPWT Systems at the places and in the manner in which the IPWT Assets are used and the IPWT Systems are operated as of the date of this Agreement and as of the Closing, (e) for Charter to own and hold the Shares or (f) for Charter to assume and perform the Systems Franchises, the Systems Licenses, the Systems Contracts and the Assumed Obligations and Liabilities relating to the IPWT Systems and the IPWT Assets.

1.29. IPWT's Cable Business. The cable television and other revenue-generating businesses and operations related to the IPWT Systems.

1.30. Judgment. Any judgment, writ, order, injunction, award or decree of any court, judge, justice or magistrate, including any bankruptcy court or judge or the arbitrator in any binding arbitration, and any order of or by any Governmental Authority.

1.31. Kingsport System. Those cable television systems which are franchised or hold other operating authority and operate in and around Kingsport, Tennessee, which are being transferred to Charter pursuant to this Agreement.

1.32. Knowledge. (a) in the case of any System, the actual knowledge of a particular matter with respect to any such System of Frank S. Crawford, Robert J. Lewis, Rodney M. Royse, Edon V. Smith, Thomas R. Stapleton or the general manager or one or more of the managers of such System, (b) in the case of the Shares, the actual knowledge of a particular matter with respect to the Shares of Robert J. Lewis, Rodney M. Royse, Edon V. Smith or Thomas R. Stapleton and (c) in the case of Charter, the actual knowledge of a particular matter of Jerald L. Kent, Kent D. Kalkwarf, Curtis S. Shaw or David G. Barford.

1.33. Leased Property. The leaseholds of real property included among the Assets and described as Leased Property on Schedule 1.33.

1.34. Legal Requirement. Applicable common law and any statute, ordinance, code or other law, rule, regulation, order, technical or other written standard, requirement or procedure enacted, adopted, promulgated, applied or followed by any Governmental Authority, including any Judgment.

1.35. Lien. Any security interest, security agreement, financing statement filed with any Governmental Authority, conditional sale or other title retention agreement, any lease, consignment or bailment given for purposes of security, any mortgage, lien (including any lien for Taxes), indenture, pledge, option, encumbrance, adverse interest, constructive trust or other trust, claim, attachment, exception to, defect in, or other condition adversely affecting title or other ownership interest (including reservations, rights of entry, possibilities of reverter, encroachments, protrusions, easements, rights-of-way, rights of first refusal, restrictive covenants, leases and licenses) of any kind, which constitutes an interest in or claim against property, whether arising pursuant to any Legal Requirement, Systems License, Systems Franchise, Systems Contract or otherwise.

1.36. Litigation. Any claim, action, suit, proceeding, arbitration, investigation or hearing that could result in a Judgment, any other activity or procedure that could reasonably be expected to result in a Judgment, or any notice of any of the foregoing.

1.37. Losses. Any claims, losses, liabilities, damages, penalties, costs and expenses, including interest that may be imposed in connection therewith, expenses of investigation, reasonable fees and disbursements of counsel and other experts, and, as applicable, the cost to any Person making a claim or seeking indemnification under this Agreement with respect to funds expended by such Person by reason of the occurrence of any event or the existence or assertion of any Liens (other than Permitted Liens) with respect to which indemnification is sought.

1.38. MVPD. A distributor of cable television services, multichannel multi point distribution service, direct broadcast satellite service or television receive-only satellite programming, who makes available for purchase, by subscribers or customers, multiple channels of video programming, other than Persons distributing such services only to multiple dwelling unit or other commercial customers (including hotels, motels, resorts, hospitals, dormitories, prisons, restaurants, bars and similar establishments).

1.39. Other Intangibles. All intangible assets, other than the Systems Franchises, Systems Licenses and Systems Contracts, including subscriber lists, claims (excluding any claims relating to Excluded Assets), and Intellectual Property, if any, included among the Assets.

1.40. Other Real Property Interests. The easements and rights of access (other than those relating to multiple dwelling units) and other interests in real property held by IPWT, RMG or any of their Affiliates in connection with the Cable Business, including those interests described as Other Real Property Interests on Schedule 1.40, but not including Leased Property or Owned Property.

1.41. Owned Property. The fee interests in the real property included among the Assets and described as Owned Property on Schedule 1.41 and all improvements and towers thereon and appurtenances thereto.

1.42. Party. Charter or IPWT, as the context requires.

1.43. Pay TV. Premium programming services selected by and sold to subscribers on a per channel or per program basis.

1.44. Permitted Liens. (a) Liens for Taxes, assessments and governmental charges, in each case not yet due and payable, (b) zoning laws or ordinances or any similar Legal Requirements, (c) rights reserved to any Governmental Authority to regulate the affected property, (d) Liens described on Schedule 5.6.1, (e) as to Leased Property or Tangible Personal Property that is leased, the interests of the lessors thereof, and (f) as to Owned Property, Leased Property and Other Real Property Interests, any easements, rights-of-way, servitudes, conditions, covenants, restrictions and minor imperfections or irregularities in title, in each case, which are reflected in the public records and which do not individually or in the aggregate interfere with the right or ability of the applicable Party to own, use, enjoy or operate the Owned Property, Leased Property or Other Real Property Interests in the manner currently used or to convey good, marketable and indefeasible fee simple title to the same; provided that "Permitted Liens" will not include any Lien which could prevent or inhibit in any way (other than as permitted under clause (f)) the conduct of the business of the affected System, and provided further that classification of any Lien as a "Permitted Lien" will not affect any liability which a Party may have for any such Lien, including pursuant to any indemnity obligation under this Agreement.

1.45. Person. Any natural person, Governmental Authority, corporation, general or limited partnership, limited liability company, joint venture, trust, association or unincorporated entity of any kind.

1.46. Required Consents. The Charter Required Consents or the IPWT Required Consents, as the context requires.

1.47. RMG Assets. The assets comprising or used or useful in the Cable Business associated with the RMG Systems.

1.48. Six-Month Date. The date that is six months after the Closing Date.

1.49. Systems Contracts. All Contracts (other than Systems Franchises and Systems Licenses) that are included among the Assets, including the lease agreements for Tangible Personal Property, pole attachment agreements, underground conduit agreements, crossing agreements,

retransmission consent agreements, multiple dwelling, bulk billing or commercial service agreements and other Contracts described on Schedule 1.49 and the Contracts documenting Leased Property and Other Real Property Interests described on Schedules 1.33 and 1.40.

1.50. Systems Franchises. The franchises, permits and similar authorizations included among the Assets (other than Systems Licenses) described on Schedule 1.50, and all rights and benefits of IPWT, RMG and their Affiliates pertaining thereto, including the rights and benefits arising under Section 626 of the Communications Act (47 U.S.C. 546) to the extent applicable to Systems Franchise.

1.51. Systems Licenses. The intangible cable television channel distribution rights, cable television relay service (CARS), business radio and other licenses, earth station registrations, authorizations, consents or permits issued by the FCC or any other Governmental Authority included among the Assets and described on Schedule 1.51 (other than the Systems Franchises and Systems Contracts) and all rights and benefits of IPWT, RMG and their Affiliates pertaining thereto.

1.52. Tangible Personal Property. All tangible personal property included among the Assets, including towers (other than towers on Owned Property which are fixtures thereon and a part thereof), tower equipment, aboveground and underground cable, distribution systems, headend amplifiers, line amplifiers, microwave equipment, converters, testing equipment, motor vehicles, office equipment, computers and billing equipment, furniture, fixtures, supplies, inventory and other physical assets, the principal items of which are identified and described on Schedule 1.52.

1.53. Taxes. Levies and assessments of any kind or nature imposed by any Governmental Authority, including all income, sales, use, ad valorem, value added, franchise, severance, net or gross proceeds, withholding, payroll, employment, excise or property taxes and levies or assessments related to unclaimed property, together with any interest thereon and any penalties, additions to tax or additional amounts applicable thereto. For purposes of determining any Tax cost or Tax benefit to any Person, such amount will be the actual cost or benefit recognized by such Person at the time of actual payment of the additional Tax or actual receipt of the Tax benefit. In the event that any Loss, payment or other amount is required to be determined on an after-Tax basis, such payment or other amount will be determined without regard to any Tax cost or Tax benefit not actually recognized at the time of the determination, and appropriate adjustments will be made when and to the extent that such Tax cost or Tax benefit is actually recognized.

1.54. Third Party. Any Person other than IPWT, RMG and their Affiliates or Charter and its Affiliates.

1.55. Transaction Documents. The Common Agreement and all instruments and documents described in Sections 9.2 and 9.3 which are being executed and delivered by or on behalf of Charter or IPWT in connection with this Agreement or the transactions contemplated hereby.

1.56. Other Definitions. The following terms have the meanings set forth in the sections indicated in the table below:

Term	Section
Adjusted Value	3.1
Agent's Fees	5.19
Allen Affiliates	1.2
ALTA	7.6
Antitrust Division	7.7

Term	Section
AT&T Affiliates	1.2
Base Value	3.1
Brentwood Systems	Recital B
Charter	First Paragraph
Charter's Assumed Obligations and Liabilities	4.2
Closing Date	9.1
commercially reasonable efforts	12.16
Common Agreement	Recital D
Computer and Other Systems	7.20.1(a)
Confidential Information	7.13.1
Copyright Act	5.11
Cost of Service Election	5.10.4
Excluded Assets	4.1
FTC	7.7
Hired Employee	7.3.6(a)
IPWT	First Paragraph
IPWT Assets	Recital C
IPWT Retained Franchise	7.5.5(a)
IPWT Systems	Recital A
New Properties	7.10(b)
Nonrecourse	11.3
Operating Agreements	7.5.5(c)
Phase I Assessment	7.19.1
Phase II Assessment	7.19.1
Post-Closing Y2K Budget	7.20.3(e)
Primary Transfer	7.5.5(d)
Replacement Cost Estimate	12.14
RMG	Recital A
RMG Systems	Recital B
Shares	Recital A
Subsequent Transfer	7.5.5(e)
Surveys	7.6
Survival Period	11.1
Systems	Recital B
System Employees	7.3.1
Taking	12.14
Third Party Testing	7.20.2(c)
Title Commitments	7.6
Title Company	7.6
Title Defect	7.6
Transitional Billing Services	7.12
WARN	5.16.1
Year 2000 High-Level Inventory, Assessment and Remediation Decisions	7.20.1(b)
Year 2000 Plan	7.20.1(c)
Year 2000 Ready or Year 2000 Readiness	7.20.1(d)
Year 2000 Remediation Program	7.20.1(e)

1.57. Usage. The definitions in Article 1 shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the

corresponding masculine, feminine and neuter forms. All references herein to Articles, Sections, Exhibits and Schedules shall be deemed to be references to Articles and Sections of, and Exhibits and Schedules to, this Agreement unless the context shall otherwise require. All Exhibits and Schedules attached hereto shall be deemed incorporated herein as if set forth in full herein and, unless otherwise defined therein, all terms used in any Exhibit or Schedule shall have the meaning ascribed to such term in this Agreement. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. Unless otherwise expressly provided herein, any agreement, instrument or statute defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument or statute as from time to time amended, modified or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes and references to all attachments thereto and instruments incorporated therein. All accounting terms not otherwise defined in this Agreement will have the meanings ascribed to them under generally acceptable accounting principles as in effect from time to time in the United States, consistently applied.

2. SALE OF ASSETS AND STOCK.

2.1. Sale of Assets and Stock. Upon the terms and subject to the conditions set forth in this Agreement, at the Closing, IPWT will sell to Charter, and Charter will purchase from IPWT, all of the IPWT Assets and the Shares, in each case free and clear of all Liens (except Permitted Liens).

3. CONSIDERATION.

3.1. Purchase Price. For purposes of this Agreement, the base purchase price for the IPWT Assets and the Shares, collectively, shall be eight hundred seventy-two million seven hundred thousand dollars ($872,700,000), less: (a) the principal amount of the outstanding indebtedness and the accrued interest thereon owed by RMG to IP-IV at the time of the Closing,(b) the liquidation value of then outstanding Series A Voting Preferred Stock of RMG plus accrued and unpaid dividends through the Closing and purchase price of the Class B Common Stock of RMG as specified in the TCID IP-V/Charter Stock Purchase Agreement (as defined in the Common Agreement), (c) the amount paid for the Tennessee LLC Interest under the RMG Purchase Agreement (as defined in the Common Agreement), (d) the amount necessary to make the deposits described in Section 2.1(b)(vi) of the Common Agreement; and (e) the amount of any liabilities, which are required to be included on the balance sheet of RMG prepared in accordance with GAAP and not otherwise included in the adjustments (the "Base Value"). The Base Value shall be adjusted in accordance with the provisions of the Common Agreement (as adjusted, the "Adjusted Value"). At the Closing, Charter (or its permitted assignees) will pay to IPWT (or its permitted assignees) an amount in cash equal to the Adjusted Value as determined pursuant to the Common Agreement, which payment shall then be deemed made pursuant and subject to this Agreement. Preliminary and final determinations of the Adjusted Value will be made in accordance with the Common Agreement.

3.2. Allocation of Purchase Price. The aggregate amount of the Final Adjusted Value of the Systems and Charter's Assumed Obligations and Liabilities ("the Purchase Consideration") shall be allocated among the Systems in accordance with a schedule (the "Allocation Schedule") to be prepared by Charter and delivered within ninety (90) days after determination of such Final Adjusted Value under the Common Agreement to IPWT for the approval of IPWT. IPWT and Charter shall cooperate and use commercially reasonable efforts to reach a mutually satisfactory agreement regarding the Allocation Schedule. The final Allocation Schedule, determined in the manner described in this Section

3.2, shall comply with the provisions of Section 1060 of the Code and each of IPWT and Charter shall timely file any forms required to be filed under Section 1060 of the Code and any corresponding provision of state of local Tax law in accordance with the final Allocation Schedule. Charter and IPWT each agree (i) to reflect the Systems 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.

4. EXCLUDED ASSETS AND ASSUMED LIABILITIES.

4.1. Excluded Assets. "Excluded Assets" means, with respect to the IPWT Assets: (a) the Letter Agreement dated June 1, 1996 between Bravo Company and InterMedia Partners; the Affiliation Agreement dated April, 1999 among Viewer's Choice LLC, InterMedia Partners, InterMedia Partners Southeast, InterMedia Partners of West Tennessee, L.P. and Robin Media Group, Inc.; and the Affiliation Agreement dated February 24, 1999 between FX Networks, LLC and InterMedia Management, Inc.; (b) except as set forth on Schedule 4.1(b), each employee benefit plan (as defined in Section 3(3) of ERISA) or any multiemployer plan (as defined in Section 3(37) of ERISA) with respect to which IPWT or any of its ERISA Affiliates (other than RMG) has any liability or in which any employees or agents, or any former employees or agents, of IPWT or any of its ERISA Affiliates (other than RMG) participate; (c) except as provided in Section 12.14, all insurance policies and rights and claims thereunder with respect to the IPWT Assets; (d) all bonds, letters of credit, surety instruments and other similar items with respect to the IPWT Assets; (e) all cash and cash equivalents, including cash relating to subscriber prepayments and deposits, and notes receivable of IPWT; (f) except as set forth on Schedule 4.1(b) and subject to Section 7.11, all Intellectual Property held by IPWT or any of its Affiliates (other than RMG); (g) the On/Line Operating and License Agreement between US Computer Services dba Cable Data and InterMedia Partners, a California limited partnership dated as of October 3, 1996 (other than RMG); (h) except for any items for which the purchase price payable under Section 2.1(b)(iv) of the Common Agreement is increased or the Adjusted Value is increased under Section 2.2 of the Common Agreement, all claims, rights, and interest in and to any refunds of Taxes or fees of any nature, or other claims against third parties, relating to the operation of the IPWT Systems prior to the Closing Time; (i) all account books of original entry, general ledgers, financial records, minute books, stock ledgers, organizational documents and, to the extent not included in the Books and Records, personnel files and records, in each case used in connection with the IPWT Systems; (j) the Amended and Restated Management Agreement for Advertising Sales Business between InterMedia Capital Partners IV, a California limited partnership, and TCI Cable Management Corporation, a Colorado corporation doing business as TCI Media Services, dated as of January 1, 1998; (k) to the extent licensed pursuant to a master license agreement or not otherwise transferable, all software of IPWT or any Affiliate of IPWT (other than RMG) and licenses relating to Third Party software; (l) the Warrant Purchase Agreement dated as of January 1, 1999 between At Home Corporation and InterMedia Management, Inc., on behalf of InterMedia Partners, Inc., a California limited partnership, InterMedia Partners IV, L.P. and InterMedia Partners of Kentucky, L.P., and the Distribution Agreement dated as of January 1, 1999 between At Home Corporation, InterMedia Partners, L.P., a California limited partnership, InterMedia Partners IV, L.P. and InterMedia Partners VI, L.P.; (m) except for the IP-I/Charter Exchange Agreement (as defined in the Common Agreement), and except as set forth on Schedule 4.1(b), all Contracts between IPWT, RMG or IPSE, on the one hand, and any Affiliate thereof, on the other hand; and (q) other rights, assets and properties described on Schedule 4.1(a). There are no "Excluded Assets" with respect to RMG, except for those listed on Schedule 4.1(a) and the following: the Amended and Restated Management Agreement for Advertising Sales Business between InterMedia Capital Partners IV, a California limited partnership, and TCI Cable Management Corporation, a Colorado corporation doing business as TCI Media Services, dated as of January 1, 1998; the Warrant Purchase Agreement dated as of January 1, 1999 between At Home Corporation and InterMedia Management, Inc., on behalf of InterMedia Partners, Inc., a California limited partnership, InterMedia Partners IV, L.P. and InterMedia Partners of Kentucky, L.P., and the Distribution Agreement dated as of January 1, 1999 between At Home Corporation, InterMedia Partners, L.P., a California limited partnership, InterMedia Partners IV, L.P. and InterMedia Partners VI, L.P.; Letter Agreement dated June 1, 1996 between Bravo Company and InterMedia Partners; Affiliation Agreement dated April, 1999 among Viewer's Choice LLC, InterMedia Partners, InterMedia Partners Southeast, InterMedia Partners of West Tennessee, L.P. and Robin Media Group, Inc.; Affiliation Agreement dated February 24, 1999 between FX Networks, LLC and InterMedia Management, Inc.;

Encore Media Group, LLC Affiliation Agreement dated January 26, 1999, between Encore and InterMedia Management, Inc.; WTBS Retransmission Consent Agreement with SSI; and Programming Transport Agreement between National Digital Television Center Inc., a Colorado corporation d/b/a Headend in the Sky, and InterMedia Management, Inc., a California corporation providing for the transmission by HITS to such systems of compressed and encrypted digital programming signals and other services, dated November 18, 1997. IPWT (or an affiliate thereof) shall cause RMG to be released of all liability, after closing, arising from all of the forementioned contracts and those listed on Schedule 4.1(a).

4.2. Charter's Assumed Obligations and Liabilities. At the Closing and effective as of the Closing Time, Charter will assume and after the Closing Date, Charter will pay, discharge and perform the following (collectively, "Charter's Assumed Obligations and Liabilities"): (a) those obligations and liabilities with respect to the ownership, use or operation of the IPWT Assets accruing and relating to periods after the Closing Time which were assigned and transferred to Charter at the Closing; (b) those obligations and liabilities for subscriber prepayments and deposits related to the IPWT Systems existing at the Closing Time; (c) other obligations and liabilities of IPWT only to the extent that the Adjusted Value of the Systems was decreased with respect thereto pursuant to Section 2.2 of the Common Agreement; and (d) all other obligations and liabilities accruing and relating to periods after the Closing Time and arising out of Charter's ownership, use or operation of the IPWT Assets (including those items listed or described on Schedule 4.1(b)) or its operation of, or the conduct of business through, the IPWT Systems after the Closing (including with respect to late fees that may be charged by Charter after the Closing to subscribers of the IPWT Systems), except to the extent that such obligations or liabilities relate to any Excluded Asset. All obligations and liabilities arising out of or relating to the IPWT Assets, the IPWT Systems or IPWT's Cable Business other than Charter's Assumed Obligations and Liabilities will remain and be the obligations and liabilities solely of IPWT including any obligation, liability or claims relating to or arising pursuant to (w) Taxes (including franchise fees) arising out of or relating to the IPWT Assets and with respect to periods or portions thereof ending on or prior to the Closing Date, (x) refunds of rates, charges or late fees arising out of or relating to the IPWT Assets and with respect to periods through and including the Closing Date, (y) Litigation arising out of or relating to the IPWT Assets and commenced, or related to an event occurring, on or prior to the Closing Date, or (z) credit, loan or other agreements arising out of or relating to the IPWT Assets and pursuant to which IPWT or IPSE has created, incurred, assumed or guaranteed indebtedness for borrowed money or under which any Lien securing such indebtedness has been or may be imposed on any IPWT Asset. Notwithstanding anything to the contrary contained in this paragraph, for purposes of the Common Agreement Charter's Assumed Obligations and Liabilities shall include all obligations and liabilities of RMG other than those related to the Brentwood Systems and the Residual Liabilities.

4.3. Indemnification with respect to RMG Residual Liabilities. Following the Closing, RMG, Charter and their Affiliates shall be entitled to indemnification as set forth in the Common Agreement for any Losses attributable to or arising from any RMG Residual Liabilities. "RMG Residual Liabilities" shall mean all obligations and liabilities of RMG attributable to or arising out of any period prior to the Closing to the extent that no adjustment was made pursuant to Section 2.1(b)(iv) or Section 2.2 of the Common Agreement, including any obligation, liability or claims relating to or arising pursuant to (v) the Excluded Assets, (w) Taxes (including franchise fees) with respect to periods or portions thereof ending on or prior to the Closing Date, (x) refunds of rates, charges or late fees with respect to periods through and including the Closing Date, (y) Litigation commenced, or relating to an event occurring, on or prior to the Closing Date, or (z) other than as set forth on Schedule 4.3, credit, loan or other agreements pursuant to which RMG has created, incurred, assumed or guaranteed indebtedness for borrowed money or under which any Lien securing such indebtedness has been or may be imposed on any RMG Asset.

5. IPWT'S REPRESENTATIONS AND WARRANTIES.

IPWT represents and warrants to Charter as of the date of this Agreement and as of the Closing, as follows:

5.1. Organization and Qualification of IPWT, its general partner and RMG.

5.1.1. IPWT is a limited partnership, duly formed, validly existing and in good standing under the laws of the State of California. IPWT has all requisite power and authority to own, lease and use the Assets owned, leased or used by it and to conduct its Cable Business as it is currently being conducted by it. As of the date of this Agreement, IPWT is qualified to do business and is in good standing under the laws of each jurisdiction in which the ownership, leasing or use of the Assets owned, leased or used by it or the nature of its activities in connection with the Systems makes such qualification necessary.

5.1.2. InterMedia Capital Management, LLC, the sole general partner of IPWT, is a limited liability company, duly formed, validly existing, and in good standing under the laws of the State of Delaware, and has all requisite power and authority to own all of its assets and to conduct its business as currently conducted. InterMedia Capital Management, LLC is duly qualified to do business and in good standing under the laws of each jurisdiction in which the nature of its activities or its ownership, lease or use of its assets makes such qualification necessary.

5.1.3. RMG is a corporation, duly formed, validly existing and in good standing under the laws of the State of Nevada. RMG has all requisite power and authority to own, lease and use the Assets owned, leased or used by it and to conduct its Cable Business as it is currently being conducted by it. As of the date of this Agreement, RMG is qualified to do business and is in good standing under the laws of each jurisdiction in which the ownership, leasing or use of the assets owned, leased or used by it or the nature of its activities in connection with the Systems makes such qualification necessary.

5.2. Authority and Validity.

5.2.1. IPWT has all requisite power and authority to execute and deliver, and to perform its obligations under, and to consummate the transactions contemplated by, this Agreement and the Transaction Documents to which it is a party. The execution and delivery by IPWT of, the performance of IPWT under, and the consummation by IPWT of the transactions contemplated by, this Agreement and the Transaction Documents to which IPWT is a party have been duly and validly authorized by all action by or on behalf of IPWT. This Agreement has been, and when executed and delivered by IPWT the Transaction Documents to which IPWT is a party will be, duly and validly executed and delivered by IPWT and the valid and binding obligations of IPWT, enforceable against IPWT in accordance with their terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect relating to the enforcement of creditors' rights generally or by principles governing the availability of equitable remedies.

5.2.2. IPSE and IP-IV, respectively, have all requisite corporate power and authority to execute and deliver, to perform their obligations under, and to consummate the transactions contemplated by, the IPSE Distribution Agreement and the IP-IV Contribution Agreement (each as defined in the Common Agreement), respectively. The execution and delivery by IPSE and IP-IV of,

their performance under, and their consummation of the transactions contemplated by the IPSE Distribution Agreement and the IP-IV Contribution Agreement, respectively, have been duly and validly authorized by all action by or on behalf of IPSE and IP-IV, respectively.

5.3. No Conflict; Required Consents. Except as set forth on Schedule 5.3, and assuming any consents referenced on Schedule 6.3 have been obtained and the expiration or earlier termination of the waiting period under the HSR Act has occurred, (x) the execution and delivery by IPWT, the performance of IPWT under, and the consummation by IPWT of the transactions contemplated by, this Agreement, the IP-IV/IPWT Contribution Agreement and the Transaction Documents to which IPWT is a party and (y) the execution and delivery by IPSE and IP-IV of, their performance under, and their consummation of the transactions contemplated by, the IPSE Distribution Agreement and the IP-IV/IPWT Contribution Agreement, respectively, do not and will not: (a) conflict with or violate any provision of the organizational documents of IPSE, IP-IV, IPWT or RMG; (b) violate any provision of any Legal Requirement; (c) require any consent, approval or authorization of, or filing of any certificate, notice, application, report or other document with, any Governmental Authority or other Person; or (d) (i) conflict with, violate, result in a breach of or constitute a default under (without regard to requirements of notice, lapse of time or elections of other Persons or any combination thereof), (ii) permit or result in the termination, suspension or modification of, (iii) result in the acceleration of (or give any Person the right to accelerate) the performance of, IPSE, IP-IV, IPWT or RMG, as the case may be, under, or (iv) result in the creation or imposition of any Lien under any Systems Contract, Systems Franchise, Systems License, or other instrument evidencing any of the Assets or by which IPSE, IP-IV, IPWT or RMG, as the case may be, or any of their assets is bound or affected, except for purposes of clauses (c) and (d) such consents, approvals, authorizations and filings that, if not obtained or made, would not, and such violations, conflicts, breaches, defaults, terminations, suspensions, modifications and accelerations as would not, individually or in the aggregate, have an adverse effect on any System, the Cable Business, IPWT or RMG, or on the ability of IPWT to perform its obligations under this Agreement or the Transaction Documents to which IPWT is a party.

5.4. Title to the Shares. IPWT is the record and beneficial owner and holder of, and has good title to, the Shares, free and clear of all Liens other than Permitted Liens. Except as set forth in Schedule 5.4, there are no existing agreements, options, warrants, rights, calls or commitments of any character to which IPWT or any Affiliate is a party or by which it is bound providing for the repurchase or redemption of the Shares.

5.5. Capitalization. The authorized capital stock of RMG consists of three thousand two hundred eighty-five (3,285) shares of Class A Common Stock, $100 par value per share, all of which are issued and outstanding and held of record by IPWT, three hundred sixty-five (365) shares of Class B Common Stock, $100 par value per share, all of which are issued and outstanding, and twelve thousand (12,000) shares of Series A Voting Preferred Stock, $1,000 par value per share, all of which are issued and outstanding. The Shares have been duly authorized, validly issued and are fully paid and nonassessable, with no preemptive rights. Except as set forth in Schedule 5.5, there are no (i) existing agreements, options, warrants, rights, calls or commitments of any character to which RMG or any Affiliate is a party or by which it is bound providing for the issuance of any additional shares of RMG's capital stock or for the repurchase or redemption of the Shares, (ii) outstanding securities or other instruments convertible into or exchangeable for the Shares and no commitments to issue such securities or instruments or (iii) voting trust, voting agreement or other agreement, proxy or understanding with respect to the voting of the Shares.

5.6. Assets.

5.6.1. IPWT, IPSE or RMG, as the case may be, has good and marketable title to (or, in the case of Assets that are leased, valid leasehold interests in) the Assets. None of the AT&T Affiliates has any right, title or interest in or to any of the Assets. The Assets are free and clear of all Liens, except Permitted Liens and rights of first refusal which will be waived by the Person holding such right at or prior to Closing. All of the Liens described on Schedule 5.6.1 (except for those marked with an asterisk on Schedule 5.6.1) will be terminated, released or, in the case of rights of first refusal (except for those listed on Schedule 5.6.1), waived, as appropriate, at or prior to Closing. Except as described on Schedule 1.52, the Tangible Personal Property, as an integrated system and in its component parts, is in good operating condition and repair (ordinary wear and tear and routine failures excepted) and is usable and adequate for the operation of the Cable Business.

5.6.2. Except for items included in the Excluded Assets, the Assets constitute substantially all the assets necessary (a) to conduct the Cable Business as it is being conducted on the date of this Agreement and in compliance with all applicable Legal Requirements, (b) to operate the Systems as they are being operated on the date of this Agreement and in compliance with all applicable Legal Requirements and (c) to perform all of the Assumed Obligations and Liabilities.

5.6.3. Except as described on Schedule 5.6.3, and other than direct broadcast satellite and satellite master antenna television, with respect to each area in which the Systems currently provide cable television service: (i) no Person is operating a cable television system or other non-satellite MVPD other than a System in such area; (ii) no local franchising authority has awarded a cable television franchise in such area to any Person other than IPWT, IPSE or RMG, as the case may be; and (iii) to the Knowledge of IPWT, no MVPD has applied for a cable television franchise to serve such area.

5.7. Systems Franchises, Systems Licenses, Systems Contracts and Other Real Property Interests.

5.7.1. Except as described on Schedules 1.33, 1.40, 1.49, 1.50 and 1.51, and except for the Excluded Assets, neither IPWT nor IPSE (but only to the extent related primarily or in whole to the Cable Business) nor RMG is bound or affected by any of the following: (a) leases of real property or capital leases of personal property; (b) operating leases of personal property that are terminable upon more than thirty (30) days' notice and that contemplate annual lease payments in excess of twenty thousand dollars ($20,000); (c) franchises for the construction or operation of cable television systems or System Contracts of substantially equivalent effect; (d) licenses, authorizations, consents or permits of the FCC; (e) other licenses, authorizations, consents or permits of any other Governmental Authority, individually or in the aggregate, material to the Systems; (f) easements or rights of access, individually or in the aggregate, material to the Systems; (g) pole attachment agreements, underground conduit agreements, crossing agreements, retransmission consent agreements, or bulk or commercial service agreements, individually or in the aggregate, material to the Systems; (h) any Contract under which RMG has borrowed or loaned any money or issued any note, bond, indenture or other evidence of indebtedness or directly or indirectly guaranteed the indebtedness, liabilities or obligations of others; or (i) in the case of IPWT or IPSE, any Systems Contract and, in the case of RMG, any Systems Contract or other Contract, other than those described in any other clause of this Section 5.7.1 which contemplate payments by or to IPWT, IPSE or RMG, as the case may be, in any twelve (12) month period exceeding twenty-five thousand dollars ($25,000) under any single contract or one hundred thousand dollars ($100,000) in the aggregate.

5.7.2. Complete and correct copies of the Systems Franchises and Systems Licenses have been provided to Charter. Except as set forth on Schedule 5.7.2, (a) the Systems Franchises contain all of the commitments and obligations of IPWT, IPSE or RMG, as the case may be, to the applicable Governmental Authority granting such Franchises with respect to the construction, ownership and operation of the Systems, and (b) other than as set forth in the Systems Franchises, neither IPWT, IPSE nor RMG has made any commitment to any local franchising authority to make any material expenditure or capital addition or betterment to any System or the Assets that will not be fulfilled or satisfied prior to the Closing Time. The Systems Franchises and Systems Licenses are currently in full force and effect, are not in default and are valid under all applicable Legal Requirements according to their terms. No event has occurred that, with notice or lapse of time or both, would constitute a breach, violation or default by IPWT, IPSE or RMG, as the case may be, and to IPWT's Knowledge, no event has occurred that, with notice or lapse of time or both, would constitute a breach, violation or default by any other Person, of any material obligations under any such Systems Franchises or Systems Licenses. Except for routine filings with Governmental Authorities and as described on Schedule 5.7.2, there are no applications relating to any Systems Franchise or Systems License pending before any Governmental Authority which are material to any System or the Cable Business. Except where a request for renewal has been timely filed under Section 626(a) of the Cable Act, since December 31, 1998, no Systems Franchise or Systems License has been surrendered by IPWT, IPSE or RMG or has expired or otherwise terminated without the issuance of a replacement Systems Franchise or Systems License. There is no legal action, governmental proceeding or investigation pending or, to IPWT's Knowledge, threatened to terminate, suspend or modify any Systems Franchise or Systems License. Except as set forth on Schedule 5.7.2, IPWT, IPSE or RMG, as the case may be, is, or will be as of the Closing Date, in material compliance with the terms and conditions of all the Systems Franchises and Systems Licenses and other applicable requirements of all Governmental Authorities (including the FCC and the U.S. Copyright Office) relating to the Systems Franchises and Systems Licenses, including all requirements for notification, filing, reporting, posting and maintenance of logs and records.

5.7.3. IPWT has delivered to Charter true and complete copies of all Systems Contracts (including each Contract relating to Leased Property and Other Real Property Interests), including any amendments thereto (or, in the case of oral Contracts, true and complete written summaries thereof) and each document evidencing the ownership of IPWT, IPSE or RMG, as the case may be, of the Owned Property. Except as described in Schedule 5.7.3, IPWT, IPSE or RMG, as the case may be, has fulfilled when due, or has taken all action necessary to enable it to fulfill when due, all of its obligations under each of its Contracts and, to the Knowledge of IPWT, there has not occurred any default (without regard to requirements of notice, lapse of time, elections of other Persons, or any combination thereof) by any other Person of any material obligations under any of its or RMG's Contracts or Other Real Property Interests.

5.8. Real Property. All the Assets consisting of Owned Property, Leased Property and material Other Real Property Interests (and, with respect to RMG, all other material real property interests of RMG) are described on Schedules 1.33, 1.40, and 1.41. Except for ordinary wear and tear and routine repairs and as set forth on Schedule 5.8, all of the improvements, leasehold improvements and the premises of the Owned Property and the premises demised under the leases and other documents evidencing the Leased Property are in good condition and repair and are suitable for the purposes used. Each parcel of Owned Property and each parcel of Leased Property and any improvements thereon (a) has access to and over public streets or private streets for which IPWT, IPSE or RMG, as the case may be, has a valid right of ingress and egress, (b) except as set forth on Schedule 1.33 or 1.40, conforms in its current use and occupancy to all material zoning requirements without reliance upon a variance issued by a Governmental Authority or a classification of the parcel in

question as a nonconforming use, (c) conforms in all material respects in its current use to all restrictive covenants, if any, or other Liens affecting all or part of such parcel (of record, with respect to Owned Property, or of record or as set forth in an agreement listed on Schedule 1.33 or 1.40, with respect to Leased Property or Other Real Property Interests), and (d) is available for immediate use in the conduct of the business or operations of the Systems. There are no pending condemnation, expropriation, eminent domain or similar proceedings of which either IPWT, IPSE or RMG has received notice or IPWT has Knowledge affecting, in any material respect, all or any portion of the Owned Property, Leased Property, or Other Real Property Interests. IPWT, IPSE or RMG, as the case may be, has good and marketable title to each such parcel of real property included in the Owned Property and in all buildings, structures and improvements thereon, in each case free and clear of all Liens except for Permitted Liens.

5.9. Environmental.

5.9.1. Except as described on Schedule 5.9, IPWT, IPSE and RMG, as the case may be, is in material compliance with (i) with respect to IPWT and IPSE, all Environmental Laws insofar as they relate to Owned Property or Leased Property and (ii) with respect to RMG, all Environmental Laws. Except as described on Schedule 5.9, neither IPWT, IPSE nor RMG has received any notice of, and IPWT has no Knowledge of, any alleged, actual, or potential responsibility for, or any inquiry regarding, (i) any release or threatened release of any Hazardous Substances from or on Owned Property or Leased Property (and, with respect to RMG, any other property or assets of RMG), or (ii) any material violation of any Environmental Laws associated with Owned Property or Leased Property (and, with respect to RMG, any other property or assets of RMG). Except as described on Schedule 5.9, to IPWT's Knowledge, IPSE's and IPWT's operations on their Other Real Property Interests (and RMG's operations on its Other Real Property Interests or otherwise) do not violate any Environmental Laws in any material respect, and IPWT, IPSE or RMG, as the case may be, has received no notice of any such violation. Except as described on Schedule 5.9, neither IPWT, IPSE nor RMG has received any notice of, and IPWT has no Knowledge of, circumstances relating to, any past, present or future events, conditions, circumstances, activities, practices or incidents (including the presence, use, generation, manufacture, disposal, release or threatened release of any Hazardous Substances from or on Owned Property or Leased Property), which could interfere with or prevent continued compliance, or which are reasonably likely to give rise to any liability, based upon or related to the processing, distribution, use, treatment, storage, disposal, transport or handling, or the emission, discharge, release or threatened release into the environment, of any Hazardous Substance from or attributable to Owned Property or Leased Property (and, with respect to RMG, any other property or assets of RMG).

5.9.2. Except as described on Schedule 5.9, to IPWT's Knowledge, (a) no aboveground or underground storage tanks are currently or have been located on any Owned Property or Leased Property (or, with respect to RMG, on any other property or assets of RMG) and (b) no Owned Property or Leased Property (or, with respect to RMG, any other property or assets of RMG) 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.

5.9.3. Complete and correct copies of (a) all studies, reports, surveys or other similar written materials in the possession of IPWT, IPSE or RMG or to which any of them, to the Knowledge of IPWT, has access relating to the presence or alleged presence of Hazardous Substances at, on, under or affecting the Owned Property or Leased Property (or, with respect to RMG, any other property or assets of RMG), (b) all notices (other than general notices made by general publication) in the possession of either of IPWT, IPSE or RMG or to which IPWT, to its Knowledge, has access that were

received from any Governmental Authority having the power to administer or enforce any Environmental Laws relating to current or past ownership, use or operation of the Owned Property or Leased Property (or, with respect to RMG, any other property or assets of RMG) or activities at the Owned Property or Leased Property (or, with respect to RMG, any other property or assets of RMG) and (c) all notices and related materials in the possession of IPWT, IPSE or RMG or to which any of them, to the Knowledge of IPWT, has access relating to any Litigation concerning any Environmental Law to which IPWT, IPSE or RMG, as the case may be, is a party or written allegation by any private Third Party concerning any Environmental Law and IPWT, IPSE or RMG, as the case may be, have been provided to Charter (other than those materials constituting attorney-client privileged communications).

5.10. Compliance with Legal Requirements.

5.10.1. Except as set forth on Schedule 5.10, the operation of each System as currently conducted does not violate or infringe any Legal Requirement currently in effect in any material respect (other than Legal Requirements described in Sections 5.9, 5.10.3 and 5.10.4, as to which the representations and warranties set forth in those subsections will apply) or the grounding requirements of the National Electrical Safety Code, and RMG in the conduct of its business does not otherwise violate or infringe any Legal Requirement in any material respect. Except as set forth on Schedule 5.10, neither IPWT, IPSE nor RMG has received any notice of, and IPWT has no Knowledge of, any material violation by IPWT, IPSE or RMG or any System of any Legal Requirement applicable to the installation, ownership and operation of the Systems as currently conducted, and knows of no basis for the allegation of any such violation.

5.10.2. Except as set forth on Schedule 5.10, without limiting the generality of the foregoing, since IPWT or RMG, as the case may be, acquired such Systems: IPWT or RMG, as the case may be, has submitted to the FCC all filings, including cable television registration statements, annual reports and aeronautical frequency usage notices and paid all regulatory fees, that are required under the rules and regulations of the FCC; the operation of the Systems has been and is in material compliance with the rules and regulations of the FCC, and neither IPWT nor RMG has received any notice from the FCC of any violation of its rules and regulations; IPWT or RMG, as the case may be, is and since 1986 (or since its acquisition, if later) has been certified as in compliance with the FCC's equal employment opportunity rules; the Systems are in material compliance with all signal leakage criteria prescribed by the FCC; and for each relevant semi-annual reporting period since its or RMG's, as the case may be, acquisition of a System, IPWT, IPSE or RMG, as the case may be, have timely filed with the United States Copyright Office all required Statements of Account in true and correct form, has paid when due all required copyright royalty fee payments in correct amount, relating to the Systems' carriage of television broadcast signals and is otherwise in material compliance with all applicable rules and regulations of the Copyright Office. Except as set forth on Schedule 5.10, IPWT has no Knowledge, with respect to any System acquired since January 1, 1996, of any previous owner's failure to comply with the copyright licensing requirements with respect to such System or any written claim or inquiry from any Person which questions such System's failure to comply. IPWT has delivered to Charter copies (with respect to all of the Systems) of: (i) all reports, filings and correspondence made or filed with the FCC or pursuant to the FCC rules and regulations for the past year; and (ii) all reports, filings and correspondence made or filed with the Copyright Office or pursuant to Copyright Office rules and regulations for the past three years. Except as set forth on Schedule 5.10, (i) a request for renewal has been timely filed under Section 626(a) of the Cable Act with the proper Governmental Authority with respect to each Franchise expiring within thirty-six (36) months after the date of this Agreement; and (ii) neither IPWT, IPSE nor RMG has received

written notice from any Governmental Authority that it has determined or intends to deny renewal of any Systems Franchise to which it is a party.

5.10.3. Except as set forth on Schedule 5.10 and as otherwise provided in this Section, each of IPWT, IPSE and RMG has used commercially reasonable efforts to comply in all material respects with the provisions of the Cable Act and the 1992 Cable Act pertaining to the carriage of television broadcast signals, as such Legal Requirements relate to the operation of the Systems. Each of IPWT, IPSE and RMG has complied in all material respects with the must carry and retransmission consent provisions of the 1992 Cable Act, including (i) duly and timely notifying "local commercial television stations" of inadequate signal strength or increased copyright liability, if applicable, (ii) duly and timely notifying non-commercial educational stations of the location of the System's principal headend, (iii) duly and timely notifying subscribers of changes in the channel alignment on the Systems, (iv) duly and timely notifying "local commercial and non-commercial television stations" of the broadcast signals carried on the Systems and their channel positions, (v) maintaining the requisite public file identifying broadcast signal carriage, (vi) carrying the broadcast signals after June 1, 1993, on the Systems for all "local commercial television stations" which elected must carry status and, if required, up to two "qualified low power stations" and (vii) obtaining retransmission consents for all broadcast signals carried on the Systems after October 5, 1993, except for the non-exempt signals carried pursuant to a must carry election. No must carry complaint is pending against any System at the FCC, nor, to IPWT's Knowledge, is any threatened except as set forth in Schedule 5.10. IPWT has delivered to Charter copies of any pending petitions that IPWT, IPSE or RMG has on file with the FCC, including requests for market modifications or petitions for special relief or any market modification requests or special relief petitions affecting any System that have been served on IPWT, IPSE or RMG, as the case may be. The FCC has not issued any decision with respect to a must carry complaint finding any System in violation of the must carry rules except as set forth on Schedule 5.10.

5.10.4. Each of IPWT, IPSE and RMG has used commercially reasonable efforts to establish rates charged and a la carte packages provided to subscribers, effective as of September 1, 1993, that would be allowable under rules and regulations promulgated by the FCC under the 1992 Cable Act, and any authoritative interpretation thereof, whether or not such rates or packages were subject to regulation at that date by any Governmental Authority, including any state regulatory agency, local franchising authority and/or the FCC. Notwithstanding the foregoing, IPWT makes no representation or warranty that either the rates charged to subscribers or the a la carte packages provided would be allowable under any rules and regulations of the FCC, or any authoritative interpretation thereof, promulgated after the date of the Closing. IPWT has delivered to Charter complete and correct copies of the most recent FCC Forms 328, 329, 393, 1200, 1205, 1210, 1215, 1220, 1235 and 1240 and other FCC rate forms (collectively, the "FCC Rate Forms") filed with the local franchising authority and/or the FCC and will deliver as soon as available all such FCC forms that are prepared with respect to the Systems, (ii) all historical FCC Rate Forms with respect to any System in which there is currently a rate issue pending, including any accounting order or any rate order on appeal, (iii) copies of all complaints, petitions, answers, responses and other filings made with or by any Governmental Authority in connection with any rate orders issued by such Governmental Authority or any appeal therefrom, and (iv) any documentation supporting an exemption from the rate regulation provisions of the 1992 Cable Act claimed by IPWT, IPSE or RMG, as the case may be, with respect to the Systems. Except as set forth on Schedule 5.10, neither IPWT, IPSE nor RMG has made an election with respect to any cost of service proceeding conducted in accordance with Part 76.922 of Title 47 of the Code of Federal Regulations or any similar proceeding (a "Cost of Service Election") with respect to any of the Systems.

5.10.5. Except as set forth on Schedule 5.10, all necessary FAA approvals have been obtained and all necessary FCC tower registrations have been filed with respect to the height and location of towers used in connection with the operation of the Systems, and such towers are being operated in compliance in all material respects with applicable FCC and FAA rules. The ownership, height (with and without appurtenances), location (address, latitude, longitude and ground elevation), structure type and FCC call signs of each tower used in connection with the operation of the Systems are correctly described on Schedule 5.10. To the extent applicable, IPWT has delivered to Charter true and correct copies of the FAA final determinations that are available and FCC registrations for all such towers.

5.11. Intellectual Property. Except for Intellectual Property which constitutes Excluded Assets and the Intellectual Property described on Schedule 4.1(b), neither IPWT, IPSE nor RMG possesses any Intellectual Property related to or material to the operation of the Systems and neither IPWT, IPSE nor RMG is a party to any license or royalty agreement with respect to any such Intellectual Property, except for licenses respecting program material, licenses incidental to any Systems Contracts and obligations under the Copyright Act of 1976, as amended, including all rules, regulations, orders and policies of the U.S. Copyright Office thereunder (the "Copyright Act") applicable to cable television systems generally. To the Knowledge of IPWT, the Systems and the Cable Business have been operated, and RMG has otherwise operated its business, in such a manner so as not to violate or infringe upon the rights, or give rise to any rightful claim of any Person for copyright, trademark, service mark, patent or license infringement or the like.

5.12. Financial Statements.

5.12.1. The unaudited statements of income of West Tennessee Systems, the Dickson, Joelton and Lynchburg Systems and the Kingsport Systems for the years ended December 31, 1997 and 1998, attached hereto as Schedule 5.12.1, are in accordance with the books and records of IPWT, IPSE or RMG, as appropriate, were prepared in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods covered thereby, and, except as may be described therein, present fairly the operating results of the West Tennessee Systems, the Dickson, Joelton and Lynchburg Systems and the Kingsport Systems on a System-by-System basis, for the periods indicated, subject only to standard year-end adjustments and the omission of footnotes thereto. The unaudited statements of income of RMG for the years ended December 31, 1997 and 1998, together with the unaudited balance sheet of RMG as of December 31, 1998, attached hereto as Schedule 5.12.2, are in accordance with the books and records of RMG and were prepared in accordance with generally accepted accounting principles, except as may be described therein, applied on a consistent basis throughout the periods covered thereby. Within thirty (30) days of the date hereof, IPWT will deliver to Charter unaudited statements of income of RMG (excluding the Brentwood System) for the years ended December 31, 1997 and 1998. Except as may be described therein, (i) such unaudited statements of income present fairly the operating results of RMG for the periods indicated, and (ii) such unaudited balance sheet presents fairly the financial condition, assets and liabilities, and shareholders' equity of RMG as of December 31, 1998, subject, in each case, only to standard year-end adjustments and the omission of footnotes thereto.

5.13. Absence of Certain Changes or Events. Except as set forth on Schedule 5.13, since December 31, 1998, there has been no (i) material adverse change in, nor has any event or events (other than any affecting the cable television industry generally) occurred that, individually or in the aggregate, are reasonably likely to result in a material adverse change in the Assets, the Cable Business, the operations, condition (financial or otherwise) or results of operations of the Systems, taken as a whole and (ii) material change in accounting principles or practices with respect to the

Systems or revaluation by IPWT, IPSE or RMG, as the case may be, of the Assets for financial reporting, property tax or other purposes. From December 31, 1998 to the date of this Agreement, the Cable Business has been conducted only in the usual, regular and ordinary course, except as disclosed on Schedule 5.13 and except where the failure to conduct business in such manner would not have a material adverse effect on the Assets, the Cable Business, the operations, condition (financial or otherwise) or results of operations of the Systems taken as a whole or on the ability of IPWT to perform its obligations under this Agreement.

5.14. Litigation. Except as set forth on Schedule 5.14: (a) there is no Litigation pending or, to IPWT's Knowledge, threatened against IPWT, IPSE, RMG or any of their Affiliates which, if adversely determined, would (i) materially and adversely affect the financial condition or operations of the Cable Business, any of the Systems, the Assets, RMG or the ability of IPWT to perform its obligations under this Agreement or (ii) result in the modification, revocation, termination, suspension or other limitation of any of the Systems Franchises, Systems Licenses, or Systems Contracts; and (b) there is not in existence any Judgment requiring IPWT, IPSE, RMG or any of their Affiliates to take any action of any kind with respect to the Assets, the operation of any of the Systems or, with respect to RMG, the operation of RMG's business, or to which IPWT or IPSE (with respect to the Systems) or RMG (with respect to its property and assets), any of the Systems or the Assets are subject or by which they are bound or affected, that has not been fully complied with by IPWT, IPSE or RMG, as the case may be.

5.15. Taxes.

5.15.1. Each of IPWT and IPSE has duly and timely filed in correct form all federal, state, local and foreign Tax returns and other Tax reports required to be filed by it, and has timely paid all Taxes which have become due and payable, whether or not so shown on any such return or report, the failure of which to be filed or paid could affect or result in the imposition of a Lien upon the Assets or create any transferee or other liability upon Charter, except such amounts as are being contested diligently and in good faith and are not in the aggregate material. Except as set forth on Schedule 5.15.1, neither IPWT nor IPSE has received any notice of, nor does IPWT have any Knowledge of, any deficiency, assessment or audit, or proposed deficiency, assessment or audit from any taxing Governmental Authority which could affect, or result in the imposition of a Lien upon, any of the Assets or transferee or other liability upon Charter.

5.15.2. RMG has timely filed all federal, state, local and foreign Tax returns and other Tax reports required to be filed by it through the date hereof and shall timely file all Tax returns and Tax reports required to be filed at or before the Closing. Except as set forth on Schedule 5.15.2, such reports and returns are and will be true, correct and complete in all material respects and RMG 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 on its unaudited balance sheet dated December 31, 1998. Neither the Internal Revenue Service (the "IRS") nor any other taxing authority or agency, domestic or foreign, is now asserting by notice to IPWT or RMG or, to the knowledge of IPWT, threatening to assert against RMG, any deficiency or material claim for additional Taxes. Moreover, neither IPWT nor RMG has knowledge of any facts on the basis of which taxing authorities could assert deficiencies or claims described in the preceding sentence. RMG has withheld or collected and paid over to the appropriate taxing authorities or is properly holding for such payment all Taxes required by law to be withheld or collected. RMG does not have any liability for the Taxes of any person 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, except with respect to an entity which has merged or dissolved into RMG. There are no material Liens for Taxes upon the assets of RMG other than Liens for current Taxes not yet due and payable and

Liens for Taxes set forth on Schedule 5.15.2 that are being contested in good faith by appropriate proceedings.

5.15.3. Except as set forth on Schedule 5.15.3, 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, RMG.

5.15.4. Except as set forth on Schedule 5.15.4, RMG is not 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").

5.15.5. All material elections with respect to Taxes affecting RMG as of the date hereof are set forth in Schedule 5.15.5. 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 RMG.

5.15.6. Except as set forth on Schedule 5.15.6, there are no tax sharing agreements or similar arrangements with respect to or involving RMG.

5.15.7. Except as set forth in Schedule 5.15.7, RMG was not included or includable in any consolidated or unitary Tax return or report, other than Tax returns or reports that included only RMG and entities which have since merged or dissolved into RMG.

5.15.8. RMG has not agreed to and is not required to make any material adjustment under section 481(a) of the Code.

5.15.9. RMG has not 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.

5.16. Employment Matters.

5.16.1. Each of IPWT, IPSE and RMG has complied in all material respects with all applicable Legal Requirements relating to the employment of labor, including the Worker Adjustment and Retraining Notification Act, 29 U.S.C. ss. 2101, et seq. ("WARN"), continuation coverage requirements with respect to group health plans and those relating to wages, hours, collective bargaining, unemployment insurance, workers' compensation, equal employment opportunity, age, sex, race and disability discrimination, immigration control and the payment and withholding of Taxes.

5.16.2. There are no Liens against the Assets under Section 412(n) of the Code or Sections 302(f) or 4068 of ERISA. At the Closing, Charter and its ERISA Affiliates will have no obligation to contribute to, or any liability in respect of, (i) any employee benefit plan within the meaning of Section 3(3) of ERISA, or (ii) any similar employment, severance or other arrangement or policy (whether written or oral) providing for insurance coverage (including self-insured arrangements), workers' compensation, disability benefits, supplemental unemployment benefits, vacation benefits, fringe benefits or retirement 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, sponsored or maintained by IPWT, IPSE, RMG or any of their ERISA Affiliates, or to which IPWT, IPSE, RMG or any of their ERISA Affiliates was obligated to contribute. Neither IPWT, IPSE nor RMG will, in connection with the transactions contemplated by

this Agreement, cease to provide any group health plan coverage to its employees in a manner which would cause Charter or any of its ERISA Affiliates to be deemed a successor employer of IPWT, IPSE or RMG, as the case may be, within the meaning of Proposed Treasury Regulations Section 54.4980B-9 Q&A8(c). With respect to any multi- employer plan within the meaning of Section 3(37) of ERISA, or any plan subject to Title IV of ERISA, to which IPWT, IPSE, RMG or any of their ERISA Affiliates is or ever was obligated to contribute, (a) there has been no material "reportable event" described in Sections 4043(c)(1), (2), (3), (5), (6), (7), (10), or (13) of ERISA, (b) no "accumulated funding deficiency" (as defined in Section 302 of ERISA) or "withdrawal liability" (as determined under Section 4201 et seq. of ERISA) has occurred, exists or is continuing with respect to any such plan other than a multi- employer plan (as defined in Section 3(37) of ERISA), or, to the Knowledge of IPWT, IPSE, RMG or any of their ERISA Affiliates, with respect to any such plan which is a multi-employer plan (as defined in Section 3(37) of ERISA), (c) no such plan has been terminated other than in accordance with ERISA or at a time when such plan was not sufficiently funded, and (d) there has been no (i) withdrawal by IPWT, IPSE, RMG or any of their ERISA Affiliates that is a substantial employer from a single-employer plan and that has two or more contributing sponsors at least two of whom are not under common control, as referred to in Section 4063(b) of ERISA, or (ii) cessation by IPWT, IPSE, RMG or any of their ERISA Affiliates of operations at a facility causing more than twenty percent (20%) of plan participants to be separated from employment, as referred to in Section 4062(e) of ERISA. With respect to any plan maintained, sponsored by, or contributed to by IPWT, IPSE or RMG, as the case may be, which is intended to comply with the provisions of Section 401(k) of the Code, and from which any similar plan maintained or sponsored by Charter or any of its ERISA Affiliates accepts a plan-to-plan transfer under Section 7.3.3, (I) such plan has received a favorable determination letter from Internal Revenue Service, and none of IPWT, IPSE, RMG nor any of their ERISA Affiliates has any Knowledge of any fact which could adversely affect the qualified status of such plan, and (II) such plan has been administered and maintained in material compliance with ERISA, the Code and all other applicable laws.

5.16.3. Except as set forth on Schedule 5.16, there are no collective bargaining agreements applicable to any Person employed by IPWT or IPSE, as the case may be, that renders services in connection with the Systems, or to any Person employed by RMG, and neither IPWT, IPSE nor RMG has a duty to bargain with any labor organization with respect to any such Person. Except as set forth on Schedule 5.16, there are not pending any unfair labor practice charges against IPWT, IPSE or RMG, any demand for recognition or any other request or demand from a labor organization for representative status with respect to any Person employed by IPWT or IPSE that renders services in connection with the Systems or with respect to any Person employed by RMG. Except as described on Schedule 5.16, neither IPWT or IPSE, with respect to any employee of the Systems, nor RMG, with respect to any of employees of RMG, has employment agreements, either written or oral, with any such employee and none of the employment agreements listed on Schedule 5.16 requires IPWT, IPSE or RMG, or will require Charter or any Affiliate of Charter, to employ any Person after the Closing.

5.16.4. With respect to RMG and RMG Plans (as defined below):

(a) Except as is disclosed on Schedule 5.16, (i) neither RMG nor any of its ERISA Affiliates maintains or sponsors (or ever maintained or sponsored), or makes or is required to make contributions to, any RMG Plans, (ii) none of the RMG Plans is or was a "multi-employer plan," as defined in Section 3(37) of ERISA, (iii) none of the RMG Plans is or was a "defined benefit pension plan" within the meaning of Section 3(35) of ERISA, (iv) none of the RMG Plans provides or provided post-retirement medical or health benefits (except as required by Section 4980B of the Code or similar Laws), (v) none of the RMG 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, and (vi) neither RMG nor any RMG ERISA Affiliate has announced or otherwise made any commitment to create or amend any RMG Plan. There is no RMG Plan which RMG will not be able to terminate immediately after the Closing in accordance with its terms and ERISA. RMG has delivered to Charter true and complete copies of: (i) each of the RMG Plans and any related funding agreements thereto (including insurance contracts) including all amendments, (ii) the currently effective Summary Plan Description pertaining to each of the RMG Plans, (iii) the most recent annual report for each of the RMG Plans (including all relevant schedules), and (iv) the most recent Internal Revenue Service determination letter for each RMG Plan which is intended to constitute a qualified RMG Plan under Section 401 of the Code, (v) the most recently filed PBGC Form 1, if applicable, (vi) for each funded RMG Plan, financial statements consisting of (A) the consolidated statement of assets and liabilities of such RMG Plan as of its most recent valuation date, and (B) the statement of changes in fund balance and in financial position or the statement of changes in net assets available for benefits under such RMG Plan for the most recently-ended plan year, which such financial statements shall fairly present the financial condition and the results of operations of such RMG Plan in accordance with GAAP as of such dates, and (vii) each amendment to each of the foregoing documents.

(b) Neither RMG nor any RMG ERISA Affiliate is subject to any 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 neither RMG nor any RMG ERISA Affiliate has any knowledge of any circumstances which reasonably might result in any 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 laws. There has been no failure of any RMG 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(a) of the Code, to comply. No event has occurred which could subject any RMG Plan to tax under Section 511 of the Code.

(c) Each of the RMG Plans which is intended to be a qualified plan under Section 401(a) of the Code has received a favorable determination letter from the Internal Revenue Service. There has been no failure to administer any of the RMG Plans in material compliance with the terms of such RMG Plan, ERISA, the Code and all other applicable laws. All contributions required to be made to each of the RMG Plans under the terms of that RMG Plan, ERISA, the Code or any other applicable laws have been timely made. The financial statements of RMG attached hereto as Schedule 5.12 properly reflect all amounts required to be accrued as liabilities to date under each of the RMG Plans. Each RMG Plan intended to meet the requirements for tax-favored treatment under Subchapter B of Chapter 1 of the Code meets such requirements. Except as set forth on Schedule 5.16, there is no contract, agreement or benefit arrangement covering any employee of RMG which, individually or collectively, could give rise to the payment of any amount which would constitute an "excess parachute payment" (as defined in Section 280G of the Code). Except as set forth on Schedule 5.16, the execution and performance of this Agreement will not (i) result in any obligation or liability (with respect to accrued benefits or otherwise) of RMG to any RMG Plan, or any present or former

employee of RMG or IPWT, (ii) be a trigger event under any RMG 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 RMG or IPWT. With respect to any insurance policy which provides, or has provided, funding for benefits under any RMG Plan, (I) there is and will be no liability of RMG or Charter 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 RMG, no such proceedings with respect to any insurer are imminent.

(d) The present value of all accrued benefits under any RMG Plans subject to Title IV of ERISA shall not, as of the Closing Date, exceed the value of the assets of such RMG Plans allocated to such accrued benefits, based upon the applicable provisions of the Code and ERISA, and each such RMG Plan shall be capable of being terminated as of the Closing Date in a "standard termination" under Section 4041(b) of ERISA. The transactions contemplated hereunder, including without limitation the termination of any RMG Plans at or prior to the Closing, shall not result in any such withdrawal or other liability under any applicable laws.

(e) Other than routine claims for benefits under the RMG Plans, there are no pending, or, to the best knowledge of RMG, threatened, investigations, proceedings, claims, lawsuits, disputes, actions, audits or controversies involving the RMG Plans, or the fiduciaries, administrators, or trustees of any of the RMG Plans or RMG or any RMG ERISA Affiliate as the employer or sponsor under any RMG Plan, with any of the Internal Revenue Service, the Department of Labor, the Pension Benefit Guaranty Corporation, any participant in or beneficiary of any RMG Plan or any other person whomsoever. To the Knowledge of RMG, there is no reasonable basis for any such claim, lawsuit, dispute, action or controversy.

For purposes of this Section 5.16.4, the term "RMG Plans" shall mean (i) all "employee benefit plans" (as such term is defined in Section 3(3) of ERISA, of which RMG or any ERISA Affiliate of RMG (an "RMG ERISA Affiliate") is or ever was a sponsor or participating employer or as to which RMG or any RMG ERISA Affiliate makes contributions or is required to make contributions, and (ii) any similar employment, severance or other arrangement or policy of RMG or of any RMG ERISA Affiliate providing for insurance coverage (including self-insured arrangements), workers' compensation, disability benefits, supplemental unemployment benefits, vacation benefits or retirement 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.

5.17. Systems Information.

5.17.1. Schedules 5.17.1-A and 5.17.1-B set forth a materially true and accurate description, on a System-by-System basis, of the following information relating to the IPWT Systems, the Kingsport System and the RMG Systems, respectively, as of December 31, 1998:

(a) the approximate number of aerial and underground miles of plant included in the Assets and served by each headend;

(b) the approximate number of single family homes and residential multiple dwelling units passed by each System;

(c) the MHZ capacity and channel capacity of each headend; and

(d) the number of subscribers served by each System and a description of the calculation methodology used by IPWT, IPSE or RMG, as the case may be, to calculate such subscribers.

5.17.2. Schedules 5.17.2-A and 5.17.2-B set forth a materially true and accurate description of the following information relating to the IPWT Systems, the Kingsport System and the RMG Systems, respectively, as of the date of this Agreement:

(a) a description of the Basic Services, the Expanded Basic Services, Pay TV and a la carte services available from each System, and the rates charged by IPWT, IPSE or RMG, as the case may be, therefor, including all rates, tariffs and other charges for cable television or other services provided by each System;

(b) the stations and signals carried by each System and the channel position of each such signal and station; and

(c) the cities, towns, villages, boroughs and counties served by each System.

5.17.3. Each System is capable of providing all channels, stations and signals reflected as being carried on such System on Schedules 5.17.1-A and 5.17.1-B.

5.18. Taxpayer Identification Number. The U.S. Taxpayer Identification Number for IPWT is 94-3113517.

5.19. Finder and Brokers. Neither IPWT, IPSE nor RMG has entered into any Contract with any person which will result in the obligation of Charter to pay any finder's fees, brokerage or agent's commissions or other like payments (collectively, "Agent's Fees") in connection with the negotiations leading to this Agreement or the consummation of the transactions contemplated hereby.

5.20. Related Party Transactions. Set forth on Schedule 5.20 hereto, are the Contracts, agreements, arrangements or understandings between IPWT, IPSE, RMG and any of their Affiliates and between IPWT, IPSE, RMG and any AT&T Affiliates; provided, however, with respect to IPWT, such Contracts, agreements, arrangements or understandings are set forth only to the extent included in or related to the Assets.

5.21. Representations and Warranties of RMG in IP-I/Charter Exchange Agreement. The representations and warranties made by RMG in the IP-I/Charter Exchange Agreement (as defined in the Common Agreement) are true, complete and accurate in all respects. This Section 5.21 shall not survive the "Closing" under the IP-I/Charter Exchange Agreement.

6. CHARTER'S REPRESENTATIONS AND WARRANTIES. Charter represents and warrants to IPWT as of the date of this Agreement and as of the Closing as follows:

6.1. Organization and Qualification of Charter. Charter is a limited liability company duly formed, validly existing and in good standing under the laws of the State of Delaware. Charter has all requisite power and authority to own, lease and use the assets owned, leased or used by it and to conduct its business as it is currently being conducted by it. As of the date of this Agreement, Charter is duly qualified to do business and is in good standing under the laws of each jurisdiction in which the ownership, leasing or use of the assets owned, leased or used by it or the nature of its activities in connection with its business makes such qualification necessary.

6.2. Authority and Validity. Charter has all requisite corporate power and authority to execute and deliver, to perform its obligations under, and to consummate the transactions contemplated by, this Agreement and the Transaction Documents. The execution and delivery by Charter of, its performance under, and its consummation of the transactions contemplated by, this Agreement and the Transaction Documents have been duly and validly authorized by all action by or on behalf of Charter. This Agreement has been, and when executed and delivered by Charter the Transaction Documents will be, duly and validly executed and delivered by Charter and the valid and binding obligations of Charter, enforceable against it in accordance with their terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect relating to the enforcement of creditors' rights generally or by principles governing the availability of equitable remedies.

6.3. No Conflict; Required Consents. Except as set forth on Schedule 6.3, and assuming any consents referenced on Schedule 5.3 have been obtained and the expiration or earlier termination of the waiting period under the HSR Act has occurred, the execution and delivery by Charter of, its performance under, and its consummation of the transactions contemplated by, this Agreement and the Transaction Documents do not and will not: (a) conflict with or violate any provision of the organizational documents of Charter; (b) violate any provision of any Legal Requirement; (c) require any consent, approval or authorization of, or filing of any certificate, notice, application, report or other document with, any Governmental Authority or other Person; or (d) (i) conflict with, violate, result in a breach of or constitute a default under (without regard to requirements of notice, lapse of time or elections of other Persons or any combination thereof), (ii) permit or result in the termination, suspension or modification of, (iii) result in the acceleration of (or give any Person the right to accelerate) the performance of Charter under, or (iv) result in the creation or imposition of any Lien under any instrument or other agreement to which Charter is a party or by which Charter or any of its assets is bound or affected, except for purposes of clauses (c) and (d) such consents, approvals, authorizations and filings that, if not obtained or made, would not, and such violations, conflicts, breaches, defaults, terminations, suspensions, modifications and accelerations as would not, individually or in the aggregate, have an adverse effect on its ability to perform its obligations under this Agreement or the Transaction Documents.

6.4. Finder and Brokers. Charter has not entered into any Contract with any person which will result in the obligation of IPWT to pay any Agent's Fees in connection with the negotiations leading to this Agreement or the consummation of the transactions contemplated hereby.

6.5. Litigation. Except as set forth on Schedule 6.5, there is no Litigation pending or, to Charter's Knowledge, threatened against Charter or any Affiliate of Charter which, if adversely determined, would materially and adversely affect the ability of Charter to perform its obligations under this Agreement.

6.6. Qualification. Charter knows of no facts which would disqualify it from holding the Shares under any Legal Requirement.

6.7. Securities Law Matters. Charter understands and acknowledges that none of the Shares has been registered or qualified under the federal or applicable state securities laws and the Shares are being sold to and purchased by Charter in reliance upon applicable exemptions from such registration and qualification requirements. Charter is an "accredited investor" within the meaning of the federal securities laws and acknowledges it has been furnished with or afforded access to, and has had the opportunity to ask questions and receive answers concerning, all information pertaining to the Shares. The Shares are being acquired by Charter for investment only and not with a view to any public distribution thereof. Charter understands that the Shares are "restricted securities" within the meaning of the federal securities laws and agrees that it will not offer to sell or otherwise dispose of any of the Shares in violation of the registration and qualification requirements of the federal and applicable state securities laws. All certificates to be delivered at Closing evidencing ownership of the Shares will contain appropriate legends incorporating these applicable securities laws restrictions.

6.8. Taxpayer Identification Number. The U.S. Taxpayer Identification Number for Charter is 43-1659860.

7. ADDITIONAL COVENANTS.

7.1. Access to Premises and Records. Between the date of this Agreement and the Closing Date, IPWT (a) will, and will cause IPSE and RMG to, give Charter and its counsel, accountants and other representatives reasonable access during normal business hours and upon reasonable advance notice to (i) all premises and books and records of the Cable Business, (ii) all Assets and the personnel engaged in the management or operation of the Systems and (iii) all other books and records of RMG; and (b) will, and will cause RMG to, furnish to Charter and such representatives all such documents, financial information and other information regarding the Cable Business, the Assets and RMG as Charter from time to time reasonably may request; provided that no investigation will affect or limit the scope of any of the representations, warranties, covenants and indemnities of the other in this Agreement or in any Transaction Document or limit liability for any breach of any of the foregoing.

7.2. Continuity and Maintenance of Operations, Certain Deliveries and Notice. Except as set forth on Schedule 7.2(a) or in the 1999 operating budgets set forth on Schedule 7.2(b) or as Charter may otherwise consent in writing, between the date of this Agreement and the Closing, IPWT with respect to the Cable Business, the Systems and the Assets:

7.2.1. will, and will cause IPSE and RMG to, conduct the Cable Business in good faith and operate the Systems only in the usual, regular and ordinary course (including making routine capital expenditures and operating substantially in accordance with the 1999 capital and operating budgets with respect to each such System (copies of which are set forth on Schedule 7.2(b)), completing ongoing and planned line extensions, placing conduit or cable in new developments, fulfilling installation requests, completing disconnection work orders and disconnecting and discontinuing service to customers whose accounts are delinquent) and, to the extent consistent with such conduct and operation, use its commercially reasonable efforts to (a) preserve its current business intact in all material respects, including preserving existing relationships with franchising authorities, suppliers, customers and others having business dealings with the Systems, (b) keep available the services of its employees and agents providing services in connection with the Cable Business, (c) continue budgeted marketing, advertising and promotional expenditures with respect to the Cable

Business, (d) enter into written agreements with respect to all multiple dwelling unit and bulk billed accounts having greater than 200 individual units, and (e) operate the Cable Business in material compliance with all Legal Requirements;

7.2.2. will, and will cause IPSE and RMG to, maintain the Assets in good operating repair, order and condition, ordinary wear and tear excepted; will, and will cause IPSE and RMG to, maintain equipment and inventory for the Systems at normal historical levels consistent with its past practices (as adjusted to account for abnormally high inventory levels related to periodic rebuild activity); will, and will cause IPSE and RMG to, maintain in full force and effect policies of insurance with respect to the Cable Business in such amounts and with respect to such risks as are currently in effect for the Systems; and will, and will cause IPSE and RMG to, maintain its books, records and accounts with respect to the Assets and the operation of the Systems in the usual, regular and ordinary manner on a basis consistent with its past practices;

7.2.3. will not, and will cause IPSE and RMG not to, outside the ordinary course of business or to the extent inconsistent with past practice or the 1999 operating budget included in Schedule 7.2(b), (a) modify, terminate, renew, suspend or abrogate any System Contract (other than retransmission consent System Contracts, System Contracts evidencing Leased Property or Other Real Property Interests and lease agreements for Tangible Personal Property) or, with respect to RMG, any other material Contract; (b) modify, terminate, renew, suspend or abrogate any retransmission consent System Contract, System Franchise, System Contract evidencing Leased Property or Other Real Property Interests, lease agreements for Tangible Personal Property or System License except for renewals (other than renewals of System Franchises) on terms that are not materially different from those which currently exist and renewals of System Franchises as otherwise required or permitted under this Agreement; (c) engage in any marketing, subscriber installation, collection or disconnection practices; (d) make any Cost of Service Election; (e) other than as set forth on Schedule 7.2(a), enter into any agreement with or commitment to any competitive access provider and/or local exchange company or any internet access or on-line services provider with respect to the use or lease of any of the Assets; (f) sell, transfer or assign any portion of the Assets other than sales in the ordinary course of business or permit the creation of a Lien (other than Permitted Liens) on any of the Assets; (g) decrease the rate charged for any level of Basic Services, Expanded Basic Services or any Pay TV or, except as expressly permitted by Schedule 7.2(a), add, delete, retier or repackage any analog programming services, in each case except to the extent required under the 1992 Cable Act or any other Legal Requirement; provided, however, that if rates are decreased in order to so comply, IPWT will provide Charter with copies of any FCC forms (even if not filed with any Governmental Authority) used to determine that the new rates were required; (h) convert any of the Systems to any billing system or otherwise change billing arrangements for any of the Systems; (i) with respect to IPWT or IPSE, enter into any Contract of any kind relating to the Cable Business to be assumed by Charter hereunder or, with respect to RMG, enter into any Contract of any kind that individually or in the aggregate call for payments pursuant to such Contract's terms or otherwise involving expenditures in excess of one hundred thousand dollars ($100,000) (with respect to IPWT or IPSE) or twenty-five thousand dollars ($25,000) (with respect to RMG), except for the renewal of Contracts that would, but for such renewal, terminate in accordance with their terms prior to Closing; (j) except pursuant to or required by plans, agreements or arrangements already in effect on the date hereof, make any material increase in compensation or benefits payable or to become payable to employees or make any material change in personnel policies; (k) take any action with respect to the grant or increase of severance or termination pay payable after the Closing Date; (l) with respect to IPWT or IPSE, engage in any material transaction with respect to the Cable Business or, with respect to RMG, engage in any material transaction; or (m) agree to do any of the foregoing; provided, however, that no provision of this Section 7.2.3 shall be interpreted to prohibit or restrict in any way RMG's right, in its full and absolute

discretion, to take whatever actions it deems appropriate with respect to the interests it holds in AVR of Tennessee, L.P. and Hyperion of Tennessee, L.P. provided such actions do not expand RMG's liability beyond that which is set forth in that certain Purchase Agreement between RMG and Hyperion Telecommunications, Inc. dated as of February 11, 1999, a copy of which has been delivered to Charter;

7.2.4. will, and will cause IPSE and RMG to, promptly deliver to Charter (i) true and complete copies of all monthly statements of income and such other information with respect to the Systems or the operation of the Cable Business in a format consistent with the form of report attached hereto as Schedule 7.2(c) for the period from January 1, 1999, through the Closing, and if the Closing occurs as of the end of a month, as soon as practicable after Closing and (ii) such financial information reasonably requested by Charter;

7.2.5. will, and will cause IPSE and RMG to, give or cause to be given to Charter, as soon as reasonably possible but in any event within five (5) Business Days after the date of submission to the appropriate Governmental Authority, copies of all FCC Forms 1200, 1205, 1210, 1215, 1220, 1225, 1235 and 1240 or any other FCC forms required to be filed with any Governmental Authority under the 1992 Cable Act with respect to rates and prepared with respect to any of the Systems;

7.2.6. will, and will cause IPSE and RMG to, duly and timely file a valid notice of renewal under Section 626 of the Cable Act with the appropriate Governmental Authority with respect to any System Franchise that will expire within thirty-six (36) months after any date between the date of the Agreement and the Closing Date;

7.2.7. will, and will cause IPSE and RMG to, promptly notify Charter of any fact, circumstance, event or action by it or otherwise (a) which, if known at the date of this Agreement, would have been required to be disclosed by it in or pursuant to this Agreement or (b) the existence, occurrence or taking of which would result in the condition of IPWT in Section 8.2.1 (with respect to the representations and warranties of Charter) or the condition of Charter in Section 8.1.1 (with respect to the representations and warranties of IPWT) not being satisfied at any time prior to or on the Closing, and, with respect to clause (b), use its commercially reasonable efforts to remedy the same and to satisfy such condition to the other Party's obligation to consummate the transactions contemplated by this Agreement;

7.2.8. will, and will cause IPSE and RMG to, use its commercially reasonable efforts to challenge and contest any Litigation brought against or otherwise involving IPWT, IPSE or RMG that could result in the imposition of Legal Requirements that could cause the conditions to the Closing not to be satisfied; and

7.2.9. will, and will cause IPSE and RMG to, cause its appropriate Affiliates to be bound by and comply with the provisions of this Section 7.2 to the extent such Affiliates own, operate or manage any of the Assets or Systems.

7.3. Employees.

7.3.1. Except as set forth in this Section 7.3.1, Charter may, but shall have no obligation to (i) in the case of IPWT, employ or offer employment to any employee of IPWT's Cable Business and (ii) in the case of RMG, cause RMG to retain any employee. Within thirty (30) days after the date of execution of this Agreement, IPWT shall, and shall cause RMG to, provide to Charter a list of all employees of the Systems and any other employees of RMG (other than those related to the Brentwood Systems) (collectively the "System Employees") as of a recent date, showing the original hire date, the then-current positions and rates of compensation and whether the employee is subject to an employment agreement, a collective bargaining agreement or represented by a labor organization. Within sixty (60) days after the date of execution of this Agreement (but in no event less than thirty (30) days after receipt of such list), or such other date as the Parties may agree, Charter will provide to IPWT in writing a list of the System Employees Charter or its Affiliates will employ following the Closing, subject only to the evaluations permitted by this Section. IPWT agrees, and shall cause its appropriate Affiliates, to cooperate in all reasonable respects with Charter to allow Charter or its Affiliates to evaluate the System Employees to make hiring decisions. In this regard, Charter shall have the opportunity to make such appropriate prehire investigation of each of the System Employees, as it deems necessary, including, subject to obtaining the consent of such System Employee, the right to review personnel files and conduct background checks and the right to interview such employees during normal working hours so long as such interviews are conducted after notice to IPWT, IPSE or RMG, as appropriate, and do not unreasonably interfere with IPWT's, IPSE's or RMG's operations. IPWT will, and will cause IPSE and RMG to, use its good faith efforts to obtain the consent of each of its System Employees to allow Charter to review personnel files and to conduct background checks in connection with the foregoing. Charter or its Affiliates may, if it wishes, condition any offer of employment upon the employee's passing a pre-placement physical examination (including drug screening test) and the completion of a satisfactory background check. Charter shall bear the expense of such examination but IPWT shall, and shall cause IPSE and RMG to, upon reasonable notice, cooperate in the scheduling of such examinations so long as the examinations do not unreasonably interfere with IPWT's, IPSE's or RMG's operations. RMG shall terminate, as of the Closing Date, any RMG employee which Charter (or, with respect to the Brentwood Systems, IP-I or its Affiliates) has determined not to retain. As of the Closing Date, Charter shall have no obligation to IPWT, IPSE or RMG or their Affiliates, or to IPWT's, IPSE's or RMG's employees, with regard to any employee it has determined not to hire or retain, as the case may be, and IPWT and IPSE shall indemnify and hold Charter and RMG harmless (pursuant to the Common Agreement) with respect to any Losses incurred by RMG, Charter or its Affiliates with respect to employees terminated pursuant to the preceding sentence. Notwithstanding any of the foregoing, Charter agrees not to solicit for employment, without the written consent of IPWT, IPSE or RMG, as appropriate, any employee of IPWT, IPSE or RMG whose position is System manager or higher.

7.3.2. To the extent not included in the calculation of the Base Value or the Adjusted Value in accordance with the terms of the Common Agreement, IPWT will, and will cause IPSE and RMG to, pay to all of their respective Systems Employees all compensation, including salaries, commissions, bonuses, deferred compensation, severance (to the extent applicable), insurance, vacation (except for accrued vacation time (not to exceed four weeks) and sick time (not to exceed ten (10) days) included in the calculation of the Adjusted Value, and other compensation or benefits to which they are entitled for periods prior to the Closing, including all amounts, if any, payable on account of the termination of their employment.

7.3.3. IPWT or its appropriate Affiliates, will be responsible for maintenance and distribution of benefits accrued under any employee benefit plan (as defined in ERISA) maintained by

IPWT, IPSE, RMG, or its appropriate Affiliate, pursuant to the provisions of such plan and any Legal Requirements. Charter will not assume any obligation or liability for any such accrued benefits or any fiduciary or administrative responsibility to account for or dispose of any such accrued benefits under any employee benefit plans maintained by IPWT, IPSE, RMG or any of their Affiliates. In the event that IPWT determines that the transactions contemplated by this Agreement will not permit a distribution to be made to a Hired Employee (as defined below) from IPWT's or IPSE's tax qualified plan in accordance with Section 401(k)(10) of the Code then Charter may accept a plan-to-plan transfer of Hired Employees' plan benefits to its own tax qualified plan. If there is no plan-to-plan transfer, in order to permit IPWT or IPSE or their appropriate Affiliates to make distributions to any former System Employee of IPWT or IPSE who becomes a Hired Employee of Charter of the balance of such employee's 401(k) account in IPWT's or IPSE's or their Affiliate's tax qualified plan, if any, as soon as legally permitted, Charter shall notify IPWT of the date of termination of such employee's employment with Charter for any reason.

7.3.4. To the extent not included in the calculation of the Base Value or the Adjusted Value in accordance with the terms of the Common Agreement, all claims and obligations under, pursuant to or in connection with any welfare, medical, insurance, disability or other employee benefit plans of IPWT, RMG or any of their Affiliates or arising under any Legal Requirement affecting employees of IPWT, RMG or any of their Affiliates incurred on or before the Closing Date or resulting from or arising from events or occurrences occurring or commencing on or before the Closing Date will remain the responsibility of IPWT or its appropriate Affiliate (other than RMG), whether or not such employees are hired by Charter as of or after the Closing. Charter will not have or assume any obligation or liability under or in connection with any such plan of IPWT, RMG or any Affiliate of IPWT or RMG, as appropriate.

7.3.5. To the extent not included in the calculation of the Base Value or the Adjusted Value in accordance with the terms of the Common Agreement, IPWT and IPSE will remain solely responsible for all indemnities in the Common Agreement, and all salaries and all severance, vacation (except for accrued vacation time and sick time included in the calculation of the Adjusted Value), medical, holiday, continuation coverage and other compensation or benefits to which the employees of IPWT, IPSE, RMG or their Affiliates may be entitled, whether or not such employees may be hired by Charter, IP-I or any Affiliate of Charter, as a result of their employment by IPWT, IPSE or RMG, or any Affiliate of IPWT, IPSE or RMG, as appropriate, on or prior to the Closing Date, the termination of their employment on or prior to the Closing Date, the consummation of the transactions contemplated hereby or pursuant to any applicable Legal Requirement or otherwise relating to their employment prior to the Closing Date. Any liability under WARN with regard to any employee terminated on or prior to the Closing Date, or not hired by Charter or retained by RMG on or after the Closing Date, shall, as a matter of contract between the parties, be the responsibility of IPWT, IPSE or their Affiliates (other than RMG) to the extent not included in the calculation of the Base Value or the Adjusted Value in accordance with the terms of the Common Agreement,. Charter and its Affiliates shall cooperate with IPWT, IPSE, RMG and their Affiliates, if requested, in the giving of WARN notices.

7.3.6. Notwithstanding anything to the contrary herein, Charter shall (or, following the Closing, shall cause RMG to):

(a) credit each System Employee who is offered on or prior to the Closing employment by Charter and becomes an employee of Charter after the Closing Date or who remains a System Employee of RMG after the Closing Date (a "Hired Employee") the amount of vacation time (to a maximum of four (4) weeks) and sick time (to a maximum of ten (10) days) accrued by him or her as a System Employee of IPWT, RMG or IPSE, as appropriate, through and including the Closing Date to the extent the Adjusted Value is decreased pursuant to Section 2.2(c) of the Common Agreement in the case of System Employees who become employees of Charter or its Affiliates or RMG; provided, however, that if any Hired Employee has accrued vacation time and/or sick time in excess of four (4) weeks or ten (10) days, respectively, then IPWT shall pay to such employee the amount of such excess and neither Charter nor RMG shall assume any liability or obligation in respect of such excess;

(b) permit each Hired Employee to participate in Charter's employee benefit plans to the same extent as similarly situated employees of Charter and their dependents are permitted to participate;

(c) give each Hired Employee credit for such employee's past service with IPWT, IPSE or RMG, as appropriate, and their Affiliates as of the Closing Date (including past service with any prior owner or operator of the Systems or the Cable Business) for purposes of eligibility and vesting under Charter's employee benefit and other plans to the same extent as other similarly situated employees of Charter;

(d) not subject any Hired Employee to any waiting periods or limitations on benefits for pre-existing conditions under Charter's employee benefit plans, including any group health and disability plans, except to the extent such employees were subject to such limitations under the employee benefit plans of IPWT, IPSE, RMG or any of their Affiliates; and

(e) credit each Hired Employee under any group health plan for any deductible amount previously met by such Hired Employee as of the Closing Date under any of the group health plans of IPWT, IPSE, RMG or any of their Affiliates.

7.3.7. If Charter or RMG discharges any Hired Employee without cause within one hundred twenty (120) days after Closing, then Charter shall pay severance benefits to such Hired Employee in accordance with IPWT's, IPSE's or RMG's severance benefit plan, as the case may be. For purposes of this Section 7.3.7, "cause" shall have the meaning set forth in Charter's employment policies, procedures or agreements applicable to Charter's employees who are situated similarly to the discharged Hired Employee.

7.3.8. If IPWT, IPSE or RMG has, or acquires, a duty to bargain with any labor organization, then IPWT will, and will cause IPSE or RMG to, as appropriate, (i) give prompt written notice of such development to Charter, including notice of the date and place of any negotiating sessions as they are planned or contemplated and permit Charter to have a representative present at all negotiating sessions with such labor organization and at all meetings preparatory thereto (including making Charter's representative a representative of IPWT's, IPSE's or RMG's delegation if required by the labor organization) and (ii) not, without Charter's written consent, enter into any Contract with such labor organization that purports to bind Charter, including any successor clause or other clause which would have this purpose or effect. IPWT acknowledges and agrees that Charter has not agreed to be bound, and will not be bound, without an explicit assumption of such liability or responsibility by

Charter, by any provision of any collective bargaining agreement or similar Contract with any labor organization to which IPWT, IPSE, RMG or any of their Affiliates are or may become bound.

7.3.9. Nothing in this Section 7.3 or elsewhere in this Agreement shall be deemed to make any employee of the Systems a third party beneficiary of this Agreement.

7.3.10. Notwithstanding any other provision of this Agreement, in respect of wages paid with respect to the 1999 calendar year to employees of IPWT or IPSE who after the Closing become employees of Charter, the Parties agree to comply, and to cause their respective Affiliates to comply, with the alternative procedure set forth in Section 5 of Revenue Procedure 96-60 and shall cooperate, and shall cause their respective affiliates to cooperate, with each other in complying with such procedures.

7.4. Leased Vehicles; IPWT Other Capital Leases. To the extent not included in the calculation of the Base Value or the Adjusted Value in accordance with the terms of the Common Agreement, except for leases described in Schedule 4.1(b), IPWT or IPSE will pay the remaining balances on any leases for vehicles or capital leases included in the Tangible Personal Property and will deliver title to such vehicles and other Tangible Personal Property to Charter at the Closing, free and clear of all Liens. At the Closing, RMG will have good and marketable title to its vehicles and Tangible Personal Property, free and clear of all Liens.

7.5. Required Consents; Franchise Renewal.

7.5.1. Each Party will use its 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 by such Party or its Affiliates in connection with the transactions contemplated by this Agreement, and deliver to the other Party copies of such Required Consents and such other consents, authorizations or approvals promptly after they are obtained by such Party and (ii) give any required written notice in connection with the transactions; provided, that each Party will afford the other Party the opportunity to review, approve and revise the form of letter or application proposed to request the Required Consent or form of written notice prior to delivery to the Third Party or the Affiliate of a Party whose consent is sought or to whom such notification is required. All documents delivered or filed with any Governmental Authority or any Person by or on behalf of such Party pursuant to this Section 7.5.1, when so delivered or filed, will be correct, current and complete in all material respects. Each Party will cooperate with the other Party to obtain all Required Consents and no Party shall intentionally take any action or steps that would prejudice or jeopardize the obtaining of any Required Consent. IPWT will, and will cause IPSE and RMG to, not accept or agree or accede to any modifications or amendments to, or the imposition of any condition to the transfer of, any of the System Franchises, System Licenses or System Contracts of the Cable Business that are not acceptable to Charter. Notwithstanding the foregoing, as soon as practicable after the date of this Agreement (and in no event more than fifteen (15) Business Days hereafter), each Party will cooperate with the other to complete, execute and deliver, or cause to be completed, executed and delivered, to the appropriate Governmental Authority, a FCC Form 394 with respect to each System Franchise other than any such 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 appropriate Governmental Authority that did not initially receive a FCC Form 394 for any System Franchise, then the Parties will cooperate to complete, execute and deliver a 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. 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.

7.5.2. Each Party will use commercially reasonable efforts to obtain and cooperate with the other Party to obtain a renewal or extension of any System Franchise (for a period expiring no earlier than three years after the Closing Date) for which a valid notice of renewal pursuant to the formal renewal procedures established by Section 626 of the Cable Act has not been timely delivered to the appropriate Governmental Authority and no written confirmation has been received from such Governmental Authority that the procedures established by Section 626 nonetheless will be applicable with respect to the renewal or extension of such System Franchise.

7.5.3. Notwithstanding the provisions of Section 7.5.1, no Party will have any further obligation to obtain Required Consents: (a) with respect to license agreements relating to pole attachments where the licensing authority will not consent to an assignment of such license agreement but requires that Charter enter into a new agreement with such licensing authority, in which case Charter shall use its commercially reasonable efforts to enter into such agreement prior to Closing or as soon as practicable thereafter and IPWT will cooperate with and assist Charter in obtaining such agreements; (b) for any business radio license or any private operational fixed service (POFS) microwave license which IPWT reasonably expects can be obtained within one hundred twenty (120) days after the Closing and so long as a conditional temporary authorization (for a business radio license) or a special temporary authorization (for a POFS license) is obtained by Charter under FCC

rules with respect thereto; (c) with respect to Contracts evidencing Leased Property, if, with the consent of Charter, IPWT obtains and makes operational prior to Closing substitute Leased Property that is reasonably satisfactory to Charter; (d) with respect to Contracts evidencing leased Tangible Personal Property that is material to the Cable Business, if, with the consent of Charter, IPWT obtains and makes operational prior to Closing substitute Tangible Personal Property that is reasonably satisfactory to Charter; and (e) with respect to Contracts which are not identified with an asterisk (*) on Schedule 5.3 or 6.3, respectively, if IPWT uses its commercially reasonable efforts to obtain the Required Consent of the other party to such Contract but fails to obtain such consent on or prior to Closing.

7.5.4. If and to the extent that IPWT and Charter, or either of them, fails to obtain all Required Consents identified with an asterisk (*) on Schedule 5.3 or 6.3 (except IPWT Required Consents for the transfer of Systems Franchises which shall be governed by Section 7.5.5) on or prior to the Closing (whether or not Charter or IPWT shall have waived satisfaction of the condition to Closing set forth in Section 8.1.5 or Section 8.2.5, respectively), subsequent to the Closing, IPWT with respect to the Systems and Assets will continue to use commercially reasonable efforts to obtain in writing as promptly as possible such Required Consents and will deliver copies of the same, reasonably satisfactory in form and substance, to Charter. The obligations set forth in this Section will survive the Closing and will not be merged in the consummation of the transactions contemplated hereby.

7.5.5. If less than all of the Required Consents for the transfer of Systems Franchises are obtained as of the Closing Date, then subject to the conditions set forth in Section 4.1(c) of the Common Agreement, the following will occur:

(a) The Parties shall negotiate in good faith to reach agreement on one or more operating agreements pursuant to which Charter will operate any IPWT Assets located in the franchise area for the System Franchise for which a Required Consent has not been obtained ("Retained Franchise") and will receive the economic benefits of such operation to the extent not prohibited under the terms thereof, or other compensation as may be agreed upon, which operating agreements shall also contain any required signal sharing arrangements that the Parties, each acting in good faith, may determine to be necessary (the "Operating Agreements").

(b) At the Closing, IPWT shall transfer, convey and assign (the "Primary Transfer") the Shares and all of the IPWT System Assets other than any Retained Franchises.

(c) Following the Closing of the Primary Transfer, the parties will continue to use commercially reasonable efforts to obtain on an expedited basis the Required Consents for all Retained Franchises. The Operating Agreements will contain mutually acceptable terms regarding the post-Closing exchange or transfer (a "Subsequent Transfer") of the Retained Franchises after the receipt or failure to receive the Required Consents applicable to such Retained Franchises.

(d) All references in this Agreement to the Closing and the Closing Date will mean the Closing and Closing Date of the Primary Transfer except as specifically provided otherwise in this Section 7.5.5(d). Without limiting the foregoing, all representations and warranties (except as to those Required Consents that have not been obtained) made in connection with the Retained Franchises will be made as of the Closing Date rather than the date of the Subsequent Transfer, the other covenants in Article 7 will not apply to the Retained Franchises following the Closing Date, and the Survival Period applicable under Article 11 for all such representations, warranties and covenants will accrue from the Closing Date; provided, that the parties will negotiate in good faith to include appropriate covenants in the Operating Agreements that will apply to the Retained

Franchises following Closing. The closing conditions in Article 8 will not apply to any Retained Franchise transfer; provided, that the parties will negotiate in good faith to include appropriate conditions to the later transfer of the Retained Franchises in the Operating Agreements. Notwithstanding the foregoing, the adjustments provided for in Article 3 will be made as of the Closing Date for the Retained Franchises.

(e) If the provisions of this Section 7.5.5 become operative, the parties agree to use commercially reasonable efforts and act in good faith in taking such actions and negotiating such additional provisions or other agreements, including amendments to this Agreement, as may be necessary or appropriate to carry out the intent of this Section 7.5.5, including keeping franchise transfers effective.

7.6. Title Commitments and Surveys. Charter will have the option to obtain, at its own expense, (i) commitments of title insurance ("Title Commitments") issued by a nationally recognized title insurance company selected by Charter (the "Title Company") and containing policy limits and other terms reasonably acceptable to Charter, and photocopies of all recorded items described as exceptions therein committing to insure (a) fee title in Charter to each parcel of Owned Property and (b) a leasehold interest in Charter in each parcel of Leased Property that is the site of a System headend or tower, by American Land Title Association ("ALTA") (1992) owner's or lessee's policies of title insurance, and (ii) current ALTA as-built surveys (in accordance with the Minimum Standard Detail Requirements for Land Title Surveys jointly established and adopted by ALTA and the American Congress on Surveying and Mapping in 1992) of each such parcel of Owned Property or Leased Property with monuments placed at all major corners of the property boundary unless already marked and showing the location and identification by recorded instrument number of all easements or rights-of-way burdening or benefiting the property in question and all other documents and matters referenced as exceptions on the Title Commitment, the location of all apparent easements and rights-of-way, flood zone designation, setback lines, if applicable, the location of all substantial visible improvements on such property and the location of all adjoining streets and indication of access to a public way such as curb cuts and driveways, in such form as is reasonably satisfactory to Charter and as is necessary to obtain the title insurance to be issued pursuant to the Title Commitments with the standard printed exceptions relating to survey matters deleted (the "Surveys"), certified to the parties and the Title Company issuing a Title Commitment. If Charter notifies IPWT within twenty (20) days of this Agreement or, if later, of its receipt of both the Title Commitments and the Surveys of any Lien (other than a Permitted Lien) or other matter affecting title to Owned Property or Leased Property which renders (or presents a material risk of rendering) title to any parcel of Owned Property not good and marketable or prevents or materially interferes with (or presents a material risk of preventing or interfering with) the use of any parcel of Owned Property or Leased Property for the purposes for which it is currently used or intended to be used by IPWT (each a "Title Defect"), IPWT will exercise commercially reasonable efforts to remove or, with the consent of Charter, cause the Title Company to commit to insure over, each such Title Defect prior to the Closing.

7.7. HSR Notification. As soon as practicable after the execution of this Agreement, but in any event no later than thirty (30) days after such execution, Charter and IPWT will each complete and file, or cause to be completed and filed at its own cost and expense, any notification and report required to be filed under the HSR Act with respect to the transactions contemplated by this Agreement and each such filing shall request early termination of the waiting period imposed by the HSR Act. The Parties shall use their respective 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 their respective 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. Each Party will 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.

7.8. Sales and Transfer Taxes. All sales, use or excise Taxes arising from or payable by reason of the transfer of any of the Assets ("Transfer Taxes") will be shared equally by IPWT and Charter. All transfer and similar taxes or assessments, including transfer fees and similar assessments for or under System Franchises, System Licenses and System Contracts, arising from or payable by reason of the conveyance of the Assets and the Shares also will be shared equally by IPWT and Charter. 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 neither Party has primary responsibility for filing a Transfer Tax Return, then Charter shall be responsible for preparing and filing any such Transfer Tax Return.

7.9. Programming. Charter will execute and deliver such documents and take such action as may be reasonably requested by IPWT to enable IPWT, IPSE and RMG to comply with the requirements of their programming agreements with respect to divestitures and acquisitions of cable television systems; provided, however, that neither Charter nor, following the Closing, RMG, will be required to provide specific programming or channels or to assume any liability with respect to or in connection with the programming agreements of IPWT, IPSE or any of their Affiliates, except to the extent included on Schedule 4.1(b).

7.10. Updated Schedules.

(a) Schedule and exhibit references contained in this Agreement are for convenience only and any matter disclosed pursuant to one section, subsection or other provision of this Agreement, are deemed disclosed for all purposes of this Agreement, as long as the disclosure with respect to such matter provides a truthful, accurate and adequate description of all relevant aspects of such matter.

(b) Not less than ten (10) Business Days prior to Closing, IPWT will deliver to Charter revised copies of each of its Schedules, except for Schedule 5.16 as it relates to matters addressed in Sections 5.16.1 and 5.16.2 (regardless of whether the original Schedule is as of a certain date) which shall have been updated and marked to show any changes occurring between the date of this Agreement and the date of delivery; provided, however, that such updates are for informational purposes only, and for purposes of determining whether IPWT's representations, warranties and covenants in this Agreement are true and correct at Closing, all references to the Schedules will mean the version of the Schedules attached to this Agreement on the date of signing. Notwithstanding the foregoing, if the effect of any such updates to Schedules is to disclose any one or more additional properties, privileges, rights, interests or claims, in each case acquired after the date of this Agreement ("New Properties") as Assets that would have been (if owned on the date of this Agreement) required

by this Agreement to have been disclosed by IPWT in its original Schedules or that were acquired by IPWT, IPSE or RMG after the date of this Agreement in breach of this Agreement, then Charter, at or before Closing, will have the right (to be exercised by written notice to IPWT) to cause any one or more of such New Properties to be designated as and deemed to constitute Excluded Assets of IPWT or IPSE for all purposes under this Agreement. If such right is not exercised by Charter and if Charter waives the applicable condition to Closing provided in Section 8.1.1 or 8.1.2, Charter shall be deemed to have accepted such new disclosure with respect to such New Properties and it shall be deemed incorporated by reference into the Schedules. Notwithstanding anything to the contrary contained in this Agreement, and except as set forth in the preceding sentence with respect to New Properties, the waiver of any condition to Closing by a Party who has knowledge of a breach by the other Party will not be deemed a waiver of any rights and remedies with respect to such breach under this Agreement or the Common Agreement.

7.11. Use of Name and Logo. For a period of one hundred eighty (180) days after the Closing, Charter will be entitled to use the trademarks, trade names, service marks, service names, logos and similar proprietary rights of IPWT or IPSE to the extent incorporated in or on the Assets transferred to it at the Closing on a royalty-free basis, provided that Charter will exercise commercially reasonable efforts to remove all such names, marks, logos and similar proprietary rights of the transferor (except to the extent otherwise permitted by IPWT or IPSE) from the Assets as soon as reasonably practicable, and in any event within one hundred eighty (180) days, following the Closing. Notwithstanding the foregoing, nothing in this Section will require Charter to remove or discontinue using any such name or mark that is affixed to converters or other items in or to be used in customer homes or properties, or as are used in a similar fashion making such removal or discontinuation impracticable.

7.12. Transitional Billing Services. IPWT will provide Charter, upon written request delivered a reasonable amount of time in advance and to the extent reasonably practicable, access to and the right to use its billing system computers, software and related fixed assets in connection with the Systems for a period of up to one hundred fifty (150) days following the Closing to allow for conversion of existing billing arrangements, including billing and related arrangements regarding internet access services being provided to customers of a System on the Closing Date ("Transitional Billing Services"). Charter will notify IPWT at least thirty (30) days prior to the Closing as to whether it desires Transitional Billing Services from IPWT. All Transitional Billing Services, if any, that are requested by Charter will be provided on terms and conditions reasonably satisfactory to each Party; provided, however, that the amount to be paid by Charter for such Transitional Billing Services will not exceed the out-of-pocket cost to IPWT of providing such Transitional Billing Services. IPWT will notify Charter of the cost to IPWT of providing such Transitional Billing Services within ten (10) Business Days after receiving Charter's notice requesting the provision of such Transitional Billing Services.

7.13. Confidentiality and Publicity.

7.13.1. Prior to the Closing, each Party will keep confidential any non-public information that such Party may obtain from the other in connection with this Agreement, and following the Closing, each Party will keep confidential any non-public information that such Party may obtain from the other in connection with this Agreement unrelated to the Cable Business, Systems and Shares transferred by IPWT pursuant to this Agreement as well as any non-public information in the possession of Charter related to the Cable Business, Systems and Shares transferred by IPWT to Charter pursuant to this Agreement (any such information that a Party is required to keep confidential pursuant to this sentence shall be referred to as "Confidential Information"). Charter will not disclose, and will cause its employees, consultants, advisors and agents not to disclose, any Confidential Information to any other Person (other than its directors, officers and employees and representatives of its advisers and lenders whose knowledge thereof is necessary in order to facilitate the consummation of the transactions contemplated hereby) or use, and will cause its controlled Affiliates, directors, officers, employees, consultants, advisors and agents not to use, such Confidential Information to the detriment of the other; provided that (i) Charter may use and disclose any such Confidential Information once it has been publicly disclosed (other than by Charter in breach of its obligations under this Section) or which rightfully has come into the possession of Charter (other than from IPWT, IPSE or RMG and other than from another Person in violation of any duty or obligation of confidentiality) and (ii) to the extent that Charter may, in the reasonable opinion of its counsel, be compelled by Legal Requirements to disclose any of such Confidential Information, Charter may disclose such Confidential Information if it will have used all reasonable efforts, and will have afforded the other the opportunity, to obtain an appropriate protective order or other satisfactory assurance of confidential treatment, for the Confidential Information compelled to be disclosed. In the event of termination of this Agreement, Charter will cause to be delivered to IPWT, IPSE or RMG, and retain no copies of, any documents, work papers and other materials obtained by Charter or on its behalf from the other, whether so obtained before or after the execution hereof.

7.13.2. No Party will issue any press releases or make any other public announcement concerning this Agreement and the transactions contemplated hereby, except as required by applicable Legal Requirements, without the prior written consent and approval of the other Party, which consent and approval may not be unreasonably withheld.

7.13.3. Each Party expressly agrees that, in addition to any other right or remedy the other may have, such other Party may seek and obtain specific performance of the covenants and agreements set forth in or made pursuant to this Section 7.13 and temporary and permanent injunctive relief to prevent any breach or violation thereof, and that no bond or other security may be required from such other parties in connection therewith.

7.14. Bulk Transfer. Each Party waives compliance by each other Party with Legal Requirements relating to bulk transfers applicable to the transactions contemplated hereby.

7.15. Lien Searches. IPWT will obtain, at its expense, the results of a lien search conducted by a professional search company of records in the offices of the secretaries of state in each state and county clerks in each county where there exist any Owned Property or Tangible Personal Property, and in the state and county where IPWT's, IPSE's or RMG's principal offices are located, including copies of all financing statements or similar notices or filings (and any continuation statements) discovered by such search company.

7.16. Further Assurances. At or after the Closing, each Party at the request of the other Party, will promptly execute and deliver, or cause to be executed and delivered, to the other Party all such documents and instruments, in addition to those otherwise required by this Agreement, in form and substance reasonably satisfactory to the other Party as the other Party may reasonably request in order to carry out or evidence the terms of this Agreement or to collect any accounts receivable or other claims included in the Assets.

7.17. Post-Closing Cooperation as to Rates.

7.17.1. IPWT will use commercially reasonable efforts to cooperate with and assist Charter by providing, upon reasonable request, all information in IPWT's possession (and not previously made available to Charter) relating directly to the rates set forth on Schedule 5.17.2 or on any of FCC Forms 1200, 1205, 1210, 1220, 1225, 1235 or 1240 or any other FCC Form, that Charter may reasonably require to justify such rates in response to any inquiry, order or requirements of any Governmental Authority.

7.17.2. Prior to Closing, IPWT shall not, and shall cause IPSE and RMG not to, settle or permit to be settled any rate proceeding with respect to the Systems without the consent of Charter, which consent will not be unreasonably withheld or delayed, unless the proposed settlement includes injunctive or other relief that adversely affects the Assets or its ability to operate such Systems substantially in the manner in which they are operated on the date of this Agreement (other than changing the rates in question), in which case consent may be withheld or delayed in Charter's sole discretion.

7.17.3. After the Closing, IPWT will be responsible for and follow to conclusion any rate order of any Governmental Authority or proceeding with respect to rates of any of the IPWT Systems charged by it immediately prior to the Closing; provided, however, that IPWT shall not: (i) agree to any forward-looking rate adjustment; (ii) submit any refund plan to a Governmental Authority that would impact any rates charged or impose financial liability on Charter after the Closing; or (iii) appeal or take any other action with regard to such proceeding that would impact any rates charged or impose financial liability on Charter after the Closing, in any case without obtaining the prior written consent of Charter, which consent shall not be unreasonably withheld. Each Party will cooperate with and assist the other by providing, upon reasonable request, all information in its possession (and not previously made available to the requesting Party) that the requesting Party may reasonably require to justify rates in response to any inquiry, order or requirements of any Governmental Authority.

7.17.4. If, following Closing any System is required pursuant to any Legal Requirement, settlement or otherwise to refund to subscribers any payments, in whole or in part, made by such subscribers prior to Closing, including fees for cable television service, equipment charges, late fees and similar payments, then at the election of Charter and upon IPWT's prior written consent, which consent shall not be unreasonably withheld: (i) IPWT must fulfill such refund obligation through a one-time cash payment to subscribers, in which case IPWT shall provide funds for such payment to Charter, Charter shall cooperate with IPWT or implement and administer such refund payment through Charter's billing system, and IPWT shall reimburse Charter for all reasonable expenses incurred by Charter in connection therewith; (ii) Charter may fulfill such refund obligation through a cash payment, credit or in-kind or other form of consideration, at its discretion and subject to any required approval by a Governmental Authority, and IPWT shall reimburse Charter in the amount of any payment or in the amount of the cost to Charter of any credit or in-kind or other form of consideration and all reasonable expenses incurred by Charter in connection therewith. Without limiting the foregoing,

Charter will provide IPWT with all information in Charter's possession that is reasonably required by IPWT in connection with such reimbursement.

7.17.5. If Charter is permitted following Closing to pass through to subscribers of the Systems, the amount of any "franchise fees on franchise fees" paid by IPWT, IPSE or RMG to the appropriate local franchising authority with respect to the period prior to Closing, Charter agrees that it will collect for the benefit of IPWT such amounts specified no later than the Six-Month Date as paid by IPWT, IPSE or RMG and, except as specified below, will promptly remit such amounts to IPWT; provided, however, that if a local franchising authority challenges such collection or orders Charter to refund such fees to subscribers, then Charter shall not remit the fees to IPWT but shall hold such fees in escrow and the parties will cooperate reasonably and in good faith to challenge such local franchising authority action. Upon the final resolution of such local franchising authority action, the escrowed fees shall be released from escrow and, to the extent not refunded to subscribers, paid over to IPWT. IPWT agrees to provide Charter with such documentation as necessary to demonstrate its payment of the "franchise fees on franchise fees" and to enable Charter to collect the pass through amounts from subscribers.

7.18. Distant Broadcast Signals. Unless otherwise restricted or prohibited by any Governmental Authority, applicable Legal Requirements or Contract, IPWT will, and will cause IPSE and RMG to, if requested by Charter, delete prior to the Closing any distant broadcast signals which Charter determines will result in unacceptable liability on the part of Charter for copyright payments with respect to continued carriage of such signals after the Closing; provided, however, that IPWT may refuse to honor such a request if such deletion could reasonably be expected to delay or otherwise jeopardize its ability to complete the transactions contemplated herein.

7.19. Environmental Assessment.

7.19.1. IPWT acknowledges and agrees, subject to any enforceable restrictions placed thereon by a Third Party owner or lessor of any real property involved, that Charter may commission, at Charter's cost and expense, a so-called "Phase I" environmental site assessment of the Assets or other property of RMG (a "Phase I Assessment"). If the Phase I Assessment or any other information known to IPWT (including information disclosed in connection with the negotiation of this Agreement or described in the Schedules hereto) indicates that a so-called "Phase II" assessment or other additional testing or analysis of the Assets or other property of RMG as Charter may deem appropriate (a "Phase II Assessment") is advisable, then, subject to any enforceable restrictions placed thereon by a Third Party owner or lessor of any real property involved, Charter may elect to cause its agents or representatives to conduct such testing and analysis. IPWT will use its commercially reasonable efforts to comply with any reasonable request for information made by Charter or its agents in connection with any such investigation, but in no event will IPWT be required under this Section 7.19.1 to disclose any materials constituting attorney-client privileged communications. IPWT covenants that any response to any such request for information will be complete and correct in all material respects. IPWT will afford Charter and its agents or representatives access to all operations of IPWT, and will cause IPSE and RMG to afford Charter and its agents or representatives access to all operations of IPSE and RMG, at all reasonable times and in a reasonable manner in connection with any such investigation subject to any reasonably required approval of IPWT's, IPSE's or RMG's landlords, as appropriate, which approval IPWT will, and will cause IPSE and RMG to, use its commercially reasonable efforts to obtain. Should Charter commission such an investigation, such investigation will have no effect upon the representations and warranties made by IPWT to Charter under this Agreement except that if any Phase I Assessment or Phase II Assessment uncovers an environmental condition which then comprises a breach of IPWT's representations or warranties herein and such breach is capable of being cured, IPWT shall be deemed not to have breached such representation or warranty if IPWT cures such breach in accordance with the provisions of this Agreement. In the event this Agreement is terminated or fails to close in accordance with its terms, Charter agrees to repair any damage or disturbance it causes to the Owned Property or Leased Property (or, in the case of RMG, other property of RMG) in the course of such investigative activities by returning such Owned Property or Leased Property (or, in the case of RMG, other property of RMG) to approximately the same condition as existed prior to such investigative activities. Charter shall indemnify, protect, defend and hold IPWT, IPSE, RMG and the Assets (or, in the case of RMG, other property of RMG) free and harmless from and against any and all claims, actions, causes of action, suits, proceedings, costs, expenses (including reasonable attorneys' and consultants' fees and costs), liabilities, damages, and liens of any type arising directly out of any act or omission of Charter or any of Charter's representatives on or about the Owned Property or Leased Property (or, in the case of RMG, other property of RMG) in the course of such investigative activities. However, neither of the two preceding sentences shall be interpreted to impose any obligation upon Charter with respect to Hazardous Substances present at, on, in, under or about, or any conditions existing on, the Owned Property or Leased Property (or, in the case of RMG, other property of RMG) at the time of such investigative activities, except to the extent of Charter's negligence or willful misconduct causes a release of such Hazardous Substances or otherwise exacerbates any such condition in a manner that leads to liability under any Environmental Law.

7.19.2. All information collected and generated as a result of the environmental due diligence authorized by Section 7.19.1 will be subject to the terms and conditions of Section 7.13 of this Agreement. Charter shall provide to IPWT copies of all draft and final reports, assessments and other information composed or compiled by Charter's environmental consultants within five (5) Business Days after Charter's receipt of copies thereof.

7.20. Year 2000 Matters.

7.20.1. Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

(a) "Computer and Other Systems" means any level of hardware or software, equipment and cable plant, or environmental and security systems and other facilities used in connection with the Cable Business which are date dependent or which process date data, including any firmware, embedded systems, application programs, user interfaces, files and databases, and which might be adversely affected by any date-related issue or calculation prior to, during or after January 1, 2000, including any problem related to a leap year.

(b) "Year 2000 High-Level Inventory, Assessment and Remediation Decisions" means the subject entity's documentation of its Year 2000 inventory, assessment and remediation decisions performed in accordance with its Year 2000 Plan, consisting of (i) database reports identifying each category of items inventoried at the subject entity's cable Systems and specifying as appropriate the manufacturer or vendor and release, version or model number of each item listed, (ii) risk or critically assessments, (iii) determination and execution of evaluation approaches with respect to Year 2000 Readiness, (iv) determination of Year 2000 Readiness based on evaluation approaches employed, and (v) decisions regarding disposition alternatives (i.e., do nothing, repair, replace or retire). All such reports have been reviewed at appropriate levels within the subject entity's organization in accordance with the entity's Year 2000 Plan. Year 2000 High-Level Inventory, Assessment and Remediation Decisions for IPWT, IPSE and RMG are attached hereto as Schedules 7.20.1(b)-A, 7.20.1(b)-B and 7.20.1(b)-C, respectively.

(c) "Year 2000 Plan" means the plans adopted in accordance with IPWT's, IPSE's or RMG's Year 2000 Remediation Program to make Year 2000 Ready by a date no later than August 31, 1999, all of IPWT's, IPSE's or RMG's respective Computer and Other Systems having a significant impact on IPWT's, IPSE's or RMG's respective business. Such Year 2000 Plan will include scope of methodologies and timelines (including objective milestones) for inventory, assessment, remediation and/or replacement, and testing or evaluation of Third Party Testing, as applicable, of its Computer and Other Systems having a significant impact on the Party's business. IPWT's, IPSE's and RMG's Year 2000 Plans are attached hereto as Schedule 7.20.1(c)-A, 7.20.1(c)-B and 7.20.1(c)-C, respectively.

(d) "Year 2000 Ready" or "Year 2000 Readiness" means that the referenced component, system, software, equipment or other item is designed or has been modified to be used prior to, during and after the calendar year 2000 A.D., and that such item will operate at all levels, including microcode, firmware, application programs, user interfaces, files and databases, during each such time period without error or interruption relating to, or the product of, date-related issues or calculations, including date data which represents or references different centuries or more than one century or leap year.

(e) "Year 2000 Remediation Program" means an enterprise wide program to make Year 2000 Ready all Computer and Other Systems having a significant impact on IPWT's, IPSE's or RMG's business, as the case may be. Such Year 2000 Remediation Program must be conducted by Persons with experience in issues related to Year 2000 Readiness and such Persons must have organized an enterprise wide

program management office which reports to, or an enterprise wide program management structure with oversight by, executive level management and the board of directors (or committee thereof or other governing body of such entity).

7.20.2. Acknowledgments. The Parties acknowledge the following:

(a) IPWT, IPSE, RMG and certain of their Affiliates have established a Year 2000 Remediation Program.

(b) Charter has reviewed and approved the Year 2000 Plan and Year 2000 High-Level Inventory, Assessment and Remediation Decisions for each of IPWT, IPSE and RMG.

(c) Charter acknowledges and agrees with IPWT's, IPSE's and RMG's preliminary decision to rely on testing of cable plant and related equipment to be performed by certain cable industry technical and trade associations, certain critical vendors or other cable operators ("Third Party Testing"). IPWT, IPSE and RMG will continue to review the progress of such Third Party Testing plans and results as they become available. Each of IPWT, IPSE and RMG has developed test methodologies as part of its Year 2000 Plan to address implementation of additional testing should IPWT, IPSE and/or RMG and Charter mutually consider such additional testing to be necessary or prudent.

(d) IPWT makes no representation, warranty or guarantee that its or RMG's Computer and Other Systems will be Year 2000 Ready at the Closing Date or thereafter.

7.20.3. Covenants. Notwithstanding any other provision set forth in this Agreement, the Parties agree as follows:

(a) Through the Closing Date, IPWT will, and will cause IPSE and RMG to, exercise prudent and reasonable care and diligence to take such actions with respect to the Cable Business when and as required by its approved Year 2000 Plan.

(b) Through the Closing Date, IPWT will, and will cause IPSE and RMG to, cooperate with Charter with respect to the nature and results of its activities relating to its Year 2000 Plan. Such cooperation shall include providing Charter with any non-confidential information possessed by IPWT or one of its Affiliates and reasonably requested by Charter regarding the Year 2000 Readiness of any material component of IPWT's, IPSE's or RMG's Computer and Other Systems having a significant impact on IPWT's, IPSE's or RMG's business.

(c) IPWT shall, and shall cause IPSE and RMG to, deliver to Charter on or before July 31, 1999, and again on August 31, 1999 (if Closing has not occurred prior to such date), a statement, certified by an authorized officer of IPWT, IPSE or RMG, as appropriate, who is responsible for implementation of its Year 2000 Plan, setting forth in reasonable detail that as of such date all of the milestones contained in its Year 2000 Plan to be completed as of such date have been fully completed (or if not, indicating which such milestones have not been completed and describing the efforts required to complete the same).

(d) From the date hereof through the Closing Date, Charter shall have the opportunity to conduct due diligence regarding the Year 2000 Readiness of IPWT's, IPSE's and RMG's Computer and Other Systems having a significant impact on IPWT's, IPSE's or RMG's business, as the case may be, in accordance with this Section 7.20.3(d). Charter may conduct a review of the Year 2000 Ready assessment activities with respect to the Computer and Other Systems having a

significant impact on IPWT's, IPSE's or RMG's business, as the case may be, including inspecting individual headend and office sites and reviewing existing reports, correspondence and related material regarding the Year 2000 Readiness of the Computer and Other Systems having a significant impact on IPWT's, IPSE's or RMG's business, as the case may be. Charter shall conduct no more than three (3) visits to any site of IPWT, IPSE and RMG, and no single site visit shall exceed three (3) Business Days. Charter shall give at least five (5) Business Days written notice prior to any visit to any System facilities and, if Charter intends during such visit to perform testing at a headend, office or other site of IPWT, IPSE or RMG, Charter also must provide a description of the scope of work regarding such testing. If IPWT, IPSE or RMG does not notify Charter in writing of IPWT's, IPSE's or RMG's objection to such proposed site visit and/or testing within three (3) Business Days after receipt of such notice, IPWT, IPSE or RMG, as appropriate, shall be deemed to have consented to the proposed site visit and any described testing. IPWT shall, and shall cause IPSE and RMG to, not unreasonably object to Charter's request to perform testing. A representative of IPWT, IPSE or RMG, as appropriate, shall be present at all times during any such visit and testing. All activities of Charter regarding its Year 2000 due diligence shall be conducted to minimize any inconvenience or interruption of the normal use and enjoyment of the Cable Business and Computer and Other Systems.

7.21. Satisfaction of Conditions. Each Party will use its commercially reasonable efforts to satisfy, or to cause to be satisfied, the conditions to the obligations of the other Party to consummate the transactions contemplated by this Agreement, as set forth in Article 8.

7.22. Offers. IPWT (and its directors, officers, employees, representatives and agents) shall not (and shall cause IPSE and RMG not to), directly or indirectly, (i) offer the Assets, the Cable Business or the Shares for sale, (ii) solicit, encourage or entertain offers for such Assets, the Cable Business or the Shares, (iii) initiate negotiations or discussions for the sale of such Assets, the Cable Business or the Shares or (iv) make information about such Assets, the Cable Business or the Shares available to any Third Party in connection with the possible sale of such Assets, the Cable Business or the Shares prior to the Closing Date or the date this Agreement is terminated in accordance with its terms.

7.23. Retention of Books and Records. At or prior to the Closing, each Party shall make arrangements reasonably satisfactory to the other Party to deliver all such Party's Books and Records not located at any of the offices included in its Owned Property or Leased Property. Following the Closing, each Party shall give access to the other Party, its counsel, accountants and other authorized representatives during normal business hours to such Party's materials, books, records and documents which relate to the operations of such Party's Cable Business prior to the Closing Date as may be reasonably necessary in connection with any legitimate purpose (including the preparation of tax reports and returns and the preparation of financial statements). Such access will be subject to reasonable advance written notice, will be conducted in a manner that is not disruptive of such Party's business, and will be subject to any other reasonable limitations imposed by such Party. The requesting Party shall have the right to make copies of such materials at its own expense. If either Party proposes to destroy or otherwise dispose of any of its materials, books, records or documents that related to the operations of its Cable Business prior to the Closing Date, it will give no less than thirty (30) days' advance written notice to the other Party so as to permit such other Party to exercise its rights under this Section 7.23.

7.24. Taxes. IPWT and Charter shall reasonably cooperate in connection with the preparation and filing of any Tax Return for which the other is responsible for preparing and filing with respect to the Systems. Charter shall prepare, and timely file, after obtaining the consent of IPWT

(which shall have at least ten (10) business days for review), any RMG Tax Return for any period, or portion thereof, which includes, but does not end on, the Closing Date.

7.25. Compliance with Covenants of RMG in IP-I/Charter Exchange Agreement; Access to Information; Information; No Waivers or Amendments without Consent. IPWT shall cause RMG to comply with and satisfy all covenants of RMG set forth in the IP-I/Charter Exchange Agreement which are required to be performed by RMG prior to the Closing of the transactions contemplated by this Agreement. IPWT shall cause RMG to provide to Charter any and all information and documents (or access thereto) provided to RMG by IP-I or Brenmor (each as defined in the Common Agreement) pursuant to the IP-I/Charter Exchange Agreement. IPWT shall cause RMG not to agree to amend the IP-I/Charter Exchange Agreement (nor to waive any rights pursuant thereto) without the consent of Charter, which consent may be withheld in Charter's sole discretion.

8. CONDITIONS PRECEDENT.

8.1. Conditions to Charter's Obligations. The obligations of Charter to consummate the transactions contemplated by this Agreement will be subject to the satisfaction, at or before the Closing, of the following conditions, one or more of which may be waived by Charter:

8.1.1. Accuracy of Representations and Warranties. The representations and warranties of IPWT in this Agreement and in the Transaction Documents, without giving effect to any materiality qualifications contained therein, are true, complete and accurate on and as of the date hereof and at and as of the Closing with the same effect as if made at and as of the Closing, except to the extent that all misstatements, omissions and inaccuracies, in the aggregate, do not have a material adverse effect on RMG, the Assets, the Cable Business, the operations, condition (financial or otherwise) or results of operations of the Systems taken as a whole, or on the ability of IPWT to perform its obligations under this Agreement.

8.1.2. Performance of Agreements. IPWT shall have performed in all material respects all obligations and agreements and complied in all material respects with all covenants in this Agreement and in any Transaction Document to be performed and complied with by it at or before the Closing.

8.1.3. Deliveries. IPWT shall have delivered the items and documents required to be delivered by it pursuant to this Agreement, including those required to be delivered to Charter under Section 9.2.

8.1.4. Legal Proceedings. No Legal Requirement of any Governmental Authority (including any temporary Legal Requirement) shall be in effect which would prevent or make illegal the consummation of any of the transactions contemplated by this Agreement or any Transaction Document.

8.1.5. Consents.

(a) Except as otherwise provided in Section 7.5.5, Required Consents related to all Systems Franchises shall have been obtained in form and substance reasonably satisfactory to Charter, or the consent of the appropriate Governmental Authority shall be deemed to have been received in accordance with Section 617 of the Communications Act (47 U.S.C. ss.537).

(b) Except as otherwise provided in Section 7.5.3, Charter shall have received evidence, in form and substance reasonably satisfactory to it, that the Required Consents related to the Systems Licenses and the Systems Contracts identified with an asterisk (*) on Schedule 5.3 have been obtained.

8.1.6. No Material Adverse Changes. There shall not have been any material adverse change in the Assets or the condition (financial or otherwise) or operations of the Cable Business or the Systems, taken as a whole, since December 31, 1998.

8.1.7. Franchise Renewals. Each Systems Franchise for which (a) a valid notice of renewal pursuant to the formal renewal procedures established by Section 626 of the Cable Act has not been timely delivered to the appropriate Governmental Authority, and (b) with respect to which the appropriate Governmental Authority has not confirmed in writing that the procedures established by Section 626 nonetheless shall apply to the renewal or extension of such Systems Franchise, shall have been renewed or extended for a period expiring no earlier than three years after the Closing Date.

8.1.8. Common Agreement and Related Closings.

(a) The conditions set forth in Section 4.1 of the Common Agreement shall have been satisfied or waived.

(b) The transactions contemplated by the IP Agreements and the Redemption Agreement (each as defined in the Common Agreement) shall have been, or will be, consummated as set forth in Section 4.4 of the Common Agreement, except to the extent such Agreements are not consummated as a result of a breach by Charter or any of its Affiliates of its or their obligation to consummate such transactions.

8.2. Conditions to Obligations of IPWT. The obligations of IPWT to consummate the transactions contemplated by this Agreement will be subject to the satisfaction, at or before the Closing, of the following conditions, one or more of which may be waived by IPWT:

8.2.1. Accuracy of Representations and Warranties. The representations and warranties of Charter in this Agreement and in the Transaction Documents, without giving effect to any materiality qualification contained therein, are true, complete and accurate on and as of the date hereof and at and as of the Closing with the same effect as if made at and as of the Closing, except to the extent that all misstatements, omissions and inaccuracies, in the aggregate, do not have a material adverse effect on Charter or on the ability of Charter to perform its obligations under this Agreement.

8.2.2. Performance of Agreements. Charter shall have performed in all material respects all obligations and agreements and complied in all material respects with all covenants in this Agreement and in any Transaction Document to be performed and complied with by it at or before the Closing.

8.2.3. Deliveries. Charter shall have delivered the items and documents required to be delivered by it pursuant to this Agreement, including those required to be delivered to IPWT under Section 9.3.

8.2.4. Legal Proceedings. No Legal Requirement of any Governmental Authority (including any temporary Legal Requirement) shall be in effect which would prevent or make illegal

the consummation of any of the transactions contemplated by this Agreement or any Transaction Document.

8.2.5. Common Agreement and Related Closings.

(a) The conditions set forth in Section 4.2 of the Common Agreement shall have been satisfied or waived.

(b) The transactions contemplated by the IP Agreements and the Redemption Agreement (each as defined in the Common Agreement) shall have been, or will be, consummated as set forth in Section 4.4 of the Common Agreement, except to the extent such Agreements are not consummated as a result of a breach by IPWT or its Affiliates of its or their obligation to consummate such transactions.

9. THE CLOSING.

9.1. The Closing; Time and Place. Subject to the terms and conditions of this Agreement, the Closing shall be held in San Francisco, California, or as otherwise agreed, at a place mutually agreed upon by the Parties at 10:00 a.m., local time, on the last calendar day of the calendar month in which the conditions set forth in Article 8 (other than Sections 8.1.3 and 8.2.3) shall have been satisfied or waived (provided that each Party shall have at least ten (10) days' prior notice of the scheduled Closing Date in order to prepare for the Closing) or at such other place, date and time as may be mutually agreed upon by the Parties (the "Closing Date"). The transactions to be consummated at Closing shall be deemed to have been consummated as of the Closing Time. If the Closing Date is not a Business Day, then the Closing Date shall be the immediately preceding Business Day.

9.2. IPWT's Delivery Obligations. At the Closing, IPWT will deliver or cause to be delivered to Charter the following:

9.2.1. Bill of Sale and Assignment and Assumption Agreement. The Bill of Sale and Assignment and Assumption Agreement in the form of Exhibit 9.2.1.

9.2.2. Deeds. Special warranty deeds in recordable form conveying to Charter each parcel of Owned Property, and assignments of leases and easements in recordable form, with respect to Leased Property and Other Real Property Interests as to which prior assignments into were recorded in the applicable real estate records.

9.2.3. Lien Releases. Evidence reasonably satisfactory to Charter that all Liens (other than Permitted Liens) affecting or encumbering the Assets have been terminated, released or waived, as appropriate, or original, executed instruments in form reasonably satisfactory to Charter effecting such terminations, releases or waivers.

9.2.4. Vehicle Titles. Title certificates to all vehicles included among the Assets, endorsed for transfer of title to Charter, and separate bills of sale therefor or other transfer documentation, if required by the laws of the states in which such vehicles are titled.

9.2.5. Evidence of Authorization Actions. Certified resolutions or other evidence reasonably satisfactory to Charter that IPWT has taken all action necessary to authorize the execution of this Agreement and the Transaction Documents and the consummation of the transactions contemplated hereby.

9.2.6. FIRPTA Certificate. FIRPTA Non-Foreign IPWT Certificate certifying that IPWT is not a foreign person within the meaning of Section 1445 of the Code reasonably satisfactory in form and substance to Charter.

9.2.7. Officer's Certificate. Charter will have received a certificate executed by an executive officer of IPWT dated the date of the Closing, reasonably satisfactory in form and substance to Charter certifying that the conditions specified in Sections 8.1.1 and 8.1.2 have been satisfied.

9.2.8. Opinions of Counsel. Opinions of Pillsbury Madison & Sutro LLP, Ross & Hardies and Dow, Lohnes & Albertson PLLC, substantially in the forms attached as Exhibits C.1, C.3 and C.4 to the Common Agreement.

9.2.9. Stock Certificates. Stock certificates representing the Shares, accompanied by stock powers duly executed in blank or duly executed instruments of transfer, and all other documents necessary to transfer to Charter title to the Shares.

9.2.10. Other. Such other documents and instruments as may be necessary to effect the intent of this Agreement and to consummate the transactions contemplated hereby.

9.3. Charter's Delivery Obligations. At the Closing, Charter will deliver or cause to be delivered to IPWT the following:

9.3.1. Cash Consideration. The Adjusted Value will be paid by Charter to IPWT in accordance with the Common Agreement.

9.3.2. Bill of Sale and Assignment and Assumption Agreement. The Bill of Sale and Assignment and Assumption Agreement in the form of Exhibit 9.2.1.

9.3.3. Evidence of Authorization Actions. Certified resolutions of Charter or other evidence reasonably satisfactory to IPWT that Charter has taken all action necessary to authorize the execution of this Agreement and the Transaction Documents and the consummation of the transactions contemplated hereby.

9.3.4. Officer's Certificate. IPWT will have received a certificate executed by an executive officer of Charter dated the date of the Closing, reasonably satisfactory in form and substance to IPWT certifying that the conditions specified in Sections 8.2.1 and 8.2.2 have been satisfied.

9.3.5. Opinion of Counsel. Opinion of Irell & Manella LLP, substantially in the form of Exhibit C.2 to the Common Agreement

9.3.6. Other. Such other documents and instruments as may be necessary to effect the intent of this Agreement and to consummate the transactions contemplated hereby.

10. TERMINATION AND DEFAULT.

10.1. Termination Events. This Agreement may be terminated and the transactions contemplated hereby may be abandoned:

10.1.1. At any time, by the mutual agreement of Charter and IPWT;

10.1.2. By either Charter or IPWT at any time, if the other is in material breach or default of any of the other's covenants, agreements or other obligations herein or in any Transaction Document and the defaulting Party has failed to cure such breach within thirty (30) days of its receipt of notice of such breach from another Party;

10.1.3. By either Charter or IPWT upon written notice to the other, if any of the conditions to its obligations set forth in Sections 8.1 and 8.2, respectively, are not satisfied on or before the later of January 15, 2000, or nine (9) months after the date of this Agreement, for any reason other than an intentional and material breach or default by such Party of its respective covenants, agreements or other obligations under this Agreement, or any of its representations herein not being true and accurate in all material respects when made or when otherwise required by this Agreement to be true and accurate in all material respects;

10.1.4. By either Charter or IPWT if an injunction, restraining order or decree of any nature of any Governmental Authority of competent jurisdiction is issued that prohibits the consummation of any of the transactions contemplated hereby and such injunction, restraining order or decree is final and nonappealable; provided, however, that the Party seeking to terminate this Agreement pursuant to this clause has used commercially reasonable efforts to have such injunction, order or decree vacated or denied; or

10.1.5. As otherwise provided in the Common Agreement.

10.2. Effect of Termination. If this Agreement is terminated pursuant to Section 10.1, all obligations of the Parties under this Agreement will terminate, except for the obligations set forth in Sections 7.13, 7.19 and 12.13. Termination of this Agreement pursuant to Sections 10.1.2, 10.1.3, 10.1.4 or 10.1.5 will not limit or impair any remedies that any of IPWT or Charter may have pursuant to the terms of this Agreement with respect to a breach or default by the other of its covenants, agreements or obligations under this Agreement.

11. SURVIVAL; REMEDIES.

11.1. Survival of Representations, Warranties, Covenants and Agreements. The representations, warranties, covenants and agreements of IPWT and Charter in this Agreement and in the Transaction Documents will survive Closing for a period of twelve (12) months after the Closing Date. The period of survival of the representations, warranties, covenants and agreements prescribed by this Section 11.1 are referred to as the "Survival Period." The liabilities of each Party under its respective representations, warranties, covenants and agreements will expire as of the expiration of the Survival Period; provided, however, that such expiration will not include, extend or apply to (a) any representation, warranty, covenant or agreement the breach of which has been asserted by a Party in a written notice to the other Party before such expiration or about which a Party has given the other Party written notice before such expiration indicating that facts or conditions exist that, with the passage of time or otherwise, can reasonably be expected to result in a breach (and describing such potential breach in reasonable detail), (b) the Party's obligations under Sections 7.13 and 7.23, or (c) the Party's obligations under Sections 7.16, 7.17.1, 7.17.3 and 7.17.4, but only to the extent reasonably practicable.

11.2. Exclusive Remedy. The Parties hereby agree that the rights set forth in the Common Agreement shall be each Party's sole and exclusive remedies against the other Party for any claims

arising after the Closing Time and relating to any breaches of the representations, warranties or covenants contained in this Agreement other than based on fraud.

11.3. Nonrecourse. The Parties agree that, notwithstanding any other provision in this Agreement or in any Transaction Document, and any rule of law or equity to the contrary, to the fullest extent permitted by law, each Party's obligations and liabilities under this Agreement will be nonrecourse to all direct and indirect equity holders or other owners of such Party, except to the extent of distributions to such Persons, directly or indirectly, from such Party that are required to be returned, directly or indirectly, to such Party pursuant to applicable provisions of law; provided, however, that the foregoing shall not limit or abridge any Party's indemnification rights or obligations pursuant to the Common Agreement. "Nonrecourse" means that the obligations and liabilities are limited in recourse solely to the assets of the Parties (for those purposes, any capital contribution obligations of the equity holders or other owners of such Party, or any negative capital account balances of such Persons will not be deemed be assets of such Party) and are not guaranteed, directly or indirectly by, or the primary obligations of, any owner of such Party in such capacity, and no partner, member or other owner in such capacity of any successor entity (including any limited liability company or partnership), either directly or indirectly, will be personally liable in any respect (except to the extent of (i) such Person's interests in the assets of such Party and (ii) any distribution which has been received by such Person and is required by applicable law to be returned, directly or indirectly, to such Party) for any obligation or liability of such Party under this Agreement.

12. MISCELLANEOUS PROVISIONS.

12.1. Parties Obligated and Benefitted. Subject to the limitations set forth below, this Agreement will be binding upon each of the Parties and their respective assigns and successors in interest and will inure solely to the benefit of the Parties and their respective assigns and successors in interest, and no other Person will be entitled to any of the benefits conferred by this Agreement. Without the prior written consent of the other Parties, no Party will assign any of its rights under this Agreement or delegate any of its duties under this Agreement, provided that the appropriate Party may assign any or all of its rights under this Agreement to an Affiliate, provided that such assignment will not result in any adverse tax consequences to the other Party, will not give rise to any material requirements for additional Required Consents, and will not, in the reasonable judgment of the other Party, delay the Closing.

12.2. Notices. Any notice, request, demand, waiver or other communication required or permitted to be given under this Agreement to either Party will be given as set forth in the Common Agreement.

12.3. Right to Specific Performance. Each Party acknowledges that the unique nature of the Assets and the Shares to be purchased hereunder pursuant to this Agreement renders money damages an inadequate remedy and the Parties agree that either Party shall be entitled to pursue specific performance as a remedy without the requirement of posting a bond or other security therefor.

12.4. Waiver. This Agreement or any of its provisions may not be waived except in writing. 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.

12.5. Captions. The section and other captions of this Agreement are for convenience only and do not constitute a part of this Agreement.

12.6. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware (other than its rules of conflicts of law to the extent that the application of the laws of another jurisdiction would be required thereby).

12.7. Time. Time is of the essence under this Agreement. If the last day permitted for the giving of any notice or the performance of any act required or permitted under this Agreement falls on a day which is not a Business Day, the time for the giving of such notice or the performance of such act will be extended to the next succeeding Business Day.

12.8. Late Payments. If either Party fails to pay the other any amounts when due under this Agreement, the amounts due will bear interest from the due date to the date of payment at the rate per annum publicly announced from time to time by the Bank of New York as its prime rate (the "Prime Rate") plus two (2) percentage points, adjusted as and when changes in the Prime Rate are made.

12.9. Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original.

12.10. Entire Agreement. This Agreement (including the Transaction Documents and the Schedules and Exhibits referred to in this Agreement, which are incorporated in and constitute a part of this Agreement) contains the entire agreement of the Parties with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings with respect to such subject matter. This Agreement may not be amended or modified except by a writing signed by all of the Parties.

12.11. Severability. Any term or provision of this Agreement which is invalid or unenforceable will be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining rights of the Person intended to be benefitted by such provision or any other provisions of this Agreement.

12.12. Construction. This Agreement has been negotiated by the Parties and their respective legal counsel, and legal or other equitable principles that might require the construction of this Agreement or any provision of this Agreement against the Party drafting this Agreement will not apply in any construction or interpretation of this Agreement.

12.13. Expenses. Except as otherwise expressly provided in this Agreement, each Party will pay all of its expenses, including attorneys' and accountants' fees, in connection with the negotiation of this Agreement, the performance of its obligations and the consummation of the transactions contemplated by this Agreement.

12.14. Risk of Loss. The risk of any loss or damage to the Assets resulting from fire, theft or other casualty (except reasonable wear and tear) will be borne by IPWT at all times prior to the Closing Time. In the event of any such loss or damage after December 31, 1998, IPWT will immediately notify Charter in writing of that fact. All insurance proceeds paid or payable as a result of the occurrence of the event resulting in such loss or damage will be delivered by IPWT to Charter, or the rights thereto will be assigned if not yet paid over by the insurer to IPWT. The obligations under this Section 12.14 to pay or assign insurance proceeds will not apply to the extent that any insurance proceeds are applied to replace or restore such loss or damage prior to Closing.

If, on or prior to the Closing Date, all or any part of or interest in the Assets is taken or condemned as a result of a Governmental Authority's exercise of its powers of eminent domain, or if a Governmental Authority having such power informs IPWT or any Affiliate of IPWT that it intends to

condemn all or any part of the Assets (such event being called, in either case, a "Taking"), then (i) Charter may elect, in the name of IPWT, IPSE or RMG, as the case may be, to negotiate for, claim, contest and receive all damages with respect to the Taking, (ii) IPWT will be relieved of its obligation to convey to Charter those of the Assets that were the subject of the Taking, (iii) at Closing, IPWT will assign to Charter all of its rights to damages payable as a result of the Taking, and will pay Charter all damages previously paid to it in connection with the Taking, and (iv) following the Closing, IPWT will give to Charter any further assurances of such rights and assignment with respect to the Taking as Charter reasonably may request from time to time.

12.15. Tax Consequences. No Party makes any representation or warranty, express or implied, with respect to the Tax implications of any aspect of this Agreement on any other Party, and each Party expressly disclaims any such representation or warranty with respect to any Tax consequences arising under this Agreement. Each Party has relied solely on its own Tax advisors with respect to the Tax implications of this Agreement.

12.16. Commercially Reasonable Efforts. For purposes of this Agreement, "commercially reasonable efforts" will not be deemed to require a Party to undertake extraordinary or unreasonable measures, including the payment of amounts in excess of normal and usual filing fees and processing fees, if any or other payments with respect to any Contract that are significant in the context of such Contract (or significant on the aggregate basis as to all Contracts).

[The remainder of this page intentionally left blank]

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

CHARTER COMMUNICATIONS, LLC

By: /s/ Curtis S. Shaw

Name: Curtis S. Shaw
Title: Senior Vice President

INTERMEDIA PARTNERS OF WEST TENNESSEE, L.P.

By InterMedia Capital Management, LLC,
Its general partner

By InterMedia Management, Inc.,
Its managing member

By /s/ Robert J. Lewis

Robert J. Lewis
President and
Chief Executive Officer

[Signature Page to Asset and Stock Purchase Agreement
dated as of April 20, 1999 between IPWT and Charter]

Exhibit 2.6(b)

STOCK PURCHASE AGREEMENT

dated as of April 20, 1999

between

TCID IP-V, INC.

and

CHARTER COMMUNICATIONS, LLC

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STOCK PURCHASE AGREEMENT

This Stock Purchase Agreement ("Agreement") is made as of April 20, 1999, by and between TCID IP-V, Inc., a Colorado corporation ("TCID") and Charter Communications, LLC, a Delaware limited liability company ("Charter").

Recitals

A. Concurrently with the execution of this Agreement, InterMedia Partners of West Tennessee, L.P. ("IPWT") and Charter have entered into an Asset and Stock Purchase Agreement (the "IPWT Asset and Stock Purchase Agreement") pursuant to which IPWT has agreed to sell, and Charter has agreed to purchase, substantially all of IPWT's assets, including all of the outstanding Class A Common Stock in Robin Media Group, Inc., a Nevada corporation ("RMG").

B. TCID owns all of the outstanding Class B Common Stock and Series A Voting Preferred Stock in RMG. Charter wishes to purchase, and TCID wished to sell, all of such stock in RMG, effective immediately after the Closing under the IPWT Asset and Stock Purchase Agreement, in accordance with this Agreement.

C. Concurrently with the execution of this Agreement, TCID and Charter, among others, have entered into a Common Agreement (the "Common Agreement") pursuant to which they have agreed to certain issues common to each of the transfers made pursuant to this Agreement, the IPWT Asset and Stock Purchase Agreement and to certain other related transactions (each as more fully described in the Common Agreement) that will be consummated concurrently with this Agreement, including indemnification for breaches of representations, warranties, covenants and agreements.

Agreement

In consideration of the covenants and agreements set forth herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. DEFINITIONS. In addition to the terms defined elsewhere in this Agreement, the following capitalized terms or terms otherwise defined in this Article 1 will have the meanings set forth below:

1.1. Affiliate. With respect to any Person, any other Person controlling, controlled by, or under common control with such Person. As used in this Agreement, "control" means the ownership, directly or indirectly, of voting securities representing the right generally to elect a majority of the directors (or similar officials) of a Person or the possession, by contract or otherwise, of the authority to direct the management and policies of a Person. Notwithstanding the foregoing, neither InterMedia Partners Southeast, InterMedia Partners of West Tennessee, L.P., InterMedia

Capital Partners IV, L.P., InterMedia Capital Management, LLC, nor InterMedia Partners IV, L.P., will be deemed an Affiliate of TCID.

1.2. Business Day. Any day other than a Saturday, Sunday or a day on which the banking institutions in Denver, Colorado, New York, New York, San Francisco, California or St. Louis, Missouri are required or authorized to be closed.

1.3. Class B Common Stock. The 365 issued and outstanding shares of Class B Common Stock (par value $100 per share) of RMG.

1.4. Charter Required Consents. Any and all consents, authorizations and approvals which are identified on Schedule 3.3 and required for Charter to purchase, own and hold the TCID RMG Shares.

1.5. Class B Redemption Price. An amount equal to $36,500 plus an annual rate of 8% of such amount, from July 29, 1996 through the Closing Date.

1.6. Closing. The closing of the purchase and sale transaction contemplated by this Agreement.

1.7. Closing Time. 11:59 p.m., Eastern time, on the Closing Date, immediately following the "Closing Time" as defined in the IPWT Asset and Stock Purchase Agreement.

1.8. Contract. Any contract, mortgage, deed of trust, bond, indenture, lease, license, note, franchise, certificate, option, warrant, right or other instrument, document, obligation or agreement, whether written or oral.

1.9. FCC. The Federal Communications Commission.

1.10. Governmental Authority. The United States of America, any state, commonwealth, territory or possession of the United States of America and any political subdivision or quasi-governmental authority of any of the same, including any court, tribunal, department, commission, board, bureau, agency, county, municipality, province, parish or other instrumentality of any of the foregoing.

1.11. HSR Act. The Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder.

1.12. Judgment. Any judgment, writ, order, injunction, award or decree of any court, judge, justice or magistrate, including any bankruptcy court or judge or the arbitrator in any binding arbitration, and any order of or by any Governmental Authority.

1.13. Legal Requirement. Applicable common law and any statute, ordinance, code or other law, rule, regulation, order, technical or other written standard, requirement or procedure enacted, adopted, promulgated, applied or followed by any Governmental Authority, including any Judgment.

1.14. Lien. Any lien security interest, security agreement, financing statement filed with any Governmental Authority, adverse claim or other encumbrance of any kind whatsoever.

1.15. Litigation. Any claim, action, suit, proceeding, arbitration, investigation, hearing or other activity or procedure that could reasonably be expected to result in a Judgment and any notice of any of the foregoing.

1.16. Losses. Any claims, losses, liabilities, damages, penalties, costs and expenses, including interest that may be imposed in connection therewith, expenses of investigation, reasonable fees and disbursements of counsel and other experts, and the cost to any Person making a claim or seeking indemnification under this Agreement with respect to funds expended by such Person by reason of the occurrence of any event or the existence or assertion of any Liens (other than Permitted Liens) with respect to which indemnification is sought.

1.17. Party. Charter or TCID, as the context requires.

1.18. Permitted Stock Restrictions. Restrictions on transfer of all or any part of the TCID RMG Shares imposed by cable television franchises owned or controlled by RMG, the Communications Act of 1934, as amended, and the rules and regulations of the FCC thereunder, federal and state securities laws, and other applicable laws.

1.19. Person. Any natural person, Governmental Authority, corporation, general or limited partnership, limited liability company, joint venture, trust, association or unincorporated entity of any kind.

1.20. Preferred Stock Liquidation Value. An amount equal to $12,000,000, plus an annual rate of 10% of such amount, from July 29, 1996 through the Closing Date.

1.21. Required Consents. The Charter Required Consents or the TCID Required Consents, as the context requires.

1.22. Series A Voting Preferred Stock. The 12,000 issued and outstanding shares of Series A Voting Preferred Stock (par value $1,000 per share) of RMG.

1.23. Six-Month Date. The date that is six months after the Closing Date.

1.24. Taxes. Levies and assessments of any kind or nature imposed by any Governmental Authority, including all income, sales, use, ad valorem, value added, franchise, severance, net or

gross proceeds, withholding, payroll, employment, excise or property taxes and levies or assessments related to unclaimed property, together with any interest thereon and any penalties, additions to tax or additional amounts applicable thereto. For purposes of determining any Tax cost or Tax benefit to any Person, such amount will be the actual cost or benefit recognized by such Person at the time of actual payment of the additional Tax or actual recognition of the Tax benefit. In the event that any Loss, payment or other amount is required to be determined on an after-Tax basis, such payment or other amount will be determined without regard to any Tax cost or Tax benefit not actually recognized at the time of the determination, and appropriate adjustments will be made when and to the extent that such Tax cost or Tax benefit is actually recognized.

1.25. TCID Required Consents. Any and all consents, authorizations and approvals which are identified on Schedule 4.3 and required for TCID to transfer the TCID RMG shares to Charter pursuant to this Agreement.

1.26. TCID RMG Shares. The Class B Common Stock and Series A Voting Preferred Stock.

1.27. Third Party. Any Person other than, with respect to TCID, TCID and its Affiliates, or, with respect to Charter, Charter and its Affiliates.

1.28. Transaction Documents. The Common Agreement and all instruments and documents described in Sections 7.2 and 7.3 which are being executed and delivered by or on behalf of Charter or TCID in connection with this Agreement or the transactions contemplated hereby.

1.29. Other Definitions. The following terms have the meanings set forth in the sections indicated in the table below:

Term	Section
Agreement	First Paragraph
Antitrust Division	5.3
Charter	First Paragraph
Closing Date	7.1
FTC	5.3
IPWT	Recital A
IPWT Asset and Stock Purchase Agreement	Recital A
RMG	Recital A
Securities Act	3.5
Survival Period	9.1
TCID	First Paragraph

1.30. Usage. The definitions in Article 1 will apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun will include the corresponding masculine, feminine and neuter forms. All references herein to Articles, Sections and

Schedules will be deemed to be references to Articles and Sections of, and Schedules to, this Agreement unless the context otherwise requires. All Schedules attached hereto will be deemed incorporated herein as if set forth in full herein and, unless otherwise defined therein, all terms used in any Schedule will have the meaning ascribed to such term in this Agreement. The words "include," "includes" and "including" will be deemed to be followed by the phrase "without limitation." The words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement will refer to this Agreement as a whole and not to any particular provision of this Agreement. Unless otherwise expressly provided herein, any agreement, instrument or statute defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument or statute as from time to time amended, modified or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes and references to all attachments thereto and instruments incorporated therein. All accounting terms not otherwise defined in this Agreement will have the meanings ascribed to them under generally acceptable accounting principles as in effect from time to time in the United States, consistently applied.

2. PURCHASE AND SALE.

2.1. Purchase and Sale of the TCID RMG Shares.

2.1.1. At the Closing, TCID will sell, assign, transfer, convey and deliver to Charter free and clear of all Liens (other than Permitted Stock Restrictions) all of the Class B Common Stock, and Charter will, as the consideration for the sale of such Class B Common Stock, pay to TCID the Class B Redemption Price, by wire transfer of immediately available funds pursuant to wire transfer instructions delivered by TCID to Charter.

2.1.2. At the Closing, TCID will sell, assign, transfer, convey and deliver to Charter free and clear of all Liens (other than Permitted Stock Restrictions) all of the Series A Voting Preferred Stock, and Charter will, as the consideration for the sale of such Series A Voting Preferred Stock, pay to TCID the Preferred Stock Liquidation Value, by wire transfer of immediately available funds pursuant to wire transfer instructions delivered by TCID to Charter.

3. CHARTER'S REPRESENTATIONS AND WARRANTIES. Charter represents and warrants to TCID as of the date of this Agreement and as of the Closing, as follows:

3.1. Organization and Qualification of Charter. Charter is a limited liability company which has been duly formed, validly existing and in good standing under the laws of the State of Delaware. As of the date of this Agreement, Charter is duly qualified to do business and is in good standing under the laws of each jurisdiction in which its activities make such qualification necessary.

3.2. Authority and Validity. Charter has all requisite power and authority to execute and deliver, to perform its obligations under, and to consummate the transactions contemplated by, this Agreement and the Transaction Documents to which it is a party. The execution and delivery by

Charter of, the performance of Charter under, and the consummation by Charter of the transactions contemplated by, this Agreement and the Transaction Documents to which it is a party have been duly and validly authorized by all action by or on behalf of Charter. This Agreement has been, and when executed and delivered by Charter, the Transaction Documents to which it is a party will be, duly and validly executed and delivered by Charter and the valid and binding obligations of Charter, enforceable against Charter in accordance with their terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect relating to the enforcement of creditors' rights generally or by principles governing the availability of equitable remedies.

3.3. No Conflict; Required Consents. Except as set forth on Schedule 3.3, assuming all TCID Required Consents have been obtained and the expiration or earlier termination of the waiting period under the HSR Act has occurred, the execution and delivery by Charter of, the performance of Charter under, and the consummation by Charter of the transactions contemplated by, this Agreement and the Transaction Documents to which it is a party do not and will not: (a) conflict with or violate any provision of the organizational documents of Charter; (b) violate any provision of any Legal Requirement; (c) require any consent, approval or authorization of, or filing of any certificate, notice, application, report or other document with, any Governmental Authority or other Person; or (d) (i) conflict with, violate, result in a breach of or constitute a default under (without regard to requirements of notice, lapse of time or elections of other Persons or any combination thereof), (ii) permit or result in the termination, suspension or modification of, (iii) result in the acceleration of (or give any Person the right to accelerate) the performance of Charter under, or (iv) result in the creation or imposition of any Contract or other instrument by which Charter or any of its assets is bound or affected, except for purposes of clauses (c) and (d) such consents, approvals, authorizations and filings that, if not obtained or made, would not, and such violations, conflicts, breaches, defaults, terminations, suspensions, modifications and accelerations as would not, individually or in the aggregate, have an adverse effect on the ability of Charter to perform its obligations under this Agreement or the Transaction Documents to which it is a party.

3.4. Litigation. Except as set forth in Schedule 3.4: (a) as of the date of this Agreement, there is no Litigation pending or, to Charter's knowledge, threatened against Charter or any Affiliate of Charter which, if adversely determined, would adversely affect the ability of Charter to perform its obligations under this Agreement; and (b) as of the date of this Agreement, there is not in existence any Judgment binding Charter or any Affiliate of Charter that could reasonably be expected to adversely affect the ability of Charter to perform its obligations under this Agreement.

3.5. Finder and Brokers. Charter has not entered into any Contract with any person which will result in the obligation of TCID to pay any finder's fees, brokerage or agent's commissions or other like payments in connection with the negotiations leading to this Agreement or the consummation of the transactions contemplated hereby.

3.6. Qualification. Charter knows of no facts which would disqualify it from holding the TCID RMG Shares under any Legal Requirement.

3.7. Securities Law Matters. Charter understands and acknowledges that none of the TCID RMG Shares has been registered or qualified under the federal or applicable state securities laws and the TCID RMG Shares are being sold to and purchase by Charter in reliance upon applicable exemptions from such registration and qualification requirements. Charter is an "accredited investor" within the meaning of the federal securities laws and acknowledges it has been furnished with or afforded access to, and has had the opportunity to ask questions and receive answers concerning, all information pertaining to the TCID RMG Shares. The TCID RMG Shares are being acquired by Charter for investment only and not with a view to any public distribution thereof. Charter understands that the TCID RMG Shares are "restricted securities" within the meaning of the federal securities laws and agrees that it will not offer to sell or otherwise dispose of any of the TCID RMG Shares in violation of the registration and qualification requirements of the federal and applicable state securities laws. All certificates to be delivered at Closing evidencing ownership of the TCID RMG Shares will contain appropriate legends incorporating these applicable securities laws restrictions.

3.8. Investment Intent. Charter represents and warrants to TCID that (a) Charter is an "accredited investor" as defined in Rule 501(a) of Regulation D under the Securities Act of 1933, as amended (the "Securities Act") and (b) Charter is acquiring the TCID RMG Shares for its own account, for investment only and without a view to the distribution thereof except in a transaction registered or qualified under the Securities Act, and applicable state securities laws, or unless an exemption from those requirements is available.

4. TCID'S REPRESENTATIONS AND WARRANTIES.

TCID represents and warrants to Charter as of the date of this Agreement and as of the Closing, as follows:

4.1. Organization and Qualification. TCID is a corporation which has been duly organized and is validly existing and in good standing under the laws of the State of Colorado. As of the date of this Agreement, TCID is duly qualified to do business and is in good standing under the laws of each jurisdiction in which its activities make such qualification necessary.

4.2. Authority and Validity. TCID has all requisite corporate power and authority to execute and deliver, to perform its obligations under, and to consummate the transactions contemplated by, this Agreement and the Transaction Documents to which it is a party. The execution and delivery by TCID of, the performance of TCID under, and the consummation by TCID of the transactions contemplated by, this Agreement and the Transaction Documents to which it is a party have been duly and validly authorized by all action by or on behalf of TCID. This Agreement has been, and when executed and delivered by TCID the Transaction Documents to which it is a party will be, duly and validly executed and delivered by TCID and the valid and binding obligations of TCID, enforceable against TCID in accordance with their terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar

laws now or hereafter in effect relating to the enforcement of creditors' rights generally or by principles governing the availability of equitable remedies.

4.3. No Conflict; Required Consents. Except as set forth on Schedule 4.3, and assuming all Charter Required Consents have been obtained and the expiration or earlier termination of the waiting period under the HSR Act has occurred, the execution and delivery by TCID of, the performance of TCID under, and the consummation by TCID of the transactions contemplated by, this Agreement and the Transaction Documents to which it is a party do not and will not: (a) conflict with or violate any provision of the organizational documents of TCID; (b) violate any provision of any Legal Requirement; (c) require any consent, approval or authorization of, or filing of any certificate, notice, application, report or other document with, any Governmental Authority or other Person; or (d) (i) conflict with, violate, result in a breach of or constitute a default under (without regard to requirements of notice, lapse of time or elections of other Persons or any combination thereof), (ii) permit or result in the termination, suspension or modification of, (iii) result in the acceleration of (or give any Person the right to accelerate) the performance of TCID under, or (iv) result in the creation or imposition of any Contract or other instrument by which TCID or any of its assets is bound or affected, except for purposes of clauses (c) and (d) such consents, approvals, authorizations and filings that, if not obtained or made, would not, and such violations, conflicts, breaches, defaults, terminations, suspensions, modifications and accelerations as would not, individually or in the aggregate, have an adverse effect on the ability of TCID to perform its obligations under this Agreement or the Transaction Documents to which it is a party.

4.4. Ownership. Except with respect to Liens that will be released or terminated at or prior to the Closing, TCID owns the TCID RMG Shares, beneficially and of record, and free and clear of all Liens, other than Permitted Stock Restrictions. Other than this Agreement and any agreement with respect to the pledge of the TCID RMG Shares that will be released or terminated at or prior to the Closing, there is no agreement between TCID and any Person with respect to the disposition of the TCID RMG Shares that would interfere with the transactions contemplated by this Agreement.

4.5. Litigation. Except as set forth in Schedule 4.6: (a) as of the date of this Agreement, there is no Litigation pending or, to TCID's knowledge, threatened against TCID or any Affiliate of TCID which, if adversely determined, would adversely affect the ability of TCID to perform its obligations under this Agreement; and (b) as of the date of this Agreement, there is not in existence any Judgment binding TCID or any Affiliate of TCID that could reasonably be expected to adversely affect the ability of TCID to perform its obligations under this Agreement.

4.6. Finder and Brokers. TCID has not entered into any Contract with any person which will result in the obligation of Charter to pay any finder's fees, brokerage or agent's commissions or other like payments in connection with the negotiations leading to this Agreement or the consummation of the transactions contemplated hereby.

5. ADDITIONAL COVENANTS.

5.1. Certain Deliveries and Notice. TCID and Charter each will promptly notify the other of any fact, circumstance, event or action by it or otherwise (a) which, if known at the date of this Agreement, would have been required to be disclosed by it in or pursuant to this Agreement or (b) the existence, occurrence or taking of which would result in the condition of TCID in Section 6.2.1 (with respect to the representations and warranties of Charter) or the condition of Charter in Section 6.1.1 (with respect to the representations and warranties of TCID) not being satisfied at any time prior to or on the Closing, and, with respect to clause (b), use its commercially reasonable efforts to remedy the same and to satisfy such condition to the other Party's obligation to consummate the transactions contemplated by this Agreement.

5.2. Required Consents. Each Party will use its commercially reasonable efforts to 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 by such Party in connection with the transactions contemplated by this Agreement, and deliver to the other Party copies of such Required Consents and such other consents, authorizations or approvals promptly after they are obtained by such Party; provided, that each Party will afford the other Party the opportunity to review, approve and revise the form of letter or application proposed to request the Required Consent prior to delivery to the Third Party or the Affiliate of a Party whose consent is sought. Each Party will cooperate with the other Party to obtain all Required Consents and no Party will intentionally take any action or steps that would prejudice or jeopardize the obtaining of any Required Consent. No Party will accept or agree or accede to any modifications or amendments to, or the imposition of any condition to the transfer of the TCID RMG Shares that is not acceptable to the other Party.

5.3. HSR Notification. As soon as practicable after the execution of this Agreement, but in any event no later than 30 days after such execution, Charter and TCID will each complete and file, or cause to be completed and filed at its own cost and expense, any notification and report required to be filed under the HSR Act with respect to the transactions contemplated by this Agreement and each such filing will request early termination of the waiting period imposed by the HSR Act. The Parties will use their respective 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 will use their respective 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. Each Party will 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.

5.4. Confidentiality and Publicity.

5.4.1. Each Party will use commercially reasonable efforts to assure that any non public information that such Party may obtain from the other in connection with this Agreement with respect to the purchase and sale of the TCID RMG Shares will be kept confidential and, unless and until the Closing occurs, such Party will not disclose, and will cause its employees, consultants, advisors and agents not to disclose, any such information to any other Person (other than its directors, officers and employees and representatives of its advisers and lenders whose knowledge thereof is necessary in order to facilitate the consummation of the transactions contemplated hereby) or use, and will cause its employees, consultants, advisors and agents not to use, such information to the detriment of the other; provided that (a) such Party may use and disclose any such information once it has been publicly disclosed (other than by such Party in breach of its obligations under this Section) or which rightfully has come into the possession of such Party (other than from the other Party) and (b) to the extent that such Party may, in the reasonable opinion of its counsel, be compelled by Legal Requirements to disclose any of such information, such Party may disclose such information if it will have used all reasonable efforts, and will have afforded the other the opportunity, to obtain an appropriate protective order or other satisfactory assurance of confidential treatment, for the information compelled to be disclosed. The obligation by either Party to hold information in confidence pursuant to this Section will be satisfied if such Party exercises the same care with respect to such information as it would exercise to preserve the confidentiality of its own similar information. In the event of termination of this Agreement, each Party will use all reasonable efforts to cause to be delivered to the other, and retain no copies of, any documents, work papers and other materials obtained by such Party or on its behalf from the other, whether so obtained before or after the execution hereof

5.4.2. No Party will issue any press releases or make any other public announcement concerning this Agreement and the transactions contemplated hereby, except as required by applicable Legal Requirements, without the prior written consent and approval of the other Party, which consent and approval may not be unreasonably withheld.

5.5. Further Assurances. At or after the Closing, each Party at the request of the other Party, will promptly execute and deliver, or cause to be executed and delivered, to the other Party all such documents and instruments, in addition to those otherwise required by this Agreement, in form and substance reasonably satisfactory to the other Party as the other Party may reasonably request in order to carry out or evidence the terms of this Agreement.

5.6. Offers. TCID (and its directors, officers, employees, representatives and agents) shall not directly or indirectly, (i) offer the TCID RMG Shares for sale, (ii) solicit, encourage or entertain offers for such TCID RMG Shares, (iii) initiate negotiations or discussions for the sale of the TCID RMG Shares or (iv) make information about the TCID RMG Shares available to any Third Party in connection with the possible sale of the TCID RMG Shares prior to the Closing Date or the date this Agreement is terminated in accordance with its terms.

6. CONDITIONS PRECEDENT.

6.1. Conditions to Charter's Obligations. The obligations of Charter to consummate the transactions contemplated by this Agreement will be subject to the satisfaction, at or before the Closing, of the following conditions, one or more of which may be waived by Charter:

6.1.1. Accuracy of Representations and Warranties. The representations and warranties of TCID in this Agreement and in any Transaction Documents, without giving effect to any materiality qualifications contained therein, are true, complete and accurate on and as of the date hereof and at and as of the Closing with the same effect as if made at and as of the Closing, except to the extent that all misstatements, omissions and inaccuracies, in the aggregate, do not have a material adverse effect on the TCID RMG Shares taken as a whole, or on the ability of TCID to perform its obligations under this Agreement.

6.1.2. Performance of Agreement. TCID will have performed in all material respects all obligations and agreements and complied in all material respects with all covenants in this Agreement and in any Transaction Document to be performed and complied with by it at or before the Closing.

6.1.3. Deliveries. TCID will have delivered the items and documents required to be delivered by it pursuant to this Agreement, including those required to be delivered to Charter under Section 7.2.

6.1.4. Legal Proceedings. No Legal Requirement of any Governmental Authority (including any temporary Legal Requirement) will be in effect which would (a) prohibit Charter's ownership of the TCID RMG Shares or (b) prevent or make illegal the consummation of any of the transactions contemplated by this Agreement.

6.1.5. Consents. Charter will have received evidence, in form and substance reasonably satisfactory to it, that the TCID Required Consents have been obtained.

6.1.6. HSR Act. All filings required under the HSR Act will have been made and the applicable waiting period will have expired or been earlier terminated.

6.1.7. Common Agreement and Related Closings.

(a) The conditions set forth in Section 4.1 of the Common Agreement shall have been satisfied or waived.

(b) The transactions contemplated by the IP Agreements and the Redemption Agreement (each as defined in the Common Agreement) shall have been, or will be, consummated concurrently with this Agreement as set forth in Section 4.4 of the Common

Agreement, except to the extent such Agreements are not consummated as a result of a breach by Charter or its Affiliates of its or their obligation to consummate such transactions.

6.2. Conditions to TCID's Obligations. The obligations of TCID to consummate the transactions contemplated by this Agreement will be subject to the satisfaction, at or before the Closing, of the following conditions, one or more of which may be waived by TCID:

6.2.1. Accuracy of Representations and Warranties. The representations and warranties of Charter in this Agreement and in any Transaction Documents, without giving effect to any materiality qualifications contained therein, are true, complete and accurate on and as of the date hereof and at and as of the Closing with the same effect as if made at and as of the Closing, except to the extent that all misstatements, omissions and inaccuracies, in the aggregate, do not have a material adverse effect on the ability of Charter to perform its obligations under this Agreement.

6.2.2. Performance of Agreements. Charter will have performed in all material respects all obligations and agreements and complied in all material respects with all covenants in this Agreement and in any Transaction Document to be performed and complied with by it at or before the Closing.

6.2.3. Deliveries. Charter will have delivered the Class B Redemption Price and the Preferred Stock Liquidation Value in accordance with Section 2.1, and the other items and documents required to be delivered by it pursuant to this Agreement, including those required to be delivered to TCID under Section 7.3.

6.2.4. Legal Proceedings. No Legal Requirement of any Governmental Authority (including any temporary Legal Requirement) will be in effect which would prevent or make illegal the consummation of any of the transactions contemplated by this Agreement.

6.2.5. Consents. TCID will have received evidence, in form and substance reasonably satisfactory to it, that the Charter Required Consents have been obtained.

6.2.6. HSR Act. All filings required under the HSR Act will have been made and the applicable waiting period will have expired or been earlier terminated.

6.2.7. Related Closings. The transactions contemplated by the IP Agreements and the Redemption Agreement (each as defined in the Common Agreement) shall have been, or will be, consummated concurrently with this Agreement as set forth in Section 4.4 of the Common Agreement, except to the extent such Agreements are not consummated as a result of a breach by TCID or its Affiliates of its or their obligation to consummate such transactions.

7. THE CLOSING.

7.1. The Closing; Time and Place. Subject to the terms and conditions of this Agreement, the Closing will be held at the same place and on the same day as the closing under the IPWT Asset and Stock Purchase Agreement (the "Closing Date").

7.2. TCID's Delivery Obligations. At the Closing, TCID will deliver or cause to be delivered to Charter the following:

7.2.1. Stock Certificates. TCID will deliver the originals of all of the stock certificates representing the TCID RMG Shares accompanied by stock powers duly executed in blank or duly executed instruments of transfer, and all other documents necessary to transfer to Charter title to the TCID RMG.

7.2.2. Evidence of Authorization. Certified corporate resolutions or other evidence reasonably satisfactory to Charter that TCID has taken all action necessary to authorize the execution of this Agreement and the Transaction Documents and the consummation of the transactions contemplated hereby.

7.2.3. Officer's Certificate. Charter will have received a certificate executed by an executive officer of TCID dated the date of the Closing, reasonably satisfactory in form and substance to Charter certifying that the conditions specified in Section 6.1.1 and 6.1.2 have been satisfied.

7.2.4. Opinion of Counsel. An opinion of Sherman & Howard L.L.C., substantially in the form of Exhibit 7.2.4.

7.2.5. Other. Such other documents and instruments as may be necessary to effect the intent of this Agreement and to consummate the transactions contemplated hereby.

7.3. Charter's Delivery Obligations. At the Closing, Charter will deliver or cause to be delivered to TCID the following:

7.3.1. Cash Consideration. The Class B Redemption Price and the Preferred Stock Liquidation Value will be paid by Charter to TCID by wire transfer in immediately available funds in accordance with Section 2.1.

7.3.2. Evidence of Authorization Actions. Certified resolutions of the Board of Directors of Charter or other evidence reasonably satisfactory to TCID that Charter has taken all action necessary to authorize the execution of this Agreement and the Transaction Documents and the consummation of the transactions contemplated hereby.

7.3.3. Officer's Certificate. TCID will have received a certificate executed by an executive officer of Charter dated the date of the Closing, reasonably satisfactory in form and substance to TCID certifying that the conditions specified in Sections 6.2.1 and 6.2.2 have been satisfied.

7.3.4. Opinion of Counsel. An opinion of Irell & Manella LLP substantially in the form of Exhibit 7.3.4.

7.3.5. Other. Such other documents and instruments as may be necessary to effect the intent of this Agreement and to consummate the transactions contemplated hereby.

8. TERMINATION AND DEFAULT.

8.1. Termination Events. This Agreement may be terminated and the transactions contemplated hereby may be abandoned:

8.1.1. At any time, by the mutual agreement of Charter and TCID;

8.1.2. By either Charter or TCID at any time, if the other is in material breach or default of any of the other's covenants, agreements or other obligations herein or in any Transaction Document;

8.1.3. By either Charter or TCID upon written notice to the other, if any of the conditions to its obligations set forth in Sections 6.1 and 6.2, respectively, are not satisfied on or before the later of January 15, 2000, or nine months after the date of this Agreement, for any reason other than an intentional and material breach or default by such Party of its respective covenants, agreements or other obligations under this Agreement, or any of its representations herein not being true and accurate in all material respects when made or when otherwise required by this Agreement to be true and accurate in all material respects;

8.1.4. By either Charter or TCID if an injunction, restraining order or decree of any nature of any Governmental Authority of competent jurisdiction is issued that prohibits the consummation of any of the transactions contemplated hereby and such injunction, restraining order or decree is final and nonappealable; provided, however, that the party seeking to terminate this Agreement pursuant to this clause has used commercially reasonable efforts to have such injunction, order or decree vacated or denied;

8.1.5. By either Charter or TCID, upon termination of the IPWT Asset and Stock Purchase Agreement in accordance with its terms; or

8.1.6. As otherwise provided herein.

8.2. Effect of Termination. If this Agreement is terminated pursuant to Section 8.1, all obligations of the Parties under this Agreement will terminate, except for the obligations set forth in Section 5.5 and Section 10.13. Termination of this Agreement pursuant to Sections 8.1.2, 8.1.3, 8.1.4, 8.1.5 or 8.1.6 will not limit or impair any remedies that any of TCID or Charter may have pursuant to the terms of this Agreement with respect to a breach or default by the other of its covenants, agreements or obligations under this Agreement.

9. SURVIVAL; REMEDIES.

9.1. Survival of Representations, Warranties, Covenants and Agreements. The representations, warranties, covenants and agreements of TCID and Charter in this Agreement and in the Transaction Documents will survive Closing for a period of twelve months after the Closing Date. The period of survival of the representations, warranties, covenant or agreement prescribed by this Section 9.1 are referred to as the "Survival Period." The liabilities of each Party under its respective representations, warranties, covenant or agreement, except Sections 5.4 and 5.5, will expire as of the expiration of the Survival Period; provided, however, that such expiration will not include, extend or apply to any representation, warranty, covenant or agreement the breach of which has been asserted by a Party in a written notice to the other Party before such expiration or about which a Party has given the other Party written notice before such expiration indicating that facts or conditions exist that, with the passage of time or otherwise, can reasonably be expected to result in a breach (and describing such potential breach in reasonable detail).

9.2. Exclusive Remedy. The Parties hereby agree that the rights set forth in the Common Agreement will be each Party's sole and exclusive remedies against the other Party for any claims arising after the Closing Time and relating to any breaches of the representations, warranties or covenants contained in this Agreement other than based on fraud.

10. MISCELLANEOUS PROVISIONS.

10.1. Parties Obligated and Benefitted. Subject to the limitations set forth below, this Agreement will be binding upon each of the Parties and their respective assigns and successors in interest and will inure solely to the benefit of the Parties and their respective assigns and successors in interest, and no other Person will be entitled to any of the benefits conferred by this Agreement. Without the prior written consent of the other Parties, no Party will assign any of its rights under this Agreement or delegate any of its duties under this Agreement, except a Party may assign any or all of its rights under this Agreement to an Affiliate, provided that such assignment will not result in any adverse tax consequences to the other Party, will not give rise to any material requirements for additional Required Consents, and will not, in the reasonable judgment of the other Party, delay the Closing.

10.2. Notices. Any notice, request, demand, waiver or other communication required or permitted to be given under this Agreement to either Party will be in writing and will be deemed to

have been duly given only if delivered in person or by first class, prepaid, registered or certified mail, or sent by courier or, if receipt is confirmed, by telecopier:

To TCID c/o:

Tele-Communications, Inc.
5619 DTC Parkway
Englewood, Colorado 80111
Attention: Derek Chang
Telecopy: 303-488-3219

with a copy (which will not constitute notice) to:

Sherman & Howard L.L.C.
633 17th Street, Suite 3000
Denver, Colorado 80202
Attention: Arlene S. Bobrow, Esq.
Telecopy: 303-298-0940

To Charter c/o:

Charter Communications
12444 Powerscourt Drive
St. Louis, Missouri 63131
Attention: Jerald L. Kent, President
Telecopy: (314) 965-8793

with copies (which will not constitute notice) to:

Charter Communications
12444 Powerscourt Drive
St. Louis, Missouri 63131
Attention: Curtis S. Shaw, Esq.,
Senior Vice President & General Counsel
Telecopy: (314) 965-8793

Irell & Manella LLP
1800 Avenue of the Stars
Suite 900
Los Angeles, California 90067
Attention: Alvin G. Segel, Esq.
Telecopy: (310) 203-7199

Any Party may change the address to which notices are required to be sent by giving notice of such change in the manner provided in this Section 10.2. All notices will be deemed to have been received on the date of delivery, which in the case of deliveries by telecopier will be the date of the sender's confirmation.

10.3. Right to Specific Performance. Each Party acknowledges that the unique nature of the transaction pursuant to this Agreement renders money damages an inadequate remedy for the breach by either Party of its obligations under this Agreement, and the Parties agree that in the event of such breach, the Parties will upon proper action instituted by either of them, be entitled to a decree of specific performance of this Agreement.

10.4. Waiver. This Agreement or any of its provisions may not be waived except in writing. 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.

10.5. Captions. The section and other captions of this Agreement are for convenience only and do not constitute a part of this Agreement.

10.6. Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of Delaware (other than its rules of conflicts of law to the extent that the application of the laws of another jurisdiction would be required thereby).

10.7. Time. Time is of the essence under this Agreement. If the last day permitted for the giving of any notice or the performance of any act required or permitted under this Agreement falls on a day which is not a Business Day, the time for the giving of such notice or the performance of such act will be extended to the next succeeding Business Day.

10.8. Late Payments. If either Party fails to pay the other any amounts when due under this Agreement, the amounts due will bear interest from the due date to the date of payment at the Prime Rate plus 2%, adjusted as and when changes in the Prime Rate are made.

10.9. Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original.

10.10. Entire Agreement. This Agreement (including the Transaction Documents and the Schedules referred to in this Agreement, which are incorporated in and constitute a part of this Agreement) contains the entire agreement of the Parties with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings with respect to such subject matter. This Agreement may not be amended or modified except by a writing signed by each of the parties hereto.

10.11. Severability. Any term or provision of this Agreement which is invalid or unenforceable will be ineffective to the extent of such invalidity or unenforceability without

rendering invalid or unenforceable the remaining rights of the Person intended to be benefitted by such provision or any other provisions of this Agreement.

10.12. Construction. This Agreement has been negotiated by the Parties and their respective legal counsel, and legal or other equitable principles that might require the construction of this Agreement or any provision of this Agreement against the Party drafting this Agreement will not apply in any construction or interpretation of this Agreement.

10.13. Expenses. Except as otherwise expressly provided in this Agreement, each Party will pay all of its expenses, including attorneys' and accountants' fees, in connection with the negotiation of this Agreement, the performance of its obligations and the consummation of the transactions contemplated by this Agreement.

10.14. Commercially Reasonable Efforts. For purposes of this Agreement, "commercially reasonable efforts" will not be deemed to require a Party to undertake extraordinary or unreasonable measures, including the payment of amounts in excess of normal and usual filing fees and processing fees, if any or other payments with respect to any Contract that are significant in the context of such Contract (or significant on the aggregate basis as to all Contracts).

[the remainder of this page intentionally left blank]

The parties have executed this Stock Purchase Agreement as of the day and year first above written.

CHARTER COMMUNICATIONS, LLC

By: /s/ Curtis S. Shaw

Title: Vice President

TCID IP-V, INC.

By: /s/ Derek Chang

Title: Vice President

[Signature Page to Stock Purchase Agreement dated as of April __, 1999 between TCID IP-V, Inc. and Charter Communications, LLC]

Exhibit 2.6(c)

RMG PURCHASE AGREEMENT

dated as of April 20, 1999

between

ROBIN MEDIA GROUP, INC.,

INTERMEDIA PARTNERS OF WEST TENNESSEE, L.P.

and

CHARTER RMG, LLC

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RMG PURCHASE AGREEMENT

THIS RMG PURCHASE AGREEMENT is made as of the 20th day of April, 1999, by and among Robin Media Group, Inc., a Nevada corporation ("RMG"), and InterMedia Partners of West Tennessee, L.P., a California limited partnership ("IPWT"), on the one hand, and Charter RMG, LLC, a Delaware limited liability company ("Charter"), on the other hand.

RECITALS

A. RMG owns and operates cable television systems which are franchised or hold other operating authority and operate in and around the municipalities listed on Schedule 5.15.2 (collectively, the "Systems").

B. This Agreement sets forth the terms upon which RMG will convey, or cause to be conveyed, to a Delaware limited liability company wholly owned by RMG ("Tennessee LLC") the assets comprising or used or useful in connection with the Cable Business associated with the Systems located in East Tennessee, but excluding any assets relating to RMG's cable television business in Brentwood, Tennessee, and RMG will transfer to Charter at the Closing a percentage of the issued and outstanding membership interests in Tennessee LLC as set forth herein.

C. IPWT, Charter and certain of their respective Affiliates have entered into that certain Common Agreement (the "Common Agreement") pursuant to which they have agreed to certain issues common to each of the transfers made pursuant to this Agreement and to certain other related transactions (each as more fully described in the Common Agreement). The common issues addressed include revenue and working capital adjustments, closing conditions, and indemnification for breaches of representations, warranties, covenants and agreements.

AGREEMENTS

In consideration of the covenants and agreements set forth herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties hereby agree as follows:

1. DEFINITIONS. In addition to the terms defined elsewhere in this Agreement, the following capitalized terms or terms otherwise defined in this Section 1 shall have the meanings set forth below:

1.1 1992 Cable Act. The Cable Television Consumer Protection and Competition Act of 1992, as amended, and the FCC rules and regulations promulgated thereunder.

1.2 Affiliate. With respect to any Person, any other Person controlling, controlled by

or under common control with such Person. As used in this Agreement, "control" means the ownership, directly or indirectly, of voting securities representing the right generally to elect a majority of the directors (or similar officials) of a Person or the possession, by contract or otherwise, of the authority to direct the management and policies of a Person. Notwithstanding the foregoing, prior to the Closing Date, (a) neither AT&T Corporation, Tele-Communications, Inc., not any of their direct or indirect subsidiaries (collectively, the "AT&T Affiliates"), shall be considered Affiliates of RMG for any purpose herein or hereunder; (b) neither Paul Allen, Vulcan Cable, Inc., Vulcan Cable II, Inc., Marcus Cable Properties, L.L.C. nor any other Person directly or indirectly controlled by Paul Allen that is not engaged in the cable television business (collectively, the "Allen Affiliates") shall be considered Affiliates of Charter for any purpose herein or hereunder; (c) RMG and Tennessee LLC shall not be considered Affiliates of IPWT following the Closing; and (d) InterMedia Partners, a California limited partnership, Brenmor Cable Partners, L.P., and TCID IP-V, Inc., on the one hand, and InterMedia Partners Southeast, a California general partnership, IPWT, InterMedia Partners IV, L.P., and RMG, on the other hand, shall not be deemed Affiliates of each other.

1.3 Agreement. This Asset Purchase Agreement.

1.4 Intentionally omitted

1.5 Assets. All of the assets, privileges, contracts, licenses, permits, franchises, authorizations, rights, interests, claims and other properties, real and personal, tangible and intangible, of every type and description (a) which are owned, leased, held for, used or useful in, or otherwise related to, the Cable Business, (b) in which RMG or any Affiliate of RMG has any right, title or interest or in which RMG or any Affiliate of RMG acquires any right, title or interest on or before the Closing Time, and (c) which are not Excluded Assets. The Assets include the Tangible Personal Property, Owned Property, Leased Property, Other Real Property Interests, Systems Franchises, Systems Licenses, Systems Contracts, Books and Records and Other Intangibles.

1.6 Basic Services. The lowest tier of service offered to subscribers of a System.

1.7 Books and Records. All engineering records, files, data, drawings, blueprints, schematics, reports, lists, plans and procedures and all other files of correspondence, lists, records and reports concerning the Cable Business, including subscribers and prospective subscribers of the Systems, signal and program carriage and dealings with Governmental Authorities with respect to the Systems, including all reports filed with respect to the Systems by or on behalf of RMG or any Affiliate of RMG with the FCC and statements of account filed with respect to the Systems by or on behalf of RMG or any Affiliate of RMG with the U.S. Copyright Office, but excluding all documents, reports and records relating to any employee of the Systems who has not given consent to disclosure of such documents, reports and records.

1.8 Business Day. Any day other than a Saturday, Sunday or a day on which the

banking institutions in New York, New York, Denver, Colorado, San Francisco, California or St. Louis, Missouri are required or authorized to be closed.

1.9 Cable Act. The Cable Communications Policy Act of 1984, as amended, and the FCC rules and regulations promulgated thereunder.

1.10 Cable Business. The cable television businesses and other revenue-generating businesses and operations relating to the Systems conducted by RMG or an Affiliate of RMG through the Systems.

1.11 Closing. The closing of the transactions contemplated by this Agreement.

1.12 Closing Time. 11:59 p.m., Eastern time, on the Closing Date.

1.13 Code. United States Internal Revenue Code, as amended.

1.14 Communications Act. The Communications Act of 1934, as amended, and the FCC rules and regulations promulgated thereunder.

1.15 Contract. Any contract, mortgage, deed of trust, bond, indenture, lease, license, note, franchise, certificate, option, warrant, right or other instrument, document, obligation or agreement, whether written or oral.

1.16 Environmental Law. Any Legal Requirement relating to pollution or the protection of public health, safety, welfare or the environment, including CERCLA, OSHA and RCRA and including Legal Requirements relating to emissions, discharges, releases or threatened releases of Hazardous Substances into the environment (including ambient air, surface water, ground water or land) or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Substances.

1.17 ERISA. The Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder and published interpretations with respect thereto.

1.18 ERISA Affiliate. As to any Person, any trade or business, whether or not incorporated, which together with such Person would be deemed a single employer within the meaning of Section 4001 of ERISA.

1.19 Expanded Basic Services. Any video programming provided over a cable television system, regardless of service tier, other than Basic Services and Pay TV.

1.20 FCC. The Federal Communications Commission.

1.21 Governmental Authority. The United States of America, any state, commonwealth,

territory or possession of the United States of America and any political subdivision or quasi-governmental authority of any of the same, including any court, tribunal, department, commission, board, bureau, agency, body, county, municipality, province, parish or other instrumentality of any of the foregoing.

1.22 Hazardous Substances. Any pollutant, contaminant, chemical, industrial, toxic, hazardous or noxious substance or waste which is regulated by a Governmental Authority, including (a) any petroleum or petroleum compounds (refined or crude), flammable substances, explosives, radioactive materials or any other materials or pollutants which pose a significant hazard or potential significant hazard to the Owned Property or Other Real Property Interests or to Persons in or about the Owned Property or Other Real Property Interests or cause the Owned Property or Other Real Property Interests to be in violation of any Legal Requirements; (b) any "hazardous waste" as defined by the Resource Conservation and Recovery Act of 1976 (RCRA) (42 U.S.C. ss.ss.6901) and the rules and regulations promulgated thereunder; (c) any "hazardous substance" as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. 9601 et seq.) (CERCLA), as amended, and the rules and regulations promulgated thereunder; (d) any substance regulated by the Toxic Substances Control Act (TSCA) (42 U.S.C. ss.2601 et seq.) or the Insecticide, Fungicide and Rodenticide Act (IFRA) (7 U.S.C. ss.136 et seq.), each, as amended, and the rules and regulations promulgated thereunder; (e) asbestos or asbestos-containing material of any kind or character; (f) polychlorinated biphenyls; (g) any substances regulated under the provisions of Subtitle I of RCRA relating to underground storage tanks; (h) any materials or substances designated as "hazardous substances" pursuant to the Clean Water Act (33 U.S.C. ss.1251 et seq.); (i) "economic poison," as defined in the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. ss.135 et seq.); (j) any substance the presence, use, handling, treatment, storage or disposal of which on the Owned Property or Leased Property is regulated or prohibited by any Environmental Law; and (k) any other substance which by any Environmental Law requires special handling, reporting or notification of any Governmental Authority in its collection, storage, use, treatment or disposal.

1.23 HSR Act. The Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder.

1.24 Intellectual Property. With respect to the Cable Business, any (a) trademarks, trade dress, trade names, service marks, logos and other similar proprietary rights, (b) domain names, (c) copyrights and (d) patents and patentable know-how, inventions and processes, in each case used in the Cable Business.

1.25 Judgment. Any judgment, writ, order, injunction, award or decree of any court, judge, justice or magistrate, including any bankruptcy court or judge or the arbitrator in any binding arbitration, and any order of or by any Governmental Authority.

1.26 Knowledge. The actual knowledge of a particular matter of Frank S. Crawford, Robert J. Lewis, Rodney M. Royse, Edon V. Smith or Thomas R. Stapleton, and in addition to

those Persons described above, the general manager or one or more of the managers of the Systems.

1.27 Leased Property. The leaseholds of real property included among the Assets and described as Leased Property on Schedule 1.27.

1.28 Legal Requirement. Applicable common law and any statute, ordinance, code or other law, rule, regulation, order, technical or other written standard, requirement or procedure enacted, adopted, promulgated, applied or followed by any Governmental Authority, including any Judgment.

1.29 Lien. Any security interest, security agreement, financing statement filed with any Governmental Authority, conditional sale or other title retention agreement, any lease, consignment or bailment given for purposes of security, any mortgage, lien (including any lien for Taxes), indenture, pledge, option, encumbrance, adverse interest, constructive trust or other trust, claim, attachment, exception to, defect in, or other condition adversely affecting title or other ownership interest (including reservations, rights of entry, possibilities of reverter, encroachments, protrusions, easements, rights-of-way, rights of first refusal, restrictive covenants, leases and licenses) of any kind, which constitutes an interest in or claim against property, whether arising pursuant to any Legal Requirement, Systems License, Systems Franchise, Systems Contract or otherwise.

1.30 Litigation. Any claim, action, suit, proceeding, arbitration, investigation or hearing that could result in a Judgment, any other activity or procedure that could reasonably be expected to result in a Judgment, or any notice of any of the foregoing.

1.31 Losses. Any claims, losses, liabilities, damages, penalties, costs and expenses, including interest that may be imposed in connection therewith, expenses of investigation, reasonable fees and disbursements of counsel and other experts, and, as applicable, the cost to any Person making a claim or seeking indemnification under this Agreement with respect to funds expended by such Person by reason of the occurrence of any event or the existence or assertion of any Liens (other than Permitted Liens) with respect to which indemnification is sought.

1.32 MVPD. A distributor of cable television services, multichannel multi point distribution service, direct broadcast satellite service or television receive-only satellite programming, who makes available for purchase, by subscribers or customers, multiple channels of video programming, other than Persons distributing such services only to multiple dwelling unit or other commercial customers (including hotels, motels, resorts, hospitals, dormitories, prisons, restaurants, bars and similar establishments).

1.33 Other Intangibles. All intangible assets, other than the Systems Franchises, Systems Licenses and Systems Contracts, including subscriber lists, claims (excluding any claims relating to Excluded Assets), and Intellectual Property, if any, included among the Assets.

1.34 Other Real Property Interests. The easements and rights of access (other than those relating to multiple dwelling units) and other interests in real property held by RMG or any Affiliate of RMG in connection with the Cable Business, including those interests described as Other Real Property Interests on Schedule 1.34, but not including Leased Property or Owned Property.

1.35 Owned Property. The fee interests in the real property included among the Assets and described as Owned Property on Schedule 1.35 and all improvements and towers thereon and appurtenances thereto.

1.36 Party. Charter, IPWT or RMG, as the context requires.

1.37 Pay TV. Premium programming services selected by and sold to subscribers on a per channel or per program basis.

1.38 Permitted Liens. (a) Liens for Taxes, assessments and governmental charges, in each case not yet due and payable, (b) zoning laws or ordinances or any similar Legal Requirements, (c) rights reserved to any Governmental Authority to regulate the affected property, (d) Liens described on Schedule 5.4.1, (e) as to Leased Property or Tangible Personal Property that is leased, the interests of the lessors thereof, and (f) as to Owned Property, Leased Property and Other Real Property Interests, any easements, rights-of-way, servitudes, conditions, covenants, restrictions and minor imperfections or irregularities in title, in each case, which are reflected in the public records and which do not individually or in the aggregate interfere with the right or ability of the applicable Party to own, use, enjoy or operate the Owned Property, Leased Property or Other Real Property Interests in the manner currently used or to convey good, marketable and indefeasible fee simple title to the same; provided that "Permitted Liens" will not include any Lien which could prevent or inhibit in any way (other than as permitted under clause (f)) the conduct of the business of the affected System, and provided further that classification of any Lien as a "Permitted Lien" will not affect any liability which a Party may have for any such Lien, including pursuant to any indemnity obligation under this Agreement.

1.39 Person. Any natural person, Governmental Authority, corporation, general or limited partnership, limited liability company, joint venture, trust, association or unincorporated entity of any kind.

1.40 Required Consents. Any and all consents, authorizations and approvals under or in connection with the Assets (including the Systems Franchises, Systems Licenses, and Systems Contracts) or any Contract, Lien or Legal Requirement by which RMG, any of its Affiliates or their respective Assets are bound, required (a) for RMG to transfer the Assets to Tennessee LLC or the LLC Interest to Charter pursuant to this Agreement, (b) for Tennessee LLC to operate the Systems and to own, lease, use and operate the Assets and the Systems at the places and in the manner in which the Assets are used and the Systems are operated as of the date of this Agreement

and as of the Closing, or (c) for Tennessee LLC to assume and perform the Systems Franchises, the Systems Licenses, the Systems Contracts and the Assumed Obligations and Liabilities.

1.41 Six-Month Date. The date that is six (6) months after the Closing Date.

1.42 Statements of Income. Statements of Income of the Systems attached hereto as Schedule 5.10.

1.43 Systems Contracts. All Contracts (other than Systems Franchises and Systems Licenses) that are included among the Assets, including the lease agreements for Tangible Personal Property, pole attachment agreements, underground conduit agreements, crossing agreements, retransmission consent agreements, multiple dwelling, bulk billing or commercial service agreements and other Contracts described on Schedule 1.43 and the Contracts documenting Leased Property and Other Real Property Interests described on Schedules 1.34 and 1.35.

1.44 Systems Franchises. The franchises, permits and similar authorizations included among the Assets (other than Systems Licenses) described on Schedule 1.44, and all rights and benefits of RMG and its Affiliates pertaining thereto, including the rights and benefits arising under Section 626 of the Communications Act (47 U.S.C. 546) to the extent applicable to a Systems Franchise.

1.45 Systems Licenses. The intangible cable television channel distribution rights, cable television relay service (CARS), business radio and other licenses, earth station registrations, authorizations, consents or permits issued by the FCC or any other Governmental Authority included among the Assets and described on Schedule 1.45 (other than the Systems Franchises and Systems Contracts) and all rights and benefits of RMG and its Affiliates pertaining thereto.

1.46 Tangible Personal Property. All tangible personal property included among the Assets, including towers (other than towers on Owned Property which are fixtures thereon and a part thereof), tower equipment, aboveground and underground cable, distribution systems, headend amplifiers, line amplifiers, microwave equipment, converters, testing equipment, motor vehicles, office equipment, computers and billing equipment, furniture, fixtures, supplies, inventory and other physical assets, the principal items of which are identified and described on Schedule 1.46.

1.47 Taxes. Levies and assessments of any kind or nature imposed by any Governmental Authority, including all income, sales, use, ad valorem, value added, franchise, severance, net or gross proceeds, withholding, payroll, employment, excise or property taxes and levies or assessments related to unclaimed property, together with any interest thereon and any penalties, additions to tax or additional amounts applicable thereto. For purposes of determining any Tax cost or Tax benefit to any Person, such amount will be the actual cost or benefit recognized by such Person at the time of actual payment of the additional Tax or actual receipt of the Tax benefit. In the event that any Loss, payment or other amount is required to be

determined on an after-Tax basis, such payment or other amount will be determined without regard to any Tax cost or Tax benefit not actually recognized at the time of the determination, and appropriate adjustments will be made when and to the extent that such Tax cost or Tax benefit is actually recognized.

1.48 Third Party. Any Person other than RMG and its Affiliates, IPWT and its Affiliates or Charter and its Affiliates.

1.49 Transaction Documents. The Common Agreement and all instruments and documents described in Sections 9.2 and 9.3 which are being executed and delivered by or on behalf of Charter, IPWT or RMG in connection with this Agreement or the transactions contemplated hereby.

1.50 Other Definitions. The following terms have the meanings set forth in the sections indicated in the table below:

Term	Section
Agent's Fees	5.17
ALTA	7.6
Antitrust Division	7.7
Assumed Obligations and Liabilities	4.2
AT&T Affiliates	1.2
Base Price	3.1
Charter	First Paragraph
Closing Date	9.1
Code	5.14.2
Commercially reasonable efforts	12.16
Common Agreement	Recital C
Computer and Other Systems	7.20.1(a)
Confidential Information	7.13.1
Copyright Act	5.9
Cost of Service Election	5.8.4
Excluded Assets	4.1
FCC Rate Forms	5.8.4
FTC	7.7
Hired Employee	7.3.6(a)
IPWT	First Paragraph
New Properties	7.10(b)
Nonrecourse	11.3
Operating Agreements	7.5.5(a)
Phase I Assessment	7.19.1
Phase II Assessment	7.19.1

Primary Transfer	7.5.5(b)
Prime Rate	12.8
Purchase	2.1
Retained Franchise	7.5.5(a)
RMG	First Paragraph
Sales Taxes	7.8
Subsequent Transfer	7.5.5(c)
Surveys	7.6
Survival Period	11.1
System Employees	7.3.1
Systems	Recital A
Taking	12.14
Tennessee LLC	Recital B
Third Party Testing	7.20.2(b)
Title Commitments	7.6
Title Company	7.6
Title Defect	7.6
Transfer Tax Returns	7.8
Transfer Taxes	7.8
Transitional Billing Services	7.12
WARN	5.14.1
Year 2000 High-Level Inventory, Assessment and Remediation Decisions	7.20.1(b)
Year 2000 Plan	7.20.1(c)

1.51 Usage. The definitions in Article 1 shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. All references herein to Articles, Sections, Exhibits and Schedules shall be deemed to be references to Articles and Sections of, and Exhibits and Schedules to, this Agreement unless the context shall otherwise require. All Exhibits and Schedules attached hereto shall be deemed incorporated herein as if set forth in full herein and, unless otherwise defined therein, all terms used in any Exhibit or Schedule shall have the meaning ascribed to such term in this Agreement. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. Unless otherwise expressly provided herein, any agreement, instrument or statute defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument or statute as from time to time amended, modified or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes and references to all attachments thereto and instruments incorporated therein. All accounting terms not otherwise defined in this Agreement will have the meanings ascribed to them under generally acceptable accounting

principles as in effect from time to time in the United States, consistently applied.

2. CONTRIBUTION AND PURCHASE.

2.1 Contribution. Upon the terms and subject to the conditions set forth in this Agreement, RMG and Charter agree that prior to the Closing, RMG shall transfer to Tennessee LLC the Assets, free and clear of all Liens (except Permitted Liens), including the assignment and transfer of all interests in Leased Property which are Assets and leased Tangible Personal Property which are Assets, and RMG shall cause Tennessee LLC to assume the Assumed Obligations and Liabilities.

2.2 Purchase. Upon the terms and subject to the conditions set forth in this Agreement, at the Closing, RMG shall sell to Charter, and Charter shall purchase from RMG, a portion (or all) of the outstanding membership interests in Tennessee LLC (the "LLC Interest"). No later than twenty (20) days prior to the Closing, Charter shall notify RMG of the portion of the LLC Interest which it shall purchase at the Closing.

3. CONSIDERATION. Each Party agrees that cash consideration will be paid at Closing by Charter to RMG, and that such amount will be determined as follows:

3.1 Base and Adjusted Value. For the purposes of this Agreement, the base purchase price of the LLC Interest shall be an amount equal to (x) the percentage of the outstanding ownership interests in Tennessee LLC purchased by Charter pursuant to Section 2.2 ("Purchase Percentage"), times (y) one hundred eighty four million dollars ($184,000,000) (the "Base Value"). At the Closing, Charter (or its permitted assignees) will pay to RMG (or its permitted assignee) an amount in cash equal to the Purchase Percentage times the Adjusted Value as determined pursuant to the Common Agreement, which payment shall then be deemed made pursuant and subject to this Agreement. Preliminary and final determinations of the Adjusted Value will be made in accordance with the Common Agreement.

3.2 Allocation of Purchase Price. The product of the Purchase Percentage times the sum of (i) the Final Adjusted Value of the Assets and (ii) the Assumed Obligations and Liabilities ("the Purchase Consideration") shall be allocated among the Assets in accordance with a schedule (the "Allocation Schedule") to be prepared by Charter and delivered within ninety (90) days after the determination of the Final Adjusted Value under the Common Agreement to RMG for the approval of RMG. RMG and Charter shall cooperate and use commercially reasonable efforts to reach a mutually satisfactory agreement regarding the Allocation Schedule. The final Allocation Schedule, determined in the manner described in this Section 3.2, shall comply with the provisions of Section 1060 of the Code and each of RMG and Charter shall timely file any forms required to be filed under Section 1060 of the Code and any corresponding provision of state of local Tax law in accordance with the final Allocation Schedule. Charter and RMG each agree (i) to reflect the 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.

4. EXCLUDED ASSETS AND ASSUMED LIABILITIES

4.1 Excluded Assets. "Excluded Assets" means all: (a) programming Contracts (including music programming Contracts), cable guide Contracts, and Contracts to which RMG and one or more Affiliates of RMG or other cable systems of RMG or its Affiliates are parties (including master retransmission consent agreements and master billing, collection and related agreements), other than any such Contracts (such as local programming agreements) listed on Schedule 4.1(b); (b) except as set forth on Schedule 4.1(b), each employee benefit plan (as defined in Section 3(3) of ERISA) or any multiemployer plan (as defined in Section 3(37) of ERISA) with respect to which RMG or any of its ERISA Affiliates has any liability or in which any employees or agents, or any former employees or agents, of RMG or any of its ERISA Affiliates participate; (c) except as provided in Section 12.14, insurance policies and rights and claims thereunder; (d) bonds, letters of credit, surety instruments and other similar items; (e) cash and cash equivalents, including cash relating to subscriber prepayments and deposits, and notes receivable; (f) except as set forth on Schedule 4.1(b) and subject to Section 7.11, Intellectual Property held by RMG or any of its Affiliates; (g) except as set forth on Schedule 4.1(b), subscriber billing Contracts and related equipment if not owned by RMG or any Affiliate of RMG; (h) assets, rights or properties of RMG or its Affiliates used or held for use other than principally in connection with the Systems; (i) except for any items for which the Adjusted Value of the Systems is increased under Section 2.2 of the Common Agreement, claims, rights, and interest in and to any refunds of Taxes or fees of any nature, or other claims against third parties, relating to the operation of the Systems prior to the Closing Time; (j) account books of original entry, general ledgers, financial records, minute books, stock ledgers, organizational documents and, to the extent not included in the Books and Records, personnel files and records, in each case used in connection with the Systems; (k) except for the leases described on Schedule 4.1(b), capital and vehicle leases; (l) advertising sales agency or representation Contracts providing any Third Party or Affiliate of RMG the right to sell available advertising time for a System other than any such Contract listed on Schedule 4.1(b); (m) to the extent licensed pursuant to a master license agreement or not otherwise transferable, software of RMG or any Affiliate of RMG and licenses relating to Third Party software; (n) Contracts for any fiber or fiber capacity lease or use arrangements that provide to any Third Party or Affiliate of RMG the right to use any fiber or capacity of a System other than any such Contract listed on Schedule 4.1(b); (o) except as set forth on Schedule 4.1(b), Contracts for any internet access or on-line services arrangements that provide to any Third Party or Affiliate of RMG the right to use the transmission capacity of a System to provide internet access or other on-line services over such System; (p) except as set forth on Schedule 4.1(b), Contracts between RMG and its Affiliates; (q) except as set forth on Schedule 4.1(b), any assets relating to RMG's cable television business in Brentwood, Tennessee; and (r) other rights, assets and properties described on Schedule 4.1(a).

4.2 Assumed Obligations and Liabilities. At the Closing and effective as of the Closing Time, RMG shall cause Tennessee LLC to assume, and after the Closing Date, Charter will cause Tennessee LLC to pay, discharge and perform, the following (collectively, "Assumed Obligations and Liabilities"): (a) those obligations and liabilities accruing and relating to periods

after the Closing Time under or with respect to the Assets assigned and transferred to Tennessee LLC at the Closing; (b) those obligations and liabilities of RMG for subscriber prepayments and deposits related to the Systems transferred to Tennessee LLC existing at the Closing Time; (c) other obligations and liabilities of RMG relating to the Systems transferred to Tennessee LLC only to the extent that the Adjusted Value of the Systems, was decreased with respect thereto pursuant to Section 2.2 of the Common Agreement; and (d) all other obligations and liabilities accruing and relating to periods after the Closing Time and arising out of Tennessee LLC's ownership, use or operation of the Assets (including those items listed or described on Schedule 4.1(b)) or its operation of, or the conduct of business through, the Systems after the Closing (including with respect to late fees that may be charged by Tennessee LLC after the Closing to subscribers of the Systems), except to the extent that such obligations or liabilities relate to any Excluded Asset. All obligations and liabilities arising out of or relating to the Assets, the Systems or the Cable Business other than Assumed Obligations and Liabilities will remain and be the obligations and liabilities solely of RMG, including any obligation, liability or claims relating to or arising pursuant to (w) Taxes (including franchise fees) with respect to periods or portions thereof ending on or prior to the Closing Date, (x) refunds of rates, charges or late fees with respect to periods through and including the Closing Date, (y) Litigation commenced, or related to an event occurring, on or prior to the Closing Date, or (z) credit, loan or other agreements pursuant to which RMG has created, incurred, assumed or guaranteed indebtedness for borrowed money or under which any Lien securing such indebtedness has been or may be imposed on any Asset.

5. IPWT'S REPRESENTATIONS AND WARRANTIES.

IPWT represents and warrants to Charter as of the date of this Agreement and as of the Closing, as follows:

5.1 Organization and Qualification of IPWT and RMG.

5.1.1 RMG is a corporation which has been duly formed under the laws of the State of Nevada. RMG has all requisite power and authority to own, lease and use the Assets owned, leased or used by it and to conduct the Cable Business as it is currently being conducted.

5.1.2 IPWT is a limited partnership, duly formed, validly existing and in good standing under the laws of the State of California.

5.1.3 When formed, Tennessee LLC shall be a limited liability company duly formed, validly existing and in good standing under the laws of the State of Delaware, and will be treated for federal income tax purposes as a disregarded entity with respect to RMG under Treasury Regulations ss.301.7701-3(b)(1)(ii).

5.2 Authority and Validity. RMG and IPWT have all requisite power and authority to execute and deliver, and to perform their obligations under, and to consummate the transactions

contemplated by, this Agreement and the Transaction Documents. The execution and delivery by RMG and IPWT of, the performance of RMG and IPWT under, and the consummation by RMG and IPWT of the transactions contemplated by, this Agreement and the Transaction Documents to which RMG or IPWT is a party have been duly and validly authorized by all action by or on behalf of RMG and IPWT. This Agreement has been, and when executed and delivered by RMG and IPWT the Transaction Documents to which RMG or IPWT is a party will be, duly and validly executed and delivered by RMG and IPWT and the valid and binding obligations of RMG and IPWT, enforceable against RMG and IPWT in accordance with their terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect relating to the enforcement of creditors' rights generally or by principles governing the availability of equitable remedies.

5.3 No Conflict; Required Consents. Except as set forth on Schedule 5.3, and assuming any consents referenced on Schedule 6.3 have been obtained and the expiration or earlier termination of the waiting period under the HSR Act has occurred, the execution and delivery by RMG and IPWT, the performance of RMG and IPWT under, and the consummation by RMG and IPWT of the transactions contemplated by, this Agreement and the Transaction Documents to which RMG or IPWT is a party do not and will not: (a) conflict with or violate any provision of the organizational documents of RMG or IPWT; (b) violate any provision of any Legal Requirement; (c) require any consent, approval or authorization of, or filing of any certificate, notice, application, report or other document with, any Governmental Authority or other Person; or (d) (i) conflict with, violate, result in a breach of or constitute a default under (without regard to requirements of notice, lapse of time or elections of other Persons or any combination thereof), (ii) permit or result in the termination, suspension or modification of, (iii) result in the acceleration of (or give any Person the right to accelerate) the performance of RMG or IPWT under, or (iv) result in the creation or imposition of any Lien under any Systems Contract, Systems Franchise, Systems License, or other instrument evidencing any of the Assets or by which RMG or any of the Assets is bound or affected, except for purposes of clauses (c) and (d) such consents, approvals, authorizations and filings that, if not obtained or made, would not, and such violations, conflicts, breaches, defaults, terminations, suspensions, modifications and accelerations as would not, individually or in the aggregate, have an adverse effect on any System, the Cable Business or RMG, or on the ability of RMG or IPWT to perform their obligations under this Agreement or the Transaction Documents to which RMG or IPWT is a party.

5.4 Assets.

5.4.1 RMG has good and marketable title to (or, in the case of Assets that are leased, valid leasehold interests in) the Assets, and at the Closing, Tennessee LLC will have good and marketable title to (or in the case of Assets that are leased, valid leasehold interests in) the Assets. None of the AT&T Affiliates has any right, title or interest in or to any of the Assets. The Assets are free and clear of all Liens, except Permitted Liens and rights of first refusal which will be waived by the Person holding such right at or prior to Closing. All of the Liens described on Schedule 5.4.1 (except for those marked with an asterisk on Schedule 5.4.1) will be terminated, released or, in the case of rights of first refusal (except for those listed on Schedule 5.4.1), waived, as appropriate at or prior to Closing. Except as described on Schedule 1.46, the Tangible Personal Property, as an integrated system and in its component parts, is in good operating condition and repair (ordinary wear and tear and routine failures excepted) and is usable and adequate for the operation of the Cable Business.

5.4.2 Except for items included in the Excluded Assets, the Assets constitute substantially all the assets necessary (a) to conduct the Cable Business as it is being conducted on the date of this Agreement and in compliance with all applicable Legal Requirements, (b) to operate the Systems as they are being operated on the date of this Agreement and in compliance with all applicable Legal Requirements and (c) to perform all of the Assumed Obligations and Liabilities.

5.4.3 Except as described on Schedule 5.4.3 and other than direct broadcast satellite and satellite master antenna television, with respect to each area in which the Systems currently provide cable television service, (i) no Person is operating a cable television system or other non-satellite MVPD other than a System in such area; (ii) no local franchising authority has awarded a cable television franchise in such area to any Person other than RMG; and (iii) to the Knowledge of RMG, no MVPD has applied for a cable television franchise to serve such area.

5.5 System Franchises, Systems Licenses, Systems Contracts and Other Real Property Interests.

5.5.1 Except as described on Schedules 1.28, 1.35, 1.43, 1.44 and 1.45, and except for the Excluded Assets, RMG is not bound or affected by any of the following that relate primarily or in whole to the Cable Business: (a) leases of real property or capital leases of personal property; (b) operating leases of personal property that are terminable upon more than thirty (30) days' notice and that contemplate annual lease payments in excess of twenty thousand dollars ($20,000); (c) franchises for the construction or operation of cable television systems or System Contracts of substantially equivalent effect; (d) licenses, authorizations, consents or permits of the FCC; (e) other licenses, authorizations, consents or permits of any other Governmental Authority, individually or in the aggregate, material to the Systems; (f) easements or rights of access, individually or in the aggregate, material to the Systems; (g) pole attachment agreements, underground conduit agreements, crossing agreements, retransmission consent agreements, or bulk or commercial service agreements, individually or in the aggregate, material to the Systems; or (h) Systems Contracts other than those described in any other clause of this Section 5.5.1 which contemplate payments by or to RMG in any 12-month period exceeding twenty-five thousand dollars ($25,000) under any single contract or one hundred thousand dollars ($100,000) in the aggregate.

5.5.2 Complete and correct copies of the Systems Franchises and Systems Licenses have been provided to Charter. Except as set forth on Schedule 5.5.2, (a) the Systems Franchises contain all of the commitments and obligations of RMG to the applicable Governmental Authority granting such Franchises with respect to the construction, ownership and operation of the Systems, and (b) other than as set forth in the Systems Franchises, RMG has not made any commitment to any local franchising authority to make any material expenditure or capital addition or betterment to any System or the Assets that will not be fulfilled or satisfied prior to the Closing Time. The Systems Franchises and Systems Licenses are currently in full force and effect, are not in default and are valid under all applicable Legal Requirements according to their terms. No event has occurred that, with notice or lapse of time or both, would constitute a breach, violation or default by RMG, and to RMG's Knowledge, no event has occurred that, with notice or lapse of time or both, would constitute a breach, violation or default by any other Person, of any material obligations under any such Systems Franchises or Systems Licenses. Except for routine filings with Governmental Authorities and as described on Schedule 5.5.2, there are no applications relating to any Systems Franchise or Systems License pending before any Governmental Authority which are material to any System or the Cable Business. Except where a request for renewal has been timely filed under Section 626(a) of the Cable Act, since December 31, 1998, no Systems Franchise or Systems License has been surrendered by RMG or has expired or otherwise terminated without the issuance of a replacement Systems Franchise or Systems License. There is no legal action, governmental proceeding or investigation pending or, to RMG's Knowledge, threatened to terminate, suspend or modify any Systems Franchise or Systems License. Except as set forth on Schedule 5.5.2, RMG is, or will be as of the Closing Date, in material compliance with the terms and conditions of all the Systems Franchises and

Systems Licenses and other applicable requirements of all Governmental Authorities (including the FCC and the U.S. Copyright Office) relating to the Systems Franchises and Systems Licenses, including all requirements for notification, filing, reporting, posting and maintenance of logs and records.

5.5.3 RMG has delivered to Charter true and complete copies of all Systems Contracts (including each Contract relating to Leased Property and Other Real Property Interests), including any amendments thereto (or, in the case of oral Contracts, true and complete written summaries thereof) and each document evidencing RMG's ownership of the Owned Property. Except as described in Schedule 5.5.3, RMG has fulfilled when due, or has taken all action necessary to enable it to fulfill when due, all of its obligations under each of its Contracts and, to the Knowledge of RMG, there has not occurred any default (without regard to requirements of notice, lapse of time, elections of other Persons, or any combination thereof) by any other Person of any material obligations under any of its Contracts or Other Real Property Interests.

5.6 Real Property. All the Assets consisting of Owned Property, Leased Property and material Other Real Property Interests are described on Schedules 1.28, 1.35 and 1.36. Except for ordinary wear and tear and routine repairs and as set forth on Schedule 5.6, all of the improvements, leasehold improvements and the premises of the Owned Property and the premises demised under the leases and other documents evidencing the Leased Property are in good condition and repair and are suitable for the purposes used. Each parcel of Owned Property and each parcel of Leased Property and any improvements thereon (a) has access to and over public streets or private streets for which RMG has a valid right of ingress and egress, (b) except as set forth on Schedule 1.28 or 1.35, conforms in its current use and occupancy to all material zoning requirements without reliance upon a variance issued by a Governmental Authority or a classification of the parcel in question as a nonconforming use, (c) conforms in all material respects in its current use to all restrictive covenants, if any, or other Liens affecting all or part of such parcel (of record, with respect to Owned Property, or of record or as set forth in an agreement listed on Schedule 1.28 or 1.35, with respect to Leased Property or Other Real Property Interests), and (d) is available for immediate use in the conduct of the business or operations of the Systems. There are no pending condemnation, expropriation, eminent domain or similar proceedings of which RMG has received notice or RMG has Knowledge affecting, in any material respect, all or any portion of the Owned Property, Leased Property, or Other Real Property Interests. RMG has good and marketable title to, and at the Closing, Tennessee LLC will have good and marketable title to, each such parcel of real property included in the Owned Property and in all buildings, structures and improvements thereon, in each case free and clear of all Liens except for Permitted Liens.

5.7 Environmental.

5.7.1 Except as described on Schedule 5.7, RMG is in material compliance with all Environmental Laws, insofar as they relate to its Owned Property or Leased Property. Except as described on Schedule 5.7, RMG has not received any notice of, and has no Knowledge of, any alleged, actual, or potential responsibility for, or any inquiry regarding, (i) any release or threatened release of any Hazardous Substances from or on its Owned Property or Leased Property, or (ii) any material violation of any Environmental Laws associated with its Owned Property or Leased Property. Except as described on Schedule 5.7, to RMG's Knowledge, its own operations on its Other Real Property Interests do not violate any Environmental Laws in any material respect, and RMG has received no notice of any such violation. Except as described on Schedule 5.7, RMG has not received any notice of, and has no Knowledge of circumstances relating to, any past, present or future events, conditions, circumstances, activities, practices or incidents (including the presence, use, generation, manufacture, disposal, release or threatened release of any Hazardous Substances from or on its Owned Property or Leased Property), which could interfere with or prevent continued compliance, or which are reasonably likely to give rise to any liability, based upon or related to the processing, distribution, use, treatment, storage, disposal, transport or handling, or the emission, discharge, release or threatened release into the environment, of any Hazardous Substance from or attributable to its Owned Property or Leased Property.

5.7.2 Except as described on Schedule 5.7, to RMG's Knowledge, (a) no aboveground or underground storage tanks are currently or have been located on any Owned Property or Leased Property and (b) no Owned Property or Leased Property 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.

5.7.3 Complete and correct copies of (a) all studies, reports, surveys or other similar written materials in RMG's possession or to which RMG, to its Knowledge, has access relating to the presence or alleged presence of Hazardous Substances at, on, under or affecting the Owned Property or Leased Property, (b) all notices (other than general notices made by general publication) in RMG's possession or to which RMG, to its Knowledge, has access that were received from any Governmental Authority having the power to administer or enforce any Environmental Laws relating to current or past ownership, use or operation of the Owned Property or Leased Property or activities at the Owned Property or Leased Property and (c) all notices and related materials in RMG's possession or to which RMG, to its Knowledge, has access relating to any Litigation concerning any Environmental Law to which RMG is a party or written allegation by any private Third Party concerning any Environmental Law and RMG, have been provided to Charter (other than those materials constituting attorney-client privileged communications).

5.8 Compliance with Legal Requirements.

5.8.1 Except as set forth on Schedule 5.8, the operation of each System as currently conducted does not violate or infringe any Legal Requirement currently in effect in any material respect (other than Legal Requirements described in Sections 5.7, 5.8.3 and 5.8.4, as to which the representations and warranties set forth in those subsections will apply) or the grounding requirements of the National Electrical Safety Code. Except as set forth on Schedule 5.8, RMG has not received any notice and RMG has no Knowledge of any material violation by it or any System of any Legal Requirement applicable to the installation, ownership and operation of the Systems as currently conducted, and knows of no basis for the allegation of any such violation.

5.8.2 Except as set forth on Schedule 5.8, without limiting the generality of the foregoing, since RMG's acquisition of the Systems: RMG has submitted to the FCC all filings, including cable television registration statements, annual reports and aeronautical frequency usage notices and paid all regulatory fees, that are required under the rules and regulations of the FCC; the operation of the Systems has been and is in material compliance with the rules and regulations of the FCC, and RMG has not received any notice from the FCC of any violation of its rules and regulations; RMG is and since 1986 (or since its acquisition, if later) has been certified as in compliance with the FCC's equal employment opportunity rules; the Systems are in material compliance with all signal leakage criteria prescribed by the FCC; and for each relevant semi-annual reporting period since its acquisition of a System, RMG has timely filed with the United States Copyright Office all required Statements of Account in true and correct form, has paid when due all required copyright royalty fee payments in correct amount, relating to the Systems' carriage of television broadcast signals and is otherwise in material compliance with all applicable rules and regulations of the Copyright Office. Except as set forth on Schedule 5.8, RMG has no Knowledge, with respect to any System acquired since January 1, 1996, of any previous owner's failure to comply with the copyright licensing requirements with respect to such System or any written claim or inquiry from any Person which questions such System's failure to comply. RMG has delivered to Charter copies of: (i) all reports, filings and correspondence made or filed by RMG with the FCC or pursuant to the FCC rules and regulations for the past year; and (ii) all reports, filings and correspondence made or filed by RMG with the Copyright Office or pursuant to Copyright Office rules and regulations for the past three (3) years. Except as set forth on Schedule 5.8, (i) a request for renewal has been timely filed under Section 626(a) of the Cable Act with the proper Governmental Authority with respect to each Franchise expiring within thirty-six (36) months after the date of this Agreement; and (ii) RMG has received no written notice from any Governmental Authority that it has determined or intends to deny renewal of any Systems Franchise.

5.8.3 Except as set forth on Schedule 5.8 and as otherwise provided in this Section, RMG has used commercially reasonable efforts to comply in all material respects with the provisions of the Cable Act and the 1992 Cable Act pertaining to the carriage of television broadcast signals, as such Legal Requirements relate to the operation of the Systems. RMG has

complied in all material respects with the must carry and retransmission consent provisions of the 1992 Cable Act, including (i) duly and timely notifying "local commercial television stations" of inadequate signal strength or increased copyright liability, if applicable, (ii) duly and timely notifying non-commercial educational stations of the location of the Systems' principal headend, (iii) duly and timely notifying subscribers of changes in the channel alignment on the Systems, (iv) duly and timely notifying "local commercial and non-commercial television stations" of the broadcast signals carried on the Systems and their channel positions, (v) maintaining the requisite public file identifying broadcast signal carriage, (vi) carrying the broadcast signals after June 1, 1993, on the Systems for all "local commercial television stations" which elected must carry status and, if required, up to two "qualified low power stations" and (vii) obtaining retransmission consents for all broadcast signals carried on the Systems after October 5, 1993, except for the non-exempt signals carried pursuant to a must carry election. No must carry complaint is pending against any System at the FCC, nor, to RMG's Knowledge, is any threatened except as set forth in Schedule 5.8. RMG has delivered to Charter copies of any pending petitions it has on file with the FCC, including requests for market modifications or petitions for special relief or any market modification requests or special relief petitions affecting any System that have been served on RMG. The FCC has not issued any decision with respect to a must carry complaint finding any System in violation of the must carry rules except as set forth on Schedule 5.8.

5.8.4 RMG has used commercially reasonable efforts to establish rates charged and a la carte packages provided to subscribers, effective as of September 1, 1993, that would be allowable under rules and regulations promulgated by the FCC under the 1992 Cable Act, and any authoritative interpretation thereof, whether or not such rates or packages were subject to regulation at that date by any Governmental Authority, including any state regulatory agency, local franchising authority and/or the FCC. Notwithstanding the foregoing, RMG makes no representation or warranty that either the rates charged to subscribers or the a la carte packages provided would be allowable under any rules and regulations of the FCC, or any authoritative interpretation thereof, promulgated after the date of the Closing. RMG has delivered to Charter complete and correct copies of (i) the most recent FCC Forms 328, 329, 393, 1200, 1205, 1210, 1215, 1220, 1235 and 1240 and other FCC rate forms (collectively, the "FCC Rate Forms") filed with the local franchising authority and/or the FCC and will deliver as soon as available all such FCC forms that are prepared with respect to the Systems, (ii) all historical FCC Rate Forms with respect to any System in which there is currently a rate issue pending, including any accounting order or any rate order on appeal, (iii) copies of all complaints, petitions, answers, responses and other filings made with or by any Governmental Authority in connection with any rate orders issued by such Governmental Authority or any appeal therefrom, and (iv) any documentation supporting an exemption from the rate regulation provisions of the 1992 Cable Act claimed by RMG with respect to the Systems. Except as set forth on Schedule 5.8, RMG has not made any election with respect to any cost of service proceeding conducted in accordance with Part 76.922 of Title 47 of the Code of Federal Regulations or any similar proceeding (a "Cost of Service Election") with respect to any of the Systems.

5.8.5 Except as set forth on Schedule 5.8, all necessary FAA approvals have been

obtained and all necessary FCC tower registrations have been filed with respect to the height and location of towers used in connection with the operation of the Systems, and such towers are being operated in compliance in all material respects with applicable FCC and FAA rules. The ownership, height (with and without appurtenances), location (address, latitude, longitude and ground elevation), structure type and FCC call signs of each tower used in connection with the operation of the Systems are correctly described on Schedule 5.8. To the extent applicable, RMG has delivered to Charter true and correct copies of the FAA final determinations that are available and FCC registrations for all such towers.

5.9 Intellectual Property. Except for Intellectual Property which constitutes Excluded Assets and the Intellectual Property described on Schedule 4.1(b), RMG does not possess any Intellectual Property related to or material to the operation of the Systems and RMG is not a party to any license or royalty agreement with respect to any such Intellectual Property, except for licenses respecting program material, licenses incidental to any Systems Contracts and obligations under the Copyright Act of 1976, as amended, including all rules, regulations, orders and policies of the U.S. Copyright Office thereunder (the "Copyright Act") applicable to cable television systems generally. To the Knowledge of RMG, the Systems and the Cable Business have been operated in such a manner so as not to violate or infringe upon the rights, or give rise to any rightful claim of any Person for copyright, trademark, service mark, patent or license infringement or the like.

5.10 Financial Statements. Statements of income of the Systems for the years ended December 31, 1997 and 1998, attached hereto as Schedule 5.10, are in accordance with the books and records of each System, were prepared in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods covered thereby and, except as may be described therein, present fairly the operating results of the respective Systems on a System-by-System basis, for the periods indicated, subject only to standard year-end adjustments and the omission of footnotes thereto.

5.11 Absence of Certain Changes or Events. Except as set forth on Schedule 5.11, since December 31, 1998, there has been no (i) material adverse change in, nor has any event or events (other than any affecting the cable television industry generally) occurred that, individually or in the aggregate, are reasonably likely to result in a material adverse change in the Assets, the Cable Business, the operations, condition (financial or otherwise) or results of operations of the Systems, taken as a whole and (ii) material change in accounting principles or practices with respect to the Systems or revaluation by RMG of the Assets for financial reporting, property tax or other purposes. From December 31, 1998 to the date of this Agreement, the Cable Business has been conducted only in the usual, regular and ordinary course, except as disclosed on Schedule 5.11 and except where the failure to conduct business in such manner would not have a material adverse effect on the Assets, the Cable Business, the operations, condition (financial or otherwise) or results of operations of the Systems taken as a whole or on the ability of RMG to perform its obligations under this Agreement.

5.12 Litigation. Except as set forth on Schedule 5.12: (a) there is no Litigation

pending or, to RMG's Knowledge, threatened against RMG or any Affiliate of RMG which, if adversely determined, would (i) materially and adversely affect the financial condition or operations of the Cable Business, any of the Systems, the Assets or the ability of RMG to perform its obligations under this Agreement or (ii) result in the modification, revocation, termination, suspension or other limitation of any of the System Franchises, Systems Licenses, or Systems Contracts; and (b) there is not in existence any Judgment requiring RMG or any Affiliate of RMG to take any action of any kind with respect to the Assets or the operation of any of the Systems, or to which RMG (with respect to the Systems), any of the Systems or the Assets are subject or by which they are bound or affected, that has not been fully complied with by RMG.

5.13 Tax Returns; Other Reports. RMG has duly and timely filed in correct form all federal, state, local and foreign Tax returns and other Tax reports required to be filed by RMG, and has timely paid all Taxes which have become due and payable, whether or not so shown on any such return or report, the failure of which to be filed or paid could affect or result in the imposition of a Lien upon the Assets or create any transferee or other liability upon Tennessee LLC or upon Charter, except such amounts as are being contested diligently and in good faith and are not in the aggregate material. Except as set forth on Schedule 5.13, RMG has not received any notice of, nor does RMG have any Knowledge of, any deficiency, assessment or audit, or proposed deficiency, assessment or audit from any taxing Governmental Authority which could affect, or result in the imposition of a Lien upon, any of the Assets or transferee or other liability upon Tennessee LLC or upon Charter.

5.14 Employment Matters.

5.14.1 RMG has complied in all material respects with all applicable Legal Requirements relating to the employment of labor, including the Worker Adjustment and Retraining Notification Act, 29 U.S.C. ss.2101 et seq. ("WARN"), continuation coverage requirements with respect to group health plans and those relating to wages, hours, collective bargaining, unemployment insurance, workers' compensation, equal employment opportunity, age, sex, race and disability discrimination, immigration control and the payment and withholding of Taxes.

5.14.2 There are no Liens against the Assets under Section 412(n) of the Code or Sections 302(f) or 4068 of ERISA. At the Closing, Charter and its ERISA Affiliates will have no obligation to contribute to, or any liability in respect of, (i) any employee benefit plan within the meaning of Section 3(3) of ERISA, or (ii) any similar employment, severance or other arrangement or policy (whether written or oral) providing for insurance coverage (including self-insured arrangements), workers' compensation, disability benefits, supplemental unemployment benefits, vacation benefits, fringe benefits or retirement 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, sponsored or maintained by RMG or any of its ERISA Affiliates, or to which RMG or any of its ERISA Affiliates was obligated to contribute. RMG will not, in connection with the transactions contemplated by this

Agreement, cease to provide any group health plan coverage to its employees in a manner which would cause Charter or any of its ERISA Affiliates to be deemed a successor employer of RMG within the meaning of Proposed Treasury Regulations Section 54.4980B-9 Q&A8(c). With respect to any multi-employer plan within the meaning of Section 3(37) of ERISA, or any plan subject to Title IV of ERISA, to which RMG or any of its ERISA Affiliates is or ever was obligated to contribute, (a) there has been no material "reportable event" described in Sections 4043(c)(1), (2), (3), (5), (6), (7), (10), or (13) of ERISA, (b) no "accumulated funding deficiency" (as defined in Section 302 of ERISA) or "withdrawal liability" (as determined under Section 4201 et seq. of ERISA) has occurred, exists or is continuing with respect to any such plan other than a multi-employer plan (as defined in Section 3(37) of ERISA), or, to the Knowledge of RMG or any of its ERISA Affiliates, with respect to any such plan which is a multi-employer plan (as defined in Section 3(37) of ERISA), (c) no such plan has been terminated other than in accordance with ERISA or at a time when such plan was not sufficiently funded, and (d) there has been no (i) withdrawal by RMG or any of its ERISA Affiliates that is a substantial employer from a single-employer plan and that has two or more contributing sponsors at least two of whom are not under common control, as referred to in Section 4063(b) of ERISA, or (ii) cessation by RMG or any of its ERISA Affiliates of operations at a facility causing more than twenty percent (20%) of plan participants to be separated from employment, as referred to in Section 4062(e) of ERISA. With respect to any plan maintained, sponsored by, or contributed to by RMG, which is intended to comply with the provisions of Section 401(k) of the Code, and from which any similar plan maintained or sponsored by Charter or any of its ERISA Affiliates accepts a plan-to- plan transfer under Section 7.3.3, (i) such plan has received a favorable determination letter from Internal Revenue Service, and neither RMG nor any of its ERISA Affiliates has any Knowledge of any fact which could adversely affect the qualified status of such plan, and (ii) such plan has been administered and maintained in material compliance with ERISA, the Code and all other applicable laws.

5.14.3. Except as set forth on Schedule 5.14, there are no collective bargaining agreements applicable to any Person employed by RMG that renders services in connection with the Systems and RMG has no duty to bargain with any labor organization with respect to any such Person. Except as set forth on Schedule 5.14, there are not pending any unfair labor practice charges against RMG, any demand for recognition or any other request or demand from a labor organization for representative status with respect to any Person employed by RMG that renders services in connection with the Systems. Except as described on Schedule 5.14, RMG has no employment agreements, either written or oral, with any employee of the Systems and none of the employment agreements listed on Schedule 5.14 requires RMG, or will require Tennessee LLC, Charter or any of their respective Affiliates, to employ any Person after the Closing.

5.15 Systems Information.

5.15.1 Schedule 5.15.1 sets forth a materially true and accurate description, on a System-by-System basis, of the following information relating to the Systems as of December 31, 1998:

(a) the approximate number of aerial and underground miles of plant included in the Assets and served by each headend;

(b) the approximate number of single family homes and residential multiple dwelling units passed by the Systems;

(c) the MHZ capacity and channel capacity of each headend; and

(d) the number of subscribers served by the Systems and a description of the calculation methodology used by RMG to calculate such subscribers.

5.15.2 Schedule 5.15.2 sets forth a materially true and accurate description of the following information relating to the Systems as of the date of this Agreement:

(a) a description of the Basic Services, the Expanded Basic Services, Pay TV and a la carte services available from the Systems, and the rates charged by RMG therefor, including all rates, tariffs and other charges for cable television or other services provided by each System;

(b) the stations and signals carried by the Systems and the channel position of each such signal and station; and

(c) the cities, towns, villages, boroughs and counties served by the Systems.

5.15.3 Each System is capable of providing all channels, stations and signals reflected as being carried on such System on Schedule 5.15.2.

5.16 Taxpayer Identification Number. The U.S. Taxpayer Identification Number for RMG is 94-3143720.

5.17 Finder and Brokers. RMG has not entered into any Contract with any person which will result in the obligation of Charter to pay any finder's fees, brokerage or agent's commissions or other like payments (collectively, "Agent's Fees") in connection with the negotiations leading to this Agreement or the consummation of the transactions contemplated hereby.

5.18 Related Party Transactions. Set forth on Schedule 5.18 hereto, are the Contracts, agreements, arrangements or understandings between RMG and any of its Affiliates and between RMG and any AT&T Affiliates included in or related to the Assets.

6. CHARTER'S REPRESENTATIONS AND WARRANTIES. Charter represents

and warrants to RMG and to IPWT as of the date of this Agreement and as of the Closing as follows:

6.1 Organization and Qualification of Charter. Charter is a limited liability company duly formed, validly existing and in good standing under the laws of the State of Delaware. Charter has all requisite power and authority to own, lease and use the assets owned, leased or used by it and to conduct its business as it is currently being conducted by it. As of the date of this Agreement, Charter is duly qualified to do business and is in good standing under the laws of each jurisdiction in which the ownership, leasing or use of the assets owned, leased or used by it or the nature of its activities in connection with its business makes such qualification necessary.

6.2 Authority and Validity. Charter has all requisite corporate power and authority to execute and deliver, to perform its obligations under, and to consummate the transactions contemplated by, this Agreement and the Transaction Documents. The execution and delivery by Charter of, its performance under, and its consummation of the transactions contemplated by, this Agreement and the Transaction Documents have been duly and validly authorized by all action by or on behalf of Charter. This Agreement has been, and when executed and delivered by Charter the Transaction Documents will be, duly and validly executed and delivered by Charter and the valid and binding obligations of Charter, enforceable against it in accordance with their terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect relating to the enforcement of creditors' rights generally or by principles governing the availability of equitable remedies.

6.3 No Conflict; Required Consents. Except as set forth on Schedule 6.3, and assuming all Required Consents have been obtained and the expiration or earlier termination of the waiting period under the HSR Act has occurred, the execution and delivery by Charter of, its performance under, and its consummation of the transactions contemplated by, this Agreement and the Transaction Documents do not and will not: (a) conflict with or violate any provision of the organizational documents of Charter; (b) violate any provision of any Legal Requirement; (c) require any consent, approval or authorization of, or filing of any certificate, notice, application, report or other document with, any Governmental Authority or other Person; or (d) (i) conflict with, violate, result in a breach of or constitute a default under (without regard to requirements of notice, lapse of time or elections of other Persons or any combination thereof), (ii) permit or result in the termination, suspension or modification of, (iii) result in the acceleration of (or give any Person the right to accelerate) the performance of Charter under, or (iv) result in the creation or imposition of any Lien under any instrument or other agreement to which Charter is a party or by which Charter or any of its assets is bound or affected, except for purposes of clauses (c) and (d) such consents, approvals, authorizations and filings that, if not obtained or made, would not, and such violations, conflicts, breaches, defaults, terminations, suspensions, modifications and accelerations as would not, individually or in the aggregate, have an adverse effect on its ability to perform its obligations under this Agreement or the Transaction Documents.

6.4 Taxpayer Identification Number. The Taxpayer Identification Number for Charter is 43-1659860.

6.5 Finder and Brokers. Charter has not entered into any Contract with any person which will result in the obligation of RMG or IPWT to pay any Agent's Fees in connection with the negotiations leading to this Agreement or the consummation of the transactions contemplated hereby.

6.6 Litigation. Except as set forth on Schedule 6.6, there is no Litigation pending or, to Charter's Knowledge, threatened against Charter or any Affiliate of Charter which, if adversely determined, would materially and adversely affect the ability of Charter to perform its obligations under this Agreement.

6.7 Qualification. Charter knows of no facts which would disqualify it from holding the LLC Interest under any Legal Requirement.

6.8 Securities Law Matters. Charter understands and acknowledges that the LLC Interest has not been registered or qualified under the federal or applicable state securities laws and the LLC Interest is being sold to and purchased by Charter in reliance upon applicable exemptions from such registration and qualification requirements. Charter is an "accredited investor" within the meaning of the federal securities laws and acknowledges it has been furnished with or afforded access to, and has had the opportunity to ask questions and receive answers concerning, all information pertaining to the LLC Interest. The LLC Interest is being acquired by Charter for investment only and not with a view to any public distribution thereof. Charter understands that the LLC Interest is a "restricted security" within the meaning of the federal securities laws and agrees that it will not offer to sell or otherwise dispose of the LLC Interest in violation of the registration and qualification requirements of the federal and applicable state securities laws. All certificates to be delivered at Closing evidencing ownership of the LLC Interest will contain appropriate legends incorporating these applicable securities laws restrictions.

7. ADDITIONAL COVENANTS.

7.1 Access to Premises and Records. Between the date of this Agreement and the Closing Date, RMG (a) will give to Charter and its counsel, accountants and other representatives reasonable access during normal business hours and upon reasonable advance notice to the premises and books and records of the Cable Business and to all of the Assets and the personnel engaged in the management or operation of the Systems; and (b) will furnish to Charter and such representatives all such documents, financial information and other information regarding the Cable Business and the Assets as Charter from time to time reasonably may request; provided that no investigation will affect or limit the scope of any of the representations, warranties, covenants and indemnities of the other in this Agreement or in any Transaction Document or limit liability for any breach of any of the foregoing.

7.2 Continuity and Maintenance of Operations, Certain Deliveries and Notice. Except as set forth on Schedule 7.2, in the 1999 operating budgets set forth on Schedule 7.2.1, or as Charter may otherwise consent in writing, between the date of this Agreement and the Closing, RMG:

7.2.1 will conduct the Cable Business in good faith and operate the Systems only in the usual, regular and ordinary course (including making routine capital expenditures and operating substantially in accordance with the 1999 capital and operating budgets with respect to each such System (copies of which are set forth on Schedule 7.2.1), completing ongoing and planned line extensions, placing conduit or cable in new developments, fulfilling installation requests, completing disconnection work orders and disconnecting and discontinuing service to customers whose accounts are delinquent) and, to the extent consistent with such conduct and operation, use its commercially reasonable efforts to (a) preserve its current business intact in all material respects, including preserving existing relationships with franchising authorities, suppliers, customers and others having business dealings with the Systems, (b) keep available the services of its employees and agents providing services in connection with the Cable Business, (c) continue budgeted marketing, advertising and promotional expenditures with respect to the Cable Business, (d) enter into written agreements with respect to all multiple dwelling unit and bulk billed accounts having greater than 200 individual units, and (e) operate the Cable Business in material compliance with all Legal Requirements;

7.2.2 will maintain the Assets in good operating repair, order and condition, ordinary wear and tear excepted; will maintain equipment and inventory for the Systems at normal historical levels consistent with its past practices (as adjusted to account for abnormally high inventory levels related to periodic rebuild activity); will maintain in full force and effect policies of insurance with respect to the Cable Business in such amounts and with respect to such risks as are currently in effect for the Systems; and will maintain its books, records and accounts with respect to the Assets and the operation of the Systems in the usual, regular and ordinary manner on a basis consistent with its past practices;

7.2.3 will not, outside the ordinary course of business or to the extent inconsistent with past practice or the 1999 operating budget included in Schedule 7.2.1 (a) modify, terminate, renew, suspend or abrogate any System Contract (other than retransmission consent System Contracts, System Contracts evidencing Leased Property or Other Real Property Interests and lease agreements for Tangible Personal Property); (b) modify, terminate, renew, suspend or abrogate any retransmission consent System Contract, System Franchise, System Contract evidencing Leased Property or Other Real Property Interests, lease agreements for Tangible Personal Property or System License except for renewals (other than renewals of System Franchises) on terms that are not materially different from those which currently exist and renewals of System Franchises as otherwise required or permitted under this Agreement; (c) engage in any marketing, subscriber installation, collection or disconnection practices; (d) make any Cost of Service Election; (e) other than as set forth on Schedule 7.2.1, enter into

any agreement with or commitment to any competitive access provider and/or local exchange company or any internet access or on-line services provider with respect to the use or lease of any of the Assets; (f) sell, transfer or assign any portion of the Assets other than sales in the ordinary course of business or permit the creation of a Lien (other than Permitted Liens) on any of the Assets; (g) decrease the rate charged for any level of Basic Services, Expanded Basic Services or any Pay TV or, except as expressly permitted by Schedule 7.2.1, add, delete, retier or repackage any analog programming services, in each case except to the extent required under the 1992 Cable Act or any other Legal Requirement; provided, however, that if rates are decreased in order to so comply, RMG will provide Charter with copies of any FCC forms (even if not filed with any Governmental Authority) used to determine that the new rates were required; (h) convert any of the Systems to any billing system or otherwise change billing arrangements for any of the Systems; (i) enter into any Contract of any kind relating to the Cable Business to be assumed by Charter hereunder that individually or in the aggregate call for payments pursuant to such Contract's terms or otherwise involving expenditures in excess of one hundred thousand dollars ($100,000), except for the renewal of Contracts that would, but for such renewal, terminate in accordance with their terms prior to Closing; (j) except pursuant to or required by plans, agreements or arrangements already in effect on the date hereof, make any material increase in compensation or benefits payable or to become payable to employees or make any material change in personnel policies; (k) take any action with respect to the grant or increase of severance or termination pay payable after the Closing Date; (l) engage in any material transaction with respect to the Cable Business; or (m) agree to do any of the foregoing;

7.2.4 will promptly deliver to Charter (i) true and complete copies of all monthly statements of income and such other information with respect to the Systems or the operation of the Cable Business in a format consistent with the form of report attached hereto as Schedule 7.2.4 for the period from January 1, 1999, through the Closing, and if the Closing occurs as of the end of a month, as soon as practicable after Closing and (ii) such financial information reasonably requested by Charter;

7.2.5 will give or cause to be given to Charter, as soon as reasonably possible but in any event within five (5) Business Days after the date of submission to the appropriate Governmental Authority, copies of all FCC Forms 1200, 1205, 1210, 1215, 1220, 1225, 1235 and 1240 or any other FCC forms required to be filed with any Governmental Authority under the 1992 Cable Act with respect to rates and prepared with respect to any of the Systems;

7.2.6 will duly and timely file a valid notice of renewal under Section 626 of the Cable Act with the appropriate Governmental Authority with respect to any System Franchise that will expire within thirty-six (36) months after any date between the date of the Agreement and the Closing Date;

7.2.7 will promptly notify Charter of any fact, circumstance, event or action by it or otherwise (a) which, if known at the date of this Agreement, would have been required to be disclosed by it in or pursuant to this Agreement or (b) the existence, occurrence or taking of

which would result in the conditions of Charter in Section 8.1.1 (with respect to the representations and warranties of RMG) not being satisfied at any time prior to or on the Closing, and, with respect to clause (b), use its commercially reasonable efforts to remedy the same and to satisfy such condition to Charter's obligation to consummate the transactions contemplated by this Agreement;

7.2.8 will use its commercially reasonable efforts to challenge and contest any Litigation brought against or otherwise involving RMG that could result in the imposition of Legal Requirements that could cause the conditions to the Closing not to be satisfied; and

7.2.9 will cause its appropriate Affiliates to be bound by and comply with the provisions of this Section 7.2 to the extent such Affiliates own, operate or manage any of the Assets or Systems.

7.3 Employees.

7.3.1 Except as set forth in this Section 7.3.1, Charter may, but shall have no obligation to, employ or offer employment to any employee of the Cable Business. Within thirty (30) days after the date of execution of this Agreement, RMG shall provide to Charter a list of all employees of the Systems (the "System Employees") as of a recent date, showing the original hire date, the then-current positions and rates of compensation and whether the employee is subject to an employment agreement, a collective bargaining agreement or represented by a labor organization. Within sixty (60) days after the date of execution of this Agreement (but in no event less than thirty (30) days after receipt of such list), or such other date as the Parties may agree, Charter will provide to RMG in writing a list of the System Employees which Tennessee LLC will employ following the Closing, subject only to the evaluations permitted by this Section. RMG agrees, and shall cause its appropriate Affiliates, to cooperate in all reasonable respects with Charter to allow Charter or its Affiliates to evaluate the System Employees to make hiring decisions. In this regard, Charter shall have the opportunity to make such appropriate prehire investigation of each of the System Employees, as it deems necessary, including, subject to obtaining the consent of such System Employee, the right to review personnel files and conduct background checks and the right to interview such employees during normal working hours so long as such interviews are conducted after notice to RMG and do not unreasonably interfere with RMG's operations. RMG will use its good-faith efforts to obtain the consent of each of the System Employees to allow Charter to review personnel files and to conduct background checks in connection with the foregoing. Charter or its Affiliates may, if they wish, condition any offer of employment upon the employee's passing a pre-placement physical examination (including drug screening test) and the completion of a satisfactory background check. Charter shall bear the expense of such examination but RMG shall, upon reasonable notice, cooperate in the scheduling of such examinations so long as the examinations do not unreasonably interfere with RMG's operations. As of the Closing Date, neither Charter nor Tennessee LLC shall have any obligation to RMG, its Affiliates or to RMG's employees, with regard to any employee it has determined not to hire. Notwithstanding any of the foregoing, prior to the Closing Charter agrees not to solicit for employment, without the written consent of RMG, any employee of RMG whose position is System manager or higher.

7.3.2 To the extent not included in the calculation of the Base Value or the Adjusted Value in accordance with the Common Agreement, IPWT will pay to all of the System Employees all compensation, including salaries, commissions, bonuses, deferred compensation, severance (to the extent applicable), insurance, vacation (except for accrued vacation time (not to exceed four weeks) and sick time (not to exceed ten (10) days) included in the calculation of the Adjusted Value of the Systems under the Common Agreement), and other compensation or benefits to which they are entitled for periods prior to the Closing, including all amounts, if any, payable on account of the termination of their employment.

7.3.3 IPWT or its appropriate Affiliate will be responsible for maintenance and distribution of benefits accrued under any employee benefit plan (as defined in ERISA) maintained

by RMG, or its appropriate Affiliate, pursuant to the provisions of such plan and any Legal Requirements. Charter will not assume any obligation or liability for any such accrued benefits or any fiduciary or administrative responsibility to account for or dispose of any such accrued benefits under any employee benefit plans maintained by RMG or any Affiliate. In the event that RMG determines that the transactions contemplated by this Agreement will not permit a distribution to be made to a Hired Employee (as defined below) from RMG's tax qualified plan in accordance with Section 401(k)(10) of the Code then Charter may accept a plan-to-plan transfer of Hired Employees' plan benefits to its own tax qualified plan. If there is no plan-to- plan transfer, in order to permit IPWT or its appropriate Affiliate to make distributions to any former System Employee of RMG who becomes a Hired Employee of Tennessee LLC or Charter of the balance of such employee's 401(k) account in RMG's or its Affiliate's tax qualified plan, if any, as soon as legally permitted, Charter shall notify IPWT of the date of termination of such employee's employment with Tennessee LLC or Charter for any reason.

7.3.4 To the extent not included in the calculation of the Base Value or the Adjusted Value in accordance with the Common Agreement, all claims and obligations under, pursuant to or in connection with any welfare, medical, insurance, disability or other employee benefit plans of RMG or any Affiliate or arising under any Legal Requirement affecting employees of RMG or any Affiliate incurred on or before the Closing Date or resulting from or arising from events or occurrences occurring or commencing on or before the Closing Date will remain the responsibility of IPWT, or the appropriate Affiliate, whether or not such employees are hired by Charter as of or after the Closing. Neither Charter nor Tennessee LLC will have or assume any obligation or liability under or in connection with any such plan of RMG or any Affiliate of RMG.

7.3.5 To the extent not included in the calculation of the Adjusted Value in accordance with the Common Agreement, IPWT will remain solely responsible for all salaries and all severance, vacation (except for accrued vacation time and sick time included in the calculation of the Adjusted Value of the Systems under the Common Agreement), medical, holiday, continuation coverage and other compensation or benefits to which its employees may be entitled, whether or not such employees may be hired by Tennessee LLC, Charter or any of their Affiliates, as a result of their employment by RMG or any Affiliate of RMG on or prior to the Closing Date, the termination of their employment on or prior to the Closing Date, the consummation of the transactions contemplated hereby or pursuant to any applicable Legal Requirement or otherwise relating to their employment prior to the Closing Date. Any liability under WARN with regard to any employee terminated on or prior to the Closing Date, or not hired by Tennessee LLC or Charter on or after the Closing Date, shall, as a matter of contract between the Parties, be the responsibility of IPWT. Charter and its Affiliates shall cooperate with RMG, IPWT and their other Affiliates, if requested, in the giving of WARN notices on behalf of the other.

7.3.6 Notwithstanding anything to the contrary herein, Charter shall:

(a) credit each System Employee who is offered on or prior to the Closing employment by Tennessee LLC, Charter or any of their Affiliates and becomes an employee of Tennessee LLC, Charter or any of their Affiliates after the Closing Date (a "Hired Employee") the amount of vacation time (to a maximum of four (4) weeks) and sick time (to a maximum of ten (10) days) accrued by him or her as a System Employee through and including the Closing Date to the extent the Adjusted Value is decreased pursuant to Section 2.2(c) of the Common Agreement in the case of System Employees who become employees of Charter or its Affiliates; provided, however, that if any Hired Employee has accrued vacation time and/or sick time in excess of four (4) weeks or ten (10) days, respectively, then RMG shall, and shall cause its appropriate Affiliate to, pay to such employee the amount of such excess and Charter shall not assume any liability or obligation in respect of such excess;

(b) permit each Hired Employee to participate in Charter's employee benefit plans to the same extent as similarly situated employees of Charter and their dependents are permitted to participate;

(c) give each Hired Employee credit for such employee's past service with RMG and its Affiliates as of the Closing Date (including past service with any prior owner or operator of the Systems or the Cable Business) for purposes of eligibility and vesting under Charter's employee benefit and other plans to the same extent as other similarly situated employees of Charter;

(d) not subject any Hired Employee to any waiting periods or limitations on benefits for pre-existing conditions under Charter's employee benefit plans, including any group health and disability plans, except to the extent such employees were subject to such limitations under the employee benefit plans of RMG or any Affiliate of RMG; and

(e) credit each Hired Employee under any group health plan for any deductible amount previously met by such Hired Employee as of the Closing Date under any of the group health plans of RMG or any of its Affiliates.

7.3.7 If Tennessee LLC, Charter or any of their Affiliates discharges any Hired Employee without cause within one hundred twenty (120) days after Closing, then Charter shall pay severance benefits to such Hired Employee in accordance with IPWT's severance benefit plan. For purposes of this Section 7.3.7, "cause" shall have the meaning set forth in Charter's employment policies, procedures or agreements applicable to Charter's employees who are situated similarly to the discharged Hired Employee.

7.3.8 If RMG has, or acquires, a duty to bargain with any labor organization, then RMG will (i) give prompt written notice of such development to Charter, including notice of the date and place of any negotiating sessions as they are planned or contemplated and permit Charter

to have a representative present at all negotiating sessions with such labor organization and at all meetings preparatory thereto (including making Charter's representative a representative of RMG's delegation if required by the labor organization) and (ii) not, without Charter's written consent, enter into any Contract with such labor organization that purports to bind Charter, including any successor clause or other clause which would have this purpose or effect. RMG acknowledges and agrees that Charter has not agreed to be bound, and will not be bound, without an explicit assumption of such liability or responsibility by Charter, by any provision of any collective bargaining agreement or similar Contract with any labor organization to which RMG or any of its Affiliates is or may become bound.

7.3.9 Nothing in this Section 7.3 or elsewhere in this Agreement shall be deemed to make any employee of the Systems a third party beneficiary of this Agreement.

7.3.10 Notwithstanding any other provision of this Agreement, in respect of wages paid with respect to the 1999 calendar year to employees of RMG who after the Closing become employees of Tennessee LLC or Charter, the Parties agree to comply, and to cause their respective Affiliates to comply, with the alternative procedure set forth in Section 5 of Revenue Procedure 96-60 and shall cooperate, and shall cause their respective Affiliates to cooperate, with each other in complying with such procedures.

7.4 Leased Vehicles; Other Capital Leases. To the extent not included in the calculation of the Base Value or the Adjusted Value in accordance with the terms of the Common Agreement, except for leases described in Schedule 4.1(b), IPWT will pay the remaining balances on any leases for vehicles or capital leases included in the Tangible Personal Property and will deliver title to such vehicles and other Tangible Personal Property, free and clear of all Liens, to Tennessee LLC at the Closing.

7.5 Required Consents; Franchise Renewal.

7.5.1 RMG will use its 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 by RMG in connection with the transactions contemplated by this Agreement, and deliver to Charter copies of such Required Consents and such other consents, authorizations or approvals promptly after they are obtained by RMG and (ii) give any required written notice in connection with the transactions; provided, that RMG will afford Charter the opportunity to review, approve and revise the form of letter or application proposed to request the Required Consent or form of written notice prior to delivery to the Third Party or the Affiliate of RMG whose consent is sought or to whom such notification is required. All documents delivered or filed with any Governmental Authority or any Person by or on behalf of RMG pursuant to this Section 7.5.1, when so delivered or filed, will be correct, current and complete in all material respects. Charter will cooperate with RMG to obtain all Required Consents and Charter shall not intentionally take any action or steps that would prejudice or jeopardize the obtaining of any Required Consent. RMG will not accept or agree or accede to any modifications or amendments to, or the imposition of any condition to the transfer of, any of the System Franchises, System Licenses or System Contracts of the Cable Business that are not acceptable to Charter. Notwithstanding the foregoing, as soon as practicable after the date of this Agreement (and in no event more than fifteen (15) Business Days hereafter), Charter will cooperate with RMG to complete, execute and deliver, or cause to be completed, executed and delivered, to the appropriate Governmental Authority, a FCC Form 394 with respect to each System Franchise other than any such Governmental Authority that the Parties have agreed will not initially receive FCC Form 394; provided, that if RMG subsequently requests that FCC Form 394 be completed, executed and delivered to any appropriate Governmental Authority that did not initially receive a FCC Form 394 for any System Franchise, then the Parties will cooperate to complete, execute and deliver a FCC Form 394 to such Governmental Authority as soon as practicable but in any event within fifteen (15) Business Days after RMG has made such request. Without the prior consent of the Charter, RMG shall not 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.

7.5.2 RMG will use commercially reasonable efforts to obtain and cooperate with Charter to obtain a renewal or extension of any System Franchise (for a period expiring no earlier than three (3) years after the Closing Date) for which a valid notice of renewal pursuant to the formal renewal procedures established by Section 626 of the Cable Act has not been timely delivered to the appropriate Governmental Authority and no written confirmation has been received from such Governmental Authority that the procedures established by Section 626 nonetheless will be applicable with respect to the renewal or extension of such System Franchise.

7.5.3 Notwithstanding the provisions of Section 7.5.1, neither RMG nor IPWT will have any further obligation to obtain Required Consents: (a) with respect to license agreements relating to pole attachments where the licensing authority will not consent to an

assignment of such license agreement but requires that Tennessee LLC or Charter enter into a new agreement with such licensing authority, in which case Charter shall use its commercially reasonable efforts to enter into such agreement prior to Closing or as soon as practicable thereafter and RMG will cooperate with and assist Charter in obtaining such agreements; (b) for any business radio license or any private operational fixed service (POFS) microwave license which RMG reasonably expects can be obtained within one hundred twenty (120) days after the Closing and so long as a conditional temporary authorization (for a business radio license) or a special temporary authorization (for a POFS license) is obtained by Charter under FCC rules with respect thereto; (c) with respect to Contracts evidencing Leased Property, if, with the consent of Charter, RMG obtains and makes operational prior to Closing substitute Leased Property that is reasonably satisfactory to Charter; (d) with respect to Contracts evidencing leased Tangible Personal Property that is material to the Cable Business, if, with the consent of Charter, RMG obtains and makes operational prior to Closing substitute Tangible Personal Property that is reasonably satisfactory to Charter; and (e) with respect to Contracts which are not identified with an asterisk (*) on Schedule 5.3, if RMG uses its commercially reasonable efforts to obtain the Required Consent to such Contract but fails to obtain such consent on or prior to Closing.

7.5.4 If and to the extent that RMG fails to obtain all Required Consents identified with an asterisk (*) on Schedule 5.3 (except Required Consents for the transfer of Systems Franchises which shall be governed by Section 7.5.5) on or prior to the Closing (whether or not Charter shall have waived satisfaction of the condition to Closing set forth in Section 8.1.5), subsequent to the Closing, IPWT will continue to use commercially reasonable efforts to obtain in writing as promptly as possible such Required Consents and will deliver copies of the same, reasonably satisfactory in form and substance, to Charter. The obligations set forth in this Section will survive the Closing and will not be merged in the consummation of the transactions contemplated hereby.

7.5.5 If less than all of the Required Consents for the transfer of Systems Franchises are obtained as of the Closing Date and all other conditions precedent are satisfied or waived, then, subject to the conditions set forth in Section 4.1(c)(i) and (iii) of the Common Agreement, then the System Franchise with respect to which consent has not been obtained shall not be transferred to Tennessee LLC and the Parties shall negotiate a modification to the calculation of the Base Price as set forth in Section 3.1 to account for the exclusion of such Franchise.

7.6 Title Commitments and Surveys. Charter will have the option to obtain, at its own expense, (i) commitments of title insurance ("Title Commitments") issued by a nationally recognized title insurance company selected by Charter (the "Title Company") and containing policy limits and other terms reasonably acceptable to Charter, and photocopies of all recorded items described as exceptions therein committing to insure (a) fee title in Charter to each parcel of Owned Property and (b) a leasehold interest in Charter in each parcel of Leased Property that is the site of a System headend or tower, by American Land Title Association ("ALTA") (1992) owner's or lessee's policies of title insurance, and (ii) current ALTA as-built surveys (in

accordance with the Minimum Standard Detail Requirements for Land Title Surveys jointly established and adopted by ALTA and the American Congress on Surveying and Mapping in 1992) of each such parcel of the Owned Property or Leased Property with monuments placed at all major corners of the property boundary unless already marked and showing the location and identification by recorded instrument number of all easements or rights-of-way burdening or benefiting the property in question and all other documents and matters referenced as exceptions on the Title Commitment, the location of all apparent easements and rights-of-way, flood zone designation, setback lines, if applicable, the location of all substantial visible improvements on such property and the location of all adjoining streets and indication of access to a public way such as curb cuts and driveways, in such form as is reasonably satisfactory to Charter and as is necessary to obtain the title insurance to be issued pursuant to the Title Commitments with the standard printed exceptions relating to survey matters deleted (the "Surveys"), certified to the parties and the Title Company issuing a Title Commitment. If Charter notifies RMG within twenty (20) days of this Agreement or, if later, of its receipt of both the Title Commitments and the Surveys of any Lien (other than a Permitted Lien) or other matter affecting title to the Owned Property or Leased Property which renders (or presents a material risk of rendering) title to any parcel of the Owned Property not good and marketable or prevents or materially interferes with (or presents a material risk of preventing or interfering with) the use of any parcel of Owned Property or Leased Property for the purposes for which it is currently used or intended to be used by RMG (each a "Title Defect"), RMG will exercise commercially reasonable efforts to remove or, with the consent of Charter, cause the Title Company to commit to insure over, each such Title Defect prior to the Closing.

7.7 HSR Notification. As soon as practicable after the execution of this Agreement, but in any event no later than thirty (30) days after such execution, Charter and RMG will each complete and file, or cause to be completed and filed at its own cost and expense, any notification and report required to be filed under the HSR Act with respect to the transactions contemplated by this Agreement and each such filing shall request early termination of the waiting period imposed by the HSR Act. The Parties shall use their respective 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 their respective 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. Each Party will 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.

7.8 Sales and Transfer Taxes. All sales, use or excise Taxes arising from or payable by reason of the transfer of any of the Assets or the LLC Interest ("Sales Taxes") will be shared equally by IPWT and Charter. All transfer and similar taxes or assessments, including transfer fees and similar assessments for or under System Franchises, System Licenses and System Contracts, arising from or payable by reason of the conveyance of the Assets or the LLC Interest ("Transfer Taxes") also will be shared equally by IPWT and Charter. Tax Returns required to be filed in respect of Sales Taxes and Transfer Taxes ("Transfer Tax Returns") shall be prepared and filed by the Party that has primary responsibility under applicable law for filing such Transfer Tax Returns. If no Party has primary responsibility for filing a Transfer Tax Return, Charter shall be responsible for preparing and filing any such Transfer Tax Return. Notwithstanding the foregoing, however, Charter shall be solely responsible for any Sales Taxes and Transfer Taxes imposed, and the costs associated with any Transfer Tax Return filed, as a result of the contribution of the Assets by RMG to Tennessee LLC pursuant to Section 2.1.1 and subsequent sale of the LLC Interest to Charter pursuant to Section 2.1.2, greater than those Sales Taxes and Transfer Taxes that would have been imposed, and the costs that would have been associated with any Transfer Tax Returns filed, in connection with a sale of the Assets directly from RMG to Charter.

7.9 Programming. Charter will execute and deliver such documents and take such action as may be reasonably requested by RMG to enable RMG to comply with the requirements of its programming agreements with respect to divestitures and acquisitions of cable television systems; provided, however, that Charter will not be required to provide specific programming or channels or to assume any liability with respect to or in connection with the programming agreements of RMG or any Affiliate of RMG, except to the extent included on Schedule 4.2(b).

7.10 Updated Schedules.

(a) Schedule and exhibit references contained in this Agreement are for convenience only and any matter disclosed pursuant to one section, subsection or other provision of this Agreement, are deemed disclosed for all purposes of this Agreement, as long as the disclosure with respect to such matter provides a truthful, accurate and adequate description of all relevant aspects of such matter.

(b) Not less than ten (10) Business Days prior to Closing, RMG will deliver to Charter revised copies of each of its Schedules, except for Schedule 5.14 as it relates to matters addressed in Sections 5.14.1 and 5.14.2 (regardless of whether the original Schedule is as of a certain date) which shall have been updated and marked to show any changes occurring between the date of this Agreement and the date of delivery; provided, however, that such updates are for informational purposes only, and for purposes of determining whether IPWT's representations, warranties and covenants in this Agreement are true and correct at Closing, all references to the

Schedules will mean the version of the Schedules attached to this Agreement on the date of signing. Notwithstanding the foregoing, if the effect of any such updates to Schedules is to disclose any one or more additional properties, privileges, rights, interests or claims, in each case acquired after the date of this Agreement ("New Properties") as Assets that would have been (if owned on the date of this Agreement) required by this Agreement to have been disclosed by RMG in its original Schedules or that were acquired by RMG after the date of this Agreement in breach of this Agreement, then Charter, at or before Closing, will have the right (to be exercised by written notice to RMG) to cause any one or more of such New Properties to be designated as and deemed to constitute Excluded Assets of RMG for all purposes under this Agreement. If such right is not exercised by Charter and if Charter waives the applicable condition to Closing provided in Section 8.1.1 or 8.1.2, Charter shall be deemed to have accepted such new disclosure with respect to such New Properties and it shall be deemed incorporated by reference into the Schedules. Notwithstanding anything to the contrary contained in this Agreement, and except as set forth in the preceding sentence with respect to New Properties, the waiver of any condition to Closing by a Party who has knowledge of a breach by the other Party will not be deemed a waiver of any rights and remedies with respect to such breach under this Agreement or the Common Agreement.

7.11 Use of Name and Logo. For a period of one hundred eighty (180) days after the Closing, Charter and Tennessee LLC will be entitled to use the trademarks, trade names, service marks, service names, logos and similar proprietary rights of RMG to the extent incorporated in or on the Assets transferred to it at the Closing on a royalty-free basis, provided that Charter will exercise commercially reasonable efforts to remove all such names, marks, logos and similar proprietary rights of RMG (except to the extent otherwise permitted by RMG) from the Assets as soon as reasonably practicable, and in any event within one hundred eighty (180) days, following the Closing. Notwithstanding the foregoing, nothing in this Section will require Charter to remove or discontinue using any such name or mark that is affixed to converters or other items in or to be used in customer homes or properties, or as are used in a similar fashion making such removal or discontinuation impracticable.

7.12 Transitional Billing Services. IPWT will provide Charter, upon written request delivered a reasonable amount of time in advance and to the extent reasonably practicable, access to and the right to use its billing system computers, software and related fixed assets in connection with the Systems for a period of up to one hundred fifty (150) days following the Closing to allow for conversion of existing billing arrangements, including billing and related arrangements regarding internet access services being provided to customers of a System on the Closing Date ("Transitional Billing Services"). Charter will notify RMG at least thirty (30) days prior to the Closing as to whether it desires Transitional Billing Services from RMG. All Transitional Billing Services, if any, that are requested by Charter will be provided on terms and conditions reasonably satisfactory to each Party; provided, however, that the amount to be paid by Charter for such Transitional Billing Services will not exceed the out-of-pocket cost to IPWT of providing such Transitional Billing Services. IPWT will notify Charter of the cost to IPWT of providing such Transitional Billing Services within ten (10) Business Days after receiving Charter's notice

requesting the provision of such Transitional Billing Services.

7.13 Confidentiality and Publicity.

7.13.1 Prior to the Closing, each Party will keep confidential any non-public information that such Party may obtain from the other Parties in connection with this Agreement, and following the Closing, each Party will keep confidential any non-public information that such Party may obtain from the other Parties in connection with this Agreement unrelated to the Cable Business and Systems as well as any non-public information in the possession of such Party related to the Cable Business and Systems (any such information that a Party is required to keep confidential pursuant to this sentence shall be referred to as "Confidential Information"). No Party will disclose, and each Party will cause its employees, consultants, advisors and agents not to disclose, any Confidential Information to any other Person (other than its directors, officers and employees and representatives of its advisers and lenders whose knowledge thereof is necessary in order to facilitate the consummation of the transactions contemplated hereby) or use, and will cause its controlled Affiliates, directors, officers, employees, consultants, advisors and agents not to use, such Confidential Information to the detriment of the other Parties; provided that (i) Charter may use and disclose any such Confidential Information once it has been publicly disclosed (other than by Charter in breach of its obligations under this Section) or which rightfully has come into the possession of Charter (other than from RMG or IPWT and other than from another Person in violation of any duty or obligation of confidentiality) and (ii) to the extent that Charter may, in the reasonable opinion of its counsel, be compelled by Legal Requirements to disclose any of such Confidential Information, Charter may disclose such Confidential Information if it will have used all reasonable efforts, and will have afforded the other the opportunity, to obtain an appropriate protective order or other satisfactory assurance of confidential treatment, for the Confidential Information compelled to be disclosed. In the event of termination of this Agreement, Charter will cause to be delivered to the other, and retain no copies of, any documents, work papers and other materials obtained by Charter or on its behalf from the other, whether so obtained before or after the execution hereof.

7.13.2 No Party will issue any press releases or make any other public announcement concerning this Agreement and the transactions contemplated hereby, except as required by applicable Legal Requirements, without the prior written consent and approval of the other Party, which consent and approval may not be unreasonably withheld.

7.13.3 Each Party expressly agrees that, in addition to any other right or remedy the other may have, such other Party may seek and obtain specific performance of the covenants and agreements set forth in or made pursuant to this Section 7.13 and temporary and permanent injunctive relief to prevent any breach or violation thereof, and that no bond or other security may be required from such other parties in connection therewith.

7.14 Bulk Transfer. Each Party waives compliance by each other Party with Legal Requirements relating to bulk transfers applicable to the transactions contemplated hereby.

7.15 Lien Searches. RMG will obtain, at its expense, the results of a lien search conducted by a professional search company of records in the offices of the secretaries of state in each state and county clerks in each county where there exist any Owned Property or Tangible Personal Property, and in the state and county where RMG's principal offices are located, including copies of all financing statements or similar notices or filings (and any continuation statements) discovered by such search company.

7.16 Further Assurances. At or after the Closing, each Party at the request of the other Party, will promptly execute and deliver, or cause to be executed and delivered, to the other Party all such documents and instruments, in addition to those otherwise required by this Agreement, in form and substance reasonably satisfactory to the other Party as the other Party may reasonably request in order to carry out or evidence the terms of this Agreement or to collect any accounts receivable or other claims included in the Assets.

7.17 Post-Closing Cooperation as to Rates.

7.17.1 RMG will use commercially reasonable efforts to cooperate with and assist Charter by providing, upon reasonable request, all information in RMG's possession (and not previously made available to Charter) relating directly to the rates set forth on Schedule 5.15.2, or on any of FCC Forms 1200, 1205, 1210, 1220, 1225, 1235 or 1240 or any other FCC Form, that Charter may reasonably require to justify such rates in response to any inquiry, order or requirements of any Governmental Authority.

7.17.2 Prior to Closing, RMG shall not settle or permit to be settled any rate proceeding with respect to the Systems without the consent of Charter, which consent will not be unreasonably withheld or delayed, unless the proposed settlement includes injunctive or other relief that adversely affects the Assets or its ability to operate the Systems substantially in the manner in which they are operated on the date of this Agreement (other than changing the rates in question), in which case consent may be withheld or delayed in Charter's sole discretion.

7.17.3 After the Closing, IPWT will be responsible for and follow to conclusion any rate order of any Governmental Authority or proceeding with respect to rates of any of the Systems charged by RMG immediately prior to the Closing; provided, however, that IPWT shall not: (i) agree to any forward-looking rate adjustment; (ii) submit any refund plan to a Governmental Authority that would impact any rates charged or impose financial liability on Tennessee LLC or Charter after the Closing; or (iii) appeal or take any other action with regard to such proceeding that would impact any rates charged or impose financial liability on Tennessee LLC or Charter after the Closing, in any case without obtaining the prior written consent of Charter, which consent shall not be unreasonably withheld. Each Party will cooperate with and assist the other by providing, upon reasonable request, all information in its possession (and not previously made available to the requesting Party) that the requesting Party may reasonably require to justify rates in response to any inquiry, order or requirements of any Governmental

Authority.

7.17.4 If, following Closing, any System is required pursuant to any Legal Requirement, settlement or otherwise to refund to subscribers any payments, in whole or in part, made by such subscribers prior to Closing, including fees for cable television service, equipment charges, late fees and similar payments, then at the election of Charter and upon IPWT's prior written consent, which consent shall not be unreasonably withheld: (i) Charter or Tennessee LLC must fulfill such refund obligation through a one-time cash payment to subscribers, in which case IPWT shall provide funds for such payment to Charter, Charter shall cooperate with IPWT or implement and administer such refund payment through Charter's billing system, and IPWT shall reimburse Charter for all reasonable expenses incurred by Charter in connection therewith; (ii) Charter may fulfill such refund obligation through a cash payment, credit or in-kind or other form of consideration, at its discretion and subject to any required approval by a Governmental Authority, and IPWT shall reimburse Charter in the amount of any payment or in the amount of the cost to Charter of any credit or in-kind or other form of consideration and all reasonable expenses incurred by Charter in connection therewith. Without limiting the foregoing, Charter will provide IPWT with all information in Charter's possession that is reasonably required by IPWT in connection with such reimbursement.

7.17.5 If either Tennessee LLC or Charter is permitted following Closing to pass through to subscribers of the Systems, the amount of any "franchise fees on franchise fees" paid by RMG to the appropriate local franchising authority with respect to the period prior to Closing, Charter agrees that it will collect for the benefit of IPWT such amounts specified no later than the Six-Month Date as paid by RMG and, except as specified below, will promptly remit such amounts to IPWT; provided, however, that if a local franchising authority challenges such collection or orders Charter to refund such fees to subscribers, then Charter shall not remit the fees to IPWT but shall hold such fees in escrow and the parties will cooperate reasonably and in good faith to challenge such local franchising authority action. Upon the final resolution of such local franchising authority action, the escrowed fees shall be released from escrow and, to the extent not refunded to subscribers, paid over to IPWT. IPWT agrees to provide Charter with such documentation as necessary to demonstrate its payment of the "franchise fees on franchise fees" and to enable Charter to collect the pass through amounts from subscribers.

7.18 Distant Broadcast Signals. Unless otherwise restricted or prohibited by any Governmental Authority, applicable Legal Requirements or Contract, RMG will, if requested by Charter, delete prior to the Closing any distant broadcast signals which Charter determines will result in unacceptable liability on the part of Charter for copyright payments with respect to continued carriage of such signals after the Closing; provided, however, that RMG may refuse to honor such a request if such deletion could reasonably be expected to delay or otherwise jeopardize RMG's ability to complete the transactions contemplated herein.

7.19 Environmental Assessment.

7.19.1 RMG acknowledges and agrees, subject to any enforceable restrictions placed thereon by a Third Party owner or lessor of any real property involved, that Charter may commission, at Charter's cost and expense, a so-called "Phase I" environmental site assessment of the Assets (a "Phase I Assessment"). If the Phase I Assessment or any other information known to RMG (including information disclosed in connection with the negotiation of this Agreement or described in the Schedules hereto) indicates that a so-called "Phase II" assessment or other additional testing or analysis of the Assets as Charter may deem appropriate (a "Phase II Assessment") is advisable, then, subject to any enforceable restrictions placed thereon by a Third Party owner or lessor of any real property involved, Charter may elect to cause its agents or representatives to conduct such testing and analysis. RMG will use its commercially reasonable efforts to comply with any reasonable request for information made by Charter or its agents in connection with any such investigation, but in no event will RMG be required under this Section 7.19.1 to disclose any materials constituting attorney-client privileged communications. RMG covenants that any response to any such request for information will be complete and correct in all material respects. RMG will afford Charter and its agents or representatives access to all operations of RMG at all reasonable times and in a reasonable manner in connection with any such investigation subject to any reasonably required approval of RMG's landlords, which approval RMG will use its commercially reasonable efforts to obtain. Should Charter commission such an investigation, such investigation will have no effect upon the representations and warranties made by RMG or IPWT to Charter under this Agreement except that if any Phase I Assessment or Phase II Assessment uncovers an environmental condition which then comprises a breach of RMG's representations or warranties herein and such breach is capable of being cured, RMG shall be deemed not to have breached such representation or warranty if RMG cures such breach in accordance with the provisions of this Agreement. In the event this Agreement is terminated or fails to close in accordance with its terms, Charter agrees to repair any damage or disturbance it causes to the Owned Property or Leased Property in the course of such investigative activities by returning such Owned Property or Leased Property to approximately the same condition as existed prior to such investigative activities. Charter shall indemnify, protect, defend, and hold RMG, IPWT, Tennessee LLC and the Assets free and harmless from and against any and all claims, actions, causes of action, suits, proceedings, costs, expenses (including reasonable attorneys' and consultants' fees and costs), liabilities, damages, and liens of any type arising directly out of any act or omission of Charter or any of Charter's representatives on or about the Owned Property or Leased Property in the course of such investigative activities. However, neither of the two preceding sentences shall be interpreted to impose any obligation upon Charter with respect to Hazardous Substances present at, on, in, under or about, or any conditions existing on, the Owned Property or Leased Property at the time of such investigative activities, except to the extent of Charter's negligence or willful misconduct causes a release of such Hazardous Substances or otherwise exacerbates any such condition in a manner that leads to liability under any Environmental Law.

7.19.2 All information collected and generated as a result of the environmental due diligence authorized by Section 7.19.1 will be subject to the terms and conditions of Section

7.13 of this Agreement. Charter shall provide to RMG copies of all draft and final reports, assessments and other information composed or compiled by Charter's environmental consultants within five (5) Business Days after Charter's receipt of copies thereof.

7.20 Year 2000 Matters.

7.20.1 Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

(a) "Computer and Other Systems" means any level of hardware or software, equipment and cable plant, or environmental and security systems and other facilities used in connection with the Cable Business which are date dependent or which process date data, including any firmware, embedded systems, application programs, user interfaces, files and databases, and which might be adversely affected by any date-related issue or calculation prior to, during or after January 1, 2000, including any problem related to a leap year.

(b) "Year 2000 High-Level Inventory, Assessment and Remediation Decisions" means RMG's documentation of its Year 2000 inventory, assessment and remediation decisions performed in accordance with its Year 2000 Plan, consisting of (i) database reports identifying each category of items inventoried at RMG's cable Systems and specifying as appropriate the manufacturer or vendor and release, version or model number of each item listed, (ii) risk or critically assessments, (iii) determination and execution of evaluation approaches with respect to Year 2000 Readiness, (iv) determination of Year 2000 Readiness based on evaluation approaches employed, and (v) decisions regarding disposition alternatives (do nothing, repair, replace or retire). All such reports have been reviewed at appropriate levels within RMG's organization in accordance with RMG's Year 2000 Plan. RMG's Year 2000 High-Level Inventory, Assessment and Remediation Decisions are attached hereto as Schedule 7.20.1(b).

(c) "Year 2000 Plan" means the plans adopted in accordance with RMG's Year 2000 Remediation Program to make Year 2000 Ready by a date no later than August 31, 1999, all of RMG's Computer and Other Systems having a significant impact on RMG's business. Such Year 2000 Plan will include scope of methodologies and timelines (including objective milestones) for inventory, assessment, remediation and/or replacement, and testing or evaluation of Third Party Testing, as applicable, of its Computer and Other Systems having a significant impact on RMG's business. RMG's Year 2000 Plan is attached hereto as Schedule 7.20.1(c).

(d) "Year 2000 Ready" or "Year 2000 Readiness" means that the referenced component, system, software, equipment or other item is designed or has been modified to be used prior to, during and after the calendar year 2000 A.D., and that such item will operate at all levels, including microcode, firmware, application programs, user interfaces, files and databases, during each such time period without error or interruption relating to, or the product of, date related issues or calculations, including date data which represents or references

different centuries or more than one century or leap year.

(e) "Year 2000 Remediation Program" means an enterprise wide program to make Year 2000 Ready all Computer and Other Systems having a significant impact on RMG's business. Such Year 2000 Remediation Program must be conducted by Persons with experience in issues related to Year 2000 Readiness and such Persons must have organized an enterprise wide program management office which reports to, or an enterprise wide program management structure with oversight by, executive level management and the board of directors (or committee thereof or other governing body of such entity).

7.20.2 Acknowledgments. The Parties acknowledge the following:

(a) RMG and certain of its Affiliates have established a Year 2000 Remediation Program.

(b) Charter has reviewed and approved RMG's Year 2000 Plan and Year 2000 High-Level Inventory, Assessment and Remediation Decisions.

(c) Charter acknowledges and agrees with RMG's preliminary decision to rely on testing of cable plant and related equipment to be performed by certain cable industry technical and trade associations, certain critical vendors or other cable operators ("Third Party Testing"). RMG will continue to review the progress of such Third Party Testing plans and results as they become available. RMG has developed test methodologies as part of its Year 2000 Plan to address implementation of additional testing should RMG and Charter mutually consider such additional testing to be necessary or prudent.

(d) RMG makes no representation, warranty or guarantee that its Computer and Other Systems will be Year 2000 Ready at the Closing Date or thereafter.

7.20.3 Covenants. Notwithstanding any other provision set forth in this Agreement, the Parties agree as follows:

(a) Through the Closing Date, RMG will exercise prudent and reasonable care and diligence to take such actions with respect to the Cable Business when and as required by its approved Year 2000 Plan.

(b) Through the Closing Date, RMG will cooperate with Charter with respect to the nature and results of its activities relating to its Year 2000 Plan. Such cooperation shall include providing Charter with any non-confidential information possessed by RMG or one of its Affiliates and reasonably requested by Charter regarding the Year 2000 Readiness of any material component of the Computer and Other Systems having a significant impact on RMG's business.

(c) RMG shall deliver to Charter on or before July 31, 1999, and again

on August 31, 1999 (if Closing has not occurred prior to such date), a statement, certified by an authorized officer of RMG who is responsible for implementation of its Year 2000 Plan, setting forth in reasonable detail that as of such date all of the milestones contained in its Year 2000 Plan to be completed as of such date have been fully completed (or if not, indicating which such milestones have not been completed and describing the efforts required to complete the same).

(d) From the date hereof through the Closing Date, Charter shall have the opportunity to conduct due diligence regarding the Year 2000 Readiness of the Computer and Other Systems having a significant impact on RMG's business in accordance with this Section 7.20.3(d). Charter may conduct a review of the Year 2000 Ready assessment activities with respect to the Computer and Other Systems having a significant impact on RMG's business, including inspecting individual headend and office sites and reviewing existing reports, correspondence and related material regarding the Year 2000 Readiness of the Computer and Other Systems having a significant impact on RMG's business. Charter shall conduct no more than three (3) visits to any site of RMG and no single site visit shall exceed three (3) Business Days. Charter shall give RMG at least five (5) Business Days written notice prior to any visit to any System facilities of RMG and, if Charter intends during such visit to perform testing at a headend, office or other site of RMG, Charter also must provide a description of the scope of work regarding such testing. If RMG does not notify Charter in writing of the RMG's objection to such proposed site visit and/or testing within three (3) Business Days after receipt of such notice, RMG shall be deemed to have consented to the proposed site visit and any described testing. RMG shall not unreasonably object to Charter's request to perform testing. A representative of RMG shall be present at all times during any such visit and testing. All activities of Charter regarding its Year 2000 due diligence shall be conducted to minimize any inconvenience or interruption of the normal use and enjoyment of the Cable Business and Computer and Other Systems.

7.21 Satisfaction of Conditions. Each Party will use its commercially reasonable efforts to satisfy, or to cause to be satisfied, the conditions to the obligations of the other Party to consummate the transactions contemplated by this Agreement, as set forth in Article 8.

7.22 Offers. RMG (and its directors, officers, employees, representatives and agents) shall not directly or indirectly, (i) offer the Assets or the Cable Business for sale, (ii) solicit, encourage or entertain offers for the Assets or the Cable Business, (iii) initiate negotiations or discussions for the sale of the Assets or the Cable Business or (iv) make information about the Assets or the Cable Business available to any Third Party in connection with the possible sale of the Assets or the Cable Business prior to the Closing Date or the date this Agreement is terminated in accordance with its terms.

7.23 Retention of Books and Records. At or prior to the Closing, RMG shall make arrangements reasonably satisfactory to Charter to deliver all Books and Records not located at any of the offices included in the Owned Property or Leased Property. Following the Closing, each Party shall give access to the other Parties, their counsel, accountants and other authorized

representatives during normal business hours to such Party's materials, books, records and documents which relate to the operations of the Cable Business prior to the Closing Date, as may be reasonably necessary in connection with any legitimate purpose (including the preparation of tax reports and returns and the preparation of financial statements). Such access will be subject to reasonable advance written notice, will be conducted in a manner that is not disruptive of such Party's business, and will be subject to any other reasonable limitations imposed by such Party. The requesting Party shall have the right to make copies of such materials at its own expense. If any Party proposes to destroy or otherwise dispose of any of its materials, books, records or documents that related to the operations of the Cable Business prior to the Closing Date, it will give no less than thirty (30) days' advance written notice to the other Party so as to permit the other Party to exercise its rights under this Section 7.23.

7.24 Formation of Tennessee LLC. RMG shall form Tennessee LLC as a single member limited liability company solely owned by RMG and pursuant to operating agreements reasonably acceptable to Charter, and RMG shall cause Tennessee LLC to not enter into any transactions or assume any liabilities prior to the Closing except as provided in this Agreement. Charter shall reimburse IPWT for all monies paid (other than general and administrative expenses) by RMG or IPWT in connection with forming Tennessee LLC.

7.25 Tax Return Cooperation. RMG, IPWT and Charter shall reasonably cooperate in connection with the preparation and filing of any Tax Return for which any other Party is responsible for preparing and filing with respect to the Systems.

8. CONDITIONS PRECEDENT.

8.1 Conditions to Charter's Obligations. The obligations of Charter to consummate the transactions contemplated by this Agreement will be subject to the satisfaction, at or before the Closing, of the following conditions, one or more of which may be waived by Charter:

8.1.1 Accuracy of Representations and Warranties. The representations and warranties of IPWT in this Agreement and in the Transaction Documents, without giving effect to any materiality qualifications contained therein, are true, complete and accurate on and as of the date hereof and at and as of the Closing with the same effect as if made at and as of the Closing, except to the extent that all misstatements, omissions and inaccuracies, in the aggregate, do not have a material adverse effect on the Assets, the Cable Business, the operations, condition (financial or otherwise) or results of operations of the Systems taken as a whole, or on the ability of RMG to perform its obligations under this Agreement.

8.1.2 Performance of Agreements. RMG shall have performed in all material respects all obligations and agreements and complied in all material respects with all covenants in this Agreement and in any Transaction Document to be performed and complied with by it at or before the Closing.

8.1.3 Deliveries. RMG shall have delivered the items and documents required to be delivered by it pursuant to this Agreement, including those required to be delivered to Charter under Section 9.2.

8.1.4 Legal Proceedings. No Legal Requirement of any Governmental Authority (including any temporary Legal Requirement) shall be in effect which would prevent or make illegal the consummation of any of the transactions contemplated by this Agreement or any Transaction Document.

8.1.5 Consents.

(a) Except as otherwise provided in Section 7.5.5, Required Consents related to all Systems Franchises shall have been obtained in form and substance reasonably satisfactory to Charter, or the consent of the appropriate Governmental Authority shall be deemed to have been received in accordance with Section 617 of the Communications Act (47 U.S.C. ss.537).

(b) Except as otherwise provided in Section 7.5.3, Charter shall have received evidence, in form and substance reasonably satisfactory to it, that the Required Consents related to the Systems Licenses and the Systems Contracts identified with an asterisk (*) on Schedule 5.3 have been obtained.

8.1.6 No Material Adverse Changes. There shall not have been any material adverse change in the Assets or the condition (financial or otherwise) or operations of the Cable Business or the Systems, taken as a whole, since December 31, 1998.

8.1.7 Franchise Renewals. Each Systems Franchise for which (a) a valid notice of renewal pursuant to the formal renewal procedures established by Section 626 of the Cable Act has not been timely delivered to the appropriate Governmental Authority, and (b) with respect to which the appropriate Governmental Authority has not confirmed in writing that the procedures established by Section 626 nonetheless shall apply to the renewal or extension of such Systems Franchise, shall have been renewed or extended for a period expiring no earlier than three (3) years after the Closing Date.

8.1.8 Common Agreement and Related Closings.

(a) The conditions set forth in Section 4.1 of the Common Agreement shall have been satisfied or waived.

(b) The transactions contemplated by the IP Agreements and the Redemption Agreement (each as defined in the Common Agreement) shall have been, or will be, consummated as set forth in Section 4.4 of the Common Agreement, except to the extent such Agreements are not consummated as a result of a breach by Charter or any of its Affiliates of its

or their obligation to consummate such transactions.

8.2 Conditions to RMG's Obligations. The obligations of RMG to consummate the transactions contemplated by this Agreement will be subject to the satisfaction, at or before the Closing, of the following conditions, one or more of which may be waived by RMG:

8.2.1 Accuracy of Representations and Warranties. The representations and warranties of Charter in this Agreement and in the Transaction Documents, without giving effect to any materiality qualification contained therein, are true, complete and accurate on and as of the date hereof and at and as of the Closing with the same effect as if made at and as of the Closing, except to the extent that all misstatements, omissions and inaccuracies, in the aggregate, do not have a material adverse effect on the ability of Charter to perform its obligations under this Agreement.

8.2.2 Performance of Agreements. Charter shall have performed in all material respects all obligations and agreements and complied in all material respects with all covenants in this Agreement and in any Transaction Document to be performed and complied with by it at or before the Closing.

8.2.3 Deliveries. Charter shall have delivered the items and documents required to be delivered by it pursuant to this Agreement, including those required to be delivered to RMG under Section 9.3.

8.2.4 Legal Proceedings. No Legal Requirement of any Governmental Authority (including any temporary Legal Requirement) shall be in effect which would prevent or make illegal the consummation of any of the transactions contemplated by this Agreement or any Transaction Document.

8.2.5 Common Agreement and Related Closings.

(a) The conditions set forth in Section 4.2 of the Common Agreement shall have been satisfied or waived.

(b) The transactions contemplated by the IP Agreements and the Redemption Agreement (each as defined in the Common Agreement) shall have been, or will be, consummated as set forth in Section 4.4 of the Common Agreement, except to the extent that such Agreements are not consummated as a result of a breach by RMG, IPWT or their Affiliates of its or their obligation to consummate such transactions.

9. THE CLOSING.

9.1 The Closing; Time and Place. Subject to the terms and conditions of this Agreement, the Closing shall be held in San Francisco, California, or as otherwise agreed, at a place mutually agreed upon by the Parties at 10:00 a.m., local time, on the last calendar day of the calendar month in which the conditions set forth in Article 8 (other than Sections 8.1.3 and 8.2.3) shall have been satisfied or waived (provided that each Party shall have at least ten (10) days' prior notice of the scheduled Closing Date in order to prepare for the Closing) or at such other place, date and time as may be mutually agreed upon by the Parties (the "Closing Date"). The transactions to be consummated at Closing shall be deemed to have been consummated as of the Closing Time. If the Closing Date is not a Business Day, then the Closing Date shall be the immediately preceding Business Day.

9.2 RMG's Delivery Obligations. At the Closing, RMG will deliver or cause to be delivered to Charter the following:

9.2.1 Bill of Sale and Assignment and Assumption Agreement. The Bill of Sale and Assignment and Assumption Agreement with respect to the transfer of the Assets to Tennessee LLC, and a Bill of Sale with respect to the transfer of the LLC Interest to Charter in the form of Exhibit 9.2.1.

9.2.2 Deeds. Special warranty deeds in recordable form conveying to Tennessee LLC each parcel of Owned Property, and assignments of leases and easements in recordable form, with respect to Leased Property and Other Real Property Interests as to which prior assignments into RMG were recorded in the applicable real estate records.

9.2.3 Lien Releases. Evidence reasonably satisfactory to Charter that all Liens (other than Permitted Liens) affecting or encumbering the Assets have been terminated, released or waived, as appropriate, or original, executed instruments in form reasonably satisfactory to Charter effecting such terminations, releases or waivers.

9.2.4 Vehicle Titles. Title certificates to all vehicles included among the Assets, endorsed for transfer of title to Tennessee LLC, and separate bills of sale therefor or other transfer documentation, if required by the laws of the states in which such vehicles are titled.

9.2.5 Evidence of Authorization Actions. Certified resolutions or other evidence reasonably satisfactory to Charter that RMG and IPWT have taken all action necessary to authorize the execution of this Agreement and the Transaction Documents and the consummation of the transactions contemplated hereby.

9.2.6 FIRPTA Certificate. FIRPTA Non-Foreign Seller Certificate certifying that RMG is not a foreign person within the meaning of Section 1445 of the Code reasonably satisfactory in form and substance to Charter.

9.2.7 Officer's Certificate. Charter will have received a certificate executed by an executive officer of RMG dated the date of the Closing, reasonably satisfactory in form and substance to Charter certifying that the conditions specified in Sections 8.1.1. and 8.1.2 have been satisfied.

9.2.8 Opinions of Counsel. Opinions of Pillsbury Madison & Sutro LLP and Dow, Lohnes & Albertson, PLLC, substantially in the forms attached as Exhibits C.1 and C.3 to the Common Agreement.

9.2.9 Other. Such other documents and instruments as may be necessary to effect the intent of this Agreement and to consummate the transactions contemplated hereby.

9.3 Charter's Delivery Obligations. At the Closing, Charter will deliver or cause to be delivered to IPWT the following:

9.3.1 Cash Consideration. The Adjusted Value will be paid by Charter to RMG in accordance with the Common Agreement.

9.3.2 Evidence of Authorization Actions. Certified resolutions of Charter or other evidence reasonably satisfactory to RMG and IPWT that Charter has taken all action necessary to authorize the execution of this Agreement and the Transaction Documents and the consummation of the transactions contemplated hereby.

9.3.3 Officer's Certificate. RMG and IPWT will have received a certificate executed by an executive officer of Charter dated the date of the Closing, reasonably satisfactory in form and substance to RMG and IPWT certifying that the conditions specified in Sections 8.2.1 and 8.2.2 have been satisfied.

9.3.4 Opinion of Counsel. Opinion of Irell & Manella LLP, substantially in the form of Exhibit C.2 to the Common Agreement.

9.3.5 Other. Such other documents and instruments as may be necessary to effect the intent of this Agreement and to consummate the transactions contemplated hereby.

10. TERMINATION AND DEFAULT.

10.1 Termination Events. This Agreement may be terminated and the transactions contemplated hereby may be abandoned:

10.1.1 At any time, by the mutual agreement of Charter and RMG;

10.1.2 By either Charter or RMG at any time, if the other is in material breach

or default of any of the other's covenants, agreements or other obligations herein or in any Transaction Document and the defaulting Party has failed to cure such breach within thirty (30) days of its receipt of notice of such breach from the other Party;

10.1.3 By either Charter or RMG upon written notice to the other, if any of the conditions to its obligations set forth in Sections 8.1 and 8.2, respectively, are not satisfied on or before the later of January 15, 2000, or nine (9) months after the date of this Agreement, for any reason other than an intentional and material breach or default by such Party of its respective covenants, agreements or other obligations under this Agreement, or any of its representations herein not being true and accurate in all material respects when made or when otherwise required by this Agreement to be true and accurate in all material respects;

10.1.4 By either Charter or RMG if an injunction, restraining order or decree of any nature of any Governmental Authority of competent jurisdiction is issued that prohibits the consummation of any of the transactions contemplated hereby and such injunction, restraining order or decree is final and nonappealable; provided, however, that the Party seeking to terminate this Agreement pursuant to this clause has used commercially reasonable efforts to have such injunction, order or decree vacated or denied; or

10.1.5 As otherwise provided in the Common Agreement.

10.2 Effect of Termination. If this Agreement is terminated pursuant to Section 10.1, all obligations of the Parties under this Agreement will terminate, except for the obligations set forth in Sections 7.13, 7.19 and 12.13. Termination of this Agreement pursuant to Sections 10.1.2, 10.1.3, 10.1.4 or 10.1.5 will not limit or impair any remedies that any of RMG, IPWT, Tennessee LLC or Charter may have pursuant to the terms of this Agreement with respect to a breach or default by another Party of such Party's covenants, agreements or obligations under this Agreement.

11. SURVIVAL; REMEDIES.

11.1 Survival of Representations, Warranties Covenants and Agreements. The representations, warranties, covenants and agreements of RMG, IPWT and Charter in this Agreement and in the Transaction Documents will survive Closing for a period of twelve (12) months after the Closing Date. The period of survival of the representations, warranties, covenants and agreements prescribed by this Section 11.1 are referred to as the "Survival Period." The liabilities of each Party under its respective representations, warranties, covenants and agreements will expire as of the expiration of the Survival Period; provided, however, that such expiration will not include, extend or apply to (a) any representation, warranty, covenant or agreement the breach of which has been asserted by a Party in a written notice to the other Party before such expiration or about which a Party has given the other Party written notice before such expiration indicating that facts or conditions exist that, with the passage of time or otherwise, can reasonably be expected to result in a breach (and describing such potential breach in reasonable detail), (b) the Party's obligations under Sections 7.13 and 7.23, or (c) the Party's obligations under Sections 7.16 and 7.17.1, but only to the extent reasonably practicable.

11.2 Exclusive Remedy. The Parties hereby agree that the rights set forth in the Common Agreement shall be each Party's sole and exclusive remedies against the other Parties for any claims arising after the Closing Time and relating to any breaches of the representations, warranties or covenants contained in this Agreement other than based on fraud.

12. MISCELLANEOUS PROVISIONS.

12.1 Parties Obligated and Benefitted. Subject to the limitations set forth below, this Agreement will be binding upon each of the Parties and their respective assigns and successors in interest and will inure solely to the benefit of the Parties and their respective assigns and successors in interest, and no other Person will be entitled to any of the benefits conferred by this Agreement. Subject to the foregoing sentence, without the prior written consent of the other Parties, no Party will assign any of its rights under this Agreement or delegate any of its duties under this Agreement, provided that the appropriate Party may assign any or all of its rights under this Agreement to an Affiliate, provided that such assignment will not result in any adverse tax consequences to the other Parties, will not give rise to any material requirements for additional Required Consents, and will not, in the reasonable judgment of the other Parties, delay the Closing.

12.2 Notices. Any notice, request, demand, waiver or other communication required or permitted to be given under this Agreement to any Party will be given as set forth in the Common Agreement.

12.3 Right to Specific Performance. Each Party acknowledges that the unique nature of the Assets and LLC Interest to be contributed or purchased hereunder pursuant to this Agreement renders money damages an inadequate remedy, and the Parties agree that any Party shall be entitled to pursue specific performance as a remedy, without the requirement of posting a bond or other security therefor.

12.4 Waiver. This Agreement or any of its provisions may not be waived except in writing. 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.

12.5 Captions. The section and other captions of this Agreement are for convenience only and do not constitute a part of this Agreement.

12.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware (other than its rules of conflicts of law to the extent that the application of the laws of another jurisdiction would be required thereby).

12.7 Time. Time is of the essence under this Agreement. If the last day permitted for the giving of any notice or the performance of any act required or permitted under this Agreement falls on a day which is not a Business Day, the time for the giving of such notice or the performance of such act will be extended to the next succeeding Business Day.

12.8 Late Payments. If any Party fails to pay the other Parties any amounts when due under this Agreement, the amounts due will bear interest from the due date to the date of payment at the rate per annum publicly announced from time to time by the Bank of New York as its prime rate (the "Prime Rate") plus two (2) percentage points, adjusted as and when changes in the Prime Rate are made.

12.9 Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original.

12.10 Entire Agreement. This Agreement (including the Transaction Documents and the Schedules and Exhibits referred to in this Agreement, which are incorporated in and constitute a part of this Agreement) contains the entire agreement of the Parties with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings with respect to such subject matter. This Agreement may not be amended or modified except by a writing signed by all of the Parties.

12.11 Severability. Any term or provision of this Agreement which is invalid or unenforceable will be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining rights of the Person intended to be benefitted by such provision or any other provisions of this Agreement.

12.12 Construction. This Agreement has been negotiated by the Parties and their respective legal counsel, and legal or other equitable principles that might require the construction of this Agreement or any provision of this Agreement against the Party drafting this Agreement will not apply in any construction or interpretation of this Agreement.

12.13 Expenses. Except as otherwise expressly provided in this Agreement, each Party will pay all of its expenses, including attorneys' and accountants' fees, in connection with the negotiation of this Agreement, the performance of its obligations and the consummation of the transactions contemplated by this Agreement.

12.14 Risk of Loss. The risk of any loss or damage to the Assets resulting from fire, theft or other casualty (except reasonable wear and tear) will be borne by RMG at all times prior to the Closing Time. In the event of any such loss or damage after December 31, 1998, RMG will immediately notify Charter in writing of that fact. All insurance proceeds paid or payable as a result of the occurrence of the event resulting in such loss or damage will be delivered by IPWT to Charter, or the rights thereto will be assigned if not yet paid over by the insurer to IPWT. The obligations under this Section 12.14 to pay or assign insurance proceeds will not apply to the extent that any insurance proceeds are applied to replace or restore such loss or damage prior to Closing.

If, on or prior to the Closing Date, all or any part of or interest in the Assets is taken or condemned as a result of a Governmental Authority's exercise of its powers of eminent domain, or if a Governmental Authority having such power informs RMG that it intends to condemn all or any part of the Assets (such event being called, in either case, a "Taking"), then (i) Charter may elect, in the name of RMG, to negotiate for, claim, contest and receive all damages with respect to the Taking, (ii) RMG will be relieved of its obligation to convey to Tennessee LLC those of the Assets that were the subject of the Taking, (iii) at Closing, RMG will assign to Tennessee LLC all of its rights to damages payable as a result of the Taking, and will pay to Tennessee LLC all damages previously paid to it in connection with the Taking, and (iv) following the Closing, IPWT will give to Charter any further assurances of such rights and assignment with respect to the Taking as Charter reasonably may request from time to time.

12.15 Tax Consequences. No Party makes any representation or warranty, express or implied, with respect to the Tax implications of any aspect of this Agreement on any other Party, and each Party expressly disclaims any such representation or warranty with respect to any Tax consequences arising under this Agreement. Each Party has relied solely on its own Tax advisors with respect to the Tax implications of this Agreement.

12.16 Commercially Reasonable Efforts. For purposes of this Agreement, "commercially reasonable efforts" will not be deemed to require a Party to undertake extraordinary or unreasonable measures, including the payment of amounts in excess of normal and usual filing

fees and processing fees, if any or other payments with respect to any Contract that are significant in the context of such Contract (or significant on the aggregate basis as to all Contracts).

[The remainder of this page intentionally left blank]

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

CHARTER RMG, LLC

/s/ Curtis S. Shaw
By: ____________________________________
Name: Curtis S. Shaw
Title: Vice President

ROBIN MEDIA GROUP, INC.

/s/ Robert J. Lewis
By: ____________________________________
Name: Robert J. Lewis
Title: President and
Chief Executive Officer

INTERMEDIA PARTNERS OF WEST TENNESSEE, L.P.

By InterMedia Capital Management, LLC,
its general partner

By InterMedia Management, Inc.,
its managing member

/s/ Robert J. Lewis
By ________________________________
Robert J. Lewis
President and
Chief Executive Officer

[Signature Page to RMG Purchase Agreement dated
as of April 20, 1999 among RMG, IPWT and Charter]

Exhibit 2.6(d)

ASSET EXCHANGE AGREEMENT

dated as of April 20, 1999

among

INTERMEDIA PARTNERS SOUTHEAST,
on the one hand

and

CHARTER COMMUNICATIONS, LLC, CHARTER COMMUNICATIONS
PROPERTIES, LLC, and
MARCUS CABLE ASSOCIATES, L.L.C.,
on the other hand

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ASSET EXCHANGE AGREEMENT

THIS ASSET EXCHANGE AGREEMENT is made as of April __, 1999, by and among InterMedia Partners Southeast, a California general partnership ("IPSE"), on the one hand, and Charter Communications, LLC, a Delaware limited liability company, Charter Communications Properties, LLC, a Delaware limited liability company, and Marcus Cable Associates, L.L.C., a Delaware limited liability company (each, a "Charter Party" and collectively, "Charter"), on the other hand.

RECITALS

A. The Charter Parties own and operate cable television systems that are franchised or hold other operating authority and operate in and around the municipalities listed on Schedule 5.15.2 (collectively, the "Charter Systems" and reference to any Charter Party's Systems will be deemed to refer to the Charter Systems owned and operated by such Charter Party).

B. IPSE owns and operates cable television systems which are franchised or hold other operating authority and operate in and around the municipalities listed on Schedule 6.15.2 (collectively, the "IPSE Systems").

C. This Agreement sets forth the terms and conditions upon which (i) the Charter Parties will convey, or cause to be conveyed, to IPSE substantially all of the assets comprising or used or useful in connection with Charter's Cable Businesses and (ii) IPSE will convey, or cause to be conveyed, to the Charter Parties substantially all of the assets comprising or used or useful in connection with IPSE's Cable Business, all in such a manner as to effect, to the extent reasonably possible, a like-kind exchange of such assets under Section 1031 of the United States Internal Revenue Code, as amended (the "Code").

D. IPSE, Charter and certain of their respective Affiliates have entered into that certain Common Agreement (the "Common Agreement") pursuant to which they have agreed to certain issues common to each of the transfers made pursuant to this Agreement and to certain other related transactions (each as more fully described in the Common Agreement). The common issues addressed include revenue and working capital adjustments, closing conditions, and indemnification for breaches of representations, warranties, covenants and agreements.

AGREEMENTS

In consideration of the covenants and agreements set forth herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereby agree as follows:

1. DEFINITIONS. In addition to the terms defined elsewhere in this Agreement, the following capitalized terms or terms otherwise defined in this Section 1 shall have the meanings set forth below:

1.1 1992 Cable Act. The Cable Television Consumer Protection and Competition Act of 1992, as amended, and the FCC rules and regulations promulgated thereunder.

1.2 Affiliate. With respect to any Person, any other Person controlling, controlled by or under common control with such Person. As used in this Agreement, "control" means the ownership, directly or indirectly, of voting securities representing the right generally to elect a majority of the directors (or similar officials) of a Person or the possession, by contract or otherwise, of the authority to direct the management and policies of a Person. Notwithstanding the foregoing, prior to the Closing Date, (a) neither AT&T Corporation, Tele-Communications, Inc., nor any of their direct or indirect subsidiaries (collectively, the "AT&T Affiliates"), shall be considered Affiliates of IPSE for any purpose herein or hereunder; (b) neither Paul Allen, Vulcan Cable, Inc., Vulcan Cable II, Inc., Marcus Cable Properties, L.L.C. nor any other Person directly or indirectly controlled by Paul Allen that is not engaged in the cable television business (collectively, the "Allen Affiliates") shall be considered Affiliates of any Charter Party for any purpose herein or hereunder; and (c) InterMedia Partners, a California Limited Partnership, Brenmor Cable Partners, L.P. and TCID IP-V, Inc.,on the one hand, and IPSE, InterMedia Partners of West Tennessee, L.P., InterMedia Partners IV, L.P., and Robin Media Group, Inc., on the other hand, shall not be deemed Affiliates of each other.

1.3 Agreement. This Asset Exchange Agreement.

1.4 Antitrust Division. The Antitrust Division of the United States Department of Justice.

1.5 Assets. The Charter Assets or the IPSE Assets, as the context requires.

1.6 Basic Services. The lowest tier of service offered to subscribers of a System.

1.7 Business Day. Any day other than a Saturday, Sunday or a day on which the banking institutions in New York, New York, Denver, Colorado, San Francisco, California or St. Louis, Missouri are required or authorized to be closed.

1.8 Cable Act. The Cable Communications Policy Act of 1984, as amended, and the FCC rules and regulations promulgated thereunder.

1.9 Cable Business. Charter's Cable Businesses, or any of them, or IPSE's Cable Business, as the context requires.

1.10 Charter Assets. All of the assets, privileges, contracts, licenses, permits, franchises, authorizations, rights, interests, claims and other properties, real and personal, tangible and intangible, of every type and description (a) which are owned, leased, held for, used or useful in, or otherwise related to, Charter's Cable Businesses, (b) in which any Charter Party or its Affiliate has any right, title or interest or in which any Charter Party or its Affiliate acquires any right, title or interest on or before the Closing Time, and (c) which are not Charter Excluded Assets. The Charter Assets include the Charter Tangible Personal Property, Charter Owned Property, Charter Leased Property, Charter Other Real Property Interests, Charter Systems Franchises, Charter Systems Licenses, Charter Systems Contracts, Charter Books and Records and Charter Other Intangibles. Reference to any Charter Party's Assets will be deemed to refer to the Charter Assets of such Charter Party.

1.11 Charter Books and Records. All engineering records, files, data, drawings, blueprints, schematics, reports, lists, plans and procedures and all other files of correspondence, lists, records and reports concerning Charter's Cable Businesses, including subscribers and prospective subscribers of the Charter Systems, signal and program carriage and dealings with Governmental Authorities with respect to the Charter Systems, including all reports filed with respect to the Charter Systems by or on behalf of any Charter Party or its Affiliate with the FCC and statements of account filed with respect to the Charter Systems by or on behalf of any Charter Party or its Affiliate with the U.S. Copyright Office, but excluding all documents, reports and records relating to any employee of the Charter Systems who has not given consent to disclosure of such documents, reports and records. Reference to any Charter Party's Books and Records will be deemed to refer to the Charter Books and Records included among such Charter Party's Assets.

1.12 Charter Leased Property. The leaseholds of real property included among the Charter Assets and described as Charter Leased Property on Schedule 1.12. Reference to any Charter Party's Leased Property will be deemed to refer to the Charter Leased Property included among such Charter Party's Assets.

1.13 Charter Other Intangibles. All intangible assets, other than the Charter Systems Franchises, Charter Systems Licenses and Charter Systems Contracts, including subscriber lists, claims (excluding any claims relating to Charter Excluded Assets), and Intellectual Property, if any, included among the Charter Assets. Reference to any Charter Party's Other Intangibles will be deemed to refer to the Charter Other Intangibles included among such Charter Party's Assets.

1.14 Charter Other Real Property Interests. The easements and rights of access (other than those relating to multiple dwelling units) and other interests in real property held by any Charter Party or its Affiliate in connection with Charter's Cable Business, including those interests described as Charter Other Real Property Interests on Schedule 1.14, but not including Charter Leased Property or Charter Owned Property. Reference to any Charter Party's Other Real Property Interests will be deemed to refer to the Charter Other Real Property Interests included among such Charter Party's Assets.

1.15 Charter Owned Property. The fee interests in the real property included among the Charter Assets and described as Charter Owned Property on Schedule 1.15 and all improvements and towers thereon and appurtenances thereto. Reference to any Charter Party's Owned Property will be deemed to refer to the Charter Owned Property included among such Charter Party's Assets.

1.16 Charter Required Consents. Any and all consents, authorizations and approvals under or in connection with the Charter Assets (including the Charter Systems Franchises, Charter Systems Licenses, and Charter Systems Contracts) or any Contract, Lien or Legal Requirement by which any Charter Party, any of its Affiliates or their respective Assets are bound, required (a) for each Charter Party to transfer its Assets to IPSE pursuant to this Agreement, (b) for IPSE to operate the Charter Systems and to own, lease, use and operate the Charter Assets and the Charter Systems at the places and in the manner in which the Charter Assets are used and the Charter Systems are operated as of the date of this Agreement and as of the Closing, or (c) for IPSE to assume and perform the Charter Systems Franchises, the Charter Systems Licenses, the Charter Systems Contracts and the IPSE Assumed Obligations and Liabilities.

1.17 Charter Systems Contracts. All Contracts (other than Charter Systems Franchises and Charter Systems Licenses) that are included among the Charter Assets, including the lease agreements for Charter Tangible Personal Property, pole attachment agreements, underground conduit agreements, crossing agreements, retransmission consent agreements, multiple dwelling, bulk billing or commercial service agreements and other Contracts described on Schedule 1.17 and the Contracts documenting Charter Leased Property and Charter Other Real Property Interests described on Schedules 1.12 and 1.14. Reference to any Charter Party's Systems Contracts will be deemed to refer to the Charter Systems Contracts included among such Charter Party's Assets.

1.18 Charter Systems Franchises. The franchises, permits and similar authorizations included among the Charter Assets (other than the Charter Systems Licenses) described on Schedule 1.18, and all rights and benefits of the Charter Parties and their Affiliates pertaining thereto, including the rights and benefits arising under Section 626 of the Communications Act (47 U.S.C. 546) to the extent applicable to a Charter Systems Franchise. Reference to any

Charter Party's Systems Franchises will be deemed to refer to the Charter Systems Franchises included among such Charter Party's Assets.

1.19 Charter Systems Licenses. The intangible cable television channel distribution rights, cable television relay service (CARS), business radio and other licenses, earth station registrations, authorizations, consents or permits issued by the FCC or any other Governmental Authority included among the Charter Assets and described on Schedule 1.19 (other than the Charter Systems Franchises and Charter Systems Contracts) and all rights and benefits of the Charter Parties and their Affiliates pertaining thereto. Reference to any Charter Party's Systems Licenses will be deemed to refer to the Charter Systems Licenses included among such Charter Party's Assets.

1.20 Charter Tangible Personal Property. All tangible personal property included among the Charter Assets, including towers (other than towers on Charter Owned Property which are fixtures thereon and a part thereof), tower equipment, aboveground and underground cable, distribution systems, headend amplifiers, line amplifiers, microwave equipment, converters, testing equipment, motor vehicles, office equipment, computers and billing equipment, furniture, fixtures, supplies, inventory and other physical assets, the principal items of which are identified and described on Schedule 1.20. Reference to any Charter Party's Tangible Personal Property will be deemed to refer to the Charter Tangible Personal Property included among such Charter Party's Assets.

1.21 Charter's Cable Businesses. The cable television businesses and other revenue-generating businesses and operations relating to the Charter Systems conducted by the Charter Parties and their Affiliates through the Charter Systems. Reference to any Charter Party's Cable Business will be deemed to refer to the Charter's Cable Business operated by such Charter Party.

1.22 Closing. The closing of the exchange transactions contemplated by this Agreement.

1.23 Closing Time. 11:59 p.m., Eastern time, on the Closing Date.

1.24 Communications Act. The Communications Act of 1934, as amended, and the FCC rules and regulations promulgated thereunder.

1.25 Contract. Any contract, mortgage, deed of trust, bond, indenture, lease, license, note, franchise, certificate, option, warrant, right or other instrument, document, obligation or agreement, whether written or oral.

1.26 Copyright Act. The Copyright Act of 1976, as amended, including all rules, regulations, orders and policies of the U.S. Copyright Office thereunder applicable to cable television systems generally.

1.27 Environmental Law. Any Legal Requirement relating to pollution or the protection of public health, safety, welfare or the environment, including CERCLA, OSHA and RCRA and including Legal Requirements relating to emissions, discharges, releases or threatened releases of Hazardous Substances into the environment (including ambient air, surface water, ground water or land) or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Substances.

1.28 ERISA. The Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder and published interpretations with respect thereto.

1.29 ERISA Affiliate. As to any Person, any trade or business, whether or not incorporated, which together with such Person would be deemed a single employer within the meaning of Section 4001 of ERISA.

1.30 Expanded Basic Services. Any video programming provided over a cable television system, regardless of service tier, other than Basic Services and Pay TV.

1.31 FCC. The Federal Communications Commission.

1.32 Governmental Authority. The United States of America, any state, commonwealth, territory or possession of the United States of America and any political subdivision or quasi-governmental authority of any of the same, including any court, tribunal, department, commission, board, bureau, agency, body, county, municipality, province, parish or other instrumentality of any of the foregoing.

1.33 Hazardous Substances. Any pollutant, contaminant, chemical, industrial, toxic, hazardous or noxious substance or waste which is regulated by a Governmental Authority, including (a) any petroleum or petroleum compounds (refined or crude), flammable substances, explosives, radioactive materials or any other materials or pollutants which pose a significant hazard or potential significant hazard to the Owned Property or Other Real Property Interests or to Persons in or about the Owned Property or Other Real Property Interests or cause the Owned Property or Other Real Property Interests to be in violation of any Legal Requirements; (b) any "hazardous waste" as defined by the Resource Conservation and Recovery Act of 1976 (RCRA) (42 U.S.C. ss.ss. 6901) and the rules and regulations promulgated thereunder; (c) any "hazardous substance" as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. 9601 et seq.) (CERCLA), as amended, and the rules and regulations promulgated thereunder; (d) any

substance regulated by the Toxic Substances Control Act (TSCA) (42 U.S.C. ss. 2601 et seq.) or the Insecticide, Fungicide and Rodenticide Act (IFRA) (7 U.S.C. ss. 136 et seq.), each, as amended, and the rules and regulations promulgated thereunder; (e) asbestos or asbestos- containing material of any kind or character; (f) polychlorinated biphenyls; (g) any substances regulated under the provisions of Subtitle I of RCRA relating to underground storage tanks; (h) any materials or substances designated as "hazardous substances" pursuant to the Clean Water Act (33 U.S.C. ss. 1251 et seq.); (i) "economic poison," as defined in the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. ss. 135 et seq.); (j) any substance the presence, use, handling, treatment, storage or disposal of which on the Owned Property or Leased Property is regulated or prohibited by any Environmental Law; and (k) any other substance which by any Environmental Law requires special handling, reporting or notification of any Governmental Authority in its collection, storage, use, treatment or disposal.

1.34 HSR Act. The Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder.

1.35 Intellectual Property. With respect to any Cable Business, any (a) trademarks, trade dress, trade names, service marks, logos and other similar proprietary rights, (b) domain names, (c) copyrights and (d) patents and patentable know-how, inventions and processes, in each case used in such Cable Business.

1.36 IPSE Assets. All of the assets, privileges, contracts, licenses, permits, franchises, authorizations, rights, interests, claims and other properties, real and personal, tangible and intangible, of every type and description (a) which are owned, leased, held for, used or useful in, or otherwise related to, IPSE's Cable Business, (b) in which IPSE or any Affiliate of IPSE has any right, title or interest or in which IPSE or any Affiliate of IPSE acquires any right, title or interest on or before the Closing Time, and (c) which are not IPSE Excluded Assets. The IPSE Assets include the IPSE Tangible Personal Property, IPSE Owned Property, IPSE Leased Property, IPSE Other Real Property Interests, IPSE Systems Franchises, IPSE Systems Licenses, IPSE Systems Contracts, IPSE Books and Records and IPSE Other Intangibles.

1.37 IPSE Books and Records. All engineering records, files, data, drawings, blueprints, schematics, reports, lists, plans and procedures and all other files of correspondence, lists, records and reports concerning IPSE's Cable Business, including subscribers and prospective subscribers of the IPSE Systems, signal and program carriage and dealings with Governmental Authorities with respect to the IPSE Systems, including all reports filed with respect to the IPSE Systems by or on behalf of IPSE or any Affiliate of IPSE with the FCC and statements of account filed with respect to the IPSE Systems by or on behalf of IPSE or any Affiliate of IPSE with the U.S. Copyright Office, but excluding all documents, reports and records relating to any employee of the IPSE Systems who has not given consent to disclosure of such documents, reports and records.

1.38 IPSE Leased Property. The leaseholds of real property included among the IPSE Assets and described as IPSE Leased Property on Schedule 1.38.

1.39 IPSE Other Intangibles. All intangible assets, other than the IPSE Systems Franchises, IPSE Systems Licenses and IPSE Systems Contracts, including subscriber lists, claims (excluding any claims relating to IPSE Excluded Assets), and Intellectual Property, if any, included among the IPSE Assets.

1.40 IPSE Other Real Property Interests. The easements and rights of access (other than those relating to multiple dwelling units) and other interests in real property held by IPSE or any Affiliate of IPSE in connection with IPSE's Cable Business, including those interests described as IPSE Other Real Property Interests on Schedule 1.40, but not including IPSE Leased Property or IPSE Owned Property.

1.41 IPSE Owned Property. The fee interests in the real property included among the IPSE Assets and described as IPSE Owned Property on Schedule 1.41 and all improvements and towers thereon and appurtenances thereto.

1.42 IPSE Required Consents. Any and all consents, authorizations and approvals under or in connection with the IPSE Assets (including the IPSE Systems Franchises, IPSE Systems Licenses, and IPSE Systems Contracts) or any Contract, Lien or Legal Requirement by which IPSE, any of its Affiliates or their respective Assets are bound, required (a) for IPSE to transfer the IPSE Assets to the Charter Parties pursuant to this Agreement, (b) for the Charter Parties to operate the IPSE Systems and to own, lease, use and operate the IPSE Assets and the IPSE Systems at the places and in the manner in which the IPSE Assets are used and the IPSE Systems are operated as of the date of this Agreement and as of the Closing, or (c) for the Charter Parties to assume and perform the IPSE Systems Franchises, the IPSE Systems Licenses, the IPSE Systems Contracts and the Charter Assumed Obligations and Liabilities.

1.43 IPSE Systems Contracts. All Contracts (other than IPSE Systems Franchises and IPSE Systems Licenses) that are included among the IPSE Assets, including the lease agreements for IPSE Tangible Personal Property, pole attachment agreements, underground conduit agreements, crossing agreements, retransmission consent agreements, multiple dwelling, bulk billing or commercial service agreements and other Contracts described on Schedule 1.43 and the Contracts documenting IPSE Leased Property and IPSE Other Real Property Interests described on Schedules 1.38 and 1.40.

1.44 IPSE Systems Franchises. The franchises, permits and similar authorizations included among the IPSE Assets (other than IPSE Systems Licenses) described on Schedule 1.44, and all rights and benefits of IPSE and its Affiliates pertaining thereto,

including the rights and benefits arising under Section 626 of the Communications Act (47 U.S.C. 546) to the extent applicable to an IPSE Systems Franchise.

1.45 IPSE Systems Licenses. The intangible cable television channel distribution rights, cable television relay service (CARS), business radio and other licenses, earth station registrations, authorizations, consents or permits issued by the FCC or any other Governmental Authority included among the IPSE Assets and described on Schedule 1.45 (other than the IPSE Systems Franchises and IPSE Systems Contracts) and all rights and benefits of IPSE and its Affiliates pertaining thereto.

1.46 IPSE Tangible Personal Property. All tangible personal property included among the IPSE Assets, including towers (other than towers on IPSE Owned Property which are fixtures thereon and a part thereof), tower equipment, aboveground and underground cable, distribution systems, headend amplifiers, line amplifiers, microwave equipment, converters, testing equipment, motor vehicles, office equipment, computers and billing equipment, furniture, fixtures, supplies, inventory and other physical assets, the principal items of which are identified and described on Schedule 1.46.

1.47 IPSE's Cable Business. The cable television businesses and other revenue-generating businesses and operations relating to the IPSE Systems conducted by IPSE or an Affiliate of IPSE through the IPSE Systems.

1.48 Judgment. Any judgment, writ, order, injunction, award or decree of any court, judge, justice or magistrate, including any bankruptcy court or judge or the arbitrator in any binding arbitration, and any order of or by any Governmental Authority.

1.49 Knowledge. The actual knowledge of a particular matter with respect to any System of (a) in the case of any Charter System, Jerald L. Kent, Kent D. Kalkwarf, Curtis S. Shaw, David G. Barford, Greg Nydegger or Charlotte Bragg, (b) in the case of any IPSE System, Frank S. Crawford, Robert J. Lewis, Rodney M. Royse, Edon V. Smith or Thomas R. Stapleton, and (c) in addition to those Persons described in (a) and (b) above, the general manager or one or more of the managers of the System.

1.50 Leased Property. Charter Leased Property or IPSE Leased Property, as the context requires.

1.51 Legal Requirement. Applicable common law and any statute, ordinance, code or other law, rule, regulation, order, technical or other written standard, requirement or procedure enacted, adopted, promulgated, applied or followed by any Governmental Authority, including any Judgment.

1.52 Lien. Any security interest, security agreement, financing statement filed with any Governmental Authority, conditional sale or other title retention agreement, any lease, consignment or bailment given for purposes of security, any mortgage, lien (including any lien for Taxes), indenture, pledge, option, encumbrance, adverse interest, constructive trust or other trust, claim, attachment, exception to, defect in, or other condition adversely affecting title or other ownership interest (including reservations, rights of entry, possibilities of reverter, encroachments, protrusions, easements, rights-of-way, rights of first refusal, restrictive covenants, leases and licenses) of any kind, which constitutes an interest in or claim against property, whether arising pursuant to any Legal Requirement, Systems License, Systems Franchise, Systems Contract or otherwise.

1.53 Litigation. Any claim, action, suit, proceeding, arbitration, investigation or hearing that could result in a Judgment, any other activity or procedure that could reasonably be expected to result in a Judgment, or any notice of any of the foregoing.

1.54 Losses. Any claims, losses, liabilities, damages, penalties, costs and expenses, including interest that may be imposed in connection therewith, expenses of investigation, reasonable fees and disbursements of counsel and other experts, and, as applicable, the cost to any Person making a claim or seeking indemnification under this Agreement with respect to funds expended by such Person by reason of the occurrence of any event or the existence or assertion of any Liens (other than Permitted Liens) with respect to which indemnification is sought.

1.55 MVPD. A distributor of cable television services, multichannel multi point distribution service, direct broadcast satellite service or television receive-only satellite programming, who makes available for purchase, by subscribers or customers, multiple channels of video programming, other than Persons distributing such services only to multiple dwelling unit or other commercial customers (including hotels, motels, resorts, hospitals, dormitories, prisons, restaurants, bars and similar establishments).

1.56 Other Real Property Interests. The Charter Other Real Property Interests or the IPSE Other Real Property Interests, as the context requires.

1.57 Owned Property. Charter Owned Property or IPSE Owned Property, as the context requires.

1.58 Party. Charter or IPSE, as the context requires.

1.59 Pay TV. Premium programming services selected by and sold to subscribers on a per channel or per program basis.

1.60 Permitted Liens. (a) Liens for Taxes, assessments and governmental charges, in each case not yet due and payable, (b) zoning laws or ordinances or any similar Legal Requirements, (c) rights reserved to any Governmental Authority to regulate the affected property, (d) Liens described on Schedule 5.4.1 (with respect to Charter) and Schedule 6.4.1 (with respect to IPSE), (e) as to Leased Property or Tangible Personal Property that is leased, the interests of the lessors thereof, and (f) as to Owned Property, Leased Property and Other Real Property Interests, any easements, rights-of-way, servitudes, conditions, covenants, restrictions and minor imperfections or irregularities in title, in each case, which are reflected in the public records and which do not individually or in the aggregate interfere with the right or ability of the applicable Party to own, use, enjoy or operate the Owned Property, Leased Property or Other Real Property Interests in the manner currently used or to convey good, marketable and indefeasible fee simple title to the same; provided that "Permitted Liens" will not include any Lien which could prevent or inhibit in any way (other than as permitted under clause (f)) the conduct of the business of the affected System, and provided further that classification of any Lien as a "Permitted Lien" will not affect any liability which a Party may have for any such Lien, including pursuant to any indemnity obligation under this Agreement.

1.61 Person. Any natural person, Governmental Authority, corporation, general or limited partnership, limited liability company, joint venture, trust, association or unincorporated entity of any kind.

1.62 Required Consents. The Charter Required Consents or the IPSE Required Consents, as the context requires.

1.63 Six-Month Date. The date that is six months after the Closing Date.

1.64 System. Any of the Charter Systems or the IPSE Systems, as the context requires.

1.65 Systems Contracts. The Charter Systems Contracts or the IPSE Systems Contracts, as the context requires.

1.66 Systems Franchises. The Charter Systems Franchises or the IPSE Systems Franchises, as the context requires.

1.67 Systems Licenses. The Charter Systems Licenses or the IPSE Systems Licenses, as the context requires.

1.68 Tangible Personal Property. The Charter Tangible Personal Property or the IPSE Tangible Personal Property, as the context requires.

1.69 Taxes. Levies and assessments of any kind or nature imposed by any Governmental Authority, including all income, sales, use, ad valorem, value added, franchise, severance, net or gross proceeds, withholding, payroll, employment, excise or property taxes and levies or assessments related to unclaimed property, together with any interest thereon and any penalties, additions to tax or additional amounts applicable thereto. For purposes of determining any Tax cost or Tax benefit to any Person, such amount will be the actual cost or benefit recognized by such Person at the time of actual payment of the additional Tax or actual receipt of the Tax benefit. In the event that any Loss, payment or other amount is required to be determined on an after-Tax basis, such payment or other amount will be determined without regard to any Tax cost or Tax benefit not actually recognized at the time of the determination, and appropriate adjustments will be made when and to the extent that such Tax cost or Tax benefit is actually recognized.

1.70 Third Party. Any Person other than IPSE and its Affiliates or Charter and its Affiliates.

1.71 Transaction Documents. The Common Agreement and all instruments and documents described in Sections 9.2 and 9.3 which are being executed and delivered by or on behalf of any Charter Party or IPSE in connection with this Agreement or the transactions contemplated hereby.

1.72 Other Definitions. The following terms have the meanings set forth in the sections indicated in the table below:

Term	Section
Agent's Fees	5.17
Allen Affiliates	1.2
ALTA	7.6
AT&T Affiliates	1.2
Cash Consideration	3.1.1
Charter Party	First Paragraph
Charter Excluded Assets	4.4
Charter Matching Franchise	7.5.5(a)
Charter Retained Franchise	7.5.5(b)
Charter System Value	3.1.1
Charter Systems	Recital A
Charter's Assumed Obligations and Liabilities	4.3
Closing Date	9.1
Code	Recital C
commercially reasonable efforts	12.16
Common Agreement	Recital D

Computer and Other Systems 7.20.1(a)
Confidential Information 7.13.1
control 1.2
Cost of Service Election 5.8.4
Exchange 2.1
FCC Rate Forms 5.8.4
FTC 7.7
Hired Employee 7.3.6(a)
IPSE First Paragraph
IPSE Excluded Assets 4.2
IPSE Matching Franchise 7.5.5(b)
IPSE Retained Franchise 7.5.5(a)
IPSE System Value 3.1.1
IPSE Systems Recital B
IPSE's Assumed Obligations and Liabilities 4.1
Matching Franchise 7.5.5(a)
New Properties 7.10(b)
Nonrecourse 11.3
Operating Agreements 7.5.5(c)
Phase I Assessment 7.19.1
Phase II Assessment 7.19.1
Primary Transfer 7.5.5(d)
Prime Rate 12.8
Retained Franchise 7.5.5(a)
Subsequent Transfer 7.5.5(e)
Surveys 7.6
Survival Period 11.1
System Employees 7.3.1
Taking 12.14
Third Party Testing 7.20.2(c)
Title Commitments 7.6
Title Company 7.6
Title Defect 7.6
Transfer Tax Returns 7.8
Transfer Taxes 7.8
Transferee Party 7.17.3
Transferor Party 7.17.3
Transitional Billing Services 7.12
WARN 5.14.1
Year 2000 High-Level Inventory,
Assessment and Remediation Decisions 7.20.1(b)
Year 2000 Plan 7.20.1(c)

Year 2000 Ready or Year 2000 Readiness 7.20.1(d)
Year 2000 Remediation Program 7.20.1(e)

1.73 Usage. The definitions in Article 1 shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. All references herein to Articles, Sections, Exhibits and Schedules shall be deemed to be references to Articles and Sections of, and Exhibits and Schedules to, this Agreement unless the context shall otherwise require. All Exhibits and Schedules attached hereto shall be deemed incorporated herein as if set forth in full herein and, unless otherwise defined therein, all terms used in any Exhibit or Schedule shall have the meaning ascribed to such term in this Agreement. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. Unless otherwise expressly provided herein, any agreement, instrument or statute defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument or statute as from time to time amended, modified or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes and references to all attachments thereto and instruments incorporated therein. All accounting terms not otherwise defined in this Agreement will have the meanings ascribed to them under generally acceptable accounting principles as in effect from time to time in the United States, consistently applied.

2. EXCHANGE.

2.1 Exchange of Assets. Upon the terms and subject to the conditions set forth in this Agreement, at the Closing, IPSE and the Charter Parties agree to exchange simultaneously the IPSE Assets for the Charter Assets, free and clear of all Liens (except Permitted Liens) (the "Exchange"), including the assignment and transfer of all interests in Leased Property and leased Tangible Personal Property. IPSE and the Charter Parties agree to use all reasonable efforts to structure the Exchange in such a way that to the extent reasonably possible it will be a tax free exchange of like-kind assets under Section 1031 of the Code, including either Party's assignment of its rights under this Agreement to a "qualified intermediary" engaged by such Party to effectuate a deferred like-kind exchange under Section 1031 of the Code.

2.2 Method of Exchange. The Exchange is to occur as follows: (A) the IPSE Tangible Personal Property and the Charter Tangible Personal Property are being exchanged each for the other in "Exchange Groups" as defined under Internal Revenue Regulations Sections 1.1031(a)-2 and 1.1031(j)-1(b)(2); (B) the IPSE Owned Property, IPSE Leased Property and IPSE Other Real Property Interests, and the Charter Owned Property, Charter Leased Property and Charter Other Real Property Interests, are being exchanged each for the

other; and (C) the IPSE Systems Contracts, IPSE Systems Franchises, IPSE Systems Licenses and IPSE Other Intangibles, and the Charter Systems Contracts, Charter Systems Franchises, Charter Systems Licenses and Charter Other Intangibles, are being exchanged each for the other, in each case to the maximum extent permitted by Section 1031 of the Code and the regulations promulgated thereunder. Liabilities assumed or taken subject to by each Party are being exchanged each for the other to the maximum extent permitted under Section 1031 of the Code and regulations thereunder.

3. CONSIDERATION. Each Party agrees that cash consideration will be paid at Closing by either IPSE to the Charter Parties or by the Charter Parties to IPSE, and that such amount will be determined as follows:

3.1 Calculation of Values; Cash Consideration.

3.1.1 For the purposes of this Agreement, the gross value of the IPSE Assets comprising all of the IPSE Systems, in the aggregate, shall be as set forth on Schedule 3.1.1- A (each, an "IPSE System Value") and the gross value of the Charter Assets comprising all of the Charter Systems, in the aggregate, shall be as set forth on Schedule 3.1.1-B (each, a "Charter System Value"). The gross value of the IPSE Systems and the gross value of the Charter Systems shall be adjusted in accordance with the provisions of the Common Agreement. At the Closing, IPSE (or its permitted assignee) will pay to the Charter Parties (or their permitted assignees), or the Charter Parties (or their permitted assignees) will pay (without duplication) to IPSE (or its permitted assignee), as appropriate, an amount in cash to be determined pursuant to the Common Agreement (the "Cash Consideration"), which payment shall then be deemed made pursuant and subject to this Agreement. Preliminary and final determinations of the Cash Consideration will be made in accordance with the Common Agreement.

4. ASSUMED LIABILITIES AND EXCLUDED ASSETS.

4.1 IPSE's Assumed Obligations and Liabilities. At the Closing and effective as of the Closing Time, IPSE will assume and after the Closing Date, IPSE will pay, discharge and perform the following (collectively, "IPSE's Assumed Obligations and Liabilities"): (a) those obligations and liabilities accruing and relating to periods after the Closing Time under or with respect to the Charter Assets assigned and transferred to IPSE at the Closing; (b) those obligations and liabilities of Charter for subscriber prepayments and deposits related to the Charter Systems existing at the Closing Time; (c) other obligations and liabilities of the Charter Parties only to the extent that the Adjusted Value of the Charter Systems was decreased with respect thereto pursuant to Section 2.2 of the Common Agreement; and, (d) all other obligations and liabilities accruing and relating to periods after the Closing Time and arising out of IPSE's ownership, use or operation of the Charter Assets (including those items listed or described on Schedule 4.4(b)) or its operation of, or conduct of business through, the Charter Systems after the Closing (including with respect to late fees that may be charged by IPSE after the Closing to subscribers of the Charter Systems) except to the extent that such obligations or liabilities relate to any Charter Excluded Asset. All obligations and liabilities arising out of or relating to the Charter Assets, the Charter Systems or Charter's Cable Businesses other than IPSE's Assumed Obligations and Liabilities will remain and be the obligations and liabilities solely of the Charter Parties, including any obligation, liability or claims relating to or arising pursuant to (w) Taxes (including franchise fees) with respect to periods or portions thereof ending on or prior to the Closing Date, (x) refunds of rates, charges or late fees with respect to periods through and including the Closing Date, (y) Litigation commenced, or related to an event occurring, on or prior to the Closing Date, or (z) credit, loan or other agreements pursuant to which the Charter Parties have created, incurred, assumed or guaranteed indebtedness for borrowed money or under which any Lien securing such indebtedness has been or may be imposed on any Charter Asset.

4.2 IPSE Excluded Assets. "IPSE Excluded Assets" means all: (a) programming Contracts (including music programming Contracts), cable guide Contracts, and Contracts to which IPSE and one or more Affiliates of IPSE or other cable systems of IPSE or its Affiliates are parties (including master retransmission consent agreements and master billing, collection and related agreements), other than any such Contracts (such as local programming agreements) listed on Schedule 4.2(b); (b) except as set forth on Schedule 4.2(b), each employee benefit plan (as defined in Section 3(3) of ERISA) or any multiemployer plan (as defined in Section 3(37) of ERISA) with respect to which IPSE or any of its ERISA Affiliates has any liability or in which any employees or agents, or any former employees or agents, of IPSE or any of its ERISA Affiliates participate; (c) except as provided in Section 12.14, insurance policies and rights and claims thereunder; (d) bonds, letters of credit, surety instruments and other similar items; (e) cash and cash equivalents, including cash relating to subscriber prepayments and deposits, and notes receivable; (f) except as set forth on Schedule 4.2(b) and subject to Section 7.11, Intellectual Property held by IPSE or any of its Affiliates; (g) except as set forth on Schedule 4.2(b), subscriber billing Contracts and related equipment if not owned by IPSE or any Affiliate of IPSE; (h) assets, rights or properties of IPSE or its

Affiliates used or held for use other than principally in connection with the IPSE Systems; (i) except for any items for which the Adjusted Value of the IPSE Systems is increased under Section 2.2 of the Common Agreement, claims, rights, and interest in and to any refunds of Taxes or fees of any nature, or other claims against third parties, relating to the operation of the IPSE Systems prior to the Closing Time; (j) account books of original entry, general ledgers, financial records, minute books, stock ledgers, organizational documents and, to the extent not included in the IPSE Books and Records, personnel files and records, in each case used in connection with the IPSE Systems; (k) except for the leases described on Schedule 4.2(b), capital and vehicle leases; (l) advertising sales agency or representation Contracts providing any Third Party or Affiliate of IPSE the right to sell available advertising time for an IPSE System other than any such Contract listed on Schedule 4.2(b); (m) to the extent licensed pursuant to a master license agreement or not otherwise transferable, software of IPSE or any Affiliate of IPSE and licenses relating to Third Party software; (n) Contracts for any fiber or fiber capacity lease or use arrangements that provide to any Third Party or Affiliate of IPSE the right to use any fiber or capacity of an IPSE System other than any such Contract listed on Schedule 4.2(b); (o) except as set forth on Schedule 4.2(b), Contracts for any internet access or on-line services arrangements that provide to any Third Party or Affiliate of IPSE the right to use the transmission capacity of an IPSE System to provide internet access or other on-line services over such IPSE System; (p) except as set forth on Schedule 4.2(b), Contracts between IPSE and its Affiliates; and (q) other rights, assets and properties described on Schedule 4.2(a).

4.3 Charter's Assumed Obligations and Liabilities. At the Closing and effective as of the Closing Time, the Charter Parties will assume and after the Closing Date, the Charter Parties will pay, discharge and perform the following (collectively, "Charter's Assumed Obligations and Liabilities"): (a) those obligations and liabilities accruing and relating to periods after the Closing Time under or with respect to the IPSE Assets assigned and transferred to the Charter Parties at the Closing; (b) those obligations and liabilities of IPSE for subscriber prepayments and deposits related to the IPSE Systems existing at the Closing Time; (c) other obligations and liabilities of IPSE only to the extent that the Adjusted Value of the IPSE Systems was decreased with respect thereto pursuant to Section 2.2 of the Common Agreement; and (d) all other obligations and liabilities accruing and relating to periods after the Closing Time and arising out of the Charter Parties' ownership, use or operation of the IPSE Assets (including those items listed or described on Schedule 4.2(b)) or its operation of, or the conduct of business through, the IPSE Systems after the Closing (including with respect to late fees that may be charged by the Charter Parties after the Closing to subscribers of the IPSE Systems), except to the extent that such obligations or liabilities relate to any IPSE Excluded Asset. All obligations and liabilities arising out of or relating to the IPSE Assets, the IPSE Systems or IPSE's Cable Business other than Charter's Assumed Obligations and Liabilities will remain and be the obligations and liabilities solely of IPSE including any obligation, liability or claims relating to or arising pursuant to (w) Taxes (including franchise fees) with respect to periods or portions thereof ending on or prior to the Closing Date,

(x) refunds of rates, charges or late fees with respect to periods through and including the Closing Date, (y) Litigation commenced, or related to an event occurring, on or prior to the Closing Date, or (z) credit, loan or other agreements pursuant to which IPSE has created, incurred, assumed or guaranteed indebtedness for borrowed money or under which any Lien securing such indebtedness has been or may be imposed on any IPSE Asset.

4.4 Charter Excluded Assets. "Charter Excluded Assets" means all: (a) programming Contracts (including music programming Contracts), cable guide Contracts, and Contracts to which the Charter Parties one or more Affiliates of the Charter Parties or other cable systems of the Charter Parties or their Affiliates are parties (including master retransmission consent agreements and master billing, collection and related agreements), other than any such Contracts (such as local programming agreements) listed on Schedule 4.4(b), (b) except as set forth on Schedule 4.4(b), each employee benefit plan (as defined in Section 3(3) of ERISA) or any multiemployer plan (as defined in Section 3(37) of ERISA) with respect to which any Charter Party or any of their ERISA Affiliates has any liability or in which any employees or agents, or any former employees or agents, of any Charter Party or any of their ERISA Affiliates participate; (c) except as provided in Section 12.14, insurance policies and rights and claims thereunder; (d) bonds, letters of credit, surety instruments and other similar items; (e) cash and cash equivalents, including cash relating to subscriber prepayments and deposits, and notes receivable; (f) except as set forth on Schedule 4.4(b), and subject to Section 7.11, Intellectual Property held by Charter or any of its Affiliates; (g) except as set forth on Schedule 4.4(b), subscriber billing Contracts and related equipment if not owned by the Charter Parties or any Affiliate of the Charter Parties; (h) assets, rights or properties of the Charter Parties or their Affiliates used or held for use other than principally in connection with the Charter Systems; (i) except for any items for which the Adjusted Value of the Charter Systems is increased under Section 2.2 of the Common Agreement, claims, rights, and interest in and to any refunds of Taxes or fees of any nature, or other claims against third parties, relating to the operation of the Charter Systems prior to the Closing Time; (j) account books of original entry, general ledgers, financial records, minute books, stock ledgers, organizational documents and, to the extent not included in the Charter Books and Records, personnel files and records, in each case used in connection with the Charter Systems; (k) except for the leases described on Schedule 4.4(b), capital and vehicle leases; (l) advertising sales agency or representation Contracts providing any Third Party or Affiliate of Charter the right to sell available advertising time for a Charter System other than any such Contract listed on Schedule 4.4(b); (m) to the extent licensed pursuant to a master license agreement or otherwise not transferable, software of the Charter Parties or any Affiliate of the Charter Parties and licenses relating to Third Party software; (n) Contracts for any fiber or fiber capacity lease or use arrangements that provide to any Third Party or Affiliate of Charter the right to use any fiber or capacity of a Charter System other than any such Contract listed on Schedule 4.4(b); (o) except as set forth on Schedule 4.4(b), Contracts for any internet access or on-line services arrangements that provide to any Third Party or Affiliate of Charter the right to use the transmission capacity of a Charter System to provide

internet access or other on-line services over such Charter System; (p) except as set forth on Schedule 4.4(b), Contracts between any Charter Party and its Affiliates; and (q) other rights, assets and properties described on Schedule 4.4(a).

5. CHARTER'S REPRESENTATIONS AND WARRANTIES. Each Charter Party represents and warrants to IPSE, jointly and severally, as of the date of this Agreement and as of the Closing, as follows:

5.1 Organization and Qualification of Charter. Such Charter Party is a single-member limited liability company duly formed, validly existing and in good standing under the laws of the State of Delaware. As of the Closing Date, such Charter Party will be treated for federal income tax purposes as a disregarded entity with respect to Charter Communications Operating LLC under Treasury Regulation ss. 301.7701-3(b)(1)(ii). Such Charter Party has all requisite power and authority to own, lease and use the Charter Assets owned, leased or used by it and to conduct its Cable Business as it is currently being conducted by it. As of the date of this Agreement, such Charter Party is duly qualified to do business and is in good standing under the laws of each jurisdiction in which the ownership, leasing or use of the Charter Assets owned, leased or used by it or the nature of its activities in connection with its Charter Systems makes such qualification necessary.

5.2 Authority and Validity. Such Charter Party has all requisite corporate power and authority to execute and deliver, to perform its obligations under, and to consummate the transactions contemplated by, this Agreement and the Transaction Documents to which it is a party. The execution and delivery by such Charter Party of, its performance under, and its consummation of the transactions contemplated by, this Agreement and the Transaction Documents to which it is a party have been duly and validly authorized by all action by or on behalf of such Charter Party. This Agreement has been, and when executed and delivered by such Charter Party the Transaction Documents to which it is a party will be, duly and validly executed and delivered by such Charter Party and the valid and binding obligations of such Charter Party, enforceable against it in accordance with their terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect relating to the enforcement of creditors' rights generally or by principles governing the availability of equitable remedies.

5.3 No Conflict; Required Consents. Except as set forth on Schedule 5.3, and assuming all IPSE Required Consents have been obtained and the expiration or earlier termination of the waiting period under the HSR Act has occurred, the execution and delivery by such Charter Party of, its performance under, and its consummation of the transactions contemplated by, this Agreement and the Transaction Documents to which it is a party do not and will not: (a) conflict with or violate any provision of the organizational documents of such Charter Party; (b) violate any provision of any Legal Requirement; (c) require any consent, approval or authorization of, or filing of any certificate, notice, application, report or other

document with, any Governmental Authority or other Person; or (d) (i) conflict with, violate, result in a breach of or constitute a default under (without regard to requirements of notice, lapse of time or elections of other Persons or any combination thereof), (ii) permit or result in the termination, suspension or modification of, (iii) result in the acceleration of (or give any Person the right to accelerate) the performance of such Charter Party under, or (iv) result in the creation or imposition of any Lien under any Charter Systems Contract, Charter Systems Franchise, Charter Systems License, or other instrument evidencing any of the Charter Assets or by which such Charter Party or any of its assets is bound or affected, except for purposes of clauses (c) and (d) such consents, approvals, authorizations and filings that, if not obtained or made, would not, and such violations, conflicts, breaches, defaults, terminations, suspensions, modifications and accelerations as would not, individually or in the aggregate, have an adverse effect on any of such Charter Party's Systems, its Cable Business or on such Charter Party, or on its ability to perform its obligations under this Agreement or the Transaction Documents to which it is a party.

5.4 Assets.

5.4.1 Such Charter Party has good and marketable title to (or, in the case of Assets that are leased, valid leasehold interests in) its Assets. None of the Allen Affiliates has any right, title or interest in or to any of the Charter Assets. The Charter Assets are free and clear of all Liens, except Permitted Liens and rights of first refusal which will be waived at Closing by the Person holding such rights. All of the Liens described on Schedule 5.4.1 (except for those marked with an asterisk on Schedule 5.4.1) will be terminated, released or, in the case of rights of first refusal (except for those listed on Schedule 5.4.1), waived, as appropriate, at or prior to the Closing. Except as described on Schedule 1.20, such Charter Party's Tangible Personal Property, as an integrated system and in its component parts, is in good operating condition and repair (ordinary wear and tear and routine failures excepted) and is usable and adequate for the operation of such Charter Party's Cable Business.

5.4.2 Except for items included in the Charter Excluded Assets, such Charter Party's Assets constitute substantially all the assets necessary to (a) conduct its Cable Business as it is being conducted on the date of this Agreement and in compliance with all applicable Legal Requirements, (b) to operate its Systems as they are being operated on the date of this Agreement and in compliance with all applicable Legal Requirements and (c) to perform all of IPSE's Assumed Obligations and Liabilities.

5.4.3 Except as described on Schedule 5.4.3, and other than direct broadcast satellite and satellite master antenna television, with respect to each area in which such Charter Party's Systems currently provide cable television service: (i) no Person is operating a cable television system or other non-satellite MVPD other than a Charter System in such area; (ii) no local franchising authority has awarded a cable television franchise in such area to any

Person other than a Charter Party; and (iii) to the Knowledge of such Charter Party, no MVPD has applied for a cable television franchise to serve such area.

5.5 Charter Systems Franchises, Charter Systems Licenses, Charter Systems Contracts and Charter Other Real Property Interests.

5.5.1 Except as described on Schedules 1.12, 1.14, 1.17, 1.18 and 1.19, and except for the Charter Excluded Assets, Charter is not bound or affected by any of the following that relate primarily or in whole to its Cable Business: (a) leases of real property or capital leases of personal property; (b) operating leases of personal property that are terminable upon more than 30 days notice and that contemplate annual lease payments in excess of $20,000; (c) franchises for the construction or operation of cable television systems or Charter Systems Contracts of substantially equivalent effect; (d) licenses, authorizations, consents or permits of the FCC; (e) other licenses, authorizations, consents or permits of any other Governmental Authority, individually or in the aggregate, material to any Charter System; (f) easements or rights of access, individually or in the aggregate, material to any Charter System; (g) pole attachment agreements, underground conduit agreements, crossing agreements, retransmission consent agreements or bulk or commercial service agreements, individually or in the aggregate, material to any Charter System; or (h) Charter Systems Contracts other than those described in any other clause of this Section 5.5.1 which contemplate payments by or to Charter in any 12-month period exceeding $25,000 under any single contract or $100,000 in the aggregate.

5.5.2 Complete and correct copies of such Charter Party's Systems Franchises and Systems Licenses have been provided to IPSE. Except as set forth on Schedule 5.5.2, (a) such Charter Party's Systems Franchises contain all of the commitments and obligations of such Charter Party to the applicable Governmental Authority granting such Franchises with respect to the construction, ownership and operation of its Systems, and (b) other than as set forth in Charter Party's Systems Franchises, such Charter Party has not made any commitment to any local franchising authority to make any material expenditure or capital addition or betterment to any of its Systems or Assets that will not be fulfilled or satisfied prior to the Closing Time. Such Charter Party's Systems Franchises and Systems Licenses are currently in full force and effect, are not in default and are valid under all applicable Legal Requirements according to their terms. No event has occurred that, with notice or lapse of time or both, would constitute a breach, violation or default by any such Charter Party, and to such Charter Party's Knowledge, no event has occurred that, with notice or lapse of time or both, would constitute a breach, violation or default by any other Person, of any material obligations under any of such Charter Party's Systems Franchises or Systems Licenses. Except for routine filings with Governmental Authorities and as described on Schedule 5.5.2, there are no applications relating to any of such Charter Party's Systems Franchise or Systems License pending before any Governmental Authority which are material to any of its Systems or its Cable Business. Except where a request for renewal has been timely filed under Section

626(a) of the Cable Act, since December 31, 1998, no Systems Franchise or Systems License of such Charter Party has been surrendered by such Charter Party or has expired or otherwise terminated without the issuance of a replacement Charter Systems Franchise or Charter Systems License. There is no legal action, governmental proceeding or investigation pending or, to such Charter Party's Knowledge, threatened to terminate, suspend or modify any Systems Franchise or Systems License of such Charter Party. Except as set forth on Schedule 5.5.2, such Charter Party is, or will be as of the Closing Date, in material compliance with the terms and conditions of all its Systems Franchises and Systems Licenses and other applicable requirements of all Governmental Authorities (including the FCC and the U.S. Copyright Office) relating to such Charter Systems Franchises and Charter Systems Licenses, including all requirements for notification, filing, reporting, posting and maintenance of logs and records.

5.5.3 Such Charter Party has delivered to IPSE true and complete copies of all of such Charter Party's Systems Contracts (including each Contract relating to Charter Leased Property and Charter Other Real Property Interests), including any amendments thereto (or, in the case of oral Contracts, true and complete written summaries thereof) and each document evidencing such Charter Party's ownership of its Owned Property. Except as described in Schedule 5.5.3, such Charter Party has fulfilled when due, or has taken all action necessary to enable it to fulfill when due, all of its obligations under each of its Contracts and, to the Knowledge of such Charter Party, there has not occurred any default (without regard to requirements of notice, lapse of time, elections of other Persons, or any combination thereof) by any other Person of any material obligations under any of its Contracts or Real Property Interests.

5.6 Real Property. All the Assets of such Charter Party consisting of Charter Owned Property, Charter Leased Property and material Charter Other Real Property Interests are described on Schedules 1.12, 1.14 and 1.15. Except for ordinary wear and tear and routine repairs and as set forth on Schedule 5.6, all of the improvements, leasehold improvements and the premises of such Charter Party's Owned Property and the premises demised under the leases and other documents evidencing such Charter Party's Leased Property and are in good condition and repair and are suitable for the purposes used. Each parcel of such Charter Party's Owned Property and each parcel of such Charter Party's Leased Property and any improvements thereon (a) has access to and over public streets or private streets for which such Charter Party has a valid right of ingress and egress, (b) except as set forth on Schedule 1.12 or 1.14, conforms in its current use and occupancy to all material zoning requirements without reliance upon a variance issued by a Governmental Authority or a classification of the parcel in question as a nonconforming use, (c) conforms in all material respects in its current use to all restrictive covenants, if any, or other Liens affecting all or part of such parcel (of record, with respect to Charter Owned Property, or of record or as set forth in an agreement listed on Schedule 1.12 or 1.14 with respect to Charter Leased Property or Charter Other Real Property Interests), and (d) is available for immediate use in the conduct

of the business or operations of such Charter Party's Systems. There are no pending condemnation, expropriation, eminent domain or similar proceedings of which such Charter Party has received notice or has Knowledge affecting, in any material respect, all or any portion of such Charter Party's Owned Property, Leased Property, or Other Real Property Interests. Such Charter Party has good and marketable title to each such parcel of real property included in its Owned Property and in all buildings, structures and improvements thereon, in each case free and clear of all Liens except for Permitted Liens.

5.7 Environmental.

5.7.1 Except as described on Schedule 5.7, such Charter Party is in material compliance with all Environmental Laws, insofar as they relate to its Owned Property or Leased Property. Except as described on Schedule 5.7, such Charter Party has not received any notice of, and has no Knowledge of, any alleged, actual, or potential responsibility for, or any inquiry regarding, (i) any release or threatened release of any Hazardous Substances from or on its Owned Property or Leased Property, or (ii) any material violation of any Environmental Laws associated with its Owned Property or Leased Property. Except as described on Schedule 5.7, to such Charter Party's Knowledge, its own operations on its Other Real Property Interests do not violate any Environmental Laws in any material respect, and such Charter Party has received no notice of any such violation. Except as described on Schedule 5.7, such Charter Party has not received any notice of, and has no Knowledge of circumstances relating to, any past, present or future events, conditions, circumstances, activities, practices or incidents (including the presence, use, generation, manufacture, disposal, release or threatened release of any Hazardous Substances from or on its Owned Property or Leased Property), which could interfere with or prevent continued compliance, or which are reasonably likely to give rise to any liability, based upon or related to the processing, distribution, use, treatment, storage, disposal, transport or handling, or the emission, discharge, release or threatened release into the environment, of any Hazardous Substance from or attributable to its Owned Property or Leased Property.

5.7.2 Except as described on Schedule 5.7, to such Charter Party's Knowledge, (a) no aboveground or underground storage tanks are currently or have been located on any Charter Owned Property or Charter Leased Property of such Charter Party and (b) no Charter Owned Property or Charter Leased Property of such Charter Party 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.

5.7.3 Complete and correct copies of (a) all studies, reports, surveys or other similar written materials in Charter's possession or to which Charter, to its Knowledge, has access relating to the presence or alleged presence of Hazardous Substances at, on, under or affecting the Charter Owned Property or Charter Leased Property of such Charter Party, (b) all notices (other than general notices made by general publication) in Charter's possession

or to which Charter, to its Knowledge, has access that were received from any Governmental Authority having the power to administer or enforce any Environmental Laws relating to current or past ownership, use or operation of such Charter Party's Owned Property or Leased Property or activities at its Owned Property or Charter Leased Property and (c) all notices and related materials in Charter's possession or to which Charter, to its Knowledge, has access relating to any Litigation concerning any Environmental Law to which such Charter Party is a party or written allegation by any private Third Party concerning any Environmental Law and such Charter Party, have been provided to IPSE (other than those materials constituting attorney-client privileged communications).

5.8 Compliance with Legal Requirements.

5.8.1 Except as set forth on Schedule 5.8, the operation of such Charter Party's Systems as currently conducted does not violate or infringe any Legal Requirement currently in effect in any material respect (other than Legal Requirements described in Sections 5.7, 5.8.3 and 5.8.4, as to which the representations and warranties set forth in those subsections will apply) or the grounding requirements of the National Electrical Safety Code. Except as set forth on Schedule 5.8, such Charter Party has not received any notice and has no Knowledge of any material violation by such Charter Party or any of its Systems of any Legal Requirement applicable to the installation, ownership and operation of its Systems as currently conducted, and knows of no basis for the allegation of any such violation.

5.8.2 Except as set forth on Schedule 5.8, without limiting the generality of the foregoing, since such Charter Party's acquisition of its Systems: it has submitted to the FCC all filings, including cable television registration statements, annual reports and aeronautical frequency usage notices and paid all regulatory fees, that are required under the rules and regulations of the FCC; the operation of its Systems has been and is in material compliance with the rules and regulations of the FCC, and it has not received any notice from the FCC of any violation of its rules and regulations; such Charter Party is and since 1986 (or since its acquisition, if later) has been certified as in compliance with the FCC's equal employment opportunity rules; its Systems are in material compliance with all signal leakage criteria prescribed by the FCC; and for each relevant semi-annual reporting period since its acquisition of a Charter System, such Charter Party has timely filed with the United States Copyright Office all required Statements of Account in true and correct form, has paid when due all required copyright royalty fee payments in correct amount, relating to its Systems' carriage of television broadcast signals and is otherwise in material compliance with all applicable rules and regulations of the Copyright Office. Except as set forth on Schedule 5.8, such Charter Party has no Knowledge, with respect to any Charter System acquired by such Charter Party since January 1, 1996, of any previous owner's failure to comply with the copyright licensing requirements with respect to such System or any written claim or inquiry from any Person which questions such System's failure to comply. Charter has delivered to IPSE copies of all reports, filings and correspondence made or filed by such Charter Party

with the FCC or pursuant to the FCC rules and regulations for the past year and all reports, filings and correspondence made or filed by such Charter Party with the Copyright Office or pursuant to Copyright Office rules and regulations for the past three years. Except as set forth on Schedule 5.8, (i) a request for renewal has been timely filed under Section 626(a) of the Cable Act with the proper Governmental Authority with respect to each Systems Franchise of such Charter Party expiring within 36 months after the date of this Agreement; and (ii) such Charter Party has received no written notice from any Governmental Authority that it has determined or intends to deny renewal of any Charter Systems Franchise to which it is a party.

5.8.3 Except as set forth on Schedule 5.8 and as otherwise provided in this Section, such Charter Party has used commercially reasonable efforts to comply in all material respects with the provisions of the Cable Act and the 1992 Cable Act pertaining to the carriage of television broadcast signals, as such Legal Requirements relate to the operation of its Systems. Such Charter Party has complied in all material respects with the must carry and retransmission consent provisions of the 1992 Cable Act, including (i) duly and timely notifying "local commercial television stations" of inadequate signal strength or increased copyright liability, if applicable, (ii) duly and timely notifying non-commercial educational stations of the location of its System's principal headend, (iii) duly and timely notifying subscribers of changes in the channel alignment on its Systems, (iv) duly and timely notifying "local commercial and non-commercial television stations" of the broadcast signals carried on its Systems and their channel positions, (v) maintaining the requisite public file identifying broadcast signal carriage, (vi) carrying the broadcast signals after June 1, 1993, on its Systems for all "local commercial television stations" which elected must carry status and, if required, up to two "qualified low power stations" and (vii) obtaining retransmission consents for all broadcast signals carried on its Systems after October 5, 1993, except for the non-exempt signals carried pursuant to a must carry election. No must carry complaint is pending against any of System such Charter Party at the FCC, nor, to such Charter Party's Knowledge, is any threatened except as set forth in Schedule 5.8. Charter has delivered to IPSE copies of any pending petitions such Charter Party has on file with the FCC, including requests for market modifications or petitions for special relief or any market modification requests or special relief petitions affecting any Charter System that have been served on such Charter Party. The FCC has not issued any decision with respect to a must carry complaint finding any System of such Charter Party in violation of the must carry rules except as set forth on Schedule 5.8.

5.8.4 Such Charter Party has used commercially reasonable efforts to establish rates charged and a la carte packages provided to subscribers, effective as of September 1, 1993, that would be allowable under rules and regulations promulgated by the FCC under the 1992 Cable Act, and any authoritative interpretation thereof, whether or not such rates or packages were subject to regulation at that date by any Governmental Authority, including any state regulatory agency, local franchising authority and/or the FCC. Notwithstanding the foregoing, such Charter Party makes no representation or warranty that either the rates charged to subscribers or the a la carte packages provided would be allowable under any rules

and regulations of the FCC, or any authoritative interpretation thereof, promulgated after the date of the Closing. Charter has delivered to IPSE complete and correct copies of (i) the most recent FCC Forms 328, 329, 393, 1200, 1205, 1210, 1215, 1220, 1235 and 1240 and other FCC rate forms (collectively, "FCC Rate Forms") filed by such Charter Party with the local franchising authority and/or the FCC and will deliver as soon as available all FCC Rate Forms that are prepared with respect to such Charter Party's Systems, (ii) all historical FCC Rate Forms with respect to any Charter System in which there is currently a rate issue pending, including any accounting order or any rate order on appeal, (iii) copies of all complaints, petitions, answers, responses and other filings made with or by any Governmental Authority in connection with any rate orders issued by such Governmental Authority or any appeal therefrom, and (iv) any documentation supporting an exemption from the rate regulation provisions of the 1992 Cable Act claimed by such Charter Party with respect to its Systems. Except as set forth on Schedule 5.8, such Charter Party has not made any election with respect to any cost of service proceeding conducted in accordance with Part 76.922 of Title 47 of the Code of Federal Regulations or any similar proceeding (a "Cost of Service Election") with respect to any of such Charter Party's Systems.

5.8.5 Except as set forth on Schedule 5.8, all necessary FAA approvals have been obtained and all necessary FCC tower registrations have been filed with respect to the height and location of towers used in connection with the operation of such Charter Party's Systems, and such towers are being operated in compliance in all material respects with applicable FCC and FAA rules. The ownership, height (with and without appurtenances), location (address, latitude, longitude and ground elevation), structure type and FCC call signs of each tower used in connection with the operation of such Charter Party's Systems are correctly described on Schedule 5.8. To the extent applicable, Charter has delivered to IPSE true and correct copies of the FAA final determinations that are available and FCC registrations for all such towers.

5.9 Intellectual Property. Except for Intellectual Property which constitutes Charter Excluded Assets and the Intellectual Property described on Schedule 4.4(b), such Charter Party does not possess any Intellectual Property related to or material to the operation of its Systems, and such Charter Party is not a party to any license or royalty agreement with respect to any such Intellectual Property, except for licenses respecting program material or incidental to any Systems Contract and obligations under the Copyright Act. To the Knowledge of such Charter Party, its Systems and Cable Business have been operated in such a manner so as not to violate or infringe upon the rights, or give rise to any rightful claim of any Person for copyright, trademark, service mark, patent or license infringement or the like.

5.10 Financial Statements. Charter's statements of income for the years ended December 31, 1997 and 1998, attached hereto as Schedule 5.10, are in accordance with the books and records of the Charter Systems, were prepared in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods covered

thereby and, except as may be described therein, present fairly the operating results of the Charter Systems for the periods indicated, subject only to standard year-end adjustments and the omission of footnotes thereto.

5.11 Absence of Certain Changes or Events. Except as set forth on Schedule 5.11, since December 31, 1998, there has been no (i) material adverse change in, nor has any event or events (other than any affecting the cable television industry generally) occurred that, individually or in the aggregate, are reasonably likely to result in a material adverse change in such Charter Party's Assets, Cable Business, operations, condition (financial or otherwise) or results of operations of its Systems, taken as a whole and (ii) material change in accounting principles or practices with respect to such Charter Party's Cable Business or revaluation by such Charter Party of its Assets for financial reporting, property tax or other purposes. From December 31, 1998 to the date of this Agreement, such Charter Party's Cable Business has been conducted only in the usual, regular and ordinary course, except as disclosed on Schedule 5.11 and except where the failure to conduct business in such manner would not have a material adverse effect on such Charter Party's Assets, Cable Business, operations, condition (financial or otherwise) or results of operations of its Systems taken as a whole or on the ability of such Charter Party to perform its obligations under this Agreement.

5.12 Litigation. Except as set forth on Schedule 5.12: (a) there is no Litigation pending or, to the Knowledge of such Charter Party, threatened against such Charter Party or any of its Affiliates which, if adversely determined, would (i) materially and adversely affect the financial condition or operations of such Charter Party's Cable Business, any of its Systems or Assets or the ability of such Charter Party to perform its obligations under this Agreement or (ii) result in the modification, revocation, termination, suspension or other limitation of any of such Charter Party's Systems Franchises, Systems Licenses, or Systems Contracts; and (b) there is not in existence any Judgment requiring such Charter Party or any of its Affiliates to take any action of any kind with respect to its Assets or the operation of any of its Systems, or to which such Charter Party (with respect to its Systems), any of its Systems or Assets are subject or by which they are bound or affected, that has not been fully complied with by such Charter Party.

5.13 Tax Returns; Other Reports. Such Charter Party has duly and timely filed in correct form all federal, state, local and foreign Tax returns and other Tax reports required to be filed by it, and has timely paid all Taxes which have become due and payable, whether or not so shown on any such return or report, the failure of which to be filed or paid could affect or result in the imposition of a Lien upon its Assets or create any transferee or other liability upon IPSE, except such amounts as are being contested diligently and in good faith and are not in the aggregate material. Except as set forth on Schedule 5.13, such Charter Party has not received any notice of, nor does such Charter Party have any Knowledge of, any deficiency, assessment or audit, or proposed deficiency, assessment or audit from any taxing

Governmental Authority which could affect, or result in the imposition of a Lien upon, any of its Assets or transferee or other liability upon IPSE.

5.14 Employment Matters.

5.14.1 Such Charter Party has complied in all material respects with all applicable Legal Requirements relating to the employment of labor, including the Worker Adjustment and Retraining Notification Act, 29 U.S.C. ss. 2101, et seq. ("WARN"), continuation coverage requirements with respect to group health plans and those relating to wages, hours, collective bargaining, unemployment insurance, workers' compensation, equal employment opportunity, age, sex, race and disability discrimination, immigration control and the payment and withholding of Taxes.

5.14.2 There are no Liens against such Charter Party's Assets under Section 412(n) of the Code or Sections 302(f) or 4068 of ERISA. At the Closing, IPSE and its ERISA Affiliates will have no obligation to contribute to, or any liability in respect of, (i) any employee benefit plan within the meaning of Section 3(3) of ERISA, or (ii) any similar employment, severance or other arrangement or policy (whether written or oral) providing for insurance coverage (including self-insured arrangements), workers' compensation, disability benefits, supplemental unemployment benefits, vacation benefits, fringe benefits or retirement 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, sponsored or maintained by any Charter Party or any of their ERISA Affiliates, or to which any Charter Party or any of their ERISA Affiliates was obligated to contribute. The Charter Parties will not, in connection with the transactions contemplated by this Agreement, cease to provide any group health plan coverage to their employees in a manner which would cause IPSE or any of its ERISA Affiliates to be deemed a successor employer of such Charter Party within the meaning of Proposed Treasury Regulations Section 54.4980B-9 Q&A8(c). With respect to any multi-employer plan within the meaning of Section 3(37) of ERISA, or any plan subject to Title IV of ERISA, to which any Charter Party or any of their ERISA Affiliates is or ever was obligated to contribute, (a) there has been no material "reportable event" described in Sections 4043(c)(1), (2), (3), (5), (6), (7), (10), or (13) of ERISA, (b) no "accumulated funding deficiency" (as defined in Section 302 of ERISA) or "withdrawal liability" (as determined under Section 4201 et seq. of ERISA) has occurred, exists or is continuing with respect to any such plan other than a multi-employer plan (as defined in Section 3(37) of ERISA), or, to the Knowledge of Charter or any of its ERISA Affiliates, with respect to any such plan which is a multi-employer plan (as defined in Section 3(37) of ERISA), (c) no such plan has been terminated other than in accordance with ERISA or at a time when such plan was not sufficiently funded, and (d) there has been no (i) withdrawal by any Charter Party or any of their ERISA Affiliates that is a substantial employer from a single-employer plan and that has two or more contributing sponsors at least two of whom are not under common control, as referred to in Section

4063(b) of ERISA, or (ii) cessation by any Charter Party or any of their ERISA Affiliates of operations at a facility causing more than 20% of plan participants to be separated from employment, as referred to in Section 4062(e) of ERISA. With respect to any plan maintained, sponsored by, or contributed to by any Charter Party, which is intended to comply with the provisions of Section 401(k) of the Code, and from which any similar plan maintained or sponsored by IPSE or any of its ERISA Affiliates accepts a plan-to-plan transfer under Section 7.3.3, (I) such plan has received a favorable determination letter from Internal Revenue Service, and no Charter Party or any of their ERISA Affiliates has any Knowledge of any fact which could adversely affect the qualified status of such plan, and (II) such plan has been administered and maintained in material compliance with ERISA, the Code and all other applicable laws.

5.14.3 Except as set forth on Schedule 5.14, there are no collective bargaining agreements applicable to any Person employed by such Charter Party that renders services in connection with its Systems and such Charter Party has no duty to bargain with any labor organization with respect to any such Person. Except as set forth on Schedule 5.14, there are not pending any unfair labor practice charges against such Charter Party, any demand for recognition or any other request or demand from a labor organization for representative status with respect to any Person employed by it that renders services in connection with its Systems. Except as described on Schedule 5.14, such Charter Party has no employment agreements, either written or oral, with any employee of its Systems and none of the employment agreements listed on Schedule 5.14 requires such Charter Party, or will require IPSE or any Affiliate of IPSE, to employ any Person after the Closing.

5.15 Charter Systems Information.

5.15.1 Schedule 5.15.1 sets forth a materially true and accurate description, on a System-by-System basis, of the following information relating to such Charter Party's Systems as of December 31, 1998:

(a) the approximate number of aerial and underground miles of plant included in the Charter Assets and served by each headend;

(b) the approximate number of single family homes and residential multiple dwelling units passed by each such Charter System;

(c) the MHZ capacity and channel capacity of each headend; and

(d) the number of subscribers served by each such Charter System and a description of the calculation methodology used by Charter to calculate such subscribers.

5.15.2 Schedule 5.15.2 sets forth a materially true and accurate description of the following information relating to such Charter Party's Systems as of the date of this Agreement:

(a) a description of the Basic Services, the Expanded Basic Services, Pay TV and a la carte services available from each such Charter System, and the rates charged by such Charter Party therefor, including all rates, tariffs and other charges for cable television or other services provided by each such Charter System;

(b) the stations and signals carried by each such Charter System and the channel position of each such signal and station; and

(c) the cities, towns, villages, boroughs and counties served by each such Charter System.

5.15.3 Each of such Charter Party's Systems is capable of providing all channels, stations and signals reflected as being carried on such Charter System on Schedule 5.15.2.

5.16 Taxpayer Identification Number. The U.S. Taxpayer Identification Number for the Charter Parties are as follows:

Charter Communications, LLC	43-1659860
Charter Communications Properties, LLC	43-1792671
Marcus Cable Associates, L.L.C.	75-2775560

5.17 Finder and Brokers. Such Charter Party has not entered into any Contract with any person which will result in the obligation of IPSE to pay any finder's fees, brokerage or agent's commissions or other like payments (collectively, "Agent's Fees") in connection with the negotiations leading to this Agreement or the consummation of the transactions contemplated hereby.

5.18 Related Party Transactions. Set forth on Schedule 5.18 hereto, are the Contracts, agreements, arrangements or understandings between such Charter Party and any of its Affiliates and between such Charter Party and any Allen Affiliate included in or related to the Charter Assets.

6. IPSE'S REPRESENTATIONS AND WARRANTIES.

IPSE represents and warrants to the Charter Parties as of the date of this Agreement and as of the Closing, as follows:

6.1 Organization and Qualification of IPSE.

6.1.1 IPSE is a general partnership which has been duly formed under the laws of the State of California. IPSE has all requisite power and authority to own, lease and use the IPSE Assets owned, leased or used by it and to conduct IPSE's Cable Business as it is currently being conducted.

6.1.2 InterMedia Capital Management, LLC, the managing general partner of IPSE, is a limited liability company duly formed, validly existing, and in good standing under the laws of the State of Delaware, and has all requisite power and authority to own all of its assets and to conduct its business as currently conducted. InterMedia Capital Management, LLC is duly qualified to do business and in good standing under the laws of each jurisdiction in which the nature of its activities or its ownership, lease or use of its assets makes such qualification necessary.

6.2 Authority and Validity. IPSE has all requisite power and authority to execute and deliver, and to perform its obligations under, and to consummate the transactions contemplated by, this Agreement and the Transaction Documents to which it is a party. The execution and delivery by IPSE of, the performance of IPSE under, and the consummation by IPSE of the transactions contemplated by, this Agreement and the Transaction Documents to which IPSE is a party have been duly and validly authorized by all action by or on behalf of IPSE. This Agreement has been, and when executed and delivered by IPSE the Transaction Documents to which it is a party will be, duly and validly executed and delivered by IPSE and the valid and binding obligations of IPSE, enforceable against IPSE in accordance with their terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect relating to the enforcement of creditors' rights generally or by principles governing the availability of equitable remedies.

6.3 No Conflict; Required Consents. Except as set forth on Schedule 6.3, and assuming all Charter Required Consents have been obtained and the expiration or earlier termination of the waiting period under the HSR Act has occurred, the execution and delivery by IPSE, the performance of IPSE under, and the consummation by IPSE of the transactions contemplated by, this Agreement and the Transaction Documents to which IPSE is a party do not and will not: (a) conflict with or violate any provision of the organizational documents of IPSE; (b) violate any provision of any Legal Requirement; (c) require any consent, approval or authorization of, or filing of any certificate, notice, application, report or other document with, any Governmental Authority or other Person; or (d) (i) conflict with, violate, result in a breach of or constitute a default under (without regard to requirements of notice, lapse of time or elections of other Persons or any combination thereof), (ii) permit or result in the termination, suspension or modification of, (iii) result in the acceleration of (or give any

Person the right to accelerate) the performance of IPSE under, or (iv) result in the creation or imposition of any Lien under any IPSE Systems Contract, IPSE Systems Franchise, IPSE Systems License, or other instrument evidencing any of the IPSE Assets or by which IPSE or any of its assets is bound or affected, except for purposes of clauses (c) and (d) such consents, approvals, authorizations and filings that, if not obtained or made, would not, and such violations, conflicts, breaches, defaults, terminations, suspensions, modifications and accelerations as would not, individually or in the aggregate, have an adverse effect on any IPSE System, IPSE's Cable Business or IPSE, or on the ability of IPSE to perform its obligations under this Agreement or the Transaction Documents to which it is a party.

6.4 Assets.

6.4.1 IPSE has good and marketable title to (or, in the case of IPSE Assets that are leased, valid leasehold interests in) the IPSE Assets. None of the AT&T Affiliates has any right, title or interest in or to any of the IPSE Assets. The IPSE Assets are free and clear of all Liens, except Permitted Liens and rights of first refusal which will be waived at Closing by the Person holding such rights. All of the Liens described on Schedule 6.4.1 (except for those marked with an asterisk on Schedule 6.4.1) will be terminated, released or, in the case of rights of first refusal (except for those listed on Schedule 6.4.1), waived, as appropriate at or prior to Closing. Except as described on Schedule 1.46, the IPSE Tangible Personal Property, as an integrated system and in its component parts, is in good operating condition and repair (ordinary wear and tear and routine failures excepted) and is usable and adequate for the operation of IPSE's Cable Business.

6.4.2 Except for items included in the IPSE Excluded Assets, the IPSE Assets constitute substantially all the assets necessary (a) to conduct IPSE's Cable Business as it is being conducted on the date of this Agreement and in compliance with all applicable Legal Requirements, (b) to operate the IPSE Systems as they are being operated on the date of this Agreement and in compliance with all applicable Legal Requirements and (c) to perform all of Charter's Assumed Obligations and Liabilities.

6.4.3 Except as described on Schedule 6.4.3, and other than direct broadcast satellite and satellite master antenna television, with respect to each area in which the IPSE Systems currently provide cable television service, (i) no Person is operating a cable television system or other non-satellite MVPD other than an IPSE System in such area; (ii) no local franchising authority has awarded a cable television franchise in such area to any Person other than IPSE; and (iii) to the Knowledge of IPSE, no MVPD has applied for a cable television franchise to serve such area.

6.5 IPSE Systems Franchises, IPSE Systems Licenses, IPSE Systems Contracts and IPSE Other Real Property Interests.

6.5.1 Except as described on Schedules 1.38, 1.40, 1.43, 1.44 and 1.45, and except for the IPSE Excluded Assets, IPSE is not bound or affected by any of the following that relate primarily or in whole to IPSE's Cable Business: (a) leases of real property or capital leases of personal property; (b) operating leases of personal property that are terminable upon more than 30 days notice and that contemplate annual lease payments in excess of $20,000; (c) franchises for the construction or operation of cable television systems or System Contracts of substantially equivalent effect; (d) licenses, authorizations, consents or permits of the FCC; (e) other licenses, authorizations, consents or permits of any other Governmental Authority, individually or in the aggregate, material to the IPSE Systems; (f) easements or rights of access, individually or in the aggregate, material to the IPSE Systems; (g) pole attachment agreements, underground conduit agreements, crossing agreements, retransmission consent agreements, or bulk or commercial service agreements, individually or in the aggregate, material to the IPSE Systems; or (h) IPSE Systems Contracts other than those described in any other clause of this Section 6.5.1 which contemplate payments by or to IPSE in any 12-month period exceeding $25,000 under any single contract or $100,000 in the aggregate.

6.5.2 Complete and correct copies of the IPSE Systems Franchises and IPSE Systems Licenses have been provided to Charter. Except as set forth on Schedule 6.5.2, (a) the IPSE Systems Franchises contain all of the commitments and obligations of IPSE to the applicable Governmental Authority granting such Franchises with respect to the construction, ownership and operation of the IPSE Systems, and (b) other than as set forth in the IPSE Systems Franchises, IPSE has not made any commitment to any local franchising authority to make any material expenditure or capital addition or betterment to any IPSE System or the IPSE Assets that will not be fulfilled or satisfied prior to the Closing Time. The IPSE Systems Franchises and IPSE Systems Licenses are currently in full force and effect, are not in default and are valid under all applicable Legal Requirements according to their terms. No event has occurred that, with notice or lapse of time or both, would constitute a breach, violation or default by IPSE, and to IPSE's Knowledge, no event has occurred that, with notice or lapse of time or both, would constitute a breach, violation or default by any other Person, of any material obligations under any such IPSE Systems Franchises or IPSE Systems Licenses. Except for routine filings with Governmental Authorities and as described on Schedule 6.5.2, there are no applications relating to any IPSE Systems Franchise or IPSE Systems License pending before any Governmental Authority which are material to any IPSE System or IPSE's Cable Business. Except where a request for renewal has been timely filed under Section 626(a) of the Cable Act, since December 31, 1998, no IPSE Systems Franchise or IPSE Systems License has been surrendered by IPSE or has expired or otherwise terminated without the issuance of a replacement IPSE Systems Franchise or IPSE Systems License. There is no legal action, governmental proceeding or investigation pending or, to IPSE's Knowledge, threatened to terminate, suspend or modify any IPSE Systems Franchise or IPSE Systems License. Except as set forth on Schedule 6.5.2, IPSE is, or will be as of the Closing Date, in material compliance with the terms and conditions of all the IPSE Systems Franchises and

IPSE Systems Licenses and other applicable requirements of all Governmental Authorities (including the FCC and the U.S. Copyright Office) relating to the IPSE Systems Franchises and IPSE Systems Licenses, including all requirements for notification, filing, reporting, posting and maintenance of logs and records.

6.5.3 IPSE has delivered to Charter true and complete copies of all IPSE Systems Contracts (including each Contract relating to IPSE Leased Property and IPSE Other Real Property Interests), including any amendments thereto (or, in the case of oral Contracts, true and complete written summaries thereof) and each document evidencing IPSE's ownership of the IPSE Owned Property. Except as described in Schedule 6.5.3, IPSE has fulfilled when due, or has taken all action necessary to enable it to fulfill when due, all of its obligations under each of its Contracts and, to the Knowledge of IPSE, there has not occurred any default (without regard to requirements of notice, lapse of time, elections of other Persons, or any combination thereof) by any other Person of any material obligations under any of its Contracts or Real Property Interests.

6.6 Real Property. All the Assets consisting of IPSE Owned Property, IPSE Leased Property and material IPSE Other Real Property Interests are described on Schedules 1.38, 1.40 and 1.41. Except for ordinary wear and tear and routine repairs and as set forth on Schedule 6.6, all of the improvements, leasehold improvements and the premises of the IPSE Owned Property and the premises demised under the leases and other documents evidencing the IPSE Leased Property are in good condition and repair and are suitable for the purposes used. Each parcel of IPSE Owned Property and each parcel of IPSE Leased Property and any improvements thereon (a) has access to and over public streets or private streets for which IPSE has a valid right of ingress and egress, (b) except as set forth on Schedule 1.38 or 1.40, conforms in its current use and occupancy to all material zoning requirements without reliance upon a variance issued by a Governmental Authority or a classification of the parcel in question as a nonconforming use, (c) conforms in all material respects in its current use to all restrictive covenants, if any, or other Liens affecting all or part of such parcel (of record, with respect to IPSE Owned Property, or of record or as set forth in an agreement listed on Schedule 1.38 or 1.40, with respect to IPSE Leased Property or IPSE Other Real Property Interests), and (d) is available for immediate use in the conduct of the business or operations of the IPSE Systems. There are no pending condemnation, expropriation, eminent domain or similar proceedings of which IPSE has received notice or IPSE has Knowledge affecting, in any material respect, all or any portion of the IPSE Owned Property, IPSE Leased Property, or IPSE Other Real Property Interests. IPSE has good and marketable title to each such parcel of real property included in the IPSE Owned Property and in all buildings, structures and improvements thereon, in each case free and clear of all Liens except for Permitted Liens.

6.7 Environmental.

6.7.1 Except as described on Schedule 6.7, IPSE is in material compliance with all Environmental Laws, insofar as they relate to its Owned Property or Leased Property. Except as described on Schedule 6.7, IPSE has not received any notice of, and has no Knowledge of, any alleged, actual, or potential responsibility for, or any inquiry regarding, (i) any release or threatened release of any Hazardous Substances from or on its Owned Property or Leased Property, or (ii) any material violation of any Environmental Laws associated with its Owned Property or Leased Property. Except as described on Schedule 6.7, to IPSE's Knowledge, its own operations on its Other Real Property Interests do not violate any Environmental Laws in any material respect, and IPSE has received no notice of any such violation. Except as described on Schedule 6.7, IPSE has not received any notice of, and has no Knowledge of circumstances relating to, any past, present or future events, conditions, circumstances, activities, practices or incidents (including the presence, use, generation, manufacture, disposal, release or threatened release of any Hazardous Substances from or on its Owned Property or Leased Property), which could interfere with or prevent continued compliance, or which are reasonably likely to give rise to any liability, based upon or related to the processing, distribution, use, treatment, storage, disposal, transport or handling, or the emission, discharge, release or threatened release into the environment, of any Hazardous Substance from or attributable to its Owned Property or Leased Property.

6.7.2 Except as described on Schedule 6.7, to IPSE's Knowledge, (a) no aboveground or underground storage tanks are currently or have been located on any IPSE Owned Property or IPSE Leased Property and (b) no IPSE Owned Property or IPSE Leased Property 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.

6.7.3 Complete and correct copies of (a) all studies, reports, surveys or other similar written materials in IPSE's possession or to which IPSE, to its Knowledge, has access relating to the presence or alleged presence of Hazardous Substances at, on, under or affecting the IPSE Owned Property or IPSE Leased Property, (b) all notices (other than general notices made by general publication) in IPSE's possession or to which IPSE, to its Knowledge, has access that were received from any Governmental Authority having the power to administer or enforce any Environmental Laws relating to current or past ownership, use or operation of the IPSE Owned Property or IPSE Leased Property or activities at the IPSE Owned Property or IPSE Leased Property and (c) all notices and related materials in IPSE's possession or to which IPSE, to its Knowledge, has access relating to any Litigation concerning any Environmental Law to which IPSE is a party or written allegation by any private Third Party concerning any Environmental Law and IPSE, have been provided to Charter (other than those materials constituting attorney-client privileged communications).

6.8 Compliance with Legal Requirements.

6.8.1 Except as set forth on Schedule 6.8, the operation of each IPSE System as currently conducted does not violate or infringe any Legal Requirement currently in effect in any material respect (other than Legal Requirements described in Sections 6.7, 6.8.3 and 6.8.4, as to which the representations and warranties set forth in those subsections will apply) or the grounding requirements of the National Electrical Safety Code. Except as set forth on Schedule 6.8, IPSE has not received any notice and IPSE has no Knowledge of any material violation by it or any IPSE System of any Legal Requirement applicable to the installation, ownership and operation of its Systems as currently conducted, and knows of no basis for the allegation of any such violation.

6.8.2 Except as set forth on Schedule 6.8, without limiting the generality of the foregoing, since IPSE's acquisition of its Systems: IPSE has submitted to the FCC all filings, including cable television registration statements, annual reports and aeronautical frequency usage notices and paid all regulatory fees, that are required under the rules and regulations of the FCC; the operation of its Systems has been and is in material compliance with the rules and regulations of the FCC, and IPSE has not received any notice from the FCC of any violation of its rules and regulations; IPSE is and since 1986 (or since its acquisition, if later) has been certified as in compliance with the FCC's equal employment opportunity rules; its Systems are in material compliance with all signal leakage criteria prescribed by the FCC; and for each relevant semi-annual reporting period since its acquisition of an IPSE System, IPSE has timely filed with the United States Copyright Office all required Statements of Account in true and correct form, has paid when due all required copyright royalty fee payments in correct amount, relating to its Systems' carriage of television broadcast signals and is otherwise in material compliance with all applicable rules and regulations of the Copyright Office. Except as set forth on Schedule 6.8, IPSE has no Knowledge, with respect to any IPSE System acquired since January 1, 1996, of any previous owner's failure to comply with the copyright licensing requirements with respect to such System or any written claim or inquiry from any Person which questions such System's failure to comply. IPSE has delivered to Charter copies of: (i) all reports, filings and correspondence made or filed by IPSE with the FCC or pursuant to the FCC rules and regulations for the past year; and (ii) all reports, filings and correspondence made or filed by IPSE with the Copyright Office or pursuant to Copyright Office rules and regulations for the past three years. Except as set forth on Schedule 6.8, (i) a request for renewal has been timely filed under Section 626(a) of the Cable Act with the proper Governmental Authority with respect to each Franchise expiring within 36 months after the date of this Agreement; and (ii) IPSE has received no written notice from any Governmental Authority that it has determined or intends to deny renewal of any IPSE Systems Franchise.

6.8.3 Except as set forth on Schedule 6.8 and as otherwise provided in this Section, IPSE has used commercially reasonable efforts to comply in all material respects with

the provisions of the 1984 Cable Act and the 1992 Cable Act pertaining to the carriage of television broadcast signals, as such Legal Requirements relate to the operation of its Systems. IPSE has complied in all material respects with the must carry and retransmission consent provisions of the 1992 Cable Act, including (i) duly and timely notifying "local commercial television stations" of inadequate signal strength or increased copyright liability, if applicable, (ii) duly and timely notifying non-commercial educational stations of the location of its System's principal headend, (iii) duly and timely notifying subscribers of changes in the channel alignment on its Systems, (iv) duly and timely notifying "local commercial and non- commercial television stations" of the broadcast signals carried on its Systems and their channel positions, (v) maintaining the requisite public file identifying broadcast signal carriage, (vi) carrying the broadcast signals after June 1, 1993, on its Systems for all "local commercial television stations" which elected must carry status and, if required, up to two "qualified low power stations" and (vii) obtaining retransmission consents for all broadcast signals carried on its Systems after October 5, 1993, except for the non-exempt signals carried pursuant to a must carry election. No must carry complaint is pending against any IPSE System at the FCC, nor, to IPSE's Knowledge, is any threatened except as set forth in Schedule 6.8. IPSE has delivered to Charter copies of any pending petitions it has on file with the FCC, including requests for market modifications or petitions for special relief or any market modification requests or special relief petitions affecting any IPSE System that have been served on IPSE. The FCC has not issued any decision with respect to a must carry complaint finding any IPSE System in violation of the must carry rules except as set forth on Schedule 6.8.

6.8.4 IPSE has used commercially reasonable efforts to establish rates charged and a la carte packages provided to subscribers, effective as of September 1, 1993, that would be allowable under rules and regulations promulgated by the FCC under the 1992 Cable Act, and any authoritative interpretation thereof, whether or not such rates or packages were subject to regulation at that date by any Governmental Authority, including any state regulatory agency, local franchising authority and/or the FCC. Notwithstanding the foregoing, IPSE makes no representation or warranty that either the rates charged to subscribers or the a la carte packages provided would be allowable under any rules and regulations of the FCC, or any authoritative interpretation thereof, promulgated after the date of the Closing. IPSE has delivered to Charter complete and correct copies of (i) the most recent FCC Rate Forms filed by IPSE with the local franchising authority and/or the FCC and will deliver as soon as available all FCC Rate Forms that are prepared with respect to the IPSE Systems, (ii) all historical FCC Rate Forms with respect to any IPSE System in which there is currently a rate issue pending, including any accounting order or any rate order on appeal, (iii) copies of all complaints, petitions, answers, responses and other filings made with or by any Governmental Authority in connection with any rate orders issued by such Governmental Authority or any appeal therefrom, and (iv) any documentation supporting an exemption from the rate regulation provisions of the 1992 Cable Act claimed by IPSE with respect to its Systems.

Except as set forth on Schedule 6.8, IPSE has not made a Cost of Service Election with respect to any of the IPSE Systems.

6.8.5 Except as set forth on Schedule 6.8, all necessary FAA approvals have been obtained and all necessary FCC tower registrations have been filed with respect to the height and location of towers used in connection with the operation of the IPSE Systems, and such towers are being operated in compliance in all material respects with applicable FCC and FAA rules. The ownership, height (with and without appurtenances), location (address, latitude, longitude and ground elevation), structure type and FCC call signs of each tower used in connection with the operation of the IPSE Systems are correctly described on Schedule 6.8. To the extent applicable, IPSE has delivered to Charter true and correct copies of the FAA final determinations that are available and FCC registrations for all such towers.

6.9 Intellectual Property. Except for Intellectual Property which constitutes IPSE Excluded Assets and the Intellectual Property described on Schedule 4.2(b), IPSE does not possess any Intellectual Property related to or material to the operation of the IPSE Systems and IPSE is not a party to any license or royalty agreement with respect to any such Intellectual Property, except for licenses respecting program material or incidental to any Systems Contract and obligations under the Copyright Act applicable to cable television systems generally. To the Knowledge of IPSE, the IPSE Systems and IPSE's Cable Business have been operated in such a manner so as not to violate or infringe upon the rights, or give rise to any rightful claim of any Person for copyright, trademark, service mark, patent or license infringement or the like.

6.10 Financial Statements. IPSE's statements of income for the years ended December 31, 1997 and 1998, attached hereto as Schedule 6.10, are in accordance with the books and records of the IPSE Systems, were prepared in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods covered thereby and, except as may be described therein, present fairly the operating results of the IPSE Systems for the periods indicated, subject only to standard year-end adjustments and the omission of footnotes thereto.

6.11 Absence of Certain Changes or Events. Except as set forth on Schedule 6.11, since December 31, 1998, there has been no (i) material adverse change in, nor has any event or events (other than any affecting the cable television industry generally) occurred that, individually or in the aggregate, are reasonably likely to result in a material adverse change in the IPSE Assets, business, operations, condition (financial or otherwise) or results of operations of the IPSE Systems, taken as a whole and (ii) material change in accounting principles or practices with respect to the IPSE Systems or revaluation by IPSE of the IPSE Assets for financial reporting, property tax or other purposes. From December 31, 1998 to the date of this Agreement, IPSE's Cable Business has been conducted only in the usual, regular and ordinary course, except as disclosed on Schedule 6.11 and except where the

failure to conduct business in such manner would not have a material adverse effect on the IPSE Assets, IPSE's Cable Business, the operations, condition (financial or otherwise) or results of operations of the IPSE Systems taken as a whole or on the ability of IPSE to perform its obligations under this Agreement.

6.12 Litigation. Except as set forth on Schedule 6.12: (a) there is no Litigation pending or, to IPSE's Knowledge, threatened against IPSE or any Affiliate of IPSE which, if adversely determined, would (i) materially and adversely affect the financial condition or operations of IPSE's Cable Business, any of the IPSE Systems, the IPSE Assets or the ability of IPSE to perform its obligations under this Agreement or (ii) result in the modification, revocation, termination, suspension or other limitation of any of the IPSE Systems Franchises, IPSE Systems Licenses, or IPSE Systems Contracts; and (b) there is not in existence any Judgment requiring IPSE or any Affiliate of IPSE to take any action of any kind with respect to the IPSE Assets or the operation of any of the IPSE Systems, or to which IPSE (with respect to the IPSE Systems), any of the IPSE Systems or the IPSE Assets are subject or by which they are bound or affected, that has not been fully complied with by IPSE.

6.13 Tax Returns; Other Reports. IPSE has duly and timely filed in correct form all federal, state, local and foreign Tax returns and other Tax reports required to be filed by IPSE, and has timely paid all Taxes which have become due and payable, whether or not so shown on any such return or report, the failure of which to be filed or paid could affect or result in the imposition of a Lien upon the IPSE Assets or create any transferee or other liability upon Charter, except such amounts as are being contested diligently and in good faith and are not in the aggregate material. Except as set forth on Schedule 6.13, IPSE has not received any notice of, nor does IPSE have any Knowledge of, any deficiency, assessment or audit, or proposed deficiency, assessment or audit from any taxing Governmental Authority which could affect, or result in the imposition of a Lien upon, any of the IPSE Assets or transferee or other liability upon Charter.

6.14 Employment Matters.

6.14.1 IPSE has complied in all material respects with all applicable Legal Requirements relating to the employment of labor, including WARN, continuation coverage requirements with respect to group health plans and those relating to wages, hours, collective bargaining, unemployment insurance, workers' compensation, equal employment opportunity, age, sex, race and disability discrimination, immigration control and the payment and withholding of Taxes.

6.14.2 There are no Liens against the IPSE Assets under Section 412(n) of the Code or Sections 302(f) or 4068 of ERISA. At the Closing, Charter and its ERISA Affiliates will have no obligation to contribute to, or any liability in respect of, (i) any employee benefit plan within the meaning of Section 3(3) of ERISA, or (ii) any similar employment, severance

or other arrangement or policy (whether written or oral) providing for insurance coverage (including self-insured arrangements), workers' compensation, disability benefits, supplemental unemployment benefits, vacation benefits, fringe benefits or retirement 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, sponsored or maintained by IPSE or any of its ERISA Affiliates, or to which IPSE or any of its ERISA Affiliates was obligated to contribute. IPSE will not, in connection with the transactions contemplated by this Agreement, cease to provide any group health plan coverage to their employees in a manner which would cause any Charter Party or any of their ERISA Affiliates to be deemed a successor employer of IPSE within the meaning of Proposed Treasury Regulations Section 54.4980B-9 Q&A8(c). With respect to any multi-employer plan within the meaning of Section 3(37) of ERISA, or any plan subject to Title IV of ERISA, to which IPSE or any of its ERISA Affiliates is or ever was obligated to contribute, (a) there has been no material "reportable event" described in Sections 4043(c)(1), (2), (3), (5), (6), (7), (10), or (13) of ERISA, (b) no "accumulated funding deficiency" (as defined in Section 302 of ERISA) or "withdrawal liability" (as determined under Section 4201 et seq. of ERISA) has occurred, exists or is continuing with respect to any such plan other than a multi-employer plan (as defined in Section 3(37) of ERISA), or, to the Knowledge of IPSE or any of its ERISA Affiliates, with respect to any such plan which is a multi-employer plan (as defined in Section 3(37) of ERISA), (c) no such plan has been terminated other than in accordance with ERISA or at a time when such plan was not sufficiently funded, and (d) there has been no (i) withdrawal by IPSE or any of its ERISA Affiliates that is a substantial employer from a single-employer plan and that has two or more contributing sponsors at least two of whom are not under common control, as referred to in Section 4063(b) of ERISA, or (ii) cessation by IPSE or any of its ERISA Affiliates of operations at a facility causing more than 20% of plan participants to be separated from employment, as referred to in Section 4062(e) of ERISA. With respect to any plan maintained, sponsored by, or contributed to by IPSE, which is intended to comply with the provisions of Section 401(k) of the Code, and from which any similar plan maintained or sponsored by any Charter Party or any of their ERISA Affiliates accepts a plan-to-plan transfer under Section 7.3.3, (I) such plan has received a favorable determination letter from Internal Revenue Service, and neither IPSE nor any of its ERISA Affiliates has any Knowledge of any fact which could adversely affect the qualified status of such plan, and (II) such plan has been administered and maintained in material compliance with ERISA, the Code and all other applicable laws.

6.14.3 Except as set forth on Schedule 6.14, there are no collective bargaining agreements applicable to any Person employed by IPSE that renders services in connection with the IPSE Systems and IPSE has no duty to bargain with any labor organization with respect to any such Person. Except as set forth on Schedule 6.14, there are not pending any unfair labor practice charges against IPSE, any demand for recognition or any other request or demand from a labor organization for representative status with respect to any Person employed by IPSE that renders services in connection with the IPSE Systems. Except as

described on Schedule 6.14, IPSE has no employment agreements, either written or oral, with any employee of the IPSE Systems and none of the employment agreements listed on Schedule 6.14 requires IPSE, or will require Charter or any Affiliate of Charter, to employ any Person after the Closing.

6.15 IPSE Systems Information.

6.15.1 Schedule 6.15.1 sets forth a materially true and accurate description, on a System-by-System basis, of the following information relating to the IPSE Systems as of December 31, 1998:

(a) the approximate number of aerial and underground miles of plant included in the IPSE Assets and served by each headend;

(b) the approximate number of single family homes and residential multiple dwelling units passed by each IPSE System;

(c) the MHZ capacity and channel capacity of each headend; and

(d) the number of subscribers served by each IPSE System and a description of the calculation methodology used by IPSE to calculate such subscribers.

6.15.2 Schedule 6.15.2 sets forth a materially true and accurate description of the following information relating to the IPSE Systems as of the date of this Agreement:

(a) a description of the Basic Services, the Expanded Basic Services, Pay TV and a la carte services available from each IPSE System, and the rates charged by IPSE therefor, including all rates, tariffs and other charges for cable television or other services provided by each IPSE System;

(b) the stations and signals carried by each IPSE System and the channel position of each such signal and station; and

(c) the cities, towns, villages, boroughs and counties served by each IPSE System.

6.15.3 Each IPSE System is capable of providing all channels, stations and signals reflected as being carried on such IPSE System on Schedule 6.15.2.

6.16 Taxpayer Identification Number. The U.S. Taxpayer Identification Number for IPSE is 94-3143720.

6.17 Finder and Brokers. IPSE has not entered into any Contract with any person which will result in the obligation of Charter to pay any Agent's Fees in connection with the negotiations leading to this Agreement or the consummation of the transactions contemplated hereby.

6.18 Related Party Transactions. Set forth on Schedule 6.18 hereto, are the Contracts, agreements, arrangements or understandings between IPSE and any of its Affiliates and between IPSE and any AT&T Affiliates included in or related to the IPSE Assets.

7. ADDITIONAL COVENANTS.

7.1 Access to Premises and Records. Between the date of this Agreement and the Closing Date, each Party (a) will give to the other and its counsel, accountants and other representatives reasonable access during normal business hours and upon reasonable advance notice to all the premises and books and records of its Cable Business and to all of its Assets and the personnel engaged in the management or operation of its Systems; and (b) will furnish to the other and such representatives all such documents, financial information and other information regarding its Cable Business and its Assets as the other from time to time reasonably may request; provided that no investigation will affect or limit the scope of any of the representations, warranties, covenants and indemnities of the other in this Agreement or in any Transaction Document or limit liability for any breach of any of the foregoing.

7.2 Continuity and Maintenance of Operations, Certain Deliveries and Notice. Except as set forth on Schedule 7.2, in the 1999 operating budgets set forth on Schedule 7.2-A, with respect to IPSE, and on Schedule 7.2-B, with respect to Charter, or as the other Party may otherwise consent in writing, between the date of this Agreement and the Closing, each of IPSE with respect to IPSE's Cable Business, the IPSE Systems and the IPSE Assets, and each Charter Party with respect to its Cable Business, Systems and Assets:

7.2.1 will conduct its Cable Business in good faith and operate its Systems only in the usual, regular and ordinary course (including making routine capital expenditures and operating substantially in accordance with the 1999 capital and operating budgets with respect to each such System (copies of which are set forth on Schedule 7.2-A, with respect to IPSE, and on Schedule 7.2-B, with respect to Charter), completing ongoing and planned line extensions, placing conduit or cable in new developments, fulfilling installation requests, completing disconnection work orders and disconnecting and discontinuing service to customers whose accounts are delinquent) and, to the extent consistent with such conduct and operation, use its commercially reasonable efforts to (a) preserve its current business intact in all material respects, including preserving existing relationships with franchising authorities, suppliers, customers and others having business dealings with its Systems, (b) keep available the services of its employees and agents providing services in connection with its Cable Business, (c) continue budgeted marketing, advertising and promotional expenditures with

respect to its Cable Business, (d) enter into written agreements with respect to all multiple dwelling unit and bulk billed accounts having greater than 200 individual units, and (e) operate its Cable Business in material compliance with all Legal Requirements;

7.2.2 will maintain its Assets in good operating repair, order and condition, ordinary wear and tear excepted; will maintain equipment and inventory for its Systems at normal historical levels consistent with its past practices (as adjusted to account for abnormally high inventory levels related to periodic rebuild activity); will maintain in full force and effect policies of insurance with respect to its Cable Business in such amounts and with respect to such risks as are currently in effect for its Systems; and will maintain its books, records and accounts with respect to its Assets and the operation of its Systems in the usual, regular and ordinary manner on a basis consistent with its past practices;

7.2.3 will not, outside the ordinary course of business or to the extent inconsistent with past practice or the 1999 operating budget included in Schedule 7.2-A (with respect to IPSE) or Schedule 7.2-B (with respect to Charter), as applicable, (a) modify, terminate, renew, suspend or abrogate any System Contract (other than retransmission consent System Contracts, System Contracts evidencing Leased Property or Other Real Property Interests and lease agreements for Tangible Personal Property); (b) modify, terminate, renew, suspend or abrogate any retransmission consent System Contract, System Franchise, System Contract evidencing Leased Property or Other Real Property Interests, lease agreements for Tangible Personal Property or System License except for renewals (other than renewals of System Franchises) on terms that are not materially different from those which currently exist and renewals of System Franchises as otherwise required or permitted under this Agreement; (c) engage in any marketing, subscriber installation, collection or disconnection practices; (d) make any Cost of Service Election; (e) other than as set forth on Schedule 7.2, enter into any agreement with or commitment to any competitive access provider and/or local exchange company or any internet access or on-line services provider with respect to the use or lease of any of its Assets; (f) sell, transfer or assign any portion of its Assets other than sales in the ordinary course of business or permit the creation of a Lien (other than Permitted Liens) on any of its Assets; (g) take any actions that would cause the transactions contemplated hereby to fail to qualify as a like-kind exchange under Section 1031 of the Code; (h) decrease the rate charged for any level of Basic Services, Expanded Basic Services or any Pay TV or, except as expressly permitted by Schedule 7.2, add, delete, retier or repackage any analog programming services, in each case except to the extent required under the 1992 Cable Act or any other Legal Requirement; provided, however, that if rates are decreased in order to so comply, the Party decreasing the rates will provide the other with copies of any FCC forms (even if not filed with any Governmental Authority) that such Party used to determine that the new rates were required; (i) convert any of its Systems to any billing system or otherwise change billing arrangements for any of its Systems; (j) enter into any Contract of any kind relating to the Cable Business to be assumed by the other Party hereunder that individually or in the aggregate call for payments over its terms or otherwise involving expenditures in excess of

$100,000, except for the renewal of Contracts that would, but for such renewal, terminate in accordance with their terms prior to Closing; (k) except pursuant to or required by plans, agreements or arrangements already in effect on the date hereof, make any material increase in compensation or benefits payable or to become payable to employees or make any material change in personnel policies; (l) take any action with respect to the grant or increase of severance or termination pay payable after the Closing Date; (m) engage in any material transaction with respect to its Cable Business; or (n) agree to do any of the foregoing;

7.2.4 will promptly deliver to the other (i) true and complete copies of all monthly statements of income and such other information with respect to its Systems or the operation of its Cable Business in a format consistent with the form of report attached hereto as Schedule 7.2.4 for the period from January 1, 1999, through the Closing, and if the Closing occurs as of the end of a month, as soon as practicable after Closing and (ii) such financial information reasonably requested by such other party in connection with the qualification, reporting and record-keeping requirements under Section 1031 of the Code (and the revenue regulations thereunder) with respect to the Exchange;

7.2.5 will give or cause to be given to the other, as soon as reasonably possible but in any event within five Business Days after the date of submission to the appropriate Governmental Authority, copies of all FCC Forms 1200, 1205, 1210, 1215, 1220, 1225, 1235 and 1240 or any other FCC forms required to be filed with any Governmental Authority under the 1992 Cable Act with respect to rates and prepared with respect to any of its Systems;

7.2.6 will duly and timely file a valid notice of renewal under Section 626 of the Cable Act with the appropriate Governmental Authority with respect to any System Franchise that will expire within 36 months after any date between the date of the Agreement and the Closing Date;

7.2.7 will promptly notify the other of any fact, circumstance, event or action by it or otherwise (a) which, if known at the date of this Agreement, would have been required to be disclosed by it in or pursuant to this Agreement or (b) the existence, occurrence or taking of which would result in the condition of IPSE in Section 8.2.1 (with respect to the representations and warranties of the Charter Parties) or the condition of the Charter Parties in Section 8.1.1 (with respect to the representations and warranties of IPSE) not being satisfied at any time prior to or on the Closing, and, with respect to clause (b), use its commercially reasonable efforts to remedy the same and to satisfy such condition to the other Party's obligation to consummate the transactions contemplated by this Agreement;

7.2.8 will use its commercially reasonable efforts to challenge and contest any Litigation brought against or otherwise involving such Party that could result in the imposition of Legal Requirements that could cause the conditions to the Closing not to be satisfied; and

7.2.9 will cause its appropriate Affiliates to be bound by and comply with the provisions of this Section 7.2 to the extent such Affiliates own, operate or manage any of the IPSE Assets, IPSE Systems, Charter Assets or Charter Systems, as the case may be.

7.3 Employees.

7.3.1 Except as set forth in this Section 7.3.1, each Party may, but shall have no obligation to employ or offer employment to, any employee of the other Party's Cable Business. Within 30 days after the date of execution of this Agreement, each Party shall provide to the other a list of all employees of its Systems (collectively for each Party, its "System Employees") as of a recent date, showing the original hire date, the then-current positions and rates of compensation and whether the employee is subject to an employment agreement, a collective bargaining agreement or represented by a labor organization. Within 60 days after the date of execution of this Agreement (but in no event less than 30 days after receipt of such list), or such other date as the Parties may agree, the Party receiving such list will provide to the other in writing a list of the other's System Employees such Party or its Affiliates will employ following the Closing, subject only to the evaluations permitted by this Section. Each Party agrees, and shall cause its appropriate Affiliates, to cooperate in all reasonable respects with the other Party to allow the other Party or its Affiliates to evaluate its System Employees to make hiring decisions. In this regard, each Party shall have the opportunity to make such appropriate prehire investigation of each of such other Party's System Employees, as it deems necessary, including, subject to obtaining the consent of such System Employee, the right to review personnel files and conduct background checks and the right to interview such employees during normal working hours so long as such interviews are conducted after notice to the other Party and do not unreasonably interfere with the other Party's operations. Each Party will use its good faith efforts to obtain the consent of each of its System Employees to allow the other Party to review personnel files and to conduct background checks in connection with the foregoing. Each Party or its Affiliates may, if it wishes, condition any offer of employment upon the employee's passing a pre-placement physical examination (including drug screening test) and the completion of a satisfactory background check. The Party requesting such examination shall bear the expense of such examination but the other Party shall, upon reasonable notice, cooperate in the scheduling of such examinations so long as the examinations do not unreasonably interfere with the other Party's operations. As of the Closing Date, each Party shall have no obligation to the other Party, its Affiliates or to the other Party's employees, with regard to any employee it has determined not to hire. Notwithstanding any of the foregoing, each Party agrees not to solicit for employment, without the written consent of the other, any employee listed on Schedule 7.3 or any other employee of the other Party whose position is System manager or higher.

7.3.2 Each Party, or its appropriate Affiliate, will pay to all of its System Employees all compensation, including salaries, commissions, bonuses, deferred

compensation, severance (to the extent applicable), insurance, vacation (except for accrued vacation time (not to exceed four weeks) and sick time (not to exceed 10 days) included in the calculation of such Party's Adjusted Value under the Common Agreement), and other compensation or benefits to which they are entitled for periods prior to the Closing, including all amounts, if any, payable on account of the termination of their employment.

7.3.3 Each Party, or its appropriate Affiliate, will be responsible for maintenance and distribution of benefits accrued under any employee benefit plan (as defined in ERISA) maintained by such Party, or its appropriate Affiliate, pursuant to the provisions of such plan and any Legal Requirements. Neither Party will assume any obligation or liability for any such accrued benefits or any fiduciary or administrative responsibility to account for or dispose of any such accrued benefits under any employee benefit plans maintained by the other Party or any Affiliate. In the event that a transferor Party determines that the transactions contemplated by this Agreement will not permit a distribution to be made to a Hired Employee (as defined below) from the transferor Party's tax qualified plan in accordance with Section 401(k)(10) of the Code then the other Party may accept a plan-to-plan transfer of Hired Employees' plan benefits to its own tax qualified plan. If there is no plan-to-plan transfer, in order to permit a transferor Party, or its appropriate Affiliate, to make distributions to any former System Employee of such Party who becomes a Hired Employee of the other Party of the balance of such employee's 401(k) account in the transferor Party's or its Affiliate's tax qualified plan, if any, as soon as legally permitted, each transferee Party shall notify the other Party of the date of termination of such employee's employment with the transferee Party for any reason.

7.3.4 All claims and obligations under, pursuant to or in connection with any welfare, medical, insurance, disability or other employee benefit plans of a Party or any Affiliate or arising under any Legal Requirement affecting employees of such Party or any Affiliate incurred on or before the Closing Date or resulting from or arising from events or occurrences occurring or commencing on or before the Closing Date will remain the responsibility of such Party, or the appropriate Affiliate, whether or not such employees are hired by the other Party as of or after the Closing. Neither Party will have or assume any obligation or liability under or in connection with any such plan of the other Party or any Affiliate of the other Party.

7.3.5 Each Party, or its appropriate Affiliate, will remain solely responsible for, and will indemnify and hold harmless the other from and against all Losses arising from or with respect to, all salaries and all severance, vacation (except for accrued vacation time and sick time included in the calculation of such Party's Adjusted Value under the Common Agreement), medical, holiday, continuation coverage and other compensation or benefits to which its employees may be entitled, whether or not such employees may be hired by the other Party or any Affiliate of the other Party, as a result of their employment by such Party or any Affiliate of such Party on or prior to the Closing Date, the termination of their employment on

or prior to the Closing Date, the consummation of the transactions contemplated hereby or pursuant to any applicable Legal Requirement or otherwise relating to their employment prior to the Closing Date. Any liability under WARN with regard to any employee terminated on or prior to the Closing Date, or not hired by the other Party on or after the Closing Date, shall, as a matter of contract between the Parties, be the responsibility of the Party or its Affiliates by which the employee was employed prior to the Closing Date. Each Party and its Affiliates shall cooperate with the other Party and its Affiliates, if requested, in the giving of WARN notices on behalf of the other.

7.3.6 Notwithstanding anything to the contrary herein, each Party shall:

(a) credit each System Employee of the other Party who is offered on or prior to the Closing employment by such Party and becomes an employee of such Party after the Closing Date (a "Hired Employee") the amount of vacation time (to a maximum of four weeks) and sick time (to a maximum of 10 days) accrued by him or her as a System Employee of the transferor Party through and including the Closing Date to the extent the transferor Party's System Value is decreased pursuant to Section 2.2(c)(ii) of the Common Agreement in the case of IPSE System Employees who become employees of any Charter Party or its Affiliates and Section 2.2(c)(ii) of the Common Agreement in the case of Charter System Employees who become employees of IPSE or its Affiliates, provided, however, that if any Hired Employee has accrued vacation time and/or sick time in excess of four weeks or 10 days, respectively, then the transferor Party shall, and shall cause its appropriate Affiliate to, pay to such employee the amount of such excess and the transferee Party shall not assume any liability or obligation in respect of such excess;

(b) permit each Hired Employee to participate in such Party's employee benefit plans to the same extent as similarly situated employees of such Party and their dependents are permitted to participate;

(c) give each Hired Employee credit for such employee's past service with the other Party and its Affiliates as of the Closing Date (including past service with any prior owner or operator of the other Party's Systems or Cable Business) for purposes of eligibility and vesting under such Party's employee benefit and other plans to the same extent as other similarly situated employees of such Party;

(d) not subject any Hired Employee to any waiting periods or limitations on benefits for pre-existing conditions under such Party's employee benefit plans, including any group health and disability plans, except to the extent such employees were subject to such limitations under the employee benefit plans of such other Party or any Affiliate of such other Party; and

(e) credit each Hired Employee under any group health plan for any deductible amount previously met by such Hired Employee as of the Closing Date under any of the group health plans of the transferor Party or any of its Affiliates.

7.3.7 If a transferee Party discharges any Hired Employee without cause within one hundred twenty days after Closing, then such transferee Party shall pay severance benefits to such Hired Employee in accordance with such transferor Party's severance benefit plan. For purposes of this Section 7.3.7, "cause" shall have the meaning set forth in the transferee Party's employment policies, procedures or agreements applicable to such transferee Party's employees who are situated similarly to the discharged Hired Employee.

7.3.8 If a transferor Party has, or acquires, a duty to bargain with any labor organization, then such transferor Party will (i) give prompt written notice of such development to the other Party, including notice of the date and place of any negotiating sessions as they are planned or contemplated and permit the other Party to have a representative present at all negotiating sessions with such labor organization and at all meetings preparatory thereto (including making the transferee Party's representative a representative of the transferor Party's delegation if required by the labor organization) and (ii) not, without the transferee Party's written consent, enter into any Contract with such labor organization that purports to bind the transferee Party, including any successor clause or other clause which would have this purpose or effect. Each Party (as a transferor Party) acknowledges and agrees that the other Party has not agreed to be bound, and will not be bound, without an explicit assumption of such liability or responsibility by the transferee Party, by any provision of any collective bargaining agreement or similar Contract with any labor organization to which the transferor Party or any of its Affiliates is or may become bound.

7.3.9 Nothing in this Section 7.3 or elsewhere in this Agreement shall be deemed to make any employee of either Party a third party beneficiary of this Agreement.

7.3.10 Notwithstanding any other provision of this Agreement, in respect of wages paid with respect to the 1999 calendar year to employees of Charter who after the Closing become employees of IPSE, or vice versa, IPSE and Charter agree to comply, and to cause their respective affiliates to comply, with the alternative procedures set forth in Section 5 of Revenue Procedure 96-60 and shall cooperate, and shall cause their respective affiliates to cooperate, with each other in complying with such procedures.

7.4 Leased Vehicles; Other Capital Leases. Except for leases described in Schedule 4.2(b) (with respect to IPSE Tangible Personal Property) or Schedule 4.4(b) (with respect to Charter Tangible Personal Property), each Party will pay the remaining balances on any leases for vehicles or capital leases included in its Tangible Personal Property and will

deliver title to such vehicles and other Tangible Personal Property, free and clear of all Liens, to the other Party at the Closing.

7.5 Required Consents; Franchise Renewal.

7.5.1 Each Party will use its 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 by such Party in connection with the transactions contemplated by this Agreement, and deliver to the other Party copies of such Required Consents and such other consents, authorizations or approvals promptly after they are obtained by such Party and (ii) give any required written notice in connection with the transactions; provided, that each Party will afford the other Party the opportunity to review, approve and revise the form of letter or application proposed to request the Required Consent or form of written notice prior to delivery to the Third Party or the Affiliate of a Party whose consent is sought or to whom such notification is required. All documents delivered or filed with any Governmental Authority or any Person by or on behalf of such Party pursuant to this Section 7.5.1, when so delivered or filed, will be correct, current and complete in all material respects. Each Party will cooperate with the other Party to obtain all Required Consents and no Party shall intentionally take any action or steps that would prejudice or jeopardize the obtaining of any Required Consent. No Party will accept or agree or accede to any modifications or amendments to, or the imposition of any condition to the transfer of, any of the System Franchises, System Licenses or System Contracts of its Cable Business that are not acceptable to the other Party. Notwithstanding the foregoing, as soon as practicable after the date of this Agreement (and in no event more than 15 Business Days hereafter), each Party will cooperate with each other to complete, execute and deliver, or cause to be completed, executed and delivered, to the appropriate Governmental Authority, a FCC Form 394 with respect to each System Franchise other than any such 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 appropriate Governmental Authority that did not initially receive a FCC Form 394 for any System Franchise, then the Parties will cooperate to complete, execute and deliver a FCC Form 394 to such Governmental Authority as soon as practicable but in any event within 15 Business Days after a Party has made such request. 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.

7.5.2 Each Party will use commercially reasonable efforts to obtain and cooperate with the other Party to obtain a renewal or extension of any System Franchise (for a period expiring no earlier than three years after the Closing Date) for which a valid notice of renewal pursuant to the formal renewal procedures established by Section 626 of the Cable Act has not been timely delivered to the appropriate Governmental Authority and no written

confirmation has been received from such Governmental Authority that the procedures established by Section 626 nonetheless will be applicable with respect to the renewal or extension of such System Franchise.

7.5.3 Notwithstanding the provisions of Section 7.5.1, no Party will have any further obligation to obtain Required Consents: (a) with respect to license agreements relating to pole attachments where the licensing authority will not consent to an assignment of such license agreement but requires that the other Party enter into a new agreement with such licensing authority, in which case the other Party shall use its commercially reasonable efforts to enter into such agreement prior to Closing or as soon as practicable thereafter and such Party will cooperate with and assist the other Party in obtaining such agreements; (b) for any business radio license or any private operational fixed service (POFS) microwave license which such Party reasonably expects can be obtained within 120 days after the Closing and so long as a conditional temporary authorization (for a business radio license) or a special temporary authorization (for a POFS license) is obtained by the other Party under FCC rules with respect thereto; (c) with respect to Contracts evidencing Leased Property, if, with the consent of the other Party, such Party obtains and makes operational prior to Closing substitute Leased Property that is reasonably satisfactory to the other Party; (d) with respect to Contracts evidencing leased Tangible Personal Property that is material to its Cable Business, if, with the consent of the other Party, such Party obtains and makes operational prior to Closing substitute Tangible Personal Property that is reasonably satisfactory to the other Party; and (e) with respect to Contracts which are not identified with an asterisk (*) on Schedule 5.3 or 6.3, if IPSE, with respect to Contracts relating to IPSE Systems, or Charter, with respect to Contracts relating to Charter Systems, uses its commercially reasonable efforts to obtain the Required Consent of the other party to such Contract but fails to obtain such consent on or prior to Closing.

7.5.4 If and to the extent that IPSE and the Charter Parties, or any of them, fails to obtain all Required Consents identified with an asterisk (*) on Schedule 5.3 (except Required Consents for the transfer of Systems Franchises which shall be governed by Section 7.5.5) on or prior to the Closing (whether or not Charter or IPSE shall have waived satisfaction of the condition to Closing set forth in Section 8.1.5 or Section 8.2.5, respectively), subsequent to the Closing, each of IPSE with respect to its Systems and Assets and the Charter Parties with respect to their Systems and Assets will continue to use commercially reasonable efforts to obtain in writing as promptly as possible such Required Consents and will deliver copies of the same, reasonably satisfactory in form and substance, to the other. The obligations set forth in this Section will survive the Closing and will not be merged in the consummation of the transactions contemplated hereby.

7.5.5 If less than all of the Required Consents for the transfer of Systems Franchises are obtained as of the Closing Date, then subject to the conditions set forth in Sections 4.1(c) and 4.2(d) of the Common Agreement the following will occur:

(a) With respect to each IPSE Systems Franchise for which an IPSE Required Consent has not been obtained as of the Closing Date (including any IPSE Assets that are located in the franchise area for such franchise or relate exclusively to such franchise, an "IPSE Retained Franchise"), the parties will negotiate in good faith to reach agreement on a Charter Systems Franchise (including any Charter Assets that are located in the franchise area for such franchise or relate exclusively to such franchise, a "Charter Matching Franchise") that is to the greatest extent possible, like kind to such IPSE Retained Franchise for purposes of Section 1031 of the Code and the applicable exchange. A Charter Matching Franchise may also be a Charter Retained Franchise. For purposes of this Section 7.5.5, a "Retained Franchise" means either an IPSE Retained Franchise or a Charter Retained Franchise or both, as the context requires, and a "Matching Franchise" means either an IPSE Matching Franchise or a Charter Matching Franchise or both, as the context requires.

(b) With respect to each Charter Systems Franchise for which a Charter Required Consent has not been obtained as of the Closing Date (including any Charter Assets that are located in the franchise area for such franchise or relate exclusively to such franchise, a "Charter Retained Franchise"), the parties will negotiate in good faith to reach agreement on an IPSE Systems Franchise (including any IPSE Assets that are located in the franchise area for such franchise or relate exclusively to such franchise, a "IPSE Matching Franchise") that is to the greatest extent possible, like kind to such Charter Retained Franchise for purposes of Section 1031 of the Code and the applicable exchange. An IPSE Matching Franchise may also be an IPSE Retained Franchise.

(c) The parties shall negotiate in good faith to reach agreement on one or more operating agreements pursuant to which the intended transferee of each Retained Franchise and Matching Franchise will operate such Retained Franchise and Matching Franchise to the extent not prohibited under the terms thereof, and for compensation as may be agreed upon, which operating agreements shall also contain any required signal sharing arrangements that the parties, each acting in good faith, may determine to be necessary (the "Operating Agreements").

(d) At the Closing, the Charter Parties and IPSE shall transfer, convey and assign (the "Primary Transfer") all of the IPSE System Assets other than any IPSE Retained Franchises and IPSE Matching Franchises and all of the Charter System Assets other than any Charter Retained Franchises and Charter Matching Franchises.

(e) Following the Closing of the Primary Transfer, the parties will continue to use commercially reasonable efforts to obtain on an expedited basis the Required Consents for all IPSE Retained Franchises and Charter Retained Franchises. The Operating Agreements will contain mutually acceptable terms regarding the post-Closing exchange or transfer (a "Subsequent Transfer") of the Retained Franchises and Matching Franchises after

the receipt or failure to receive the Required Consents applicable to such Retained Franchises and Matching Franchises.

(f) All references in this Agreement to the Closing and the Closing Date will mean the Closing and Closing Date of the Primary Transfer except as specifically provided otherwise in this Section 7.5.5(f). Without limiting the foregoing, all representations and warranties (except as to those Required Consents that have not been obtained) made in connection with the Retained Franchises and the Matching Franchises will be made as of the Closing Date rather than the date of the Subsequent Transfer, the other covenants in Article 7 will not apply to the Retained Franchises or the Matching Franchises following the Closing Date, and the Survival Period applicable under Article 11 for all such representations, warranties and covenants will accrue from the Closing Date; provided, that the parties will negotiate in good faith to include appropriate covenants in the Operating Agreements that will apply to the Retained Franchises and the Matching Franchises following Closing. The closing conditions in Article 8 will not apply to any Retained Franchise or Matching Franchise transfer; provided, that the parties will negotiate in good faith to include appropriate conditions to the later transfer of the Retained Franchises and the Matching Franchises in the Operating Agreements. Notwithstanding the foregoing, the adjustments provided for in Article 3 will be made as of the Closing Date for both the Retained Franchises and the Matching Franchises.

(g) If the provisions of this Section 7.5.5 become operative, the parties agree to use commercially reasonable efforts and act in good faith in taking such actions and negotiating such additional provisions or other agreements, including amendments to this Agreement, as may be necessary or appropriate to carry out the intent of this Section 7.5.5, including keeping franchise transfers effective.

7.6 Title Commitments and Surveys. Each Party will have the option to obtain, at its own expense, (i) commitments of title insurance ("Title Commitments") issued by a nationally recognized title insurance company selected by the requesting party (the "Title Company") and containing policy limits and other terms reasonably acceptable to the requesting party, and photocopies of all recorded items described as exceptions therein committing to insure (A) fee title in the requesting party to each parcel of IPSE Owned Property or Charter Owned Property, as the case may be, and (B) a leasehold interest in the requesting party in each parcel of IPSE Leased Property or Charter Leased Property, as the case may be, that is the site of a System headend or tower, by American Land Title Association ("ALTA") (1992) owner's or lessee's policies of title insurance, and (ii) current ALTA as-built surveys (in accordance with the Minimum Standard Detail Requirements for Land Title Surveys jointly established and adopted by ALTA and the American Congress on Surveying and Mapping in 1992) of each such parcel of IPSE or Charter Owned Property or IPSE or Charter Leased Property with monuments placed at all major corners of the property boundary unless already marked and showing the location and identification by recorded

instrument number of all easements or rights-of-way burdening or benefiting the property in question and all other documents and matters referenced as exceptions on the Title Commitment, the location of all apparent easements and rights-of-way, flood zone designation, setback lines, if applicable, the location of all substantial visible improvements on such property and the location of all adjoining streets and indication of access to a public way such as curb cuts and driveways, in such form as is reasonably satisfactory to the requesting party and as is necessary to obtain the title insurance to be issued pursuant to the Title Commitments with the standard printed exceptions relating to survey matters deleted (the "Surveys"), certified to the parties and the Title Company issuing a Title Commitment. If the requesting party notifies the other party within 20 days of this Agreement or, if later, of its receipt of both the Title Commitments and the Surveys of any Lien (other than a Permitted Lien) or other matter affecting title to IPSE or Charter Owned Property or IPSE or Charter Leased Property of the other which renders (or presents a material risk of rendering) title to any parcel of IPSE or Charter Owned Property not good and marketable or prevents or materially interferes with (or presents a material risk of preventing or interfering with) the use of any parcel of IPSE or Charter Owned Property or IPSE or Charter Leased Property for the purposes for which it is currently used or intended to be used by such Party (each a "Title Defect"), such party will exercise commercially reasonable efforts to remove or, with the consent of the requesting party, cause the Title Company to commit to insure over, each such Title Defect prior to the Closing.

7.7 HSR Notification. As soon as practicable after the execution of this Agreement, but in any event no later than 30 days after such execution, the Charter Parties and IPSE will each complete and file, or cause to be completed and filed at its own cost and expense, any notification and report required to be filed under the HSR Act with respect to the transactions contemplated by this Agreement and each such filing shall request early termination of the waiting period imposed by the HSR Act. The Parties shall use their respective 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 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 their respective 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. Each Party will 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.

7.8 Sales and Transfer Taxes. All sales, use or excise Taxes arising from or payable by reason of the transfer of any of the IPSE Assets or any of the Charter Assets ("Transfer Taxes") will be shared equally by IPSE and Charter. All transfer and similar taxes or assessments, including transfer fees and similar assessments for or under System Franchises, System Licenses and System Contracts, arising from or payable by reason of the conveyance of the IPSE Assets or the Charter Assets also will be shared equally by IPSE and Charter. 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 Charter shall be responsible for preparing and filing any such Transfer Tax Return.

7.9 Programming. Each Party will execute and deliver such documents and take such action as may be reasonably requested by another Party to enable such other Party to comply with the requirements of its programming agreements with respect to divestitures and acquisitions of cable television systems; provided, however, that neither Party will be required to provide specific programming or channels or to assume any liability with respect to or in connection with the programming agreements of the other Party or any Affiliate of the other Party, except to the extent included on Schedule 4.4(b) (with respect to Charter) or Schedule 4.2(b) (with respect to IPSE).

7.10 Updated Schedules.

(a) Schedule and exhibit references contained in this Agreement are for convenience only and any matter disclosed pursuant to one section, subsection or other provision of this Agreement, are deemed disclosed for all purposes of this Agreement, as long as the disclosure with respect to such matter provides a truthful, accurate and adequate description of all relevant aspects of such matter.

(b) Not less than ten Business Days prior to Closing, each of IPSE and Charter will deliver to the other revised copies of each of its Schedules, except for Schedules 5.15 and 6.15 as they relate to matters addressed in Sections 5.15.1 and 5.15.2, and Sections 6.15.1 and 6.15.2, respectively (regardless of whether the original Schedule is as of a certain date) which shall have been updated and marked to show any changes occurring between the date of this Agreement and the date of delivery; provided, however, that such updates are for informational purposes only, and for purposes of determining whether such Party's representations, warranties and covenants in this Agreement are true and correct at Closing, all references to the Schedules will mean the version of the Schedules attached to this Agreement on the date of signing. Notwithstanding the foregoing, if the effect of any such updates to

Schedules is to disclose any one or more additional properties, privileges, rights, interests or claims, in each case acquired after the date of this Agreement ("New Properties") as Assets that would have been (if owned on the date of this Agreement) required by this Agreement to have been disclosed by such Party in its original Schedules or that were acquired by such Party after the date of this Agreement in breach of this Agreement, then the other Party, at or before Closing, will have the right (to be exercised by written notice to such Party) to cause any one or more of such New Properties to be designated as and deemed to constitute Excluded Assets of such Party for all purposes under this Agreement. If such right is not exercised by any Party entitled to exercise such right and if such Party waives the applicable condition to Closing provided in Section 8.1.1, 8.1.2, 8.2.1 or 8.2.2, such Party shall be deemed to have accepted such new disclosure with respect to such New Properties and it shall be deemed incorporated by reference into the Schedules. Notwithstanding anything to the contrary contained in this Agreement, and except as set forth in the preceding sentence with respect to New Properties, the waiver of any condition to Closing by a Party who has knowledge of a breach by the other Party will not be deemed a waiver of any rights and remedies with respect to such breach under this Agreement or the Common Agreement.

7.11 Use of Name and Logo. For a period of 180 days after the Closing, each of the Charter Parties and IPSE will be entitled to use the trademarks, trade names, service marks, service names, logos and similar proprietary rights of the transferor to the extent incorporated in or on the Assets transferred to it at the Closing on a royalty-free basis, provided that each of the Charter Parties and IPSE will exercise commercially reasonable efforts to remove all such names, marks, logos and similar proprietary rights of the transferor (except to the extent otherwise permitted by Charter or IPSE) from the Assets as soon as reasonably practicable, and in any event within 180 days, following the Closing. Notwithstanding the foregoing, nothing in this Section will require any Party to remove or discontinue using any such name or mark that is affixed to converters or other items in or to be used in customer homes or properties, or as are used in a similar fashion making such removal or discontinuation impracticable.

7.12 Transitional Billing Services. Charter and IPSE will each provide to the other, upon written request delivered a reasonable amount of time in advance and to the extent reasonably practicable, access to and the right to use its billing system computers, software and related fixed assets in connection with the Systems acquired by the other for a period of up to 150 days following the Closing to allow for conversion of existing billing arrangements, including billing and related arrangements regarding internet access services being provided to customers of a System on the Closing Date ("Transitional Billing Services"). Each Party will notify the other at least thirty days prior to the Closing as to whether it desires Transitional Billing Services from the other. All Transitional Billing Services, if any, that are requested by a Party will be provided on terms and conditions reasonably satisfactory to each Party; provided, however, that the amount to be paid by the Party receiving Transitional Billing Services will not exceed the out-of-pocket cost to the other Party of providing such Transitional Billing Services. Each Party will notify the other of the cost to such Party of providing such

Transitional Billing Services within ten Business Days after receiving the other Party's notice requesting the provision of such Transitional Billing Services.

7.13 Confidentiality and Publicity.

7.13.1 Prior to the Closing, each Party will keep confidential any non-public information that such Party may obtain from the other in connection with this Agreement, and following the Closing, each Party will keep confidential any non-public information that such Party may obtain from the other in connection with this Agreement unrelated to the Cable Business and Systems transferred by the other Party pursuant to this Agreement as well as any non-public information in the possession of such Party related to the Cable Business and Systems transferred by such Party to the other Party pursuant to this Agreement (any such information that a Party is required to keep confidential pursuant to this sentence shall be referred to as "Confidential Information"). Each Party will not disclose, and will cause its employees, consultants, advisors and agents not to disclose, any Confidential Information to any other Person (other than its directors, officers and employees and representatives of its advisers and lenders whose knowledge thereof is necessary in order to facilitate the consummation of the transactions contemplated hereby) or use, and will cause its controlled Affiliates, directors, officers, employees, consultants, advisors and agents not to use, such Confidential Information to the detriment of the other; provided that (i) such Party may use and disclose any such Confidential Information once it has been publicly disclosed (other than by such Party in breach of its obligations under this Section) or which rightfully has come into the possession of such Party (other than from the other Party and other than from another Person in violation of any duty or obligation of confidentiality) and (ii) to the extent that such Party may, in the reasonable opinion of its counsel, be compelled by Legal Requirements to disclose any of such Confidential Information, such Party may disclose such Confidential Information if it will have used all reasonable efforts, and will have afforded the other the opportunity, to obtain an appropriate protective order or other satisfactory assurance of confidential treatment, for the Confidential Information compelled to be disclosed. In the event of termination of this Agreement, each Party will cause to be delivered to the other, and retain no copies of, any documents, work papers and other materials obtained by such Party or on its behalf from the other, whether so obtained before or after the execution hereof.

7.13.2 No Party will issue any press releases or make any other public announcement concerning this Agreement and the transactions contemplated hereby, except as required by applicable Legal Requirements, without the prior written consent and approval of the other Party, which consent and approval may not be unreasonably withheld.

7.13.3 Each Party expressly agrees that, in addition to any other right or remedy the other may have, such other Party may seek and obtain specific performance of the covenants and agreements set forth in or made pursuant to this Section 7.13 and temporary

and permanent injunctive relief to prevent any breach or violation thereof, and that no bond or other security may be required from such other parties in connection therewith.

7.14 Bulk Transfer. Each Party waives compliance by each other Party with Legal Requirements relating to bulk transfers applicable to the transactions contemplated hereby.

7.15 Lien Searches. Each Party will obtain, at its expense, the results of a lien search conducted by a professional search company of records in the offices of the secretaries of state in each state and county clerks in each county where there exist any of its Owned Property or Tangible Personal Property, and in the state and county where such Party's principal offices are located, including copies of all financing statements or similar notices or filings (and any continuation statements) discovered by such search company.

7.16 Further Assurances. At or after the Closing, each Party at the request of the other Party, will promptly execute and deliver, or cause to be executed and delivered, to the other Party all such documents and instruments, in addition to those otherwise required by this Agreement, in form and substance reasonably satisfactory to the other Party as the other Party may reasonably request in order to carry out or evidence the terms of this Agreement or to collect any accounts receivable or other claims included in the Assets transferred to the other Party. Without limiting the generality of the foregoing, the Charter Parties and IPSE will take, or cause to be taken, all actions consistent with the terms of this Agreement, including execution and delivery of any documents or instruments, as the other may reasonably request to effect the qualification of the transactions contemplated hereby as a like-kind exchange under Section 1031 of the Code.

7.17 Post-Closing Cooperation as to Rates.

7.17.1 Each of IPSE and the Charter Parties will use commercially reasonable efforts to cooperate with and assist the other by providing, upon reasonable request, all information in that Party's possession (and not previously made available to the requesting Party) relating directly to the rates set forth on Schedule 5.15.2 or 6.15.2, as applicable, or on any of FCC Forms 1200, 1205, 1210, 1220, 1225, 1235 or 1240 or any other FCC Form, that the requesting Party may reasonably require to justify such rates in response to any inquiry, order or requirements of any Governmental Authority.

7.17.2 Prior to Closing, neither Party shall settle or permit to be settled any rate proceeding with respect to its Systems without the consent of the other Party, which consent will not be unreasonably withheld or delayed, unless the proposed settlement includes injunctive or other relief that adversely affects its Assets or its ability of such other Party to operate such Systems substantially in the manner in which they are operated on the date of this Agreement (other than changing the rates in question), in which case consent may be withheld or delayed in such other Party's sole discretion.

7.17.3 After the Closing, each Party, as a transferor (the "Transferor Party") will be responsible for and follow to conclusion any rate order of any Governmental Authority or proceeding with respect to rates of any of its Systems charged by it immediately prior to the Closing; provided, however, that the Transferor Party shall not: (i) agree to any forward-looking rate adjustment; (ii) submit any refund plan to a Governmental Authority that would impact any rates charged or impose financial liability on the Transferee Party after the Closing; or (iii) appeal or take any other action with regard to such proceeding that would impact any rates charged or impose financial liability on the Transferee Party after the Closing, in any case without obtaining the prior written consent of the System's current owner (the "Transferee Party"), which consent shall not be unreasonably withheld. Each Party will cooperate with and assist the other by providing, upon reasonable request, all information in its possession (and not previously made available to the requesting Party) that the requesting Party may reasonably require to justify rates in response to any inquiry, order or requirements of any Governmental Authority.

7.17.4 If, following Closing any System is required pursuant to any Legal Requirement, settlement or otherwise to refund to subscribers any payments, in whole or in part, made by such subscribers prior to Closing, including fees for cable television service, equipment charges, late fees and similar payments, then at the election of the Transferee Party and upon the Transferor Party's prior written consent, which consent shall not be unreasonably withheld: (i) the Transferor Party must fulfill such refund obligation through a one-time cash payment to subscribers, in which case the Transferor Party shall provide funds for such payment to the Transferee Party, the Transferee Party shall cooperate with the Transferor Party or implement and administer such refund payment through the Transferee Party's billing system, and the Transferor Party shall reimburse the Transferee Party for all reasonable expenses incurred by the Transferee Party in connection therewith; (ii) the Transferee Party may fulfill such refund obligation through a cash payment, credit or in-kind or other form of consideration, at its discretion and subject to any required approval by a Governmental Authority, and the Transferor Party shall reimburse the Transferee Party in the amount of any payment or in the amount of the cost to the Transferee Party of any credit or in-kind or other form of consideration and all reasonable expenses incurred by the Transferee Party in connection therewith. Without limiting the foregoing, the Transferee Party will provide the Transferor Party with all information in the Transferee Party's possession that is reasonably required by the Transferor Party in connection with such reimbursement.

7.17.5 If a Transferee Party is permitted following Closing to pass through to subscribers of Systems acquired by it at Closing, the amount of any "franchise fees on franchise fees" paid by a Transferor Party to the appropriate local franchising authority with respect to the period prior to Closing, the Transferee Party agrees that it will collect for the benefit of the Transferor Party such amounts specified no later than the Six-Month Date as paid by the Transferor Party and, except as specified below, will promptly remit such amounts

to the Transferor Party; provided, however, that if a local franchising authority challenges such collection or orders the Transferee Party to refund such fees to subscribers, then the Transferee Party shall not remit the fees to the Transferor Party but shall hold such fees in escrow and the parties will cooperate reasonably and in good faith to challenge such local franchising authority action. Upon the final resolution of such local franchising authority action, the escrowed fees shall be released from escrow and, to the extent not refunded to subscribers, paid over to the Transferor Party. The Transferor Party agrees to provide the Transferee Party with such documentation as necessary to demonstrate its payment of the "franchise fees on franchise fees" and to enable the Transferee Party to collect the pass through amounts from subscribers.

7.18 Distant Broadcast Signals. Unless otherwise restricted or prohibited by any Governmental Authority, applicable Legal Requirements or Contract, each Party will, if requested by the other Party, delete prior to the Closing any distant broadcast signals which such other Party determines will result in unacceptable liability on the part of the transferee for copyright payments with respect to continued carriage of such signals after the Closing; provided, however, that any Party may refuse to honor such a request if such deletion could reasonably be expected to delay or otherwise jeopardize the Parties' ability to complete the transactions contemplated herein.

7.19 Environmental Assessment.

7.19.1 Each Party acknowledges and agrees, subject to any enforceable restrictions placed thereon by a Third Party owner or lessor of any real property involved, that the other Party may commission, at such other Party's cost and expense, a so-called "Phase I" environmental site assessment of such Party's Assets (a "Phase I Assessment"). If the Phase I Assessment or any other information known to such Party (including information disclosed in connection with the negotiation of this Agreement or described in the Schedules hereto) indicates that a so-called "Phase II" assessment or other additional testing or analysis of such Party's Assets as the investigating Party may deem appropriate (a "Phase II Assessment") is advisable, then, subject to any enforceable restrictions placed thereon by a Third Party owner or lessor of any real property involved, the other Party may elect to cause its agents or representatives to conduct such testing and analysis. Each Party will use its commercially reasonable efforts to comply with any reasonable request for information made by the other Party or its agents in connection with any such investigation, but in no event will either Party be required under this Section 7.19.1 to disclose any materials constituting attorney-client privileged communications. Each Party covenants that any response to any such request for information will be complete and correct in all material respects. Each Party will afford the other Party and its agents or representatives access to all operations of such Party at all reasonable times and in a reasonable manner in connection with any such investigation subject to any reasonably required approval of such Party's landlords, which approval such Party will use its commercially reasonable efforts to obtain. Should the other Party commission such an investigation, such investigation will have no effect upon the representations and warranties made by one Party to the other Party under this Agreement except that if any Phase I Assessment or Phase II Assessment uncovers an environmental condition which then comprises a breach of a Party's representations or warranties herein and such breach is capable of being cured, such Party shall be deemed not to have breached such representation or warranty if such Party cures such breach in accordance with the provisions of this Agreement. In the event this Agreement is terminated or fails to close in accordance with its terms, each Party agrees to repair any damage or disturbance it causes to the other Party's Owned Property or Leased Property in the course of such investigative activities by returning such Owned Property or Leased Property to approximately the same condition as existed prior to such investigative activities. Each Party shall indemnify, protect, defend, and hold the other Party and the other Party's Assets free and harmless from and against any and all claims, actions, causes of action, suits, proceedings, costs, expenses (including reasonable attorneys' and consultants' fees and costs), liabilities, damages, and liens of any type arising directly out of any act or omission of that Party or any of that Party's representatives on or about the other Party's Owned Property or Leased Property in the course of such investigative activities. However, neither of the two preceding sentences shall be interpreted to impose any obligation upon either Party with respect to Hazardous Substances present at, on, in, under or about, or any conditions existing on, the other Party's Owner Property or Leased Property at the time of such investigative activities, except to the extent of a Party's negligence or willful misconduct causes a release of such Hazardous Substances or otherwise exacerbates any such condition in a manner that leads to liability under any Environmental Law.

7.19.2 All information collected and generated as a result of the environmental due diligence authorized by Section 7.19.1 will be subject to the terms and conditions of Section 7.13 of this Agreement. Each Party shall provide to the other Party copies of all draft and final reports, assessments and other information composed or compiled by such Party's environmental consultants within five Business Days after such Party's receipt of copies thereof

7.20 Year 2000 Matters.

7.20.1 Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

(a) "Computer and Other Systems" means any level of hardware or software, equipment and cable plant, or environmental and security systems and other facilities used in connection with IPSE's Cable Business or Charter's Cable Business, as the case may be, which are date dependent or which process date data, including any firmware, embedded systems, application programs, user interfaces, files and databases, and which might be adversely affected by any date-related issue or calculation prior to, during or after January 1, 2000, including any problem related to a leap year.

(b) "Year 2000 High-Level Inventory, Assessment and Remediation Decisions" means the subject entity's documentation of its Year 2000 inventory, assessment and remediation decisions performed in accordance with its Year 2000 Plan, consisting of (i) database reports identifying each category of items inventoried at the subject entity's cable Systems and specifying as appropriate the manufacturer or vendor and release, version or model number of each item listed, (ii) risk or critically assessments, (iii) determination and execution of evaluation approaches with respect to Year 2000 Readiness, (iv) determination of Year 2000 Readiness based on evaluation approaches employed, and (v) decisions regarding disposition alternatives (i.e., do nothing, repair, replace or retire). All such reports have been reviewed at appropriate levels within the subject entity's organization in accordance with the entity's Year 2000 Plan. IPSE's and Charter's Year 2000 High-Level Inventory, Assessment and Remediation Decisions are attached hereto as Schedules 7.20.1(b)-A and 7.20.1(b)-B, respectively.

(c) "Year 2000 Plan" means the plans adopted in accordance with a Party's Year 2000 Remediation Program to make Year 2000 Ready by a date no later than August 31, 1999, all of such Party's Computer and Other Systems having a significant impact on the Party's business. Such Year 2000 Plan will include scope of methodologies and timelines (including objective milestones) for inventory, assessment, remediation and/or replacement, and testing or evaluation of Third Party Testing, as applicable, of its Computer

and Other Systems having a significant impact on the Party's business. IPSE's and Charter's Year 2000 Plans are attached hereto as Schedules 7.20.1(c)-A and 7.20.1(c)-B, respectively.

(d) "Year 2000 Ready" or "Year 2000 Readiness" means that the referenced component, system, software, equipment or other item is designed or has been modified to be used prior to, during and after the calendar year 2000 A.D., and that such item will operate at all levels, including microcode, firmware, application programs, user interfaces, files and databases, during each such time period without error or interruption relating to, or the product of, date-related issues or calculations, including date data which represents or references different centuries or more than one century or leap year.

(e) "Year 2000 Remediation Program" means an enterprise wide program to make Year 2000 Ready all Computer and Other Systems having a significant impact on the Party's business. Such Year 2000 Remediation Program must be conducted by Persons with experience in issues related to Year 2000 Readiness and such Persons must have organized an enterprise wide program management office which reports to, or an enterprise wide program management structure with oversight by, executive level management and the board of directors (or committee thereof or other governing body of such entity).

7.20.2 Acknowledgments. The Parties acknowledge the following:

(a) Each of Charter and certain of its Affiliates, and IPSE and certain of its Affiliates, have established a Year 2000 Remediation Program.

(b) Each of Charter and IPSE has reviewed and approved the other's Year 2000 Plan and Year 2000 High-Level Inventory, Assessment and Remediation Decisions.

(c) Each Party acknowledges and agrees with the other Party's preliminary decision to rely on testing of cable plant and related equipment to be performed by certain cable industry technical and trade associations, certain critical vendors or other cable operators ("Third Party Testing"). Each Party will continue to review the progress of such Third Party Testing plans and results as they become available. Each Party has developed test methodologies as part of its Year 2000 Plan to address implementation of additional testing should IPSE and Charter mutually consider such additional testing to be necessary or prudent.

(d) Neither party makes any representation, warranty or guarantee that its Computer and Other Systems will be Year 2000 Ready at the Closing Date or thereafter.

7.20.3 Covenants. Notwithstanding any other provision set forth in this Agreement, the Parties agree as follows:

(a) Through the Closing Date, each Party will exercise prudent and reasonable care and diligence to take such actions with respect to its Cable Business when and as required by its approved Year 2000 Plan.

(b) Through the Closing Date, each of IPSE and Charter will cooperate with the other with respect to the nature and results of its activities relating to its Year 2000 Plan. Such cooperation shall include providing the appropriate Party with any non-confidential information possessed by a Party or one of its Affiliates and reasonably requested by the other Party regarding the Year 2000 Readiness of any material component of the Computer and Other Systems having a significant impact on such Party's business.

(c) Each Party shall deliver to the other Party on or before July 31, 1999, and again on August 31, 1999 (if Closing has not occurred prior to such date), a statement, certified by an authorized officer of such Party who is responsible for implementation of its Year 2000 Plan, setting forth in reasonable detail that as of such date all of the milestones contained in its Year 2000 Plan to be completed as of such date have been fully completed (or if not, indicating which such milestones have not been completed and describing the efforts required to complete the same).

(d) From the date hereof through the Closing Date, each Party shall have the opportunity to conduct due diligence regarding the Year 2000 Readiness of the other Party's Computer and Other Systems having a significant impact on the other Party's business in accordance with this Section 7.20.3(d). Each Party may conduct a review of the Year 2000 Ready assessment activities with respect to the Computer and Other Systems having a significant impact on the other Party's business, including inspecting individual headend and office sites and reviewing existing reports, correspondence and related material regarding the Year 2000 Readiness of the Computer and Other Systems having a significant impact on the other Party's business. Each Party shall conduct no more than three visits to any site of the other Party, and no single site visit shall exceed three Business Days. Each Party shall give the other Party at least five Business Days written notice prior to any visit to any System facilities of the other Party and, if a Party intends during such visit to perform testing at a headend, office or other site of the other Party, such Party also must provide a description of the scope of work regarding such testing. If the other Party does not notify such Party in writing of the other Party's objection to such proposed site visit and/or testing within three Business Days after receipt of such notice, the other Party shall be deemed to have consented to the proposed site visit and any described testing. A Party shall not unreasonably object to the other Party's request to perform testing. A representative of the other Party shall be present at all times during any such visit and testing. All activities of a Party regarding its Year 2000 due diligence shall be conducted to minimize any inconvenience or interruption of the normal use and enjoyment of the other Party's Cable Business and Computer and Other Systems.

7.21 Satisfaction of Conditions. Each Party will use its commercially reasonable efforts to satisfy, or to cause to be satisfied, the conditions to the obligations of the other Party to consummate the transactions contemplated by this Agreement, as set forth in Article 8.

7.22 Offers. Each Party (and its directors, officers, employees, representatives and agents) shall not directly or indirectly, (i) offer its Assets or Cable Business for sale, (ii) solicit, encourage or entertain offers for such Assets or Cable Business, (iii) initiate negotiations or discussions for the sale of such Assets or Cable Business or (iv) make information about such Assets or Cable Business available to any Third Party in connection with the possible sale of such Assets or Cable Business prior to the Closing Date or the date this Agreement is terminated in accordance with its terms.

7.23 Retention of Books and Records. At or prior to the Closing, each Party shall make arrangements reasonably satisfactory to the other Party to deliver all such Party's Books and Records not located at any of the offices included in its Owned Property or Leased Property. Following the Closing, each Party shall give access to the other Party, its counsel, accountants and other authorized representatives during normal business hours to such Party's materials, books, records and documents which relate to the operations of such Party's Cable Business prior to the Closing Date or which relate to the operations of the other Party's Cable Business after the Closing Date, in each case as may be reasonably necessary in connection with any legitimate purpose (including the preparation of tax reports and returns and the preparation of financial statements). Such access will be subject to reasonable advance written notice, will be conducted in a manner that is not disruptive of such Party's business, and will be subject to any other reasonable limitations imposed by such Party. The requesting Party shall have the right to make copies of such materials at its own expense. If either Party proposes to destroy or otherwise dispose of any of its materials, books, records or documents that related to the operations of its Cable Business prior to the Closing Date, it will give no less than 30 days advance written notice to the other Party so as to permit such other Party to exercise its rights under this Section 7.23.

7.24 Cooperation. IPSE and Charter shall reasonably cooperate in connection with the preparation and filing of any Tax Return for which the other is responsible for preparing and filing with respect to the Systems.

8. CONDITIONS PRECEDENT.

8.1 Conditions to Charter's Obligations. The obligations of Charter to consummate the transactions contemplated by this Agreement will be subject to the satisfaction, at or before the Closing, of the following conditions, one or more of which may be waived by Charter:

8.1.1 Accuracy of Representations and Warranties. The representations and warranties of IPSE in this Agreement and in the Transaction Documents, without giving effect

to any materiality qualifications contained therein, are true, complete and accurate on and as of the date hereof and at and as of the Closing with the same effect as if made at and as of the Closing, except to the extent that all misstatements, omissions and inaccuracies, in the aggregate, do not have a material adverse effect on the IPSE Assets, IPSE's Cable Business, the operations, condition (financial or otherwise) or results of operations of the IPSE Systems taken as a whole, or on the ability of IPSE to perform its obligations under this Agreement.

8.1.2 Performance of Agreements. IPSE shall have performed in all material respects all obligations and agreements and complied in all material respects with all covenants in this Agreement and in any Transaction Document to be performed and complied with by it at or before the Closing.

8.1.3 Deliveries. IPSE shall have delivered the items and documents required to be delivered by it pursuant to this Agreement, including those required to be delivered to Charter under Section 9.2.

8.1.4 Legal Proceedings. No Legal Requirement of any Governmental Authority (including any temporary Legal Requirement) shall be in effect which would prevent or make illegal the consummation of any of the transactions contemplated by this Agreement or any Transaction Document.

8.1.5 Consents.

(a) Except as otherwise provided in Section 7.5.5, Required Consents relating to all IPSE System Franchises shall have been obtained in form and substance reasonably satisfactory to Charter, or the consent of the appropriate Governmental Authority shall be deemed to have been received in accordance with Section 617 of the Communications Act (47 U.S.C. ss.537).

(b) Except as otherwise provided in Section 7.5.3, Charter shall have received evidence, in form and substance reasonably satisfactory to it, that the IPSE Required Consents relating to the IPSE Systems Licenses and the IPSE Systems Contracts identified with an asterisk (*) on Schedule 6.3 have been obtained.

8.1.6 No Material Adverse Changes. There shall not have been any material adverse change in the IPSE Assets or the condition (financial or otherwise) or operations of IPSE's Cable Business or the IPSE Systems, taken as a whole, since December 31, 1998.

8.1.7 Franchise Renewals. Each IPSE Systems Franchise for which (a) a valid notice of renewal pursuant to the formal renewal procedures established by Section 626 of the Cable Act has not been timely delivered to the appropriate Governmental Authority, and (b) with respect to which the appropriate Governmental Authority has not confirmed in writing

that the procedures established by Section 626 nonetheless shall apply to the renewal or extension of such IPSE Systems Franchise, shall have been renewed or extended for a period expiring no earlier than three years after the Closing Date.

8.1.8 Common Agreement and Related Closings.

(a) The conditions set forth in Section 4.1 of the Common Agreement shall have been satisfied or waived.

(b) The transactions contemplated by the IP Agreements and the Redemption Agreement (each as defined in the Common Agreement) shall have been, or will be, consummated as set forth in Section 4.4 of the Common Agreement, except to the extent such Agreements are not consummated as a result of a breach by any Charter Party or their Affiliates of its or their obligation to consummate such transactions.

8.2 Conditions to IPSE's Obligations. The obligations of IPSE to consummate the transactions contemplated by this Agreement will be subject to the satisfaction, at or before the Closing, of the following conditions, one or more of which may be waived by IPSE:

8.2.1 Accuracy of Representations and Warranties. The representations and warranties of Charter in this Agreement and in the Transaction Documents, without giving effect to any materiality qualification contained therein, are true, complete and accurate on and as of the date hereof and at and as of the Closing with the same effect as if made at and as of the Closing, except to the extent that all misstatements, omissions and inaccuracies, in the aggregate, do not have a material adverse effect on the Charter Assets, Charter's Cable Businesses, the operations, condition (financial or otherwise) or results of operations of the Charter Systems taken as a whole, or on the ability of any Charter Party to perform its obligations under this Agreement.

8.2.2 Performance of Agreements. Charter shall have performed in all material respects all obligations and agreements and complied in all material respects with all covenants in this Agreement and in any Transaction Document to be performed and complied with by it at or before the Closing.

8.2.3 Deliveries. Charter shall have delivered the items and documents required to be delivered by it pursuant to this Agreement, including those required to be delivered to IPSE under Section 9.3.

8.2.4 Legal Proceedings. No Legal Requirement of any Governmental Authority (including any temporary Legal Requirement) shall be in effect which would prevent or make illegal the consummation of any of the transactions contemplated by this Agreement or any Transaction Document.

8.2.5 Consents.

(a) Except as otherwise provided in Section 7.5.5, Required Consents relating to all Charter System Franchises shall have been obtained in form and substance reasonably satisfactory to IPSE, or the consent of the appropriate Governmental Authority shall be deemed to have been received in accordance with Section 617 of the Communications Act (47 U.S.C. ss.537).

(b) Except as otherwise provided in Section 7.5.3, IPSE shall have received evidence, in form and substance reasonably satisfactory to it, that the Charter Required Consents relating to the Charter Systems Licenses and the Charter Systems Contracts identified with an asterisk (*) on Schedule 5.3 have been obtained.

8.2.6 No Material Adverse Changes. There shall not have been any material adverse change in the Charter Assets or the condition (financial or otherwise) or operations of Charter's Cable Business or the Charter Systems, taken as a whole, since December 31, 1998.

8.2.7 Franchise Renewals. Each Charter Systems Franchise for which (a) a valid notice of renewal pursuant to the formal renewal procedures established by Section 626 of the Cable Act has not been timely delivered to the appropriate Governmental Authority, and (b) with respect to which the appropriate Governmental Authority has not confirmed in writing that the procedures established by Section 626 nonetheless shall apply to the renewal or extension of such Charter Systems Franchise, shall have been renewed or extended for a period expiring no earlier than three years after the Closing Date.

8.2.8 Common Agreement and Related Closings.

(a) The conditions set forth in Section 4.2 of the Common Agreement shall have been satisfied or waived.

(b) The transactions contemplated by the IP Agreements and the Redemption Agreement (each as defined in the Common Agreement) shall have been, or will be, consummated as set forth in Section 4.4 of the Common Agreement, except to the extent such Agreements are not consummated as a result of a breach by IPSE or its Affiliates of its or their obligation to consummate such transactions.

9. THE CLOSING.

9.1 The Closing; Time and Place. Subject to the terms and conditions of this Agreement, the Closing shall be held in San Francisco, California, or as otherwise agreed, at a place mutually agreed upon by the Parties at 10:00 a.m., local time, on the last calendar day of the calendar month in which the conditions set forth in Article 8 (other than Sections 8.1.3 and 8.2.3) shall have been satisfied or waived (provided that each Party shall have at least 10 days' prior notice of the scheduled Closing Date in order to prepare for the Closing) or at such other place, date and time as may be mutually agreed upon by the Parties (the "Closing Date"). The transactions to be consummated at Closing shall be deemed to have been consummated as of the Closing Time. If the Closing Date is not a Business Day, then the Closing Date shall be the immediately preceding Business Day.

9.2 IPSE's Delivery Obligations. At the Closing, IPSE will deliver or cause to be delivered to Charter the following:

9.2.1 Cash Consideration. If applicable, the Cash Consideration will be paid (without duplication) by IPSE to the Charter Parties in accordance with the Common Agreement.

9.2.2 Bill of Sale and Assignment and Assumption Agreement. The Bill of Sale and Assignment and Assumption Agreement in the form of Exhibit 9.2.2.

9.2.3 Deeds. Special warranty deeds in recordable form conveying to the applicable Charter Parties each parcel of IPSE Owned Property, and assignments of leases and easements in recordable form, with respect to IPSE Leased Property and IPSE Other Real Property Interests as to which prior assignments into IPSE were recorded in the applicable real estate records.

9.2.4 Lien Releases. Evidence reasonably satisfactory to Charter that all Liens (other than Permitted Liens) affecting or encumbering the IPSE Assets have been terminated, released or waived, as appropriate, or original, executed instruments in form reasonably satisfactory to Charter effecting such terminations, releases or waivers.

9.2.5 Vehicle Titles. Title certificates to all vehicles included among the IPSE Assets, endorsed for transfer of title to the applicable Charter Parties, and separate bills of sale therefor or other transfer documentation, if required by the laws of the States in which such vehicles are titled.

9.2.6 Evidence of Authorization Actions. Certified resolutions or other evidence reasonably satisfactory to Charter that IPSE has taken all action necessary to

authorize the execution of this Agreement and the Transaction Documents and the consummation of the transactions contemplated hereby.

9.2.7 FIRPTA Certificate. FIRPTA Non-Foreign Seller Certificate certifying that IPSE is not a foreign person within the meaning of Section 1445 of the Code reasonably satisfactory in form and substance to Charter.

9.2.8 Officer's Certificate. The Charter Parties will have received a certificate executed by an executive officer of IPSE dated the date of the Closing, reasonably satisfactory in form and substance to Charter certifying that the conditions specified in Sections 8.1.1. and 8.1.2 have been satisfied.

9.2.9 Opinions of Counsel. Opinions of Pillsbury Madison & Sutro LLP and Dow, Lohnes & Albertson, PLLC, substantially in the forms of Exhibits C.1 and C.3, respectively of the Common Agreement.

9.2.10 Other. Such other documents and instruments as may be necessary to effect the intent of this Agreement and to consummate the transactions contemplated hereby.

9.3 Charter's Delivery Obligations. At the Closing, each Charter Party will deliver or cause to be delivered to IPSE the following:

9.3.1 Cash Consideration. If applicable, the Cash Consideration will be paid by such Charter Party to IPSE in accordance with the Common Agreement.

9.3.2 Bill of Sale and Assignment and Assumption Agreement. The Bill of Sale and Assignment and Assumption Agreement in the form of Exhibit 9.2.2.

9.3.3 Deeds. Special warranty deeds in recordable form conveying to IPSE each parcel of such Charter Party's Owned Property, and assignments of leases and easements in recordable form, with respect to such Charter Party's Leased Property and Other Real Property Interests as to which prior assignments into such Charter Party were recorded in the applicable real estate records.

9.3.4 Lien Releases. Evidence reasonably satisfactory to IPSE that all Liens (other than Permitted Liens) affecting or encumbering such Charter Party's Assets have been terminated, released or waived, as appropriate, or original, executed instruments in form reasonably satisfactory to IPSE effecting such terminations, releases or waivers.

9.3.5 Vehicle Titles. Title certificates to all vehicles included among such Charter Party's Assets, endorsed for transfer of title to IPSE, and separate bills of sale therefor

or other transfer documentation, if required by the laws of the States in which such vehicles are titled.

9.3.6 Evidence of Authorization Actions. Certified resolutions of such Charter Party or other evidence reasonably satisfactory to IPSE that such Charter Party has taken all action necessary to authorize the execution of this Agreement and the Transaction Documents and the consummation of the transactions contemplated hereby.

9.3.7 FIRPTA Certificate. FIRPTA Non-Foreign Seller Certificate certifying that such Charter Party is not a foreign person within the meaning of Section 1445 of the Code reasonably satisfactory in form and substance to IPSE.

9.3.8 Officer's Certificate. IPSE will have received a certificate executed by an executive officer of Charter dated the date of the Closing, reasonably satisfactory in form and substance to IPSE certifying that the conditions specified in Sections 8.2.1 and 8.2.2 have been satisfied.

9.3.9 Opinions of Counsel. Opinions of Irell & Manella LLP and Wiley, Rein & Fielding substantially in the forms of Exhibits C.2 and C.4, respectively of the Common Agreement.

9.3.10 Other. Such other documents and instruments as may be necessary to effect the intent of this Agreement and to consummate the transactions contemplated hereby.

10. TERMINATION AND DEFAULT.

10.1 Termination Events. This Agreement may be terminated and the transactions contemplated hereby may be abandoned:

10.1.1 At any time, by the mutual agreement of Charter and IPSE;

10.1.2 By either Charter or IPSE at any time, if the other is in material breach or default of any of the other's covenants, agreements or other obligations herein or in any Transaction Document;

10.1.3 By either Charter or IPSE upon written notice to the other, if any of the conditions to its obligations set forth in Sections 8.1 and 8.2, respectively, are not satisfied on or before the later of January 15, 2000, or nine months after the date of this Agreement, for any reason other than an intentional and material breach or default by such Party of its respective covenants, agreements or other obligations under this Agreement, or any of its representations herein not being true and accurate in all material respects when made or when otherwise required by this Agreement to be true and accurate in all material respects;

10.1.4 By either Charter or IPSE if an injunction, restraining order or decree of any nature of any Governmental Authority of competent jurisdiction is issued that prohibits the consummation of any of the transactions contemplated hereby and such injunction, restraining order or decree is final and nonappealable; provided, however, that the party seeking to terminate this Agreement pursuant to this clause has used commercially reasonable efforts to have such injunction, order or decree vacated or denied; or

10.1.5 As otherwise provided in the Common Agreement.

10.2 Effect of Termination. If this Agreement is terminated pursuant to Section 10.1, all obligations of the Parties under this Agreement will terminate, except for the obligations set forth in Sections 7.13, 7.19 and 12.13. Termination of this Agreement pursuant to Sections 10.1.2, 10.1.3, 10.1.4 or 10.1.5 will not limit or impair any remedies that any of IPSE or the Charter Parties may have pursuant to the terms of this Agreement with respect to a breach or default by the other of its covenants, agreements or obligations under this Agreement.

11. SURVIVAL; REMEDIES.

11.1 Survival of Representations, Warranties Covenants and Agreements. The representations, warranties, covenants and agreements of IPSE and Charter in this Agreement and in the Transaction Documents will survive Closing for a period of twelve months after the Closing Date. The period of survival of the representations, warranties, covenants and agreements prescribed by this Section 11.1 are referred to as the "Survival Period." The liabilities of each Party under its respective representations, warranties, covenants and agreements will expire as of the expiration of the Survival Period; provided, however, that such expiration will not include, extend or apply to (a) any representation, warranty, covenant or agreement the breach of which has been asserted by a Party in a written notice to the other Party before such expiration or about which a Party has given the other Party written notice before such expiration indicating that facts or conditions exist that, with the passage of time or otherwise, can reasonably be expected to result in a breach (and describing such potential breach in reasonable detail), (b) the Party's obligations under Sections 7.13 and 7.23, or (c) the Party's obligations under Sections 7.16, 7.17.1, 7.17.3 and 7.17.4, but only to the extent reasonably practicable.

11.2 Exclusive Remedy. The Parties hereby agree that the rights set forth in the Common Agreement shall be each Party's sole and exclusive remedies against the other Party for any claims arising after the Closing Time and relating to any breaches of the representations, warranties or covenants contained in this Agreement other than based on fraud.

11.3 Nonrecourse. The Parties agree that, notwithstanding any other provision in this Agreement or in any Transaction Document, and any rule of law or equity to the contrary, to the fullest extent permitted by law, each Party's obligations and liabilities under this Agreement will be nonrecourse to all direct and indirect equity holders or other owners of such Party, except to the extent of distributions to such Persons, directly or indirectly, from such Party that are required to be returned, directly or indirectly, to such Party pursuant to applicable provisions of law; provided, however, that the foregoing shall not limit or abridge any Party's indemnification rights or obligations pursuant to the Common Agreement or the Redemption Agreement. "Nonrecourse" means that the obligations and liabilities are limited in recourse solely to the assets of the Parties (for those purposes, any capital contribution obligations of the equity holders or other owners of such Party, or any negative capital account balances of such Persons will not be deemed be assets of such Party) and are not guaranteed, directly or indirectly by, or the primary obligations of, any owner of such Party in such capacity, and no partner, member or other owner in such capacity of any successor entity (including any limited liability company or partnership), either directly or indirectly, will be personally liable in any respect (except to the extent of (i) such Person's interests in the assets of such Party and (ii) any distribution which has been received by such Person and is required by applicable law to be returned, directly or indirectly, to such Party) for any obligation or liability of such Party under this Agreement.

12. MISCELLANEOUS PROVISIONS.

12.1 Parties Obligated and Benefitted. Subject to the limitations set forth below, this Agreement will be binding upon each of the Parties and their respective assigns and successors in interest and will inure solely to the benefit of the Parties and their respective assigns and successors in interest, and no other Person will be entitled to any of the benefits conferred by this Agreement. Without the prior written consent of the other Parties, no Party will assign any of its rights under this Agreement or delegate any of its duties under this Agreement, provided that the appropriate Party may assign any or all of its rights under this Agreement (a) to a "qualified intermediary" engaged by such Party to effectuate a deferred like-kind exchange under Section 1031 of the Code, and the other Party agrees in connection with such an assignment to take such actions and execute such documents as may be reasonably requested by the assigning Party in order to facilitate such Party's intent to effectuate a deferred like-kind exchange; provided, however, that no such assignment will affect the assigning Party's liabilities or obligations pursuant to this Agreement or (b) to an Affiliate, provided that such assignment will not result in any adverse tax consequences to the other Party, will not give rise to any material requirements for additional Required Consents, and will not, in the reasonable judgment of the other Party, delay the Closing.

12.2 Notices. Any notice, request, demand, waiver or other communication required or permitted to be given under this Agreement to either Party will be given as set forth in the Common Agreement.

12.3 Right to Specific Performance. Each Party acknowledges that the unique nature of the Assets to be exchanged hereunder pursuant to this Agreement renders money damages an inadequate remedy, and the Parties agree that either Party shall be entitled to pursue specific performance as a remedy without the requirement of posting a bond or other security therefor.

12.4 Waiver. This Agreement or any of its provisions may not be waived except in writing. 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.

12.5 Captions. The section and other captions of this Agreement are for convenience only and do not constitute a part of this Agreement.

12.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware (other than its rules of conflicts of law to the extent that the application of the laws of another jurisdiction would be required thereby).

12.7 Time. Time is of the essence under this Agreement. If the last day permitted for the giving of any notice or the performance of any act required or permitted under this Agreement falls on a day which is not a Business Day, the time for the giving of such notice or the performance of such act will be extended to the next succeeding Business Day.

12.8 Late Payments. If either Party fails to pay the other any amounts when due under this Agreement, the amounts due will bear interest from the due date to the date of payment at the rate per annum publicly announced from time to time by The Bank of New York as its Prime Rate (the "Prime Rate") plus 2%, adjusted as and when changes in the Prime Rate are made.

12.9 Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original.

12.10 Entire Agreement. This Agreement (including the Transaction Documents and the Schedules and Exhibits referred to in this Agreement, which are incorporated in and constitute a part of this Agreement) contains the entire agreement of the Parties with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings with respect to such subject matter. This Agreement may not be amended or modified except by a writing signed by all of the parties hereto.

12.11 Severability. Any term or provision of this Agreement which is invalid or unenforceable will be ineffective to the extent of such invalidity or unenforceability without

rendering invalid or unenforceable the remaining rights of the Person intended to be benefitted by such provision or any other provisions of this Agreement.

12.12 Construction. This Agreement has been negotiated by the Parties and their respective legal counsel, and legal or other equitable principles that might require the construction of this Agreement or any provision of this Agreement against the Party drafting this Agreement will not apply in any construction or interpretation of this Agreement.

12.13 Expenses. Except as otherwise expressly provided in this Agreement, each Party will pay all of its expenses, including attorneys' and accountants' fees, in connection with the negotiation of this Agreement, the performance of its obligations and the consummation of the transactions contemplated by this Agreement.

12.14 Risk of Loss. The risk of any loss or damage to the Charter Assets or IPSE Assets resulting from fire, theft or other casualty (except reasonable wear and tear) will be borne by Charter or IPSE respectively, at all times prior to the Closing Time. In the event of any such loss or damage after December 31, 1998, Charter or IPSE as appropriate, will immediately notify the other in writing of that fact. All insurance proceeds paid or payable as a result of the occurrence of the event resulting in such loss or damage will be delivered by the Party transferring such Assets to the other Party, or the rights thereto will be assigned if not yet paid over by the insurer to the Party transferring such Assets. The obligations under this Section 12.14 to pay or assign insurance proceeds will not apply to the extent that any insurance proceeds are applied to replace or restore such loss or damage prior to Closing.

If, on or prior to the Closing Date, all or any part of or interest in the Charter Assets or the IPSE Assets, as appropriate, is taken or condemned as a result of a Governmental Authority's exercise of its powers of eminent domain, or if a Governmental Authority having such power informs a Party that it intends to condemn all or any part of such Party's Assets (such event being called, in either case, a "Taking"), then (i) IPSE, in the case of a Taking of Charter Assets, or Charter, in the case of a Taking of IPSE Assets, may elect, in the name of the other Party, to negotiate for, claim, contest and receive all damages with respect to the Taking, (ii) the Party whose Assets were the subject of the Taking will be relieved of its obligation to convey to the other Party those of its Assets that were the subject of the Taking, (iii) at Closing, the Party whose Assets were the subject of the Taking will assign to the other Party all of its rights to damages payable as a result of the Taking, and will pay to the other Party all damages previously paid to it in connection with the Taking, and (iv) following the Closing, the Party whose Assets were the subject of the Taking will give to the other Party any further assurances of such rights and assignment with respect to the Taking as the other Party reasonably may request from time to time.

12.15 Tax Consequences. No Party makes any representation or warranty, express or implied, with respect to the Tax implications of any aspect of this Agreement on any other Party, and each Party expressly disclaims any such representation or warranty with respect to

any Tax consequences arising under this Agreement. Each Party has relied solely on its own Tax advisors with respect to the Tax implications of this Agreement.

12.16 Commercially Reasonable Efforts. For purposes of this Agreement, "commercially reasonable efforts" will not be deemed to require a Party to undertake extraordinary or unreasonable measures, including the payment of amounts in excess of normal and usual filing fees and processing fees, if any or other payments with respect to any Contract that are significant in the context of such Contract (or significant on the aggregate basis as to all Contracts).

[the remainder of this page intentionally left blank]

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

CHARTER COMMUNICATIONS, LLC

By: /s/ Curtis S. Shaw

Name: Curtis S. Shaw
Title: Senior Vice President

CHARTER COMMUNICATIONS PROPERTIES, LLC

By: /s/ Curtis S. Shaw

Name: Curtis S. Shaw
Title: Senior Vice President

MARCUS CABLE ASSOCIATES, L.L.C.

By: /s/ Curtis S. Shaw

Name: Curtis S. Shaw
Title: Senior Vice President

INTERMEDIA PARTNERS SOUTHEAST

By: InterMedia Capital Management, LLC, its managing general partner

By: InterMedia Management, Inc., its managing member

By: /s/ Robert J. Lewis

Robert J. Lewis, President and Chief Executive Officer

Exhibit 2.6(e)

ASSET EXCHANGE AGREEMENT

dated as of April 20, 1999

among

INTERMEDIA PARTNERS, A CALIFORNIA LIMITED PARTNERSHIP
BRENMOR CABLE PARTNERS, L.P.
on the one hand

and

ROBIN MEDIA GROUP, INC.
on the other hand

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ASSET EXCHANGE AGREEMENT

THIS ASSET EXCHANGE AGREEMENT is made as of the April __, 1999, by and among InterMedia Partners, a California Limited Partnership ("IP-I Parent") and Brenmor Cable Partners, L.P., a California limited partnership ("Brenmor," each of IP-I Parent and Brenmor being referred to as an "IP-I Party" and collectively, "IP-I"), on the one hand, and Robin Media Group, Inc., a Nevada corporation ("RMG"), on the other hand.

RECITALS

A. The IP-I Parties own and operate cable television systems that are franchised or hold other operating authority and operate in and around the municipalities listed on Schedule 5.15.2 (collectively, the "IP-I Systems" and reference to any IP-I Party's Systems will be deemed to refer to the IP-I Systems owned and operated by such IP-I Party).

B. RMG owns and operates cable television systems which are franchised or hold other operating authority and operate in and around the municipalities listed on Schedule 6.15.2 (collectively, the "RMG Systems").

C. This Agreement sets forth the terms and conditions upon which (i) the IP-I Parties will convey, or cause to be conveyed, to RMG substantially all of the assets comprising or used or useful in connection with IP-I's Cable Businesses and (ii) RMG will convey, or cause to be conveyed, to the IP-I Parties substantially all of the assets comprising or used or useful in connection with RMG's Cable Business, all in such a manner as to effect, to the extent reasonably possible, a like-kind exchange of such assets under Section 1031 of the United States Internal Revenue Code, as amended (the "Code").

D. Charter Communications, LLC, Charter Communications Properties, LLC, and Marcus Cable Associates, L.L.C. (collectively, the "Charter Parties"), IP-I, RMG, and certain of their respective Affiliates have entered into that certain Common Agreement (the "Common Agreement") pursuant to which they have agreed to certain issues common to each of the transfers made pursuant to this Agreement and to certain other related transactions (each as more fully described in the Common Agreement). The common issue addressed include certain revenue and working capital adjustments, closing conditions, and indemnification for breaches of representations, warranties, covenants and agreements. Certain other revenue and working capital adjustments will be made pursuant to that certain Exchange and Redemption Agreement dated the same date as this Agreement and consummated as described in the Common Agreement (the "Redemption Agreement").

AGREEMENTS

In consideration of the covenants and agreements set forth herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereby agree as follows:

1. DEFINITIONS. In addition to the terms defined elsewhere in this Agreement, the following capitalized terms or terms otherwise defined in this Section 1 shall have the meanings set forth below:

1.1 1992 Cable Act. The Cable Television Consumer Protection and Competition Act of 1992, as amended, and the FCC rules and regulations promulgated thereunder.

1.2 Affiliate. With respect to any Person, any other Person controlling, controlled by or under common control with such Person. As used in this Agreement, "control" means the ownership, directly or indirectly, of voting securities representing the right generally to elect a majority of the directors (or similar officials) of a Person or the possession, by contract or otherwise, of the authority to direct the management and policies of a Person. Notwithstanding the foregoing, prior to the Closing Date, (a) neither AT&T Corporation, Tele-Communications, Inc., nor any of their direct or indirect subsidiaries (collectively, the "AT&T Affiliates"), shall be considered Affiliates of any IP-I Party for any purpose herein or hereunder; and (b) IP-I, Brenmor and TCIP IP-V, Inc., on the one hand, and InterMedia Partners Southeast, InterMedia Partners of West Tennessee, L.P., InterMedia Partners IV, L.P., and Robin Media Group, Inc., on the other hand, shall not be deemed Affiliates of each other.

1.3 Agreement. This Asset Exchange Agreement.

1.4 Antitrust Division. The Antitrust Division of the United States Department of Justice.

1.5 Assets. The IP-I Assets or the RMG Assets, as the context requires.

1.6 Basic Services. The lowest tier of service offered to subscribers of a System.

1.7 Business Day. Any day other than a Saturday, Sunday or a day on which the banking institutions in New York, New York, Denver, Colorado, San Francisco, California or St. Louis, Missouri are required or authorized to be closed.

1.8 Cable Act. The Cable Communications Policy Act of 1984, as amended, and the FCC rules and regulations promulgated thereunder.

1.9 Cable Business. IP-I's Cable Businesses, or any of them, or RMG's Cable Business, as the context requires.

1.10 Closing. The closing of the exchange transactions contemplated by this Agreement.

1.11 Closing Time. 11:59 p.m., Eastern time, on the Closing Date.

1.12 Communications Act. The Communications Act of 1934, as amended, and the FCC rules and regulations promulgated thereunder.

1.13 Contract. Any contract, mortgage, deed of trust, bond, indenture, lease, license, note, franchise, certificate, option, warrant, right or other instrument, document, obligation or agreement, whether written or oral.

1.14 Copyright Act. The Copyright Act of 1976, as amended, including all rules, regulations, orders and policies of the U.S. Copyright Office thereunder applicable to cable television systems generally.

1.15 Environmental Law. Any Legal Requirement relating to pollution or the protection of public health, safety, welfare or the environment, including CERCLA, OSHA and RCRA and including Legal Requirements relating to emissions, discharges, releases or threatened releases of Hazardous Substances into the environment (including ambient air, surface water, ground water or land) or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Substances.

1.16 ERISA. The Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder and published interpretations with respect thereto.

1.17 ERISA Affiliate. As to any Person, any trade or business, whether or not incorporated, which together with such Person would be deemed a single employer within the meaning of Section 4001 of ERISA.

1.18 Expanded Basic Services. Any video programming provided over a cable television system, regardless of service tier, other than Basic Services and Pay TV.

1.19 FCC. The Federal Communications Commission.

1.20 Governmental Authority. The United States of America, any state, commonwealth, territory or possession of the United States of America and any political subdivision or quasi-governmental authority of any of the same, including any court, tribunal, department, commission, board, bureau, agency, body, county, municipality, province, parish or other instrumentality of any of the foregoing.

1.21 Hazardous Substances. Any pollutant, contaminant, chemical, industrial, toxic, hazardous or noxious substance or waste which is regulated by a Governmental Authority, including (a) any petroleum or petroleum compounds (refined or crude), flammable substances, explosives, radioactive materials or any other materials or pollutants which pose a significant hazard or potential significant hazard to the Owned Property or Other Real Property Interests or to Persons in or about the Owned Property or Other Real Property Interests or cause the Owned Property or Other Real Property Interests to be in violation of any Legal Requirements; (b) any "hazardous waste" as defined by the Resource Conservation and Recovery Act of 1976 (RCRA) (42 U.S.C. ss.ss. 6901) and the rules and regulations promulgated thereunder; (c) any "hazardous substance" as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. 9601 et seq.) (CERCLA), as amended, and the rules and regulations promulgated thereunder; (d) any substance regulated by the Toxic Substances Control Act (TSCA) (42 U.S.C. ss. 2601 et seq.) or the Insecticide, Fungicide and Rodenticide Act (IFRA) (7 U.S.C. ss. 136 et seq.), each, as amended, and the rules and regulations promulgated thereunder; (e) asbestos or asbestos-containing material of any kind or character; (f) polychlorinated biphenyls; (g) any substances regulated under the provisions of Subtitle I of RCRA relating to underground storage tanks; (h) any materials or substances designated as "hazardous substances" pursuant to the Clean Water Act (33 U.S.C. ss. 1251 et seq.); (i) "economic poison," as defined in the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. ss. 135 et seq.); (j) any substance the presence, use, handling, treatment, storage or disposal of which on the Owned Property or Leased Property is regulated or prohibited by any Environmental Law; and (k) any other substance which by any Environmental Law requires special handling, reporting or notification of any Governmental Authority in its collection, storage, use, treatment or disposal.

1.22 HSR Act. The Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder.

1.23 Intellectual Property. With respect to any Cable Business, any (a) trademarks, trade dress, trade names, service marks, logos and other similar proprietary rights, (b) domain names, (c) copyrights and (d) patents and patentable know-how, inventions and processes, in each case used in such Cable Business.

1.24 IP-I Assets. All of the assets, privileges, contracts, licenses, permits, franchises, authorizations, rights, interests, claims and other properties, real and personal, tangible and intangible, of every type and description (a) which are owned, leased, held for, used or useful in, or otherwise related to, IP-I's Cable Businesses, (b) in which any IP-I Party or its Affiliate has any right, title or interest or in which any IP-I Party or its Affiliate acquires any right, title or interest on or before the Closing Time, and (c) which are not IP-I Excluded Assets. The IP-I Assets include the IP-I Tangible Personal Property, IP-I Owned Property, IP-I Leased Property, IP-I Other Real Property Interests, IP-I Systems Franchises, IP-I Systems Licenses, IP-I Systems Contracts, IP-I Books and Records and IP-I Other Intangibles. Reference to any IP-I Party's Assets will be deemed to refer to the IP-I Assets of such IP-I Party.

1.25 IP-I Books and Records. All engineering records, files, data, drawings, blueprints, schematics, reports, lists, plans and procedures and all other files of correspondence, lists, records and reports concerning IP-I's Cable Businesses, including subscribers and prospective subscribers of the IP-I Systems, signal and program carriage and dealings with Governmental Authorities with respect to the IP-I Systems, including all reports filed with respect to the IP-I Systems by or on behalf of any IP-I Party or its Affiliate with the FCC and statements of account filed with respect to the IP-I Systems by or on behalf of any IP-I Party or its Affiliate with the U.S. Copyright Office, but excluding all documents, reports and records relating to any employee of the IP-I Systems who has not given consent to disclosure of such documents, reports and records. Reference to any IP-I Party's Books and Records will be deemed to refer to the IP-I Books and Records included among such IP-I Party's Assets.

1.26 IP-I Leased Property. The leaseholds of real property included among the IP-I Assets and described as IP-I Leased Property on Schedule 1.26. Reference to any IP-I Party's Leased Property will be deemed to refer to the IP-I Leased Property included among such IP-I Party's Assets.

1.27 IP-I Other Intangibles. All intangible assets, other than the IP-I Systems Franchises, IP-I Systems Licenses and IP-I Systems Contracts, including subscriber lists, claims (excluding any claims relating to IP-I Excluded Assets), and Intellectual Property, if any, included among the IP-I Assets. Reference to any IP-I Party's Other Intangibles will be deemed to refer to the IP-I Other Intangibles included among such IP-I Party's Assets.

1.28 IP-I Other Real Property Interests. The easements and rights of access (other than those relating to multiple dwelling units) and other interests in real property held by any IP-I Party or its Affiliate in connection with IP-I's Cable Business, including those interests described as IP-I Other Real Property Interests on Schedule 1.28, but not including IP-I Leased Property or IP-I Owned Property. Reference to any IP-I Party's Other Real Property Interests will be deemed to refer to the IP-I Other Real Property Interests included among such IP-I Party's Assets.

1.29 IP-I Owned Property. The fee interests in the real property included among the IP-I Assets and described as IP-I Owned Property on Schedule 1.29 and all improvements and towers thereon and appurtenances thereto. Reference to any IP-I Party's Owned Property will be deemed to refer to the IP-I Owned Property included among such IP-I Party's Assets.

1.30 IP-I Required Consents. Any and all consents, authorizations and approvals under or in connection with the IP-I Assets (including the IP-I Systems Franchises, IP-I Systems Licenses, and IP-I Systems Contracts) or any Contract, Lien or Legal Requirement by which any IP-I Party, any of its Affiliates or their respective Assets are bound, required (a) for each IP-I Party to transfer its Assets to RMG pursuant to this Agreement, (b) for RMG to operate the IP-I Systems and to own, lease, use and operate the IP-I Assets and the IP-I Systems at the places and in the manner in which the IP-I Assets are used and the IP-I Systems are operated as of the date of this Agreement and as of the Closing, or (c) for RMG to assume and perform the IP-I Systems

Franchises, the IP-I Systems Licenses, the IP-I Systems Contracts and the RMG Assumed Obligations and Liabilities.

1.31 IP-I Systems Contracts. All Contracts (other than IP-I Systems Franchises and IP-I Systems Licenses) that are included among the IP-I Assets, including the lease agreements for IP-I Tangible Personal Property, pole attachment agreements, underground conduit agreements, crossing agreements, retransmission consent agreements, multiple dwelling, bulk billing or commercial service agreements and other Contracts described on Schedule 1.31 and the Contracts documenting IP-I Leased Property and IP-I Other Real Property Interests described on Schedules 1.26 and 1.28. Reference to any IP-I Party's Systems Contracts will be deemed to refer to the IP-I Systems Contracts included among such IP-I Party's Assets.

1.32 IP-I Systems Franchises. The franchises, permits and similar authorizations included among the IP-I Assets (other than the IP-I Systems Licenses) described on Schedule 1.32, and all rights and benefits of the IP-I Parties and their Affiliates pertaining thereto, including the rights and benefits arising under Section 626 of the Communications Act (47 U.S.C. 546) to the extent applicable to a IP-I Systems Franchise. Reference to any IP-I Party's Systems Franchises will be deemed to refer to the IP-I Systems Franchises included among such IP-I Party's Assets.

1.33 IP-I Systems Licenses. The intangible cable television channel distribution rights, cable television relay service (CARS), business radio and other licenses, earth station registrations, authorizations, consents or permits issued by the FCC or any other Governmental Authority included among the IP-I Assets and described on Schedule 1.33 (other than the IP-I Systems Franchises and IP-I Systems Contracts) and all rights and benefits of the IP-I Parties and their Affiliates pertaining thereto. Reference to any IP-I Party's Systems Licenses will be deemed to refer to the IP-I Systems Licenses included among such IP-I Party's Assets.

1.34 IP-I Tangible Personal Property. All tangible personal property included among the IP-I Assets, including towers (other than towers on IP-I Owned Property which are fixtures thereon and a part thereof), tower equipment, aboveground and underground cable, distribution systems, headend amplifiers, line amplifiers, microwave equipment, converters, testing equipment, motor vehicles, office equipment, computers and billing equipment, furniture, fixtures, supplies, inventory and other physical assets, the principal items of which are identified and described on Schedule 1.34. Reference to any IP-I Party's Tangible Personal Property will be deemed to refer to the IP-I Tangible Personal Property included among such IP-I Party's Assets.

1.35 IP-I's Cable Businesses. The cable television businesses and other revenue-generating businesses and operations relating to the IP-I Systems conducted by the IP-I Parties and their Affiliates through the IP-I Systems. Reference to any IP-I Party's Cable Business will be deemed to refer to the IP-I's Cable Business operated by such IP-I Party.

1.36 Judgment. Any judgment, writ, order, injunction, award or decree of any court, judge, justice or magistrate, including any bankruptcy court or judge or the arbitrator in any binding arbitration, and any order of or by any Governmental Authority.

1.37 Knowledge. The actual knowledge of a particular matter with respect to any IP-I System or RMG System of Frank S. Crawford, Robert J. Lewis, Rodney M. Royse, Edon V. Smith or Thomas R. Stapleton, and the general manager or one or more of the managers of the System.

1.38 Leased Property. IP-I Leased Property or RMG Leased Property, as the context requires.

1.39 Legal Requirement. Applicable common law and any statute, ordinance, code or other law, rule, regulation, order, technical or other written standard, requirement or procedure enacted, adopted, promulgated, applied or followed by any Governmental Authority, including any Judgment.

1.40 Lien. Any security interest, security agreement, financing statement filed with any Governmental Authority, conditional sale or other title retention agreement, any lease, consignment or bailment given for purposes of security, any mortgage, lien (including any lien for Taxes), indenture, pledge, option, encumbrance, adverse interest, constructive trust or other trust, claim, attachment, exception to, defect in, or other condition adversely affecting title or other ownership interest (including reservations, rights of entry, possibilities of reverter, encroachments, protrusions, easements, rights-of-way, rights of first refusal, restrictive covenants, leases and licenses) of any kind, which constitutes an interest in or claim against property, whether arising pursuant to any Legal Requirement, Systems License, Systems Franchise, Systems Contract or otherwise.

1.41 Litigation. Any claim, action, suit, proceeding, arbitration, investigation or hearing that could result in a Judgment, any other activity or procedure that could reasonably be expected to result in a Judgment, or any notice of any of the foregoing.

1.42 Losses. Any claims, losses, liabilities, damages, penalties, costs and expenses, including interest that may be imposed in connection therewith, expenses of investigation, reasonable fees and disbursements of counsel and other experts, and, as applicable, the cost to any Person making a claim or seeking indemnification under this Agreement with respect to funds expended by such Person by reason of the occurrence of any event or the existence or assertion of any Liens (other than Permitted Liens) with respect to which indemnification is sought.

1.43 MVPD. A distributor of cable television services, multichannel multi point distribution service, direct broadcast satellite service or television receive-only satellite programming, who makes available for purchase, by subscribers or customers, multiple channels

of video programming, other than Persons distributing such services only to multiple dwelling unit or other commercial customers (including hotels, motels, resorts, hospitals, dormitories, prisons, restaurants, bars and similar establishments).

1.44 Other Real Property Interests. The IP-I Other Real Property Interests or the RMG Other Real Property Interests, as the context requires.

1.45 Owned Property. IP-I Owned Property or RMG Owned Property, as the context requires.

1.46 Party. IP-I or RMG, as the context requires.

1.47 Pay TV. Premium programming services selected by and sold to subscribers on a per channel or per program basis.

1.48 Permitted Liens. (a) Liens for Taxes, assessments and governmental charges, in each case not yet due and payable, (b) zoning laws or ordinances or any similar Legal Requirements, (c) rights reserved to any Governmental Authority to regulate the affected property, (d) Liens described on Schedule 5.4.1 (with respect to IP-I) and Schedule 6.4.1 (with respect to RMG), (e) as to Leased Property or Tangible Personal Property that is leased, the interests of the lessors thereof, and (f) as to Owned Property, Leased Property and Other Real Property Interests, any easements, rights-of-way, servitudes, conditions, covenants, restrictions and minor imperfections or irregularities in title, in each case, which are reflected in the public records and which do not individually or in the aggregate interfere with the right or ability of the applicable Party to own, use, enjoy or operate the Owned Property, Leased Property or Other Real Property Interests in the manner currently used or to convey good, marketable and indefeasible fee simple title to the same; provided that "Permitted Liens" will not include any Lien which could prevent or inhibit in any way (other than as permitted under clause (f)) the conduct of the business of the affected System, and provided further that classification of any Lien as a "Permitted Lien" will not affect any liability which a Party may have for any such Lien, including pursuant to any indemnity obligation under this Agreement.

1.49 Person. Any natural person, Governmental Authority, corporation, general or limited partnership, limited liability company, joint venture, trust, association or unincorporated entity of any kind.

1.50 Required Consents. The IP-I Required Consents or the RMG Required Consents, as the context requires.

1.51 RMG Assets. All of the assets, privileges, contracts, licenses, permits, franchises, authorizations, rights, interests, claims and other properties, real and personal, tangible and intangible, of every type and description (a) which are owned, leased, held for, used or useful in, or otherwise related to, RMG's Cable Business, (b) in which RMG or any Affiliate of RMG has

any right, title or interest or in which RMG or any Affiliate of RMG acquires any right, title or interest on or before the Closing Time, and (c) which are not RMG Excluded Assets. The RMG Assets include the RMG Tangible Personal Property, RMG Owned Property, RMG Leased Property, RMG Other Real Property Interests, RMG Systems Franchises, RMG Systems Licenses, RMG Systems Contracts, RMG Books and Records and RMG Other Intangibles.

1.52 RMG Books and Records. All engineering records, files, data, drawings, blueprints, schematics, reports, lists, plans and procedures and all other files of correspondence, lists, records and reports concerning RMG's Cable Business, including subscribers and prospective subscribers of the RMG Systems, signal and program carriage and dealings with Governmental Authorities with respect to the RMG Systems, including all reports filed with respect to the RMG Systems by or on behalf of RMG or any Affiliate of RMG with the FCC and statements of account filed with respect to the RMG Systems by or on behalf of RMG or any Affiliate of RMG with the U.S. Copyright Office, but excluding all documents, reports and records relating to any employee of the RMG Systems who has not given consent to disclosure of such documents, reports and records.

1.53 RMG Leased Property. The leaseholds of real property included among the RMG Assets and described as RMG Leased Property on Schedule 1.53.

1.54 RMG Other Intangibles. All intangible assets, other than the RMG Systems Franchises, RMG Systems Licenses and RMG Systems Contracts, including subscriber lists, claims (excluding any claims relating to RMG Excluded Assets), and Intellectual Property, if any, included among the RMG Assets.

1.55 RMG Other Real Property Interests. The easements and rights of access (other than those relating to multiple dwelling units) and other interests in real property held by RMG or any Affiliate of RMG in connection with RMG's Cable Business, including those interests described as RMG Other Real Property Interests on Schedule 1.55, but not including RMG Leased Property or RMG Owned Property.

1.56 RMG Owned Property. The fee interests in the real property included among the RMG Assets and described as RMG Owned Property on Schedule 1.56 and all improvements and towers thereon and appurtenances thereto.

1.57 RMG Required Consents. Any and all consents, authorizations and approvals under or in connection with the RMG Assets (including the RMG Systems Franchises, RMG Systems Licenses, and RMG Systems Contracts) or any Contract, Lien or Legal Requirement by which RMG, any of its Affiliates or their respective Assets are bound, required (a) for RMG to transfer the RMG Assets to the IP-I Parties pursuant to this Agreement, (b) for the IP-I Parties to operate the RMG Systems and to own, lease, use and operate the RMG Assets and the RMG Systems at the places and in the manner in which the RMG Assets are used and the RMG Systems are operated as of the date of this Agreement and as of the Closing, or (c) for the IP-I

Parties to assume and perform the RMG Systems Franchises, the RMG Systems Licenses, the RMG Systems Contracts and the IP-I Assumed Obligations and Liabilities.

1.58 RMG Systems Contracts. All Contracts (other than RMG Systems Franchises and RMG Systems Licenses) that are included among the RMG Assets, including the lease agreements for RMG Tangible Personal Property, pole attachment agreements, underground conduit agreements, crossing agreements, retransmission consent agreements, multiple dwelling, bulk billing or commercial service agreements and other Contracts described on Schedule 1.58 and the Contracts documenting RMG Leased Property and RMG Other Real Property Interests described on Schedules 1.53 and 1.55.

1.59 RMG Systems Franchises. The franchises, permits and similar authorizations included among the RMG Assets (other than RMG Systems Licenses) described on Schedule 1.59, and all rights and benefits of RMG and its Affiliates pertaining thereto, including the rights and benefits arising under Section 626 of the Communications Act (47 U.S.C. 546) to the extent applicable to an RMG Systems Franchise.

1.60 RMG Systems Licenses. The intangible cable television channel distribution rights, cable television relay service (CARS), business radio and other licenses, earth station registrations, authorizations, consents or permits issued by the FCC or any other Governmental Authority included among the RMG Assets and described on Schedule 1.60 (other than the RMG Systems Franchises and RMG Systems Contracts) and all rights and benefits of RMG and its Affiliates pertaining thereto.

1.61 RMG Tangible Personal Property. All tangible personal property included among the RMG Assets, including towers (other than towers on RMG Owned Property which are fixtures thereon and a part thereof), tower equipment, aboveground and underground cable, distribution systems, headend amplifiers, line amplifiers, microwave equipment, converters, testing equipment, motor vehicles, office equipment, computers and billing equipment, furniture, fixtures, supplies, inventory and other physical assets, the principal items of which are identified and described on Schedule 1.61.

1.62 RMG's Cable Business. The cable television businesses and other revenue-generating businesses and operations relating to the RMG Systems conducted by RMG or an Affiliate of RMG through the RMG Systems.

1.63 Six-Month Date. The date that is six months after the Closing Date.

1.64 System. Any of the IP-I Systems or the RMG Systems, as the context requires.

1.65 Systems Contracts. The IP-I Systems Contracts or the RMG Systems Contracts, as the context requires.

1.66 Systems Franchises. The IP-I Systems Franchises or the RMG Systems Franchises, as the context requires.

1.67 Systems Licenses. The IP-I Systems Licenses or the RMG Systems Licenses, as the context requires.

1.68 Tangible Personal Property. The IP-I Tangible Personal Property or the RMG Tangible Personal Property, as the context requires.

1.69 Taxes. Levies and assessments of any kind or nature imposed by any Governmental Authority, including all income, sales, use, ad valorem, value added, franchise, severance, net or gross proceeds, withholding, payroll, employment, excise or property taxes and levies or assessments related to unclaimed property, together with any interest thereon and any penalties, additions to tax or additional amounts applicable thereto. For purposes of determining any Tax cost or Tax benefit to any Person, such amount will be the actual cost or benefit recognized by such Person at the time of actual payment of the additional Tax or actual receipt of the Tax benefit. In the event that any Loss, payment or other amount is required to be determined on an after-Tax basis, such payment or other amount will be determined without regard to any Tax cost or Tax benefit not actually recognized at the time of the determination, and appropriate adjustments will be made when and to the extent that such Tax cost or Tax benefit is actually recognized.

1.70 Third Party. Any Person other than RMG and its Affiliates or IP-I and its Affiliates.

1.71 Transaction Documents. The Common Agreement and all instruments and documents described in Sections 9.2 and 9.3 which are being executed and delivered by or on behalf of any IP-I Party or RMG in connection with this Agreement or the transactions contemplated hereby.

1.72 Other Definitions. The following terms have the meanings set forth in the sections indicated in the table below:

Term	Section
Agent's Fees	5.18
ALTA	7.6
AT&T Affiliates	1.2
Brenmor	First Paragraph
Cash Consideration	3.1.1
Charter Parties	Recital D
Closing Date	9.1
Code	Recital C

commercially reasonable efforts	12.16
control	1.2
Common Agreement	Recital D
Computer and Other Systems	7.20.1(a)
Confidential Information	7.13.1
Cost of Service Election	5.8.4
Exchange	2.1
FCC Rate Forms	5.8.4
FTC	7.7
Hired Employee	7.3.6(a)
IP-I	First Paragraph
IP-I Parent	First Paragraph
IP-I Party	First Paragraph
IP-I Excluded Assets	4.4
IP-I Matching Franchise	7.5.5(a)
IP-I Retained Franchise	7.5.5(b)
IP-I System Value	3.1.1
IP-I Systems	Recital A
IP-I's Assumed Obligations and Liabilities	4.3
Matching Franchise	7.5.5(a)
New Properties	7.10(b)
Nonrecourse	11.3
Operating Agreements	7.5.5(c)
Phase I Assessment	7.19.1
Phase II Assessment	7.19.1
Primary Transfer	7.5.5(d)
Prime Rate	12.8
Redemption Agreement	Recital D
Retained Franchise	7.5.5(a)
RMG	First Paragraph
RMG Excluded Assets	4.2
RMG Matching Franchise	7.5.5(b)
RMG Retained Franchise	7.5.5(a)
RMG System Value	3.1.1
RMG Systems	Recital B
RMG's Assumed Obligations and Liabilities	4.1
Specified RMG Obligations	11.2
Subsequent Transfer	7.5.5(e)
Surveys	7.6
Survival Period	11.1
System Employees	7.3.1
Taking	12.14
Third Party Testing	7.20.2(c)

Title Commitments	7.6
Title Company	7.6
Title Defect	7.6
Transfer Tax Returns	7.8
Transfer Taxes	7.8
Transferee Party	7.17.3
Transferor Party	7.17.3
Transitional Billing Services	7.12
WARN	5.14.1
Year 2000 High-Level Inventory, Assessment and Remediation Decisions	7.20.1(b)
Year 2000 Plan	7.20.1(c)
Year 2000 Ready or Year 2000 Readiness	7.20.1(d)
Year 2000 Remediation Program	7.20.1(e)

1.73 Usage. The definitions in Article 1 shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. All references herein to Articles, Sections, Exhibits and Schedules shall be deemed to be references to Articles and Sections of, and Exhibits and Schedules to, this Agreement unless the context shall otherwise require. All Exhibits and Schedules attached hereto shall be deemed incorporated herein as if set forth in full herein and, unless otherwise defined therein, all terms used in any Exhibit or Schedule shall have the meaning ascribed to such term in this Agreement. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. Unless otherwise expressly provided herein, any agreement, instrument or statute defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument or statute as from time to time amended, modified or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes and references to all attachments thereto and instruments incorporated therein. All accounting terms not otherwise defined in this Agreement will have the meanings ascribed to them under generally acceptable accounting principles as in effect from time to time in the United States, consistently applied.

2. EXCHANGE.

2.1 Exchange of Assets. Upon the terms and subject to the conditions set forth in this Agreement, at the Closing, RMG and the IP-I Parties agree to exchange simultaneously (a) certain RMG Assets for the IP-I Assets held by IP-I Parent, as set forth on Schedule 2.1, and (b) certain RMG Assets for the IP-I Assets held by Brenmor, as set forth in Schedule 2.1, in each case free and clear of all Liens (except Permitted Liens) (the "Exchanges"), including the assignment and transfer of all interests in Leased Property and leased Tangible Personal

Property. RMG and the IP-I Parties agree to use all reasonable efforts to structure the Exchanges in such a way that to the extent reasonably possible it will be a tax free exchange of like-kind assets under Section 1031 of the Code, including either Party's assignment of its rights under this Agreement to a "qualified intermediary" engaged by such Party to effectuate a deferred like-kind exchange under Section 1031 of the Code. Schedule 2.1 will be attached to this Agreement in form and substance mutually satisfactory to the Parties prior to Closing, and when attached to this Agreement will be deemed for all purposes to be attached as of the date hereof.

2.2 Method of Exchange. Each Exchange of Assets as described in Schedule 2.1 is to occur as follows: (A) the RMG Tangible Personal Property and the IP-I Tangible Personal Property are being exchanged each for the other in "Exchange Groups" as defined under Internal Revenue Regulations Sections 1.1031(a)-2 and 1.1031(j)-1(b)(2); (B) the RMG Owned Property, RMG Leased Property and RMG Other Real Property Interests, and the IP-I Owned Property, IP-I Leased Property and IP-I Other Real Property Interests, are being exchanged each for the other; and (C) the RMG Systems Contracts, RMG Systems Franchises, RMG Systems Licenses and RMG Other Intangibles, and the IP-I Systems Contracts, IP-I Systems Franchises, IP-I Systems Licenses and IP-I Other Intangibles, are being exchanged each for the other, in each case to the maximum extent permitted by Section 1031 of the Code and the regulations promulgated thereunder. Liabilities assumed or taken subject to by each Party are being exchanged each for the other to the maximum extent permitted under Section 1031 of the Code and regulations thereunder.

3. CONSIDERATION. Each Party agrees that cash consideration will be paid at Closing by either RMG (or its designee) to the IP-I Parties or by the IP-I Parties to RMG, and that such amount will be determined as follows:

3.1 Calculation of Values; Cash Consideration.

3.1.1 For the purposes of this Agreement, the gross value of the RMG Assets comprising each RMG System shall be as set forth on Schedule 3.1.1-A (each, an "RMG System Value") and the gross value of the IP-I Assets comprising each IP-I System shall be as set forth on Schedule 3.1.1-B (each, a "IP-I System Value"). The RMG System Value for each RMG System shall be adjusted in accordance with the provisions of the Redemption Agreement, and the IP-I System Value for each IP-I System shall be adjusted in accordance with the provisions of the Common Agreement. At the Closing, the appropriate Person will pay to the IP-I Parties or RMG, as the case may be (or their permitted assignees) an amount of cash to be determined pursuant to the Redemption Agreement or the Common Agreement (in each case, the "Cash Consideration"), which payments shall then be deemed made pursuant and subject to this Agreement. Preliminary and final determinations of the Cash Consideration will be made in accordance with the Common Agreement.

4. ASSUMED LIABILITIES AND EXCLUDED ASSETS.

4.1 RMG's Assumed Obligations and Liabilities. At the Closing and effective as of the Closing Time, RMG will assume and after the Closing Date, RMG will pay, discharge and perform the following (collectively, "RMG's Assumed Obligations and Liabilities"): (a) those obligations and liabilities accruing and relating to periods after the Closing Time under or with respect to the IP-I Assets assigned and transferred to RMG at the Closing; (b) those obligations and liabilities of IP-I for subscriber prepayments and deposits related to the IP-I Systems existing at the Closing Time; (c) other obligations and liabilities of the IP-I Parties only to the extent that the Adjusted Value of the IP-I Systems was decreased with respect thereto pursuant to Section 2.2 of the Common Agreement; and, (d) all other obligations and liabilities accruing and relating to periods after the Closing Time and arising out of RMG's ownership, use or operation of the IP-I Assets (including those items listed or described on Schedule 4.4(b)) or its operation of, or conduct of business through, the IP-I Systems after the Closing (including with respect to late fees that may be charged by RMG after the Closing to subscribers of the IP-I Systems) except to the extent that such obligations or liabilities relate to any IP-I Excluded Asset. All obligations and liabilities arising out of or relating to the IP-I Assets, the IP-I Systems or IP-I's Cable Businesses other than RMG's Assumed Obligations and Liabilities will remain and be the obligations and liabilities solely of the IP-I Parties, including any obligation, liability or claims relating to or arising pursuant to (w) Taxes (including franchise fees) with respect to periods or portions thereof ending on or prior to the Closing Date, (x) refunds of rates, charges or late fees with respect to periods through and including the Closing Date, (y) Litigation commenced, or related to an event occurring, on or prior to the Closing Date, or (z) credit, loan or other agreements pursuant to which the IP-I Parties have created, incurred, assumed or guaranteed indebtedness for borrowed money or under which any Lien securing such indebtedness has been or may be imposed on any IP-I Asset.

4.2 RMG Excluded Assets. "RMG Excluded Assets" means all: (a) cash and cash equivalents; (b) minute books, stock ledgers, organizational documents and, to the extent not included in the RMG Books and Records, personnel files and records; and (c) rights, assets and properties described on Schedule 4.2.

4.3 IP-I's Assumed Obligations and Liabilities. At the Closing and effective as of the Closing Time, the IP-I Parties will assume and after the Closing Date, the IP-I Parties will pay, discharge and perform the following (collectively, "IP-I's Assumed Obligations and Liabilities"): (a) those obligations and liabilities under or with respect to the RMG Assets assigned and transferred to the IP-I Parties at the Closing; (b) those obligations and liabilities of RMG for subscriber prepayments and deposits related to the RMG Systems existing at the Closing Time; (c) other obligations and liabilities of RMG to the extent that the Adjusted Value of the RMG Systems was decreased with respect thereto pursuant to the Redemption Agreement; and (d) all other obligations and liabilities related to or arising out of RMG's or the IP-I Parties' ownership, use or operation of the RMG Assets or their operation of, or the conduct of business through, the RMG Systems (including with respect to late fees that may be charged by the IP-I Parties after

the Closing to subscribers of the RMG Systems), except to the extent that such obligations or liabilities relate to any RMG Excluded Asset. All obligations and liabilities not arising out of or relating to the RMG Assets, the RMG Systems or RMG's Cable Business will remain and be the obligations and liabilities solely of RMG including any obligation, liability or claims relating to or arising pursuant to (x) Taxes (other than franchise fees or Taxes with respect to the RMG Assets) with respect to periods or portions thereof ending on or prior to the Closing Date, or (y) credit, loan or other agreements pursuant to which RMG has created, incurred, assumed or guaranteed indebtedness for borrowed money or under which any Lien securing such indebtedness has been or may be imposed on any RMG Asset.

4.4 IP-I Excluded Assets. "IP-I Excluded Assets" means all: (a) programming Contracts (including music programming Contracts), cable guide Contracts, and Contracts to which the IP-I Parties one or more Affiliates of the IP-I Parties or other cable systems of the IP-I Parties or their Affiliates are parties (including master retransmission consent agreements and master billing, collection and related agreements), other than any such Contracts (such as local programming agreements) listed on Schedule 4.4(b), (b) except as set forth on Schedule 4.4(b), each employee benefit plan (as defined in Section 3(3) of ERISA) or any multiemployer plan (as defined in Section 3(37) of ERISA) with respect to which any IP-I Party or any of their ERISA Affiliates has any liability or in which any employees or agents, or any former employees or agents, of any IP-I Party or any of their ERISA Affiliates participate; (c) except as provided in Section 12.14, insurance policies and rights and claims thereunder; (d) bonds, letters of credit, surety instruments and other similar items; (e) cash and cash equivalents, including cash relating to subscriber prepayments and deposits, and notes receivable; (f) except as set forth on Schedule 4.4(b), and subject to Section 7.11, Intellectual Property held by IP-I or any of its Affiliates; (g) except as set forth on Schedule 4.4(b), subscriber billing Contracts and related equipment if not owned by the IP-I Parties or any Affiliate of the IP-I Parties; (h) assets, rights or properties of the IP-I Parties or their Affiliates used or held for use other than principally in connection with the IP-I Systems; (i) except for any items for which the Adjusted Value of the IP-I Systems is increased under Section 2.2 of the Common Agreement, claims, rights, and interest in and to any refunds of Taxes or fees of any nature, or other claims against third parties, relating to the operation of the IP-I Systems prior to the Closing Time; (j) account books of original entry, general ledgers, financial records, minute books, stock ledgers, organizational documents and, to the extent not included in the IP-I Books and Records, personnel files and records, in each case used in connection with the IP-I Systems; (k) except for the leases described on Schedule 4.4(b), capital and vehicle leases; (l) advertising sales agency or representation Contracts providing any Third Party or Affiliate of IP-I the right to sell available advertising time for a IP-I System other than any such Contract listed on Schedule 4.4(b); (m) to the extent licensed pursuant to a master license agreement or otherwise not transferable, software of the IP-I Parties or any Affiliate of the IP-I Parties and licenses relating to Third Party software; (n) Contracts for any fiber or fiber capacity lease or use arrangements that provide to any Third Party or Affiliate of IP-I the right to use any fiber or capacity of a IP-I System other than any such Contract listed on Schedule 4.4(b); (o) except as set forth on Schedule 4.4(b), Contracts for any internet access or on-line services arrangements that provide to any Third Party or Affiliate of IP-I the right to use

the transmission capacity of a IP-I System to provide internet access or other on-line services over such IP-I System; (p) except as set forth on Schedule 4.4(b), Contracts between any IP-I Party and its Affiliates; and (q) other rights, assets and properties described on Schedule 4.4(a).

5. IP-I'S REPRESENTATIONS AND WARRANTIES. Each IP-I Party represents and warrants to RMG, jointly and severally, as of the date of this Agreement and as of the Closing, as follows:

5.1 Organization and Qualification of IP-I. Such IP-I Party is a limited partnership duly formed, validly existing and in good standing under the laws of the State of California. Such IP-I Party has all requisite power and authority to own, lease and use the IP-I Assets owned, leased or used by it and to conduct its Cable Business as it is currently being conducted by it. As of the date of this Agreement, such IP-I Party is duly qualified to do business and is in good standing under the laws of each jurisdiction in which the ownership, leasing or use of the IP-I Assets owned, leased or used by it or the nature of its activities in connection with its IP-I Systems makes such qualification necessary.

5.2 Authority and Validity. Such IP-I Party has all requisite corporate power and authority to execute and deliver, to perform its obligations under, and to consummate the transactions contemplated by, this Agreement and the Transaction Documents to which it is a party. The execution and delivery by such IP-I Party of, its performance under, and its consummation of the transactions contemplated by, this Agreement and the Transaction Documents to which it is a party have been duly and validly authorized by all action by or on behalf of such IP-I Party. This Agreement has been, and when executed and delivered by such IP-I Party the Transaction Documents to which it is a party will be, duly and validly executed and delivered by such IP-I Party and the valid and binding obligations of such IP-I Party, enforceable against it in accordance with their terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect relating to the enforcement of creditors' rights generally or by principles governing the availability of equitable remedies.

5.3 No Conflict; Required Consents. Except as set forth on Schedule 5.3, and assuming all RMG Required Consents have been obtained and the expiration or earlier termination of the waiting period under the HSR Act has occurred, the execution and delivery by such IP-I Party of, its performance under, and its consummation of the transactions contemplated by, this Agreement and the Transaction Documents to which it is a party do not and will not: (a) conflict with or violate any provision of the organizational documents of such IP-I Party; (b) violate any provision of any Legal Requirement; (c) require any consent, approval or authorization of, or filing of any certificate, notice, application, report or other document with, any Governmental Authority or other Person; or (d) (i) conflict with, violate, result in a breach of or constitute a default under (without regard to requirements of notice, lapse of time or elections of other Persons or any combination thereof), (ii) permit or result in the termination, suspension or modification of, (iii) result in the acceleration of (or give any Person the right to accelerate)

the performance of such IP-I Party under, or (iv) result in the creation or imposition of any Lien under any IP-I Systems Contract, IP-I Systems Franchise, IP-I Systems License, or other instrument evidencing any of the IP-I Assets or by which such IP-I Party or any of its assets is bound or affected, except for purposes of clauses (c) and (d) such consents, approvals, authorizations and filings that, if not obtained or made, would not, and such violations, conflicts, breaches, defaults, terminations, suspensions, modifications and accelerations as would not, individually or in the aggregate, have an adverse effect on any of such IP-I Party's Systems, its Cable Business or on such IP-I Party, or on its ability to perform its obligations under this Agreement or the Transaction Documents to which it is a party.

5.4 Assets.

5.4.1 Such IP-I Party has good and marketable title to (or, in the case of Assets that are leased, valid leasehold interests in) its Assets. None of the AT&T Affiliates has any right, title or interest in or to any of the IP-I Assets. The IP-I Assets are free and clear of all Liens, except Permitted Liens and rights of first refusal which will be waived at Closing by the Person holding such rights. All of the Liens described on Schedule 5.4.1 (except for those marked with an asterisk on Schedule 5.4.1) will be terminated, released or, in the case of rights of first refusal (except for those listed on Schedule 5.4.1), waived, as appropriate, at or prior to the Closing. Except as described on Schedule 1.34, such IP-I Party's Tangible Personal Property, as an integrated system and in its component parts, is in good operating condition and repair (ordinary wear and tear and routine failures excepted) and is usable and adequate for the operation of such IP-I Party's Cable Business.

5.4.2 Except for items included in the IP-I Excluded Assets, such IP-I Party's Assets constitute substantially all the assets necessary to (a) conduct its Cable Business as it is being conducted on the date of this Agreement and in compliance with all applicable Legal Requirements, (b) to operate its Systems as they are being operated on the date of this Agreement and in compliance with all applicable Legal Requirements and (c) to perform all of RMG's Assumed Obligations and Liabilities.

5.4.3 Except as described on Schedule 5.4.3, and other than direct broadcast satellite and satellite master antenna television, with respect to each area in which such IP-I Party's Systems currently provide cable television service: (i) no Person is operating a cable television system or other non-satellite MVPD other than a IP-I System in such area; (ii) no local franchising authority has awarded a cable television franchise in such area to any Person other than a IP-I Party; and (iii) to the Knowledge of such IP-I Party, no MVPD has applied for a cable television franchise to serve such area.

5.5 IP-I Systems Franchises, IP-I Systems Licenses, IP-I Systems Contracts and IP-I Other Real Property Interests.

5.5.1 Except as described on Schedules 1.26, 1.28, 1.31, 1.32 and 1.33, and except for the IP-I Excluded Assets, IP-I is not bound or affected by any of the following that relate primarily or in whole to its Cable Business: (a) leases of real property or capital leases of personal property; (b) operating leases of personal property that are terminable upon more than 30 days notice and that contemplate annual lease payments in excess of $20,000; (c) franchises for the construction or operation of cable television systems or IP-I Systems Contracts of substantially equivalent effect; (d) licenses, authorizations, consents or permits of the FCC; (e) other licenses, authorizations, consents or permits of any other Governmental Authority, individually or in the aggregate, material to any IP-I System; (f) easements or rights of access, individually or in the aggregate, material to any IP-I System; (g) pole attachment agreements, underground conduit agreements, crossing agreements, retransmission consent agreements or bulk or commercial service agreements, individually or in the aggregate, material to any IP-I System; or (h) IP-I Systems Contracts other than those described in any other clause of this Section 5.5.1 which contemplate payments by or to IP-I in any 12-month period exceeding $25,000 under any single contract or $100,000 in the aggregate.

5.5.2 Complete and correct copies of such IP-I Party's Systems Franchises and Systems Licenses have been provided to the Charter Parties. Except as set forth on Schedule 5.5.2, (a) such IP-I Party's Systems Franchises contain all of the commitments and obligations of such IP-I Party to the applicable Governmental Authority granting such Franchises with respect to the construction, ownership and operation of its Systems, and (b) other than as set forth in IP-I Party's Systems Franchises, such IP-I Party has not made any commitment to any local franchising authority to make any material expenditure or capital addition or betterment to any of its Systems or Assets that will not be fulfilled or satisfied prior to the Closing Time. Such IP-I Party's Systems Franchises and Systems Licenses are currently in full force and effect, are not in default and are valid under all applicable Legal Requirements according to their terms. No event has occurred that, with notice or lapse of time or both, would constitute a breach, violation or default by any such IP-I Party, and to such IP-I Party's Knowledge, no event has occurred that, with notice or lapse of time or both, would constitute a breach, violation or default by any other Person, of any material obligations under any of such IP-I Party's Systems Franchises or Systems Licenses. Except for routine filings with Governmental Authorities and as described on Schedule 5.5.2, there are no applications relating to any of such IP-I Party's Systems Franchise or Systems License pending before any Governmental Authority which are material to any of its Systems or its Cable Business. Except where a request for renewal has been timely filed under Section 626(a) of the Cable Act, since December 31, 1998, no Systems Franchise or Systems License of such IP-I Party has been surrendered by such IP-I Party or has expired or otherwise terminated without the issuance of a replacement IP-I Systems Franchise or IP-I Systems License. There is no legal action, governmental proceeding or investigation pending or, to such IP-I Party's Knowledge, threatened to terminate, suspend or modify any Systems Franchise or Systems License of such IP-I Party. Except as set forth on Schedule 5.5.2, such IP-I Party is, or will be as of the Closing Date, in material compliance with the terms and conditions of all its Systems Franchises and Systems Licenses and other applicable requirements of all Governmental Authorities (including the FCC and the U.S. Copyright Office) relating to such IP-I Systems

Franchises and IP-I Systems Licenses, including all requirements for notification, filing, reporting, posting and maintenance of logs and records.

5.5.3 Such IP-I Party has delivered to the Charter Parties true and complete copies of all of such IP-I Party's Systems Contracts (including each Contract relating to IP-I Leased Property and IP-I Other Real Property Interests), including any amendments thereto (or, in the case of oral Contracts, true and complete written summaries thereof) and each document evidencing such IP-I Party's ownership of its Owned Property. Except as described in Schedule 5.5.3, such IP-I Party has fulfilled when due, or has taken all action necessary to enable it to fulfill when due, all of its obligations under each of its Contracts and, to the Knowledge of such IP-I Party, there has not occurred any default (without regard to requirements of notice, lapse of time, elections of other Persons, or any combination thereof) by any other Person of any material obligations under any of its Contracts or Real Property Interests.

5.6 Real Property. All the Assets of such IP-I Party consisting of IP-I Owned Property, IP-I Leased Property and material IP-I Other Real Property Interests are described on Schedules 1.26, 1.28 and 1.29. Except for ordinary wear and tear and routine repairs and as set forth on Schedule 5.6, all of the improvements, leasehold improvements and the premises of such IP-I Party's Owned Property and the premises demised under the leases and other documents evidencing such IP-I Party's Leased Property and are in good condition and repair and are suitable for the purposes used. Each parcel of such IP-I Party's Owned Property and each parcel of such IP-I Party's Leased Property and any improvements thereon (a) has access to and over public streets or private streets for which such IP-I Party has a valid right of ingress and egress, (b) except as set forth on Schedule 1.26 or 1.28, conforms in its current use and occupancy to all material zoning requirements without reliance upon a variance issued by a Governmental Authority or a classification of the parcel in question as a nonconforming use, (c) conforms in all material respects in its current use to all restrictive covenants, if any, or other Liens affecting all or part of such parcel (of record, with respect to IP-I Owned Property, or of record or as set forth in an agreement listed on Schedule 1.26 or 1.28 with respect to IP-I Leased Property or IP-I Other Real Property Interests), and (d) is available for immediate use in the conduct of the business or operations of such IP-I Party's Systems. There are no pending condemnation, expropriation, eminent domain or similar proceedings of which such IP-I Party has received notice or has Knowledge affecting, in any material respect, all or any portion of such IP-I Party's Owned Property, Leased Property, or Other Real Property Interests. Such IP-I Party has good and marketable title to each such parcel of real property included in its Owned Property and in all buildings, structures and improvements thereon, in each case free and clear of all Liens except for Permitted Liens.

5.7 Environmental.

5.7.1 Except as described on Schedule 5.7, such IP-I Party is in material compliance with all Environmental Laws, insofar as they relate to its Owned Property or Leased Property. Except as described on Schedule 5.7, such IP-I Party has not received any notice of,

and has no Knowledge of, any alleged, actual, or potential responsibility for, or any inquiry regarding, (i) any release or threatened release of any Hazardous Substances from or on its Owned Property or Leased Property, or (ii) any material violation of any Environmental Laws associated with its Owned Property or Leased Property. Except as described on Schedule 5.7, to such IP-I Party's Knowledge, its own operations on its Other Real Property Interests do not violate any Environmental Laws in any material respect, and such IP-I Party has received no notice of any such violation. Except as described on Schedule 5.7, such IP-I Party has not received any notice of, and has no Knowledge of circumstances relating to, any past, present or future events, conditions, circumstances, activities, practices or incidents (including the presence, use, generation, manufacture, disposal, release or threatened release of any Hazardous Substances from or on its Owned Property or Leased Property), which could interfere with or prevent continued compliance, or which are reasonably likely to give rise to any liability, based upon or related to the processing, distribution, use, treatment, storage, disposal, transport or handling, or the emission, discharge, release or threatened release into the environment, of any Hazardous Substance from or attributable to its Owned Property or Leased Property.

5.7.2 Except as described on Schedule 5.7, to such IP-I Party's Knowledge, (a) no aboveground or underground storage tanks are currently or have been located on any IP-I Owned Property or IP-I Leased Property of such IP-I Party and (b) no IP-I Owned Property or IP-I Leased Property of such IP-I Party 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.

5.7.3 Complete and correct copies of (a) all studies, reports, surveys or other similar written materials in IP-I's possession or to which IP-I, to its Knowledge, has access relating to the presence or alleged presence of Hazardous Substances at, on, under or affecting the IP-I Owned Property or IP-I Leased Property of such IP-I Party, (b) all notices (other than general notices made by general publication) in IP-I's possession or to which IP-I, to its Knowledge, has access that were received from any Governmental Authority having the power to administer or enforce any Environmental Laws relating to current or past ownership, use or operation of such Carter Party's Owned Property or Leased Property or activities at its Owned Property or IP-I Leased Property and (c) all notices and related materials in IP-I's possession or to which IP-I, to its Knowledge, has access relating to any Litigation concerning any Environmental Law to which such IP-I Party is a party or written allegation by any private Third Party concerning any Environmental Law and such IP-I Party, have been provided to RMG (other than those materials constituting attorney-client privileged communications).

5.8 Compliance with Legal Requirements.

5.8.1 Except as set forth on Schedule 5.8, the operation of such IP-I Party's Systems as currently conducted does not violate or infringe any Legal Requirement currently in effect in any material respect (other than Legal Requirements described in Sections 5.7, 5.8.3 and 5.8.4, as to which the representations and warranties set forth in those subsections will

apply) or the grounding requirements of the National Electrical Safety Code. Except as set forth on Schedule 5.8, such IP-I Party has not received any notice and has no Knowledge of any material violation by such IP-I Party or any of its Systems of any Legal Requirement applicable to the installation, ownership and operation of its Systems as currently conducted, and knows of no basis for the allegation of any such violation.

5.8.2 Except as set forth on Schedule 5.8, without limiting the generality of the foregoing, since such IP-I Party's acquisition of its Systems: it has submitted to the FCC all filings, including cable television registration statements, annual reports and aeronautical frequency usage notices and paid all regulatory fees, that are required under the rules and regulations of the FCC; the operation of its Systems has been and is in material compliance with the rules and regulations of the FCC, and it has not received any notice from the FCC of any violation of its rules and regulations; such IP-I Party is and since 1986 (or since its acquisition, if later) has been certified as in compliance with the FCC's equal employment opportunity rules; its Systems are in material compliance with all signal leakage criteria prescribed by the FCC; and for each relevant semi-annual reporting period since its acquisition of a IP-I System, such IP-I Party has timely filed with the United States Copyright Office all required Statements of Account in true and correct form, has paid when due all required copyright royalty fee payments in correct amount, relating to its Systems' carriage of television broadcast signals and is otherwise in material compliance with all applicable rules and regulations of the Copyright Office. Except as set forth on Schedule 5.8, such IP-I Party has no Knowledge, with respect to any IP-I System acquired by such IP-I Party since January 1, 1996, of any previous owner's failure to comply with the copyright licensing requirements with respect to such System or any written claim or inquiry from any Person which questions such System's failure to comply. IP-I has delivered to the Charter Parties copies of all reports, filings and correspondence made or filed by such IP-I Party with the FCC or pursuant to the FCC rules and regulations for the past year and all reports, filings and correspondence made or filed by such IP-I Party with the Copyright Office or pursuant to Copyright Office rules and regulations for the past three years. Except as set forth on Schedule 5.8, (i) a request for renewal has been timely filed under Section 626(a) of the Cable Act with the proper Governmental Authority with respect to each Systems Franchise of such IP-I Party expiring within 36 months after the date of this Agreement; and (ii) such IP-I Party has received no written notice from any Governmental Authority that it has determined or intends to deny renewal of any IP-I Systems Franchise to which it is a party.

5.8.3 Except as set forth on Schedule 5.8 and as otherwise provided in this Section, such IP-I Party has used commercially reasonable efforts to comply in all material respects with the provisions of the Cable Act and the 1992 Cable Act pertaining to the carriage of television broadcast signals, as such Legal Requirements relate to the operation of its Systems. Such IP-I Party has complied in all material respects with the must carry and retransmission consent provisions of the 1992 Cable Act, including (i) duly and timely notifying "local commercial television stations" of inadequate signal strength or increased copyright liability, if applicable, (ii) duly and timely notifying non-commercial educational stations of the location of its System's principal headend, (iii) duly and timely notifying subscribers of changes in the

channel alignment on its Systems, (iv) duly and timely notifying "local commercial and non-commercial television stations" of the broadcast signals carried on its Systems and their channel positions, (v) maintaining the requisite public file identifying broadcast signal carriage, (vi) carrying the broadcast signals after June 1, 1993, on its Systems for all "local commercial television stations" which elected must carry status and, if required, up to two "qualified low power stations" and (vii) obtaining retransmission consents for all broadcast signals carried on its Systems after October 5, 1993, except for the non-exempt signals carried pursuant to a must carry election. No must carry complaint is pending against any of System such IP-I Party at the FCC, nor, to such IP-I Party's Knowledge, is any threatened except as set forth in Schedule 5.8. IP-I has delivered to the Charter Parties copies of any pending petitions such IP-I Party has on file with the FCC, including requests for market modifications or petitions for special relief or any market modification requests or special relief petitions affecting any IP-I System that have been served on such IP-I Party. The FCC has not issued any decision with respect to a must carry complaint finding any System of such IP-I Party in violation of the must carry rules except as set forth on Schedule 5.8.

5.8.4 Such IP-I Party has used commercially reasonable efforts to establish rates charged and a la carte packages provided to subscribers, effective as of September 1, 1993, that would be allowable under rules and regulations promulgated by the FCC under the 1992 Cable Act, and any authoritative interpretation thereof, whether or not such rates or packages were subject to regulation at that date by any Governmental Authority, including any state regulatory agency, local franchising authority and/or the FCC. Notwithstanding the foregoing, such IP-I Party makes no representation or warranty that either the rates charged to subscribers or the a la carte packages provided would be allowable under any rules and regulations of the FCC, or any authoritative interpretation thereof, promulgated after the date of the Closing. IP-I has delivered to the Charter Parties complete and correct copies of (i) the most recent FCC Forms 328, 329, 393, 1200, 1205, 1210, 1215, 1220, 1235 and 1240 and other FCC rate forms (collectively, "FCC Rate Forms") filed by such IP-I Party with the local franchising authority and/or the FCC and will deliver as soon as available all FCC Rate Forms that are prepared with respect to such IP-I Party's Systems, (ii) all historical FCC Rate Forms with respect to any IP-I System in which there is currently a rate issue pending, including any accounting order or any rate order on appeal, (iii) copies of all complaints, petitions, answers, responses and other filings made with or by any Governmental Authority in connection with any rate orders issued by such Governmental Authority or any appeal therefrom, and (iv) any documentation supporting an exemption from the rate regulation provisions of the 1992 Cable Act claimed by such IP-I Party with respect to its Systems. Except as set forth on Schedule 5.8, such IP-I Party has not made any election with respect to any cost of service proceeding conducted in accordance with Part 76.922 of Title 47 of the Code of Federal Regulations or any similar proceeding (a "Cost of Service Election") with respect to any of such IP-I Party's Systems.

5.8.5 Except as set forth on Schedule 5.8, all necessary FAA approvals have been obtained and all necessary FCC tower registrations have been filed with respect to the height and location of towers used in connection with the operation of such IP-I Party's Systems,

and such towers are being operated in compliance in all material respects with applicable FCC and FAA rules. The ownership, height (with and without appurtenances), location (address, latitude, longitude and ground elevation), structure type and FCC call signs of each tower used in connection with the operation of such IP-I Party's Systems are correctly described on Schedule 5.8. To the extent applicable, IP-I has delivered to the Charter Parties true and correct copies of the FAA final determinations that are available and FCC registrations for all such towers.

5.9 Intellectual Property. Except for Intellectual Property which constitutes IP-I Excluded Assets and the Intellectual Property described on Schedule 4.4(b), such IP-I Party does not possess any Intellectual Property related to or material to the operation of its Systems, and such IP-I Party is not a party to any license or royalty agreement with respect to any such Intellectual Property, except for licenses respecting program material or incidental to any Systems Contract and obligations under the Copyright Act. To the Knowledge of such IP-I Party, its Systems and Cable Business have been operated in such a manner so as not to violate or infringe upon the rights, or give rise to any rightful claim of any Person for copyright, trademark, service mark, patent or license infringement or the like.

5.10 Financial Statements. IP-I's statements of income for the years ended December 31, 1997 and 1998, attached hereto as Schedule 5.10, are in accordance with the books and records of the IP-I Systems, were prepared in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods covered thereby and, except as may be described therein, present fairly the operating results of the IP-I Systems for the periods indicated, subject only to standard year-end adjustments and the omission of footnotes thereto.

5.11 Absence of Certain Changes or Events. Except as set forth on Schedule 5.11, since December 31, 1998, there has been no (i) material adverse change in, nor has any event or events (other than any affecting the cable television industry generally) occurred that, individually or in the aggregate, are reasonably likely to result in a material adverse change in such IP-I Party's Assets, Cable Business, operations, condition (financial or otherwise) or results of operations of its Systems, taken as a whole and (ii) material change in accounting principles or practices with respect to such IP-I Party's Cable Business or revaluation by such IP-I Party of its Assets for financial reporting, property tax or other purposes. From December 31, 1998 to the date of this Agreement, such IP-I Party's Cable Business has been conducted only in the usual, regular and ordinary course, except as disclosed on Schedule 5.11 and except where the failure to conduct business in such manner would not have a material adverse effect on such IP-I Party's Assets, Cable Business, operations, condition (financial or otherwise) or results of operations of its obligations under this Agreement.

5.12 Litigation. Except as set forth on Schedule 5.12: (a) there is no Litigation pending or, to the Knowledge of such IP-I Party, threatened against such IP-I Party or any of its Affiliates which, if adversely determined, would (i) materially and adversely affect the financial

condition or operations of such IP-I Party's Cable Business, any of its Systems or Assets or the ability of such IP-I Party to perform its obligations under this Agreement or (ii) result in the modification, revocation, termination, suspension or other limitation of any of such IP-I Party's Systems Franchises, Systems Licenses, or Systems Contracts; and (b) there is not in existence any Judgment requiring such IP-I Party or any of its Affiliates to take any action of any kind with respect to its Assets or the operation of any of its Systems, or to which such IP-I Party (with respect to its Systems), any of its Systems or Assets are subject or by which they are bound or affected, that has not been fully complied with by such IP-I Party.

5.13 Tax Returns; Other Reports. Such IP-I Party has duly and timely filed in correct form all federal, state, local and foreign Tax returns and other Tax reports required to be filed by it, and has timely paid all Taxes which have become due and payable, whether or not so shown on any such return or report, the failure of which to be filed or paid could affect or result in the imposition of a Lien upon its Assets or create any transferee or other liability upon RMG, except such amounts as are being contested diligently and in good faith and are not in the aggregate material. Except as set forth on Schedule 5.13, such IP-I Party has not received any notice of, nor does such IP-I Party have any Knowledge of, any deficiency, assessment or audit, or proposed deficiency, assessment or audit from any taxing Governmental Authority which could affect, or result in the imposition of a Lien upon, any of its Assets or transferee or other liability upon RMG.

5.14 Employment Matters.

5.14.1 Such IP-I Party has complied in all material respects with all applicable Legal Requirements relating to the employment of labor, including the Worker Adjustment and Retraining Notification Act, 29 U.S.C. ss. 2101, et seq. ("WARN"), continuation coverage requirements with respect to group health plans and those relating to wages, hours, collective bargaining, unemployment insurance, workers' compensation, equal employment opportunity, age, sex, race and disability discrimination, immigration control and the payment and withholding of Taxes.

5.14.2 There are no Liens against such IP-I Party's Assets under Section 412(n) of the Code or Sections 302(f) or 4068 of ERISA. At the Closing, RMG and its ERISA Affiliates will have no obligation to contribute to, or any liability in respect of, (i) any employee benefit plan within the meaning of Section 3(3) of ERISA, or (ii) any similar employment, severance or other arrangement or policy (whether written or oral) providing for insurance coverage (including self-insured arrangements), workers' compensation, disability benefits, supplemental unemployment benefits, vacation benefits, fringe benefits or retirement 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, sponsored or maintained by any IP-I Party or any of their ERISA Affiliates, or to which any IP-I Party or any of their ERISA Affiliates was obligated to contribute. The IP-I Parties will not, in connection with the transactions contemplated by this Agreement, cease to provide any group

health plan coverage to their employees in a manner which would cause RMG or any of its ERISA Affiliates to be deemed a successor employer of such IP-I Party within the meaning of Proposed Treasury Regulations Section 54.4980B-9 Q&A8(c). With respect to any multi-employer plan within the meaning of Section 3(37) of ERISA, or any plan subject to Title IV of ERISA, to which any IP-I Party or any of their ERISA Affiliates is or ever was obligated to contribute, (a) there has been no material "reportable event" described in Sections 4043(c)(1), (2), (3), (5), (6), (7), (10), or (13) of ERISA, (b) no "accumulated funding deficiency" (as defined in Section 302 of ERISA) or "withdrawal liability" (as determined under Section 4201 et seq. of ERISA) has occurred, exists or is continuing with respect to any such plan other than a multi-employer plan (as defined in Section 3(37) of ERISA), or, to the Knowledge of IP-I or any of its ERISA Affiliates, with respect to any such plan which is a multi-employer plan (as defined in Section 3(37) of ERISA), (c) no such plan has been terminated other than in accordance with ERISA or at a time when such plan was not sufficiently funded, and (d) there has been no (i) withdrawal by any IP-I Party or any of their ERISA Affiliates that is a substantial employer from a single-employer plan and that has two or more contributing sponsors at least two of whom are not under common control, as referred to in Section 4063(b) of ERISA, or (ii) cessation by any IP-I Party or any of their ERISA Affiliates of operations at a facility causing more than 20% of plan participants to be separated from employment, as referred to in Section 4062(e) of ERISA. With respect to any plan maintained, sponsored by, or contributed to by any IP-I Party, which is intended to comply with the provisions of Section 401(k) of the Code, and from which any similar plan maintained or sponsored by RMG or any of its ERISA Affiliates accepts a plan-to-plan transfer under Section 7.3.3, (I) such plan has received a favorable determination letter from Internal Revenue Service, and no IP-I Party or any of their ERISA Affiliates has any Knowledge of any fact which could adversely affect the qualified status of such plan, and (II) such plan has been administered and maintained in material compliance with ERISA, the Code and all other applicable laws.

5.14.3 Except as set forth on Schedule 5.14, there are no collective bargaining agreements applicable to any Person employed by such IP-I Party that renders services in connection with its Systems and such IP-I Party has no duty to bargain with any labor organization with respect to any such Person. Except as set forth on Schedule 5.14, there are not pending any unfair labor practice charges against such IP-I Party, any demand for recognition or any other request or demand from a labor organization for representative status with respect to any Person employed by it that renders services in connection with its Systems. Except as described on Schedule 5.14, such IP-I Party has no employment agreements, either written or oral, with any employee of its Systems and none of the employment agreements listed on Schedule 5.14 requires such IP-I Party, or will require RMG or any Affiliate of RMG, to employ any Person after the Closing.

5.15 IP-I Systems Information.

5.15.1 Schedule 5.15.1 sets forth a materially true and accurate description, on a System-by-System basis, of the following information relating to such IP-I Party's Systems as of December 31, 1998:

(a) the approximate number of aerial and underground miles of plant included in the IP-I Assets and served by each headend;

(b) the approximate number of single family homes and residential multiple dwelling units passed by each such IP-I System;

(c) the MHZ capacity and channel capacity of each headend; and

(d) the number of subscribers served by each such IP-I System and a description of the calculation methodology used by IP-I to calculate such subscribers.

5.15.2 Schedule 5.15.2 sets forth a materially true and accurate description of the following information relating to such IP-I Party's Systems as of the date of this Agreement:

(a) a description of the Basic Services, the Expanded Basic Services, Pay TV and a la carte services available from each such IP-I System, and the rates charged by such IP-I Party therefor, including all rates, tariffs and other charges for cable television or other services provided by each such IP-I System;

(b) the stations and signals carried by each such IP-I System and the channel position of each such signal and station; and

(c) the cities, towns, villages, boroughs and counties served by each such IP-I System.

5.15.3 Each of such IP-I Party's Systems is capable of providing all channels, stations and signals reflected as being carried on such IP-I System on Schedule 5.15.2.

5.16 Taxpayer Identification Number. The U.S. Taxpayer Identification Number for the IP-I Parties are as follows:

InterMedia Partners, a California Limited Partnership	94-3069241
Brenmor Cable Partners, L.P.	94-3102690

5.17 Finder and Brokers. Such IP-I Party has not entered into any Contract with any person which will result in the obligation of RMG to pay any finder's fees, brokerage or agent's commissions or other like payments (collectively, "Agent's Fees") in connection with the negotiations leading to this Agreement or the consummation of the transactions contemplated hereby.

5.18 Related Party Transactions. Set forth on Schedule 5.18 hereto, are the Contracts, agreements, arrangements or understandings between such IP-I Party and any of its Affiliates and between such IP-I Party and any AT&T Affiliate included in or related to the IP-I Assets.

6. RMG'S REPRESENTATIONS AND WARRANTIES.

RMG represents and warrants to the IP-I Parties as of the date of this Agreement and as of the Closing, as follows:

6.1 Organization and Qualification of RMG. RMG is a corporation duly formed, validly existing and in good standing under the laws of the State of Nevada. RMG has all requisite power and authority to own, lease and use the RMG Assets owned, leased or used by it and to conduct its Cable Business as it is currently being conducted by it. As of the date of this Agreement, RMG is duly qualified to do business and is in good standing under the laws of each jurisdiction in which the ownership, leasing or use of the RMG Assets owned, leased or used by it or the nature of its activities in connection with its RMG Systems makes such qualification necessary.

6.2 Authority and Validity. RMG has all requisite power and authority to execute and deliver, and to perform its obligations under, and to consummate the transactions contemplated by, this Agreement and the Transaction Documents to which it is a party. The execution and delivery by RMG of, the performance of RMG under, and the consummation by RMG of the transactions contemplated by, this Agreement and the Transaction Documents to which RMG is a party have been duly and validly authorized by all action by or on behalf of RMG. This Agreement has been, and when executed and delivered by RMG the Transaction Documents to which it is a party will be, duly and validly executed and delivered by RMG and the valid and binding obligations of RMG, enforceable against RMG in accordance with their terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect relating to the enforcement of creditors' rights generally or by principles governing the availability of equitable remedies.

6.3 No Conflict; Required Consents. Except as set forth on Schedule 6.3, and assuming all IP-I Required Consents have been obtained and the expiration or earlier termination of the waiting period under the HSR Act has occurred, the execution and delivery by RMG, the performance of RMG under, and the consummation by RMG of the transactions contemplated by, this Agreement and the Transaction Documents to which RMG is a party do not and will not: (a) conflict with or violate any provision of the organizational documents of RMG; (b) violate any provision of any Legal Requirement; (c) require any consent, approval or authorization of, or filing of any certificate, notice, application, report or other document with, any Governmental Authority or other Person; or (d) (i) conflict with, violate, result in a breach of or constitute a default under (without regard to requirements of notice, lapse of time or elections of other Persons or any combination thereof), (ii) permit or result in the termination, suspension or modification of, (iii) result in the acceleration of (or give any Person the right to accelerate) the

performance of RMG under, or (iv) result in the creation or imposition of any Lien under any RMG Systems Contract, RMG Systems Franchise, RMG Systems License, or other instrument evidencing any of the RMG Assets or by which RMG or any of its assets is bound or affected, except for purposes of clauses (c) and (d) such consents, approvals, authorizations and filings that, if not obtained or made, would not, and such violations, conflicts, breaches, defaults, terminations, suspensions, modifications and accelerations as would not, individually or in the aggregate, have an adverse effect on any RMG System, RMG's Cable Business or RMG, or on the ability of RMG to perform its obligations under this Agreement or the Transaction Documents to which it is a party.

6.4 Assets.

6.4.1 RMG has good and marketable title to (or, in the case of RMG Assets that are leased, valid leasehold interests in) the RMG Assets. The RMG Assets are free and clear of all Liens, except Permitted Liens and rights of first refusal which will be waived at Closing by the Person holding such rights. All of the Liens described on Schedule 6.4.1 (except for those marked with an asterisk on Schedule 6.4.1) will be terminated, released or, in the case of rights of first refusal (except for those listed on Schedule 6.4.1), waived, as appropriate at or prior to Closing. Except as described on Schedule 1.61, the RMG Tangible Personal Property, as an integrated system and in its component parts, is in good operating condition and repair (ordinary wear and tear and routine failures excepted) and is usable and adequate for the operation of RMG's Cable Business.

6.4.2 Except for items included in the RMG Excluded Assets, the RMG Assets constitute substantially all the assets necessary (a) to conduct RMG's Cable Business as it is being conducted on the date of this Agreement and in compliance with all applicable Legal Requirements, (b) to operate the RMG Systems as they are being operated on the date of this Agreement and in compliance with all applicable Legal Requirements and (c) to perform all of IP-I's Assumed Obligations and Liabilities.

6.4.3 Except as described on Schedule 6.4.3, and other than direct broadcast satellite and satellite master antenna television, with respect to each area in which the RMG Systems currently provide cable television service, (i) no Person is operating a cable television system or other non-satellite MVPD other than an RMG System in such area; (ii) no local franchising authority has awarded a cable television franchise in such area to any Person other than RMG; and (iii) to the Knowledge of RMG, no MVPD has applied for a cable television franchise to serve such area.

6.5 RMG Systems Franchises, RMG Systems Licenses, RMG Systems Contracts and RMG Other Real Property Interests.

6.5.1 Except as described on Schedules 1.53, 1.55, 1.58, 1.59 and 1.60, and except for the RMG Excluded Assets, RMG is not bound or affected by any of the following that

relate primarily or in whole to RMG's Cable Business: (a) leases of real property or capital leases of personal property; (b) operating leases of personal property that are terminable upon more than 30 days notice and that contemplate annual lease payments in excess of $20,000; (c) franchises for the construction or operation of cable television systems or System Contracts of substantially equivalent effect; (d) licenses, authorizations, consents or permits of the FCC; (e) other licenses, authorizations, consents or permits of any other Governmental Authority, individually or in the aggregate, material to the RMG Systems; (f) easements or rights of access, individually or in the aggregate, material to the RMG Systems; (g) pole attachment agreements, underground conduit agreements, crossing agreements, retransmission consent agreements, or bulk or commercial service agreements, individually or in the aggregate, material to the RMG Systems; or (h) RMG Systems Contracts other than those described in any other clause of this Section 6.5.1 which contemplate payments by or to RMG in any 12-month period exceeding $25,000 under any single contract or $100,000 in the aggregate.

6.5.2 Complete and correct copies of the RMG Systems Franchises and RMG Systems Licenses have been provided to IP-I. Except as set forth on Schedule 6.5.2, (a) the RMG Systems Franchises contain all of the commitments and obligations of RMG to the applicable Governmental Authority granting such Franchises with respect to the construction, ownership and operation of the RMG Systems, and (b) other than as set forth in the RMG Systems Franchises, RMG has not made any commitment to any local franchising authority to make any material expenditure or capital addition or betterment to any RMG System or the RMG Assets that will not be fulfilled or satisfied prior to the Closing Time. The RMG Systems Franchises and RMG Systems Licenses are currently in full force and effect, are not in default and are valid under all applicable Legal Requirements according to their terms. No event has occurred that, with notice or lapse of time or both, would constitute a breach, violation or default by RMG, and to RMG's Knowledge, no event has occurred that, with notice or lapse of time or both, would constitute a breach, violation or default by any other Person, of any material obligations under any such RMG Systems Franchises or RMG Systems Licenses. Except for routine filings with Governmental Authorities and as described on Schedule 6.5.2, there are no applications relating to any RMG Systems Franchise or RMG Systems License pending before any Governmental Authority which are material to any RMG System or RMG's Cable Business. Except where a request for renewal has been timely filed under Section 626(a) of the Cable Act, since December 31, 1998, no RMG Systems Franchise or RMG Systems License has been surrendered by RMG or has expired or otherwise terminated without the issuance of a replacement RMG Systems Franchise or RMG Systems License. There is no legal action, governmental proceeding or investigation pending or, to RMG's Knowledge, threatened to terminate, suspend or modify any RMG Systems Franchise or RMG Systems License. Except as set forth on Schedule 6.5.2, RMG is, or will be as of the Closing Date, in material compliance with the terms and conditions of all the RMG Systems Franchises and RMG Systems Licenses and other applicable requirements of all Governmental Authorities (including the FCC and the U.S. Copyright Office) relating to the RMG Systems Franchises and RMG Systems Licenses, including all requirements for notification, filing, reporting, posting and maintenance of logs and records.

6.5.3 RMG has delivered to IP-I true and complete copies of all RMG Systems Contracts (including each Contract relating to RMG Leased Property and RMG Other Real Property Interests), including any amendments thereto (or, in the case of oral Contracts, true and complete written summaries thereof) and each document evidencing RMG's ownership of the RMG Owned Property. Except as described in Schedule 6.5.3, RMG has fulfilled when due, or has taken all action necessary to enable it to fulfill when due, all of its obligations under each of its Contracts and, to the Knowledge of RMG, there has not occurred any default (without regard to requirements of notice, lapse of time, elections of other Persons, or any combination thereof) by any other Person of any material obligations under any of its Contracts or Real Property Interests.

6.6 Real Property. All the Assets consisting of RMG Owned Property, RMG Leased Property and material RMG Other Real Property Interests are described on Schedules 1.53, 1.55 and 1.56. Except for ordinary wear and tear and routine repairs and as set forth on Schedule 6.6, all of the improvements, leasehold improvements and the premises of the RMG Owned Property and the premises demised under the leases and other documents evidencing the RMG Leased Property are in good condition and repair and are suitable for the purposes used. Each parcel of RMG Owned Property and each parcel of RMG Leased Property and any improvements thereon (a) has access to and over public streets or private streets for which RMG has a valid right of ingress and egress, (b) except as set forth on Schedule 1.53 or 1.55, conforms in its current use and occupancy to all material zoning requirements without reliance upon a variance issued by a Governmental Authority or a classification of the parcel in question as a nonconforming use, (c) conforms in all material respects in its current use to all restrictive covenants, if any, or other Liens affecting all or part of such parcel (of record, with respect to RMG Owned Property, or of record or as set forth in an agreement listed on Schedule 1.53 or 1.55, with respect to RMG Leased Property or RMG Other Real Property Interests), and (d) is available for immediate use in the conduct of the business or operations of the RMG Systems. There are no pending condemnation, expropriation, eminent domain or similar proceedings of which RMG has received notice or RMG has Knowledge affecting, in any material respect, all or any portion of the RMG Owned Property, RMG Leased Property, or RMG Other Real Property Interests. RMG has good and marketable title to each such parcel of real property included in the RMG Owned Property and in all buildings, structures and improvements thereon, in each case free and clear of all Liens except for Permitted Liens.

6.7 Environmental.

6.7.1 Except as described on Schedule 6.7, RMG is in material compliance with all Environmental Laws, insofar as they relate to its Owned Property or Leased Property. Except as described on Schedule 6.7, RMG has not received any notice of, and has no Knowledge of, any alleged, actual, or potential responsibility for, or any inquiry regarding, (i) any release or threatened release of any Hazardous Substances from or on its Owned Property or Leased Property, or (ii) any material violation of any Environmental Laws associated with its Owned Property or Leased Property. Except as described on Schedule 6.7, to RMG's Knowledge, its

own operations on its Other Real Property Interests do not violate any Environmental Laws in any material respect, and RMG has received no notice of any such violation. Except as described on Schedule 6.7, RMG has not received any notice of, and has no Knowledge of circumstances relating to, any past, present or future events, conditions, circumstances, activities, practices or incidents (including the presence, use, generation, manufacture, disposal, release or threatened release of any Hazardous Substances from or on its Owned Property or Leased Property), which could interfere with or prevent continued compliance, or which are reasonably likely to give rise to any liability, based upon or related to the processing, distribution, use, treatment, storage, disposal, transport or handling, or the emission, discharge, release or threatened release into the environment, of any Hazardous Substance from or attributable to its Owned Property or Leased Property.

6.7.2 Except as described on Schedule 6.7, to RMG's Knowledge, (a) no aboveground or underground storage tanks are currently or have been located on any RMG Owned Property or RMG Leased Property and (b) no RMG Owned Property or RMG Leased Property 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.

6.7.3 Complete and correct copies of (a) all studies, reports, surveys or other similar written materials in RMG's possession or to which RMG, to its Knowledge, has access relating to the presence or alleged presence of Hazardous Substances at, on, under or affecting the RMG Owned Property or RMG Leased Property, (b) all notices (other than general notices made by general publication) in RMG's possession or to which RMG, to its Knowledge, has access that were received from any Governmental Authority having the power to administer or enforce any Environmental Laws relating to current or past ownership, use or operation of the RMG Owned Property or RMG Leased Property or activities at the RMG Owned Property or RMG Leased Property and (c) all notices and related materials in RMG's possession or to which RMG, to its Knowledge, has access relating to any Litigation concerning any Environmental Law to which RMG is a party or written allegation by any private Third Party concerning any Environmental Law and RMG, have been provided to IP-I (other than those materials constituting attorney-client privileged communications).

6.8 Compliance with Legal Requirements.

6.8.1 Except as set forth on Schedule 6.8, the operation of each RMG System as currently conducted does not violate or infringe any Legal Requirement currently in effect in any material respect (other than Legal Requirements described in Sections 6.7, 6.8.3 and 6.8.4, as to which the representations and warranties set forth in those subsections will apply) or the grounding requirements of the National Electrical Safety Code. Except as set forth on Schedule 6.8, RMG has not received any notice and RMG has no Knowledge of any material violation by it or any RMG System of any Legal Requirement applicable to the installation, ownership and operation of its Systems as currently conducted, and knows of no basis for the allegation of any such violation.

6.8.2 Except as set forth on Schedule 6.8, without limiting the generality of the foregoing, since RMG's acquisition of its Systems: RMG has submitted to the FCC all filings, including cable television registration statements, annual reports and aeronautical frequency usage notices and paid all regulatory fees, that are required under the rules and regulations of the FCC; the operation of its Systems has been and is in material compliance with the rules and regulations of the FCC, and RMG has not received any notice from the FCC of any violation of its rules and regulations; RMG is and since 1986 (or since its acquisition, if later) has been certified as in compliance with the FCC's equal employment opportunity rules; its Systems are in material compliance with all signal leakage criteria prescribed by the FCC; and for each relevant semi-annual reporting period since its acquisition of an RMG System, RMG has timely filed with the United States Copyright Office all required Statements of Account in true and correct form, has paid when due all required copyright royalty fee payments in correct amount, relating to its Systems' carriage of television broadcast signals and is otherwise in material compliance with all applicable rules and regulations of the Copyright Office. Except as set forth on Schedule 6.8, RMG has no Knowledge, with respect to any RMG System acquired since January 1, 1996, of any previous owner's failure to comply with the copyright licensing requirements with respect to such System or any written claim or inquiry from any Person which questions such System's failure to comply. RMG has delivered to IP-I copies of: (i) all reports, filings and correspondence made or filed by RMG with the FCC or pursuant to the FCC rules and regulations for the past year; and (ii) all reports, filings and correspondence made or filed by RMG with the Copyright Office or pursuant to Copyright Office rules and regulations for the past three years. Except as set forth on Schedule 6.8, (i) a request for renewal has been timely filed under Section 626(a) of the Cable Act with the proper Governmental Authority with respect to each Franchise expiring within 36 months after the date of this Agreement; and (ii) RMG has received no written notice from any Governmental Authority that it has determined or intends to deny renewal of any RMG Systems Franchise.

6.8.3 Except as set forth on Schedule 6.8 and as otherwise provided in this Section, RMG has used commercially reasonable efforts to comply in all material respects with the provisions of the 1984 Cable Act and the 1992 Cable Act pertaining to the carriage of television broadcast signals, as such Legal Requirements relate to the operation of its Systems. RMG has complied in all material respects with the must carry and retransmission consent provisions of the 1992 Cable Act, including (i) duly and timely notifying "local commercial television stations" of inadequate signal strength or increased copyright liability, if applicable, (ii) duly and timely notifying non-commercial educational stations of the location of its System's principal headend, (iii) duly and timely notifying subscribers of changes in the channel alignment on its Systems, (iv) duly and timely notifying "local commercial and non-commercial television stations" of the broadcast signals carried on its Systems and their channel positions, (v) maintaining the requisite public file identifying broadcast signal carriage, (vi) carrying the broadcast signals after June 1, 1993, on its Systems for all "local commercial television stations" which elected must carry status and, if required, up to two "qualified low power stations" and (vii) obtaining retransmission consents for all broadcast signals carried on its Systems after October 5, 1993, except for the non-exempt signals carried pursuant to a must carry election. No

must carry complaint is pending against any RMG System at the FCC, nor, to RMG's Knowledge, is any threatened except as set forth in Schedule 6.8. RMG has delivered to IP-I copies of any pending petitions it has on file with the FCC, including requests for market modifications or petitions for special relief or any market modification requests or special relief petitions affecting any RMG System that have been served on RMG. The FCC has not issued any decision with respect to a must carry complaint finding any RMG System in violation of the must carry rules except as set forth on Schedule 6.8.

6.8.4 RMG has used commercially reasonable efforts to establish rates charged and a la carte packages provided to subscribers, effective as of September 1, 1993, that would be allowable under rules and regulations promulgated by the FCC under the 1992 Cable Act, and any authoritative interpretation thereof, whether or not such rates or packages were subject to regulation at that date by any Governmental Authority, including any state regulatory agency, local franchising authority and/or the FCC. Notwithstanding the foregoing, RMG makes no representation or warranty that either the rates charged to subscribers or the a la carte packages provided would be allowable under any rules and regulations of the FCC, or any authoritative interpretation thereof, promulgated after the date of the Closing. RMG has delivered to IP-I complete and correct copies of (i) the most recent FCC Rate Forms filed by RMG with the local franchising authority and/or the FCC and will deliver as soon as available all FCC Rate Forms that are prepared with respect to the RMG Systems, (ii) all historical FCC Rate Forms with respect to any RMG System in which there is currently a rate issue pending, including any accounting order or any rate order on appeal, (iii) copies of all complaints, petitions, answers, responses and other filings made with or by any Governmental Authority in connection with any rate orders issued by such Governmental Authority or any appeal therefrom, and (iv) any documentation supporting an exemption from the rate regulation provisions of the 1992 Cable Act claimed by RMG with respect to its Systems. Except as set forth on Schedule 6.8, RMG has not made a Cost of Service Election with respect to any of the RMG Systems.

6.8.5 Except as set forth on Schedule 6.8, all necessary FAA approvals have been obtained and all necessary FCC tower registrations have been filed with respect to the height and location of towers used in connection with the operation of the RMG Systems, and such towers are being operated in compliance in all material respects with applicable FCC and FAA rules. The ownership, height (with and without appurtenances), location (address, latitude, longitude and ground elevation), structure type and FCC call signs of each tower used in connection with the operation of the RMG Systems are correctly described on Schedule 6.8. To the extent applicable, RMG has delivered to IP-I true and correct copies of the FAA final determinations that are available and FCC registrations for all such towers.

6.9 Intellectual Property. Except for Intellectual Property which constitutes RMG Excluded Assets, RMG does not possess any Intellectual Property related to or material to the operation of the RMG Systems and RMG is not a party to any license or royalty agreement with respect to any such Intellectual Property, except for licenses respecting program material or incidental to any Systems Contract and obligations under the Copyright Act applicable to cable

television systems generally. To the Knowledge of RMG, the RMG Systems and RMG's Cable Business have been operated in such a manner so as not to violate or infringe upon the rights, or give rise to any rightful claim of any Person for copyright, trademark, service mark, patent or license infringement or the like.

6.10 Financial Statements. RMG's statements of income for the years ended December 31, 1997 and 1998, attached hereto as Schedule 6.10, are in accordance with the books and records of the RMG Systems, were prepared in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods covered thereby and, except as may be described therein, present fairly the operating results of the RMG Systems for the periods indicated, subject only to standard year-end adjustments and the omission of footnotes thereto.

6.11 Absence of Certain Changes or Events. Except as set forth on Schedule 6.11, since December 31, 1998, there has been no (i) material adverse change in, nor has any event or events (other than any affecting the cable television industry generally) occurred that, individually or in the aggregate, are reasonably likely to result in a material adverse change in the RMG Assets, business, operations, condition (financial or otherwise) or results of operations of the RMG Systems, taken as a whole and (ii) material change in accounting principles or practices with respect to the RMG Systems or revaluation by RMG of the RMG Assets for financial reporting, property tax or other purposes. From December 31, 1998 to the date of this Agreement, RMG's Cable Business has been conducted only in the usual, regular and ordinary course, except as disclosed on Schedule 6.11 and except where the failure to conduct business in such manner would not have a material adverse effect on the RMG Assets, RMG's Cable Business, the operations, condition (financial or otherwise) or results of operations of the RMG Systems taken as a whole or on the ability of RMG to perform its obligations under this Agreement.

6.12 Litigation. Except as set forth on Schedule 6.12: (a) there is no Litigation pending or, to RMG's Knowledge, threatened against RMG or any Affiliate of RMG which, if adversely determined, would (i) materially and adversely affect the financial condition or operations of RMG's Cable Business, any of the RMG Systems, the RMG Assets or the ability of RMG to perform its obligations under this Agreement or (ii) result in the modification, revocation, termination, suspension or other limitation of any of the RMG Systems Franchises, RMG Systems Licenses, or RMG Systems Contracts; and (b) there is not in existence any Judgment requiring RMG or any Affiliate of RMG to take any action of any kind with respect to the RMG Assets or the operation of any of the RMG Systems, or to which RMG (with respect to the RMG Systems), any of the RMG Systems or the RMG Assets are subject or by which they are bound or affected, that has not been fully complied with by RMG.

6.13 Tax Returns; Other Reports. RMG has duly and timely filed in correct form all federal, state, local and foreign Tax returns and other Tax reports required to be filed by RMG, and has timely paid all Taxes which have become due and payable, whether or not so shown on

any such return or report, the failure of which to be filed or paid could affect or result in the imposition of a Lien upon the RMG Assets or create any transferee or other liability upon IP-I, except such amounts as are being contested diligently and in good faith and are not in the aggregate material. Except as set forth on Schedule 6.13, RMG has not received any notice of, nor does RMG have any Knowledge of, any deficiency, assessment or audit, or proposed deficiency, assessment or audit from any taxing Governmental Authority which could affect, or result in the imposition of a Lien upon, any of the RMG Assets or transferee or other liability upon IP-I.

6.14 Employment Matters.

6.14.1 RMG has complied in all material respects with all applicable Legal Requirements relating to the employment of labor, including WARN, continuation coverage requirements with respect to group health plans and those relating to wages, hours, collective bargaining, unemployment insurance, workers' compensation, equal employment opportunity, age, sex, race and disability discrimination, immigration control and the payment and withholding of Taxes.

6.14.2 There are no Liens against the RMG Assets under Section 412(n) of the Code or Sections 302(f) or 4068 of ERISA. At the Closing, IP-I and its ERISA Affiliates will have no obligation to contribute to, or any liability in respect of, (i) any employee benefit plan within the meaning of Section 3(3) of ERISA, or (ii) any similar employment, severance or other arrangement or policy (whether written or oral) providing for insurance coverage (including self-insured arrangements), workers' compensation, disability benefits, supplemental unemployment benefits, vacation benefits, fringe benefits or retirement 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, sponsored or maintained by RMG or any of its ERISA Affiliates, or to which RMG or any of its ERISA Affiliates was obligated to contribute. RMG will not, in connection with the transactions contemplated by this Agreement, cease to provide any group health plan coverage to their employees in a manner which would cause any IP-I Party or any of their ERISA Affiliates to be deemed a successor employer of RMG within the meaning of Proposed Treasury Regulations Section 54.4980B-9 Q&A8(c). With respect to any multi-employer plan within the meaning of Section 3(37) of ERISA, or any plan subject to Title IV of ERISA, to which RMG or any of its ERISA Affiliates is or ever was obligated to contribute, (a) there has been no material "reportable event" described in Sections 4043(c)(1), (2), (3), (5), (6), (7), (10), or (13) of ERISA, (b) no "accumulated funding deficiency" (as defined in Section 302 of ERISA) or "withdrawal liability" (as determined under Section 4201 et seq. of ERISA) has occurred, exists or is continuing with respect to any such plan other than a multi-employer plan (as defined in Section 3(37) of ERISA), or, to the Knowledge of RMG or any of its ERISA Affiliates, with respect to any such plan which is a multi-employer plan (as defined in Section 3(37) of ERISA), (c) no such plan has been terminated other than in accordance with ERISA or at a time when such plan was not sufficiently funded, and (d) there has been no (i) withdrawal by RMG or any of its ERISA Affiliates that is a

substantial employer from a single-employer plan and that has two or more contributing sponsors at least two of whom are not under common control, as referred to in Section 4063(b) of ERISA, or (ii) cessation by RMG or any of its ERISA Affiliates of operations at a facility causing more than 20% of plan participants to be separated from employment, as referred to in Section 4062(e) of ERISA. With respect to any plan maintained, sponsored by, or contributed to by RMG, which is intended to comply with the provisions of Section 401(k) of the Code, and from which any similar plan maintained or sponsored by any IP-I Party or any of their ERISA Affiliates accepts a plan-to-plan transfer under Section 7.3.3, (I) such plan has received a favorable determination letter from Internal Revenue Service, and neither RMG nor any of its ERISA Affiliates has any Knowledge of any fact which could adversely affect the qualified status of such plan, and (II) such plan has been administered and maintained in material compliance with ERISA, the Code and all other applicable laws.

6.14.3 Except as set forth on Schedule 6.14, there are no collective bargaining agreements applicable to any Person employed by RMG that renders services in connection with the RMG Systems and RMG has no duty to bargain with any labor organization with respect to any such Person. Except as set forth on Schedule 6.14, there are not pending any unfair labor practice charges against RMG, any demand for recognition or any other request or demand from a labor organization for representative status with respect to any Person employed by RMG that renders services in connection with the RMG Systems. Except as described on Schedule 6.14, RMG has no employment agreements, either written or oral, with any employee of the RMG Systems and none of the employment agreements listed on Schedule 6.14 requires RMG, or will require IP-I or any Affiliate of IP-I, to employ any Person after the Closing.

6.15 RMG Systems Information.

6.15.1 Schedule 6.15.1 sets forth a materially true and accurate description, on a System-by-System basis, of the following information relating to the RMG Systems as of December 31, 1998:

(a) the approximate number of aerial and underground miles of plant included in the RMG Assets and served by each headend;

(b) the approximate number of single family homes and residential multiple dwelling units passed by each RMG System;

(c) the MHZ capacity and channel capacity of each headend; and

(d) the number of subscribers served by each RMG System and a description of the calculation methodology used by RMG to calculate such subscribers.

6.15.2 Schedule 6.15.2 sets forth a materially true and accurate description of the following information relating to the RMG Systems as of the date of this Agreement:

(a) a description of the Basic Services, the Expanded Basic Services, Pay TV and a la carte services available from each RMG System, and the rates charged by RMG therefor, including all rates, tariffs and other charges for cable television or other services provided by each RMG System;

(b) the stations and signals carried by each RMG System and the channel position of each such signal and station; and

(c) the cities, towns, villages, boroughs and counties served by each RMG System.

6.15.3 Each RMG System is capable of providing all channels, stations and signals reflected as being carried on such RMG System on Schedule 6.15.2.

6.16 Taxpayer Identification Number. The U.S. Taxpayer Identification Number for RMG is 54-1342676.

6.17 Finder and Brokers. RMG has not entered into any Contract with any person which will result in the obligation of IP-I to pay any Agent's Fees in connection with the negotiations leading to this Agreement or the consummation of the transactions contemplated hereby.

6.18 Related Party Transactions. Set forth on Schedule 6.18 hereto, are the Contracts, agreements, arrangements or understandings between RMG and any of its Affiliates included in or related to the RMG Assets.

7. ADDITIONAL COVENANTS.

7.1 Access to Premises and Records. Between the date of this Agreement and the Closing Date, each Party (a) will give to the other and its counsel, accountants and other representatives reasonable access during normal business hours and upon reasonable advance notice to all the premises and books and records of its Cable Business and to all of its Assets and the personnel engaged in the management or operation of its Systems; and (b) will furnish to the other and such representatives all such documents, financial information and other information regarding its Cable Business and its Assets as the other from time to time reasonably may request; provided that no investigation will affect or limit the scope of any of the representations, warranties, covenants and indemnities of the other in this Agreement or in any Transaction Document or limit liability for any breach of any of the foregoing.

7.2 Continuity and Maintenance of Operations, Certain Deliveries and Notice. Except as set forth on Schedule 7.2, in the 1999 operating budgets set forth on Schedule 7.2-A, with respect to RMG, and on Schedule 7.2-B, with respect to IP-I, or as the other Party may otherwise consent in writing, between the date of this Agreement and the Closing, each of RMG with

respect to RMG's Cable Business, the RMG Systems and the RMG Assets, and each IP-I Party with respect to its Cable Business, Systems and Assets:

7.2.1 will conduct its Cable Business in good faith and operate its Systems only in the usual, regular and ordinary course (including making routine capital expenditures and operating substantially in accordance with the 1999 capital and operating budgets with respect to each such System (copies of which are set forth on Schedule 7.2-A, with respect to RMG, and on Schedule 7.2-B, with respect to IP-I), completing ongoing and planned line extensions, placing conduit or cable in new developments, fulfilling installation requests, completing disconnection work orders and disconnecting and discontinuing service to customers whose accounts are delinquent) and, to the extent consistent with such conduct and operation, use its commercially reasonable efforts to (a) preserve its current business intact in all material respects, including preserving existing relationships with franchising authorities, suppliers, customers and others having business dealings with its Systems, (b) keep available the services of its employees and agents providing services in connection with its Cable Business, (c) continue budgeted marketing, advertising and promotional expenditures with respect to its Cable Business, (d) enter into written agreements with respect to all multiple dwelling unit and bulk billed accounts having greater than 200 individual units, and (e) operate its Cable Business in material compliance with all Legal Requirements;

7.2.2 will maintain its Assets in good operating repair, order and condition, ordinary wear and tear excepted; will maintain equipment and inventory for its Systems at normal historical levels consistent with its past practices (as adjusted to account for abnormally high inventory levels related to periodic rebuild activity); will maintain in full force and effect policies of insurance with respect to its Cable Business in such amounts and with respect to such risks as are currently in effect for its Systems; and will maintain its books, records and accounts with respect to its Assets and the operation of its Systems in the usual, regular and ordinary manner on a basis consistent with its past practices;

7.2.3 will not, outside the ordinary course of business or to the extent inconsistent with past practice or the 1999 operating budget included in Schedule 7.2-A (with respect to RMG) or Schedule 7.2-B (with respect to IP-I), as applicable, (a) modify, terminate, renew, suspend or abrogate any System Contract (other than retransmission consent System Contracts, System Contracts evidencing Leased Property or Other Real Property Interests and lease agreements for Tangible Personal Property); (b) modify, terminate, renew, suspend or abrogate any retransmission consent System Contract, System Franchise, System Contract evidencing Leased Property or Other Real Property Interests, lease agreements for Tangible Personal Property or System License except for renewals (other than renewals of System Franchises) on terms that are not materially different from those which currently exist and renewals of System Franchises as otherwise required or permitted under this Agreement; (c) engage in any marketing, subscriber installation, collection or disconnection practices; (d) make any Cost of Service Election; (e) other than as set forth on Schedule 7.2, enter into any agreement with or commitment to any competitive access provider and/or local exchange

company or any internet access or on-line services provider with respect to the use or lease of any of its Assets; (f) sell, transfer or assign any portion of its Assets other than sales in the ordinary course of business or permit the creation of a Lien (other than Permitted Liens) on any of its Assets; (g) take any actions that would cause the transactions contemplated hereby to fail to qualify as a like-kind exchange under Section 1031 of the Code; (h) decrease the rate charged for any level of Basic Services, Expanded Basic Services or any Pay TV or, except as expressly permitted by Schedule 7.2, add, delete, retier or repackage any analog programming services, in each case except to the extent required under the 1992 Cable Act or any other Legal Requirement; provided, however, that if rates are decreased in order to so comply, the Party decreasing the rates will provide the other with copies of any FCC forms (even if not filed with any Governmental Authority) that such Party used to determine that the new rates were required; (i) convert any of its Systems to any billing system or otherwise change billing arrangements for any of its Systems; (j) enter into any Contract of any kind relating to the Cable Business to be assumed by the other Party hereunder that individually or in the aggregate call for payments over its terms or otherwise involving expenditures in excess of $100,000, except for the renewal of Contracts that would, but for such renewal, terminate in accordance with their terms prior to Closing; (k) except pursuant to or required by plans, agreements or arrangements already in effect on the date hereof, make any material increase in compensation or benefits payable or to become payable to employees or make any material change in personnel policies; (l) take any action with respect to the grant or increase of severance or termination pay payable after the Closing Date; (m) engage in any material transaction with respect to its Cable Business; or (n) agree to do any of the foregoing;

7.2.4 will promptly deliver to the other (i) true and complete copies of all monthly statements of income and such other information with respect to its Systems or the operation of its Cable Business in a format consistent with the form of report attached hereto as Schedule 7.2.4 for the period from January 1, 1999, through the Closing, and if the Closing occurs as of the end of a month, as soon as practicable after Closing and (ii) such financial information reasonably requested by such other party in connection with the qualification, reporting and record-keeping requirements under Section 1031 of the Code (and the revenue regulations thereunder) with respect to the Exchange;

7.2.5 will give or cause to be given to the other, as soon as reasonably possible but in any event within five Business Days after the date of submission to the appropriate Governmental Authority, copies of all FCC Forms 1200, 1205, 1210, 1215, 1220, 1225, 1235 and 1240 or any other FCC forms required to be filed with any Governmental Authority under the 1992 Cable Act with respect to rates and prepared with respect to any of its Systems;

7.2.6 will duly and timely file a valid notice of renewal under Section 626 of the Cable Act with the appropriate Governmental Authority with respect to any System Franchise that will expire within 36 months after any date between the date of the Agreement and the Closing Date;

7.2.7 will promptly notify the other of any fact, circumstance, event or action by it or otherwise (a) which, if known at the date of this Agreement, would have been required to be disclosed by it in or pursuant to this Agreement or (b) the existence, occurrence or taking of which would result in the condition of RMG in Section 8.2.1 (with respect to the representations and warranties of the IP-I Parties) or the condition of the IP-I Parties in Section 8.1.1 (with respect to the representations and warranties of RMG) not being satisfied at any time prior to or on the Closing, and, with respect to clause (b), use its commercially reasonable efforts to remedy the same and to satisfy such condition to the other Party's obligation to consummate the transactions contemplated by this Agreement;

7.2.8 will use its commercially reasonable efforts to challenge and contest any Litigation brought against or otherwise involving such Party that could result in the imposition of Legal Requirements that could cause the conditions to the Closing not to be satisfied; and

7.2.9 will cause its appropriate Affiliates to be bound by and comply with the provisions of this Section 7.2 to the extent such Affiliates own, operate or manage any of the RMG Assets, RMG Systems, IP-I Assets or IP-I Systems, as the case may be.

7.3 Employees.

7.3.1 Except as set forth in this Section 7.3.1, each Party may, but shall have no obligation to employ or offer employment to, any employee of the other Party's Cable Business. Within 30 days after the date of execution of this Agreement, each Party shall provide to the other a list of all employees of its Systems (collectively for each Party, its "System Employees") as of a recent date, showing the original hire date, the then-current positions and rates of compensation and whether the employee is subject to an employment agreement, a collective bargaining agreement or represented by a labor organization. Within 60 days after the date of execution of this Agreement (but in no event less than 30 days after receipt of such list), or such other date as the Parties may agree, the Party receiving such list will provide to the other in writing a list of the other's System Employees such Party or its Affiliates will employ following the Closing, subject only to the evaluations permitted by this Section. Each Party agrees, and shall cause its appropriate Affiliates, to cooperate in all reasonable respects with the other Party to allow the other Party or its Affiliates to evaluate its System Employees to make hiring decisions. In this regard, each Party shall have the opportunity to make such appropriate prehire investigation of each of such other Party's System Employees, as it deems necessary, including, subject to obtaining the consent of such System Employee, the right to review personnel files and conduct background checks and the right to interview such employees during normal working hours so long as such interviews are conducted after notice to the other Party and do not unreasonably interfere with the other Party's operations. Each Party will use its good faith efforts to obtain the consent of each of its System Employees to allow the other Party to review personnel files and to conduct background checks in connection with the foregoing. Each Party or its Affiliates may, if it wishes, condition any offer of employment upon the employee's passing a pre-placement physical examination (including drug screening test) and the completion

of a satisfactory background check. The Party requesting such examination shall bear the expense of such examination but the other Party shall, upon reasonable notice, cooperate in the scheduling of such examinations so long as the examinations do not unreasonably interfere with the other Party's operations. As of the Closing Date, each Party shall have no obligation to the other Party, its Affiliates or to the other Party's employees, with regard to any employee it has determined not to hire. Notwithstanding any of the foregoing, each Party agrees not to solicit for employment, without the written consent of the other, any employee listed on Schedule 7.3 or any other employee of the other Party whose position is System manager or higher.

7.3.2 Each Party, or its appropriate Affiliate, will pay to all of its System Employees all compensation, including salaries, commissions, bonuses, deferred compensation, severance (to the extent applicable), insurance, vacation (except for accrued vacation time (not to exceed four weeks) and sick time (not to exceed 10 days) included in the calculation of such Party's Adjusted Value under the Common Agreement, with respect to the IP-I Systems, or the Redemption Agreement, with respect to the RMG Systems), and other compensation or benefits to which they are entitled for periods prior to the Closing, including all amounts, if any, payable on account of the termination of their employment.

7.3.3 Each Party, or its appropriate Affiliate, will be responsible for maintenance and distribution of benefits accrued under any employee benefit plan (as defined in ERISA) maintained by such Party, or its appropriate Affiliate, pursuant to the provisions of such plan and any Legal Requirements. Neither Party will assume any obligation or liability for any such accrued benefits or any fiduciary or administrative responsibility to account for or dispose of any such accrued benefits under any employee benefit plans maintained by the other Party or any Affiliate. In the event that a transferor Party determines that the transactions contemplated by this Agreement will not permit a distribution to be made to a Hired Employee (as defined below) from the transferor Party's tax qualified plan in accordance with Section 401(k)(10) of the Code then the other Party may accept a plan-to-plan transfer of Hired Employees' plan benefits to its own tax qualified plan. If there is no plan-to-plan transfer, in order to permit a transferor Party, or its appropriate Affiliate, to make distributions to any former System Employee of such Party who becomes a Hired Employee of the other Party of the balance of such employee's 401(k) account in the transferor Party's or its Affiliate's tax qualified plan, if any, as soon as legally permitted, each transferee Party shall notify the other Party of the date of termination of such employee's employment with the transferee Party for any reason.

7.3.4 All claims and obligations under, pursuant to or in connection with any welfare, medical, insurance, disability or other employee benefit plans of a Party or any Affiliate or arising under any Legal Requirement affecting employees of such Party or any Affiliate incurred on or before the Closing Date or resulting from or arising from events or occurrences occurring or commencing on or before the Closing Date will remain the responsibility of such Party, or the appropriate Affiliate, whether or not such employees are hired by the other Party as of or after the Closing. Neither Party will have or assume any obligation or liability under or in connection with any such plan of the other Party or any Affiliate of the other Party.

7.3.5 Each Party, or its appropriate Affiliate, will remain solely responsible for, and will indemnify and hold harmless the other from and against all Losses arising from or with respect to, all salaries and all severance, vacation (except for accrued vacation time and sick time included in the calculation of such Party's Adjusted Value under the Common Agreement, with respect to the IP-I Systems, or the Redemption Agreement, with respect to the RMG Systems), medical, holiday, continuation coverage and other compensation or benefits to which its employees may be entitled, whether or not such employees may be hired by the other Party or any Affiliate of the other Party, as a result of their employment by such Party or any Affiliate of such Party on or prior to the Closing Date, the termination of their employment on or prior to the Closing Date, the consummation of the transactions contemplated hereby or pursuant to any applicable Legal Requirement or otherwise relating to their employment prior to the Closing Date. Any liability under WARN with regard to any employee terminated on or prior to the Closing Date, or not hired by the other Party on or after the Closing Date, shall, as a matter of contract between the Parties, be the responsibility of the Party or its Affiliates by which the employee was employed prior to the Closing Date. Each Party and its Affiliates shall cooperate with the other Party and its Affiliates, if requested, in the giving of WARN notices on behalf of the other.

7.3.6 Notwithstanding anything to the contrary herein, each Party shall:

(a) credit each System Employee of the other Party who is offered on or prior to the Closing employment by such Party and becomes an employee of such Party after the Closing Date (a "Hired Employee") the amount of vacation time (to a maximum of four weeks) and sick time (to a maximum of 10 days) accrued by him or her as a System Employee of the transferor Party through and including the Closing Date to the extent the transferor Party's System Value is decreased pursuant to Section 2.2(b) of the Redemption Agreement in the case of RMG System Employees who become employees of any IP-I Party or its Affiliates and Section 2.2(c)(ii) of the Common Agreement in the case of IP-I System Employees who becomes employees of RMG or its Affiliates, provided, however, that if any Hired Employee has accrued vacation time and/or sick time in excess of four weeks or 10 days, respectively, then the transferor Party shall, and shall cause its appropriate Affiliate to, pay to such employee the amount of such excess and the transferee Party shall not assume any liability or obligation in respect of such excess;

(b) permit each Hired Employee to participate in such Party's employee benefit plans to the same extent as similarly situated employees of such Party and their dependents are permitted to participate;

(c) give each Hired Employee credit for such employee's past service with the other Party and its Affiliates as of the Closing Date (including past service with any prior owner or operator of the other Party's Systems or Cable Business) for purposes of eligibility and vesting under such Party's employee benefit and other plans to the same extent as other similarly situated employees of such Party;

(d) not subject any Hired Employee to any waiting periods or limitations on benefits for pre-existing conditions under such Party's employee benefit plans, including any group health and disability plans, except to the extent such employees were subject to such limitations under the employee benefit plans of such other Party or any Affiliate of such other Party; and

(e) credit each Hired Employee under any group health plan for any deductible amount previously met by such Hired Employee as of the Closing Date under any of the group health plans of the transferor Party or any of its Affiliates.

7.3.7 If a transferee Party discharges any Hired Employee without cause within one hundred twenty days after Closing, then such transferee Party shall pay severance benefits to such Hired Employee in accordance with such transferor Party's severance benefit plan. For purposes of this Section 7.3.7, "cause" shall have the meaning set forth in the transferee Party's employment policies, procedures or agreements applicable to such transferee Party's employees who are situated similarly to the discharged Hired Employee.

7.3.8 If a transferor Party has, or acquires, a duty to bargain with any labor organization, then such transferor Party will (i) give prompt written notice of such development to the other Party, including notice of the date and place of any negotiating sessions as they are planned or contemplated and permit the other Party to have a representative present at all negotiating sessions with such labor organization and at all meetings preparatory thereto (including making the transferee Party's representative a representative of the transferor Party's delegation if required by the labor organization) and (ii) not, without the transferee Party's written consent, enter into any Contract with such labor organization that purports to bind the transferee Party, including any successor clause or other clause which would have this purpose or effect. Each Party (as a transferor Party) acknowledges and agrees that the other Party has not agreed to be bound, and will not be bound, without an explicit assumption of such liability or responsibility by the transferee Party, by any provision of any collective bargaining agreement or similar Contract with any labor organization to which the transferor Party or any of its Affiliates is or may become bound.

7.3.9 Nothing in this Section 7.3 or elsewhere in this Agreement shall be deemed to make any employee of either Party a third party beneficiary of this Agreement.

7.3.10 Notwithstanding any other provision of this Agreement, in respect of wages paid with respect to the 1999 calendar year to employees of IP-I who after the Closing become employees of RMG, or vice versa, RMG and IP-I agree to comply, and to cause their respective affiliates to comply, with the alternative procedures set forth in Section 5 of Revenue Procedure 96-60 and shall cooperate, and shall cause their respective affiliates to cooperate, with each other in complying with such procedures.

7.4 Leased Vehicles; Other Capital Leases. Except for leases included in the IP-I Tangible Personal Property and described in Schedule 4.4(b), IP-I will pay the remaining balances on any leases for vehicles or capital leases included in its Tangible Personal Property and will deliver title to such vehicles and other Tangible Personal Property, free and clear of all Liens, to RMG at the Closing.

7.5 Required Consents; Franchise Renewal.

7.5.1 Each Party will use its 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 by such Party in connection with the transactions contemplated by this Agreement, and deliver to the other Party copies of such Required Consents and such other consents, authorizations or approvals promptly after they are obtained by such Party and (ii) give any required written notice in connection with the transactions; provided, that each Party will afford the other Party the opportunity to review, approve and revise the form of letter or application proposed to request the Required Consent or form of written notice prior to delivery to the Third Party or the Affiliate of a Party whose consent is sought or to whom such notification is required. All documents delivered or filed with any Governmental Authority or any Person by or on behalf of such Party pursuant to this Section 7.5.1, when so delivered or filed, will be correct, current and complete in all material respects. Each Party will cooperate with the other Party to obtain all Required Consents and no Party shall intentionally take any action or steps that would prejudice or jeopardize the obtaining of any Required Consent. No Party will accept or agree or accede to any modifications or amendments to, or the imposition of any condition to the transfer of, any of the System Franchises, System Licenses or System Contracts of its Cable Business that are not acceptable to the other Party. Notwithstanding the foregoing, as soon as practicable after the date of this Agreement (and in no event more than 15 Business Days hereafter), each Party will cooperate with each other to complete, execute and deliver, or cause to be completed, executed and delivered, to the appropriate Governmental Authority, a FCC Form 394 with respect to each System Franchise other than any such 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 appropriate Governmental Authority that did not initially receive a FCC Form 394 for any System Franchise, then the Parties will cooperate to complete, execute and deliver a FCC Form 394 to such Governmental Authority as soon as practicable but in any event within 15 Business Days after a Party has made such request. 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.

7.5.2 Each Party will use commercially reasonable efforts to obtain and cooperate with the other Party to obtain a renewal or extension of any System Franchise (for a period expiring no earlier than three years after the Closing Date) for which a valid notice of renewal pursuant to the formal renewal procedures established by Section 626 of the Cable Act

has not been timely delivered to the appropriate Governmental Authority and no written confirmation has been received from such Governmental Authority that the procedures established by Section 626 nonetheless will be applicable with respect to the renewal or extension of such System Franchise.

7.5.3 Notwithstanding the provisions of Section 7.5.1, no Party will have any further obligation to obtain Required Consents: (a) with respect to license agreements relating to pole attachments where the licensing authority will not consent to an assignment of such license agreement but requires that the other Party enter into a new agreement with such licensing authority, in which case the other Party shall use its commercially reasonable efforts to enter into such agreement prior to Closing or as soon as practicable thereafter and such Party will cooperate with and assist the other Party in obtaining such agreements; (b) for any business radio license or any private operational fixed service (POFS) microwave license which such Party reasonably expects can be obtained within 120 days after the Closing and so long as a conditional temporary authorization (for a business radio license) or a special temporary authorization (for a POFS license) is obtained by the other Party under FCC rules with respect thereto; (c) with respect to Contracts evidencing Leased Property, if, with the consent of the other Party, such Party obtains and makes operational prior to Closing substitute Leased Property that is reasonably satisfactory to the other Party; (d) with respect to Contracts evidencing leased Tangible Personal Property that is material to its Cable Business, if, with the consent of the other Party, such Party obtains and makes operational prior to Closing substitute Tangible Personal Property that is reasonably satisfactory to the other Party; and (e) with respect to Contracts which are not identified with an asterisk (*) on Schedule 5.3 or 6.3, if RMG, with respect to Contracts relating to RMG Systems, or IP-I, with respect to Contracts relating to IP-I Systems, uses its commercially reasonable efforts to obtain the Required Consent of the other party to such Contract but fails to obtain such consent on or prior to Closing.

7.5.4 If and to the extent that RMG and the IP-I Parties, or any of them, fails to obtain all Required Consents identified with an asterisk (*) on Schedule 5.3 (except Required Consents for the transfer of Systems Franchises which shall be governed by Section 7.5.5) on or prior to the Closing (whether or not IP-I or RMG shall have waived satisfaction of the condition to Closing set forth in Section 8.1.5 or Section 8.2.5, respectively), subsequent to the Closing, each of RMG with respect to its Systems and Assets and the IP-I Parties with respect to their Systems and Assets will continue to use commercially reasonable efforts to obtain in writing as promptly as possible such Required Consents and will deliver copies of the same, reasonably satisfactory in form and substance, to the other. The obligations set forth in this Section will survive the Closing and will not be merged in the consummation of the transactions contemplated hereby.

7.5.5 If less than all of the Required Consents for the transfer of Systems Franchises are obtained as of the Closing Date, then subject to the conditions set forth in Section 4.1(c) of the Common Agreement and Sections 9.1(c)(ii) and 9.1(c)(iii) of the Redemption Agreement the following will occur:

(a) With respect to each RMG Systems Franchise for which an RMG Required Consent has not been obtained as of the Closing Date (including any RMG Assets that are located in the franchise area for such franchise or relate exclusively to such franchise, an "RMG Retained Franchise"), the parties will negotiate in good faith to reach agreement on a IP-I Systems Franchise (including any IP-I Assets that are located in the franchise area for such franchise or relate exclusively to such franchise, a "IP-I Matching Franchise") that is to the greatest extent possible, like kind to such RMG Retained Franchise for purposes of Section 1031 of the Code and the applicable Exchange. A IP-I Matching Franchise may also be a IP-I Retained Franchise. For purposes of this Section 7.5.5, a "Retained Franchise" means either an RMG Retained Franchise or a IP-I Retained Franchise or both, as the context requires, and a "Matching Franchise" means either an RMG Matching Franchise or a IP-I Matching Franchise or both, as the context requires.

(b) With respect to each IP-I Systems Franchise for which a IP-I Required Consent has not been obtained as of the Closing Date (including any IP-I Assets that are located in the franchise area for such franchise or relate exclusively to such franchise, a "IP-I Retained Franchise"), the parties will negotiate in good faith to reach agreement on an RMG Systems Franchise (including any RMG Assets that are located in the franchise area for such franchise or relate exclusively to such franchise, a "RMG Matching Franchise") that is to the greatest extent possible, like kind to such IP-I Retained Franchise for purposes of Section 1031 of the Code and the applicable Exchange. An RMG Matching Franchise may also be an RMG Retained Franchise.

(c) The parties shall negotiate in good faith to reach agreement on one or more operating agreements pursuant to which the intended transferee of each Retained Franchise and Matching Franchise will operate such Retained Franchise and Matching Franchise to the extent not prohibited under the terms thereof, and for compensation as may be agreed upon, which operating agreements shall also contain any required signal sharing arrangements that the parties, each acting in good faith, may determine to be necessary (the "Operating Agreements").

(d) At the Closing, the IP-I Parties and RMG shall transfer, convey and assign (the "Primary Transfer") all of the RMG System Assets other than any RMG Retained Franchises and RMG Matching Franchises and all of the IP-I System Assets other than any IP-I Retained Franchises and IP-I Matching Franchises.

(e) Following the Closing of the Primary Transfer, the parties will continue to use commercially reasonable efforts to obtain on an expedited basis the Required Consents for all RMG Retained Franchises and IP-I Retained Franchises. The Operating Agreements will contain mutually acceptable terms regarding the post-Closing exchange or transfer (a "Subsequent Transfer") of the Retained Franchises and Matching Franchises after the receipt or failure to receive the Required Consents applicable to such Retained Franchises and Matching Franchises.

(f) All references in this Agreement to the Closing and the Closing Date will mean the Closing and Closing Date of the Primary Transfer except as specifically provided otherwise in this Section 7.5.5(f). Without limiting the foregoing, all representations and warranties (except as to those Required Consents that have not been obtained) made in connection with the Retained Franchises and the Matching Franchises will be made as of the Closing Date rather than the date of the Subsequent Transfer, the other covenants in Article 7 will not apply to the Retained Franchises or the Matching Franchises following the Closing Date, and the Survival Period applicable under Article 11 for all such representations, warranties and covenants will accrue from the Closing Date; provided, that the parties will negotiate in good faith to include appropriate covenants in the Operating Agreements that will apply to the Retained Franchises and the Matching Franchises following Closing. The closing conditions in Article 8 will not apply to any Retained Franchise or Matching Franchise transfer; provided, that the parties will negotiate in good faith to include appropriate conditions to the later transfer of the Retained Franchises and the Matching Franchises in the Operating Agreements. Notwithstanding the foregoing, the adjustments provided for in Article 3 will be made as of the Closing Date for both the Retained Franchises and the Matching Franchises.

(g) If the provisions of this Section 7.5.5 become operative, the parties agree to use commercially reasonable efforts and act in good faith in taking such actions and negotiating such additional provisions or other agreements, including amendments to this Agreement, as may be necessary or appropriate to carry out the intent of this Section 7.5.5, including keeping franchise transfers effective.

7.6 Title Commitments and Surveys. Each Party will have the option to obtain, at its own expense, (i) commitments of title insurance ("Title Commitments") issued by a nationally recognized title insurance company selected by the requesting party (the "Title Company") and containing policy limits and other terms reasonably acceptable to the requesting party, and photocopies of all recorded items described as exceptions therein committing to insure (A) fee title in the requesting party to each parcel of RMG Owned Property or IP-I Owned Property, as the case may be, and (B) a leasehold interest in the requesting party in each parcel of RMG Leased Property or IP-I Leased Property, as the case may be, that is the site of a System headend or tower, by American Land Title Association ("ALTA") (1992) owner's or lessee's policies of title insurance, and (ii) current ALTA as-built surveys (in accordance with the Minimum Standard Detail Requirements for Land Title Surveys jointly established and adopted by ALTA and the American Congress on Surveying and Mapping in 1992) of each such parcel of RMG or IP-I Owned Property or RMG or IP-I Leased Property with monuments placed at all major corners of the property boundary unless already marked and showing the location and identification by recorded instrument number of all easements or rights-of-way burdening or benefiting the property in question and all other documents and matters referenced as exceptions on the Title Commitment, the location of all apparent easements and rights-of-way, flood zone designation, setback lines, if applicable, the location of all substantial visible improvements on such property and the location of all adjoining streets and indication of access to a public way such as curb cuts and driveways, in such form as is reasonably satisfactory to the requesting

party and as is necessary to obtain the title insurance to be issued pursuant to the Title Commitments with the standard printed exceptions relating to survey matters deleted (the "Surveys"), certified to the parties and the Title Company issuing a Title Commitment. If the requesting party notifies the other party within 20 days of this Agreement or, if later, of its receipt of both the Title Commitments and the Surveys of any Lien (other than a Permitted Lien) or other matter affecting title to RMG or IP-I Owned Property or RMG or IP-I Leased Property of the other which renders (or presents a material risk of rendering) title to any parcel of RMG or IP-I Owned Property not good and marketable or prevents or materially interferes with (or presents a material risk of preventing or interfering with) the use of any parcel of RMG or IP-I Owned Property or RMG or IP-I Leased Property for the purposes for which it is currently used or intended to be used by such Party (each a "Title Defect"), such party will exercise commercially reasonable efforts to remove or, with the consent of the requesting party, cause the Title Company to commit to insure over, each such Title Defect prior to the Closing.

7.7 HSR Notification. As soon as practicable after the execution of this Agreement, but in any event no later than 30 days after such execution, the IP-I Parties and RMG will each complete and file, or cause to be completed and filed at its own cost and expense, any notification and report required to be filed under the HSR Act with respect to the transactions contemplated by this Agreement and each such filing shall request early termination of the waiting period imposed by the HSR Act. The Parties shall use their respective 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 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 their respective 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. Each Party will 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.

7.8 Sales and Transfer Taxes. All sales, use or excise Taxes arising from or payable by reason of the transfer of any of the RMG Assets or any of the IP-I Assets ("Transfer Taxes") will be shared equally by RMG and IP-I. All transfer and similar taxes or assessments, including transfer fees and similar assessments for or under System Franchises, System Licenses and System Contracts, arising from or payable by reason of the conveyance of the RMG Assets or the IP-I Assets also will be shared equally by RMG and IP-I. 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 RMG shall be responsible for preparing and filing any such Transfer Tax Return.

7.9 Programming. Each Party will execute and deliver such documents and take such action as may be reasonably requested by another Party to enable such other Party to comply with the requirements of its programming agreements with respect to divestitures and acquisitions of cable television systems; provided, however, RMG will not be required to provide specific programming or channels or to assume any liability with respect to or in connection with the programming agreements of the other Party or any Affiliate of IP-I, except to the extent included on Schedule 4.4(b).

7.10 Updated Schedules.

(a) Schedule and exhibit references contained in this Agreement are for convenience only and any matter disclosed pursuant to one section, subsection or other provision of this Agreement, are deemed disclosed for all purposes of this Agreement, as long as the disclosure with respect to such matter provides a truthful, accurate and adequate description of all relevant aspects of such matter.

(b) Not less than ten Business Days prior to Closing, each of RMG and IP-I will deliver to the other revised copies of each of its Schedules, except for Schedules 5.15 and 6.15 as they relate to matters addressed in Sections 5.15.1 and 5.15.2, and Sections 6.15.1 and 6.15.2, respectively (regardless of whether the original Schedule is as of a certain date) which shall have been updated and marked to show any changes occurring between the date of this Agreement and the date of delivery; provided, however, that such updates are for informational purposes only, and for purposes of determining whether such Party's representations, warranties and covenants in this Agreement are true and correct at Closing, all references to the Schedules will mean the version of the Schedules attached to this Agreement on the date of signing. Notwithstanding the foregoing, if the effect of any such updates to Schedules is to disclose any one or more additional properties, privileges, rights, interests or claims, in each case acquired after the date of this Agreement ("New Properties") as Assets that would have been (if owned on the date of this Agreement) required by this Agreement to have been disclosed by such Party in its original Schedules or that were acquired by such Party after the date of this Agreement in breach of this Agreement, then the other Party, at or before Closing, will have the right (to be exercised by written notice to such Party) to cause any one or more of such New Properties to be designated as and deemed to constitute Excluded Assets of such Party for all purposes under this Agreement. If such right is not exercised by any Party entitled to exercise such right and if such Party waives the applicable condition to Closing provided in Section 8.1.1, 8.1.2, 8.2.1 or 8.2.2, such Party shall be deemed to have accepted such new disclosure with respect to such New Properties and it shall be deemed incorporated by reference into the Schedules. Notwithstanding anything to the contrary contained in this Agreement, and except as set forth in the preceding

sentence with respect to New Properties, the waiver of any condition to Closing by a Party who has knowledge of a breach by the other Party will not be deemed a waiver of any rights and remedies with respect to such breach under this Agreement or the Common Agreement.

7.11 Use of Name and Logo. For a period of 180 days after the Closing, each of the IP-I Parties and RMG will be entitled to use the trademarks, trade names, service marks, service names, logos and similar proprietary rights of the transferor to the extent incorporated in or on the Assets transferred to it at the Closing on a royalty-free basis, provided that each of the IP-I Parties and RMG will exercise commercially reasonable efforts to remove all such names, marks, logos and similar proprietary rights of the transferor (except to the extent otherwise permitted by IP-I or RMG) from the Assets as soon as reasonably practicable, and in any event within 180 days, following the Closing. Notwithstanding the foregoing, nothing in this Section will require any Party to remove or discontinue using any such name or mark that is affixed to converters or other items in or to be used in customer homes or properties, or as are used in a similar fashion making such removal or discontinuation impracticable.

7.12 Transitional Billing Services. IP-I and RMG will each provide to the other, upon written request delivered a reasonable amount of time in advance and to the extent reasonably practicable, access to and the right to use its billing system computers, software and related fixed assets in connection with the Systems acquired by the other for a period of up to 150 days following the Closing to allow for conversion of existing billing arrangements, including billing and related arrangements regarding internet access services being provided to customers of a System on the Closing Date ("Transitional Billing Services"). Each Party will notify the other at least thirty days prior to the Closing as to whether it desires Transitional Billing Services from the other. All Transitional Billing Services, if any, that are requested by a Party will be provided on terms and conditions reasonably satisfactory to each Party; provided, however, that the amount to be paid by the Party receiving Transitional Billing Services will not exceed the out-of-pocket cost to the other Party of providing such Transitional Billing Services. Each Party will notify the other of the cost to such Party of providing such Transitional Billing Services within ten Business Days after receiving the other Party's notice requesting the provision of such Transitional Billing Services.

7.13 Confidentiality and Publicity.

7.13.1 Prior to the Closing, each Party will keep confidential any non-public information that such Party may obtain from the other in connection with this Agreement, and following the Closing, each Party will keep confidential any non-public information that such Party may obtain from the other in connection with this Agreement unrelated to the Cable Business and Systems transferred by the other Party pursuant to this Agreement as well as any non-public information in the possession of such Party related to the Cable Business and Systems transferred by such Party to the other Party pursuant to this Agreement (any such information that a Party is required to keep confidential pursuant to this sentence shall be referred to as "Confidential Information"). Each Party will not disclose, and will cause its employees,

consultants, advisors and agents not to disclose, any Confidential Information to any other Person (other than its directors, officers and employees and representatives of its advisers and lenders whose knowledge thereof is necessary in order to facilitate the consummation of the transactions contemplated hereby) or use, and will cause its controlled Affiliates, directors, officers, employees, consultants, advisors and agents not to use, such Confidential Information to the detriment of the other; provided that (i) such Party may use and disclose any such Confidential Information once it has been publicly disclosed (other than by such Party in breach of its obligations under this Section) or which rightfully has come into the possession of such Party (other than from the other Party and other than from another Person in violation of any duty or obligation of confidentiality) and (ii) to the extent that such Party may, in the reasonable opinion of its counsel, be compelled by Legal Requirements to disclose any of such Confidential Information, such Party may disclose such Confidential Information if it will have used all reasonable efforts, and will have afforded the other the opportunity, to obtain an appropriate protective order or other satisfactory assurance of confidential treatment, for the Confidential Information compelled to be disclosed. In the event of termination of this Agreement, each Party will cause to be delivered to the other, and retain no copies of, any documents, work papers and other materials obtained by such Party or on its behalf from the other, whether so obtained before or after the execution hereof.

7.13.2 No Party will issue any press releases or make any other public announcement concerning this Agreement and the transactions contemplated hereby, except as required by applicable Legal Requirements, without the prior written consent and approval of the other Party, which consent and approval may not be unreasonably withheld.

7.13.3 Each Party expressly agrees that, in addition to any other right or remedy the other may have, such other Party may seek and obtain specific performance of the covenants and agreements set forth in or made pursuant to this Section 7.13 and temporary and permanent injunctive relief to prevent any breach or violation thereof, and that no bond or other security may be required from such other parties in connection therewith.

7.14 Bulk Transfer. Each Party waives compliance by each other Party with Legal Requirements relating to bulk transfers applicable to the transactions contemplated hereby.

7.15 Lien Searches. Each Party will obtain, at its expense, the results of a lien search conducted by a professional search company of records in the offices of the secretaries of state in each state and county clerks in each county where there exist any of its Owned Property or Tangible Personal Property, and in the state and county where such Party's principal offices are located, including copies of all financing statements or similar notices or filings (and any continuation statements) discovered by such search company.

7.16 Further Assurances. At or after the Closing, each Party at the request of the other Party, will promptly execute and deliver, or cause to be executed and delivered, to the other Party all such documents and instruments, in addition to those otherwise required by this Agreement,

in form and substance reasonably satisfactory to the other Party as the other Party may reasonably request in order to carry out or evidence the terms of this Agreement or to collect any accounts receivable or other claims included in the Assets transferred to the other Party. Without limiting the generality of the foregoing, the IP-I Parties and RMG will take, or cause to be taken, all actions consistent with the terms of this Agreement, including execution and delivery of any documents or instruments, as the other may reasonably request to effect the qualification of the transactions contemplated hereby as a like-kind exchange under Section 1031 of the Code.

7.17 Post-Closing Cooperation as to Rates.

7.17.1 Each of RMG and the IP-I Parties will use commercially reasonable efforts to cooperate with and assist the other by providing, upon reasonable request, all information in that Party's possession (and not previously made available to the requesting Party) relating directly to the rates set forth on Schedule 5.15.2 or 6.15.2, as applicable, or on any of FCC Forms 1200, 1205, 1210, 1220, 1225, 1235 or 1240 or any other FCC Form, that the requesting Party may reasonably require to justify such rates in response to any inquiry, order or requirements of any Governmental Authority.

7.17.2 Prior to Closing, neither Party shall settle or permit to be settled any rate proceeding with respect to its Systems without the consent of the other Party, which consent will not be unreasonably withheld or delayed, unless the proposed settlement includes injunctive or other relief that adversely affects its Assets or its ability of such other Party to operate such Systems substantially in the manner in which they are operated on the date of this Agreement (other than changing the rates in question), in which case consent may be withheld or delayed in such other Party's sole discretion.

7.17.3 After the Closing, each Party, as a transferor (the "Transferor Party") will be responsible for and follow to conclusion any rate order of any Governmental Authority or proceeding with respect to rates of any of its Systems charged by it immediately prior to the Closing; provided, however, that the Transferor Party shall not: (i) agree to any forward-looking rate adjustment; (ii) submit any refund plan to a Governmental Authority that would impact any rates charged or impose financial liability on the Transferee Party after the Closing; or (iii) appeal or take any other action with regard to such proceeding that would impact any rates charged or impose financial liability on the Transferee Party after the Closing, in any case without obtaining the prior written consent of the System's current owner (the "Transferee Party"), which consent shall not be unreasonably withheld. Each Party will cooperate with and assist the other by providing, upon reasonable request, all information in its possession (and not previously made available to the requesting Party) that the requesting Party may reasonably require to justify rates in response to any inquiry, order or requirements of any Governmental Authority.

7.17.4 If, following Closing any System is required pursuant to any Legal Requirement, settlement or otherwise to refund to subscribers any payments, in whole or in part,

made by such subscribers prior to Closing, including fees for cable television service, equipment charges, late fees and similar payments, then at the election of the Transferee Party and upon the Transferor Party's prior written consent, which consent shall not be unreasonably withheld: (i) the Transferor Party must fulfill such refund obligation through a one-time cash payment to subscribers, in which case the Transferor Party shall provide funds for such payment to the Transferee Party, the Transferee Party shall cooperate with the Transferor Party or implement and administer such refund payment through the Transferee Party's billing system, and the Transferor Party shall reimburse the Transferee Party for all reasonable expenses incurred by the Transferee Party in connection therewith; (ii) the Transferee Party may fulfill such refund obligation through a cash payment, credit or in-kind or other form of consideration, at its discretion and subject to any required approval by a Governmental Authority, and the Transferor Party shall reimburse the Transferee Party in the amount of any payment or in the amount of the cost to the Transferee Party of any credit or in-kind or other form of consideration and all reasonable expenses incurred by the Transferee Party in connection therewith. Without limiting the foregoing, the Transferee Party will provide the Transferor Party with all information in the Transferee Party's possession that is reasonably required by the Transferor Party in connection with such reimbursement.

7.17.5 If a Transferee Party is permitted following Closing to pass through to subscribers of Systems acquired by it at Closing, the amount of any "franchise fees on franchise fees" paid by a Transferor Party to the appropriate local franchising authority with respect to the period prior to Closing, the Transferee Party agrees that it will collect for the benefit of the Transferor Party such amounts specified no later than the Six-Month Date as paid by the Transferor Party and, except as specified below, will promptly remit such amounts to the Transferor Party; provided, however, that if a local franchising authority challenges such collection or orders the Transferee Party to refund such fees to subscribers, then the Transferee Party shall not remit the fees to the Transferor Party but shall hold such fees in escrow and the parties will cooperate reasonably and in good faith to challenge such local franchising authority action. Upon the final resolution of such local franchising authority action, the escrowed fees shall be released from escrow and, to the extent not refunded to subscribers, paid over to the Transferor Party. The Transferor Party agrees to provide the Transferee Party with such documentation as necessary to demonstrate its payment of the "franchise fees on franchise fees" and to enable the Transferee Party to collect the pass through amounts from subscribers.

7.18 Distant Broadcast Signals. Unless otherwise restricted or prohibited by any Governmental Authority, applicable Legal Requirements or Contract, each Party will, if requested by the other Party, delete prior to the Closing any distant broadcast signals which such other Party determines will result in unacceptable liability on the part of the transferee for copyright payments with respect to continued carriage of such signals after the Closing; provided, however, that any Party may refuse to honor such a request if such deletion could reasonably be expected to delay or otherwise jeopardize the Parties' ability to complete the transactions contemplated herein.

7.19 Environmental Assessment.

7.19.1 Each Party acknowledges and agrees, subject to any enforceable restrictions placed thereon by a Third Party owner or lessor of any real property involved, that the other Party may commission, at such other Party's cost and expense, a so-called "Phase I" environmental site assessment of such Party's Assets (a "Phase I Assessment"). If the Phase I Assessment or any other information known to such Party (including information disclosed in connection with the negotiation of this Agreement or described in the Schedules hereto) indicates that a so-called "Phase II" assessment or other additional testing or analysis of such Party's Assets as the investigating Party may deem appropriate (a "Phase II Assessment") is advisable, then, subject to any enforceable restrictions placed thereon by a Third Party owner or lessor of any real property involved, the other Party may elect to cause its agents or representatives to conduct such testing and analysis. Each Party will use its commercially reasonable efforts to comply with any reasonable request for information made by the other Party or its agents in connection with any such investigation, but in no event will either Party be required under this Section 7.19.1 to disclose any materials constituting attorney-client privileged communications. Each Party covenants that any response to any such request for information will be complete and correct in all material respects. Each Party will afford the other Party and its agents or representatives access to all operations of such Party at all reasonable times and in a reasonable manner in connection with any such investigation subject to any reasonably required approval of such Party's landlords, which approval such Party will use its commercially reasonable efforts to obtain. Should the other Party commission such an investigation, such investigation will have no effect upon the representations and warranties made by one Party to the other Party under this Agreement except that if any Phase I Assessment or Phase II Assessment uncovers an environmental condition which then comprises a breach of a Party's representations or warranties herein and such breach is capable of being cured, such Party shall be deemed not to have breached such representation or warranty if such Party cures such breach in accordance with the provisions of this Agreement. In the event this Agreement is terminated or fails to close in accordance with its terms, each Party agrees to repair any damage or disturbance it causes to the other Party's Owned Property or Leased Property in the course of such investigative activities by returning such Owned Property or Leased Property to approximately the same condition as existed prior to such investigative activities. Each Party shall indemnify, protect, defend, and hold the other Party and the other Party's Assets free and harmless from and against any and all claims, actions, causes of action, suits, proceedings, costs, expenses (including reasonable attorneys' and consultants' fees and costs), liabilities, damages, and liens of any type arising directly out of any act or omission of that Party or any of that Party's representatives on or about the other Party's Owned Property or Leased Property in the course of such investigative activities. However, neither of the two preceding sentences shall be interpreted to impose any obligation upon either Party with respect to Hazardous Substances present at, on, in, under or about, or any conditions existing on, the other Party's Owner Property or Leased Property at the time of such investigative activities, except to the extent of a Party's negligence or willful misconduct causes a release of such Hazardous Substances or otherwise exacerbates any such condition in a manner that leads to liability under any Environmental Law.

7.19.2 All information collected and generated as a result of the environmental due diligence authorized by Section 7.19.1 will be subject to the terms and conditions of Section 7.13 of this Agreement. Each Party shall provide to the other Party copies of all draft and final reports, assessments and other information composed or compiled by such Party's environmental consultants within five Business Days after such Party's receipt of copies thereof

7.20 Year 2000 Matters.

7.20.1 Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

(a) "Computer and Other Systems" means any level of hardware or software, equipment and cable plant, or environmental and security systems and other facilities used in connection with RMG's Cable Business or IP-I's Cable Business, as the case may be, which are date dependent or which process date data, including any firmware, embedded systems, application programs, user interfaces, files and databases, and which might be adversely affected by any date-related issue or calculation prior to, during or after January 1, 2000, including any problem related to leap year.

(b) "Year 2000 High-Level Inventory, Assessment and Remediation Decisions" means the subject entity's documentation of its Year 2000 inventory, assessment and remediation decisions performed in accordance with its Year 2000 Plan, consisting of (i) database reports identifying each category of items inventoried at the subject entity's cable Systems and specifying as appropriate the manufacturer or vendor and release, version or model number of each item listed, (ii) risk or critically assessments, (iii) determination and execution of evaluation approaches with respect to Year 2000 Readiness, (iv) determination of Year 2000 Readiness based on evaluation approaches employed, and (v) decisions regarding disposition alternatives (i.e., do nothing, repair, replace or retire). All such reports have been reviewed at appropriate levels within the subject entity's organization in accordance with the entity's Year 2000 Plan. RMG's and IP-I's Year 2000 High-Level Inventory, Assessment and Remediation Decisions are attached hereto as Schedules 7.20.1(b)-A and 7.20.1(b)-B, respectively.

(c) "Year 2000 Plan" means the plans adopted in accordance with a Party's Year 2000 Remediation Program to make Year 2000 Ready by a date no later than August 31, 1999, all of such Party's Computer and Other Systems having a significant impact on the Party's business. Such Year 2000 Plan will include scope of methodologies and timelines (including objective milestones) for inventory, assessment, remediation and/or replacement, and testing or evaluation of Third Party Testing, as applicable, of its Computer and Other Systems having a significant impact on the Party's business. RMG's and IP-I's Year 2000 Plans are attached hereto as Schedules 7.20.1(c)-A and 7.20.1(c)-B, respectively.

(d) "Year 2000 Ready" or "Year 2000 Readiness" means that the referenced component, system, software, equipment or other item is designed or has been

modified to be used prior to, during and after the calendar year 2000 A.D., and that such item will operate at all levels, including microcode, firmware, application programs, user interfaces, files and databases, during each such time period without error or interruption relating to, or the product of, date-related issues or calculations, including date data which represents or references different centuries or more than one century or leap year.

(e) "Year 2000 Remediation Program" means an enterprise wide program to make Year 2000 Ready all Computer and Other Systems having a significant impact on the Party's business. Such Year 2000 Remediation Program must be conducted by Persons with experience in issues related to Year 2000 Readiness and such Persons must have organized an enterprise wide program management office which reports to, or an enterprise wide program management structure with oversight by, executive level management and the board of directors (or committee thereof or other governing body of such entity).

7.20.2 Acknowledgments. The Parties acknowledge the following:

(a) Each of IP-I and certain of its Affiliates, and RMG and certain of its Affiliates, have established a Year 2000 Remediation Program.

(b) Each of IP-I and RMG has reviewed and approved the other's Year 2000 Plan and Year 2000 High-Level Inventory, Assessment and Remediation Decisions.

(c) Each Party acknowledges and agrees with the other Party's preliminary decision to rely on testing of cable plant and related equipment to be performed by certain cable industry technical and trade associations, certain critical vendors or other cable operators ("Third Party Testing"). Each Party will continue to review the progress of such Third Party Testing plans and results as they become available. Each Party has developed test methodologies as part of its Year 2000 Plan to address implementation of additional testing should RMG and IP-I mutually consider such additional testing to be necessary or prudent.

(d) Neither party makes any representation, warranty or guarantee that its Computer and Other Systems will be Year 2000 Ready at the Closing Date or thereafter.

7.20.3 Covenants. Notwithstanding any other provision set forth in this Agreement, the Parties agree as follows:

(a) Through the Closing Date, each Party will exercise prudent and reasonable care and diligence to take such actions with respect to its Cable Business when and as required by its approved Year 2000 Plan.

(b) Through the Closing Date, each of RMG and IP-I will cooperate with the other with respect to the nature and results of its activities relating to its Year 2000 Plan. Such cooperation shall include providing the appropriate Party with any non-confidential

information possessed by a Party or one of its Affiliates and reasonably requested by the other Party regarding the Year 2000 Readiness of any material component of the Computer and Other Systems having a significant impact on such Party's business.

(c) Each Party shall deliver to the other Party on or before July 31, 1999, and again on August 31, 1999 (if Closing has not occurred prior to such date), a statement, certified by an authorized officer of such Party who is responsible for implementation of its Year 2000 Plan, setting forth in reasonable detail that as of such date all of the milestones contained in its Year 2000 Plan to be completed as of such date have been fully completed (or if not, indicating which such milestones have not been completed and describing the efforts required to complete the same).

(d) From the date hereof through the Closing Date, each Party shall have the opportunity to conduct due diligence regarding the Year 2000 Readiness of the other Party's Computer and Other Systems having a significant impact on the other Party's business in accordance with this Section 7.20.3(d). Each Party may conduct a review of the Year 2000 Ready assessment activities with respect to the Computer and Other Systems having a significant impact on the other Party's business, including inspecting individual headend and office sites and reviewing existing reports, correspondence and related material regarding the Year 2000 Readiness of the Computer and Other Systems having a significant impact on the other Party's business. Each Party shall conduct no more than three visits to any site of the other Party, and no single site visit shall exceed three Business Days. Each Party shall give the other Party at least five Business Days written notice prior to any visit to any System facilities of the other Party and, if a Party intends during such visit to perform testing at a headend, office or other site of the other Party, such Party also must provide a description of the scope of work regarding such testing. If the other Party does not notify such Party in writing of the other Party's objection to such proposed site visit and/or testing within three Business Days after receipt of such notice, the other Party shall be deemed to have consented to the proposed site visit and any described testing. A Party shall not unreasonably object to the other Party's request to perform testing. A representative of the other Party shall be present at all times during any such visit and testing. All activities of a Party regarding its Year 2000 due diligence shall be conducted to minimize any inconvenience or interruption of the normal use and enjoyment of the other Party's Cable Business and Computer and Other Systems.

7.21 Satisfaction of Conditions. Each Party will use its commercially reasonable efforts to satisfy, or to cause to be satisfied, the conditions to the obligations of the other Party to consummate the transactions contemplated by this Agreement, as set forth in Article 8.

7.22 Offers. Each Party (and its directors, officers, employees, representatives and agents) shall not directly or indirectly, (i) offer its Assets or Cable Business for sale, (ii) solicit, encourage or entertain offers for such Assets or Cable Business, (iii) initiate negotiations or discussions for the sale of such Assets or Cable Business or (iv) make information about such Assets or Cable Business available to any Third Party in connection with the possible sale of

such Assets or Cable Business prior to the Closing Date or the date this Agreement is terminated in accordance with its terms.

7.23 Retention of Books and Records. At or prior to the Closing, each Party shall make arrangements reasonably satisfactory to the other Party to deliver all such Party's Books and Records not located at any of the offices included in its Owned Property or Leased Property. Following the Closing, each Party shall give access to the other Party, its counsel, accountants and other authorized representatives during normal business hours to such Party's materials, books, records and documents which relate to the operations of such Party's Cable Business prior to the Closing Date or which relate to the operations of the other Party's Cable Business after the Closing Date, in each case as may be reasonably necessary in connection with any legitimate purpose (including the preparation of tax reports and returns and the preparation of financial statements). Such access will be subject to reasonable advance written notice, will be conducted in a manner that is not disruptive of such Party's business, and will be subject to any other reasonable limitations imposed by such Party. The requesting Party shall have the right to make copies of such materials at its own expense. If either Party proposes to destroy or otherwise dispose of any of its materials, books, records or documents that related to the operations of its Cable Business prior to the Closing Date, it will give no less than 30 days advance written notice to the other Party so as to permit such other Party to exercise its rights under this Section 7.23.

7.24 Cooperation. RMG and IP-I shall reasonably cooperate in connection with the preparation and filing of any Tax Return for which the other is responsible for preparing and filing with respect to the Systems.

7.25 Post-Closing Holding Period. Each of the Parties agrees to hold the Assets acquired by it under this Agreement for a period of no less than two years following the Closing Date; provided, however, that the foregoing shall not prevent a Party from transferring Assets in a transfer that qualifies under Section 332 and 337 of the Code.

8. CONDITIONS PRECEDENT.

8.1 Conditions to IP-I's Obligations. The obligations of IP-I to consummate the transactions contemplated by this Agreement will be subject to the satisfaction, at or before the Closing, of the following conditions, one or more of which may be waived by IP-I:

8.1.1 Accuracy of Representations and Warranties. The representations and warranties of RMG in this Agreement and in the Transaction Documents, without giving effect to any materiality qualifications contained therein, are true, complete and accurate on and as of the date hereof and at and as of the Closing with the same effect as if made at and as of the Closing, except to the extent that all misstatements, omissions and inaccuracies, in the aggregate, do not have a material adverse effect on the RMG Assets, RMG's Cable Business, the operations, condition (financial or otherwise) or results of operations of the RMG Systems taken as a whole, or on the ability of RMG to perform its obligations under this Agreement.

8.1.2 Performance of Agreements. RMG shall have performed in all material respects all obligations and agreements and complied in all material respects with all covenants in this Agreement and in any Transaction Document to be performed and complied with by it at or before the Closing.

8.1.3 Deliveries. RMG shall have delivered the items and documents required to be delivered by it pursuant to this Agreement, including those required to be delivered to IP-I under Section 9.2.

8.1.4 Legal Proceedings. No Legal Requirement of any Governmental Authority (including any temporary Legal Requirement) shall be in effect which would prevent or make illegal the consummation of any of the transactions contemplated by this Agreement or any Transaction Document.

8.1.5 Consents.

(a) Except as otherwise provided in Section 7.5.5, Required Consents relating to all RMG System Franchises shall have been obtained in form and substance reasonably satisfactory to IP-I, or the consent of the appropriate Governmental Authority shall be deemed to have been received in accordance with Section 617 of the Communications Act (47 U.S.C. ss.537).

(b) Except as otherwise provided in Section 7.5.3, IP-I shall have received evidence, in form and substance reasonably satisfactory to it, that the RMG Required Consents relating to the RMG Systems Licenses and the RMG Systems Contracts identified with an asterisk (*) on Schedule 6.3 have been obtained.

8.1.6 No Material Adverse Changes. There shall not have been any material adverse change in the RMG Assets or the condition (financial or otherwise) or operations of RMG's Cable Business or the RMG Systems, taken as a whole, since December 31, 1998.

8.1.7 Franchise Renewals. Each RMG Systems Franchise for which (a) a valid notice of renewal pursuant to the formal renewal procedures established by Section 626 of the Cable Act has not been timely delivered to the appropriate Governmental Authority, and (b) with respect to which the appropriate Governmental Authority has not confirmed in writing that the procedures established by Section 626 nonetheless shall apply to the renewal or extension of such RMG Systems Franchise, shall have been renewed or extended for a period expiring no earlier than three years after the Closing Date.

8.1.8 Common Agreement and Related Closings.

(a) The conditions set forth in Section 4.3 of the Common Agreement shall have been satisfied or waived.

(b) The transactions contemplated by the IP Agreements (as defined in the Common Agreement) and the Redemption Agreement shall have been, or will be, consummated as set forth in Section 4.4 of the Common Agreement, except to the extent such Agreements are not consummated as a result of a breach by any IP-I Party or their Affiliates of their obligation to consummate such transactions.

8.2 Conditions to RMG's Obligations. The obligations of RMG to consummate the transactions contemplated by this Agreement will be subject to the satisfaction, at or before the Closing, of the following conditions, one or more of which may be waived by RMG:

8.2.1 Accuracy of Representations and Warranties. The representations and warranties of IP-I in this Agreement and in the Transaction Documents, without giving effect to any materiality qualification contained therein, are true, complete and accurate on and as of the date hereof and at and as of the Closing with the same effect as if made at and as of the Closing, except to the extent that all misstatements, omissions and inaccuracies, in the aggregate, do not have a material adverse effect on the IP-I Assets, IP-I's Cable Businesses, the operations, condition (financial or otherwise) or results of operations of the IP-I Systems taken as a whole, or on the ability of any IP-I Party to perform its obligations under this Agreement.

8.2.2 Performance of Agreements. IP-I shall have performed in all material respects all obligations and agreements and complied in all material respects with all covenants in this Agreement and in any Transaction Document to be performed and complied with by it at or before the Closing.

8.2.3 Deliveries. IP-I shall have delivered the items and documents required to be delivered by it pursuant to this Agreement, including those required to be delivered to RMG under Section 9.3.

8.2.4 Legal Proceedings. No Legal Requirement of any Governmental Authority (including any temporary Legal Requirement) shall be in effect which would prevent or make illegal the consummation of any of the transactions contemplated by this Agreement or any Transaction Document.

8.2.5 Consents.

(a) Except as otherwise provided in Section 7.5.5, Required Consents relating to all IP-I System Franchises shall have been obtained in form and substance reasonably satisfactory to RMG, or the consent of the appropriate Governmental Authority shall be deemed to have been received in accordance with Section 617 of the Communications Act (47 U.S.C. ss.537).

(b) Except as otherwise provided in Section 7.5.3, RMG shall have received evidence, in form and substance reasonably satisfactory to it, that the IP-I Required Consents relating to the IP-I Systems Licenses and the IP-I Systems Contracts identified with an asterisk (*) on Schedule 5.3 have been obtained.

8.2.6 No Material Adverse Changes. There shall not have been any material adverse change in the IP-I Assets or the condition (financial or otherwise) or operations of IP-I's Cable Business or the IP-I Systems, taken as a whole, since December 31, 1998.

8.2.7 Franchise Renewals. Each IP-I Systems Franchise for which (a) a valid notice of renewal pursuant to the formal renewal procedures established by Section 626 of the Cable Act has not been timely delivered to the appropriate Governmental Authority, and (b) with respect to which the appropriate Governmental Authority has not confirmed in writing that the procedures established by Section 626 nonetheless shall apply to the renewal or extension of such IP-I Systems Franchise, shall have been renewed or extended for a period expiring no earlier than three years after the Closing Date.

8.2.8 Common Agreement and Related Closings.

(a) The conditions set forth in Section 4.1 of the Common Agreement shall have been satisfied or waived.

(b) The transactions contemplated by the IP Agreements (as defined in the Common Agreement) and the Redemption Agreement shall have been, or will be, consummated as set forth in Section 4.4 of the Common Agreement, except to the extent such Agreements are not consummated as a result of a breach by RMG or its Affiliates of its or their obligation to consummate such transactions.

9. THE CLOSING.

9.1 The Closing; Time and Place. Subject to the terms and conditions of this Agreement, the Closing shall be held in San Francisco, California, or as otherwise agreed, at a place mutually agreed upon by the Parties at 10:00 a.m., local time, on the last calendar day of the calendar month in which the conditions set forth in Article 8 (other than Sections 8.1.3 and 8.2.3) shall have been satisfied or waived (provided that each Party shall have at least 10 days' prior notice of the scheduled Closing Date in order to prepare for the Closing) or at such other place, date and time as may be mutually agreed upon by the Parties (the "Closing Date"). The transactions to be consummated at Closing shall be deemed to have been consummated as of the Closing Time. If the Closing Date is not a Business Day, then the Closing Date shall be the immediately preceding Business Day.

9.2 RMG's Delivery Obligations. At the Closing, RMG will deliver or cause to be delivered to IP-I the following:

9.2.1 Cash Consideration. If applicable, the Cash Consideration will be paid (without duplication) by RMG (or its designee) to the IP-I Parties in accordance with the Common Agreement.

9.2.2 Bill of Sale and Assignment and Assumption Agreement. The Bill of Sale and Assignment and Assumption Agreement in the form of Exhibit 9.2.2.

9.2.3 Deeds. Special warranty deeds in recordable form conveying to the applicable IP-I Parties each parcel of RMG Owned Property, and assignments of leases and easements in recordable form, with respect to RMG Leased Property and RMG Other Real Property Interests as to which prior assignments into RMG were recorded in the applicable real estate records.

9.2.4 Lien Releases. Evidence reasonably satisfactory to IP-I that all Liens (other than Permitted Liens) affecting or encumbering the RMG Assets have been terminated, released or waived, as appropriate, or original, executed instruments in form reasonably satisfactory to IP-I effecting such terminations, releases or waivers.

9.2.5 Vehicle Titles. Title certificates to all vehicles included among the RMG Assets, endorsed for transfer of title to the applicable IP-I Parties, and separate bills of sale therefor or other transfer documentation, if required by the laws of the States in which such vehicles are titled.

9.2.6 Evidence of Authorization Actions. Certified resolutions or other evidence reasonably satisfactory to IP-I that RMG has taken all action necessary to authorize the execution of this Agreement and the Transaction Documents and the consummation of the transactions contemplated hereby.

9.2.7 FIRPTA Certificate. FIRPTA Non-Foreign Seller Certificate certifying that RMG is not a foreign person within the meaning of Section 1445 of the Code reasonably satisfactory in form and substance to IP-I.

9.2.8 Officer's Certificate. The IP-I Parties will have received a certificate executed by an executive officer of RMG dated the date of the Closing, reasonably satisfactory in form and substance to IP-I certifying that the conditions specified in Sections 8.1.1. and 8.1.2 have been satisfied.

9.2.9 Other. Such other documents and instruments as may be necessary to effect the intent of this Agreement and to consummate the transactions contemplated hereby.

9.3 IP-I's Delivery Obligations. At the Closing, each IP-I Party will deliver or cause to be delivered to RMG the following:

9.3.1 Cash Consideration. If applicable, the Cash Consideration will be paid by such IP-I Party to RMG in accordance with the Common Agreement.

9.3.2 Bill of Sale and Assignment and Assumption Agreement. The Bill of Sale and Assignment and Assumption Agreement in the form of Exhibit 9.2.2.

9.3.3 Deeds. Special warranty deeds in recordable form conveying to RMG each parcel of such IP-I Party's Owned Property, and assignments of leases and easements in recordable form, with respect to such IP-I Party's Leased Property and Other Real Property Interests as to which prior assignments into such IP-I Party were recorded in the applicable real estate records.

9.3.4 Lien Releases. Evidence reasonably satisfactory to RMG that all Liens (other than Permitted Liens) affecting or encumbering such IP-I Party's Assets have been terminated, released or waived, as appropriate, or original, executed instruments in form reasonably satisfactory to RMG effecting such terminations, releases or waivers.

9.3.5 Vehicle Titles. Title certificates to all vehicles included among such IP-I Party's Assets, endorsed for transfer of title to RMG, and separate bills of sale therefor or other transfer documentation, if required by the laws of the States in which such vehicles are titled.

9.3.6 Evidence of Authorization Actions. Certified resolutions of such IP-I Party or other evidence reasonably satisfactory to RMG that such IP-I Party has taken all action necessary to authorize the execution of this Agreement and the Transaction Documents and the consummation of the transactions contemplated hereby.

9.3.7 FIRPTA Certificate. FIRPTA Non-Foreign Seller Certificate certifying that such IP-I Party is not a foreign person within the meaning of Section 1445 of the Code reasonably satisfactory in form and substance to RMG.

9.3.8 Officer's Certificate. RMG will have received a certificate executed by an executive officer of IP-I dated the date of the Closing, reasonably satisfactory in form and substance to RMG certifying that the conditions specified in Sections 8.2.1 and 8.2.2 have been satisfied.

9.3.9 Opinions of Counsel. Opinions of Pillsbury Madison & Sutro LLP and Dow, Lohnes & Albertson, PLLC, substantially in the forms of Exhibit C.1 and C.3, respectively to the Common Agreement.

9.3.10 Other. Such other documents and instruments as may be necessary to effect the intent of this Agreement and to consummate the transactions contemplated hereby.

10. TERMINATION AND DEFAULT.

10.1 Termination Events. This Agreement may be terminated and the transactions contemplated hereby may be abandoned:

10.1.1 At any time, by the mutual agreement of IP-I and RMG;

10.1.2 By either IP-I or RMG at any time, if the other is in material breach or default of any of the other's covenants, agreements or other obligations herein or in any Transaction Document;

10.1.3 By either IP-I or RMG upon written notice to the other, if any of the conditions to its obligations set forth in Sections 8.1 and 8.2, respectively, are not satisfied on or before the later of January 15, 2000, or nine months after the date of this Agreement, for any reason other than an intentional and material breach or default by such Party of its respective covenants, agreements or other obligations under this Agreement, or any of its representations herein not being true and accurate in all material respects when made or when otherwise required by this Agreement to be true and accurate in all material respects;

10.1.4 By either IP-I or RMG if an injunction, restraining order or decree of any nature of any Governmental Authority of competent jurisdiction is issued that prohibits the consummation of any of the transactions contemplated hereby and such injunction, restraining order or decree is final and nonappealable; provided, however, that the party seeking to terminate this Agreement pursuant to this clause has used commercially reasonable efforts to have such injunction, order or decree vacated or denied; or

10.1.5 As otherwise provided in the Common Agreement.

10.2 Effect of Termination. If this Agreement is terminated pursuant to Section 10.1, all obligations of the Parties under this Agreement will terminate, except for the obligations set forth in Sections 7.13, 7.19 and 12.13. Termination of this Agreement pursuant to Sections 10.1.2, 10.1.3, 10.1.4 or 10.1.5 will not limit or impair any remedies that any of RMG or the IP-I Parties may have pursuant to the terms of this Agreement with respect to a breach or default by the other of its covenants, agreements or obligations under this Agreement.

11. SURVIVAL; REMEDIES.

11.1 Survival of Representations, Warranties Covenants and Agreements. Subject to Section 11.2, the representations, warranties, covenants and agreements of RMG and IP-I in this Agreement and in the Transaction Documents will survive Closing for a period of twelve months

after the Closing Date. The period of survival of the representations, warranties, covenants and agreements prescribed by this Section 11.1 are referred to as the "Survival Period." The liabilities of each Party under its respective representations, warranties, covenants and agreements will expire as of the expiration of the Survival Period; provided, however, that such expiration will not include, extend or apply to (a) any representation, warranty, covenant or agreement the breach of which has been asserted by a Party in a written notice to the other Party before such expiration or about which a Party has given the other Party written notice before such expiration indicating that facts or conditions exist that, with the passage of time or otherwise, can reasonably be expected to result in a breach (and describing such potential breach in reasonable detail), (b) the Party's obligations under Sections 7.13 and 7.23, or (c) the Party's obligations under Sections 7.16, 7.17.1, 7.17.3 and 7.17.4, but only to the extent reasonably practicable.

11.2 Exclusive Remedy. The Parties hereby agree that the respective rights set forth in the Common Agreement and the Redemption Agreement shall be each Party's sole and exclusive remedies against any party for any claims arising after the Closing Time and relating to any breaches of the representations, warranties or covenants contained in this Agreement other than based on fraud. Notwithstanding anything to the contrary herein or in any Transaction Document, each of the IP-I Parties acknowledges and agrees that neither RMG nor any of the Charter Parties (or any Affiliates thereof) will have any liability arising after the Closing Time with respect to any of the representations and warranties made by RMG in Article 5 (which representations and warranties shall merge into and expire upon the Closing) or with respect to any obligations of RMG under Article 7 (other than the "Specified RMG Obligations," which shall mean obligations set forth under Sections 7.3.6, 7.3.7, 7.5.5 (except subsection (e) thereof), 7.11 (but only to the extent the assets described in Section 7.11 are owned by RMG), 7.13, 7.14, 7.16, 7.17.5, 7.23 (except the first sentence thereof), 7.24 and 7.25).

11.3 Nonrecourse. The Parties agree that, notwithstanding any other provision in this Agreement or in any Transaction Document, and any rule of law or equity to the contrary, to the fullest extent permitted by law, each Party's obligations and liabilities under this Agreement will be nonrecourse to all direct and indirect equity holders or other owners of such Party, except to the extent of distributions to such Persons, directly or indirectly, from such Party that are required to be returned, directly or indirectly, to such Party pursuant to applicable provisions of law; provided, however, that the foregoing shall not limit or abridge any Party's indemnification rights or obligations pursuant to the Common Agreement or the Redemption Agreement. "Nonrecourse" means that the obligations and liabilities are limited in recourse solely to the assets of the Parties (for those purposes, any capital contribution obligations of the equity holders or other owners of such Party, or any negative capital account balances of such Persons will not be deemed be assets of such Party) and are not guaranteed, directly or indirectly by, or the primary obligations of, any owner of such Party in such capacity, and no partner, member or other owner in such capacity of any successor entity (including any limited liability company or partnership), either directly or indirectly, will be personally liable in any respect (except to the extent of (i) such Person's interests in the assets of such Party and (ii) any distribution which has

been received by such Person and is required by applicable law to be returned, directly or indirectly, to such Party) for any obligation or liability of such Party under this Agreement.

12. MISCELLANEOUS PROVISIONS.

12.1 Parties Obligated and Benefitted. Subject to the limitations set forth below, this Agreement will be binding upon each of the Parties and their respective assigns and successors in interest and will inure solely to the benefit of the Parties and their respective assigns and successors in interest, and no other Person will be entitled to any of the benefits conferred by this Agreement. Without the prior written consent of the other Parties, no Party will assign any of its rights under this Agreement or delegate any of its duties under this Agreement, provided that the appropriate Party may assign any or all of its rights under this Agreement (a) to a "qualified intermediary" engaged by such Party to effectuate a deferred like-kind exchange under Section 1031 of the Code, and the other Party agrees in connection with such an assignment to take such actions and execute such documents as may be reasonably requested by the assigning Party in order to facilitate such Party's intent to effectuate a deferred like-kind exchange; provided, however, that no such assignment will affect the assigning Party's liabilities or obligations pursuant to this Agreement or (b) to an Affiliate, provided that such assignment will not result in any adverse tax consequences to the other Party, will not give rise to any material requirements for additional Required Consents, and will not, in the reasonable judgment of the other Party, delay the Closing. Each of the IP-I Parties consents to the consummation of the transactions contemplated by the IPWT Purchase Agreement (as defined in the Common Agreement).

12.2 Notices. Any notice, request, demand, waiver or other communication required or permitted to be given under this Agreement to either Party will be given as set forth in the Common Agreement.

12.3 Right to Specific Performance. Each Party acknowledges that the unique nature of the Assets to be exchanged hereunder pursuant to this Agreement renders money damages an inadequate remedy and the Parties agree that either Party shall be entitled to pursue specific performance as a remedy without the requirement of posting a bond or other security therefor.

12.4 Waiver. This Agreement or any of its provisions may not be waived except in writing. 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.

12.5 Captions. The section and other captions of this Agreement are for convenience only and do not constitute a part of this Agreement.

12.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware (other than its rules of conflicts of law to the extent that the application of the laws of another jurisdiction would be required thereby).

12.7 Time. Time is of the essence under this Agreement. If the last day permitted for the giving of any notice or the performance of any act required or permitted under this Agreement falls on a day which is not a Business Day, the time for the giving of such notice or the performance of such act will be extended to the next succeeding Business Day.

12.8 Late Payments. If either Party fails to pay the other any amounts when due under this Agreement, the amounts due will bear interest from the due date to the date of payment at the rate per annum publicly announced from time to time by The Bank of New York as its prime rate (the "Prime Rate") plus 2%, adjusted as and when changes in the Prime Rate are made.

12.9 Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original.

12.10 Entire Agreement. This Agreement (including the Transaction Documents and the Schedules and Exhibits referred to in this Agreement, which are incorporated in and constitute a part of this Agreement) contains the entire agreement of the Parties with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings with respect to such subject matter. This Agreement may not be amended or modified except by a writing signed by all of the parties hereto.

12.11 Severability. Any term or provision of this Agreement which is invalid or unenforceable will be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining rights of the Person intended to be benefitted by such provision or any other provisions of this Agreement.

12.12 Construction. This Agreement has been negotiated by the Parties and their respective legal counsel, and legal or other equitable principles that might require the construction of this Agreement or any provision of this Agreement against the Party drafting this Agreement will not apply in any construction or interpretation of this Agreement.

12.13 Expenses. Except as otherwise expressly provided in this Agreement, each Party will pay all of its expenses, including attorneys' and accountants' fees, in connection with the negotiation of this Agreement, the performance of its obligations and the consummation of the transactions contemplated by this Agreement.

12.14 Risk of Loss. The risk of any loss or damage to the IP-I Assets or RMG Assets resulting from fire, theft or other casualty (except reasonable wear and tear) will be borne by IP-I or RMG respectively, at all times prior to the Closing Time. In the event of any such loss or damage after December 31, 1998, IP-I or RMG as appropriate, will immediately notify the other in writing of that fact. All insurance proceeds paid or payable as a result of the occurrence of the event resulting in such loss or damage will be delivered by the Party transferring such Assets to the other Party, or the rights thereto will be assigned if not yet paid over by the insurer to the Party transferring such Assets. The obligations under this Section 12.14 to pay or assign

insurance proceeds will not apply to the extent that any insurance proceeds are applied to replace or restore such loss or damage prior to Closing.

If, on or prior to the Closing Date, all or any part of or interest in the IP-I Assets or the RMG Assets, as appropriate, is taken or condemned as a result of a Governmental Authority's exercise of its powers of eminent domain, or if a Governmental Authority having such power informs a Party that it intends to condemn all or any part of such Party's Assets (such event being called, in either case, a "Taking"), then (i) RMG, in the case of a Taking of IP-I Assets, or IP-I, in the case of a Taking of RMG Assets, may elect, in the name of the other Party, to negotiate for, claim, contest and receive all damages with respect to the Taking, (ii) the Party whose Assets were the subject of the Taking will be relieved of its obligation to convey to the other Party those of its Assets that were the subject of the Taking, (iii) at Closing, the Party whose Assets were the subject of the Taking will assign to the other Party all of its rights to damages payable as a result of the Taking, and will pay to the other Party all damages previously paid to it in connection with the Taking, and (iv) following the Closing, the Party whose Assets were the subject of the Taking will give to the other Party any further assurances of such rights and assignment with respect to the Taking as the other Party reasonably may request from time to time.

12.15 Tax Consequences. No Party makes any representation or warranty, express or implied, with respect to the Tax implications of any aspect of this Agreement on any other Party, and each Party expressly disclaims any such representation or warranty with respect to any Tax consequences arising under this Agreement. Each Party has relied solely on its own Tax advisors with respect to the Tax implications of this Agreement.

12.16 Commercially Reasonable Efforts. For purposes of this Agreement, "commercially reasonable efforts" will not be deemed to require a Party to undertake extraordinary or unreasonable measures, including the payment of amounts in excess of normal and usual filing fees and processing fees, if any or other payments with respect to any Contract that are significant in the context of such Contract (or significant on the aggregate basis as to all Contracts).

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

ROBIN MEDIA GROUP, INC.

By: /s/ Robert J. Lewis
____

Name: Robert J. Lewis
Title: Chief Executive Officer

INTERMEDIA PARTNERS, A CALIFORNIA
LIMITED PARTNERSHIP

By: InterMedia Capital Management, LLC, its managing general partner

By: InterMedia Management, Inc., its managing member

By: /s/ Robert J. Lewis
____

Robert J. Lewis, President
and Chief Executive Officer

BRENMOR CABLE PARTNERS, L.P.

By: InterMedia Partners, a California Limited Partnership, its managing general partner

By: InterMedia Capital Management, LLC, its managing general partner

By: InterMedia Management, Inc., its managing member

By: /s/ Robert J. Lewis
____

Robert J. Lewis, President
and Chief Executive Officer

Exhibit 2.7(a)

PURCHASE AND SALE AGREEMENT
By and Among
THE SELLERS LISTED ON
THE SIGNATURE PAGES HERETO,
INTERLINK COMMUNICATIONS PARTNERS, LLLP

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 InterLink Communications Partners, LLLP, a Colorado registered limited liability limited partnership (the "Company"), and Charter Communications, Inc., a Delaware corporation ("Buyer").

WHEREAS, Sellers, directly or indirectly, collectively own all of the outstanding partnership interests in the Company and an affiliate of the Company, Greenwich Street (RAP) Partners I, L.P., owns a limited partnership interest (the "RAP Interest") in Rifkin Acquisition Partners, L.L.L.P. ("RAP");

WHEREAS, the Company and its subsidiaries own and operate cable television systems and businesses in respect thereof serving customers in various areas throughout the United States (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, (i) all of the outstanding partnership interests of the Company other those described in clause (ii), and (ii) all of the issued and outstanding stock of certain corporations that own the remaining partnership interests of the Company, 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 $350 million pursuant to a Second Amended and Restated Credit Agreement dated as of February 1, 1999 among the Company, The First National Bank of Chicago, individually and as

Administrative Agent, Bank of Montreal, individually and 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 "General Partner" means Rifkin, Co., a Colorado corporation, which is the sole general partner of the Company.

1.44 "Governmental Authority" has the meaning set forth in Section 4.3(b).

1.45 "Greenwich Street" means Greenwich Street (RAP) Partners I, L.P.

1.46 "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.

1.47 "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.

1.48 "HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

1.49 "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.

1.50 "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).

1.51 "Indemnification Provisions" has the meaning set forth in Section 7.13.

1.52 "Indemnitee" has the meaning set forth in Section 12.5.

1.53 "Indemnitor" has the meaning set forth in Section 12.5.

1.54 "ING Media C Corp." has the meaning set forth in Section 4.4.

1.55 "InterLink Equity Value" has the meaning set forth in Section 2.2.

1.56 "InterLink Indemnity Fund" means a portion of the Purchase Price equal to $20,000,000, to be deposited by Buyer 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 under Section 12.1 hereof.

1.57 "Legal Proceedings" has the meaning set forth in Section 5.18.

1.58 "License" means that certain License Agreement between the Disbursement Agent and an Affiliate of Buyer, dated the Closing Date.

1.59 "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.

1.60 "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.

1.61 "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.

1.62 "Nassau" has the meaning set forth in Section 4.4.

1.63 "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.

1.64 "Neutral Accounting Firm" shall mean KPMG Peat Marwick.

1.65 "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.

1.66 "Omega Agreement" means the Asset Purchase and Sale Agreement by and among Cable Brazil, Inc., Cardinal Telecable Corporation, See-More TV Corporation, Hoosier Hills Cable T.V. Co., Omega Cable TV of Brown Co. and the Company.

1.67 "Outside Date" has the meaning set forth in Section 11.1(a)(ii).

1.68 "Partnership Agreement" means the Second Amended and Restated Agreement of Limited Partnership of the Company dated September 1, 1997, as amended to date.

1.69 "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.

1.70 "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.

1.71 "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.

1.72 "Purchase Price" has the meaning set forth in Section 2.2.

1.73 "Purchase Price Adjustment Holdback" means a portion of the Purchase Price equal to Two Million Five Hundred Thousand Dollars ($2,500,000) to be paid by Buyer to Disbursement Agent at the Closing and retained by Disbursement Agent as described in Section 2.3.

1.74 "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 percentage interest in the Company, (b) each Seller's indirect percentage interest in RAP for purposes of certain allocations under this Agreement, the RAP Agreement and the RAP Indemnity Agreement, and (c) the portion of the Purchase Price to be delivered to each Seller at the Closing.

1.75 "Purchased Interests" means, collectively, (1) the partnership interests of the Company owned by Sellers, and (2) all of the issued and outstanding stock of WS, ING Media C Corp., and Nassau (each of which is a limited partner of the Company), any options to purchase assets owned by such corporations which are held by their respective shareholders, and any outstanding indebtedness of such corporations held by their respective shareholders, all to be purchased by Buyer pursuant to this Agreement.

1.76 "RAP" means Rifkin Acquisition Partners, L.L.L.P., a Colorado registered limited liability limited partnership.

1.77 "RAP Agreement" means the Purchase and Sale Agreement by and among the RAP Sellers, RAP, and Buyer dated as of the date hereof.

1.78 "RAP Equity Value" has the meaning ascribed to that term in the RAP Agreement.

1.79 "RAP Indemnity Agreement" means the RAP Indemnity Agreement among the parties hereunder and under the RAP Agreement, delivered pursuant to the RAP Agreement and attached as an exhibit thereto.

1.80 "RAP Indemnity Fund" means the sum of Twenty Million Dollars ($20,000,000) pursuant to the RAP Agreement to be deposited with the Escrow Agent by the Buyer (or guaranteed by letters of credit provided by one or more sellers under the RAP Agreement) pursuant to the RAP Indemnity Agreement in order to fund the indemnification obligations, under Section 2.1 of the RAP Indemnity Agreement, of (i) the RAP Sellers, and (ii) the Sellers with respect to the indirect interest in RAP owned by the Company. A portion of the purchase price under the RAP Agreement shall be deposited by Buyer with the Escrow Agent reflecting the RAP Sellers' pro rata portion of the RAP Equity Value, and a portion of the Purchase Price hereunder shall be deposited by Buyer with the Escrow Agent reflecting the Company's pro rata portion of the RAP Equity Value arising out of the Company's indirect interest in RAP.

1.81 "RAP Purchase Price Adjustment Holdback" means the sum of Two Million Dollars ($2,000,000) pursuant to the RAP Agreement to be paid by Buyer to Disbursement Agent at the Closing and retained by Disbursement Agent as described in Section 2.3 of the RAP Agreement. A portion of the purchase price under the RAP Agreement shall be paid by Buyer to Disbursement Agent reflecting the pro rata portion of the RAP Purchase Price Adjustment Holdback with respect to the aggregate interest in RAP owned by the sellers that are parties to the RAP Agreement, and a portion of the Purchase Price hereunder shall be paid by Buyer to

Disbursement Agent reflecting the pro rata portion of the RAP Purchase Price Adjustment Holdback with respect to the interest in RAP owned indirectly by the Company.

1.82 "RAP Sellers" has the meaning given the term "Sellers" in the RAP Agreement.

1.83 "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.

1.84 "Required Consents" means those approvals and consents set forth on Schedule 5.3 separately designated as consents required for Closing.

1.85 "Rifkin Transfer Plan" has the meaning set forth in Section 13.12(c).

1.86 "Scott Agreement" means the Asset Purchase and Sale Agreement dated as of July 1, 1998 between Scott Cable Communications, Inc. and the Company.

1.87 Section 12.1(c) Damages" has the meaning set forth in Section 12.1(c).

1.88 "Sellers" has the meaning set forth in the first paragraph of this Agreement.

1.89 "Service Areas" has the meaning set forth in the third paragraph of this Agreement.

1.90 "Services Agreement" has the meaning set forth in Section 7.17.

1.91 "Signals" has the meaning set forth in Section 5.16(b).

1.92 "Subsidiaries" means, with respect to any Person, any Affiliate directly or indirectly controlled by such Person.

1.93 "System" means all of the assets, property and business constituting any CATV system of the Company Group, or to be acquired by the Company Group under the Omega Agreement, each of which Systems (together with the respective Service Areas served thereby) is described in Schedule 1.1(B) hereto.

1.94 "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.

1.95 "Tax Return" means any return, report, statement, information statement and the like required to be filed with any Governmental Authority with respect to Taxes.

1.96 "Third Party" means any Person other than the Company, Buyer, Sellers or any Affiliate of Buyer.

1.97 "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.

1.98 "Threshold Amount" has the meaning set forth in Section 12.1(b).

1.99 "Unaudited Financial Statements" has the meaning set forth in Section 5.6.

1.100 "Vehicles" means the vehicles utilized by the Company in the operation of the Business as set forth on Schedule 1.1(C).

1.101 "WS" has the meaning set forth in Section 4.4.

1.102 "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.

1.103 "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.

1.104 "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 the Buyer for the Purchased Interests (the "Purchase Price") shall be equal to the sum of (x) Eight Hundred Seventeen Million Dollars ($817,000,000), 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 (the "InterLink Equity Value"), plus (y) the Company's pro rata portion of the RAP Equity Value arising out of the Company's indirect interest in RAP.

2.3 Payment of Purchase Price.

The Purchase Price, less (i) the InterLink Indemnity Fund, (ii) the pro rata portion of the RAP Indemnity Fund with respect to the interest in RAP owned indirectly by the Company, (iii) the Purchase Price Adjustment Holdback, and (iv) the pro rata portion of the RAP Purchase Price Adjustment Holdback with respect to the interest in RAP owned indirectly by the Company, will be paid at the Closing to the 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 shall deposit the InterLink Indemnity Fund 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 consideration to Sellers pursuant to clause (x) of Section 2.2 (other than consideration for Purchased Interests relating to WS, ING and Nassau), and any liabilities of the Company Group (other than the proportionate amount of liabilities allocable to the interests in the Company held by WS, ING and Nassau), in connection with the transactions contemplated hereby shall be allocated between the tangible assets and Franchises by allocating an amount to the tangible assets of the Company Group equal to the adjusted basis for federal income tax purposes of such tangible assets (other than the proportionate amount of tangible assets relating to the interests in the Company held by WS, ING and Nassau), and the remainder to the Franchises of the Company Group. The portion of the Purchase Price attributable to clause (y) of Section 2.2 shall be allocated to the interests of the Company Group in RAP and to the tangible assets and Franchises of RAP in accordance with Section 2.3 of the RAP Agreement. The parties shall not take any tax position inconsistent with such allocation.

2.4 Adjustments and Prorations.

The InterLink Equity Value shall be adjusted as follows (with a corresponding adjustment to be made to the Purchase Price hereunder), with all such adjustments being effective as of the Effective Time:

(a) The InterLink Equity Value shall be reduced if the number of Basic Customers is less than the applicable number set forth on Schedule 2.4(A) for the month on which the Closing Date occurs (as adjusted below, the "Basic Customer Threshold"), by the applicable amount set forth on Schedule 2.4(A) (for the month in which the Closing occurs) for each Basic Customer less than the applicable 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 applicable 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 InterLink 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 InterLink 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) the obligations to pay access fees in connection with the Hidden Bay complex, and any other 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 the General Partner, 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 InterLink 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 and the General Partner 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 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 InterLink Equity Value is increased from that delivered at the Closing (treating amounts in the InterLink Indemnity Fund and the Purchase Price Adjustment Holdback as having been delivered at the Closing to Sellers), then Buyer shall pay the Disbursement Agent (for the benefit of the Sellers) such increase in the InterLink 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 in accordance with the percentages set forth on the Purchase Price Allocation Schedule, (ii) the aggregate InterLink Equity Value is reduced from that delivered at the Closing (treating amounts in the InterLink Indemnity Fund and the Purchase Price Adjustment Holdback as having been delivered at the Closing to 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 InterLink 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 pro rata in accordance with the percentages set forth on the Purchase Price Allocation Schedule, or (iii) the aggregate InterLink Equity Value is reduced from that delivered at the Closing (treating amounts in the InterLink Indemnity Fund and the Purchase Price Adjustment Holdback as having been delivered at the Closing to Sellers) by an amount that is in excess of the Purchase Price Adjustment Holdback, then each 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 ten (10) business days of such determination. The Sellers hereby agree to be bound by Section 2.4(g)(iii) of the RAP Agreement (and each other provision of the RAP Agreement referring to the "InterLink Sellers," to the extent applicable to the InterLink Sellers) and to pay their pro rata share of any amounts required to be paid under Section 2.4(g)(iii) thereof.

2.5 Indemnity Escrow.

At the Closing, Buyer shall deposit with the Escrow Agent (i) the pro rata portion of the RAP Indemnity Fund reflecting the pro rata portion of the interest in RAP owned indirectly by the Company pursuant to the RAP Indemnity Agreement, and (ii) the InterLink Indemnity Fund pursuant to the Closing Escrow Agreement. All amounts in the InterLink 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 12.1, shall be paid to Disbursement Agent (for the benefit of 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 InterLink Indemnity Fund, if any, less the amount of all pending claims made by Buyer for indemnification pursuant to Section 12.1 (the "Year Disbursement Amount"), shall be paid to Disbursement Agent (for the benefit of 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, in accordance with the percentages set forth on the Purchase Price Allocation Schedule, any amount of the InterLink 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 12.1(b)) 5.22, release of any amounts from the InterLink Indemnity Fund shall relieve Sellers of obligations under Section 12.1 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 under such sections shall not be paid from the InterLink Indemnity Fund.

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, the 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 the 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, or 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 Stock of Certain Corporate Partners of the Company.

The Purchased Interests include all of the issued and outstanding stock of the following partners of the Company: (i) ING Media C Corp. ("ING"), WS InterLink Corp. ("WS"), and Nassau InterLink Corp. ("Nassau"). Each of Sellers who are shareholders of ING, WS, or Nassau hereby severally (and not jointly) represents and warrants to Buyer, as follows with respect to the entity of which it is a shareholder:

(a) Each of ING, WS, and Nassau is a corporation duly organized, validly existing and in good standing under the laws of the state of its incorporation and has the full corporate power and authority to own, lease and operate its properties and to carry on its business as it presently is being conducted. True and complete copies of the certificates of incorporation and bylaws of such corporations have been delivered to Buyer. Except as set forth on Schedule 4.4(A) hereto there are no outstanding subscriptions, options, warrants or rights of any kind to acquire any stock or other equity interests in, or any assets of, ING, WS, or Nassau and there are no obligations that require such entities to issue any such options, warrants, or rights. There are no existing arrangements that require or permit any interests in ING, WS or Nassau to be voted by, or at the discretion of, anyone other than their respective shareholders, and there are no restrictions of any kind on the transfer of any interests in such entities, except as set forth in the certificate of incorporation or bylaws of such entity or in the Partnership Agreement, as the case may be. Schedule 4.4(A) sets forth all of the holders of outstanding stock of each of ING, WS or Nassau.

(b) Each of ING, WS, and Nassau has no Subsidiaries, and the partnership interests in the Company owned by each such entity constitutes the only property, investment or other asset owned, used or held by each such entity. None of ING, WS, or Nassau has any employees nor any obligations or liabilities (whether accrued, absolute, contingent, unliquidated or otherwise, whether or not known, whether due or to become due and regardless of when asserted), arising out of transactions entered into at or prior to the Closing, or any action or inaction at or prior to the Closing, or any state of facts existing at or prior to the Closing.

(c) Except as set forth on Schedule 4.4(C), there is no claim, litigation, proceeding or governmental investigation pending or, to the knowledge of the shareholders of ING, WS, or Nassau, threatened; or any order, injunction or decree outstanding, against ING, WS, or Nassau or any of their properties or assets, and none of such shareholders knows of any basis for future claims, litigations, proceedings or investigations against such entities or any of their properties or assets. ING, WS, or Nassau are not in violation of any law, regulation or ordinance, or any other requirement of any Governmental Authority, and no notice has been received by any of such entity or any of their officers, or employees alleging any such violation. There is no claim,

litigation, proceeding or governmental investigation pending or, to the knowledge of the shareholders of ING, WS, or Nassau, threatened, or any order, injunction or decree outstanding, against any such entity, or any of their Affiliates that would prevent the consummation of the transactions contemplated by this Agreement.

(d) Each of ING, WS, and Nassau 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 of ING, WS, and Nassau 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 IRS nor any other taxing authority or agency, domestic or foreign, is now asserting or, to the knowledge of any shareholder of ING, WS, or Nassau, threatening to assert against any of ING, WS, or Nassau any material deficiency or material claim for additional Taxes. Moreover, no shareholder of ING, WS, or Nassau 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 of ING, WS, and Nassau has withheld or collected and paid over to the appropriate Governmental Entities or is properly holding for such payment all Taxes required by law to be withheld or collected. None of ING, WS, or Nassau has any liability for the Taxes of any Person 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 of ING, WS, or Nassau 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.

(e) Each of ING, WS, and Nassau 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 of ING, WS, or Nassau.

(f) Except as set forth on Schedule 4.4(F), none of ING, WS, or Nassau 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, except for the Company.

(g) 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 of ING, WS, or Nassau.

(h) Except as set forth on Schedule 4.4(H), there are no tax sharing agreements or similar arrangements with respect to or involving any of ING, WS, or Nassau.

(i) Except as set forth in Schedule 4.4(I), none of ING, WS, or Nassau was included or is includable in any consolidated or unitary Tax Return with any entity.

(j) None of ING, WS, or Nassau has agreed to or is required to make any material adjustment under section 481(a) of the Code.

(k) None of ING, WS, Nassau, or the Company has entered into any compensatory agreements with respect to the performance of services which payment thereunder would result in a non-deductible expense to ING, WS, or Nassau pursuant to Section 280G of the Code or an excise Tax to the recipient of such payment pursuant to Section 4999 of the Code.

4.5 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.

4.6 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.

4.7 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, but giving effect to the transactions contemplated by the Omega Agreement as if consummated as of the date hereof) 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. 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, 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. Greenwich Street owns, beneficially and of record, its interest in RAP as set forth on Schedule 2.1 of the RAP Agreement, free and clear of all liens and encumbrances (other than liens securing obligations under the Credit Facility).

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, and the Credit Facility, 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, the General Partner 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 the General Partner 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 the General Partner 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, the General Partner 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, the General Partner 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, with the exception of the transaction contemplated by the Omega Agreement, 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 InterLink 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 the General Partner 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), the 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.

The General Partner and 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 RAP Agreement (or that controls a party to the RAP Agreement), to the extent within such Seller's control, shall use commercially reasonable efforts to cause the transactions contemplated by the RAP 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 the Company 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 Group for all periods ending on or prior to the Closing Date, and Buyer agrees to cause each Company Group member to execute each such return applicable to it, 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 Group 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 applicable Company Group member or the Person executing the return on behalf of the Company Group 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 appropriate Company Group member 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 Company 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 RAP (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 RAP Sellers or (iii) any of the direct or indirect owners of the Sellers or RAP Sellers.

7.12 Year 2000 Remediation Program.

The Company shall, and shall cause the General Partner 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 11 of the Company's Partnership Agreement, with respect to the indemnification of the General Partner, 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.

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. 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) the 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 the 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").

7.18 Conveyance of Certain Interests Owned by the Company prior to Closing.

Buyer and the Company agree that prior to the Closing, the Company shall convey (i) its membership interests in Alliance Communications, LLC, and (ii) its direct and indirect ownership interests in R&A Management, LLC to a Person designated by the Company and that such ownership interests shall not be acquired by the Buyer as a result of the acquisition of the Purchased Interests.

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 the General Partner 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 Partnership Interests of RAP.

The transactions contemplated by the RAP 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 Partnership Interests of RAP.

Buyer and the RAP Sellers shall have consummated, or will simultaneously consummate, the transactions contemplated by the RAP Agreement, except that this condition shall not apply if one or more RAP Sellers have failed to deliver their interests in breach of the RAP Agreement

and Buyer and the remaining RAP Sellers have consummated, or will simultaneously consummate, the transactions contemplated thereby.

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 others, 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 RAP 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, RAP, the Sellers and RAP Sellers are not in material breach of this Agreement or the RAP 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
INDEMNIFICATION

12.1 Indemnification by Sellers With Respect to the Company.

From and after the Closing, subject to (a), (b), and (c) below, Sellers shall indemnify Buyer against and hold it harmless from any and all Indemnifiable Damages which Buyer may suffer or incur by reason of (i) the Company's breach of any of the Company's representations and warranties contained in this Agreement or any document, certificate or agreement delivered pursuant hereto; or (ii) the Company's breach prior to the Closing of any of the Company's covenants or agreements contained in this Agreement or any document, certificate or agreement delivered by the Company pursuant hereto. 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 maintenance procedures. Notwithstanding anything to the contrary herein, the foregoing obligation of Sellers to indemnify Buyer shall be subject to and limited by each of the following qualifications:

(a) All representations and warranties made by the Company in this Agreement (or any document, certificate or agreement delivered pursuant hereto) shall survive the Closing hereunder for a period of one year thereafter other than (a) the representations and warranties set forth in Section 5.8, which shall survive for the duration of the applicable statute of limitations, (b) the representations and warranties set forth in Section 5.22, which shall survive the Closing for a period of two years thereafter, and (c) the representations and warranties set forth in Section 5.4, 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 either party shall relieve the other party from any liability for any misrepresentation or breach of warranty made by such other party in this Agreement or any related agreement.

(b) Other than with respect to a breach of Section 5.4 or 5.8, (i) Sellers shall have no liability to Buyer on or account of any Indemnifiable Damages provided in Section 12.1 unless and until such damages in the aggregate exceed Two Million Five Hundred Thousand Dollars ($2,500,000) (the "Threshold Amount"), in which event 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 Sellers for their indemnity obligation under this Section 12.1 shall be limited in all respects to, and shall be payable solely from, and to the extent of, the InterLink Indemnity Fund and Buyer's sole and exclusive remedy shall be recourse to the InterLink Indemnity Fund upon and subject to Buyer's compliance with the terms and conditions of the Closing Escrow Agreement; provided, however, that (1) if Section 12.1(c) Damages have been paid from the InterLink Indemnity Fund, and if the amount remaining in the InterLink Indemnity Fund is as a result insufficient to satisfy claims payable under this Section 12.1(b), then the Sellers shall pay pro rata to the Disbursement Agent and the Disbursement Agent shall pay to Buyer the lesser of (x) the amount of 12.1(c) Damages paid from the InterLink Indemnity Fund, and (y) the amount by which claims under this Section 12.1(b) exceed the InterLink Indemnity Fund, and (2) upon release of the Year Disbursement Amount, each 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 Seller.

(c) With respect to any indemnification sought for a breach of Sections 5.4 and 5.8, each Seller shall be obligated to indemnify Buyer in respect of its Indemnifiable Damages pro rata in accordance with the percentages set forth on the Purchase Price Allocation Schedule. Notwithstanding paragraph (b) above, such indemnification for breaches of Section 5.4 and 5.8 (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 InterLink Indemnity Fund. In the event Sellers are obligated to indemnify Buyer in respect of Indemnifiable Damages for breaches of Section 5.4 or 5.8 ("Section 12.1(c) Damages"), such obligation will be paid first from the InterLink Indemnity Fund to the extent of any amounts remaining in the InterLink Indemnity Fund, and if insufficient funds remain in the Indemnity Fund, then each Seller shall be obligated for, and shall pay to the Disbursement Agent, its pro rata share of such shortfall, and the Disbursement Agent shall pay the amount of the shortfall to Buyer.

(d) With respect to any claim for indemnification hereunder that may reasonably be covered by the indemnification provisions set forth in the Scott Agreement or Omega Agreement, Buyer will use commercially reasonable efforts to pursue claims

under those agreements before pursuing a claim hereunder; provided, however, that (i) during its pendency, any such claim shall be deemed a pending claim for purposes of determining the amount of the InterLink Indemnity Fund to be released pursuant to Section 2.5 hereof, (ii) with respect to any claim brought hereunder for Indemnifiable Damages not fully recovered under the Scott Agreement or the Omega Agreement, the date on which such claim is first made (whether under the Scott Agreement, the Omega Agreement or hereunder) shall determine whether such claim has been brought during the applicable Indemnity Period, and (iii) Buyer shall provide the Disbursement Agent with a copy of any claim for indemnification made on or after the Closing Date under the Scott Agreement or the Omega Agreement at the time such claim is first made.

(e) Each Seller makes, constitutes and appoints the Disbursement Agent as its true and lawful attorney-in-fact, and authorizes it to take any and all such actions with regard to the disposition and settlement of any claims for indemnification pursuant to this Section 12.1, on behalf of such Sellers and grants to Disbursement Agent full power and authority to do and perform each and every act as the Disbursement Agent may deem necessary or advisable to carry out fully the intent of the foregoing as such Seller might or could do personally.

12.2 Indemnification by Sellers for Seller Breaches.

From and after the Closing, each 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) inaccuracy of any of the representations or warranties of such Seller contained in Article IV of this Agreement; or (ii) such Seller's breach of any of its covenants or agreements contained in this Agreement or any document, certificate or agreement delivered by such Seller pursuant hereto. Notwithstanding anything contained in this Section 12.2 to the contrary, if there is a claim for damages, Buyer will use commercially reasonable efforts to mitigate the amount and nature of such damages in accordance with customary industry maintenance procedures. The foregoing obligation of each Seller to indemnify 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 this Agreement or in any documents or instruments delivered by such Seller pursuant hereto shall survive the Closing for a period of one (1) year thereafter, other than the representations and warranties set forth in Section 4.1, which shall survive indefinitely. Any claims made by Buyer pursuant to this Section 12.2 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 12.2, and such amounts shall not be paid from, nor subject to the limits of, the InterLink Indemnity Fund.

(b) Each such Seller individually, and not jointly, will indemnify Buyer and hold it harmless with respect to Indemnifiable Damages required to be paid by such Seller under this Section 12.2. Upon the occurrence of an event to which an individual Seller's indemnity obligation under this Section 12.2 applies, 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).

12.3 Indemnification by Buyer.

From and after the Closing, Buyer shall indemnify Sellers against and hold them harmless from any and all Indemnifiable Damages which any of the Sellers 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 by the Buyer 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 liability for claims made by third parties against any of the Sellers arising out of the operation of the Systems by Buyer after the Closing Date. Without limiting the generality of the foregoing, with respect to the measurement of Indemnifiable Damages, Sellers shall have the right to be put in the same financial position as they would have been in had Buyer not breached the respective representation, warranty, covenant or agreement. The foregoing obligation of Buyer to indemnify Sellers shall be subject to and limited by the qualification that each of the representations and warranties made by Buyer in this Agreement 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.

12.4 Effect of Materiality Qualifiers.

For purposes of this Article XII, the determination of whether any breach of any representation or warranty in Articles IV, V and VI 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.

12.5 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 Article XII 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, 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, on account of any indemnity agreement contained in Article XII hereof, 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.

12.6 Exclusive Remedy; Limitation of Liability.

From and after the Closing Date, the sole and exclusive remedy of any party hereto for any claim arising under this Agreement (or any certificate, document or agreement delivered pursuant hereto) against any other party shall be the indemnification rights provided in this Article XII, provided that nothing herein shall relieve any party from any liability for actual fraud. Notwithstanding anything to contrary in Sections 12.1 and 12.2, no Seller shall be liable to Buyer for Indemnifiable Damages in excess of the pro rata portion of the Purchase Price received by such Seller.

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, and 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 InterLink Equity Value set forth on 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 InterLink 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 Stephen E. Hattrup 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 80203
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:

INTERLINK COMMUNICATIONS PARTNERS, LLLP

By: Rifkin, Co., 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, CO.

By: /s/ Kevin B. Allen

Kevin B. Allen, 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 H. Morse

Name: David H. 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 H. Morse

Name: David H. 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 H. Morse

Name: David H. 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 H. Morse

Name: David H. 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/ David M. Gill

Name: David 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/ David M. Gill

Name: David M. Gill
Title: Managing Director

INTERLINK INVESTMENT CORP.

By: /s/ Kevin B. Allen

Kevin B. Allen, Vice President

INTERLINK INVESTMENT II, LLC

By: /s/ Kevin B. Allen

Kevin B. Allen, Manager

RIFKIN & ASSOCIATES, INC.

By: /s/ Monroe M. Rifkin

Monroe M. Rifkin, 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. Wharley

Name: John P. Wharley
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

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Exhibit 3.1

CERTIFICATE OF FORMATION

OF

CHARTER COMMUNICATIONS HOLDINGS LLC

This Certificate of Formation of Charter Communications Holdings LLC is being duly executed and filed by the undersigned, as an authorized person, for the purpose of forming a limited liability company pursuant to the Delaware Limited Liability Company Act.

FIRST: The name of the limited liability company is Charter Communications Holdings LLC.

SECOND: The address of its registered office in the State of Delaware is 30 Old Rudnick Lane, Dover, Delaware 19901, County of Kent. The name of its registered agent at such address is CorpAmerica, Inc.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation of Charter Communications Holdings LLC this 9th day of February, 1999.

/s/ Edebeatu C. Ibekwe

Edebeatu C. Ibekwe, Authorized Person

Exhibit 3.2

LIMITED LIABILITY COMPANY AGREEMENT

OF

CHARTER COMMUNICATIONS HOLDINGS LLC

(A DELAWARE LIMITED LIABILITY COMPANY)

This LIMITED LIABILITY COMPANY AGREEMENT OF CHARTER COMMUNICATIONS HOLDINGS LLC (this "Agreement"), is entered into as of February 9, 1999 by Charter Communications, Inc., a Delaware corporation ("Charter") as the initial member (the "Member") of Charter Communications Holdings LLC, a Delaware limited liability company (the "Company").

W I T N E S S E T H:

WHEREAS, Charter formed the Company under the Delaware Limited Liability Company Act (6 Del.C. Section 18-101, et. seq.) (the "Delaware Limited Liability Company Act"); and

WHEREAS, the Certificate of Formation (the "Certificate") of the Company was executed and filed in the office of the Secretary of State of the State of Delaware on February 9, 1999;

NOW THEREFORE, in consideration of the terms and provisions set forth herein, the mutual benefits to be gained by the performance thereof and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

SECTION 1. General.

(a) Effective as of the date and time of filing of the Certificate in the office of the Secretary of State of the State of Delaware, the parties hereby form a limited liability company under the Delaware Limited Liability Company Act. Except as expressly provided herein, the rights and obligations of the members in connection with the regulation and management of the Company shall be governed by the Delaware Limited Liability Company Act.

(b) The name of the Company shall be "Charter Communications Holdings LLC". The business of the Company shall be conducted under such name or any other name or names that the Manager shall determine from time to time.

(c) The address of the registered office of the Company in the State of Delaware shall be c/o CorpAmerica, Inc., 30 Old Rudnick Lane, Dover, Delaware 19901. The name and address of the registered agent for service of process on the Company in the State of Delaware shall be CorpAmerica, Inc., 30 Old Rudnick Lane, Dover, Delaware 19901. The

registered office or registered agent of the Company may be changed from time to time by the Manager.

(d) The principal place of business of the Company shall be at 12444 Powerscourt Drive, Suite 400, St. Louis, MO 63131. At any time, the Manager may change the location of the Company's principal place of business.

(e) The term of the Company will commence on the date of the filing of the Certificate in the office of the Secretary of State of the State of Delaware, and will continue and have perpetual existence until dissolved and its affairs wound up in accordance with the provisions of this Agreement.

(f) The execution of the Certificate by Charter and the filing thereof in the office of the Secretary of State of the State of Delaware, are hereby ratified, confirmed and approved by the members.

(g) The Manager shall cause the Company to be qualified, formed or registered under assumed or fictitious name statutes or similar laws in any jurisdiction in which the Company transacts business in which such qualification, formation or registration is required or desirable. The Manager, as an authorized person within the meaning of the Delaware Limited Liability Company Act, shall execute, deliver and file any certificates (and any amendments and/or restatements thereof) necessary for the Company to qualify to do business in a jurisdiction in which the Company may wish to conduct business.

SECTION 2. Purposes. The Company is formed for the object and purpose of, and the nature of the business to be conducted by the Company is, engaging in any lawful act or activity for which limited liability companies may be formed under the Delaware Limited Liability Company Act and engaging in any and all activities necessary, convenient, desirable or incidental to the foregoing.

SECTION 3. Powers. The Company shall have all powers necessary, appropriate or incidental to the accomplishment of its purposes and all other powers conferred upon a limited liability company pursuant to the Delaware Limited Liability Company Act.

SECTION 4. Management.

(a) Management by Managers. The Members hereby unanimously elect Charter Communications, Inc. ("CCI"), a Delaware corporation, or its successor-in-interest, as the Company's Manager. CCI shall be the Manager until the Members unanimously elect otherwise. No additional person may be elected as Manager without the unanimous approval of the Members. Except as otherwise required by applicable law and as provided below with respect to the Board of Directors, the powers of the Company shall at all times be exercised by or under the authority of, and the business, property and affairs of the Company shall be managed by, or under the direction of, the Manager.

The Manager shall be authorized to elect, remove or replace directors and officers of the Company, who shall have such authority with respect to the management of the business

and affairs of the Company as set forth herein or as otherwise specified by the Manager in the resolution or resolutions pursuant to which such directors or officers were elected.

Except as otherwise required by applicable law, CCI, in its capacity as Manager, shall be authorized to execute or endorse any check, draft, evidence of indebtedness, instrument, obligation, note, mortgage, contract, agreement, certificate or other document on behalf of the Company.

No annual or regular meetings of the Manager or the members are required. The Manager may, by written consent, take any action which it is otherwise required or permitted to take at a meeting.

(b) Board of Directors.

i) Notwithstanding paragraph (a) above, the Manager may delegate its power to manage the business of the Company to a Board of Directors (the "Board") which, subject to the limitations set forth below, shall have the authority to exercise all such powers of the Company and do all such lawful acts and things as may be done by a manager of a limited liability company under the Delaware Limited Liability Company Act and as are not by statute, by the Certificate, or by this Agreement directed or required to be exercised or done by the Manager. The rights and duties of the members of the Board may not be assigned or delegated to any person or entity.

ii) Except as otherwise provided herein, members of the Board shall possess and may exercise all the powers and privileges and shall have all of the obligations and duties to the Company and the Members granted to or imposed on directors of a corporation organized under the laws of the State of Delaware.

iii) The number of directors shall initially be three (3), which number may be changed from time to time by the Manager. The initial directors shall be as set forth on Exhibit A hereto.

iv) Each director shall be appointed by the Manager and shall serve in such capacity until the earlier of his or resignation or removal or replacement by the Manager.

v) No director shall be entitled to any compensation for serving as a director. No fee shall be paid to any director for attendance at any meeting of the Board; provided, however, that the Company may reimburse directors for the actual reasonable costs incurred in such attendance.

(c) Consent Required. The affirmative vote, approval, consent or ratification of the Manager shall be required to:

i) alter the primary purposes of the Company as set forth in Section 2;

ii) issue membership interests in the Company to any Person and admit such Person as a Member;

iii) do any act in contravention of this Agreement or any resolution of the Members, or cause the Company to engage in any business not authorized by the Certificate or the terms of this Agreement or that which would make it impossible to carry on the usual course of business of the Company;

iv) enter into or amend any agreement which provides for the management of the business or affairs of the Company by a person other than the Manager;

v) change or reorganize the Company into any other legal form;

vi) amend this Agreement;

vii) approve a merger or consolidation with another Person;

viii) sell all or substantially all of the assets of the Company;

ix) change the status of the Company from one in which management is vested in the Manager to one in which management is vested in the Members or in any other manager, other than as may be delegated to the Board and the officers hereunder;

x) possess any Company property or assign the rights of the Company in specific Company property for other than a Company purpose;

xi) operate the Company in such a manner that the Company becomes an "investment company" for purposes of the Investment Company Act of 1940;

xii) except as otherwise provided or contemplated herein, enter into any agreement to acquire property or services from any Person who is a director or officer;

xiii) settle any litigation or arbitration with any third party, any Member, or any Affiliate of any Member, except for any litigation or arbitration brought or defended in the ordinary course of business where the present value of the total settlement amount or damages will exceed $5,000,000;

xiv) materially change any of the tax reporting positions or elections of the Company;

xv) make or commit to any expenditures which, individually or in the aggregate, exceed or are reasonably expected to exceed the Company's total budget (as approved by the Manager) by the greater of 5% of such budget or Five Million Dollars ($5,000,000); or

xvi) make or incur any secured or unsecured indebtedness which individually or in the aggregate exceeds Five Million Dollars ($5,000,000), provided that this restriction shall not apply to (i) any refinancing of or amendment to existing indebtedness which does increase total borrowing, (ii) any indebtedness to (or guarantee of indebtedness of) any company controlled by or under common control with the Company ("Intercompany Indebtedness"), (iii) the pledge of any assets to support any otherwise permissible indebtedness of the Company or any Intercompany Indebtedness or (iv) indebtedness necessary to finance a transaction or purchase approved by the Manager.

(d) Board of Director Meetings.

i) Regular Meetings. Regular meetings of the Board may be held without notice at such time and at such place as shall from time to time be determined by the Board, but not less often than annually.

ii) Special Meetings. Special meetings of the Board may be called by the president or any member of the Board on twenty-four (24) hours' notice to each director; special meetings shall be called by the president or secretary in like manner and on like notice on the written request of Members holding a majority of the Common Units held by all Members. Notice of a special meeting may be given by facsimile.

iii) Telephonic Meetings. Members of the Board may participate in any regular or special meeting of the Board, by means of conference telephone or similar communications equipment, by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this Section 4.4(c) will constitute presence in person at such meeting.

iv) Quorum. Subject to the provisions of Section 4.3, at all meetings of the Board, a majority of the directors shall constitute a quorum for the transaction of business, and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board, except as may be otherwise specifically provided by statute, the Certificate or this Agreement. If a quorum is not present at any meeting of the Board, the directors present thereat may adjourn the meeting from time to time until a quorum shall be present. Notice of such adjournment shall be given to any director not present at such meeting.

v) Action Without Meeting. Unless otherwise restricted by the Certificate of Formation or this Agreement, any action required or permitted to be taken at any meeting of the Board may be taken without a meeting if all members of the Board consent thereto in writing and such written consent is filed with the minutes of proceedings of the Board.

(e) Board's Duty of Care. The Board's duty of care in the discharge of its duties to the Company and the Members is limited to discharging its duties pursuant to this Agreement in good faith, with the care a corporate director of like position would exercise under similar circumstances, in the manner it reasonably believes to be in the best interests of the Company. In discharging its duties, the Board shall not be liable to the Company or

to any Member for any mistake or error in judgment or for any act or omission believed in good faith to be within the scope of authority conferred by this Agreement or approved by the Manager.

SECTION 5. Officers.

(a) Officers. The officers shall be a President, a Treasurer and a Secretary, and such other additional officers, including a Chairman of the Board, one or more Chairmen, Vice Presidents, Assistant Secretaries and Assistant Treasurers as the Board, the Manager or the President may from time to time elect. Any two or more offices may be held by the same individual.

(b) Election and Term. The President, Treasurer and Secretary shall be elected by and shall hold office at the pleasure of the Board or the Manager. The Board, the Manager or the President may elect such other officers and agents as it shall deem desirable, who shall hold office at the pleasure of the Board, the Manager or the President, and who shall have such authority and shall perform such duties as from time to time shall be prescribed by the Board, the Manager or the President.

(c) Removal. Any officer may be removed by the affirmative vote of the Manager or the affirmative vote of at least a majority of the directors then in office, with or without cause, for any reason or for no reason. Any officer other than the President, the Treasurer or the Secretary may be removed by the President, with or without cause, for any reason or for no reason.

(d) Duties and Authority of Officers.

i) President. The President shall be the chief executive officer and (if no other person has been appointed as such) the chief operating officer of the Company; shall preside at all meetings of the Members and directors; shall have general supervision and active management of the business and finances of the Company; shall see that all orders and resolutions of the Board or the Manager are carried into effect; subject, however, to the right of the directors to delegate any specific powers to any other officer or officers. In the absence of direction by the Board or Manager to the contrary, the President shall have the power to vote all securities held by the Company and to issue proxies therefor. In the absence or disability of the President, any Chairman (if any) or, if there is no Chairman, the most senior available officer appointed by the Board or the Manager shall perform the duties and exercise the powers of the President with the same force and effect as if performed by the President, and shall be subject to all restrictions imposed upon him.

ii) Vice President. Each Vice President, if any, shall perform such duties as shall be assigned to him or her and shall exercise such powers as may be granted to him or her by the Manager, the Board or by the President of the Company. In the absence of direction by the Board, the Manager or the President to the contrary, the any Senior Vice President shall have the power to vote all securities held by the Company and to issue proxies therefor.

iii) The Secretary. The Secretary shall give, or cause to be given, a notice as required of all meetings of the Members and of the Board. The Secretary shall keep or cause to be kept, at the principal executive office of the Company or such other place as the Board may direct, a book of minutes of all meetings and actions of Directors and Members. The minutes shall show the time and place of each meeting, whether regular or special (and, if special, how authorized and the notice given), the names of those present at directors' meetings, the number of shares present or represented at shareholders' meetings, and the proceedings thereof. The Secretary shall perform such other duties as may be prescribed from time to time by the Manager or the Board.

iv) The Treasurer. The Treasurer shall have custody of the Company funds and securities and shall keep or cause to be kept full and accurate accounts of receipts and disbursements in books of the Company to be maintained for such purpose; shall deposit all moneys and other valuable effects of the Company in the name and to the credit of the Company in depositories designated by the Manager or the Board; and shall disburse the funds of the Company as may be ordered by the Manager or the Board.

v) The Chairmen. Each Chairman, if any, shall perform such duties as shall be assigned, and shall exercise such powers as may be granted to him or her by the Manager or the Board.

SECTION 6. Members.

(a) The members of the Company shall be set forth on Exhibit B hereto. Other persons may be admitted as members from time to time pursuant to the provisions of this Agreement.

(b) No member shall be liable for the debts, liabilities and obligations of the Company, including any debts, liabilities and obligations under a judgment, decree or order of a court.

(c) Neither a member nor any of its affiliates, partners, members, directors, managers, officers or employees shall be expressly or impliedly restricted or prohibited by virtue of this Agreement or the relationships created hereby from engaging in other activities or business ventures of any kind or character whatsoever. Except as otherwise agreed in writing, each member and its affiliates, partners, members, directors, managers, officers and employees shall have the right to conduct, or to possess a direct or indirect ownership interest in, activities and business ventures of every type and description, including activities and business ventures in direct competition with the Company.

SECTION 7. Percentage Interests. CCI has contributed all of its right, title and interest in and to its 100% membership interests in the following entities to the capital of the Company in exchange for its membership interest: CharterComm Holdings, LLC, Charter Communications Properties Holdings, LLC, CCT Holdings, LLC, CCA Holdings, LLC, and Charter Communications Long Beach, LLC. The Percentage Interests or number of membership units held by each Member are as set forth in Exhibit B attached hereto.

SECTION 8. Distributions. The Company may from time to time distribute to the members such amounts in cash and other assets as shall be determined by the members. Each such distribution, including liquidating distributions, shall be divided among the members in accordance with their Percentage Interests.

SECTION 9. Allocations. The profits and losses of the Company shall be allocated to the members in accordance with their Percentage Interests or number of membership units.

SECTION 10. Dissolution; Winding Up.

(a) The Company shall be dissolved upon (i) the adoption of a plan of dissolution by the members or (ii) the occurrence of any event required to cause the dissolution of the Company under the Delaware Limited Liability Company Act.

(b) Any dissolution of the Company shall be effective as of the date on which the event occurs giving rise to such dissolution, but the Company shall not terminate unless and until all its affairs have been wound up and its assets distributed in accordance with the provisions of the Delaware Limited Liability Company Act.

(c) Upon dissolution of the Company, the Company shall continue solely for the purposes of winding up its business and affairs as soon as reasonably practicable. Promptly after the dissolution of the Company, the Manager shall immediately commence to wind up the affairs of the Company in accordance with the provisions of this Agreement and the Delaware Limited Liability Company Act. In winding up the business and affairs of the Company, the Manager may take any and all actions that they determine in its sole discretion to be in the best interests of the members, including, but not limited to, any actions relating to (i) causing written notice by registered or certified mail of the Company's intention to dissolve to be mailed to each known creditor of and claimant against the Company, (ii) the payment, settlement or compromise of existing claims against the Company, (iii) the making of reasonable provisions for payment of contingent claims against the Company and (iv) the sale or disposition of the properties and assets of the Company. It is expressly understood and agreed that a reasonable time shall be allowed for the orderly liquidation of the assets of the Company and the satisfaction of claims against the Company so as to enable the Manager to minimize the losses that may result from a liquidation.

SECTION 11. Transfer. If the Company has more than one member, no member shall transfer (whether by sale, assignment, gift, pledge, hypothecation, mortgage, exchange or otherwise) all or any part of his, her or its limited liability company interest in the Company to any other person without the prior written consent of each of the other members; provided, however, that this Section 11 shall not restrict the ability of any member to transfer (at any time) all or a portion of its limited liability company interest in the Company to another member. Upon the transfer of a member's limited liability company interest, the Manager shall provide notice of such transfer to each of the other members and shall amend Exhibit B hereto to reflect the transfer.

SECTION 12. Admission of Additional Members. The admission of additional members to the Company shall be accomplished by the amendment of this Agreement and, if required by the Delaware Limited Liability Company Act.

SECTION 13. Tax Matters. The members agree that, so long as the Company is a sole member entity, it is intended that for federal income tax purposes its assets be deemed to be owned by the sole member in accordance with the applicable Treasury Regulations. In the event that the Company becomes an entity that has more than one member, it is intended that the Company shall be treated as a partnership for purposes of United States federal, state and local income tax laws, and further agree not to take any position or make any election, in a tax return or otherwise, inconsistent therewith. So long as the Company is a partnership for federal income tax purposes, the "tax matters partner" of the Company (the "Tax Matters Member") for purposes of section 6231(a)(7) of the Internal Revenue Code of 1986, as amended, shall be as set forth in Exhibit B, attached hereto. The Tax Matters Member shall have the power to manage and control, on behalf of the Company, any administrative proceeding at the Company level with the Internal Revenue Service relating to the determination of any item of Company income, gain, loss, deduction or credit for federal income tax purposes.

SECTION 14. Exculpation and Indemnification.

(a) Neither the members, the Manager, the directors, their affiliates, nor any person who at any time shall serve, or shall have served, as a director, officer, employee or other agent of any member or any such affiliate and who, in such capacity, shall engage, or shall have engaged, in activities on behalf of the Company (a "Specified Agent") shall be liable, in damages or otherwise, to the Company or to any member for, and neither the Company nor any member shall take any action against such members, their affiliates or any Specified Agent, in respect of any loss which arises out of any acts or omissions performed or omitted by it pursuant to the authority granted by this Agreement, or otherwise performed on behalf of the Company, if such member, such affiliate, or such Specified Agent, as applicable, in good faith, determined that such course of conduct was in the best interests of the Company. Each member shall look solely to the assets of the Company for return of his, her or its investment, and if the property of the Company remaining after the discharge of the debts and liabilities of the Company is insufficient to return such investment, each member shall have no recourse against the Company, the other members or their affiliates, except as expressly provided herein; provided, however, that the foregoing shall not relieve any member of any fiduciary duty or duty of fair dealing to the other members that it may have under applicable law.

(b) In any threatened, pending or completed claim, action, suit or proceeding to which a member, any of such member's affiliates, or any Specified Agent was or is a party or is threatened to be made a party by reason of the fact that such person is or was engaged in activities on behalf of the Company, including without limitation any action or proceeding brought under the Securities Act of 1933, as amended, against a member, any of such member's affiliates, or any Specified Agent relating to the Company, the Company shall indemnify and hold harmless the members, any such affiliates, and any such Specified Agents against losses, damages, expenses (including attorneys' fees), judgments and amounts paid in settlement actually and reasonably incurred by or in connection with such

claim, action, suit or proceeding; provided, however, that none of the members, any of their affiliates or any Specified Agent shall be indemnified for actions constituting bad faith, willful misconduct, or fraud. Any act or omission by any member, any of such member's affiliates or any Specified Agent, if done in reliance upon the opinion of independent legal counsel or public accountants selected with reasonable care by such member, such affiliate or such Specified Agent, as applicable, shall not constitute bad faith, willful misconduct, or fraud on the part of such member, affiliate or Specified Agent.

(c) The termination of any claim, action, suit or proceeding by judgment, order or settlement shall not, of itself, create a presumption that any act or failure to act by a member, such member's affiliate or any Specified Agent constituted bad faith, willful misconduct or fraud under this Agreement.

(d) Any such indemnification under this Section 13 shall be recoverable only out of the assets of the Company and not from the members.

SECTION 15. Miscellaneous.

(a) A member's limited liability company interest may be evidenced by a certificate of limited liability company interest executed by the Manager or an officer and in substantially the form attached hereto as Exhibit C (or in such other form as the Manager may approve).

(b) The terms and provisions set forth in this Agreement may be amended, and compliance with any term or provision set forth herein may be waived, only by a written instrument executed by each member. No failure or delay on the part of any member in exercising any right, power or privilege granted hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege granted hereunder.

(c) This Agreement shall be binding upon and inure to the benefit of the members and their respective successors and assigns.

(d) This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without regard to any conflicts of law principles that would require the application of the laws of any other jurisdiction.

(e) In the event that any provision contained in this Agreement shall be held to be invalid, illegal or unenforceable for any reason, the invalidity, illegality or unenforceability thereof shall not affect any other provision hereof.

(f) This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the party has caused this Agreement to be duly executed on the date first above written.

CHARTER COMMUNICATIONS, INC.

By: /s/ Curtis S. Shaw
____
Curtis S. Shaw
Senior Vice President

EXHIBIT A

INITIAL DIRECTORS

Jerald Kent

Barry Babcock

Howard Wood

EXHIBIT B

MEMBER NAME	NUMBER OF UNITS
Charter Communications, Inc.	100

TAX MATTERS MEMBER
Charter Communications, Inc.

EXHIBIT C

Exhibit 3.3

CERTIFICATE OF INCORPORATION

OF

CHARTER COMMUNICATIONS HOLDINGS CAPITAL CORPORATION

1. The name of the Corporation is Charter Communications Holdings Capital Corporation.

2. The address of the registered office of the Corporation in the State of Delaware is 30 Old Rudnick Lane, Dover, Kent County, Delaware 19901. The name of its registered agent at such address is CorpAmerica, Inc.

3. The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

4. The Corporation is authorized to issue One Hundred (100) shares of Common Stock with a par value of $.01 per share.

5. The Corporation is to have perpetual existence.

6. The number of directors which shall constitute the whole Board of Directors shall be fixed by and in the manner provided in the Bylaws of the Corporation.

7. In furtherance and not in limitation of the powers conferred by the statute, the Board of Directors is expressly authorized to make, repeal, alter, amend and rescind the Bylaws of the Corporation.

8. Election of directors at an annual or special meeting of the stockholders need not be by written ballot unless the Bylaws of the Corporation shall so provide.

9. No director of the Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director; provided, however, that this Section 9 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 the law, (iii) under Section 174 of the General Corporation Law of the State of Delaware, or (iv) for any transaction from which the director derives an improper personal benefit. If the General Corporation Law of the State of Delaware is amended after the date of filing of this Certificate of Incorporation to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be

eliminated or limited to the fullest extent permitted by the General Corporation Law of the State of Delaware as so amended.

Any repeal or modification of the foregoing paragraph by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing in respect of any act or omission occurring prior to the time of such repeal or modification.

10. The Corporation shall, to the fullest extent now or hereafter permitted by Section 145 of the General Corporation Law of the State of Delaware, as amended from time to time, indemnify all persons whom it may indemnify pursuant thereto.

11. The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation in the manner now or hereafter prescribed by statute, and all rights conferred on stockholders herein are granted subject to this reservation.

12. The name and mailing address of the incorporator of the Corporation is:

Name	Mailing Address
Colleen M. Hegarty	12444 Powerscourt Drive, Suite 100 St. Louis, Missouri 63131-3600

IN WITNESS WHEREOF, this Certificate has been signed on this 15th day of February, 1999.

/s/ Colleen M. Hegarty

Colleen M. Hegarty, Incorporator

Exhibit 3.4

BYLAWS

OF

CHARTER COMMUNICATIONS HOLDINGS CAPITAL CORPORATION
a Delaware Corporation
(the "Corporation")

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ARTICLE I - OFFICES

1.01 REGISTERED OFFICE.

The registered office shall be maintained at 30 Old Rudnick Lane, Dover, Kent County, Delaware 19901 and CorpAmerica, Inc. is the registered agent.

1.02 OTHER OFFICES.

The Corporation may also have other offices, either within or without the State of Delaware, at such place or places as the Board of Directors (the "Board") may from time to time appoint or the business of the Corporation may require.

ARTICLE II - MEETINGS OF STOCKHOLDERS

2.01 ANNUAL MEETING.

The date of the annual meeting of the stockholders for the election of directors and for the transaction of such other business as properly may come before such meeting shall be determined by resolution of the Board to be a specific day in each year, if not a legal holiday, and, if a legal holiday, on the next succeeding business day, at the time and place and within or without the State of Delaware as may be designed by the Board and set forth in the notice of the meeting or a duly executed waiver of notice thereof, provided, however, that in any year, in advance of the date specified for the annual meeting, the Board may act to change the meeting date for that year.

2.02 SPECIAL MEETINGS.

Special meetings of the stockholders for any proper purpose or purposes may be called at any time by the Board or an Executive Officer, to be held on the date, at the time

and place within or without the State of Delaware as the Board or an Executive Officer, whichever has called the meeting, shall direct. A special meeting of the stockholders also shall be called whenever stockholders owning a majority of the shares of the Corporation then issued and outstanding and entitled to vote on all of the matters to be submitted to stockholders of the Corporation at such special meeting shall make written application to an Executive Officer. Any such written request shall state a proper purpose or purposes of the meeting and shall be delivered to an Executive Officer.

2.03 NOTICE OF MEETING.

Notice, signed by the Secretary of the Corporation or an Executive Officer, of every annual or special meeting of stockholders shall be prepared in writing and personally delivered; mailed, postage prepaid; or sent by facsimile transmission to each stockholder entitled to vote at such meeting not less than ten (10) nor more than sixty (60) days before the meeting, except as otherwise provided by statute. Every notice of a meeting of the stockholders shall state the place, date and hour of the meeting, and in the case of a special meeting, shall also state the purpose or purposes for which the meeting is called. If mailed, such notice shall be directed to a stockholder at his address as it shall appear on the stock record book of the Corporation, unless the stockholder shall have filed with the Secretary a written request that notice intended for him or her be mailed to some other address, in which case it shall be mailed to the address designated in such request. Notice shall be deemed given when personally delivered or deposited in the United States mail, as the case may be; provided, however, that such notice may also be given by telegram, facsimile or other means of electronically transmitted written copy and in such case shall be deemed given when ordered or, if a delayed delivery is ordered, as of such delayed delivery time.

2.04 LIST OF STOCKHOLDERS.

A complete list of the stockholders entitled to vote at each meeting of stockholders, arranged in alphabetical order and showing the address of each such stockholder and the number of shares registered in the name of each such stockholder, shall be open to the examination of any stockholder, for any purpose germane to such meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of such meeting, or, if not specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting and during the whole time thereof, and may be inspected by any stockholder who is present.

2.05 QUORUM.

The presence at any meeting, in person or by proxy, of the holders of record of a majority of the shares then issued and outstanding and entitled to vote shall be necessary and sufficient to constitute a quorum for the transaction of business, except where otherwise provided by statute.

2.06 ADJOURNMENTS.

In the absence of a quorum, stockholders representing a majority of the shares then issued and outstanding and entitled to vote, present in person or by proxy, or, if no stockholder entitled to vote is present in person or by proxy, any officer entitled to preside at or act as secretary of such meeting, may adjourn the meeting from time to time without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting originally noticed. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

2.07 VOTING.

(a) At each meeting of the stockholders, each stockholder shall be entitled to vote in person or by proxy each share or fractional share of the stock of the Corporation which has voting rights on the matter in question and which shall have been held by him or her and registered in his name on the books of the Corporation:

(i) on the date fixed pursuant to Section 10.02 of these Bylaws as the record date for the determination of stockholders entitled to notice of and to vote at such meeting, or

(ii) if no such record date shall have been so fixed, then (x) at the close of business on the day next preceding the day on which notice of the meeting shall be given or (y) if notice of the meeting shall be waived, at the close of business on the day next preceding the day on which the meeting shall be held.

(b) Shares of its own stock belonging to the Corporation or to another corporation, if a majority of the shares entitled to vote in the election of directors in such other corporation is held, directly or indirectly, by the Corporation, shall neither be entitled to vote nor be counted for quorum purposes. Persons holding stock of the Corporation in a fiduciary capacity shall be entitled to vote such stock. Persons whose stock is pledged shall be entitled to vote, unless in the transfer by the pledgor on the books of the Corporation he or she shall have expressly empowered the pledgee to vote thereon, in which case only the pledgee, or his or her proxy, may represent such stock and vote thereon. Stock having voting power standing of record in the names of two or more persons, whether fiduciaries, members of a partnership, joint tenants, tenants in common, tenants by the entirety or otherwise, or with respect to which two or more persons have the same fiduciary relationship, shall be voted in accordance with the provisions of the General Corporation Law of Delaware.

(c) At any meeting of the stockholders all matters except as otherwise provided in the Certificate of Incorporation, in these Bylaws, or by law, shall be decided by the vote of a majority in voting interest of the stockholders present in person or by proxy and entitled to vote thereat and thereon. The vote at any meeting of the stockholders on any question need not be by ballot, unless so directed by the chairman of the meeting. On a

vote by ballot, each ballot shall be signed by the stockholder voting, or by his proxy if there be such proxy, and it shall state the number of shares voted.

2.08 PROXIES.

Any stockholder is entitled to vote by proxy, provided that the instrument authorizing such proxy to act shall have been executed in writing (which shall include telegram, facsimile or other means of electronically transmitted written copy) by the stockholder himself or herself or by his or her duly authorized attorney-in-fact and delivered to the secretary of the meeting. No proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period.

The attendance at any meeting of a stockholder who may theretofore have given a proxy shall not have the effect of revoking the same unless he shall in writing so notify the secretary of the meeting prior to the voting of the proxy.

2.09 JUDGES OF ELECTION.

The Board may appoint judges of election to serve at any election of directors and at balloting on any other matter that may properly come before a meeting of stockholders. If no such appointment shall be made, or if any of the judges so appointed shall fail to attend, or refuse or be unable to serve, then such appointment may be made by the presiding officer of the meeting at the meeting.

2.10 WRITTEN CONSENT.

Any action which may be taken at any annual or special meeting of stockholders may be taken without a meeting and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Whenever any such action is taken without a meeting by less than unanimous consent, all stockholders who have not consented in writing must be promptly informed in writing of such action.

ARTICLE III - BOARD

3.01 NUMBER.

The number of directors which shall constitute the whole Board shall be fixed at three (3) persons, until changed from time to time by resolution of the Board or stockholders at the annual meeting or any special meeting called for that purpose.

3.02 ELECTION AND TERM OF OFFICE.

Directors shall be elected at the annual meeting of the stockholders except as provided in Section 3.03 of this Article III. Each director (whether elected at an annual meeting or to fill a vacancy or otherwise) shall continue in office until a successor shall have been elected and qualified or until his or her death, resignation or removal in the manner hereinafter provided, whichever shall first occur.

3.03 VACANCIES AND ADDITIONAL DIRECTORSHIPS.

If any vacancy shall occur among the directors by reason of death, resignation, or removal, or as the result of an increase in the number of directorships, the directors then in office shall continue to act and may fill any such vacancy by a vote of the majority of directors then in office, though less than a quorum, and each director so chosen shall hold office until the next annual election of directors and until his or her successor shall be duly elected and shall qualify, or until his or her earlier death, resignation or removal.

3.04 POWERS.

The business of the Corporation shall be managed by its Board, which may exercise all powers of the Corporation and do all lawful acts and things as are not by law or by the Certificate of Incorporation or these Bylaws reserved to the stockholders.

3.05 RESIGNATION OF DIRECTORS.

Any director may resign at any time by giving written notice of such resignation to the Board or an Executive Officer. Any such resignation shall take effect at the time specified therein or, if no time be specified, upon receipt thereof by the Board or an Executive Officer; and unless specified therein, the acceptance of such resignation shall not be necessary to make it effective.

3.06 REMOVAL OF DIRECTORS.

At the annual meeting or any special meeting of the stockholders, duly called as provided in these Bylaws, any director or directors may, by the affirmative vote of the holders of a majority of the shares of stock issued and outstanding and entitled to vote for the election of directors, be removed from office, either with or without cause. At such meeting a successor or successors may be elected by a majority of the votes cast, or if any

such vacancy is not so filled, it may be filled by the directors as provided in Section 3.03 of this Article III.

3.07 COMPENSATION OF DIRECTORS.

Directors may receive such reasonable compensation for their services, whether in the form of salary or a fixed fee for attendance at Board or Board committee meetings, with expenses, if any, as the Board may from time to time determine. Nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

3.08 RELIANCE ON ACCOUNTS AND REPORTS, ETC.

A director, or a member of any committee designed by the Board shall, in the performance of his duties, be fully protected in relying in good faith upon the records of the Corporation and upon information, opinions, reports or statements presented to the Corporation by any of the Corporation's officers or employees, or committees designated by the Board, or by any other person as to the matters the director or member reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Corporation.

ARTICLE IV - MEETINGS OF THE BOARD

4.01 PLACE.

The Board of the Corporation may hold meetings, both regular and special, either within or without the State of Delaware.

4.02 REGULAR MEETINGS.

The Board by resolution may provide for the holding of regular meetings and may fix the times and places at which such meetings shall be held. Notice of regular meetings shall not be required to be given if the time and place has been fixed by Board resolution, provided that whenever the time or place of regular meetings shall be fixed or changed, notice of such action shall be mailed promptly to each director who shall not have been present at the meeting at which such action was taken. If the time and place for regular meetings has not been fixed by the Board, then at least 10 days written notice addressed to him or her at his or her residence or usual place of business, unless he or she shall have filed with the Secretary a written request that notices intended for him or her be mailed to some other address, in which case it shall be mailed to the address designated in such request, or shall be sent to him or her at such place by telegram, facsimile or other means of electronically transmitted written copy.

4.03 SPECIAL MEETINGS.

Special meetings of the Board may be called by any Executive Officer and shall be called by any Executive Officer at the written request of any director. Except as otherwise required by statute, notice of each special meeting shall be given to each director, if by mail, when addressed to him or her at his or her residence or usual place of business, unless he or she shall have filed with the Secretary a request that notices intended for him or her be mailed to some other address, in which case it shall be mailed to the address designated in such request, at least 72 hours before, or shall be sent to him or her at such place by telegram, facsimile, telephone or other means of electronically transmitted written copy, or delivered to him or her personally, at least 48 hours before the date on which the meeting is to be held. Such notice shall state the time and place of such meeting, but need not state the purposes thereof, unless otherwise required by statute, the Certificate of Incorporation of the Corporation or these Bylaws.

4.04 QUORUM.

At any meeting of the Board two-thirds (2/3) of the whole Board shall constitute a quorum for the transaction of business, and the act of the majority of those present at any meeting at which a quorum is present shall be sufficient for the act of the Board, except as may be otherwise specifically provided by statute or by the Certificate of Incorporation of the Corporation.

4.05 ADJOURNED MEETINGS.

If a quorum shall not be present at a meeting of the Board, the directors present thereat may adjourn the meeting from time to time, until a quorum shall be present. Seventy-two (72) hours' notice of any such adjournment shall be given personally to each director who was not present at the meeting at which such adjournment was taken, and unless announced at the meeting, to the other directors; provided, that then ten (10) days' notice shall be given if notice is given by mail.

4.06 WRITTEN CONSENT.

Any action required or permitted to be taken at any meeting of the Board may be taken without a meeting if all the members of the Board consent thereto in writing, and the writing or writings are filed with the minutes of the proceedings of the Board.

4.07 COMMUNICATIONS EQUIPMENT.

Any one or more members of the Board may participate in any meeting of the Board by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation by such means shall be deemed to constitute presence in person at such meeting.

4.08 WAIVER OF NOTICE.

Notice of any meeting need not be given to any directors who shall attend such meeting in person or shall waive notice thereof, before or after such meeting, in writing or by telegram, facsimile or other means of electronically transmitted written copy.

4.09 OFFICERS OF THE BOARD.

The Board shall have a Chairman of the Board and may, at the discretion of the Board, have one or more Vice Chairmen. The Chairman of the Board and the Vice Chairmen shall be appointed from time to time by the Board and shall have such powers and duties as shall be designated by the Board.

ARTICLE V - COMMITTEES OF THE BOARD

5.01 DESIGNATION, POWER AND ALTERNATE MEMBERS AND TERM OF OFFICE.

The Board may, by resolution passed by a majority of the whole Board, designate one (1) or more committees. Each such committee shall consist of one (1) or more of the directors of the Corporation. Any such committee, to the extent provided in such resolution, shall have and may exercise the power of the Board in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it. The Board may designate one (1) or more directors as alternate members of any committee who, in the order specified by the Board, may replace any absent or disqualified member at any meeting of the committee. If at a meeting of any committee one (1) or more of the members thereof should be absent or disqualified, and if either the Board has not so designated any alternate member or members, or the number of absent or disqualified members exceeds the number of alternate members who are present at such meeting, then the member or members of such committee (including alternates) present at any meeting and not disqualified from voting, whether or not he or she or they constitute a quorum, may unanimously appoint another director to act at the meetings in the place of any such absent or disqualified member. The term of office of the members of each committee shall be as fixed from time to time by the Board, subject to the term of office of the directors and these Bylaws; provided, however, that any committee member who ceases to be a member of the Board shall ipso facto cease to be a committee member. Each committee shall appoint a secretary, who may be the Secretary or an Assistant Secretary of the Corporation.

5.02 MEETINGS, NOTICES AND RECORDS.

Each committee may provide for the holding of regular meetings, with or without notice, and a majority of the members of any such committee may fix the time, place and procedure for any such meeting. Special meetings of each committee shall be held upon call by or at the direction of its chairman or, if there be no chairman, by or at the direction of any two (2) of its members, at the time and place specified in the respective notices or waivers of notice thereof. Notice of each special meeting of a committee shall be mailed to each member of such committee, addressed to him or her at his or her residence or usual place of business, unless he or she shall have filed with the Secretary a written request that notices intended for him or her be mailed to some other address, in which case it shall be

mailed to the address designated in such request, at least 72 hours before the day on which the meeting is to be held, or shall be sent by telegram, facsimile or other means of electronically transmitted written copy, addressed to him at such place, or telephoned or delivered to him or her personally, at least 48 hours before the day on which the meeting is to be held. Notice of any meeting of a committee need not be given to any member thereof who shall attend the meeting in person or who shall waive notice thereof by telegram, facsimile or other means of electronically transmitted written copy. Notice of any adjourned meeting need not be given. Each committee shall keep a record of its proceedings.

Each committee may meet and transact any and all business delegated to that committee by the Board by means of a conference telephone or similar communications equipment provided that all persons participating in the meeting are able to hear and communicate with each other. Participation in a meeting by means of conference telephone or similar communication shall constitute presence in person at such meeting.

5.03 QUORUM AND MANNER OF ACTING.

At each meeting of any committee the presence of a majority of its members then in office shall be necessary and sufficient to constitute a quorum for the transaction of business, and the act of a majority of the members present at any meeting at which a quorum is present shall be the act of such committee; in the absence of a quorum, a majority of the members present at the time and place of any meeting may adjourn the meeting from time to time until a quorum shall be present. Subject to the foregoing and other provisions of these Bylaws and except as otherwise determined by the Board, each committee may make rules for the conduct of its business. Any determination made in writing and signed by all the members of such committee shall be as effective as if made by such committee at a meeting.

5.04 RESIGNATIONS.

Any member of a committee may resign at any time by giving written notice of such resignation to the Corporation, the Board, or an Executive Officer of the Corporation. Unless otherwise specified in such notice, such resignation shall take effect upon receipt thereof by the Board or any Executive Officer of the Corporation.

5.05 REMOVAL.

Any member of any committee may be removed at any time by the affirmative vote of a majority of the whole Board with or without cause.

5.06 VACANCIES.

If any vacancy shall occur in any committee by reason of death, resignation, disqualification, removal or otherwise, the remaining members of such committee, though less than a quorum, shall continue to act until such vacancy is filled by the Board.

ARTICLE VI - OFFICERS

6.01 OFFICERS AND MANAGEMENT COMMITTEE.

The Board shall determine the titles and duties of the officers of the Corporation who shall be responsible for the overall supervision, direction and control of the business and affairs of the Corporation (hereinafter referred to as the "Executive Officers"), and shall elect persons to hold such positions. The Corporation also shall have one or more Executive Vice Presidents and Senior Vice Presidents, as well as a Treasurer and a Secretary. The Board also may, but shall not be required to, appoint a Management Committee which shall be comprised of the Executive Officers plus such other officers as may be selected by the Board or in the absence of Board action by the Chairman of the Management Committee. Any Executive Officer or Executive Vice President may, if so designated by the Board, function in the capacity of Chief Executive Officer, Chief Financial Officer, or Chief Operating Officer. In the absence or disability of an elected Executive Officer, another Executive Officer shall perform such other officer's duties. One of the Executive Officers shall preside at meetings of stockholders.

The officers of the Corporation may also include one or more Regional or other Vice Presidents and one or more Assistant Secretaries or Assistant Treasurers, each of whom shall be elected by the Board or appointed by the Executive Officers Any number of offices may be held by the same person subject to any limits imposed by the General Corporation Law of the State of Delaware; provided that different officers shall have such titles and duties as may be necessary to enable the Corporation to sign instruments and stock certificates which comply with Sections 103(a)(2) and 158 of the General Corporation Law of the State of Delaware.

Each officer of the corporation elected by the Board or appointed by the Executive Officers shall hold office until his or her successor is duly elected or appointed and qualified or until his or her earlier resignation or removal.

6.02 DUTIES.

All officers, as between themselves and the Corporation, shall have such authority and perform such duties in the management of the Corporation as may be provided in these Bylaws, or, to the extent not so provided, as may be provided by resolution of the Board or the supervising Executive Officers.

6.03 RESIGNATIONS.

Any officer may resign at any time by giving written notice of such resignation to the Board or any Executive Officer. Unless otherwise specified in such written notice, such resignation shall take effect upon receipt thereof by the Board or any such Executive Officer.

6.04 REMOVAL.

All officers serve at the sole pleasure and in the sole discretion of the Board. Any Executive Officer or other officer elected by the Board may be removed at any time, either with or without cause, by the vote of a majority of all of the directors then in office. Any officers appointed by an Executive Officer may be removed at any time by an Executive Officer with or without cause. Such power of removal from office shall not be abridged by any employment contract or other agreement.

6.05 VACANCIES.

A vacancy in any office by reason of death, resignation, removal, disqualification or any other cause shall be filled for the unexpired portion of the term in the manner prescribed by these Bylaws for regular election or appointment to such office.

6.06 SECRETARY.

The Secretary shall: (a) record all the proceedings of the meetings of the stockholders, the Board, and all committees of the Board in a book or books to be kept for that purpose; (b) cause all notices to be duly given in accordance with the provisions of these Bylaws as required by statute; (c) whenever any committee shall be appointed in pursuance of a resolution of the Board, furnish the chairman of such committee with a copy of such resolution; (d) be custodian of the records and of the seal of the Corporation, and cause such seal to be affixed to all certificates representing capital stock of the Corporation prior to the issuance thereof and to all instruments the execution of which on behalf of the Corporation under its seal shall have been duly authorized; (e) see that the lists, books, reports, statements, certificates and other documents and records required by statute are properly kept and filed; (f) have charge of the stock record and stock transfer books of the Corporation, and exhibit such stock books at all reasonable times to such persons who are entitled by statute to have access thereto; and (g) in general, perform all duties incident to the office of Secretary and such other duties as are given to him or her by these Bylaws or as from time to time may be assigned to him or her by the Board or the Executive Officers.

6.07 ASSISTANT SECRETARIES.

At the request of the Secretary or in his or her absence or disability, the Assistant Secretary designated by him or her (or in the absence of such designation, the Assistant Secretary designated by the Board or any Executive Officer) shall perform all the duties of the Secretary, and, when so acting, shall have all the powers of and be subject to all

restrictions upon the Secretary. The Assistant Secretaries shall perform such other duties as from time to time may be assigned to them by the Board or the Executive Officers.

6.08 TREASURER.

The Treasurer shall: (a) have charge of and supervision over and be responsible for the funds, securities, receipts and disbursements of the Corporation; (b) cause the monies and other valuable effects of the Corporation to be deposited in the name and to the credit of the Corporation in banks or trust companies or with bankers or other depositories or to be otherwise dealt with in such manner as the Board may direct; (c) select authorized depositories of the Corporation and cause the funds of the Corporation to be disbursed by checks or drafts upon the authorized depositories of the Corporation, and cause to be taken and preserved proper vouchers for all monies disbursed; (d) render to the Board and the Executive Officers, whenever requested, a statement of the financial condition of the Corporation and of all his or her transactions as Treasurer; (e) cause to be kept at the Corporation's principal office correct books of account of all its business and transactions and such duplicate books of account as he or she shall determine and upon application cause such books or duplicates thereof to be exhibited to any Director; (f) be empowered, from time to time, to require from the officers or agents of the Corporation reports or statements giving such information concerning transactions of the Corporation; and (g) in general, perform all duties incident to the office of Treasurer and such other duties as are given to him or her by these Bylaws or as from time to time may be assigned to him by the Board or the Executive Officers.

6.09 ASSISTANT TREASURERS.

At the request of the Treasurer or any of the Executive Officers, the Assistant Treasurer shall perform all the duties of the Treasurer and, when so acting, shall have all the powers of the be subject to all restrictions upon the Treasurer. The Assistant Treasurer shall perform such other duties as from time to time may be assigned by the Board, the Executive Officers of the Treasurer.

ARTICLE VII - INDEMNIFICATION

7.01 ACTIONS OTHER THAN BY OR IN THE RIGHT OF THE CORPORATION.

The Corporation shall 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 (other than an action by or in the right of the Corporation) by reason of the fact that he is or was or has agreed to become 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 or as a member of any committee or similar body, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he 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 his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, that he had reasonable cause to believe that his conduct was unlawful.

7.02 ACTIONS BY OR IN THE RIGHT OF THE CORPORATION.

The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was or has agreed to become 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, or as a member of any committee or similar body, against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Corporation, except that no indemnification shall be made 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 of Chancery or 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 the Court of Chancery or such other court shall deem proper.

7.03 DETERMINATION OF RIGHT OF INDEMNIFICATION.

Any indemnification under Section 7.01 or 7.02 of these Bylaws (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in Sections 7.01 and 7.02 of these Bylaws. Such determination shall be made (a) by the Board by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (b) if such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (c) by the stockholders.

7.04 INDEMNIFICATION AGAINST EXPENSES OF SUCCESSFUL PARTY.

Notwithstanding the other provisions of this Article VII, to the extent that a director, officer, employee or agent of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 7.01 or 7.02 of these Bylaws, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

7.05 ADVANCE OF EXPENSES.

Expenses (including attorneys' fees) incurred by an officer or director in defending a civil or criminal action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding as authorized by the Board upon receipt of an undertaking by or on behalf of the director or officer, to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Corporation as authorized in this Article VII. Such expenses (including attorneys' fees) incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the Board deems appropriate. The Board may authorize the Corporation's counsel to represent such director, officer, employee or agent in any action, suit or proceeding, whether or not the Corporation is a party to such action, suit or proceeding.

7.06 OTHER RIGHTS AND REMEDIES.

The indemnification and advancement of expenses provided by, or granted pursuant to, the other Sections of this Article VII shall not be deemed exclusive and are declared expressly to be nonexclusive of any other rights to which those seeking indemnification or advancements of expenses may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office.

7.07 INSURANCE.

Upon resolution passed by the Board, the Corporation may purchase and maintain insurance on behalf of any person who 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 or as a member of any committee or similar body against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this Article VII.

7.08 CONSTITUENT CORPORATIONS.

For the purposes of this Article VII, references to "the Corporation" include in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise or as a member of any committee or similar body, shall stand in the same position under the provisions of this Article VII with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued.

7.09 EMPLOYEE BENEFIT PLANS.

For the purposes of this Article VII, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to any employee benefit plan; and references to "serving at the request of the Corporation" shall include any service as a director, officer, employee or agent of the Corporation which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner he reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the 'Corporation' " as referred to in this Article VII.

7.10 BROADEST LAWFUL INDEMNIFICATION.

In addition to the foregoing, the Corporation shall, to the broadest and maximum extent permitted by Delaware law, as the same exists from time to time (but, in case of any amendment to or change in Delaware law, only to the extent that such amendment or change permits the Corporation to provide broader rights of indemnification than is permitted to the Corporation prior to such amendment or change), 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 he is or was a director or officer of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding. In addition, the Corporation shall, to the broadest and maximum extent permitted by Delaware law, as the same may exist from time to time (but, in case of any amendment to or change in Delaware law, only to the extent that such amendment or change permits the Corporation to provide broader rights of payment of expenses incurred in advance of the final disposition of an action, suit or proceeding than is permitted to the Corporation prior to such amendment or change), pay to such person any and all expenses (including attorneys' fees) incurred in defending or settling any such action, suit or proceeding in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the director or officer, to repay such amount if it shall ultimately be determined by a final judgment or other final adjudication that he is not entitled to be indemnified by the Corporation as authorized in this Section 7.10. The first sentence of this Section 7.10 to the contrary notwithstanding, the Corporation shall not indemnify any such person with respect to any of the following matters: (a) remuneration paid to such person if it shall be determined by a final judgment or other final adjudication that such remuneration was in violation of law; or (b) any accounting of profits made from the purchase or sale by such person of the Corporation's securities within the meaning of Section 16(b) of the Securities Exchange Act of 1934 and amendments thereto or similar provisions of any federal, state or local statutory law; or (c) actions brought about or contributed to by the dishonesty of such person, if a final judgment or other final adjudication adverse to such person establishes that acts of active and deliberate dishonesty were committed or attempted by such person

with actual dishonest purpose and intent and were material to the adjudication; or (d) actions based on or attributable to such person having gained any personal profit or advantage to which he was not entitled, in the event that a final judgment or other final adjudication adverse to such person establishes that such person in fact gained such personal profit or other advantage to which he was not entitled; or (e) any matter in respect of which a final decision by a court with competent jurisdiction shall determine that indemnification is unlawful; provided, however, that the Corporation shall perform its obligations under the second sentence of this Section 7.10 on behalf of such person until such time as it shall be ultimately determined by a final judgment or other final adjudication that he is not entitled to be indemnified by the Corporation as authorized by the first sentence of this Section 7.10 by virtue of any of the preceding clauses (a) (b) (c) (d) or (e).

7.11 TERM.

The indemnification and advancement of expenses provided by, or granted pursuant to, this Article VII shall, unless otherwise provided when authorized or ratified, 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 a person.

7.12 SEVERABILITY.

If any part of this Article VII shall be found, in any action, suit or proceeding or appeal therefrom or in any other circumstances or as to any particular officer, director, employee or agent to be unenforceable, ineffective or invalid for any reason, the enforceability, effect and validity of the remaining parts or of such parts in other circumstances shall not be affected, except as otherwise required by applicable law.

7.13 AMENDMENTS.

The foregoing provisions of this Article VII shall be deemed to constitute an agreement between the Corporation and each of the persons entitled to indemnification hereunder, for as long as such provisions remain in effect. Any amendment to the foregoing provisions of this Article VII which limits or otherwise adversely affects the scope of indemnification or rights of any such persons hereunder shall, as to such persons, apply only to claims arising, or causes of action based on actions or events occurring, after such amendment and delivery of notice of such amendment is given to the person or persons so affected. Until notice of such amendment is given to the person or persons whose rights hereunder are adversely affected, such amendment shall have no effect on such rights of such persons hereunder. Any person entitled to indemnification under the foregoing provisions of this Article VII shall, as to any act or omission occurring prior to the date of receipt of such notice, be entitled to indemnification to the same extent as had such provisions continued as Bylaws of the Corporation without such amendment.

ARTICLE VIII - DEPOSIT OF CORPORATE FUNDS

8.01 BORROWING.

No loans or advances shall be obtained or contracted for, by or on behalf of the Corporation and no negotiable paper shall be issued in its name, unless and except as authorized by the Board. Such authorization may be general or confined to specific instances.

8.02 DEPOSITS.

All funds of the Corporation not otherwise employed shall be deposited from time to time to its credit in such banks or trust companies or with such bankers or other depositories as the Board may select, or as may be selected by any officer or officers or agent or agents authorized to do so by the Board.

8.03 CHECKS, DRAFTS, ETC.

All checks, drafts or other orders for the payment of money, and all negotiable and non-negotiable notes or other negotiable or non-negotiable evidences of indebtedness issued in the name of the Corporation, shall be signed or endorsed by such person or persons and in such manner as from time to time shall be determined by the Board or the Executive Officers. The Corporation shall obtain a fidelity bond for such persons with such signing authority as the Board or the Executive Officers may require.

ARTICLE IX - CERTIFICATES OF STOCK

9.01 STOCK CERTIFICATES.

Every holder of capital stock of the Corporation shall be entitled to have a certificate or certificates in such form as shall be approved by the Board, certifying the number of shares of capital stock of the Corporation owned by him or her. The certificates representing shares of capital stock shall be signed in the name of the Corporation by an Executive Officer and by the Secretary, an Assistant Secretary, the Treasurer or an Assistant Treasurer (which signatures may be facsimiles) and sealed with the seal of the Corporation (which seal may be a facsimile). If any officer, transfer agent or registrar who shall have signed or whose facsimile signatures has been placed upon such certificate shall have ceased to be such officer, transfer agent or registrar before such certificates are issued, they may nevertheless be issued by the Corporation with the same effect as if such officer, transfer agent, or registrar were still such at the date of their issue.

9.02 BOOKS OF ACCOUNT AND RECORD OF STOCKHOLDERS.

The books and records of the Corporation may be kept at such places, within or without the State of Delaware, as the Board may from time to time determine. The stock record books and the blank stock certificate books shall be kept by the Secretary or by any other officer or by the transfer agent or registrar, if any, designated by the Board. There shall be entered on the stock books of the Corporation the number of each certificate issued, the number of shares represented thereby, the name of the person to whom such certificate was issued and the date of issuance thereof.

9.03 TRANSFER OF SHARES.

Transfers of shares of capital stock of the Corporation shall be made on the stock records of the Corporation only upon authorization by the registered holder thereof, or by his attorney thereunto authorized by power of attorney duly executed and filed with the Secretary or with the transfer agent, and on surrender of the certificate or certificates for such shares properly endorsed or accompanied by a duly executed stock transfer power and the payment of all taxes thereon, if any. Except as otherwise provided by law, the Corporation shall be entitled to recognize the exclusive right of a person in whose name any share or shares stand on the record of stockholders as the owner of such share or shares for all purposes, including, without limitation, the rights to receive dividends or other distributions, and to vote as such owner, and the Corporation shall not be bound to recognize any equitable or legal claim to or interest in any such share or shares on the part of any other person whether or not the Corporation shall have express or other notice thereof.

9.04 REGULATIONS.

The Board may make such additional rules and regulations, not inconsistent with these Bylaws, as it may deem expedient concerning the issue, transfer and registration of certificates for shares of the capital stock of the Corporation. It may appoint, or authorize any officer or officers to appoint, one or more transfer agents or one or more registrars and may further provide that no stock certificate shall be valid until countersigned by one of such transfer agents and registered by one of such registrars. Nothing herein shall be construed to prohibit the Corporation from acting as its own transfer agent or registrar.

9.05 LOST, STOLEN OR DESTROYED CERTIFICATES.

The holder of any certificate representing any share or shares of the capital stock of the Corporation shall immediately notify the Corporation of any loss, theft, or destruction of such certificate. The Board may direct that a new certificate or certificates be issued in the place of any certificate or certificates theretofore issued by it which the owner thereof shall allege to have been lost, stolen or destroyed upon the furnishing to the Corporation of an affidavit to that effect by the person claiming that the certificate has been lost, stolen or destroyed. When authorizing such issue of a new certificate or certificates, the Board may, in its discretion, require such owner or his or her legal representatives to give to the Corporation and its transfer agent(s) and registrar(s) a bond in such sum, limited or unlimited, and in such form and with such surety or sureties as the Board in its absolute discretion shall determine, sufficient to indemnify the Corporation against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate, or the issuance of a new certificate.

9.06 STOCKHOLDER'S RIGHT OF INSPECTION.

Any stockholder of record of the Corporation, in person or by attorney or other agent, shall, upon written demand under oath stating the purpose thereof, have the right during the usual hours for business to inspect for any proper purpose the Corporation's

stock ledger, a list of its stockholders, and its other books and records, and to make copies or extracts therefrom. A proper purpose shall mean a purpose reasonably related to such person's interest as a stockholder. In every instance where an attorney or other agent shall be the person who seeks the right to inspection, the demand under oath shall be accompanied by a power of attorney or such other writing which authorized the attorney or other agent to so act on behalf of the stockholder. The demand under oath shall be directed to the Corporation at its registered office in Delaware or at its principal place of business.

9.07 REPRESENTATION OF SHARES OF OTHER CORPORATIONS.

Any Executive Officer, Executive Vice President or the Secretary of this Corporation is authorized to vote, represent and exercise on behalf of this Corporation all rights incident to all shares of any other corporation or corporations standing in the name of this Corporation. The authority herein granted to said officers to vote or represent on behalf of this Corporation any and all shares held by this Corporation in any other corporation or corporations may be exercised either by such officers in person or by any person authorized so to do by proxy or power of attorney duly executed by said officers.

ARTICLE X - MISCELLANEOUS

10.01 BUDGETS.

The Board shall approve all annual and other significant operating budgets of the Corporation.

10.02 RECORD DATES.

In order that the Corporation may determine the stockholders entitled to notice of, or to vote at, any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or to receive payment of any dividend or other distribution or allotment of any rights, or to exercise any rights in respect of any change, conversion or exchange of stock or in respect of any other lawful action, the Board may fix, in advance, a record date, which shall be not more than sixty (60) nor less than ten (10) days before the date of such meeting, nor more than sixty (60) days prior to any other action. Only those stockholders of record on the date so fixed shall be entitled to any of the foregoing rights, notwithstanding the transfer of any such stock on the books of the Corporation after any such record date fixed by the Board.

10.03 DIVIDENDS.

Subject to any agreement to which the Corporation is a party or by which it is bound, the Board may declare to be payable, in cash, in other property or in stock of the Corporation of any class or series, such dividends in respect of outstanding stock of the Corporation of any class or series as the Board may at any time deem to be advisable. Before declaring any such dividend, the Board may cause to be set aside any funds or other property or assets of the Corporation legally available for the payment of dividends.

10.04 FISCAL YEAR.

The fiscal year of the Corporation shall be determined by resolution of the Board.

10.05 CORPORATE SEAL.

The Corporate Seal shall be circular in form and shall bear the name of the Corporation and the words and figures denoting its organization under the laws of the State of Delaware and the year thereof and otherwise shall be in such form as shall be approved from time to time by the Board.

10.06 AMENDMENTS.

All Bylaws of the Corporation may be amended, altered or repealed, and new Bylaws may be enacted, by the affirmative vote of the holders of record of a majority of the issued and outstanding stock of the Corporation entitled to vote at any annual or special meeting, or by the affirmative vote of a majority of the directors present at any regular or special meeting of the Board.

CERTIFICATE OF SECRETARY

The undersigned certifies:

(1) That the undersigned is duly elected and acting Secretary of Charter communications Holding Capital Corporation, a Delaware corporation; and

(2) That the foregoing Bylaws constitute the Bylaws of the Corporation adopted by the Board on the 16th day of February, 1999.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the Corporation this 16th day of February, 1999.

/s/ Curtis S. Shaw

Curtis S. Shaw, Secretary

[SEAL]

Exhibit 4.1(a)

CHARTER COMMUNICATIONS HOLDINGS, LLC

AND

CHARTER COMMUNICATIONS HOLDINGS CAPITAL CORPORATION

as Issuers

AND

MARCUS CABLE HOLDINGS, LLC
as Guarantor

$600,000,000

8.25% SENIOR NOTES DUE 2007

INDENTURE

Dated as of March 17, 1999

HARRIS TRUST AND SAVINGS BANK,

Trustee

CROSS-REFERENCE TABLE*

Trust Indenture Act Section	Indenture Section
310(a)(1)	7.10
(a)(2)	7.10
(a)(3)	N.A.
(a)(4)	N.A.
(a)(5)	7.10
(b)	7.10
(c)	N.A.
311(a)	7.11
(b)	7.11
(c)	N.A.
312(a)	2.05
(b)	12.03
(c)	12.03
313(a)	7.06
(b)(1)	12.03
(b)(2)	7.07;12.03
(c)	7.06;12.02
(d)	7.06
314(a)	4.03;12.02
(b)	12.02
(c)(1)	12.04
(c)(2)	12.04
(c)(3)	N.A.
(d)	N.A.
(e)	12.05
(f)	N.A.
315(a)	7.01
(b)	7.05;12.02
(c)	7.01
(d)	7.01
(e)	6.11
316(a) (last sentence)	2.09
(a)(1)(A)	6.05
(a)(1)(B)	6.04
(a)(2)	N.A.
(b)	6.07
(c)	2.12
317(a)(1)	6.08
(a)(2)	6.09
(b)	2.04
318(a)	12.01
(b)	N.A.
(c)	12.01

N.A. means not applicable.

* This Cross-Reference Table is not part of the Indenture.

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Exhibit E FORM OF GUARANTEE
Exhibit F FORM OF MIRROR NOTE

INDENTURE dated as of March 17, 1999 among Charter Communications Holdings, LLC, a Delaware limited liability company (the "Company"), Charter Communications Holdings Capital Corporation, a company incorporated under the laws of Delaware ("Charter Capital" and together with the Company, the "Issuers"), Marcus Cable Holdings, LLC, a Delaware limited liability company, as guarantor (the "Guarantor"), and Harris Trust and Savings Bank, as trustee (the "Trustee").

The Issuers, the Guarantor and the Trustee agree as follows for the benefit of each other and for the equal and ratable benefit of the Holders of the 8.25% Senior Notes due 2007 (the "Notes"):

ARTICLE 1
DEFINITIONS AND INCORPORATION BY REFERENCE

Section 1.01. Definitions.

"144A Global Note" means a global note substantially in the form of Exhibit A hereto bearing the Global Note Legend and the Private Placement Legend and deposited with or on behalf of, and registered in the name of, the Depositary or its nominee that will be issued in an initial denomination equal to the outstanding principal amount of the Notes sold in reliance on Rule 144A.

"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 becomes 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.

"Agent" means any Registrar or Paying Agent.

"Applicable Procedures" means, with respect to any transfer or exchange of or for beneficial interests in any Global Note, the rules and procedures of the Depositary, Euroclear and Cedel that apply to such transfer or exchange.

"Asset Acquisition" means (a) an Investment by the Company or any of the Company's Restricted Subsidiaries, or the Guarantor or any of the Guarantor's Restricted Subsidiaries, as the case may be, in any other Person pursuant to which such Person shall become a Restricted Subsidiary of the Company or any of the Company's Restricted Subsidiaries, or the Guarantor or any of the Guarantor's

Restricted Subsidiaries, as the case may be, or shall be merged with or into the Company or any of the Company's Restricted Subsidiaries, or the Guarantor or any of the Guarantor's Restricted Subsidiaries, as the case may be, or (b) the acquisition by the Company or any of the Company's Restricted Subsidiaries, or the Guarantor or any of the Guarantor's Subsidiaries, as the case may be, 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 the Company and its Restricted Subsidiaries, taken as a whole, and of the Guarantor and its Restricted Subsidiaries, taken as a whole, shall be governed by Section 4.16 and/or Section 5.01 and not by the provisions of Section 4.11; and

(2) the issuance of Equity Interests by any of the Company's or the Guarantor's Restricted Subsidiaries or the sale of Equity Interests in any of the Company's or the Guarantor's 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 the Company, the Guarantor and their Restricted Subsidiaries of less than $100 million;

(2) a transfer of assets (i) between or among the Company and its Restricted Subsidiaries, (ii) between or among the Guarantor and its Restricted Subsidiaries and (iii) from the Guarantor or any of its Restricted Subsidiaries to any of the Company or its Restricted Subsidiaries;

(3) an issuance of Equity Interests by a Wholly Owned Restricted Subsidiary of the Company to the Company or to another Wholly Owned Restricted Subsidiary of the Company, or an issuance of Equity Interests by a Wholly Owned Restricted Subsidiary of the Guarantor to another Wholly Owned Restricted Subsidiary of the Guarantor;

(4) a Restricted Payment that is permitted by Section 4.07 and a Restricted Investment that is permitted by Section 4.08; 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.

"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.

"Bankruptcy Law" means Title 11, U.S. Code or any similar Federal or state law of any jurisdiction relating to bankruptcy, insolvency, winding up, liquidation, reorganization or relief of debtors.

"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.

"Board of Directors" means the Board of Directors of the Company, Charter Capital or the Guarantor, as the case may be, or any authorized committee of the Board of Directors of the Company, Charter Capital or the Guarantor, as the case may be.

"Board Resolution" means a copy of a resolution certified by the Secretary or an Assistant Secretary of the Company, Charter Capital or the Guarantor, as the case may be, to have been duly adopted by the Board of Directors of the Company, Charter Capital or the Guarantor, as the case may be, and to be in full force and effect on the date of such certification and delivered to the Trustee.

"Business Day" means any day other than a Legal Holiday.

"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 the Company or the Guarantor since the date of this Indenture (x) as a contribution to the common equity capital or from the issue or sale of Equity Interests of the Company or the Guarantor (other than Disqualified Stock) or (y) from the issue or sale of convertible or exchangeable Disqualified Stock or convertible or exchangeable debt securities of the Company or the Guarantor 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 or the Guarantor).

"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.

"Cedel" means Cedel Bank, SA.

"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 the Company and its Subsidiaries, taken as a whole, or the Guarantor 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 the Company or the Guarantor;

(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 the Company, becomes the Beneficial Owner, directly or indirectly, of more than 35% of the Voting Stock of the Company or the Guarantor, 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 the Company or the Guarantor, as the case may be, measured by voting power rather than the number of shares, than such person;

(4) after the Company's initial public offering, the first day on which a majority of the members of the Board of Directors of the Company are not Continuing Directors; or

(5) the Company or the Guarantor consolidates with, or merges with or into, any Person, or any Person consolidates with, or merges with or into, the Company or the Guarantor, in any such event pursuant to a transaction in which any of the outstanding Voting Stock of the Company or the Guarantor is converted into or exchanged for cash, securities or other property, other than any such transaction where the Voting Stock of the Company or the Guarantor 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.

"Charter Capital" has the meaning assigned to it in the preamble to this Indenture.

"Collateral" means the Mirror Note and other collateral which secures the obligations under the Notes pursuant to the Pledge Documents and the collateral which secures the obligations under the Mirror Note.

"Commission" or "SEC" means the Securities and Exchange Commission.

"Company" has the meaning assigned to it in the preamble to this Indenture.

"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 the Company 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 Section 4.10 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 Section 4.07 (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 this Indenture or incurred or issued thereafter in compliance with Section 4.10; provided that 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 provided such terms are determined by such Person to be customary in comparable financings and such restrictions are determined by the Company not to materially affect the Company's 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 (excluding Indebtedness of the Company or any of its Subsidiaries guaranteed by the Guarantor and any of its Subsidiaries which Indebtedness has been previously counted for the purposes of this definition), 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 the Company who:

(1) was a member of such Board of Directors on the date of this Indenture; 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.

"Corporate Trust Office of the Trustee" shall be at the address of the Trustee specified in Section 12.02 or such other address as to which the Trustee may give notice to the Issuers.

"Credit Facilities" means, with respect to the Company, the Guarantor and/or their respective 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.

"Definitive Note" means a certificated Note registered in the name of the Holder thereof and issued in accordance with Section 2.06, substantially in the form of Exhibit A hereto, except that such Note shall not bear the Global Note Legend and shall not have the "Schedule of Exchanges of Interests in the Global Note" attached thereto.

"Depositary" means, with respect to the Global Notes, the Person specified in Section 2.03 as the Depositary with respect to the Notes, and any and all successors thereto appointed as depositary hereunder and having become such pursuant to the applicable provision of this Indenture.

"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 the Company or the Guarantor, as the case may be, 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 the Company or the Guarantor, as the case may be, may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with Section 4.07.

"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 the Company of which the gross proceeds to the Company are at least $25 million.

"Euroclear" means Morgan Guaranty Trust Company of New York, Brussels office, as operator of the Euroclear system.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Exchange Notes" means the Notes issued in the Exchange Offer pursuant to Section 2.06(f).

"Exchange Offer" has the meaning set forth in the Registration Rights Agreement.

"Exchange Offer Registration Statement" has the meaning set forth in the Registration Rights Agreement.

"Existing Indebtedness" means Indebtedness of the Company and its Restricted Subsidiaries and the Guarantor and its Restricted Subsidiaries in existence on the Issue Date, until such amounts are repaid.

"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.

"Global Note Legend" means the legend set forth in Section 2.06(g)(ii), which is required to be placed on all Global Notes issued under this Indenture.

"Global Notes" means, individually and collectively, each of the Restricted Global Notes and the Unrestricted Global Notes.

"Government Securities" means direct obligations of, or obligations guaranteed by, the United States of America, and the payment for which the United States pledges its full faith and credit.

"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.

"Guarantor" has the meaning assigned to it in the preamble to this Indenture.

"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.

"Holder" means a holder of the Notes.

"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.

"Indenture" means this Indenture, as amended or supplemented from time to time.

"Indirect Participant" means a Person who holds a beneficial interest in a Global Note through a Participant.

"Institutional Accredited Investor" means an institution that is an "accredited investor" as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act that is not also a QIB.

"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 March 17, 1999.

"Issuers" has the meaning assigned to it in the preamble to this Indenture.

"Legal Holiday" means a Saturday, a Sunday or a day on which banking institutions in the City of New York or at a place of payment are authorized by law, regulation or executive order to remain closed. If a payment date is a Legal Holiday at a place of payment, payment may be made at that place on the next succeeding day that is not a Legal Holiday, and no interest shall accrue on such payment for the intervening period.

"Letter of Transmittal" means the letter of transmittal to be prepared by the Issuers and sent to all Holders of the Notes for use by such Holders in connection with the Exchange Offer.

"Leverage Ratio " means, as of any date, the ratio of:

(1) the combined Consolidated Indebtedness of the Company and the Guarantor on such date to

(2) the aggregate amount of combined Consolidated EBITDA for the Company and the Guarantor 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 of 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; and

(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 or 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.

For purposes of this definition and calculating the combined Consolidated Indebtedness for the Company and the Guarantor, in no case will the combined Consolidated Indebtedness for the Company include (x) Consolidated Indebtedness of the Company which has already been counted as part of the Consolidated Indebtedness of the Guarantor and (y) Consolidated Indebtedness of the Guarantor which has already been counted as the Consolidated Indebtedness of the Company. Further, for purposes of this definition and calculating combined Consolidated EBITDA for the Company and the Guarantor, in no case will combined Consolidated EBITDA for the Company and the Guarantor include (x) Consolidated EBITDA of the Company which has already been counted as part of the Consolidated EBITDA of the Guarantor and (y) Consolidated EBITDA of the Guarantor which has already been counted as the Consolidated EBITDA of the Company.

"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 Communication 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 the Company or any of its Restricted Subsidiaries.

"Mirror Note" means the senior note of the Guarantor due April 1, 2007 issued to the Company in the principal amount of $1,548,630,855 in the form attached to this Indenture as Exhibit F, and which will be secured by the pledge by the Guarantor of all of the Capital Stock of Marcus Cable Company LLC, a wholly owned Subsidiary of the Guarantor.

"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 the Company or any of its Restricted Subsidiaries or by the Guarantor or any of its Restricted Subsidiaries, as the case may be, 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 the Company nor any of its Restricted Subsidiaries , nor the Guarantor or any of its Restricted Subsidiaries, as the case may be, (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 the Company or any of its Restricted Subsidiaries, or the Guarantor or any of its Restricted Subsidiaries, as the case may be, 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 the Company or any of its Restricted Subsidiaries or the Guarantor or any of its Restricted Subsidiaries, as the case may be.

"Non-U.S. Person" means a Person who is not a U.S. Person.

"Notes" has the meaning assigned to it in the preamble to this Indenture.

"Obligations" means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

"Officer" means, with respect to any Person, the Chairman of the Board, the Chief Executive Officer, the President, the Chief Operating Officer, the Chief Financial Officer, the Treasurer, any Assistant Treasurer, the Controller, the Secretary or any Vice-President of such Person.

"Officers' Certificate" means a certificate signed on behalf of the Company, Charter Capital or the Guarantor, as the case may be, by two Officers of the Company, Charter Capital or the Guarantor, as the case may be, one of whom must be the principal executive officer, the chief financial officer or the treasurer of the Company, Charter Capital or the Guarantor, as the case may be, that meets the requirements of Section 12.05.

"Opinion of Counsel" means an opinion from legal counsel who is reasonably acceptable to the Trustee, that meets the requirements of Section 12.05. The counsel may be an employee of or counsel to the Issuers, the Guarantor, any Subsidiary of the Issuers or the Guarantor or the Trustee.

"Other Notes" means the 8.625% Senior Notes due 2009 of the Issuers in an aggregate principal amount not to exceed the principal amount issued on the Issue Date, and the 9.920% Senior Discount Notes due 2011 of the Issuers in an aggregate principal amount at maturity not to exceed the principal amount at maturity issued on the Issue Date.

"Participant" means, with respect to the Depositary, Euroclear or Cedel, a Person who has an account with the Depositary, Euroclear or Cedel, respectively (and, with respect to DTC, shall include Euroclear and Cedel).

"Permitted Investments" means:

(1) any Investment by the Company in a Restricted Subsidiary of the Company, or any Investment by the Guarantor in a Restricted Subsidiary of the Guarantor, the Company or a Restricted Subsidiary of the Company, or any Investment by a Restricted Subsidiary of the Company or the Guarantor in the Company;

(2) any Investment in Cash Equivalents;

(3) any Investment by the Company or any Restricted Subsidiary of the Company in a Person, if as a result of such Investment:

(a) such Person becomes a Restricted Subsidiary of the Company; or

(b) such Person is merged or consolidated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Company or a Restricted Subsidiary of the Company;

(4) any Investment by the Guarantor or any Restricted Subsidiary of the Guarantor in a Person, if as a result of such Investment:

(a) such Person becomes a Restricted Subsidiary of the Guarantor; 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, the Guarantor or a Restricted Subsidiary of the Guarantor;

(5) 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 Section 4.11;

(6) Investment made out of the net cash proceeds of the issue and sale (other than to a Subsidiary of the Company or the Guarantor) of Equity Interests (other than Disqualified Stock) of the Company or the Guarantor to the extent that such net cash proceeds have not been applied to make a Restricted Payment or to effect other transactions pursuant to Section 4.07 or to the extent such net cash proceeds have not been used to incur Indebtedness pursuant to clause (10) of Section 4.10;

(7) 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 in value), when taken together with all other Investments made pursuant to this clause (7) since the Issue Date, not to exceed $150 million; provided that either the Company or any of its Restricted Subsidiaries or the Guarantor or any of its Restricted Subsidiaries, after giving effect to such Investments, will own at least 20% of the Voting Stock of such Person;

(8) 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 (8) since the date of this Indenture, not to exceed $50 million;

(9) 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

(10) the Company's investment in the Guarantor, as outstanding on the Issue Date.

"Permitted Liens" means:

(1) Liens on the assets of the Company or the Guarantor securing Indebtedness and other Obligations under clause (1) of Section 4.10;

(2) Liens in favor of the Company and the Guarantor and Liens on the assets of any Restricted Subsidiary of the Company or the Guarantor in favor of any other Restricted Subsidiary of the Company or the Guarantor;

(3) Liens on property of a Person existing at the time such Person is merged with or into or consolidated with the Company or the Guarantor; 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 the Company or the Guarantor;

(4) Liens on property existing at the time of acquisition thereof by the Company or the Guarantor; 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 Capital Lease Obligations) incurred by the Company or the Guarantor upon any fixed or capital assets acquired after the Issue Date or purchase money mortgages (including without limitation Capital 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 (i) such mortgage or lien does not extend to or cover any of the assets of the Company or the Guarantor, 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 (ii) 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 Capital Lease Obligation) only;

(7) Liens existing on the date of this Indenture (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 the Company or the Guarantor or any of their 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 the Company, the Guarantor or any of their 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 the Company, the Guarantor or any of their respective 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 the Company or the Guarantor, 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 this Indenture and in the indentures relating to the Other Notes, in each case under Section 7.07; and

(23) Liens in favor of the Trustee for its benefit and the benefit of Holders and the holders of the Other Notes, as their respective interests appear.

"Permitted Refinancing Indebtedness" means any Indebtedness of the Company or any of its Restricted Subsidiaries, or the Guarantor or any of its Restricted Subsidiaries, as the case may be, issued in exchange for, or the net proceeds of which are used to extend, refinance, renew, replace, defease or refund, other Indebtedness of the Company or any of its Restricted Subsidiaries, or the Guarantor or any of its Restricted Subsidiaries, respectively (other than intercompany Indebtedness); provided that unless permitted otherwise by this Indenture, no Indebtedness of the Company or any of its Restricted Subsidiaries, or the Guarantor or any of its Restricted Subsidiaries, may be issued in exchange for, or the net proceeds of which are used to extend, refinance, renew, replace, defease or refund Indebtedness of the Guarantor or any of its Restricted Subsidiaries, or the Company or any of its Restricted Subsidiaries, respectively; 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 or the Guarantee 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 or the Guarantee, as the case may be, 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 the Company or by any of its Restricted Subsidiaries or the Guarantor 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.

"Pledge Documents" means, collectively, this Indenture and all pledge agreements or other instruments evidencing or creating any security interests in favor of the Trustee in all or any portion of the Collateral, in each case as amended, supplemented or modified from time to time in accordance with their terms and the terms of this Indenture.

"Principal" means Paul G. Allen.

"Private Placement Legend" means the legend set forth in Section 2.06(g)(i)(A) to be placed on all Notes issued under this Indenture except where otherwise permitted by the provisions of this Indenture.

"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.

"QIB" means a "qualified institutional buyer" as defined in Rule 144A.

"Qualified Capital Stock" means any Capital Stock that is not Disqualified Stock.

"Rating Agencies" means Moody's and S&P.

"Registration Rights Agreement" means the Exchange and Registration Rights Agreement dated as of the Issue Date among the Issuers, the Guarantor and the initial purchasers named therein with respect to the Notes issued on the Issue Date.

"Regulation S" means Regulation S promulgated under the Securities Act.

"Regulation S Global Note" means a global Note bearing the Private Placement Legend and deposited with or on behalf of the Depositary and registered in the name of the Depositary or its nominee, issued in an initial denomination equal to the outstanding principal amount of the Notes initially sold in reliance on Rule 903 of Regulation S.

"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).

"Responsible Officer," when used with respect to the Trustee, means any officer within the Corporate Trust Administration of the Trustee (or any successor group of the Trustee) with direct responsibility for the administration of this Indenture and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

"Restricted Definitive Note" means a Definitive Note bearing the Private Placement Legend.

"Restricted Global Note" means a Global Note bearing the Private Placement Legend.

"Restricted Investment" means an Investment other than a Permitted Investment.

"Restricted Subsidiary" of a Person means any Subsidiary of the referent Person that is not an Unrestricted Subsidiary.

"Rule 144" means Rule 144 promulgated under the Securities Act.

"Rule 144A" means Rule 144A promulgated under the Securities Act.

"Rule 903" means Rule 903 promulgated under the Securities Act.

"Rule 904" means Rule 904 promulgated the Securities Act.

"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.

"Securities Act" means the Securities Act of 1933, as amended.

"Shelf Registration Statement" means the Shelf Registration Statement as defined in the Registration Rights Agreement.

"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 Exchange Act.

"Special Interest" has the meaning set forth in the Registration Rights Agreement.

"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.

"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).

"Tax" shall mean any tax, duty, levy, impost, assessment or other governmental charge (including penalties, interest and any other liabilities related thereto).

"TIA" means the Trust Indenture Act of 1939 (15 U.S.C. ss.ss. 77aaa-77bbbb) as in effect on the date on which this Indenture is qualified under the TIA; provided, however, that in the event the Trust Indenture Act of 1939 is amended after such date, then "TIA" means, to the extent required by such amendment, the Trust Indenture Act of 1939 as so amended.

"Trustee" means Harris Trust and Savings Bank until a successor replaces Harris Trust and Savings Bank in accordance with the applicable provisions of this Indenture and thereafter means the successor serving hereunder.

"Unrestricted Definitive Note" means one or more Definitive Notes that do not bear and are not required to bear the Private Placement Legend.

"Unrestricted Global Note" means a permanent global Note substantially in the form of Exhibit A attached hereto that bears the Global Note Legend and that has the "Schedule of Exchanges of Interests in the Global Note" attached thereto, and that is deposited with or on behalf of and registered in the name of the Depositary, representing a series of Notes that do not bear the Private Placement Legend.

"Unrestricted Subsidiary" means any Subsidiary of the Company or the Guarantor 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 the Company or any Restricted Subsidiary of the Company or the Guarantor or any Restricted Subsidiary of the Guarantor unless the terms of any such agreement, contract, arrangement or

understanding are no less favorable to the Company or any Restricted Subsidiary or the Guarantor or any Restricted Subsidiary of the Guarantor than those that might be obtained at the time from Persons who are not Affiliates of the Company or the Guarantor unless such terms constitute Investments permitted by the covenant described above under Section 4.08;

(3) is a Person with respect to which neither the Company nor any of its Restricted Subsidiaries, nor the Guarantor 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 the Company or any of its Restricted Subsidiaries or the Guarantor 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 the Company or any of its Restricted Subsidiaries, or of the Guarantor of 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, or of the Guarantor or any of its Restricted Subsidiaries.

"U.S. Person" means a U.S. person as defined in Rule 902(o) under the Securities Act.

"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.

Section 1.02. Other Definitions.

Term	Defined in Section
"Affiliate Transaction"	4.13
"Asset Sale Offer"	3.09
"Authentication Order"	2.02
"Change of Control Offer"	4.16
"Change of Control Payment"	4.16

Term	Defined in Section
"Change of Control Payment Date"	4.16
"Covenant Defeasance"	8.01
"DTC"	2.03
"Event of Default"	6.01
"Excess Proceeds"	4.12
"incur"	4.09
"Legal Defeasance"	8.01
"Offer Period"	3.09
"Paying Agent"	2.03
"Payment Default"	6.01
"Permitted Debt"	4.10
"Preferred Stock Financing"	4.10
"Purchase Date"	3.09
"Registrar"	2.03
"Restricted Payments"	4.07
"Subordinated Debt Financing"	4.10
"Subordinated Notes"	4.10
"Subsidiary Guarantee"	4.17
"Suspended Covenants"	4.19

Section 1.03. Incorporation by Reference of Trust Indenture Act.

Whenever this Indenture refers to a provision of the TIA, the provision is incorporated by reference in and made a part of this Indenture.

The following TIA terms used in this Indenture have the following meanings:

"indenture securities" means the Notes;

"indenture security Holder" means a Holder of a Note;

"indenture to be qualified" means this Indenture;

"indenture trustee" or "institutional trustee" means the Trustee; and

"obligor" on the Notes means the Issuers and any successor obligor upon the Notes.

All other terms used in this Indenture that are defined by the TIA, defined by TIA reference to another statute or defined by SEC rule under the TIA have the meanings so assigned to them.

Section 1.04. Rules of Construction.

Unless the context otherwise requires:

(a) a term has the meaning assigned to it;

(b) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;

(c) "or" is not exclusive;

(d) words in the singular include the plural, and in the plural include the singular;

(e) provisions apply to successive events and transactions;

(f) references to sections of or rules under the Securities Act shall be deemed to include substitute, replacement of successor sections or rules adopted by the SEC from time to time;

(g) references to any statute, law, rule or regulation shall be deemed to refer to the same as from time to time amended and in effect and to any successor statute, law, rule or regulation; and

(h) references to any contract, agreement or instrument shall mean the same as amended, modified, supplemented or amended and restated from time to time, in each case, in accordance with any applicable restrictions contained in this Indenture.

ARTICLE 2
THE NOTES

Section 2.01. Form and Dating.

(a) General. The Notes and the Trustee's certificate of authentication shall be substantially in the form of Exhibit A hereto. The Notes may have notations, legends or endorsements required by law, stock exchange rule or usage. Each Note shall be dated the date of its authentication. The Notes shall be in denominations of $1,000 and integral multiples thereof.

The terms and provisions contained in the Notes shall constitute, and are hereby expressly made, a part of this Indenture and the Issuers and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby. However, to the extent any provision of any Note conflicts with the express provisions of this Indenture, the provisions of this Indenture shall govern and be controlling.

(b) Global Notes. Notes issued in global form shall be substantially in the form of Exhibit A attached hereto (including the Global Note Legend thereon and the "Schedule of Exchanges of Interests in the Global Note" attached thereto). Notes issued in definitive form shall be substantially in the form of Exhibit A attached hereto (but without the Global Note Legend thereon and without the "Schedule of Exchanges of Interests in the Global Note" attached thereto). Each Global Note shall represent such of the outstanding Notes as shall be specified therein and each shall provide that it shall represent the aggregate principal amount of outstanding Notes from time to time endorsed thereon and that the aggregate principal amount of outstanding Notes represented thereby may from time to time be reduced or increased, as appropriate, to reflect exchanges and redemptions. Any endorsement of a Global Note to reflect the amount of any increase or decrease in the aggregate principal amount of outstanding Notes represented thereby shall be made by the Trustee or the custodian, at the direction of the Trustee, in accordance with instructions given by the Holder thereof as required by Section 2.06.

(c) Euroclear and Cedel Procedures Applicable. The provisions of the "Operating Procedures of the Euroclear System" and "Terms and Conditions Governing Use of Euroclear" and the "General Terms and Conditions of Cedel Bank" and "Customer Handbook" of Cedel Bank shall be applicable to transfers of beneficial interests in the Regulation S Global Notes that are held by Participants through Euroclear or Cedel Bank.

Section 2.02. Execution and Authentication.

Two Officers shall sign the Notes for each Issuer by manual or facsimile signature. The Guarantor shall execute the Guarantee in the manner set forth in Article 10.

If an Officer whose signature is on a Note no longer holds that office at the time a Note is authenticated, the Note shall nevertheless be valid.

A Note shall not be valid until authenticated by the manual signature of the Trustee. The signature shall be conclusive evidence that the Note has been authenticated under this Indenture.

The Trustee shall, upon a written order of the Issuers signed by an Officer of each of the Issuers (an "Authentication Order"), authenticate Notes for original issue in the aggregate principal amount of $600,000,000. The aggregate principal amount of Notes outstanding at any time may not exceed such amount except as provided in Section 2.07. On the Issue Date, the Issuers will issue $600,000,000 aggregate principal amount of Notes.

The Trustee may appoint an authenticating agent acceptable to the Issuers to authenticate Notes. An authenticating agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An authenticating agent has the same rights as an Agent to deal with Holders or an Affiliate of the Issuers.

Section 2.03. Registrar and Paying Agent.

The Issuers shall maintain an office or agency where Notes may be presented for registration of transfer or for exchange ("Registrar") and an office or agency where Notes may be presented for payment ("Paying Agent"). The Registrar shall keep a register of the Notes and of their transfer and exchange. The Issuers may appoint one or more co-registrars and one or more additional paying agents. The term "Registrar" includes any co-registrar and the term "Paying Agent" includes any additional paying agent. The Issuers may change any Paying Agent or Registrar without notice to any Holder. The Issuers shall notify the Trustee in writing of the name and address of any Agent not a party to this Indenture. If the Issuers fail to appoint or maintain another entity as Registrar or Paying Agent, the Trustee shall act as such. The Issuers or any of their Subsidiaries may act as Paying Agent or Registrar.

The Issuers initially appoint The Depository Trust Company ("DTC") to act as Depositary with respect to the Global Notes.

The Issuers initially appoint the Trustee to act as the Registrar and Paying Agent and to act as Custodian with respect to the Global Notes.

Section 2.04. Paying Agent to Hold Money in Trust.

The Issuers shall require each Paying Agent other than the Trustee to agree in writing that the Paying Agent shall hold in trust for the benefit of Holders or the Trustee all money held by the Paying Agent for the payment of principal, premium, if any, or interest on the Notes, and shall notify the Trustee of any default by the Issuers in making any such payment. While any such default continues, the Trustee may require a Paying Agent to pay all money held by it to the Trustee. The Issuers at any time may require a Paying Agent to pay all money held by it to the Trustee. Upon payment over to the Trustee, the Paying Agent (if other than the Issuers or a Subsidiary) shall have no further liability for the money. If the Issuers or a Subsidiary acts as Paying Agent, it shall segregate and hold in a separate trust fund for

the benefit of the Holders all money held by it as Paying Agent. Upon any bankruptcy or reorganization proceedings relating to the Issuers, the Trustee shall serve as Paying Agent for the Notes.

Section 2.05. Holder Lists.

The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of all Holders and shall otherwise comply with TIA ss. 312(a). If the Trustee is not the Registrar, the Issuers shall furnish to the Trustee at least seven Business Days before each interest payment date and at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of the Holders of Notes and the Issuers shall otherwise comply with TIA ss. 312(a).

Section 2.06. Transfer and Exchange.

(a) Transfer and Exchange of Global Notes. A Global Note may not be transferred as a whole except by the Depositary to a nominee of the Depositary, by a nominee of the Depositary to the Depositary or to another nominee of the Depositary, or by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary. All Global Notes shall be exchanged by the Company for Definitive Notes if:

(i) the Issuers deliver to the Trustee notice from the Depositary that it is unwilling or unable to continue to act as Depositary or that it is no longer a clearing agency registered under the Exchange Act and, in either case, a successor Depositary is not appointed by the Issuers within 120 days after the date of such notice from the Depositary; or

(ii) the Issuers in their sole discretion determine that the Global Notes (in whole but not in part) should be exchanged for Definitive Notes and deliver a written notice to such effect to the Trustee; or

(iii) there shall have occurred and be continuing a Default or Event of Default with respect to the Notes.

Upon the occurrence of any of the preceding events in (i), (ii) or (iii) above, Definitive Notes shall be issued in such names as the Depositary shall instruct the Trustee. Global Notes also may be exchanged or replaced, in whole or in part, as provided in Sections 2.07 and 2.10. Every Note authenticated and delivered in exchange for, or in lieu of, a Global Note or any portion thereof, pursuant to this Section 2.06 or Section 2.07 or 2.10, shall be authenticated and delivered in the form of, and shall be, a Global Note. A Global Note may not be exchanged for another Note other than as provided in this Section 2.06(a); however, beneficial interests in a Global Note may be transferred and exchanged as provided in Section 2.06(b), (c) or (f).

(b) Transfer and Exchange of Beneficial Interests in the Global Notes. The transfer and exchange of beneficial interests in the Global Notes shall be effected through the Depositary, in accordance with the provisions of this Indenture and the Applicable Procedures. Beneficial interests in the Restricted Global Notes shall be subject to restrictions on transfer comparable to those set forth herein to the extent required by the Securities Act. Transfers of beneficial interests in the Global Notes also shall require compliance with either subparagraph (i) or (ii) below, as applicable, as well as one or more of the other following subparagraphs, as applicable:

(i) Transfer of Beneficial Interests in the Same Global Note. Beneficial interests in any Restricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in the same Restricted Global Note in accordance with the transfer restrictions set forth in the Private Placement Legend. Beneficial interests in any Unrestricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note. No written orders or instructions shall be required to be delivered to the Registrar to effect the transfers described in this Section 2.06(b)(i).

(ii) All Other Transfers and Exchanges of Beneficial Interests in Global Notes. In connection with all transfers and exchanges of beneficial interests that are not subject to Section 2.06(b)(i) above, the transferor of such beneficial interest must deliver to the Registrar either:

(A)(1) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to credit or cause to be credited a beneficial interest in another Global Note in an amount equal to the beneficial interest to be transferred or exchanged; and

(A)(2) instructions given in accordance with the Applicable Procedures containing information regarding the Participant account to be credited with such increase; or

(B)(1) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to cause to be issued a Definitive Note in an amount equal to the beneficial interest to be transferred or exchanged; and

(B)(2) instructions given by the Depositary to the Registrar containing information regarding the Person in whose name such Definitive Note shall be registered to effect the transfer or exchange referred to in (1) above.

Upon consummation of an Exchange Offer by the Issuers in accordance with Section 2.06(f), the requirements of this Section 2.06(b)(ii) shall be deemed to have been satisfied upon receipt by the Registrar of the instructions contained in the Letter of Transmittal delivered by the holder of such beneficial interests in the Restricted Global Notes. Upon satisfaction of all of the requirements for transfer or exchange of beneficial interests in Global Notes contained in this Indenture and the Notes or otherwise applicable under the Securities Act, the Trustee shall adjust the principal amount of the relevant Global Note(s) pursuant to Section 2.06(h).

(iii) Transfer of Beneficial Interests to Another Restricted Global Note. A beneficial interest in any Restricted Global Note may be transferred to a Person who takes delivery thereof in the form of a beneficial interest in another Restricted Global Note if the transfer complies with the requirements of Section 2.06(b)(ii) above and the Registrar receives the following:

(A) if the transferee will take delivery in the form of a beneficial interest in the 144A Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (1) thereof; and

(B) if the transferee will take delivery in the form of a beneficial interest in the Regulation S Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof.

(iv) Transfer and Exchange of Beneficial Interests in a Restricted Global Note for Beneficial Interests in the Unrestricted Global Note. A beneficial interest in any Restricted Global Note may be exchanged by any holder thereof for a beneficial interest in an Unrestricted Global Note or transferred to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note if the exchange or transfer complies with the requirements of Section 2.06(b)(ii) above and:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and the holder of the beneficial interest to be transferred, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that it is not (1) a broker-dealer, (2) a Person participating in the distribution of the Exchange Notes or (3) a Person who is an affiliate (as defined in Rule 144) of the Issuers;

(B) such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement;

(C) such transfer is effected by a broker-dealer pursuant to the Exchange Registration Statement in accordance with the Registration Rights Agreement; or

(D) the Registrar receives the following:

(1) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a beneficial interest in an Unrestricted Global Note, a certificate from such holder in the form of Exhibit C hereto, including the certifications in item (1)(a) thereof; or

(2) if the holder of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note, a certificate from such holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (D), if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

If any such transfer is effected pursuant to subparagraph (B) or (D) above at a time when an Unrestricted Global Note has not yet been issued, the Issuers shall issue (and, in the case of the Guarantee, the Guarantor shall issue) and, upon receipt of an Authentication Order in accordance with Section 2.02, the Trustee shall authenticate one or more Unrestricted Global Notes (with corresponding Guarantees) in an aggregate

principal amount equal to the aggregate principal amount of beneficial interests transferred pursuant to subparagraph (B) or (D) above.

Beneficial interests in an Unrestricted Global Note cannot be exchanged for, or transferred to Persons who take delivery thereof in the form of, a beneficial interest in a Restricted Global Note.

(c) Transfer or Exchange of Beneficial Interests for Definitive Notes.

(i) Beneficial Interests in Restricted Global Notes to Restricted Definitive Notes. If any holder of a beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Restricted Definitive Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Restricted Definitive Note, then, upon receipt by the Registrar of the following documentation:

(A) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Restricted Definitive Note, a certificate from such holder in the form of Exhibit C hereto, including the certifications in item (2)(a) thereof;

(B) if such beneficial interest is being transferred to a QIB in accordance with Rule 144A under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (1) thereof;

(C) if such beneficial interest is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (2) thereof;

(D) if such beneficial interest is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144 under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(a) thereof;

(E) if such beneficial interest is being transferred to an Institutional Accredited Investor in reliance on an exemption from the registration requirements of the Securities Act other than those listed in subparagraphs (B) through (D) above, a certificate to the effect set forth in Exhibit B hereto, including the certifications, certificates and Opinion of Counsel required by item (3) thereof, if applicable;

(F) if such beneficial interest is being transferred to the Issuers or any of their Subsidiaries, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(b) thereof; or

(G) if such beneficial interest is being transferred pursuant to an effective registration statement under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(c) thereof,

the Trustee shall cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 2.06(h), and the Issuers shall execute (and, in the case of the Guarantee, the Guarantor shall execute) and the Trustee shall authenticate and deliver to the Person designated in the instructions a Definitive Note (with its

corresponding Guarantee) in the appropriate principal amount. Any Definitive Note issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this Section 2.06(c) shall be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest shall instruct the Registrar through instructions from the Depositary and the Participant or Indirect Participant. The Trustee shall deliver such Definitive Notes to the Persons in whose names such Notes are so registered. Any Definitive Note issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this Section 2.06(c)(i) shall bear the Private Placement Legend and shall be subject to all restrictions on transfer contained therein.

(ii) Beneficial Interests in Restricted Global Notes to Unrestricted Definitive Notes. A holder of a beneficial interest in a Restricted Global Note may exchange such beneficial interest for an Unrestricted Definitive Note or may transfer such beneficial interest to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note only if:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and the holder of such beneficial interest, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that it is not (1) a broker-dealer, (2) a Person participating in the distribution of the Exchange Notes or (3) a Person who is an affiliate (as defined in Rule 144) of the Issuers;

(B) such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement;

(C) such transfer is effected by a broker-dealer pursuant to the Exchange Registration Statement in accordance with the Registration Rights Agreement; or

(D) the Registrar receives the following:

(1) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Definitive Note that does not bear the Private Placement Legend, a certificate from such holder in the form of Exhibit C hereto, including the certifications in item (1)(b) thereof; or

(2) if the holder of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a Definitive Note that does not bear the Private Placement Legend, a certificate from such holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (D), if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(iii) Beneficial Interests in Unrestricted Global Notes to Unrestricted Definitive Notes. If any holder of a beneficial interest in an Unrestricted Global Note proposes to exchange such beneficial interest for a Definitive Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Definitive Note, then, upon satisfaction of the conditions set forth in Section 2.06(b)(ii), the Trustee shall cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 2.06(h), and the Issuers shall execute (and, in the case of the Guarantee, the Guarantor shall execute) and the Trustee shall authenticate and deliver to the Person designated in the instructions a Definitive Note (with its corresponding Guarantee) in the appropriate principal amount. Any Definitive Note issued in exchange for a beneficial interest pursuant to this Section 2.06(c)(iii) shall be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest shall instruct the Registrar through instructions from the Depositary and the Participant or Indirect Participant. The Trustee shall deliver such Definitive Notes to the Persons in whose names such Notes are so registered. Any Definitive Note issued in exchange for a beneficial interest pursuant to this Section 2.06(c)(iii) shall not bear the Private Placement Legend.

(d) Transfer and Exchange of Definitive Notes for Beneficial Interests in Global Notes.

(i) Restricted Definitive Notes to Beneficial Interests in Restricted Global Notes. If any Holder of a Restricted Definitive Note proposes to exchange such Note for a beneficial interest in a Restricted Global Note or to transfer such Restricted Definitive Notes to a Person who takes delivery thereof in the form of a beneficial interest in a Restricted Global Note, then, upon receipt by the Registrar of the following documentation:

(A) if the Holder of such Restricted Definitive Note proposes to exchange such Note for a beneficial interest in a Restricted Global Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (2)(b) thereof;

(B) if such Restricted Definitive Note is being transferred to a QIB in accordance with Rule 144A under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (1) thereof;

(C) if such Restricted Definitive Note is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (2) thereof;

(D) if such Restricted Definitive Note is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144 under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(a) thereof;

(E) if such Restricted Definitive Note is being transferred to an Institutional Accredited Investor in reliance on an exemption from the registration requirements of the Securities Act other than those listed in subparagraphs (B) through (D) above, a certificate to the effect set forth in Exhibit B hereto, including the certifications, certificates and Opinion of Counsel required by item (3) thereof, if applicable;

(F) if such Restricted Definitive Note is being transferred to the Company or any of its Subsidiaries, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(b) thereof; or

(G) if such Restricted Definitive Note is being transferred pursuant to an effective registration statement under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(c) thereof,

the Trustee shall cancel the Restricted Definitive Note, increase or cause to be increased the aggregate principal amount of, in the case of clause (A) above, the appropriate Restricted Global Note, in the case of clause (B) above, the 144A Global Note, in the case of clause (C) above, the Regulation S Global Note.

(ii) Restricted Definitive Notes to Beneficial Interests in Unrestricted Global Notes. A Holder of a Restricted Definitive Note may exchange such Note for a beneficial interest in an Unrestricted Global Note or transfer such Restricted Definitive Note to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note only if:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and the Holder, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that it is not (1) a broker-dealer, (2) a Person participating in the distribution of the Exchange Notes or (3) a Person who is an affiliate (as defined in Rule 144) of the Issuers;

(B) such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement;

(C) such transfer is effected by a broker-dealer pursuant to the Exchange Registration Statement in accordance with the Registration Rights Agreement; or

(D) the Registrar receives the following:

(1) if the Holder of such Definitive Notes proposes to exchange such Notes for a beneficial interest in the Unrestricted Global Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (1)(c) thereof; or

(2) if the Holder of such Definitive Notes proposes to transfer such Notes to a Person who shall take delivery thereof in the form of a beneficial interest in the Unrestricted Global Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (D), if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

Upon satisfaction of the conditions of any of the subparagraphs in this Section 2.06(d)(ii), the Trustee shall cancel the Definitive Notes and increase or cause to be increased the aggregate principal amount of the Unrestricted Global Note.

(iii) Unrestricted Definitive Notes to Beneficial Interests in Unrestricted Global Notes. A Holder of an Unrestricted Definitive Note may exchange such Note for a beneficial interest in an Unrestricted Global Note or transfer such Definitive Notes to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note at any time. Upon receipt of a request for such an exchange or transfer, the Trustee shall cancel the applicable Unrestricted Definitive Note and increase or cause to be increased the aggregate principal amount of one of the Unrestricted Global Notes.

If any such exchange or transfer from a Definitive Note to a beneficial interest is effected pursuant to subparagraphs (ii)(B), (ii)(D) or (iii) above at a time when an Unrestricted Global Note has not yet been issued, the Issuers shall issue (and, in the case of the Guarantee, the Guarantor shall issue) and, upon receipt of an Authentication Order in accordance with Section 2.02, the Trustee shall authenticate one or more Unrestricted Global Notes (with corresponding Guarantees) in an aggregate principal amount equal to the principal amount of Definitive Notes so transferred.

(e) Transfer and Exchange of Definitive Notes for Definitive Notes. Upon request by a Holder of Definitive Notes and such Holder's compliance with the provisions of this Section 2.06(e), the Registrar shall register the transfer or exchange of Definitive Notes. Prior to such registration of transfer or exchange, the requesting Holder shall present or surrender to the Registrar the Definitive Notes duly endorsed or accompanied by a written instruction of transfer in form satisfactory to the Registrar duly executed by such Holder or by its attorney, duly authorized in writing. In addition, the requesting Holder shall provide any additional certifications, documents and information, as applicable, required pursuant to the following provisions of this Section 2.06(e).

(i) Restricted Definitive Notes to Restricted Definitive Notes. Any Restricted Definitive Note may be transferred to and registered in the name of Persons who take delivery thereof in the form of a Restricted Definitive Note if the Registrar receives the following:

(A) if the transfer will be made pursuant to Rule 144A under the Securities Act, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (1) thereof;

(B) if the transfer will be made pursuant to Rule 903 or Rule 904, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof; and

(C) if the transfer will be made pursuant to any other exemption from the registration requirements of the Securities Act, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications, certificates and Opinion of Counsel required by item (3) thereof, if applicable.

(ii) Restricted Definitive Notes to Unrestricted Definitive Notes. Any Restricted Definitive Note may be exchanged by the Holder thereof for an Unrestricted

Definitive Note or transferred to a Person or Persons who take delivery thereof in the form of an Unrestricted Definitive Note if:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and the Holder, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that it is not (1) a broker-dealer, (2) a Person participating in the distribution of the Exchange Notes or (3) a Person who is an affiliate (as defined in Rule 144) of the Issuers;

(B) any such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement;

(C) any such transfer is effected by a broker-dealer pursuant to the Exchange Registration Statement in accordance with the Registration Rights Agreement; or

(D) the Registrar receives the following:

(1) if the Holder of such Restricted Definitive Notes proposes to exchange such Notes for an Unrestricted Definitive Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (1)(d) thereof; or

(2) if the Holder of such Restricted Definitive Notes proposes to transfer such Notes to a Person who shall take delivery thereof in the form of an Unrestricted Definitive Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (D), if the Registrar so requests, an Opinion of Counsel in form reasonably acceptable to the Issuers to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(iii) Unrestricted Definitive Notes to Unrestricted Definitive Notes. A Holder of Unrestricted Definitive Notes may transfer such Notes to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note. Upon receipt of a request to register such a transfer, the Registrar shall register the Unrestricted Definitive Notes pursuant to the instructions from the Holder thereof.

(f) Exchange Offer. Upon the occurrence of the Exchange Offer in accordance with the Registration Rights Agreement the Issuers shall issue and, upon receipt of an Authentication Order in accordance with Section 2.02, the Trustee shall authenticate (i) one or more Unrestricted Global Notes in an aggregate principal amount equal to the principal amount of the beneficial interests in the Restricted Global Notes tendered for acceptance by Persons that certify in the applicable Letters of Transmittal that (x) they are not broker-dealers, (y) they are not participating in a distribution of the Exchange Notes and (z) they are not affiliates (as defined in Rule 144) of the Issuers, and accepted for exchange in the Exchange Offer and (ii) Definitive Notes in an aggregate principal amount equal to the principal amount of the Restricted Definitive Notes accepted for exchange in the Exchange Offer. Concurrently with the issuance of such Notes, the Trustee shall cause the aggregate principal amount of the applicable Restricted Global Notes to be reduced accordingly, and the Issuers shall execute and the Trustee shall

authenticate and deliver to the Persons designated by the Holders of Definitive Notes so accepted Definitive Notes in the appropriate principal amount.

(g) Legends. The following legends shall appear on the face of all Global Notes and Definitive Notes issued under this Indenture unless specifically stated otherwise in the applicable provisions of this Indenture.

(i) Private Placement Legend.

(A) Except as permitted by subparagraph (B) below, each Global Note and each Definitive Note (and all Notes issued in exchange therefor or substitution thereof) shall bear the legend in substantially the following form:

"THE NOTES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933 (THE "SECURITIES ACT") AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A)(1) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (3) TO AN INSTITUTIONAL ACCREDITED INVESTOR IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, (4) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES."

(B) Notwithstanding the foregoing, any Global Note or Definitive Note issued pursuant to subparagraphs (b)(iv), (c)(ii), (c)(iii), (d)(ii), (d)(iii), (e)(ii), (e)(iii) or (f) to this Section 2.06 (and all Notes issued in exchange therefor or substitution thereof) shall not bear the Private Placement Legend.

(ii) Global Note Legend. Each Global Note shall bear a legend in substantially the following form:

"THIS GLOBAL NOTE IS HELD BY THE DEPOSITARY (AS DEFINED IN THE INDENTURE GOVERNING THIS NOTE) OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (I) THE TRUSTEE MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED PURSUANT TO SECTION 2.07 OF THE INDENTURE, (II) THIS GLOBAL NOTE MAY BE EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO SECTION 2.06(a) OF THE INDENTURE, (III) THIS GLOBAL NOTE MAY BE DELIVERED TO THE TRUSTEE FOR CANCELLATION PURSUANT TO SECTION 2.11 OF THE INDENTURE AND (III) THIS GLOBAL

NOTE MAY BE TRANSFERRED TO A SUCCESSOR DEPOSITARY WITH THE PRIOR WRITTEN CONSENT OF THE ISSUERS."

(h) Cancellation and/or Adjustment of Global Notes. At such time as all beneficial interests in a particular Global Note have been exchanged for Definitive Notes or a particular Global Note has been redeemed, repurchased or canceled in whole and not in part, each such Global Note shall be returned to or retained and canceled by the Trustee in accordance with Section 2.11. At any time prior to such cancellation, if any beneficial interest in a Global Note is exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note or for Definitive Notes, the principal amount of Notes represented by such Global Note shall be reduced accordingly and an endorsement shall be made on such Global Note by the Trustee or by the Depositary at the direction of the Trustee to reflect such reduction; and if the beneficial interest is being exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note, such other Global Note shall be increased accordingly and an endorsement shall be made on such Global Note by the Trustee or by the Depositary at the direction of the Trustee to reflect such increase.

(i) General Provisions Relating to Transfers and Exchanges.

(i) To permit registrations of transfers and exchanges, the Issuers shall execute (and, in the case of the Guarantee, the Guarantor shall execute) and the Trustee shall authenticate Global Notes and Definitive Notes (each with corresponding Guarantees) upon the Issuers' order or at the Registrar's request.

(ii) No service charge shall be made to a holder of a beneficial interest in a Global Note or to a Holder of a Definitive Note for any registration of transfer or exchange, but the Issuers may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith (other than any such transfer taxes or similar governmental charge payable upon exchange or transfer pursuant to Sections 2.10, 3.06, 3.09, 4.11, 4.16 and 9.05).

(iii) The Registrar shall not be required to register the transfer of or exchange any Note selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part.

(iv) All Global Notes and Definitive Notes issued upon any registration of transfer or exchange of Global Notes or Definitive Notes shall be the valid obligations of the Issuers (and the Guarantor, in the case of the Guarantee), evidencing the same debt, and entitled to the same benefits under this Indenture, as the Global Notes or Definitive Notes (each with a corresponding Guarantee) surrendered upon such registration of transfer or exchange.

(v) The Issuers shall not be required (A) to issue, to register the transfer of or to exchange any Notes during a period beginning at the opening of business 15 days before the day of any selection of Notes for redemption under Section 3.02 and ending at the close of business on the day of selection, (B) to register the transfer of or to exchange any Note so selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part or (C) to register the transfer of or to exchange a Note between a record date and the next succeeding Interest Payment Date.

(vi) Prior to due presentment for the registration of a transfer of any Note, the Trustee, any Agent and the Issuers may deem and treat the Person in whose name any Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of and interest on such Notes and for all other purposes, and none of the Trustee, any Agent or the Issuers shall be affected by notice to the contrary.

(vii) The Trustee shall authenticate Global Notes and Definitive Notes in accordance with the provisions of Section 2.02.

(viii) All certifications, certificates and Opinions of Counsel required to be submitted to the Registrar pursuant to this Section 2.06 to effect a registration of transfer or exchange may be submitted by facsimile.

Section 2.07. Replacement Notes.

If any mutilated Note is surrendered to the Trustee or the Issuers and the Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Note, the Issuers shall issue (and, in the case of the Guarantee, the Guarantor shall issue) and the Trustee, upon receipt of an Authentication Order, shall authenticate a replacement Note (with corresponding Guarantee) if the Trustee's requirements are met. If required by the Trustee or the Issuers, an indemnity bond must be supplied by the Holder that is sufficient in the judgment of the Trustee and the Issuers to protect the Issuers, the Trustee, any Agent and any authenticating agent from any loss that any of them may suffer if a Note is replaced. The Issuers may charge for their expenses in replacing a Note.

Every replacement Note (with corresponding Guarantee) is an additional obligation of the Issuers and the Guarantor and shall be entitled to all of the benefits of this Indenture equally and proportionately with all other Notes (with corresponding Guarantees) duly issued hereunder.

Section 2.08. Outstanding Notes.

The Notes outstanding at any time are all the Notes authenticated by the Trustee except for those canceled by it, those delivered to it for cancellation, those reductions in the interest in a Global Note effected by the Trustee in accordance with the provisions, and those described in this Section as not outstanding. Except as set forth in Section 2.09, a Note does not cease to be outstanding because either of the Issuers, the Guarantor or an Affiliate of the Issuers or the Guarantor holds the Note; however, Notes held by an Issuer, the Guarantor or a Subsidiary of an Issuer or the Guarantor shall not be deemed to be outstanding for purposes of Section 3.07(b).

If a Note is replaced pursuant to Section 2.07, it ceases to be outstanding unless the Trustee receives proof satisfactory to it that the replaced Note is held by a bona fide purchaser.

If the principal amount of any Note is considered paid under Section 4.01, it ceases to be outstanding and interest on it ceases to accrue.

If the Paying Agent (other than an Issuer, a Subsidiary or an Affiliate of any thereof) holds, on a redemption date or maturity date, money sufficient to pay Notes payable on that date, then on and after that date such Notes shall be deemed to be no longer outstanding and shall cease to accrue interest.

Section 2.09. Treasury Notes.

In determining whether the Holders of the required principal amount of Notes have concurred in any direction, waiver or consent, Notes owned by an Issuer, or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with an Issuer, shall be considered as though not outstanding, except that for the purposes of determining whether the Trustee shall be protected in relying on any such direction, waiver or consent, only Notes that a Responsible Officer of the Trustee knows are so owned shall be so disregarded.

Section 2.10. Temporary Notes.

Until certificates representing Notes are ready for delivery, the Issuers may prepare (and, in the case of the Guarantee, the Guarantor may prepare) and the Trustee, upon receipt of an Authentication Order, shall authenticate temporary Notes (with corresponding Guarantees). Temporary Notes shall be substantially in the form of certificated Notes but may have variations that the Issuers considers appropriate for temporary Notes and as shall be reasonably acceptable to the Trustee. Without unreasonable delay, the Issuers shall prepare (and, in the case of the Guarantee, the Guarantor shall prepare) and the Trustee shall authenticate definitive Notes (with corresponding Guarantees) in exchange for temporary Notes.

Holders of temporary Notes shall be entitled to all of the benefits of this Indenture.

Section 2.11. Cancellation.

The Issuers at any time may deliver Notes to the Trustee for cancellation. The Registrar and Paying Agent shall forward to the Trustee any Notes surrendered to them for registration of transfer, exchange or payment. The Trustee and no one else shall cancel all Notes surrendered for registration of transfer, exchange, payment, replacement or cancellation and shall destroy canceled Notes. Certification of the destruction of all canceled Notes shall be delivered to the Issuers. The Issuers may not issue new Notes to replace Notes that they have paid or that have been delivered to the Trustee for cancellation.

Section 2.12. Defaulted Interest.

If the Issuers default in a payment of interest on the Notes, they shall pay the defaulted interest in any lawful manner plus, to the extent lawful, interest payable on the defaulted interest, to the Persons who are Holders on a subsequent special record date, in each case at the rate provided in the Notes and in Section 4.01. The Issuers shall notify the Trustee in writing of the amount of defaulted interest proposed to be paid on each Note and the date of the proposed payment. The Issuers shall fix or cause to be fixed each such special record date and payment date; provided that no such special record date shall be less than 10 days prior to the related payment date for such defaulted interest. At least 15 days before the special record date, the Issuers (or, upon the written request of the Issuers, the Trustee in the name and at the expense of the Issuers) shall mail or cause to be mailed to Holders a notice that states the special record date, the related payment date and the amount of such interest to be paid.

ARTICLE 3
REDEMPTION AND PREPAYMENT

Section 3.01. Notices to Trustee.

If the Issuers elect to redeem Notes pursuant to the optional redemption provisions of Section 3.07, it shall furnish to the Trustee, at least 30 days but not more than 60 days before a redemption date, an Officers' Certificate setting forth (i) the clause of this Indenture pursuant to which the redemption shall occur, (ii) the redemption date, (iii) the principal amount of Notes to be redeemed and (iv) the redemption price.

Section 3.02. Selection of Notes to Be Redeemed.

If less than all of the Notes are to be redeemed or purchased in an offer to purchase at any time, the Trustee shall select the Notes to be redeemed or purchased among the Holders of the Notes in compliance with the requirements of the principal national securities exchange, if any, on which the Notes are listed or, if the Notes are not so listed, on a pro rata basis, by lot or in accordance with any other method the Trustee considers fair and appropriate. In the event of partial redemption by lot, the particular Notes to be redeemed shall be selected, unless otherwise provided herein, not less than 30 nor more than 60 days prior to the redemption date by the Trustee from the outstanding Notes not previously called for redemption.

The Trustee shall promptly notify the Issuers in writing of the Notes selected for redemption and, in the case of any Note selected for partial redemption, the principal amount thereof to be redeemed. Notes and portions of Notes selected shall be in amounts of $1,000 or whole multiples of $1,000; except that if all of the Notes of a Holder are to be redeemed, the entire outstanding amount of Notes held by such Holder, even if not a multiple of $1,000, shall be redeemed. Except as provided in the preceding sentence, provisions of this Indenture that apply to Notes called for redemption also apply to portions of Notes called for redemption.

Section 3.03. Notice of Redemption.

Subject to the provisions of Section 3.09, at least 30 days but not more than 60 days before a redemption date, the Issuers shall mail or cause to be mailed, by first class mail, a notice of redemption to each Holder whose Notes are to be redeemed at its registered address.

The notice shall identify the Notes to be redeemed and shall state:

(a) the redemption date;

(b) the redemption price;

(c) if any Note is being redeemed in part, the portion of the principal amount of such Note to be redeemed and that, after the redemption date upon surrender of such Note, a new Note or Notes in principal amount equal to the unredeemed portion shall be issued upon cancellation of the original Note;

(d) the name and address of the Paying Agent;

(e) that Notes called for redemption must be surrendered to the Paying Agent to collect the redemption price;

(f) that, unless the Issuers default in making such redemption payment, interest on Notes called for redemption ceases to accrue on and after the redemption date;

(g) the paragraph of the Notes and/or Section of this Indenture pursuant to which the Notes called for redemption are being redeemed; and

(h) that no representation is made as to the correctness or accuracy of the CUSIP number, if any, listed in such notice or printed on the Notes.

At the Issuers' request, the Trustee shall give the notice of redemption in the Issuers' name and at their expense; provided, however, that each of the Issuers shall have delivered to the Trustee, at least 45 days prior to the redemption date, an Officers' Certificate requesting that the Trustee give such notice and setting forth the information to be stated in such notice as provided in the preceding paragraph.

Section 3.04. Effect of Notice of Redemption.

Once notice of redemption is mailed in accordance with Section 3.03, Notes called for redemption become irrevocably due and payable on the redemption date at the redemption price. A notice of redemption may not be conditional.

Section 3.05. Deposit of Redemption Price.

At or prior to 10:00 a.m., New York City time, on the redemption date, the Issuers shall deposit with the Trustee or with the Paying Agent money sufficient to pay the redemption price of and accrued interest on all Notes to be redeemed on that date. The Trustee or the Paying Agent shall promptly return to the Issuers any money deposited with the Trustee or the Paying Agent by the Issuers in excess of the amounts necessary to pay the redemption price of, and accrued interest on, all Notes to be redeemed.

If the Issuers comply with the provisions of the preceding paragraph, on and after the redemption date, interest shall cease to accrue on the Notes or the portions of Notes called for redemption. If a Note is redeemed on or after an interest record date but on or prior to the related interest payment date, then any accrued and unpaid interest shall be paid to the Person in whose name such Note was registered at the close of business on such record date. If any Note called for redemption shall not be so paid upon surrender for redemption because of the failure of the Issuers to comply with the preceding paragraph, interest shall be paid on the unpaid principal, from the redemption date until such principal is paid, and to the extent lawful on any interest not paid on such unpaid principal, in each case at the rate provided in the Notes and in Section 4.01.

Section 3.06. Notes Redeemed in Part.

Upon surrender of a Note that is redeemed in part, the Issuers shall issue and, upon the Issuers' written request, the Trustee shall authenticate for the Holder at the expense of the Issuers a new Note equal in principal amount to the unredeemed portion of the Note surrendered.

Section 3.07. Optional Redemption.

The Notes will not be redeemable at the Issuers' option prior to maturity

Section 3.08. Mandatory Redemption.

Except as otherwise provided in Section 4.11 or Section 4.16 below, the Issuers shall not be required to make mandatory redemption payments with respect to the Notes.

Section 3.09. Offer to Purchase by Application of Excess Proceeds.

In the event that the Issuers shall be required to commence an offer to all Holders to purchase Notes pursuant to Section 4.11 (an "Asset Sale Offer"), they shall follow the procedures specified below.

The Asset Sale Offer shall remain open for a period of 20 Business Days following its commencement and no longer, except to the extent that a longer period is required by applicable law (the "Offer Period"). No later than five Business Days after the termination of the Offer Period (the "Purchase Date"), the Issuers shall purchase the principal amount of Notes required to be purchased pursuant to Section 4.11 (the "Offer Amount") or, if less than the Offer Amount has been tendered, all Notes tendered in response to the Asset Sale Offer. Payment for any Notes so purchased shall be made in the same manner as interest payments are made.

If the Purchase Date is on or after an interest record date and on or before the related interest payment date, any accrued and unpaid interest shall be paid to the Person in whose name a Note is registered at the close of business on such record date, and no Special Interest shall be payable to Holders who tender Notes pursuant to the Asset Sale Offer.

Upon the commencement of an Asset Sale Offer the Issuers shall send, by first class mail, a notice to the Trustee and each of the Holders, with a copy to the Trustee. The notice shall contain all instructions and materials necessary to enable such Holders to tender Notes pursuant to the Asset Sale Offer. The Asset Sale Offer shall be made to all Holders. The notice, which shall govern the terms of the Asset Sale Offer, shall state:

(a) that the Asset Sale Offer is being made pursuant to this Section 3.09 and Section 4.11 and the length of time the Asset Sale Offer shall remain open;

(b) the Offer Amount, the purchase price and the Purchase Date;

(c) that any Note not tendered or accepted for payment shall continue to accrue interest;

(d) that, unless the Issuers default in making such payment, any Note accepted for payment pursuant to the Asset Sale Offer shall cease to accrue interest after the Purchase Date;

(e) that Holders electing to have a Note purchased pursuant to an Asset Sale Offer or may elect to have Notes purchased in integral multiples of $1,000 only;

(f) that Holders electing to have a Note purchased pursuant to any Asset Sale Offer shall be required to surrender the Note, with the form entitled "Option of Holder to Elect Purchase" on the reverse of the Note completed, or transfer by book-entry transfer, to the Issuers, a depositary, if appointed by the Issuers, or a Paying Agent at the address specified in the notice at least three days before the Purchase Date;

(g) that Holders shall be entitled to withdraw their election if the Issuers, the depositary or the Paying Agent, as the case may be, receives, not later than the expiration of the Offer Period, a telegram, telex, facsimile transmission or letter setting forth the name of the Holder, the principal amount

of the Note the Holder delivered for purchase and a statement that such Holder is withdrawing his election to have such Note purchased;

(h) that, if the aggregate principal amount of Notes surrendered by Holders exceeds the Offer Amount, the Issuers shall select the Notes to be purchased on a pro rata basis (with such adjustments as may be deemed appropriate by the Issuers so that only Notes in denominations of $1,000, or integral multiples thereof, shall be purchased); and

(i) that Holders whose Notes were purchased only in part shall be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered (or transferred by book-entry transfer).

On or before the Purchase Date, the Issuers shall, to the extent lawful, accept for payment, on a pro rata basis to the extent necessary, the Offer Amount of Notes or portions thereof tendered pursuant to the Asset Sale Offer or if less than the Offer Amount has been tendered, all Notes tendered, and shall deliver to the Trustee an Officers' Certificate stating that such Notes or portions thereof were accepted for payment by the Issuers in accordance with the terms of this Section 3.09. The Issuers, the Depositary or the Paying Agent, as the case may be, shall promptly (but in any case not later than five days after the Purchase Date) mail or deliver to each tendering Holder an amount equal to the purchase price of the Notes tendered by such Holder and accepted by the Issuers for purchase, and the Issuers shall promptly issue a new Note, and the Trustee, upon written request from the Issuers shall authenticate and mail or deliver such new Note to such Holder, in a principal amount equal to any unpurchased portion of the Note surrendered. Any Note not so accepted shall be promptly mailed or delivered by the Issuers to the Holder thereof. The Issuers shall publicly announce the results of the Asset Sale Offer on the Purchase Date.

Other than as specifically provided in this Section 3.09, any purchase pursuant to this Section 3.09 shall be made pursuant to the provisions of Sections 3.01 through 3.06.

ARTICLE 4
COVENANTS

Section 4.01. Payment of Notes.

The Issuers shall pay or cause to be paid the principal of, premium, if any, and interest on the Notes on the dates and in the manner provided in the Notes. Principal, premium, if any, and interest shall be considered paid on the date due if the Paying Agent, if other than the Issuers or a Subsidiary thereof, holds as of 10:00 a.m. New York City time on the due date money deposited by the Issuers in immediately available funds and designated for and sufficient to pay all principal, premium, if any, and interest then due. The Issuers shall pay all Special Interest, if any, in the same manner on the dates and in the amounts set forth in the Registration Rights Agreement.

The Issuers shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal at the rate equal to 1% per annum in excess of the then applicable interest rate on the Notes to the extent lawful; they shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest (without regard to any applicable grace period) at the same rate to the extent lawful.

Section 4.02. Maintenance of Office or Agency.

The Issuers shall maintain in the Borough of Manhattan, the City of New York, an office or agency (which may be an office of the Trustee or an affiliate of the Trustee, Registrar or co-registrar) where Notes may be surrendered for registration of transfer or for exchange and where notices and demands to or upon the Issuers in respect of the Notes and this Indenture may be served. The Issuers shall give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Issuers shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee.

The Issuers may also from time to time designate one or more other offices or agencies where the Notes may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; provided, however, that no such designation or rescission shall in any manner relieve the Issuers of their obligation to maintain an office or agency in the Borough of Manhattan, the City of New York for such purposes. The Issuers shall give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

The Issuers hereby designate the Harris Trust Company of New York, an affiliate of the Trustee, as one such office or agency of the Issuers in accordance with Section 2.03.

Section 4.03. Reports.

Whether or not required by the Commission, so long as any Notes are outstanding, the Issuers and the Guarantor shall furnish to the Holders of Notes, within the time periods specified in the Commission's rules and regulations:

(1) all quarterly and annual financial information that would be required to be contained in a filing with the Commission on Forms 10-Q and 10-K if the Issuers and the Guarantor were required to file such Forms, including a "Management's Discussion and Analysis of Financial Condition and Results of Operations" and, with respect to the annual information only, a report on the annual financial statements by the Issuers' certified independent accountants and the Guarantor's certified independent accountants; and

(2) all current reports that would be required to be filed with the Commission on Form 8-K if the Issuers or the Guarantor were required to file such reports.

If the Issuers or the Guarantor 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 the Issuers or the Guarantor, as the case may be, and their respective Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Issuers or the Guarantor, as the case may be.

In addition, whether or not required by the Commission, the Issuers or the Guarantor shall 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 Commission will not accept such a filing) and make such information available to securities analysts and prospective investors upon request.

Section 4.04. Compliance Certificate.

(a) Each of the Company and the Guarantor shall deliver to the Trustee, within 90 days after the end of each fiscal year, an Officers' Certificate stating that a review of the activities of the Company and its Subsidiaries and the Guarantor and its Subsidiaries, respectively, during the preceding fiscal year have been made under the supervision of the signing Officers with a view to determining whether the Company or the Guarantor, as the case may be, has kept, observed, performed and fulfilled its obligations under this Indenture, and further stating, as to each such Officer signing such certificate, that to the best of his or her knowledge the Company or the Guarantor, as the case may be, has kept, observed, performed and fulfilled each and every covenant contained in this Indenture and is not in default in the performance or observance of any of the terms, provisions and conditions of this Indenture (or, if a Default or Event of Default shall have occurred, describing all such Defaults or Events of Default of which he or she may have knowledge and what action the Company or the Guarantor, as the case may be, is taking or proposes to take with respect thereto) and that to the best of his or her knowledge no event has occurred and remains in existence by reason of which payments on account of the principal of or interest, if any, on the Notes is prohibited or if such event has occurred, a description of the event and what action the Company or the Guarantor, as the case may be, is taking or proposes to take with respect thereto.

(b) So long as not contrary to the then current recommendations of the American Institute of Certified Public Accountants, the year-end financial statements delivered pursuant to Section 4.03 above shall be accompanied by a written statement of the Company's independent public accountants or the Guarantor's independent public accountants, as the case may be, (each of whom shall be a firm of established national reputation) that in making the examination necessary for certification of such financial statements, nothing has come to their attention that would lead them to believe that the Company or the Guarantor, as the case may be, has violated any provisions of Article 4 or Article 5 or, if any such violation has occurred, specifying the nature and period of existence thereof, it being understood that such accountants shall not be liable directly or indirectly to any Person for any failure to obtain knowledge of any such violation. In the event that, after the Company or the Guarantor, as the case may be, has used its reasonable best efforts to obtain the written statement of the Company's independent public accountants or the Guarantor's independent public accountants, as the case may be, required by the provisions of this paragraph, such statement cannot be obtained, the Company or the Guarantor, as the case may be, shall deliver, in satisfaction of its obligations under this Section 4.04, an Officers' Certificate (A) certifying that it has used its reasonable best efforts to obtain such required statement but was unable to do so and (B) attaching the written statement of the Company's accountants or the Guarantor's accountants, as the case may be, that the Company or the Guarantor, as the case may be, received in lieu thereof.

(c) Each of the Company and the Guarantor shall, so long as any of the Notes are outstanding, deliver to the Trustee, forthwith upon any Officer becoming aware of any Default or Event of Default, an Officers' Certificate specifying such Default or Event of Default and what action the Company or the Guarantor, as the case may be, is taking or proposes to take with respect thereto.

Section 4.05. Taxes.

Each of the Company and the Guarantor shall pay, and shall cause each of their Subsidiaries to pay, prior to delinquency, all material taxes, assessments, and governmental levies except such as are contested in good faith and by appropriate proceedings or where the failure to effect such payment is not adverse in any material respect to the Holders of the Notes.

Section 4.06. Stay, Extension and Usury Laws.

Each of the Issuers and the Guarantor covenants (to the extent that it may lawfully do so) that it shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Indenture; and each of the Issuers and the Guarantor (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it shall not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Trustee, but shall suffer and permit the execution of every such power as though no such law has been enacted.

Section 4.07. Restricted Payments.

The Company shall not, and shall not permit any of its Restricted Subsidiaries to, and the Guarantor shall not and shall not permit any of its Restricted Subsidiaries to, directly or indirectly:

(a) declare or pay any dividend or make any other payment or distribution on account of the Company's, the Guarantor's or any of their Restricted Subsidiaries' Equity Interests (including, without limitation, any payment in connection with any merger or consolidation involving the Company, the Guarantor or any of their Restricted Subsidiaries) or to the direct or indirect holders of the Company's, the Guarantor's or any of their Restricted Subsidiaries' Equity Interests in their capacity as such (other than dividends or distributions payable in Equity Interests (other than Disqualified Stock) of the Company or the Guarantor or, in the case of the Company and its Restricted Subsidiaries, to the Company or a Restricted Subsidiary of the Company or in the case of the Guarantor and its Restricted Subsidiaries, to the Company, the Guarantor or a Restricted Subsidiary of the Company or the Guarantor);

(b) purchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger or consolidation involving the Company) any Equity Interests of the Company or the Guarantor or any direct or indirect parent of the Company or the Guarantor or any Restricted Subsidiary of the Company or the Guarantor (other than, in the case of the Company and its Restricted Subsidiaries, any such Equity Interests owned by the Company or any Restricted Subsidiary of the Company or, in the case of the Guarantor and its Restricted Subsidiaries, any such Equity Interests owned by the Company, the Guarantor or any Restricted Subsidiary of the Company or the Guarantor); or

(c) 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 or the Guarantees (other than the Notes or the Guarantees), except a payment of interest or principal at the Stated Maturity thereof

(all such payments and other actions set forth in clauses (a) through (c) above being 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; and

(2) the Company 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 Section 4.10; and

(3) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Company, the Guarantor and each of their Restricted Subsidiaries after the date of this Indenture (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 the combined Consolidated EBITDA of the Company and the Guarantor since the date of this Indenture to the end of the Company's and the Guarantor's 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 the Company and the Guarantor since the date of this Indenture to the end of the Company's and the Guarantor's 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 Section 4.10, plus

(c) $100.0 million.

So long as no Default has occurred and is continuing or would be caused thereby, the preceding provisions shall 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 this Indenture;

(2) the redemption, repurchase, retirement, defeasance or other acquisition of any subordinated Indebtedness of the Company or the Guarantor in exchange for, or out of the net proceeds of the substantially concurrent sale (other than to a Subsidiary of the Company or the Guarantor) of, Equity Interests of the Company or the Guarantor (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 the Company, the Guarantor or any of their 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 the Company or the Guarantor to pay federal, state or local income tax liabilities that would arise solely from income of the Company or the Guarantor or any of their Restricted Subsidiaries, as the case may be, for the relevant taxable period and attributable to them solely as a result of the Company or the Guarantor (and any intermediate entity through which the Holder

owns such shares) or any of its 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 the Company or the Guarantor to the holders of its common Equity Interests on a pro rata basis;

(6) the payment of any dividend on the Company Preferred Stock or the redemption, repurchase, retirement or other acquisition of the Company 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 the Company or the Guarantor held by any member of the Company's or the Guarantor's management pursuant to any management equity subscription agreement or stock option agreement in effect as of the date of this Indenture; 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; 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 the Company, the Guarantor or any of their 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 the Company or the Guarantor, as the case may be, whose resolution with respect thereto shall be delivered to the Trustee. Such Board of Director's 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 Company or the Guarantor, as the case may be 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 Section 4.07 were computed, together with a copy of any fairness opinion or appraisal required by this Indenture.

Section 4.08. Investments.

The Company shall not, and shall not permit any of its Restricted Subsidiaries to, and the Guarantor shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly:

(1) make any Restricted Investment; or

(2) allow any Restricted Subsidiary of the Company or the Guarantor 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) the Company 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 Section 4.10.

Any designation of a Subsidiary of the Company or the Guarantor 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 this Section 4.08. If, at any time, any Unrestricted Subsidiary would fail to meet the requirements as an Unrestricted Subsidiary described in the definition of "Unrestricted Subsidiary," it shall thereafter cease to be an Unrestricted Subsidiary for purposes of this Indenture and any Indebtedness of such Subsidiary shall be deemed to be incurred by a Restricted Subsidiary of the Company or the Guarantor as of such date and, if such Indebtedness is not permitted to be incurred as of such date under Section 4.10, the Company or the Guarantor, as the case may be, shall be in default. The Board of Directors of the Company and the Guarantor 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 the Company or the Guarantor, respectively, 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 Section 4.10 calculated on a pro forma basis as if such designation had occurred at the beginning of the Reference Period; and (2) no Default or Event of Default would be in existence following such designation.

Section 4.09. Dividend and Other Payment Restrictions Affecting Subsidiaries.

The Company and the Guarantor shall not, directly or indirectly, create or permit to exist or become effective any encumbrance or restriction on the ability of any Restricted Subsidiary of the Company or the Guarantor, as the case may be, to:

(1) pay dividends or make any other distributions on its Capital Stock to the Company or any of its Restricted Subsidiaries or to the Guarantor 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 the Company or any of its Restricted Subsidiaries or to the Guarantor or any of its Restricted Subsidiaries;

(2) make loans or advances to the Company or any of its Restricted Subsidiaries or to the Guarantor or any of its Restricted Subsidiaries; or

(3) transfer any of its properties or assets to the Company or any of its Restricted Subsidiaries or to the Guarantor or any of its Restricted Subsidiaries.

However, the preceding restrictions shall not apply to encumbrances or restrictions existing under or by reason of:

(1) Existing Indebtedness as in effect on the date of this Indenture (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, refinancings, 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 this Indenture;

(2) this Indenture, the Notes and the Other Notes;

(3) applicable law;

(4) any instrument governing Indebtedness or Capital Stock of a Person acquired by the Company or any of its Restricted Subsidiaries or to the Guarantor 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 Indenture 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 either the Company or the Guarantor 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 Section 4.14 that limit the right of the Company or any of its Restricted Subsidiaries or the Guarantor 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 Section 4.10; 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 the Company determines that such restrictions will not materially impair the Company's ability to make payments as required under the Notes.

Section 4.10. Incurrence of Indebtedness and Issuance of Preferred Stock.

The Company shall not, and shall not permit any of its Restricted Subsidiaries to, and the Guarantor shall not, and shall 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 the Company and the Guarantor shall not issue any Disqualified Stock and shall not permit any of their 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 shall not prohibit the incurrence of any of the following items of Indebtedness (collectively, "Permitted Debt"):

(1) the incurrence by the Company and its Restricted Subsidiaries and the Guarantor and its Restricted Subsidiaries of Indebtedness under the Credit Facilities; provided that the aggregate principal amount of all Indebtedness of the Company and its Restricted Subsidiaries and the Guarantor and its Restricted Subsidiaries outstanding under all 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 the Company or any of its Subsidiaries or the Guarantor or any of its Subsidiaries, as the case may be, in the case of an Asset Sale since the date of this Indenture to repay Indebtedness under a Credit Facility pursuant to Section 4.11;

(2) the incurrence by the Company and its Restricted Subsidiaries and the Guarantor and its Restricted Subsidiaries of Existing Indebtedness (other than the Credit Facilities);

(3) the incurrence on the Issue Date by the Company and its Restricted Subsidiaries and the Guarantor and its Restricted Subsidiaries of Indebtedness represented by the Notes, the Other Notes and the related Guarantees;

(4) the incurrence by the Company or any of its Restricted Subsidiaries or the Guarantor 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 the Company or any of its Restricted Subsidiaries or the Guarantor or any of its Restricted Subsidiaries, in an aggregate principal amount not to exceed $75 million at any time outstanding;

(5) the incurrence by the Company or any of its Restricted Subsidiaries or the Guarantor 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 this Indenture to be incurred under the first paragraph of this covenant or clauses (2) or (3) of this paragraph;

(6) the incurrence by the Company or any of its Restricted Subsidiaries or the Guarantor or any of its Restricted Subsidiaries, as the case may be, of intercompany Indebtedness between

or among the Company and any of its Wholly Owned Restricted Subsidiaries, or the Guarantor or any of its Restricted Subsidiaries, respectively; provided that except for the Mirror Note, this clause does not permit Indebtedness between the Company or any of its Restricted Subsidiaries, as creditor or debtor, as the case may be, and the Guarantor or any of its Restricted Subsidiaries, as debtor or creditor, as the case may be, unless otherwise permitted by the Indentures; provided, further, that:

(a) if the Company or the Guarantor 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 in the case of the Company, or the Guarantee of such Guarantor, in the case of the Guarantor; and

(b)(i) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than the Company or a Wholly Owned Restricted Subsidiary thereof or the Guarantor 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 the Company or a Wholly Owned Restricted Subsidiary thereof or the Guarantor or a Wholly Owned Restricted Subsidiary thereof, shall be deemed, in each case, to constitute an incurrence of such Indebtedness by the Company or any of its Restricted Subsidiaries or the Guarantor or any of its Restricted Subsidiaries, respectively, as the case may be, that was not permitted by this clause (6);

(7) the incurrence by the Company or any of its Restricted Subsidiaries or the Guarantor 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 the Company or the Guarantor of Indebtedness of the Company or a Restricted Subsidiary of the Company, or Indebtedness of the Guarantor or a Restricted Subsidiary of the Guarantor, that was permitted to be incurred by another provision of this Section 4.10;

(9) the incurrence by the Company or any of its Restricted Subsidiaries, or the Guarantor 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 the Company or any of its Restricted Subsidiaries, or the Guarantor 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 the Company from the sale of its Equity Interests (other than Disqualified Stock) after the date of this Indenture to the extent such net cash proceeds have not been applied to make Restricted Payments or to effect other transactions pursuant to Section 4.07 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; and

(12) Indebtedness under the Mirror Note.

For purposes of determining compliance with this Section 4.10, in the event that an item of proposed Indebtedness meets the criteria of more than one of the categories of Permitted Debt described in clauses (1) through (12) above, or is entitled to be incurred pursuant to the first paragraph of this covenant, the Company or the Guarantor, as the case may be, shall 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.

Notwithstanding the foregoing, in no event shall any Restricted Subsidiary of the Company or the Guarantor 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 the Company or the Guarantor 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 the Company or the Guarantor). "Subordinated Notes" with respect to any Restricted Subsidiary of the Company or the Guarantor 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 the Company or the Guarantor; 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, the Company or the Guarantor 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 or obligated to provide information pursuant to Rule 144A under the Securities Act.

Section 4.11. Limitation on Asset Sales

The Company shall not, and shall not permit any of its Restricted Subsidiaries to, and the Guarantor shall not, and shall not permit any of its Restricted Subsidiaries to, consummate an Asset Sale unless:

(1) the Company, the Guarantor or a Restricted Subsidiary of the Company or the Guarantor, as the case may be, 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 the Company's or the Guarantor's Board of Directors, as the case may be, 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 the Company, the Guarantor or such Restricted Subsidiary is in the form of cash, Cash Equivalents or readily marketable securities.

For purposes of this Section 4.11, each of the following shall be deemed to be cash:

(a) any liabilities (as shown on the Company's, the Guarantor's or such Restricted Subsidiary's most recent balance sheet) of the Company, the Guarantor or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the Notes or the Guarantees) that are assumed by the transferee of any such assets pursuant to a customary novation agreement that releases the Company, the Guarantor or such Restricted Subsidiary from further liability;

(b) any securities, notes or other obligations received by the Company, the Guarantor or any such Restricted Subsidiary from such transferee that are converted by the Company, the Guarantor 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, the Company, the Guarantor or a Restricted Subsidiary of the Company or the Guarantor, as the case may be, may apply such Net Proceeds at its option:

(1) to repay debt under the Credit Facilities or any other Indebtedness of the Restricted Subsidiaries of the Company (other than Indebtedness represented by a guarantee of a Restricted Subsidiary of the Company or the Guarantor); or

(2) to invest in Productive Assets; provided that any Net Proceeds which the Company, the Guarantor or a Restricted Subsidiary of the Company or the Guarantor, as the case may be, 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 shall constitute "Excess Proceeds." When the aggregate amount of Excess Proceeds exceeds $25.0 million, the Issuers shall 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 shall be payable in cash and equal to 100% of principal amount plus accrued and unpaid interest, if any, to the date of purchase. If any Excess Proceeds remain after consummation of an Asset Sale Offer, the Company may use such Excess Proceeds for any purpose not otherwise prohibited by this Indenture. 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 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.

In the event that the Issuers shall be required to commence an offer to Holders to purchase Notes pursuant to this Section 4.11, they shall follow the procedures specified in Section 3.09.

Section 4.12. Sale and Leaseback Transactions.

The Company shall not, and shall not permit any of its Restricted Subsidiaries to, and the Guarantor shall not, and shall not permit any of its Restricted Subsidiaries to, enter into any sale and leaseback transaction; provided that the Company or the Guarantor may enter into a sale and leaseback transaction if:

(1) the Company or the Guarantor, as applicable, 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 Section 4.10 and (b) incurred a Lien to secure such Indebtedness pursuant to Section 4.14; and

(2) the transfer of assets in that sale and leaseback transaction is permitted by, and the Company or the Guarantor, as the case may be, applies the proceeds of such transaction in compliance with, the covenant described above under Section 4.11.

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.

Section 4.13. Transactions with Affiliates.

The Company shall not, and shall not permit any of its Restricted Subsidiaries to, and the Guarantor shall not, and shall 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 the Company or the relevant Restricted Subsidiary or to the Guarantor or the relevant Restricted Subsidiary, than those that would have been obtained in a comparable transaction by the Company or such Restricted Subsidiary or the Guarantor or such Restricted Subsidiary, as the case may be, with an unrelated Person; and

(2) the Company, or the Guarantor, as the case may be, 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 the Company or a resolution of the Board of Directors of the Guarantor, as the case may be, 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 such 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, shall not be subject to the provisions of the prior paragraph:

(1) existing employment agreement entered into by the Company, the Guarantor or any of their Subsidiaries and any employment agreement entered into by the Company or any of its Restricted Subsidiaries, or any employment agreement entered into by the Guarantor or any of its Restricted Subsidiaries in the ordinary course of business and consistent with the past practice of the Company or such Restricted Subsidiary or the Guarantor or such Restricted Subsidiary, as the case may be;

(2) transactions between or among the Company and/or its Restricted Subsidiaries and the transactions between or among the Guarantor and/or its Restricted Subsidiaries;

(3) payment of reasonable directors fees to Persons who are not otherwise Affiliates of the Company or the Guarantor, as the case may be, and customary indemnification and insurance arrangements in favor of directors, regardless of affiliation with the Company, the Guarantor or any of their 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 Section 4.07; and

(6) Permitted Investments.

Section 4.14. Liens.

The Company and the Guarantor shall 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.

Section 4.15. Corporate Existence.

Subject to Article 5, each of the Company and the Guarantor shall do or cause to be done all things necessary to preserve and keep in full force and effect (i) its corporate existence, and the corporate, partnership or other existence of each of its Subsidiaries, in accordance with the respective organizational documents (as the same may be amended from time to time) of the Company, the Guarantor or any such Subsidiary and (ii) the rights (charter and statutory), licenses and franchises of the Company, the Guarantor and their Subsidiaries; provided, however, that neither the Company nor the Guarantor shall be required to preserve any such right, license or franchise, or the corporate, partnership or other existence of any of their Subsidiaries (other than Charter Capital), if the Board of Directors shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Company and its Subsidiaries and the Guarantor and its Subsidiaries, taken as a whole, and that the loss thereof is not adverse in any material respect to the Holders of the Notes.

Section 4.16. Repurchase at the Option of Holders upon a Change of Control.

If a Change of Control occurs, each Holder of Notes shall 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 shall offer (a "Change of Control Offer") a payment (the "Change of Control Payment") in cash equal to 101% of the aggregate

principal amount of Notes repurchased plus accrued and unpaid interest thereon, if any, to the date of purchase.

Within ten days following any Change of Control, the Issuers shall mail a notice to each Holder (with a copy to the Trustee) describing the transaction or transactions that constitute the Change of Control and stating:

(a) the purchase price and the purchase date, which shall not exceed 30 Business Days from the date such notice is mailed (the "Change of Control Payment Date");

(b) that any Note not tendered shall continue to accrue interest;

(c) that, unless the Issuers default in the payment of the Change of Control Payment, all Notes accepted for payment pursuant to the Change of Control Offer shall cease to accrue interest after the Change of Control Payment Date;

(d) that Holders electing to have any Notes purchased pursuant to a Change of Control Offer shall be required to surrender the Notes, with the form entitled "Option of Holder to Elect Purchase" on the reverse of the Notes completed, to the Paying Agent at the address specified in the notice prior to the close of business on the third Business Day preceding the Change of Control Payment Date;

(e) that Holders shall be entitled to withdraw their election if the Paying Agent receives, not later than the close of business on the second Business Day preceding the Change of Control Payment Date, a telegram, telex, facsimile transmission or letter setting forth the name of the Holder, the principal amount of Notes delivered for purchase, and a statement that such Holder is withdrawing his election to have the Notes purchased; and

(f) that Holders whose Notes are being purchased only in part shall be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered, which unpurchased portion must be equal to $1,000 in principal amount or an integral multiple thereof.

The Issuers shall comply with the requirements of Rule 14e-1 under the Exchange Act (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 shall, to the extent lawful:

(a) accept for payment all Notes or portions thereof properly tendered pursuant to the Change of Control Offer;

(b) 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

(c) 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 shall promptly pay to each Holder of Notes so tendered the Change of Control Payment for such Notes, and the Trustee shall 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 shall be in a principal amount of $1,000 or an integral multiple thereof. The Company shall publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

The provisions described above that require the Issuers to make a Change of Control Offer following a Change of Control shall be applicable regardless of whether or not any other provisions in this Indenture are applicable. Except as described above with respect to a Change of Control, this Indenture does 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.

Notwithstanding any other provision of this Section 4.16, the Issuers shall 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 this Indenture 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.

Section 4.17. Limitations on Issuances of Guarantees of Indebtedness.

The Company shall not permit any of its Restricted Subsidiaries, directly or indirectly, and the Guarantor shall 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 the Company or the Guarantor, as the case may be, except in respect of the Credit Facilities (the "Guaranteed Indebtedness") unless (i) such Restricted Subsidiary of the Company or the Guarantor, as the case may be, 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 (ii) 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 the Company, the Guarantor or any other Restricted Subsidiary of the Company or the Guarantor 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.

Section 4.18. Payments for Consent.

The Company shall not, and shall not permit any of its Subsidiaries to, and the Guarantor shall not, and shall 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 this Indenture 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.

Section 4.19. Application of Fall-Away Covenants.

During any period of time that (a) the Notes have Investment Grade Ratings from both Rating Agencies and (b) no Default or Event of Default has occurred and is continuing, the Company and its Restricted Subsidiaries and the Guarantor and its Restricted Subsidiaries shall not be subject to the

provisions of Sections 4.07, 4.08, 4.09, 4.10, 4.11, 4.12, 4.13 and clause (4) of the first paragraph of Section 5.01 (collectively, the "Suspended Covenants"). In the event that the Company and its Restricted Subsidiaries are not subject to the Suspended Covenants for any period of time as a result of the preceding sentence and, subsequently, one or both of the Rating Agencies withdraws its ratings or downgrades the ratings assigned to the Notes below the required Investment Grade Ratings or a Default or Event of Default occurs and is continuing, then the Company and its Restricted Subsidiaries and the Guarantor and its Restricted Subsidiaries shall thereafter again be subject to the Suspended Covenants and compliance with the Suspended Covenants with respect to the Restricted Payments made after the time of such withdrawal, downgrade, Default or Event of Default will be calculated in accordance with the terms of Section 4.07 as though such covenant had been in effect during the entire period of time from the Issue Date.

Section 4.20. Impairment of Security Interest.

Neither the Company, the Guarantor nor any of their Subsidiaries shall take or omit to take any action which action or omission would have the result of adversely affecting or impairing the security interest in favor of the Trustee, on behalf of itself and the Holders, with respect to the Collateral, and neither the Company, the Guarantor nor any of their Subsidiaries shall grant to any Person, or suffer any Person (other than the Trustee with respect to the Collateral securing the obligations under the Notes and the Company with respect to the Collateral securing the obligations under the Mirror Note) to have any interest whatsoever in the Collateral other than Liens permitted by the Pledge Documents. Neither the Company nor any of its Subsidiaries shall enter into any agreement or instrument that by its terms requires the proceeds received from any sale of Collateral to be applied to repay, redeem, defease or otherwise acquire or retire any Indebtedness of any Person, other than pursuant to this Indenture, the Notes and the Pledge Documents.

Section 4.21. Security Interest.

The Company and the Guarantor shall, and shall cause each of their Restricted Subsidiaries to, undertake to deliver or cause to be delivered to the Trustee from time to time such other documentation, consents, authorizations, approvals and orders in form and substance reasonably satisfactory to the Trustee as the Trustee shall deem necessary or advisable to perfect or maintain the security interest in the Collateral for the benefit of the Trustee on behalf of the Holders until any such Collateral is released in accordance with the terms of this Indenture.

ARTICLE 5
SUCCESSORS

Section 5.01. Merger, Consolidation, or Sale of Assets.

Neither of the Issuers nor the Guarantor may, directly or indirectly: (1) consolidate or merge with or into another Person (whether or not such Issuer, or the Guarantor, as the case may be, 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, or the Guarantor, as the case may be, is the surviving corporation; or (b) the Person formed by or surviving any such consolidation or merger (if other than such Issuer, or the Guarantor, as the case may be) 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 the Company, or the Guarantor, as the case may be) or the Person to which such sale, assignment, transfer, conveyance or other disposition shall have been made assumes all the obligations of the Company, or the Guarantor, as the case may be, under the Notes in the case of the Company, or under the Guarantee, in the case of the Guarantor, and this Indenture pursuant to agreements reasonably satisfactory to the Trustee;

(3) immediately after such transaction no Default or Event of Default exists; and

(4) the Company, or the Guarantor, as the case may be, or the Person formed by or surviving any such consolidation or merger (if other than the Company, or the Guarantor, as the case may be) 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 Section 4.10 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, the Company may not, directly or indirectly, and the Guarantor 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 Section 5.01 shall not apply to a sale, assignment, transfer, conveyance or other disposition of assets between or among the Company and any of its Wholly-Owned Subsidiaries, or the Guarantor and any of its Wholly-Owned Subsidiaries, as the case may be.

Section 5.02. Successor Corporation Substituted.

Upon any consolidation or merger, or any sale, assignment, transfer, lease, conveyance or other disposition of all or substantially all of the assets of either Issuer or the Guarantor, as the case may be, in accordance with Section 5.01, the successor Person formed by such consolidation or into which either Issuer or the Guarantor, as the case may be, is merged or to which such transfer is made shall succeed to and (except in the case of a lease) be substituted for, and may exercise every right and power of, such Issuer or the Guarantor, as the case may be, under this Indenture with the same effect as if such successor Person had been named therein as such Issuer or the Guarantor, as the case may be, and (except in the case of a lease) such Issuer or the Guarantor, as the case may be, shall be released from the obligations under the Notes (or the Guarantee, in the case of the Guarantor) and this Indenture, except with respect to any obligations that arise from, or are related to, such transaction.

ARTICLE 6
DEFAULTS AND REMEDIES

Section 6.01. Events of Default.

An "Event of Default" occurs if:

(a) the Issuers default in the payment when due of interest on the Notes and such default continues for a period of 30 days;

(b) the Issuers default in payment when due of the principal of or premium, if any, on the Notes;

(c) the Company or any of its Restricted Subsidiaries, or the Guarantor or any of its Restricted Subsidiaries, fails to comply with any of the provisions of Sections 4.16 or 5.01;

(d) the Company or any of its Restricted Subsidiaries, or the Guarantor or any of its Restricted Subsidiaries, fails to comply with any of their other covenants or agreements in this Indenture for 30 days after written notice thereof has been given to the Company by the Trustee or to the Company and the Trustee by Holders of at least 25% of the aggregate principal amount of the Notes outstanding;

(e) the Company or any of its Restricted Subsidiaries, or the Guarantor or any of its Restricted Subsidiaries, defaults 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 (or the payment of which is guaranteed by the Company or any of its Restricted Subsidiaries or by the Guarantor or any of its Restricted Subsidiaries) whether such Indebtedness or guarantee now exists or is created after the date of this Indenture, if that default:

(1) 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

(2) 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;

(f) the Company or any of its Restricted Subsidiaries, or the Guarantor or any of its Restricted Subsidiaries, fails 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;

(g) the Company, the Guarantor or any of their Significant Subsidiaries pursuant to or within the meaning of Bankruptcy Law:

(i) commences a voluntary case,

(ii) consents to the entry of an order for relief against it in an involuntary case,

(iii) consents to the appointment of a custodian of it or for all or substantially all of its property, or

(iv) makes a general assignment for the benefit of its creditors; or

(h) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(i) is for relief against the Company, the Guarantor or any of their Significant Subsidiaries in an involuntary case;

(ii) appoints a custodian of the Company, the Guarantor or any of their Significant Subsidiaries or for all or substantially all of the property of the Company, the Guarantor or any of their Significant Subsidiaries; or

(iii) orders the liquidation of the Company, the Guarantor or any of their Significant Subsidiaries;

and the order or decree remains unstayed and in effect for 60 consecutive days.

(i) except as permitted by this Indenture, the Guarantee of the Guarantor shall be held in any judicial proceeding to be unenforceable or invalid or shall cease for any reason to be in full force and effect or the Guarantor, or any Person acting on behalf of the Guarantor, shall deny or disaffirm its obligations under the Guarantee;

(j) except as permitted by this Indenture, any of the Pledge Documents cease to be in full force and effect (other than in accordance with their respective terms or the terms of the Indenture), or any of the Pledge Documents cease to give the Trustee or the Company, as the case may be, the Liens purported to be created thereby, or any Pledge Document is declared null and void, or the Company or the Guarantor shall repudiate or deny in writing that it has any liability or obligation under any Pledge Document.

Section 6.02. Acceleration.

In the case of an Event of Default arising from clause (g) or (h) of Section 6.01, with respect to the Company or the Guarantor, all outstanding Notes shall become due and payable immediately without further action or notice. If any other Event of Default occurs and is continuing, the Trustee by notice to the Issuers or the Holders of at least 25% in principal amount of the then outstanding Notes by notice to the Issuers and the Trustee may declare all the Notes to be due and payable immediately. The Holders of a majority in aggregate principal amount of the Notes then outstanding by written notice to the Trustee may on behalf of all of the Holders rescind an acceleration and its consequences if the rescission would not conflict with any judgment or decree and if all existing Events of Default (except nonpayment of principal, interest or premium that has become due solely because of the acceleration) have been cured or waived.

Section 6.03. Other Remedies.

If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy to collect the payment of principal, premium, if any, and interest on the Notes or to enforce the performance of any provision of the Notes or this Indenture.

The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Holder of a Note in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or

constitute a waiver of or acquiescence in the Event of Default. All remedies are cumulative to the extent permitted by law.

Section 6.04. Waiver of Existing Defaults.

Holders of not less than a majority in aggregate principal amount of the then outstanding Notes by notice to the Trustee may on behalf of the Holders of all of the Notes waive an existing Default or Event of Default and its consequences hereunder, except a continuing Default or Event of Default in the payment of the principal of, premium, if any, or interest on, the Notes (including in connection with an offer to purchase) (provided, however, that the Holders of a majority in aggregate principal amount of the then outstanding Notes may rescind an acceleration and its consequences, including any related payment default that resulted from such acceleration). Upon any such waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereon.

Section 6.05. Control by Majority.

Holders of a majority in principal amount of the then outstanding Notes may direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee or exercising any trust or power conferred on it. However, the Trustee may refuse to follow any direction that conflicts with law or this Indenture that the Trustee determines may be unduly prejudicial to the rights of other Holders of Notes or that may involve the Trustee in personal liability. The Trustee may take any other action which it deems proper that is not inconsistent with any such directive.

Section 6.06. Limitation on Suits.

A Holder of a Note may pursue a remedy with respect to this Indenture or the Notes only if:

(a) the Holder of a Note gives to the Trustee written notice of a continuing Event of Default;

(b) the Holders of at least 25% in principal amount of the then outstanding Notes make a written request to the Trustee to pursue the remedy;

(c) such Holder of a Note or Holders of Notes offer and, if requested, provide to the Trustee indemnity satisfactory to the Trustee against any loss, liability or expense;

(d) the Trustee does not comply with the request within 60 days after receipt of the request and the offer and, if requested, the provision of indemnity; and

(e) during such 60-day period the Holders of a majority in principal amount of the then outstanding Notes do not give the Trustee a direction inconsistent with the request.

A Holder of a Note may not use this Indenture to prejudice the rights of another Holder of a Note or to obtain a preference or priority over another Holder of a Note.

Section 6.07. Rights of Holders of Notes to Receive Payment.

Notwithstanding any other provision of this Indenture, the right of any Holder of a Note to receive payment of principal, premium, if any, and interest on the Note, on or after the respective due

dates expressed in the Note (including in connection with an offer to purchase), or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder.

Section 6.08. Collection Suit by Trustee.

If an Event of Default specified in Section 6.01(a) or (b) occurs and is continuing, the Trustee is authorized to recover judgment in its own name and as trustee of an express trust against the Issuers for the whole amount of principal of, premium, if any, and interest remaining unpaid on the Notes and interest on overdue principal and, to the extent lawful, interest and such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

Section 6.09. Trustee May File Proofs of Claim.

The Trustee is authorized to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and the Holders of the Notes allowed in any judicial proceedings relative to the Issuers (or any other obligor upon the Notes), their creditors or their property and shall be entitled and empowered to collect, receive and distribute any money or other property payable or deliverable on any such claims and any custodian in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee, and in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.07. To the extent that the payment of any such compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.07 out of the estate in any such proceeding, shall be denied for any reason, payment of the same shall be secured by a Lien on, and shall be paid out of, any and all distributions, dividends, money, securities and other properties that the Holders may be entitled to receive in such proceeding whether in liquidation or under any plan of reorganization or arrangement or otherwise. Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

Section 6.10. Priorities.

If the Trustee collects any money pursuant to this Article, it shall pay out the money in the following order:

First: to the Trustee, its agents and attorneys for amounts due under Section 7.07, including payment of all compensation, expense and liabilities incurred, and all advances made, by the Trustee and the costs and expenses of collection;

Second: to Holders of Notes for amounts due and unpaid on the Notes for principal, premium, if any, and interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for principal, premium, if any and interest, respectively; and

Third: to the Issuers or to such party as a court of competent jurisdiction shall direct.

The Trustee may fix a record date and payment date for any payment to Holders of Notes pursuant to this Section 6.10.

Section 6.11. Undertaking for Costs.

In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as a Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section does not apply to a suit by the Trustee, a suit by a Holder of a Note pursuant to Section 6.07, or a suit by Holders of more than 10% in principal amount of the then outstanding Notes.

ARTICLE 7
TRUSTEE

Section 7.01. Duties of Trustee.

(a) If an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in its exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) Except during the continuance of an Event of Default:

(i) the duties of the Trustee shall be determined solely by the express provisions of this Indenture and the Trustee need perform only those duties that are specifically set forth in this Indenture and no others, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, the Trustee shall examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture.

(c) The Trustee may not be relieved from liabilities for its own gross negligent action, its own gross negligent failure to act, or its own willful misconduct, except that:

(i) this paragraph does not limit the effect of paragraph (b) of this Section;

(ii) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it is proved that the Trustee was grossly negligent in ascertaining the pertinent facts; and

(iii) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.05.

(d) Whether or not therein expressly so provided, every provision of this Indenture that in any way relates to the Trustee is subject to paragraphs (a), (b), and (c) of this Section 7.01.

(e) No provision of this Indenture shall require the Trustee to expend or risk its own funds or incur any liability. The Trustee shall be under no obligation to exercise any of its rights and powers under this Indenture at the request of any Holders, unless such Holder shall have offered to the Trustee security and indemnity satisfactory to it against any loss, liability or expense.

(f) The Trustee shall not be liable for interest on any money received by it except as the Trustee may agree in writing with the Issuers. Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

(g) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture or other paper or documents.

Section 7.02. Rights of Trustee.

(a) The Trustee may conclusively rely upon any document believed by it to be genuine and to have been signed or presented by the proper Person. The Trustee need not investigate any fact or matter stated in the document.

(b) Before the Trustee acts or refrains from acting, it may require an Officers' Certificate or an Opinion of Counsel or both. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on such Officers' Certificate or Opinion of Counsel. The Trustee may consult with counsel and the written advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection from liability in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

(c) The Trustee may act through its attorneys and agents and shall not be responsible for the misconduct or negligence of any agent appointed with due care.

(d) The Trustee shall not be liable for any action it takes or omits to take in good faith that it believes to be authorized or within the rights or powers conferred upon it by this Indenture.

(e) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from either of the Issuers shall be sufficient if signed by an Officer of such Issuer.

(f) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders unless such Holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities that might be incurred by it in compliance with such request or direction.

(g) The Trustee shall not be charged with knowledge of any Default or Event of Default unless either (i) a Responsible Officer of the Trustee shall have actual knowledge of such Default or Event of Default or (ii) written notice of such Default or Event of Default shall have been given to the Trustee by the Issuers or any Holder.

Section 7.03. Individual Rights of Trustee.

The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Issuers, the Guarantor or any Affiliate of either of the Issuers or the Guarantor with the same rights it would have if it were not Trustee. However, in the event that the Trustee acquires any conflicting interest it must eliminate such conflict within 90 days, apply to the SEC for permission to continue as trustee or resign. Any Agent may do the same with like rights and duties. The Trustee is also subject to Sections 7.10 and 7.11.

Section 7.04. Trustee's Disclaimer.

The Trustee shall not be responsible for and makes no representation as to the validity or adequacy of this Indenture or the Notes, it shall not be accountable for the Issuers' use of the proceeds from the Notes or any money paid to the Issuers or upon the Issuers' direction under any provision of this Indenture, it shall not be responsible for the use or application of any money received by any Paying Agent other than the Trustee, and it shall not be responsible for any statement or recital herein or any statement in the Notes or any other document in connection with the sale of the Notes or pursuant to this Indenture other than its certificate of authentication.

Section 7.05. Notice of Defaults.

If a Default or Event of Default occurs and is continuing and if it is known to the Trustee, the Trustee shall mail to Holders of Notes a notice of the Default or Event of Default within 90 days after the Trustee acquires knowledge thereof. Except in the case of a Default or Event of Default in payment of principal of, premium, if any, or interest on any Note, the Trustee may withhold the notice if and so long as a committee of its Responsible Officers in good faith determines that withholding the notice is in the interests of the Holders of the Notes.

Section 7.06. Reports by Trustee to Holders of the Notes.

Within 60 days after each May 15 beginning with the May 15 following the date of this Indenture, and for so long as Notes remain outstanding, the Trustee shall mail to the Holders of the Notes a brief report dated as of such reporting date that complies with TIA ss. 313(a) (but if no event described in TIA ss. 313(a) has occurred within the twelve months preceding the reporting date, no report need be transmitted). The Trustee also shall comply with TIA ss. 313(b)(2). The Trustee shall also transmit by mail all reports as required by TIA ss. 313(c).

A copy of each report at the time of its mailing to the Holders of Notes shall be mailed to the Company and filed with the SEC and each stock exchange on which the Notes are listed in accordance with TIA ss. 313(d). The Issuers shall promptly notify the Trustee when the Notes are listed on any stock exchange.

Section 7.07. Compensation and Indemnity.

The Issuers shall pay to the Trustee from time to time reasonable compensation for its acceptance of this Indenture and services hereunder. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Issuers shall reimburse the Trustee promptly upon request for all reasonable disbursements, advances and expenses incurred or made by it in addition to the compensation for its services. Such expenses shall include the reasonable compensation, disbursements and expenses of the Trustee's agents and counsel.

The Issuers and the Guarantor shall, jointly and severally, indemnify the Trustee against any and all losses, liabilities or expenses incurred by it arising out of or in connection with the acceptance or administration of its duties under this Indenture, including the costs and expenses of enforcing this Indenture against the Issuers and the Guarantor (including this Section 7.07) and defending itself against any claim (whether asserted by the Issuers or the Guarantor or any Holder or any other person) or liability in connection with the exercise or performance of any of its powers or duties hereunder, except to the extent any such loss, liability or expense may be attributable to its gross negligence or willful misconduct. The Trustee shall notify the Issuers promptly of any claim for which it may seek indemnity. Failure by the Trustee to so notify the Issuers shall not relieve the Issuers or the Guarantor of their obligations hereunder. The Issuers and the Guarantor shall defend the claim and the Trustee shall cooperate in the defense. The Trustee may have separate counsel and the Issuers shall pay the reasonable fees and expenses of such counsel. The Issuers and the Guarantor need not pay for any settlement made without their consent, which consent shall not be unreasonably withheld.

The obligations of the Issuers and the Guarantor under this Section 7.07 shall survive resignation or removal of the Trustee and the satisfaction and discharge of this Indenture.

To secure the Issuers' payment obligations in this Section, the Trustee shall have a Lien prior to the Notes on all money or property held or collected by the Trustee, except that held in trust to pay principal and interest on particular Notes. Such Lien shall survive the resignation or removal of the Trustee and the satisfaction and discharge of this Indenture.

When the Trustee incurs expenses or renders services after an Event of Default specified in Section 6.01(g) or (h) occurs, the expenses and the compensation for the services (including the fees and expenses of its agents and counsel) are intended to constitute expenses of administration under any Bankruptcy Law.

The Trustee shall comply with the provisions of TIA ss. 313(b)(2) to the extent applicable.

Section 7.08. Replacement of Trustee.

A resignation or removal of the Trustee and appointment of a successor Trustee shall become effective only upon the successor Trustee's acceptance of appointment as provided in this Section.

The Trustee may resign in writing at any time and be discharged from the trust hereby created by so notifying the Issuers. The Holders of a majority in principal amount of the then outstanding Notes may remove the Trustee by so notifying the Trustee and the Issuers in writing. The Issuers may remove the Trustee if:

(a) the Trustee fails to comply with Section 7.10;

(b) the Trustee is adjudged a bankrupt or an insolvent or an order for relief is entered with respect to the Trustee under any Bankruptcy Law;

(c) a custodian or public officer takes charge of the Trustee or its property; or

(d) the Trustee becomes incapable of acting.

If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason, the Issuers shall promptly appoint a successor Trustee. Within one year after the successor Trustee takes

office, the Holders of a majority in principal amount of the then outstanding Notes may appoint a successor Trustee to replace the successor Trustee appointed by the Issuers.

If a successor Trustee does not take office within 60 days after the retiring Trustee resigns or is removed, the retiring Trustee, the Issuers, or the Holders of at least 10% in principal amount of the then outstanding Notes may petition any court of competent jurisdiction for the appointment of a successor Trustee.

If the Trustee, after written request by any Holder who has been a Holder for at least six months, fails to comply with Section 7.10, such Holder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Issuers. Thereupon, the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee shall mail a notice of its succession to Holders. The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee; provided all sums owing to the Trustee hereunder have been paid and subject to the Lien provided for in Section 7.07. Notwithstanding replacement of the Trustee pursuant to this Section 7.08, the Issuers' and the Guarantor's obligations under Section 7.07 shall continue for the benefit of the retiring Trustee.

Section 7.09. Successor Trustee by Merger, etc.

If the Trustee consolidates, merges or converts into, or transfers all or substantially all of its corporate trust business to, another corporation, the successor corporation without any further act shall be the successor Trustee.

Section 7.10. Eligibility; Disqualification.

There shall at all times be a Trustee hereunder that is a corporation organized and doing business under the laws of the United States of America or of any state thereof that is authorized under such laws to exercise corporate trustee power, that is subject to supervision or examination by federal or state authorities and that has a combined capital and surplus of at least $100 million as set forth in its most recent published annual report of condition.

This Indenture shall always have a Trustee who satisfies the requirements of TIA ss. 310(a)(1), (2) and (5). The Trustee is subject to TIA ss. 310(b).

Section 7.11. Preferential Collection of Claims Against the Issuers.

The Trustee is subject to TIA ss. 311(a), excluding any creditor relationship listed in TIA ss. 311(b). A Trustee who has resigned or been removed shall be subject to TIA ss. 311(a) to the extent indicated therein.

ARTICLE 8
LEGAL DEFEASANCE AND COVENANT DEFEASANCE

Section 8.01. Option to Effect Legal Defeasance or Covenant Defeasance.

The Issuers may, at the option of their respective Boards of Directors evidenced by a resolution set forth in an Officers' Certificate of each of the Issuers, at any time, elect to have either Section 8.02 or 8.03 be applied to all outstanding Notes upon compliance with the conditions set forth below in this Article 8.

Section 8.02. Legal Defeasance and Discharge.

Upon the Issuers' exercise under Section 8.01 of the option applicable to this Section 8.02, the Issuers and the Guarantor shall, subject to the satisfaction of the conditions set forth in Section 8.04, be deemed to have been discharged from their obligations with respect to all outstanding Notes and Guarantees thereof on the date the conditions set forth below are satisfied (hereinafter, "Legal Defeasance"). For this purpose, Legal Defeasance means that the Issuers shall be deemed to have paid and discharged the entire Indebtedness represented by the outstanding Notes, which shall thereafter be deemed to be "outstanding" only for the purposes of Section 8.05 and the other Sections of this Indenture referred to in (a) and (b) below, and to have satisfied all their other obligations under such Notes and this Indenture (and the Trustee, on demand of and at the expense of the Issuers, shall execute proper instruments acknowledging the same), except for the following provisions which shall survive until otherwise terminated or discharged hereunder:

(a) the rights of Holders of outstanding Notes to receive payments in respect of the principal of, premium, if any, and interest on such Notes when such payments are due from the trust referred to below;

(b) the Issuers' 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;

(c) the rights, powers, trusts, duties and immunities of the Trustee, and the Issuers' and the Guarantor's obligations in connection therewith; and

(d) the Legal Defeasance provisions of this Indenture;

Subject to compliance with this Article 8, the Issuers may exercise their option under this Section 8.02 notwithstanding the prior exercise of their option under Section 8.03.

Section 8.03. Covenant Defeasance.

Upon the Issuers' exercise under Section 8.01 of the option applicable to this Section 8.03, the Issuers and the Guarantor shall, subject to the satisfaction of the conditions set forth in Section 8.04, be released from their obligations under the covenants contained in Article 5 and Sections 4.03, 4.07, 4.08, 4.09, 4.10, 4.11, 4.12, 4.13, 4.14, 4.16, 4.17 and 4.19 with respect to the outstanding Notes and Guarantees thereof on and after the date the conditions set forth in Section 8.04 are satisfied (hereinafter, "Covenant Defeasance"), and the Notes and Guarantees thereof shall thereafter be deemed not "outstanding" for the purposes of any direction, waiver, consent or declaration or act of Holders (and the consequences of any thereof) in connection with such covenants, but shall continue to be deemed

"outstanding" for all other purposes hereunder (it being understood that such Notes shall not be deemed outstanding for accounting purposes). For this purpose, Covenant Defeasance means that, with respect to the outstanding Notes, the Issuers and the Guarantor may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any reference in any such covenant to any other provision herein or in any other document and such omission to comply shall not constitute a Default or an Event of Default under Section 6.01, but, except as specified above, the remainder of this Indenture and such Notes and the Guarantees thereof shall be unaffected thereby. In addition, upon the Issuers' exercise under Section 8.01 of the option applicable to this Section 8.03, subject to the satisfaction of the conditions set forth in Section 8.04, Sections 6.01(c) through 6.01(f) shall not constitute Events of Default.

Section 8.04. Conditions to Legal or Covenant Defeasance.

The following shall be the conditions to the application of either Section 8.02 or 8.03 to the outstanding Notes:

In order to exercise either Legal Defeasance or Covenant Defeasance:

(1) the Company 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 the Company must specify whether the Notes are being defeased to maturity or to a particular redemption date;

(2) in the case of Legal Defeasance, the Company shall have delivered to the Trustee an Opinion of Counsel reasonably acceptable to the Trustee confirming that (a) the Company has received from, or there has been published by, the Internal Revenue Service a ruling or (b) since the date of this Indenture, 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, the Company 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 this Indenture) to which the Company or any of the Restricted Subsidiaries is a party or by which the Company or any of the Restricted Subsidiaries is bound;

(6) the Company must have delivered to the applicable Trustee an opinion of counsel to the effect that after the 91st day assuming no intervening bankruptcy, that no Holder is an insider of either of the Issuers following the deposit and that such deposit would not be deemed by a court of competent jurisdiction a transfer for the benefit of the Guarantor or either co-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) the Company must deliver to the Trustee an Officers' Certificate stating that the deposit was not made by the Company 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 the Company or others; and

(8) the Company 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 (i) have become due and payable or (ii) will become due and payable on the maturity date within one year, by their terms or 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.

Section 8.05. Deposited Money and Government Securities to Be Held in Trust; Other Miscellaneous Provisions.

Subject to Section 8.06, all money and non-callable Government Securities (including the proceeds thereof) deposited with the Trustee (or other qualifying trustee, collectively for purposes of this Section 8.05, the "Trustee") pursuant to Section 8.04 in respect of the outstanding Notes shall be held in trust and applied by the Trustee, in accordance with the provisions of such Notes and this Indenture, to the payment, either directly or through any Paying Agent (including the Issuers acting as Paying Agent) as the Trustee may determine, to the Holders of such Notes of all sums due and to become due thereon in respect of principal, premium, if any, and interest, but such money need not be segregated from other funds except to the extent required by law.

The Issuers and the Guarantor shall pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the cash or non-callable Government Securities deposited pursuant to Section 8.04 or the principal and interest received in respect thereof other than any such tax, fee or other charge which by law is for the account of the Holders of the outstanding Notes.

Anything in this Article 8 to the contrary notwithstanding, the Trustee shall deliver or pay to the Issuers from time to time upon the request of the Issuers any money or non-callable Government Securities held by it as provided in Section 8.04 which, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee (which may be the opinion delivered under Section 8.04(a)), are in excess of the amount thereof that

would then be required to be deposited to effect an equivalent Legal Defeasance or Covenant Defeasance.

Section 8.06. Repayment to Issuers.

Any money deposited with the Trustee or any Paying Agent, or then held by the Issuers, in trust for the payment of the principal of, premium, if any, or interest on any Note and remaining unclaimed for two years after such principal, and premium, if any, or interest has become due and payable shall be paid to the Issuers on their request or (if then held by the Issuers) shall be discharged from such trust; and the Holder of such Note shall thereafter look only to the Issuers for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Issuers as trustee thereof, shall thereupon cease; provided, however, that the Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Issuers cause to be published once, in the New York Times and The Wall Street Journal (national edition), notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such notification or publication, any unclaimed balance of such money then remaining shall be repaid to the Issuers.

Section 8.07. Reinstatement.

If the Trustee or Paying Agent is unable to apply any United States dollars or non-callable Government Securities in accordance with Section 8.02 or 8.03, as the case may be, by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the Issuers' and the Guarantor's obligations under this Indenture, the Notes and the Guarantee, as the case may be, shall be revived and reinstated as though no deposit had occurred pursuant to Section 8.02 or 8.03 until such time as the Trustee or Paying Agent is permitted to apply all such money in accordance with Section 8.02 or 8.03, as the case may be; provided, however, that, if the Issuers make any payment of principal of, premium, if any, or interest on any Note following the reinstatement of their obligations, the Issuers or the Guarantor, as the case may be, shall be subrogated to the rights of the Holders of such Notes to receive such payment from the money held by the Trustee or Paying Agent.

ARTICLE 9
AMENDMENT, SUPPLEMENT AND WAIVER

Section 9.01. Without Consent of Holders of Notes.

Notwithstanding Section 9.02 of this Indenture, the Issuers, the Guarantor and the Trustee may amend or supplement this Indenture or the Notes without the consent of any Holder of a Note:

(a) to cure any ambiguity, defect or inconsistency;

(b) to provide for uncertificated Notes in addition to or in place of certificated Notes;

(c) to provide for the assumption of an Issuer's or the Guarantor's obligations, as the case may be, to Holders of Notes in the case of a merger or consolidation or sale of all or substantially all of the assets of either Issuer or the Guarantor, as the case may be, pursuant to Article 5;

(d) 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 this Indenture of any such Holder; or

(e) to comply with requirements of the SEC in order to effect or maintain the qualification of this Indenture under the TIA or otherwise as necessary to comply with applicable law.

Upon the request of the Issuers accompanied by a resolution of their respective Boards of Directors authorizing the execution of any such amended or supplemental Indenture, and upon receipt by the Trustee of the documents described in Section 7.02, the Trustee shall join with the Issuers and the Guarantor in the execution of any amended or supplemental Indenture authorized or permitted by the terms of this Indenture and to make any further appropriate agreements and stipulations that may be therein contained, but the Trustee shall not be obligated to enter into such amended or supplemental Indenture that affects its own rights, duties or immunities under this Indenture or otherwise.

Section 9.02. With Consent of Holders of Notes.

Except as provided below in this Section 9.02, this Indenture (including Sections 4.11 and 4.16) or the Notes may be amended or supplemented with the consent of the Holders of at least a majority in principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or a tender offer or exchange offer for, Notes) and, subject to Sections 6.04 and 6.07, any existing Default or compliance with any provision of this Indenture or the Notes may be waived with the consent of the Holders of a majority in principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or a tender offer or exchange offer for, Notes). Section 2.08 shall determine which Notes are considered to be "outstanding" for purposes of this Section 9.02.

Upon the request of the Issuers accompanied by a resolution of their respective Boards of Directors authorizing the execution of any such amended or supplemental Indenture, and upon the filing with the Trustee of evidence satisfactory to the Trustee of the consent of the Holders of Notes as aforesaid, and upon receipt by the Trustee of the documents described in Section 7.02, the Trustee shall join with the Issuers and the Guarantor in the execution of such amended or supplemental Indenture unless such amended or supplemental Indenture directly affects the Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, enter into such amended or supplemental Indenture.

It shall not be necessary for the consent of the Holders of Notes under this Section 9.02 to approve the particular form of any proposed amendment or waiver, but it shall be sufficient if such consent approves the substance thereof.

After an amendment, supplement or waiver under this Section 9.02 becomes effective, the Company shall mail to the Holders of Notes affected thereby a notice briefly describing the amendment, supplement or waiver. Any failure of the Company to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such amended or supplemental Indenture or waiver. Subject to Sections 6.04 and 6.07, the Holders of a majority in aggregate principal amount of the Notes then outstanding may waive compliance in a particular instance by the Issuers with any provision of this Indenture or the Notes. However, without the consent of each Holder affected, an amendment, supplement or waiver under this Section 9.02 may not (with respect to any Notes held by a non-consenting Holder):

(a) reduce the principal amount of Notes whose Holders must consent to an amendment, supplement or waiver;

(b) 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 Sections 4.11 and 4.16);

(c) reduce the rate of or extend the time for payment of interest on any Note;

(d) 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);

(e) make any Note payable in money other than that stated in the Notes;

(f) make any change in the provisions of this Indenture relating to waivers of past Defaults or the rights of Holders of Notes to receive payments of principal of or premium, if any, or interest on the Notes;

(g) waive a redemption payment with respect to any Note (other than a payment required by one of the covenants described in Sections 4.11 and 4.16);

(h) amend any provision or release the Guarantee of the Guarantor except pursuant to the Marcus Combination; or

(i) make any change in this Section 9.02.

Section 9.03. Compliance with Trust Indenture Act.

Every amendment or supplement to this Indenture or the Notes shall be set forth in a amended or supplemental Indenture that complies with the TIA as then in effect.

Section 9.04. Revocation and Effect of Consents.

Until an amendment, supplement or waiver becomes effective, a consent to it by a Holder of a Note is a continuing consent by the Holder of a Note and every subsequent Holder of a Note or portion of a Note that evidences the same debt as the consenting Holder's Note, even if notation of the consent is not made on any Note. However, any such Holder of a Note or subsequent Holder of a Note may revoke the consent as to its Note if the Trustee receives written notice of revocation before the date the waiver, supplement or amendment becomes effective. An amendment, supplement or waiver becomes effective in accordance with its terms and thereafter binds every Holder.

Section 9.05. Notation on or Exchange of Notes.

The Trustee may place an appropriate notation about an amendment, supplement or waiver on any Note thereafter authenticated. The Issuers in exchange for all Notes may issue and the Trustee shall, upon receipt of an Authentication Order, authenticate new Notes that reflect the amendment, supplement or waiver.

Failure to make the appropriate notation or issue a new Note shall not affect the validity and effect of such amendment, supplement or waiver.

Section 9.06. Trustee to Sign Amendments, etc.

The Trustee shall sign any amended or supplemental Indenture authorized pursuant to this Article 9 if the amendment or supplement does not adversely affect the rights, duties, liabilities or immunities of the Trustee. The Issuers and the Guarantor may not sign an amendment or supplemental Indenture until their respective Boards of Directors approve it. In executing any amended or supplemental indenture, the Trustee shall be entitled to receive and (subject to Section 7.01) shall be fully protected in relying upon, in addition to the documents required by Section 12.04, an Officer's Certificate and an Opinion of Counsel, in each case from each of the Issuers, stating that the execution of such amended or supplemental indenture is authorized or permitted by this Indenture.

ARTICLE 10
GUARANTEE OF NOTES

Section 10.01. Unconditional Guarantee.

Subject to the provisions of this Article Ten, the Guarantor hereby unconditionally and irrevocably guarantees, on a senior basis to each Holder of a Note authenticated and delivered by the Trustee and to the Trustee and its successors and assigns, irrespective of the validity and enforceability of this Indenture, the Notes or the obligations of the Issuers to the Holders or the Trustee hereunder or thereunder, that: (a) the principal of, premium, if any, and interest on the Notes (and any Special Interest payable thereon) shall be duly and punctually paid in full when due, whether at maturity, upon redemption at the option of Holders pursuant to the provisions of the Notes relating thereto, by acceleration or otherwise, and interest on the overdue principal and (to the extent permitted by law) interest, if any, on the Notes and all other obligations of the Issuers to the Holders or the Trustee hereunder or thereunder (including amounts due the Trustee under Section 7.07) and all other obligations shall be promptly paid in full or performed, all in accordance with the terms hereof and thereof; and (b) in case of any extension of time of payment or renewal of any Notes or any of such other obligations, the same shall be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at maturity, by acceleration or otherwise. Failing payment when due of any amount so guaranteed, or failing performance of any other obligation of the Issuers to the Holders under this Indenture or under the Notes, for whatever reason, the Guarantor shall be obligated to pay, or to perform or cause the performance of, the same immediately. An Event of Default under this Indenture or the Notes shall constitute an event of default under this Guarantee, and shall entitle the Holders of Notes to accelerate the obligations of the Guarantor hereunder in the same manner and to the same extent as the obligations of the Issuers.

The Guarantor hereby agrees that its obligations hereunder shall be unconditional, irrespective of the validity, regularity or enforceability of the Notes or this Indenture, the absence of any action to enforce the same, any waiver or consent by any Holder of the Notes with respect to any provisions hereof or thereof, the recovery of any judgment against the Issuers, any action to enforce the same, whether or not this Guarantee is affixed to any particular Note, or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of the Guarantor. The Guarantor hereby waives the benefit of diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of either Issuer, any right to require a proceeding first against either Issuer, protest, notice and all demands whatsoever and covenants that its Guarantee shall not be discharged

except by complete performance of the obligations contained in the Notes, this Indenture and this Guarantee or except as otherwise permitted by this Indenture. This Guarantee is a guarantee of payment and not of collection. If any Holder or the Trustee is required by any court or otherwise to return to either Issuer or to the Guarantor, or any custodian, trustee, liquidator or other similar official acting in relation to either Issuer or the Guarantor, any amount paid by either Issuer or the Guarantor to the Trustee or such Holder, this Guarantee, to the extent theretofore discharged, shall be reinstated in full force and effect. The Guarantor further agrees that, as between it, on the one hand, and the Holders of Notes and the Trustee, on the other hand, (a) subject to this Article Ten, the maturity of the obligations guaranteed hereby may be accelerated as provided in Article Six for the purposes of this Guarantee, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby, and (b) in the event of any acceleration of such obligations as provided in Article Six, such obligations (whether or not due and payable) shall forthwith become due and payable by the Guarantor for the purpose of this Guarantee.

No stockholder, member, officer, director, employee or incorporator, past, present or future, of the Guarantor , as such, shall have any personal liability under this Guarantee by reason of his, her or its status as such stockholder, officer, director, employee or incorporator.

Section 10.02. Limitations on this Guarantee.

The obligations of the Guarantor under its Guarantee are limited to the maximum amount which, after giving effect to all other contingent and fixed liabilities of the Guarantor will result in the obligations of the Guarantor under the Guarantee not constituting a fraudulent conveyance or fraudulent transfer under any laws of the United States, any state of the United States or the District of Columbia.

Section 10.03. Execution and Delivery of this Guarantee.

To further evidence the Guarantee set forth in Section 10.01, the Guarantor hereby agrees that a notation of such Guarantee, substantially in the form of Exhibit F, shall be endorsed on each Note authenticated and delivered by the Trustee. Such Guarantee shall be executed on behalf of the Guarantor by either manual or facsimile signature of two Officers of the Guarantor, each of whom, in each case, shall have been duly authorized to so execute by all requisite corporate action. The validity and enforceability of the Guarantee set forth in Section 10.01 shall not be affected by the fact that it is not affixed to any particular Note. The Guarantor hereby agrees that its Guarantee set forth in Section 10.01 shall remain in full force and effect notwithstanding any failure to endorse on each Note a notation of such Guarantee.

If an Officer of the Guarantor whose signature is on this Indenture or a Guarantee no longer holds that office at the time the Trustee authenticates the Note on which such Guarantee is endorsed or at any time thereafter, the Guarantor's Guarantee of such Note shall be valid nevertheless.

The delivery of any Note by the Trustee, after the authentication thereof hereunder, shall constitute due delivery of any Guarantee set forth in this Indenture on behalf of the Guarantor.

Section 10.04. Release of Guarantor.

(a) Upon the consummation of the Marcus Combination, the Guarantor's Guarantee shall be released, and the Guarantor shall be deemed released from all obligations under this Article Ten and this Indenture without any further action required on the part of the Guarantor, the Trustee or any Holder. If the Marcus Combination is not consummated, the Guarantor will not be so released and the Guarantor or

any entity surviving the Guarantor, as applicable, shall remain or be liable under its Guarantee as provided in this Article Ten.

(b) The Trustee shall deliver an appropriate instrument evidencing the release of the Guarantor upon receipt of a request by the Company or the Guarantor accompanied by an Officers' Certificate and an Opinion of Counsel certifying as to the compliance with this Section 10.04; provided the legal counsel delivering such Opinion of Counsel may rely as to matters of fact on one or more Officers Certificates of the Company or the Guarantor.

The Trustee shall execute any documents reasonably requested by the Company or the Guarantor in order to evidence the release of the Guarantor from its obligations under its Guarantee endorsed on the Notes, under this Article Ten and under this Indenture.

Section 10.05. Waiver of Subrogation.

Until this Indenture is discharged and all of the Notes are discharged and paid in full, the Guarantor hereby irrevocably waives and agrees not to exercise any claim or other rights which it may now or hereafter acquire against either Issuer that arise from the existence, payment, performance or enforcement of the Issuers' obligations under the Notes or this Indenture and the Guarantor's obligations under this Guarantee and this Indenture, in any such instance including, without limitation, any right of subrogation, reimbursement, exoneration, contribution, indemnification, and any right to participate in any claim or remedy of the Holders against either Issuer, 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 either Issuer, 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. If any amount shall be paid to the Guarantor in violation of the preceding sentence and any amounts owing to the Trustee or the Holders of Notes under the Notes, this Indenture, or any other document or instrument delivered under or in connection with such agreements or instruments, shall not have been paid in full, such amount shall have been deemed to have been paid to the Guarantor for the benefit of, and held in trust for the benefit of, the Trustee or the Holders and shall forthwith be paid to the Trustee for the benefit of itself or such Holders to be credited and applied to the obligations in favor of the Trustee or the Holders, as the case may be, whether matured or unmatured, in accordance with the terms of this Indenture. The Guarantor acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by this Indenture and that the waiver set forth in this Section 10.05 is knowingly made in contemplation of such benefits.

Section 10.06. Immediate Payment.

The Guarantor agrees to make immediate payment to the Trustee on behalf of the Holders of all obligations under the Notes and this Indenture owing or payable to the respective Holders upon receipt of a demand for payment therefor by the Trustee to such Guarantor in writing.

Section 10.07. Obligations Continuing.

The obligations of the Guarantor hereunder shall be continuing and shall remain in full force and effect until all the obligations have been paid and satisfied in full. The Guarantor agrees with the Trustee that it will from time to time deliver to the Trustee suitable acknowledgments of this continued liability hereunder.

Section 10.08. Obligations Reinstated.

The obligations of the Guarantor hereunder shall continue to be effective or shall be reinstated, as the case may be, if at any time any payment which would otherwise have reduced the obligations of the Guarantor hereunder (whether such payment shall have been made by or on behalf of either Issuer or by or on behalf of the Guarantor) is rescinded or reclaimed from any of the Holders upon the insolvency, bankruptcy, liquidation or reorganization of either Issuer or the Guarantor or otherwise, all as though such payment had not been made. If demand for, or acceleration of the time for, payment by either Issuer is stayed upon the insolvency, bankruptcy, liquidation or reorganization of either Issuer, all such Indebtedness otherwise subject to demand for payment or acceleration shall nonetheless be payable by the Guarantor as provided herein.

Section 10.09. Obligations Not Affected.

The obligations of the Guarantor hereunder shall not be affected, impaired or diminished in any way by any act, omission, matter or thing whatsoever, occurring before, upon or after any demand for payment hereunder (and whether or not known or consented to by the Guarantor or any of the Holders) which, but for this provision, might constitute a whole or partial defense to a claim against the Guarantor hereunder or might operate to release or otherwise exonerate the Guarantor from any of its obligations hereunder or otherwise affect such obligations, whether occasioned by default of any of the Holders or otherwise.

Section 10.10. Waiver.

Without in any way limiting the provisions of Section 10.01 hereof, the Guarantor hereby waives notice or proof of reliance by the Holders upon the obligations of the Guarantor hereunder, and diligence, presentment, demand for payment on the Issuers, protest or notice of dishonor of any of the obligations under the Note and this Indenture, or other notice or formalities to the Issuers of any kind whatsoever.

Section 10.11. No Obligation To Take Action Against Either Issuer.

Neither the Trustee nor any other Person shall have any obligation to enforce or exhaust any rights or remedies or to take any other steps under any security for the obligations under the Notes and this Indenture or against either Issuer or any other Person or any property of either Issuer or any other Person before the Trustee is entitled to demand payment and performance by the Guarantor of its liabilities and obligations under its Guarantees or under this Indenture.

Section 10.12. Dealing With The Company and Others.

The Holders, without releasing, discharging, limiting or otherwise affecting in whole or in part the obligations and liabilities of the Guarantor hereunder and without the consent of or notice to the Guarantor, may

(a) grant time, renewals, extensions, compromises, concessions, waivers, releases, discharges and other indulgences to either Issuer or any other Person;

(b) take or abstain from taking security or collateral from the Issuers or from perfecting security or collateral of the Issuers;

(c) release, discharge, compromise, realize, enforce or otherwise deal with or do any act or thing in respect of (with or without consideration) any and all collateral, mortgages or other security given by the Issuers or any third party with respect to the obligations or matters contemplated by this Indenture or the Notes;

(d) accept compromises or arrangements from either Issuer;

(e) apply all monies at any time received from either Issuer or from any security upon such part of the obligations under the Notes or this Indenture as the Holders may see fit or change any such application in whole or in part from time to time as the Holders may see fit; and

(f) otherwise deal with, or waive or modify their right to deal with, either Issuer and all other Persons and any security as the Holders or the Trustee may see fit.

Section 10.13. Default and Enforcement.

If the Guarantor fails to pay in accordance with Section 10.06, the Trustee may proceed in its name as trustee hereunder in the enforcement of the Guarantee of the Guarantor and the Guarantor's obligations thereunder and hereunder by any remedy provided by law, whether by legal proceedings or otherwise, and to recover from the Guarantor the obligations.

Section 10.14. Amendment, Etc.

No amendment, modification or waiver of any provision of this Indenture relating to the Guarantor or consent to any departure by the Guarantor or any other Person from any such provision will in any event be effective unless it is signed by the Guarantor, the Issuers and the Trustee.

Section 10.15. Acknowledgement.

The Guarantor hereby acknowledges communication of the terms of this Indenture and the Notes and consents to and approves of the same.

Section 10.16. Costs and Expenses.

The Guarantor shall pay on demand by the Trustee any and all costs, fees and expenses (including, without limitation, legal fees on a solicitor and client basis) incurred by the Trustee, its agents, advisors and counsel or any of the Holders in enforcing any of their rights under the Guarantee.

Section 10.17. No Waiver; Cumulative Remedies.

No failure to exercise and no delay in exercising, on the part of the Trustee or the Holders, any right, remedy, power or privilege hereunder or under this Indenture or the Notes, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder or under this Indenture or the Notes preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges in the Guarantee and under this Indenture, the Notes and any other document or instrument between the Guarantor and/or the Issuers and the Trustee are cumulative and not exclusive of any rights, remedies, powers and privilege provided by law.

Section 10.18. Effect of Offset or Counterclaim.

The obligations of the Guarantor hereunder shall be enforceable against the Guarantor without regard to and without giving effect to any right of offset or counterclaim available to or which may be asserted by the Company or the Guarantor.

Section 10.19. Guarantee in Addition to Other Obligations.

The obligations of the Guarantor under its Guarantee and this Indenture are in addition to and not in substitution for any other obligations to the Trustee or to any of the Holders in relation to this Indenture or the Notes (including the Purchase Agreement and the Registration Rights Agreement).

Section 10.20. Severability.

Any provision of this Article Ten which is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction unless its removal would substantially defeat the basic intent, spirit and purpose of this Indenture and this Article Ten.

Section 10.21. Successors and Assigns.

Each Guarantee shall be binding upon and inure to the benefit of the Guarantor, the Issuers, the Trustee and the Holders and their respective successors and permitted assigns, except that the Guarantor may not assign any of its obligations hereunder or thereunder.

ARTICLE 11
SECURITY

Section 11.01. Security.

In order to secure the due and punctual payment of the principal of, premium, if any, and interest, and Special Interest, if any, on the Notes when and as the same shall be due and payable, whether on an interest payment date, at maturity, by acceleration, call for redemption or otherwise, and interest on the overdue principal and interest, if any, of the Notes and performance of all other obligations of the Issuers, to the Holders or the Trustee under this Indenture and the Notes, according to the terms hereof or thereof, the Company will make an assignment of its right, title and interest in and to the Collateral to the Trustee pursuant to the Pledge Documents and to the extent therein provided, no later than the date of the first issuance of the Notes hereunder. At the time the Pledge Documents are executed, the Company will have full right, power and lawful authority to grant, bargain, sell, release, convey, hypothecate, assign, mortgage, transfer and confirm, absolutely, the property constituting the Collateral in the manner and form done, or intended to be done, in the Pledge Documents, free and clear of all Liens whatsoever, except to the extent otherwise provided therein, and (a) will for so long as any Notes are outstanding, warrant and defend the title to the same against the claims of all Persons whatsoever, (b) will execute, acknowledge and deliver to the Trustee such further assignments, transfers, assurances or other instruments as the Trustee may require or request and (c) will do or cause to be done all such acts and things as may be necessary or proper, or as may be required by the Trustee, to assure and confirm to the Trustee the security interest in the Collateral contemplated hereby and by the Pledge Documents, or any part thereof, as from time to time constituted, so as to render the same available for the security and benefit of this Indenture and of the Notes secured hereby, according to the intent and

purposes herein expressed. The Pledge Documents will create a direct and valid Lien on the property constituting the Collateral as set forth in the Pledge Documents.

Section 11.02. Recording and Opinions.

The Company will cause, at its own expense, the Pledge Documents, this Indenture and all amendments or supplements thereto and UCC-1 financing statements and other applicable documents relating thereto to be registered, recorded and filed or re-recorded, refiled and renewed in such manner and in such place or places if any, as may be required by law in order fully to preserve and protect the Liens created by the Pledge Documents on all parts of the Collateral and to effectuate and preserve the security of the Holders and all rights of the Trustee.

The Company shall furnish to the Trustee:

(a) promptly after the execution and delivery of the Pledge Documents, an Opinion of Counsel either (a) stating that, in the opinion of such counsel, this Indenture and the assignment of the Collateral intended to be made by the Pledge Documents and all other instruments of further assurance or amendment have been properly recorded, registered and filed to the extent necessary to make effective the Lien intended to be created by the Pledge Documents, and reciting the details of such action or referring to prior opinions of counsel in which such details are given, and stating that as to the Pledge Documents such recordings, registering and filings are sufficient to give notice thereof and that no re-recordings, re-registerings or refilings are necessary to maintain such notice, and further stating that all financing statements and continuation statements have been executed and filed that are necessary fully to preserve and protect the rights of the Holders and the Trustee hereunder and under the Pledge Documents, or (b) stating that, in the opinion of such counsel, no such action is necessary to make such Lien and assignment effective; and

(b) within 30 days after April 1 in each year beginning with April 1, 2000, an Opinion of Counsel, dated as of such date, either (a) stating that, in the opinion of such counsel, such action has been taken with respect to the recording, registering, filing, re-recording, re-registering and refiling of all supplemental indentures, financing statements, continuation statements or other instruments of further assurance as is necessary to maintain the Lien of the Pledge Documents and reciting the details of such action or referring to prior opinions of counsel in which such details are given, and stating that all financing statements and continuation statements have been executed and filed that are necessary fully to preserve and protect the rights of the Holders and the Trustee hereunder and under the Pledge Documents, or (b) stating that, in the opinion of such counsel, no such action is necessary to maintain such lien and assignment.

Section 11.03. Release of Collateral.

Upon the consummation of the Marcus Combination, the security interest in the Collateral in favor of the Trustee for the benefit of the Holders will be immediately released.

To the extent applicable, the Company shall cause TIA ss. 314(d) relating the release of property from the Lien of the Pledge Documents to be complied with. Any certificate or opinion required by TIA ss. 314(d) may be made by an officer of the Company, except in cases in which TIA ss. 314(d) requires that such certificate or opinion be made by an independent Person.

Section 11.04. Authorization of Actions To Be Taken by the Trustee.

Subject to the provisions of the Pledge Documents, the Trustee shall have power to institute and to maintain such suits and proceedings as it may deem expedient to prevent any impairment of the Collateral by any acts which may be unlawful or in violation of the Pledge Documents, or this Indenture, and such suits and proceedings as the Trustee may deem expedient to preserve or protect its interests and the interests of the Holders in the Collateral (including power to institute and maintain suits or proceedings to restrain the enforcement of or compliance with any legislative or governmental enactment, rule, or order that may be unconstitutional or otherwise invalid if the enforcement of, or compliance with, such enactment, rule or order would impair the security hereunder or be prejudicial to the interest of the Trustee).

Section 11.05. Acknowledgment that Collateral Secures the Other Notes.

The Collateral is secured for the equal and ratable benefit of the holders of the Notes and the holders of the Other Notes.

ARTICLE 12
MISCELLANEOUS

Section 12.01. Trust Indenture Act Controls.

If any provision of this Indenture limits, qualifies or conflicts with the duties imposed by TIA ss. 318(c), the imposed duties shall control.

Section 12.02. Notices.

Any notice or communication by the Issuers, the Guarantor or the Trustee to the others is duly given if in writing and delivered in Person or mailed by first class mail (registered or certified, return receipt requested), telex, telecopier or overnight air courier guaranteeing next day delivery, to the others' address:

If to the Issuers,
or the Guarantor: c/o Charter Communications, Inc.
12444 Powerscourt Drive, Suite 100
St. Louis, Missouri 63131
Telecopier No.: (314) 965-8793
Attention: Secretary

With a copy to: Paul, Hastings, Janofsky & Walker LLP
399 Park Avenue
31st Floor
New York, New York 10022
Telecopier No.: (212) 319-4090
Attention: Thomas R. Pollock, Esq.

If to the Trustee: Harris Trust and Savings Bank
311 West Monroe, 12th Floor
Chicago, Illinois 60606
Telecopier No.: (312) 461-3525
Attention: Corporate Trust Department

The Issuers, the Guarantor or the Trustee, by notice to the others may designate additional or different addresses for subsequent notices or communications.

All notices and communications (other than those sent to Holders) shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; five Business Days after being deposited in the mail, postage prepaid, if mailed; when answered back, if telexed; when receipt acknowledged, if telecopied; and the next Business Day after timely delivery to the courier, if sent by overnight air courier guaranteeing next day delivery.

Any notice or communication to a Holder shall be mailed by first class mail, certified or registered, return receipt requested, or by overnight air courier guaranteeing next day delivery to its address shown on the register kept by the Registrar. Any notice or communication shall also be so mailed to any Person described in TIA ss. 313(c), to the extent required by the TIA. Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders.

If a notice or communication is mailed in the manner provided above within the time prescribed, it is duly given, whether or not the addressee receives it.

If the Issuers mail a notice or communication to Holders, it shall mail a copy to the Trustee and each Agent at the same time.

Section 12.03. Communication by Holders of Notes with Other Holders of Notes.

Holders may communicate pursuant to TIA ss. 312(b) with other Holders with respect to their rights under this Indenture or the Notes. The Issuers, the Guarantor, the Trustee, the Registrar and anyone else shall have the protection of TIA ss. 312(c).

Section 12.04. Certificate and Opinion as to Conditions Precedent.

Upon any request or application by the Issuers or the Guarantor to the Trustee to take any action under this Indenture, the Issuers or the Guarantor, as the case may be, shall furnish to the Trustee:

(a) an Officers' Certificate in form and substance reasonably satisfactory to the Trustee (which shall include the statements set forth in Section 12.05) stating that, in the opinion of the signers, all conditions precedent and covenants, if any, provided for in this Indenture relating to the proposed action have been satisfied; and

(b) an Opinion of Counsel in form and substance reasonably satisfactory to the Trustee (which shall include the statements set forth in Section 12.05) stating that, in the opinion of such counsel, all such conditions precedent and covenants have been satisfied.

Section 12.05. Statements Required in Certificate or Opinion.

Each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture (other than a certificate provided pursuant to TIA ss. 314(a)(4)) shall comply with the provisions of TIA ss. 314(e) and shall include:

(a) a statement that the Person making such certificate or opinion has read such covenant or condition;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of such Person, he or she has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been satisfied; and

(d) a statement as to whether or not, in the opinion of such Person, such condition or covenant has been satisfied.

Section 12.06. Rules by Trustee and Agents.

The Trustee may make reasonable rules for action by or at a meeting of Holders. The Registrar or Paying Agent may make reasonable rules and set reasonable requirements for its functions.

Section 12.07. No Personal Liability of Directors, Officers, Employees, Members and Stockholders.

No director, officer, employee, incorporator, member or stockholder of the Issuers or the Guarantor, as such, shall have any liability for any obligations of the Issuers or the Guarantor under the Notes, the Guarantee, this Indenture 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 are part of the consideration for issuance of the Notes.

Section 12.08. Governing Law.

THE INTERNAL LAW OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUE THIS INDENTURE, THE NOTES AND THE GUARANTEE WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY. EACH OF THE PARTIES HERETO AGREES TO SUBMIT TO THE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS INDENTURE, THE NOTES OR ANY GUARANTEE.

Section 12.09. No Adverse Interpretation of Other Agreements.

This Indenture may not be used to interpret any other indenture, loan or debt agreement of the Issuers, the Guarantor or their Subsidiaries or of any other Person. Any such indenture, loan or debt agreement may not be used to interpret this Indenture.

Section 12.10. Successors.

All agreements of the Issuers and the Guarantor in this Indenture, the Notes and the Guarantee, as the case may be, shall bind their respective successors. All agreements of the Trustee in this Indenture shall bind its successors.

Section 12.11. Severability.

In case any provision in this Indenture, the Notes or the Guarantee, as the case may be, shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 12.12. Counterpart Originals.

The parties may sign any number of copies of this Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

Section 12.13. Table of Contents, Headings, etc.

The Table of Contents, Cross-Reference Table and Headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part of this Indenture and shall in no way modify or restrict any of the terms or provisions.

ARTICLE 13
SATISFACTION AND DISCHARGE

Section 13.01. Satisfaction and Discharge of Indenture.

This Indenture shall cease to be of further effect (except as to any surviving rights of registration of transfer or exchange of Notes herein expressly provided for), and the Trustee, on demand of and at the expense of the Issuers, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture, when

(1) either

(A) all Notes theretofore authenticated and delivered (other than (i) Notes which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 2.07 and (ii) Notes for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Issuers and thereafter repaid to the Issuers or discharged from such trust,) have been delivered to the Trustee for cancellation; or

(B) all such Notes not theretofore delivered to the Trustee for cancellation

(i) have become due and payable, or

(ii) will become due and payable at their Stated Maturity within one year, or

(iii) are to be called for redemption 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,

and the Issuers, in the case of (i), (ii) or (iii) above, have deposited or caused to be deposited with the Trustee as trust funds in trust for the purpose an amount sufficient to pay and discharge the entire indebtedness on such Notes not theretofore delivered to the Trustee for cancellation, for principal (and premium, if any) and interest to the date of such deposit (in the case of Notes which have become due and payable) or to the maturity or redemption thereof, as the case may be;

(2) the Issuers have paid or caused to be paid all other sums payable hereunder by the Issuers and the Guarantors; and

(3) each of the Issuers have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture have been complied with.

Notwithstanding the satisfaction and discharge of this Indenture pursuant to this Article 13, the obligations of the Issuers and the Guarantor to the Trustee under Section 7.07, and, if money shall have been deposited with the Trustee pursuant to subclause (B) of clause (1) of this Section, the obligations of the Trustee under Section 13.02 shall survive.

Section 13.02. Application of Trust Money.

All money deposited with the Trustee pursuant to Section 13.01 shall be held in trust and applied by it, in accordance with the provisions of the Notes and this Indenture, to the payment, either directly or through any Paying Agent as the Trustee may determine, to the Persons entitled thereto, of the principal (and premium, if any) and interest for whose payment such money has been deposited with the Trustee.

[Signatures on following page]

SIGNATURES

Dated as of March 17, 1999

CHARTER COMMUNICATIONS HOLDINGS, LLC, as
an Issuer

By: /s/ Eloise Engman
____
Name: Eloise Engman
Title: Vice President

CHARTER COMMUNICATIONS HOLDINGS CAPITAL
CORPORATION, as an Issuer

By: /s/ Eloise Engman
____
Name: Eloise Engman
Title: Vice President

MARCUS CABLE HOLDINGS, LLC,
as Guarantor

BY: MARCUS CABLE PROPERTIES, L.L.C.,
as Manager

BY: MARCUS CABLE PROPERTIES, INC.,
as Manager

By: /s/ Marcy Lifton
____
Name: Marcy Lifton
Title: Senior Vice President and
Assistant Secretary

HARRIS TRUST AND SAVINGS BANK,
as Trustee

By: /s/ Kevin O. Healey
____
Name: Kevin O. Healey
Title: Senior Vice President

EXHIBIT A

[Face of Note]

CUSIP NO. [   ]

8.25% Senior Notes due 2007

No. $

CHARTER COMMUNICATIONS HOLDINGS, LLC
and
CHARTER COMMUNICATIONS HOLDINGS CAPITAL CORPORATION

promise to pay to ____

or registered assigns,

the principal amount of ____

Dollars ($______________________________) on April 1, 2007.

Interest Payment Dates: April 1 and October 1

Record Dates: March 15 and September 15

Subject to Restrictions set forth in this Note.

Dated: March 17, 1999

CHARTER COMMUNICATIONS HOLDINGS, LLC

By:_____________________________________
Name:
Title:

By:_____________________________________
Name:
Title:

CHARTER COMMUNICATIONS HOLDINGS CAPITAL
CORPORATION

By:______________________________________
Name:
Title:

By:______________________________________
Name:
Title:

This is one of the Notes referred to
in the within-mentioned Indenture:

HARRIS TRUST AND SAVINGS BANK,
as Trustee

By: ___________________________________
Authorized Signatory

[Back of Note]
8.25% Senior Notes due 2007

"THIS GLOBAL NOTE IS HELD BY THE DEPOSITARY (AS DEFINED IN THE INDENTURE GOVERNING THIS NOTE) OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (I) THE TRUSTEE MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED PURSUANT TO SECTION 2.07 OF THE INDENTURE, (II) THIS GLOBAL NOTE MAY BE EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO SECTION 2.06(a) OF THE INDENTURE, (III) THIS GLOBAL NOTE MAY BE DELIVERED TO THE TRUSTEE FOR CANCELLATION PURSUANT TO SECTION 2.11 OF THE INDENTURE AND (IV) THIS GLOBAL NOTE MAY BE TRANSFERRED TO A SUCCESSOR DEPOSITARY WITH THE PRIOR WRITTEN CONSENT OF THE ISSUERS."(1)

"THE NOTES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933 (THE "SECURITIES ACT") AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) (1) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (3) TO AN INSTITUTIONAL ACCREDITED INVESTOR IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, (4) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES."(2)

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(1) This paragraph should be included only if the Notes is issued in global form.

(2) This paragraph should be removed upon the exchange of Notes for Exchange in the Exchange Offer or upon the registration of the Notes pursuant to the terms of the Registration Rights Agreements.

Capitalized terms used herein shall have the meanings assigned to them in the Indenture referred to below unless otherwise indicated.

1. INTEREST. Charter Communications Holdings, LLC, a Delaware limited liability company (the "Company"), and Charter Communications Holdings Capital Corporation, a Delaware corporation ("Charter Capital" and, together with the Company, the "Issuers"), promise to pay interest on the principal amount of this Note at the rate of 8.25% per annum from March 17, 1999 until maturity. The interest rate on the Notes is subject to increase pursuant to the provisions of the Registration Rights Agreement. The Issuers will pay interest semi-annually in arrears on April 1 and October 1 of each year (each an "Interest Payment Date"), or if any such day is not a Business Day, on the next succeeding Business Day. Interest on the Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of issuance; provided that if there is no existing Default in the payment of interest, and if this Note is authenticated between a record date referred to on the face and the next succeeding Interest Payment Date, interest shall accrue from such next succeeding Interest Payment Date; provided, further, that the first Interest Payment Date shall be October 1, 1999. The Issuers shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal and premium, if any, from time to time on demand at a rate that is 1% per annum in excess of the rate then in effect; they shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest (without regard to any applicable grace periods) from time to time on demand at the same rate to the extent lawful. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

2. METHOD OF PAYMENT. The Issuers shall pay interest on the Notes (except defaulted interest) to the Persons who are registered Holders of Notes at the close of business on the March 15 or September 15 next preceding the Interest Payment Date, even if such Notes are canceled after such record date and on or before such Interest Payment Date, except as provided in Section 2.12 of the Indenture with respect to defaulted interest. The Notes will be payable as to principal, premium, if any, and interest at the office or agency of the Issuers maintained for such purpose within or without the City and State of New York, or, at the option of the Issuers, payment of interest may be made by check mailed to the Holders at their addresses set forth in the register of Holders, and provided that payment by wire transfer of immediately available funds will be required with respect to principal of and interest and premium on all Global Notes and all other Notes the Holders of which shall have provided wire transfer instructions to the Issuers or the Paying Agent. Such payment shall be in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

3. PAYING AGENT AND REGISTRAR. Initially, Harris Trust and Savings Bank, the Trustee under the Indenture, will act as Paying Agent and Registrar. The Issuers may change any Paying Agent or Registrar without notice to any Holder. The Company or any of its Subsidiaries may act in any such capacity.

4. INDENTURE. The Issuers issued the Notes under an Indenture dated as of March 17, 1999 ("Indenture") between the Issuers, Marcus Cable Holdings, LLC (the "Guarantor") and the Trustee. The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended (15 U.S. Code ss.ss. 77aaa-77bbbb). The Notes are subject to all such terms, and Holders are referred to the Indenture and such Act for a statement of such terms. To the extent any provision of this Note conflicts with the express provisions of the Indenture, the provisions of the Indenture shall govern and be controlling. The Notes are obligations of the Issuers limited to $600 million in aggregate principal amount, of which all $600 million in aggregate principal amount of Notes were issued on the Issue Date. The Notes are guaranteed on a senior basis by the Guarantor.

5. OPTIONAL REDEMPTION.

The Notes will not be redeemable at the Issuers' option prior to maturity.

6. MANDATORY REDEMPTION.

Except as otherwise provided in Paragraph 7 below, the Issuers shall not be required to make mandatory redemption payments with respect to the Notes.

7. REPURCHASE AT OPTION OF HOLDER.

(a) If there is a Change of Control, the Issuers shall make an offer (a "Change of Control Offer") to repurchase all or any part (equal to $1,000 or an integral multiple thereof) of each Holder's Notes at a purchase price equal to 101% of the aggregate principal amount thereof plus accrued and unpaid interest thereon, if any, to the date of purchase (the "Change of Control Payment"). Within 10 days following any Change of Control, the Issuers shall mail a notice to each Holder describing the transaction or transactions that constitute the Change of Control and offering to repurchase Notes on the Change of Control Payment Date specified in such notice, pursuant to the procedures required by the Indenture and described in such notice.

(b) If the Company or a Restricted Subsidiary consummates any Asset Sale, when the aggregate amount of Excess Proceeds exceeds $25.0 million, the Issuers shall commence an offer (an "Asset Sale Offer") pursuant to Section 4.11 of the Indenture 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 100% of principal amount plus accrued and unpaid interest, if any, to the date of purchase. If any Excess Proceeds remain after consummation of an Asset Sale Offer, the Company may use such Excess Proceeds for any purpose not otherwise prohibited by the Indenture. 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 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. Holders of Notes that are the subject of an offer to purchase will receive an Asset Sale Offer from the Company prior to any related purchase date and may elect to have such Notes purchased by completing the form entitled "Option of Holder to Elect Purchase" on the reverse of the Notes.

8. NOTICE OF REDEMPTION. Notice of redemption will be mailed by first class mail at least 30 days but not more than 60 days before the redemption date to each Holder whose Notes are to be redeemed at its registered address. Notices of redemption may not be conditional. No Notes of $1,000 or less may be redeemed in part. Notes in denominations larger than $1,000 may be redeemed in part but only in whole multiples of $1,000, unless all of the Notes held by a Holder are to be redeemed. On and after the redemption date interest ceases to accrue on Notes or portions thereof called for redemption.

9. DENOMINATIONS, TRANSFER, EXCHANGE. The Notes are in registered form without coupons in denominations of $1,000 and integral multiples of $1,000. The transfer of Notes may be registered and Notes may be exchanged as provided in the Indenture. The Registrar and the Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and the Issuers may require a Holder to pay any taxes and fees required by law or permitted by the Indenture. The Issuers need not exchange or register the transfer of any Note or portion of a Note selected for redemption, except for the unredeemed portion of any Note being redeemed in part. Also, the Issuers

need not exchange or register the transfer of any Notes for a period of 15 days before a selection of Notes to be redeemed or during the period between a record date and the corresponding Interest Payment Date.

10. PERSONS DEEMED OWNERS. The registered Holder of a Note may be treated as its owner for all purposes, other than with respect to the payment of Additional Amounts.

11. AMENDMENT, SUPPLEMENT AND WAIVER. Subject to certain exceptions, the Indenture or the Notes may be amended or supplemented with the consent of the Holders of at least a majority in principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes), and any existing default or compliance with any provision of the Indenture or the Notes may be waived with the consent of the Holders of a majority in principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes). Without the consent of any Holder of a Note, the Issuers and the Trustee may amend or supplement the Indenture or the Notes to cure any ambiguity, defect or inconsistency, to provide for uncertificated Notes in addition to or in place of certificated Notes, to provide for the assumption of an Issuers' or the Guarantor's obligations, as the case may be, to Holders of Notes in the case of a merger or consolidation or sale of all or substantially all of the assets of either Issuer or the Guarantor, as the case may be, 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 Indenture of any such Holder, or to comply with the requirements of the SEC in order to effect or maintain the qualification of the Indenture under the TIA or otherwise as necessary to comply with applicable law.

12. DEFAULTS AND REMEDIES. Each of the following is an Event of Default: (i) default for 30 days in the payment when due of interest on the Notes, (ii) default in payment when due of the principal of or premium, if any, on the Notes, (iii) failure by the Company or any of its Restricted Subsidiaries, or the Guarantor or any of its Restricted Subsidiaries, to comply with Sections 4.16 and 5.01 of the Indenture, (iv) failure by the Company or any of its Restricted Subsidiaries, or the Guarantor or any of its Restricted Subsidiaries, for 30 days after written notice thereof has been given to the Company by the Trustee or to the Company and the Trustee by the 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 Indenture, (v) 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 the Company or any of its Restricted Subsidiaries, or by the Guarantor or any of its Restricted Subsidiaries, (or the payment of which is guaranteed by the Company or any of its Restricted Subsidiaries, or by the Guarantor or any of its Restricted Subsidiaries), whether such Indebtedness or guarantee now exists or is created after the date of the Indenture, if that default: (a) is caused by a failure to pay at final stated maturity the principal amount of 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, (vi) failure by the Company or any of its Restricted Subsidiaries, or by the Guarantor 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, (vii) certain events of bankruptcy or insolvency with respect to the Company, the Guarantor or any of their Significant Subsidiaries, (viii) except as permitted by the Indenture, the Guarantee of the Guarantor being held in any judicial proceeding to be unenforceable or invalid or ceasing for any reason to be in full force and effect or is caused by the Guarantor's, or any Person's (such Person acting on behalf of the Guarantor), denial or disaffirmation of its obligations under the Guarantee or (ix) except as

permitted by the Indenture, any of the Pledge Documents cease to be in full force and effect (other than in accordance with their respective terms or the terms of the Indenture), or any of the Pledge Documents cease to give the Trustee or the Company, as the case may be, the Liens purported to be created thereby, or any Pledge Document is declared null and void. In the case of an Event of Default arising from certain events of bankruptcy or insolvency with respect to the Company, all outstanding Notes will become due and payable without further action or notice. If any other Event of Default occurs and is continuing, the Trustee by notice to the Issuers or the Holders of at least 25% in principal amount of the then outstanding Notes by notice to the Issuers and the Trustee may declare all the Notes to be due and payable. Holders may not enforce the Indenture or the Notes except as provided in the Indenture. Subject to certain limitations, Holders of a majority in principal amount of the then outstanding Notes may direct the Trustee in its exercise of any trust or power. 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 by notice to the Trustee may on behalf of the Holders of all of the Notes waive any existing Default or Event of Default and its consequences under the Indenture except a continuing Default or Event of Default in the payment of interest on, or the principal of, the Notes. The Company is required to deliver to the Trustee annually a statement regarding compliance with the Indenture. Upon becoming aware of any Default or Event of Default, the Company is required to deliver to the Trustee a statement specifying such Default or Event of Default.

13. TRUSTEE DEALINGS WITH ISSUERS. The Trustee, in its individual or any other capacity, may make loans to, accept deposits from, and perform services for the Issuers, the Guarantor or their Affiliates, and may otherwise deal with the Issuers, the Guarantor or their Affiliates, as if it were not the Trustee.

14. NO RECOURSE AGAINST OTHERS. A director, officer, employee, incorporator, member or stockholder of either of the Issuers or the Guarantor, as such, shall not have any liability for any obligations of the Issuers under the Notes or the Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Notes.

15. GUARANTEES. Until the consummation of the Marcus Combination, this Note will be entitled to the benefits of certain Guarantees, if any, made for the benefit of the Holders. Reference is hereby made to the Indenture for a statement of the respective rights, limitations of rights, duties and obligations thereunder of the Guarantor, the Trustee and the Holders.

16. GOVERNING LAW. This Note and the Indenture shall be governed by and construed in accordance with the laws of the State of New York, as applied to contracts made and performed within the State of New York, without regard to principles of conflict of laws. Each of the parties hereto and the holders agree to submit to the jurisdiction of the courts of the State of New York in any action or proceeding arising out of or relating to this Note.

17. AUTHENTICATION. This Note shall not be valid until authenticated by the manual signature of the Trustee or an authenticating agent.

18. ABBREVIATIONS. Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A (= Uniform Gifts to Minors Act).

19. ADDITIONAL RIGHTS OF HOLDERS OF RESTRICTED GLOBAL NOTES AND RESTRICTED DEFINITIVE NOTES. In addition to the rights provided to Holders of Notes under the Indenture, Holders of Restricted Global Notes and Restricted Definitive Notes shall have all the rights set forth in the Exchange and Registration Rights Agreement dated as of March 17, 1999, among the Issuers, the Guarantor and the initial purchasers named therein (the "Registration Rights Agreement").

20. CUSIP NUMBERS. Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Issuers have caused CUSIP numbers to be printed on the Notes and the Trustee may use CUSIP numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

The Company will furnish to any Holder upon written request and without charge a copy of the Indenture and/or the Registration Rights Agreement. Requests may be made to:

Charter Communications Holdings, LLC
Charter Communications Holdings Capital Corporation
c/o Charter Communications, Inc.
12444 Powerscourt Drive
Suite 100
St. Louis, Missouri 63131
Attention: Secretary
Telecopier No.: (314) 965-0555

ASSIGNMENT FORM

To assign this Note, fill in the form below:

(I) or (we) assign and transfer this Note to:____________________________________
(Insert assignee's legal name)

____
(Insert assignee's soc. sec. or tax I.D. no.)

____

____

____

____
(Print or type assignee's name, address and zip code)

and irrevocably appoint____
to transfer this Note on the books of the Issuers. The agent may substitute another to act for him.

Date:______________________________

Your Signature:_____________________________
(Sign exactly as your name appears on the face of this Note)

Signature Guarantee*:_____________________________________

* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note purchased by the Issuers pursuant to Section 4.11 or 4.16 of the Indenture, check the appropriate box below:

|_| Section 4.11 |_| Section 4.16

If you want to elect to have only part of the Note purchased by the Company pursuant to Section 4.11 or Section 4.16 of the Indenture, state the amount you elect to have purchased:

$_______________

Date: ____________________

Your Signature: ____
(Sign exactly as your name appears on the face of this Note)

Tax Identification No.: ____________________________________

Signature Guarantee*: _____________________

* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

SCHEDULE OF EXCHANGES OF INTERESTS IN THE GLOBAL NOTE*

The following exchanges of a part of this Global Note for an interest in another Global Note or for a Definitive Note, or exchanges of a part of another Global Note or Definitive Note for an interest in this Global Note, have been made:

Date of Exchange	Amount of decrease in Principal Amount of this Global Note	Amount of increase in Principal Amount of this Global Note	Principal Amount of this Global Note following such decrease (or increase)	Signature of authorized officer of Trustee or Note Custodian

EXHIBIT B

FORM OF CERTIFICATE OF TRANSFER

Charter Communications Holdings, LLC
Charter Communications Holdings Capital Corporation
c/o Charter Communications, Inc.
12444 Powerscourt Drive, Suite 100
St. Louis, Missouri 63131

Harris Trust and Savings Bank
311 West Monroe, 12th Floor
Chicago, Illinois 60606
Attn: Corporate Trust Department

Re: 8.25% Senior Notes due 2007

Reference is hereby made to the Indenture, dated as of March 17, 1999 (the "Indenture"), among Charter Communications Holdings, LLC (the "Company") and Charter Communications Holdings Capital Corporation ("Charter Capital" and, together with the Company, the "Issuers"), Marcus Cable Holdings, LLC, as guarantor, and Harris Trust and Savings Bank, as trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

___________________ (the "Transferor") owns and proposes to transfer the Note[s] or interest in such Note[s] specified in Annex A hereto, in the principal amount of $___________ in such Note[s] or interests (the "Transfer"), to ___________________________ (the "Transferee"), as further specified in Annex A hereto. In connection with the Transfer, the Transferor hereby certifies that:

[CHECK ALL THAT APPLY]

1. |_| Check if Transferee will take delivery of a beneficial interest in the 144A Global Note or a Definitive Note Pursuant to Rule 144A. The Transfer is being effected pursuant to and in accordance with Rule 144A under the United States Securities Act of 1933, as amended (the "Securities Act"), and, accordingly, the Transferor hereby further certifies that the beneficial interest or Definitive Note is being transferred to a Person that the Transferor reasonably believed and believes is purchasing the beneficial interest or Definitive Note for its own account, or for one or more accounts with respect to which such Person exercises sole investment discretion, and such Person and each such account is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and such Transfer is in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the 144A Global Note and/or the Definitive Note and in the Indenture and the Securities Act.

2. |_| Check if Transferee will take delivery of a beneficial interest in the Regulation S Global Note or a Definitive Note pursuant to Regulation S. The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and, accordingly, the Transferor hereby further certifies that (i) the Transfer is not being made to a person in the United States and (x) at the time the buy order was originated, the Transferee was outside the United States or such Transferor and any Person acting on its behalf reasonably believed and believes that the Transferee was outside the United States or (y) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither such Transferor nor any Person acting on its behalf knows that the transaction was prearranged with a buyer in the United States, (ii) no directed selling efforts have been

made in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S under the Securities Act and (iii) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act. Upon consummation of the proposed transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will be subject to the restrictions on Transfer enumerated in the Private Placement Legend printed on the Regulation S Global Note and/or the Definitive Note and in the Indenture and the Securities Act.

3. |_| Check and complete if Transferee will take delivery of a beneficial interest in a Definitive Note pursuant to any provision of the Securities Act other than Rule 144A or Regulation S. The Transfer is being effected in compliance with the transfer restrictions applicable to beneficial interests in Restricted Global Notes and Restricted Definitive Notes and pursuant to and in accordance with the Securities Act and any applicable blue sky securities laws of any state of the United States, and accordingly the Transferor hereby further certifies that (check one):

(a) |_| such Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act;

or

(b) |_| such Transfer is being effected to the Company or a subsidiary thereof;

or

(c) |_| such Transfer is being effected pursuant to an effective registration statement under the Securities Act and in compliance with the prospectus delivery requirements of the Securities Act;

or

(d) |_| such Transfer is being effected to an Institutional Accredited Investor and pursuant to an exemption from the registration requirements of the Securities Act other than Rule 144A, Rule 144 or Rule 904, and the Transferor hereby further certifies that it has not engaged in any general solicitation within the meaning of Regulation D under the Securities Act and the Transfer complies with the transfer restrictions applicable to beneficial interests in a Restricted Global Note or Restricted Definitive Notes and the requirements of the exemption claimed, which certification is supported by (1) a certificate executed by the Transferee in the form of Exhibit D to the Indenture and (2) an Opinion of Counsel provided by the Transferor or the Transferee (a copy of which the Transferor has attached to this certification), to the effect that such Transfer is in compliance with the Securities Act. Upon consummation of the proposed transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Note and/or the Definitive Notes and in the Indenture and the Securities Act.

4. |_| Check if Transferee will take delivery of a beneficial interest in an Unrestricted Global Note or of an Unrestricted Definitive Note.

(a) |_| Check if Transfer is pursuant to Rule 144. (i) The Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement

Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes, on Restricted Definitive Notes and in the Indenture.

(b) |_| Check if Transfer is Pursuant to Regulation S. (i) The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes, on Restricted Definitive Notes and in the Indenture.

(c) |_| Check if Transfer is Pursuant to Other Exemption. (i) The Transfer is being effected pursuant to and in compliance with an exemption from the registration requirements of the Securities Act other than Rule 144, Rule 903 or Rule 904 and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any State of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will not be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes or Restricted Definitive Notes and in the Indenture.

This certificate and the statements contained herein are made for your benefit and the benefit of the Issuers.

____
[Insert Name of Transferor]

By: ____
Name:
Title:

Dated: ________________________

ANNEX A TO CERTIFICATE OF TRANSFER

1. The Transferor owns and proposes to transfer the following:

[CHECK ONE OF (a) OR (b)]

(a) |_| a beneficial interest in the:

(i) |_| 144A Global Note (CUSIP __________), or

(ii) |_| Regulation S Global Note (CUSIP _________), or

(b) |_| a Restricted Definitive Note.

2. After the Transfer the Transferee will hold:

[CHECK ONE]

(a) |_| a beneficial interest in the:

(i) |_| 144A Global Note (CUSIP __________), or

(ii) |_| Regulation S Global Note (CUSIP _________), or

(iii) |_| Unrestricted Global Note (CUSIP _________); or

(b) |_| a Restricted Definitive Note; or

(c) |_| an Unrestricted Definitive Note,

in accordance with the terms of the Indenture.

EXHIBIT C

FORM OF CERTIFICATE OF EXCHANGE

Charter Communications Holdings, LLC
Charter Communications Holdings Capital Corporation
c/o Charter Communications, Inc.
12444 Powerscourt Drive, Suite 100
St. Louis, Missouri 63131

Harris Trust and Savings Bank
311 West Monroe, 12th Floor
Chicago, Illinois 60606
Attn: Corporate Trust Department

Re: 8.25 % Senior Notes due 2007

(CUSIP ____________)

Reference is hereby made to the Indenture, dated as of March 17, 1999 (the "Indenture"), among Charter Communications Holdings, LLC (the "Company") and Charter Communications Holdings Capital Corporation ("Charter Capital" and, together with the Company, the "Issuers"), Marcus Cable Holdings, LLC, as guarantor, and Harris Trust and Savings Bank, as trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

__________________________ (the "Owner") owns and proposes to exchange the Note[s] or interest in such Note[s] specified herein, in the principal amount of $____________ in such Note[s] or interests (the "Exchange"). In connection with the Exchange, the Owner hereby certifies that:

1. Exchange of Restricted Definitive Notes or Beneficial Interests in a Restricted Global Note for Unrestricted Definitive Notes or Beneficial Interests in an Unrestricted Global Note

(a) |_| Check if Exchange is from beneficial interest in a Restricted Global Note to beneficial interest in an Unrestricted Global Note. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for a beneficial interest in an Unrestricted Global Note in an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Global Notes and pursuant to and in accordance with the United States Securities Act of 1933, as amended (the "Securities Act"), (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest in an Unrestricted Global Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(b) |_| Check if Exchange is from beneficial interest in a Restricted Global Note to Unrestricted Definitive Note. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for an Unrestricted Definitive Note, the Owner hereby certifies (i) the Definitive Note is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the

Securities Act and (iv) the Definitive Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(c) |_| Check if Exchange is from Restricted Definitive Note to beneficial interest in an Unrestricted Global Note. In connection with the Owner's Exchange of a Restricted Definitive Note for a beneficial interest in an Unrestricted Global Note, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(d) |_| Check if Exchange is from Restricted Definitive Note to Unrestricted Definitive Note. In connection with the Owner's Exchange of a Restricted Definitive Note for an Unrestricted Definitive Note, the Owner hereby certifies (i) the Unrestricted Definitive Note is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the Unrestricted Definitive Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

2. Exchange of Restricted Definitive Notes or Beneficial Interests in Restricted Global Notes for Restricted Definitive Notes or Beneficial Interests in Restricted Global Notes

(a) |_| Check if Exchange is from beneficial interest in a Restricted Global Note to Restricted Definitive Note. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for a Restricted Definitive Note with an equal principal amount, the Owner hereby certifies that the Restricted Definitive Note is being acquired for the Owner's own account without transfer. Upon consummation of the proposed Exchange in accordance with the terms of the Indenture, the Restricted Definitive Note issued will continue to be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Definitive Note and in the Indenture and the Securities Act.

(b) Check if Exchange is from Restricted Definitive Note to beneficial interest in a Restricted Global Note. In connection with the Exchange of the Owner's Restricted Definitive Note for a beneficial interest in the [CHECK ONE] |_| 144A Global Note or |_| Regulation S Global Note with an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer and (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Notes and pursuant to and in accordance with the Securities Act, and in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Exchange in accordance with the terms of the Indenture, the beneficial interest issued will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the relevant Restricted Global Note and in the Indenture and the Securities Act.

This certificate and the statements contained herein are made for your benefit and the benefit of the Issuers.

____
[Insert Name of Transferor]

By: ____
Name:
Title:

Dated: ________________________

EXHIBIT D

FORM OF CERTIFICATE FROM
ACQUIRING INSTITUTIONAL ACCREDITED INVESTOR

Charter Communications Holdings, LLC
Charter Communications Holdings Capital Corporation
c/o Charter Communications, Inc.
12444 Powerscourt Drive, Suite 100
St. Louis, Missouri 63131

Harris Trust and Savings Bank
311 West Monroe, 12th Floor
Chicago, Illinois 60606
Attn: Corporate Trust Department

Re: 8.25% Senior Notes due 2007

Reference is hereby made to the Indenture, dated as of March 17, 1999 (the "Indenture"), among Charter Communications Holdings, LLC (the "Company") and Charter Communications Holdings Capital Corporation ("Charter Capital" and, together with the Company, the "Issuers"), Marcus Cable Holdings, LLC, as guarantor, and Harris Trust and Savings Bank, as trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

In connection with our proposed purchase of $____________ aggregate principal amount of:

(a) |_| a beneficial interest in a Global Note, or

(b) |_| a Definitive Note,

we confirm that:

1. We understand that any subsequent transfer of the Notes or any interest therein is subject to certain restrictions and conditions set forth in the Indenture and the undersigned agrees to be bound by, and not to resell, pledge or otherwise transfer the Notes or any interest therein except in compliance with, such restrictions and conditions and the United States Securities Act of 1933, as amended (the "Securities Act").

2. We understand that the offer and sale of the Notes have not been registered under the Securities Act, and that the Notes and any interest therein may not be offered or sold except as permitted in the following sentence. We agree, on our own behalf and on behalf of any accounts for which we are acting as hereinafter stated, that if we should sell the Notes or any interest therein, we will do so only (A) to the Company or any subsidiary thereof, (B) in accordance with Rule 144A under the Securities Act to a "qualified institutional buyer" (as defined therein), (C) to an institutional "accredited investor" (as defined below) that, prior to such transfer, furnishes (or has furnished on its behalf by a U.S. broker-dealer) to you and to the Company a signed letter substantially in the form of this letter and an Opinion of Counsel in form reasonably acceptable to the Company to the effect that such transfer is in compliance with the Securities Act, (D) outside the United States in accordance with Rule 904 of Regulation S under the Securities Act, (E) pursuant to the provisions of Rule 144(k) under the Securities Act or (F) pursuant to an effective registration statement under the Securities Act, and we further agree to provide to any person purchasing the Definitive Note or beneficial interest in a Global Note from us in a

transaction meeting the requirements of clauses (A) through (E) of this paragraph a notice advising such purchaser that resales thereof are restricted as stated herein.

3. We understand that, on any proposed resale of the Notes or beneficial interest therein, we will be required to furnish to you and the Issuers such certifications, legal opinions and other information as you and the Issuers may reasonably require to confirm that the proposed sale complies with the foregoing restrictions. We further understand that the Notes purchased by us will bear a legend to the foregoing effect.

4. We are an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act) and have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of our investment in the Notes, and we and any accounts for which we are acting are each able to bear the economic risk of our or its investment.

5. We are acquiring the Notes or beneficial interest therein purchased by us for our own account or for one or more accounts (each of which is an institutional "accredited investor") as to each of which we exercise sole investment discretion.

You and the Issuers are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby.

____
[Insert Name of Accredited Investor]

By: ____
Name:
Title:

Dated: ________________________

EXHIBIT E

FORM OF GUARANTEE

For value received, the undersigned hereby unconditionally guarantees, as principal obligor and not only as a surety, to the Holder of this Note the cash payments in United States dollars of principal of, premium, if any, and interest on this Note (and including Special Interest payable thereon) in the amounts and at the times when due and interest on the overdue principal, premium, if any, and interest, if any, of this Note, if lawful, and the payment or performance of all other obligations of the Issuers under the Indenture (as defined below) or the Notes, to the Holder of this Note and the Trustee, all in accordance with and subject to the terms and limitations of this Note, Article Ten of the Indenture and this Guarantee. This Guarantee will become effective in accordance with Article Ten of the Indenture and its terms shall be evidenced therein. The validity and enforceability of any Guarantee shall not be affected by the fact that it is not affixed to any particular Note. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Indenture dated as of March 17, 1999, among Charter Communications Holdings, LLC, a Delaware limited liability company, Charter Communications Holdings Capital Corporation, a company incorporated under the laws of Delaware, Marcus Cable Holdings, LLC, a Delaware limited liability company, as guarantor, and Harris Trust and Savings Bank, as trustee, as amended or supplemented (the "Indenture").

The obligations of the undersigned to the Holders of Notes and to the Trustee pursuant to this Guarantee and the Indenture are expressly set forth in Article Ten of the Indenture and reference is hereby made to the Indenture for the precise terms of the Guarantee and all of the other provisions of the Indenture to which this Guarantee relates.

THIS GUARANTEE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO PRINCIPLES OF CONFLICTS OF LAW. Each Guarantor hereby agrees to submit to the jurisdiction of the courts of the State of New York in any action or proceeding arising out of or relating to this Guarantee.

This Guarantee is subject to release upon the terms set forth in the Indenture.

IN WITNESS WHEREOF, the Guarantor has caused its Guarantee to be duly executed.

Date:______________

MARCUS CABLE HOLDINGS, LLC,
as Guarantor

By: MARCUS CABLE PROPERTIES, L.L.C.,
as Manager

By: MARCUS CABLE PROPERTIES, INC.,
as Manager

By: _____________________________________
Name:
Title:

EXHIBIT F

FORM OF MIRROR NOTE

9.92% Senior Note due 2007

$1,548,630,855

MARCUS CABLE HOLDINGS, LLC
(the "Borrower")

promises to pay to CHARTER COMMUNICATIONS HOLDINGS, LLC (the "Lender") on April 1, 2007 (the "Maturity Date") the principal amount outstanding on the Maturity Date.

Interest Payment Dates: April 1 and October 1

Date: March 17, 1999

MARCUS CABLE HOLDINGS, LLC

By: MARCUS CABLE PROPERTIES, L.L.C.,
as Manager

By: MARCUS CABLE PROPERTIES, INC.,
as Manager

By: ___________________________________
Name:
Title:

CHARTER COMMUNICATIONS HOLDINGS, LLC

By: ______________________________
Name:
Title:

1. INTEREST. Marcus Cable Holdings, LLC, a Delaware limited liability Company (the "Borrower"), promises to pay to Charter Communications Holdings, LLC, a Delaware limited liability company (the "Lender"), interest on the principal amount of this Note from time to time outstanding at the rate of 9.92% per annum from the date hereof until maturity. The Borrower will pay interest semi-annually in arrears on April 1 and October 1 of each year (each an "Interest Payment Date"), or if any such day is not a Business Day, on the next succeeding Business Day. Interest on the Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of issuance; provided, further, that the first Interest Payment Date shall be October 1, 1999. The principal amount on which the Borrower will pay interest on each Interest Payment Day will be the principal amount of this Note outstanding from time to time during the 6-month period prior to such Interest Payment Date. The Borrower shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal and premium, if any, from time to time on demand at a rate that is 1% per annum in excess of the rate then in effect; it shall pay interest (including post-petition interest in any proceeding under Bankruptcy Law) on overdue installments of interest (without regard to any applicable grace periods) from time to time on demand at the same rate to the extent lawful. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

2. METHOD OF PAYMENT. The Borrower will pay interest on this Note to Lender. This Note will be payable as to principal, premium, if any, and interest by check mailed to Lender at 12444 Powerscourt Drive, Suite 100, St. Louis, Missouri 63131 or such other address as Lender shall have notified the Borrower in writing, and provided that payment by wire transfer of immediately available funds will be required with respect to principal of and interest on this Note if Lender shall have provided wire transfer instructions to the Borrower. Such payment shall be in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

3. DEFINED TERMS. Capitalized terms used herein shall have the meanings assigned to them in the Indenture dated as of March 17, 1999 (the "Indenture") between the Lender, Charter Communications Holdings Capital Corporation, a company incorporated under the laws of Delaware, the Borrower, and Harris Trust and Savings Bank, as trustee, relating to the 8.625% Senior Notes due 2009.

4. PREPAYMENT OF NOTE. This Note may be prepaid in whole or in part at any time without penalty or premium.

5. REPAYMENT AT OPTION OF HOLDER. Upon the occurrence of (i) a Change of Control or (ii) an Asset Sale, in each case under the Indenture, Lender may require Borrower to prepay this Note in whole or in part.

6. DEFAULTS AND REMEDIES. Events of Default include: (i) default for 30 days in the payment when due of interest on this Note, (ii) default in payment when due of principal on this Note, and (iii) any event which constitutes an Event of Default under the Indenture. If any Event of Default occurs and is continuing, Lender may declare this Note to be due and payable. Notwithstanding the foregoing, upon the occurrence of an Event of Default pursuant to Section 6.01(g) or (h) of the Indenture, this Note will become due and payable without further action or notice. Lender may waive any existing Default or Event of Default and its consequences except a continuing Default or Event of Default in the payment of interest on, or the principal of, this Note. The Borrower is required upon becoming aware of any Default or Event of Default to deliver to Lender a statement specifying such Default or Event of Default.

7. NO RECOURSE AGAINST OTHERS. A director, officer, employee, incorporator, member or stockholder, of the Borrower, as such, shall not have any liability for any obligations of the

Borrower under this Note or for any claim based on, in respect of, or by reason of, such obligation or its creation. Lender by accepting this Note waives and releases all such liability. The waiver and release are part of the consideration for the issuance of this Note.

8. GOVERNING LAW. This Note shall be governed by and construed in accordance with the laws of the State of New York, as applied to contracts made and performed within the State of New York, without regard to principles of conflict of laws. Each of the parties hereto and the holders agree to submit to the jurisdiction of the courts of the State of New York in any action or proceeding arising out of or relating to this Note.

Exhibit 4.1(c)

CHARTER COMMUNICATIONS HOLDINGS, LLC
CHARTER COMMUNICATIONS HOLDINGS CAPITAL CORPORATION

MARCUS CABLE HOLDINGS, LLC

$600,000,000 8.25% Senior Notes due 2007

Exchange and Registration Rights Agreement

March 17, 1999

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.
Nesbitt Burns Securities Inc.
c/o Goldman, Sachs & Co.
85 Broad Street
New York, New York 10004

Ladies and Gentlemen:

Charter Communications Holdings, LLC, a Delaware limited liability company (the "Company"), and Charter Communications Holdings Capital Corporation, a Delaware corporation ("Charter Capital" and, together with the Company, the "Issuers"), propose, subject to the terms and conditions stated herein, to issue and sell to the Purchasers (as defined herein) upon the terms set forth in the Purchase Agreement (as defined herein) their $600,000,000 aggregate principal amount of 8.25% Senior Notes due 2007 (the "Notes"), which are guaranteed (the "Guarantee") by Marcus Cable Holdings, LLC (the "Guarantor"). As an inducement to the Purchasers to enter into the Purchase Agreement and in satisfaction of a condition to the obligations of the Purchasers thereunder, the Issuers and the Guarantor agree with the Purchasers for the benefit of holders (as defined herein) from time to time of the Registrable Securities (as defined herein) as follows:

1. Certain Definitions. For purposes of this Exchange and Registration Rights Agreement, the following terms shall have the following respective meanings:

"Base Interest" shall mean the interest that would otherwise accrue on the Notes under the terms thereof and the Indenture, without giving effect to the provisions of this Exchange and Registration Rights Agreement.

The term "broker-dealer" shall mean any broker or dealer registered with the Commission under the Exchange Act.

"Closing Date" shall mean the date on which the Notes are initially issued.

"Commission" shall mean the United States Securities and Exchange Commission, or any other federal agency at the time administering the Exchange Act or the Securities Act, whichever is the relevant statute for the particular purpose.

"Effective Time," in the case of (i) an Exchange Offer Registration, shall mean the time and date as of which the Commission declares the Exchange Offer Registration Statement effective or as of which the Exchange Offer Registration Statement otherwise becomes effective and (ii) a Shelf Registration, shall mean the time and date as of which the Commission declares the Shelf Registration Statement effective or as of which the Shelf Registration Statement otherwise becomes effective.

"Electing Holder" shall mean any holder of Registrable Securities that has returned a completed and signed Notice and Questionnaire to the Issuers in accordance with Section 3(d)(ii) or 3(d)(iii) hereof.

"Exchange Act" shall mean the Securities Exchange Act of 1934, or any successor thereto, as the same shall be amended from time to time.

"Exchange Notes" shall have the meaning assigned thereto in Section 2(a) hereof.

"Exchange Offer" shall have the meaning assigned thereto in Section 2(a) hereof.

"Exchange Offer Registration" shall have the meaning assigned thereto in Section 3(c) hereof.

"Exchange Offer Registration Statement" shall have the meaning assigned thereto in Section 2(a) hereof.

"Guarantee" shall mean the guarantee of the Notes to be issued by the Guarantor.

The term "holder" shall mean each of the Purchasers and other persons who acquire Registrable Securities from time to time (including any successors or assigns), in each case for so long as such person is a registered holder of any Registrable Securities.

"Indenture" shall mean the Indenture governing the Notes, dated as of March 17, 1999 between the Issuers and Harris Trust and Savings Bank, as Trustee, as the same shall be amended from time to time.

"Notes" shall mean, collectively, the 8.25% Senior Notes due 2007 of the Issuers, guaranteed by the Guarantor, to be issued and sold to the Purchasers, and Notes issued in exchange therefor or in lieu thereof, pursuant to the Indenture.

"Notice and Questionnaire" means a Notice of Registration Statement and Selling Securityholder Questionnaire substantially in the form of Exhibit A hereto.

The term "person" shall mean a corporation, association, partnership, organization, business, individual, government or political subdivision thereof or governmental agency.

"Purchase Agreement" shall mean the Purchase Agreement, dated as of March 12, 1999, between the Purchasers, the Guarantor and the Issuers relating to the Notes.

"Purchasers" shall mean the Purchasers named in Schedule I to the Purchase Agreement.

"Registrable Securities" shall mean the Notes; provided, however, that a Note shall cease to be a Registrable Security when (i) in the circumstances contemplated by Section 2(a) hereof, such Note has been exchanged for an Exchange Note in an Exchange Offer as contemplated in Section 2(a) hereof (provided that any Exchange Note that, pursuant to the last two sentences of Section 2(a), is included in a prospectus for use in connection with resales by broker-dealers shall be deemed to be a Registrable Security with respect to Sections 5, 6 and 9 hereof until resale of such Registrable Security has been effected within the 180-day period referred to in Section 2(a))(y); (ii) in the circumstances contemplated by Section 2(b) hereof, a Shelf Registration Statement registering such Note under the Securities Act has been declared or becomes effective and such Note has been sold or otherwise transferred by the holder thereof pursuant to and in a manner contemplated by such effective Shelf Registration Statement; (iii) such Note is sold pursuant to Rule 144 under circumstances in which any legend borne by such Note relating to restrictions on transferability thereof, under the Securities Act or otherwise, is removed by the Issuers or pursuant to the Indenture; (iv) such Security is eligible to be sold pursuant to paragraph (k) of Rule 144; or (v) such Security shall cease to be outstanding.

"Registration Default" shall have the meaning assigned thereto in Section 2(c) hereof.

"Registration Expenses" shall have the meaning assigned thereto in Section 4 hereof.

"Resale Period" shall have the meaning assigned thereto in Section 2(a) hereof.

"Restricted Holder" shall mean (i) a holder that is an affiliate of the Issuers within the meaning of Rule 405, (ii) a holder who acquires Exchange Notes outside the ordinary course of such holder's business, (iii) a holder who has arrangements or understandings with any person to participate in the Exchange Offer for the purpose of distributing Exchange Notes and (iv) a holder that is a broker-dealer, but only with respect to Exchange Notes received by such broker-dealer pursuant to an Exchange Offer in exchange for Registrable Securities acquired by the broker-dealer directly from the Issuers.

"Rule 144," "Rule 405" and "Rule 415" shall mean, in each case, such rule promulgated under the Securities Act (or any successor provision), as the same shall be amended from time to time.

"Securities Act" shall mean the Securities Act of 1933, or any successor thereto, as the same shall be amended from time to time.

"Shelf Registration" shall have the meaning assigned thereto in Section 2(b) hereof.

"Shelf Registration Statement" shall have the meaning assigned thereto in Section 2(b) hereof.

"Special Interest" shall have the meaning assigned thereto in Section 2(c) hereof.

"subsidiaries" shall mean subsidiaries which would be "significant subsidiaries" as defined in Rule 1-02(w) of Regulation S-X under the Exchange Act.

"Trust Indenture Act" shall mean the Trust Indenture Act of 1939, or any successor thereto, and the rules, regulations and forms promulgated thereunder, all as the same shall be amended from time to time.

Unless the context otherwise requires, any reference herein to a "Section" or "clause" refers to a Section or clause, as the case may be, of this Exchange and Registration Rights Agreement, and the words "herein," "hereof" and "hereunder" and other words of

similar import refer to this Exchange and Registration Rights Agreement as a whole and not to any particular Section or other subdivision.

2. Registration Under the Securities Act.

(a) Except as set forth in Section 2(b) below, the Issuers agree to file under the Securities Act, as soon as practicable, but no later than 90 days after the Closing Date, a registration statement relating to an offer to exchange (such registration statement, the "Exchange Offer Registration Statement", and such offer, the "Exchange Offer") any and all of the Notes guaranteed by the Guarantor for a like aggregate principal amount of notes issued by the Issuers and guaranteed by the Guarantor, which notes and guarantee are substantially identical in all material respects to the Notes and Guarantee (and are entitled to the benefits of a trust indenture which has terms identical in all material respects to the Indenture or is the Indenture and which has been qualified under the Trust Indenture Act), except that they have been registered pursuant to an effective registration statement under the Securities Act and do not contain provisions for the additional interest contemplated in Section 2(c) below (such notes hereinafter called "Exchange Notes"). The Issuers agree to use their reasonable best efforts to cause the Exchange Offer Registration Statement to become effective under the Securities Act as soon as practicable, but no later than 150 days after the Closing Date. The Exchange Offer will be registered under the Securities Act on the appropriate form and will comply with all applicable tender offer rules and regulations under the Exchange Act. The Issuers further agree to use their reasonable best efforts to complete the Exchange Offer promptly, but no later than 30 business days or longer, if required by the federal securities laws, after such registration statement has become effective, hold the Exchange Offer open for at least 30 days and exchange Exchange Notes for all Registrable Securities that have been properly tendered and not withdrawn on or prior to the expiration of the Exchange Offer. The Exchange Offer will be deemed to have been "completed" only if the notes received by holders other than Restricted Holders, in the Exchange Offer for Registrable Securities are, upon receipt, transferable by each such holder without restriction under the Securities Act and the Exchange Act and without material restrictions under the blue sky or securities laws of a substantial majority of the States of the United States of America. The Exchange Offer shall be deemed to have been completed upon the earlier to occur of (i) the Issuers having exchanged the Exchange Notes for all outstanding Registrable Securities pursuant to the Exchange Offer and (ii) the Issuers having exchanged, pursuant to the Exchange Offer, Exchange Notes for all Registrable Securities that have been properly tendered and not withdrawn before the expiration of the Exchange Offer, which shall be on a date that is at least 30 business days following the commencement of the Exchange Offer. The Issuers agree (x) to include in the Exchange Offer Registration Statement a prospectus for use in any resales by any holder of Exchange Notes that is a broker-dealer and (y) to keep such Exchange Offer Registration Statement effective for a period (the "Resale Period") beginning when Exchange Notes are first issued in the Exchange Offer and ending upon the earlier of the expiration of the 180th day after the Exchange Offer has been completed or such time as such broker-dealers no longer own any

Registrable Securities. With respect to such Exchange Offer Registration Statement, such holders shall have the benefit of the rights of indemnification and contribution set forth in Sections 6(a), (c), (d) and (e) hereof.

(b) If (i) on or prior to the time the Exchange Offer is completed existing law or Commission policy or interpretations are changed such that the Exchange Notes received by holders, other than Restricted Holders in the Exchange Offer in exchange for Registrable Securities are not or would not be, upon receipt, transferable by each such holder without restriction under the Securities Act, (ii) the Exchange Offer has not been completed within 180 days following the Closing Date or (iii) the Exchange Offer is not available to any holder of the Notes, the Issuers shall, in lieu of (or, in the case of clause (iii), in addition to) conducting the Exchange Offer contemplated by Section 2(a), file under the Securities Act on or prior to 30 business days after the time such obligation to file arises, a "shelf" registration statement providing for the registration of, and the sale on a continuous or delayed basis by the holders of, all of the Registrable Securities, pursuant to Rule 415 or any similar rule that may be adopted by the Commission (such filing, the "Shelf Registration" and such registration statement, the "Shelf Registration Statement"). The Issuers agree to use their reasonable best efforts (x) to cause the Shelf Registration Statement to become or be declared effective by the Commission no later than 90 days after such obligation to file arises and to keep such Shelf Registration Statement continuously effective for a period ending on the earlier of (i) the second anniversary of the Effective Time or (ii) such time as there are no longer any Registrable Securities outstanding; provided, however, that no holder shall be entitled to be named as a selling securityholder in the Shelf Registration Statement or to use the prospectus forming a part thereof for resales of Registrable Securities unless such holder is an Electing Holder, and (y) after the Effective Time of the Shelf Registration Statement, promptly upon the request of any holder of Registrable Securities that is not then an Electing Holder, to take any action reasonably necessary to enable such holder to use the prospectus forming a part thereof for resales of Registrable Securities, including, without limitation, any action necessary to identify such holder as a selling securityholder in the Shelf Registration Statement, provided, however, that nothing in this clause (y) shall relieve any such holder of the obligation to return a completed and signed Notice and Questionnaire to the Issuers in accordance with Section 3(d)(iii) hereof. The Issuers further agree to supplement or make amendments to the Shelf Registration Statement, as and when required by the rules, regulations or instructions applicable to the registration form used by the Issuers for such Shelf Registration Statement or by the Securities Act or rules and regulations thereunder for shelf registration, and the Issuers agree to furnish to each Electing Holder copies of any such supplement or amendment prior to its being used or promptly following its filing with the Commission.

(c) In the event that (i) the Issuers have not filed the Exchange Offer Registration Statement or Shelf Registration Statement on or before the date on which such registration statement is required to be filed pursuant to Section 2(a) or 2(b), respectively, or (ii) such Exchange Offer Registration Statement or Shelf Registration Statement to become effec-

tive or been declared effective by the Commission on or before the date on which such registration statement is required to become or be declared effective pursuant to Section 2(a) or 2(b), respectively, or (iii) the Exchange Offer has not been completed within 30 business days after the initial effective date of the Exchange Offer Registration Statement relating to the Exchange Offer (if the Exchange Offer is then required to be made) or (iv) any Exchange Offer Registration Statement or Shelf Registration Statement required by Section 2(a) or 2(b) hereof is filed and declared effective but shall thereafter either be withdrawn by the Issuers or shall become subject to an effective stop order issued pursuant to Section 8(d) of the Securities Act suspending the effectiveness of such registration statement (except as specifically permitted herein) without being succeeded immediately by an additional registration statement filed and declared effective (each such event referred to in clauses (i) through (iv), a "Registration Default" and each period during which a Registration Default has occurred and is continuing, a "Registration Default Period"), then, as liquidated damages for such Registration Default, subject to the provisions of Section 9(b), special interest ("Special Interest"), in addition to the Base Interest, shall accrue on the aggregate principal amount of the outstanding Notes at a per annum rate of 0.25% for the first 90 days of the Registration Default Period, at a per annum rate of 0.50% for the second 90 days of the Registration Default Period, at a per annum rate of 0.75% for the third 90 days of the Registration Default Period and at a per annum rate of 1.0% thereafter for the remaining portion of the Registration Default Period. All accrued Special Interest shall be paid in cash by the Issuers on each Interest Payment Date (as defined in the Indenture).

(d) The Issuers shall use their reasonable best efforts to take all actions necessary or advisable to be taken by them to ensure that the transactions contemplated herein are effected as so contemplated in Section 2(a) or 2(b) hereof.

(e) Any reference herein to a registration statement as of any time shall be deemed to include any document incorporated, or deemed to be incorporated, therein by reference as of such time and any reference herein to any post-effective amendment to a registration statement as of any time shall be deemed to include any document incorporated, or deemed to be incorporated, therein by reference as of such time.

3. Registration Procedures.

If the Issuers file a registration statement pursuant to Section 2(a) or Section 2(b), the following provisions shall apply:

(a) At or before the Effective Time of the Exchange Offer or the Shelf Registration, as the case may be, the Issuers shall cause the Indenture to be qualified under the Trust Indenture Act of 1939.

(b) In the event that such qualification would require the appointment of a new trustee under the Indenture, the Issuers shall appoint a new trustee thereunder pursuant to the applicable provisions of the Indenture.

(c) In connection with the Issuers' obligations with respect to the registration of Exchange Notes as contemplated by Section 2(a) (the "Exchange Offer Registration"), if applicable, the Issuers shall, as soon as practicable (or as otherwise specified):

(i) prepare and file with the Commission, as soon as practicable but no later than 90 days after the Closing Date, an Exchange Offer Registration Statement on any form which may be utilized by the Issuers and which shall permit the Exchange Offer and resales of Exchange Notes by broker-dealers during the Resale Period to be effected as contemplated by Section 2(a), and use their reasonable best efforts to cause such Exchange Offer Registration Statement to become effective as soon as practicable thereafter, but no later than 150 days after the Closing Date;

(ii) as soon as practicable prepare and file with the Commission such amendments and supplements to such Exchange Offer Registration Statement and the prospectus included therein as may be necessary to effect and maintain the effectiveness of such Exchange Offer Registration Statement for the periods and purposes contemplated in Section 2(a) hereof and as may be required by the applicable rules and regulations of the Commission and the instructions applicable to the form of such Exchange Offer Registration Statement, and promptly provide each broker-dealer holding Exchange Notes with such number of copies of the prospectus included therein (as then amended or supplemented), in conformity in all material respects with the requirements of the Securities Act and the Trust Indenture Act and the rules and regulations of the Commission thereunder, as such broker-dealer reasonably may request prior to the expiration of the Resale Period, for use in connection with resales of Exchange Notes;

(iii) promptly notify each broker-dealer that has requested or received copies of the prospectus included in such registration statement, and confirm such advice in writing, (A) when such Exchange Offer Registration Statement or the prospectus included therein or any prospectus amendment or supplement or post-effective amendment has been filed, and, with respect to such Exchange Offer Registration Statement or any post-effective amendment, when the same has become effective, (B) of any comments by the Commission and by the blue sky or securities commissioner or regulator of any state with respect thereto, or any request by the Commission for amendments or supplements to such Exchange Offer Registration Statement or prospectus or for additional informa-

tion, (C) of the issuance by the Commission of any stop order suspending the effectiveness of such Exchange Offer Registration Statement or the initiation or, to the knowledge of the Issuers, threatening of any proceedings for that purpose, (D) if at any time the representations and warranties of the Issuers contemplated by Section 5 hereof cease to be true and correct in all material respects, (E) of the receipt by the Issuers of any notification with respect to the suspension of the qualification of the Exchange Notes for sale in any jurisdiction or the initiation or, to the knowledge of the Issuers, threatening of any proceeding for such purpose, or (F) at any time during the Resale Period when a prospectus is required to be delivered under the Securities Act, that such Exchange Offer Registration Statement, prospectus, prospectus amendment or supplement or post-effective amendment does not conform in all material respects to the applicable requirements of the Securities Act and the Trust Indenture, Act and the rules and regulations of the Commission thereunder, or contains an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing;

(iv) in the event that the Issuers would be required, pursuant to Section 3(e)(iii)(F) above, to notify any broker-dealers holding Exchange Notes, the Issuers shall prepare and furnish to each such holder a reasonable number of copies of a prospectus supplemented or amended so that, as thereafter delivered to purchasers of such Exchange Notes during the Resale Period, such prospectus conforms in all material respects to the applicable requirements of the Securities Act and the Trust Indenture Act and the rules and regulations of the Commission thereunder and shall not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing;

(v) use their reasonable best efforts to obtain the withdrawal of any order suspending the effectiveness of such Exchange Offer Registration Statement or any post-effective amendment thereto as soon as practicable;

(vi) use their reasonable best efforts to (A) register or qualify the Exchange Notes under the securities laws or blue sky laws of such jurisdictions as are contemplated by Section 2(a) no later than the commencement of the Exchange Offer, (B) keep such registrations or qualifications in effect and comply with such laws so as to permit the continuance of offers, sales and dealings therein in such jurisdictions until the expiration of the Resale Period and (C) take any and all other actions as may be reasonably necessary or advisable to enable each broker-dealer holding Exchange Notes to consummate the disposi-

tion thereof in such jurisdictions; provided, however, that none of the Issuers shall be required for any such purpose to (1) qualify as a foreign corporation or limited liability company, as the case may be, in any jurisdiction wherein it would not otherwise be required to qualify but for the requirements of this Section 3(c)(vi), (2) consent to general service of process in any such jurisdiction or (3) make any changes to its certificate of incorporation or by-laws (or other organizational document) or any agreement between it and holders of its ownership interests;

(vii) use their reasonable best efforts to obtain the consent or approval of each governmental agency or authority, whether federal, state or local, which may be required to effect the Exchange Offer Registration, the Exchange Offer and the offering and sale of Exchange Notes by broker-dealers during the Resale Period;

(viii) provide a CUSIP number for all Exchange Notes, not later than the applicable Effective Time;

(ix) comply with all applicable rules and regulations of the Commission, and make generally available to its securityholders as soon as practicable but no later than eighteen months after the effective date of such Exchange Offer Registration Statement, an earning statement of the Company and its subsidiaries complying with Section 11(a) of the Securities Act (including, at the option of the Company, Rule 158 thereunder).

(d) In connection with the Issuers' obligations with respect to the Shelf Registration, if applicable, the Issuers shall, as soon as practicable (or as otherwise specified):

(i) prepare and file with the Commission within the time periods specified in Section 2(b), a Shelf Registration Statement on any form which may be utilized by the Issuers and which shall register all of the Registrable Securities for resale by the holders thereof in accordance with such method or methods of disposition as may be specified by such of the holders as, from time to time, may be Electing Holders and use their reasonable best efforts to cause such Shelf Registration Statement to become effective within the time periods specified in Section 2(b);

(ii) not less than 30 calendar days prior to the Effective Time of the Shelf Registration Statement, mail the Notice and Questionnaire to the holders of Registrable Securities; no holder shall be entitled to be named as a selling securityholder in the Shelf Registration Statement as of the Effective Time, and no holder shall be entitled to use the prospectus forming a part thereof for resales of Registrable Securities at any time, unless such holder has returned a

completed and signed Notice and Questionnaire to the Issuers by the deadline for response set forth therein; provided, however, holders of Registrable Securities shall have at least 28 calendar days from the date on which the Notice and Questionnaire is first mailed to such holders to return a completed and signed Notice and Questionnaire to the Issuers;

(iii) after the Effective Time of the Shelf Registration Statement, upon the request of any holder of Registrable Securities that is not then an Electing Holder, promptly send a Notice and Questionnaire to such holder; provided that the Issuers shall not be required to take any action to name such holder as a selling securityholder in the Shelf Registration Statement or to enable such holder to use the prospectus forming a part thereof for resales of Registrable Securities until such holder has returned a completed and signed Notice and Questionnaire to the Issuers;

(iv) as soon as practicable prepare and file with the Commission such amendments and supplements to such Shelf Registration Statement and the prospectus included therein as may be necessary to effect and maintain the effectiveness of such Shelf Registration Statement for the period specified in Section 2(b) hereof and as may be required by the applicable rules and regulations of the Commission and the instructions applicable to the form of such Shelf Registration Statement, and furnish to the Electing Holders copies of any such supplement or amendment simultaneously with or prior to its being used or filed with the Commission;

(v) comply with the provisions of the Securities Act with respect to the disposition of all of the Registrable Securities covered by such Shelf Registration Statement in accordance with the intended methods of disposition by the Electing Holders provided for in such Shelf Registration Statement;

(vi) provide (A) the Electing Holders, (B) the underwriters (which term, for purposes of this Exchange and Registration Rights Agreement, shall include a person deemed to be an underwriter within the meaning of Section 2(a)(11) of the Securities Act), if any, thereof, (C) any sales or placement agent therefor, (D) counsel for any such underwriter or agent and (E) not more than one counsel for all the Electing Holders the opportunity to participate in the preparation of such Shelf Registration Statement, each prospectus included therein or filed with the Commission and each amendment or supplement thereto;

(vii) for a reasonable period prior to the filing of such Shelf Registration Statement, and throughout the period specified in Section 2(b), make available at reasonable times at the Issuers' principal place of business or such other reasonable place for inspection by the persons referred to in Section 3(d)(vi) who

shall certify to the Issuers that they have a current intention to sell the Registrable Securities pursuant to the Shelf Registration such financial and other relevant information and books and records of the Issuers, and cause the officers, employees, counsel and independent certified public accountants of the Issuers to respond to such inquiries, as shall be reasonably necessary, in the judgment of the respective counsel referred to in such Section, to conduct a reasonable investigation within the meaning of Section 11 of the Securities Act; provided, however, that each such party shall be required to maintain in confidence and not to disclose to any other person any information or records reasonably designated by the Issuers as being confidential, until such time as (A) such information becomes a matter of public record (whether by virtue of its inclusion in such registration statement or otherwise, except as a result of a breach of this or any other obligation of confidentiality to the Issuers), or (B) such person shall be required so to disclose such information pursuant to a subpoena or order of any court or other governmental agency or body having jurisdiction over the matter (subject to the requirements of such order, and only after such person shall have given the Issuers prompt prior written notice of such requirement), or (C) such information is required to be set forth in such Shelf Registration Statement or the prospectus included therein or in an amendment to such Shelf Registration Statement or an amendment or supplement to such prospectus in order that such Shelf Registration Statement, prospectus, amendment or supplement, as the case may be, complies with applicable requirements of the federal securities laws and the rules and regulations of the Commission and does not contain an untrue statement of a material fact or omit to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing;

(viii) promptly notify each of the Electing Holders, any sales or placement agent therefor and any underwriter thereof (which notification may be made through any managing underwriter that is a representative of such underwriter for such purpose) and confirm such advice in writing, (A) when such Shelf Registration Statement or the prospectus included therein or any prospectus amendment or supplement or post-effective amendment has been filed, and, with respect to such Shelf Registration Statement or any post-effective amendment, when the same has become effective, (B) of any comments by the Commission and by the blue sky or securities commissioner or regulator of any state with respect thereto, or any request by the Commission for amendments or supplements to such Shelf Registration Statement or prospectus or for additional information, (C) of the issuance by the Commission of any stop order suspending the effectiveness of such Shelf Registration Statement or the initiation or, to the knowledge of the Issuers, threatening of any proceedings for that

purpose, (D) if at any time the representations and warranties of the Issuers contemplated by Section 3(d)(xvii) or Section 5 hereof cease to be true and correct in all material respects, (E) of the receipt by the Issuers of any notification with respect to the suspension of the qualification of the Registrable Securities for sale in any jurisdiction or the initiation or, to the knowledge of the Issuers, threatening of any proceeding for such purpose, or (F) if at any time when a prospectus is required to be delivered under the Securities Act, that such Shelf Registration Statement, prospectus, prospectus amendment or supplement or post-effective amendment does not conform in all material respects to the applicable requirements of the Securities Act and the Trust Indenture Act and the rules and regulations of the Commission thereunder, or contains an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing;

(ix) use their reasonable best efforts to obtain the withdrawal of any order suspending the effectiveness of such registration statement or any post-effective amendment thereto as soon as practicable;

(x) if requested by any managing underwriter or underwriters, any placement or sales agent or any Electing Holder, promptly incorporate in a prospectus supplement or post-effective amendment such information as is required by the applicable rules and regulations of the Commission, and as such managing underwriter or underwriters, such agent or such Electing Holder specifies should be included therein relating to the terms of the sale of such Registrable Securities, including information (i) with respect to the principal amount of Registrable Securities being sold by such Electing Holder or agent or to any underwriters, the name and description of such Electing Holder, agent or underwriter, the offering price of such Registrable Securities, and any discount, commission or other compensation payable in respect thereof and the purchase price being paid therefor by such underwriters and (ii) with respect to any other material terms of the offering of the Registrable Securities to be sold by such Electing Holder or agent or to such underwriters; and make all required filings of such prospectus supplement or post-effective amendment upon notification of the matters to be incorporated in such prospectus supplement or post-effective amendment;

(xi) furnish to each Electing Holder, each placement or sales agent, if any, therefor, each underwriter, if any, thereof and the respective counsel referred to in Section 3(d)(vi) hereof an executed copy (or, in the case of an Electing Holder, a conformed copy) of such Shelf Registration Statement, each such amendment and supplement thereto (in each case including all exhibits

thereto (in the case of an Electing Holder of Registrable Securities, upon request) and documents incorporated by reference therein) and such number of copies of such Shelf Registration Statement (excluding exhibits thereto and documents incorporated by reference therein unless specifically so requested by such Electing Holder, agent or underwriter, as the case may be) and of the prospectus included in such Shelf Registration Statement (including each preliminary prospectus and any summary prospectus), in conformity in all material respects with the applicable requirements of the Securities Act and the Trust Indenture Act, and the rules and regulations of the Commission thereunder, and such other documents, as such Electing Holder, agent, if any, and underwriter, if any, may reasonably request in order to facilitate the offering and disposition of the Registrable Securities owned by such Electing Holder, offered or sold by such agent or underwritten by such underwriter and to permit such Electing Holder, agent and underwriter to satisfy the prospectus delivery requirements of the Securities Act; and the Issuers hereby consent to the use of such prospectus (including such preliminary and summary prospectus) and any amendment or supplement thereto by each such Electing Holder and by any such agent and underwriter, in each case in the form most recently provided to such person by the Issuers, in connection with the offering and sale of the Registrable Securities covered by the prospectus (including such preliminary and summary prospectus) or any supplement or amendment thereto;

(xii) use their reasonable best efforts to (A) register or qualify the Registrable Securities to be included in such Shelf Registration Statement under such securities laws or blue sky laws of such jurisdictions as any Electing Holder and each placement or sales agent, if any, therefor and underwriter, if any, thereof shall reasonably request, (B) keep such registrations or qualifications in effect and comply with such laws so as to permit the continuance of offers, sales and dealings therein in such jurisdictions during the period the Shelf Registration is required to remain effective under Section 2(b) above and for so long as may be necessary to enable any such Electing Holder, agent or underwriter to complete its distribution of Notes pursuant to such Shelf Registration Statement and (C) take any and all other actions as may be reasonably necessary or advisable to enable each such Electing Holder, agent, if any, and underwriter, if any, to consummate the disposition in such jurisdictions of such Registrable Securities; provided, however, that none of the Issuers shall be required for any such purpose to (1) qualify as a foreign corporation or limited liability company, as the case may be, in any jurisdiction wherein it would not otherwise be required to qualify but for the requirements of this Section 3(d)(xii), (2) consent to general service of process in any such jurisdiction or (3) make any changes to its certificate of incorporation or by-laws (or other or-

ganizational document) or any agreement between it and holders of its ownership interests;

(xiii) use their reasonable best efforts to obtain the consent or approval of each governmental agency or authority, whether federal, state or local, which may be required to effect the Shelf Registration or the offering or sale in connection therewith or to enable the selling holder or holders to offer, or to consummate the disposition of, their Registrable Securities;

(xiv) unless any Registrable Securities shall be in book-entry only form, cooperate with the Electing Holders and the managing underwriters, if any, to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be sold, which certificates, if so required by any securities exchange upon which any Registrable Securities are listed, shall be penned, lithographed or engraved, or produced by any combination of such methods, on steel engraved borders, and which certificates shall not bear any restrictive legends; and, in the case of an underwritten offering, enable such Registrable Securities to be in such denominations and registered in such names as the managing underwriters may request at least two business days prior to any sale of the Registrable Securities;

(xv) provide a CUSIP number for all Registrable Securities, not later than the applicable Effective Time;

(xvi) enter into one or more underwriting agreements, engagement letters, agency agreements, "best efforts" underwriting agreements or similar agreements, as appropriate, including customary provisions relating to indemnification and contribution, and take such other actions in connection therewith as any Electing Holders of at least 20% in aggregate principal amount of the Registrable Securities at the time outstanding shall request in order to expedite or facilitate the disposition of such Registrable Securities;

(xvii) whether or not an agreement of the type referred to in Section 3(d)(xvi) hereof is entered into, and whether or not any portion of the offering contemplated by the Shelf Registration is an underwritten offering or is made through a placement or sales agent or any other entity, (A) make such representations and warranties to the Electing Holders and the placement or sales agent, if any, therefor and the underwriters, if any, thereof in form, substance and scope as are customarily made in connection with an offering of debt securities pursuant to any appropriate agreement or to a registration statement filed on the form applicable to the Shelf Registration; (B) obtain an opinion of counsel to the Issuers in customary form, subject to customary limitations, assumptions and exclusions, and covering such matters, of the type customarily cov-

ered by such an opinion, as the managing underwriters, if any, or as any Electing Holders of at least 20% in aggregate principal amount of the Registrable Securities at the time outstanding may reasonably request, addressed to such Electing Holder or Electing Holders and the placement or sales agent, if any, therefor and the underwriters, if any, thereof and dated the date of the Effective Time of such Shelf Registration Statement (and if such Shelf Registration Statement contemplates an underwritten offering of a part or all of the Registrable Securities, dated the date of the closing under the underwriting agreement relating thereto) (it being agreed that the matters to be covered by such opinion shall include the matters set forth in paragraph (b) of Section 7 of the Purchase Agreement to the extent applicable to an offering of this type); (C) obtain a "cold comfort" letter or letters from the independent certified public accountants of the Issuers addressed to the selling Electing Holders, the placement or sales agent, if any, therefor or the underwriters, if any, thereof, dated (i) the effective date of such Shelf Registration Statement and (ii) the effective date of any prospectus supplement to the prospectus included in such Shelf Registration Statement or post-effective amendment to such Shelf Registration Statement which includes unaudited or audited financial statements as of a date or for a period subsequent to that of the latest such statements included in such prospectus (and, if such Shelf Registration Statement contemplates an underwritten offering pursuant to any prospectus supplement to the prospectus included in such Shelf Registration Statement or post-effective amendment to such Shelf Registration Statement which includes unaudited or audited financial statements as of a date or for a period subsequent to that of the latest such statements included in such prospectus, dated the date of the closing under the underwriting agreement relating thereto), such letter or letters to be in customary form and covering such matters of the type customarily covered by letters of such type; (D) deliver such documents and certificates, including officers' certificates, as may be reasonably requested by any Electing Holders of at least 20% in aggregate principal amount of the Registrable Securities at the time outstanding or the placement or sales agent, if any, therefor and the managing underwriters, if any, thereof to evidence the accuracy of the representations and warranties made pursuant to clause (A) above or those contained in Section 5(a) hereof and the compliance with or satisfaction of any agreements or conditions contained in the underwriting agreement or other similar agreement entered into by the Issuers pursuant to Section 3(d)(xvi); and (E) undertake such obligations relating to expense reimbursement, indemnification and contribution as are provided in Section 6 hereof;

(xviii) notify in writing each holder of Registrable Securities of any proposal by the Issuers to amend or waive any provision of this Exchange and Registration Rights Agreement pursuant to Section 9(h) hereof and of any

amendment or waiver effected pursuant thereto, each of which notices shall contain the substance of the amendment or waiver proposed or effected, as the case may be;

(xix) in the event that any broker-dealer registered under the Exchange Act shall underwrite any Registrable Securities or participate as a member of an underwriting syndicate or selling group or "assist in the distribution" (within the meaning of the Conduct Rules (the "Conduct Rules") of the National Association of Securities Dealers, Inc. ("NASD") or any successor thereto, as amended from time to time) thereof, whether as a holder of such Registrable Securities or as an underwriter, a placement or sales agent or a broker or dealer in respect thereof, or otherwise, assist such broker-dealer in complying with the requirements of such Conduct Rules, including by (A) if such Conduct Rules shall so require, engaging a "qualified independent underwriter" (as defined in such Conduct Rules) to participate in the preparation of the Shelf Registration Statement relating to such Registrable Securities, to exercise usual standards of due diligence in respect thereto and, if any portion of the offering contemplated by such Shelf Registration Statement is an underwritten offering or is made through a placement or sales agent, to recommend the yield of such Registrable Securities, (B) indemnifying any such qualified independent underwriter to the extent of the indemnification of underwriters provided in Section 6 hereof (or to such other customary extent as may be requested by such underwriter), and (C) providing such information to such broker-dealer as may be required in order for such broker-dealer to comply with the requirements of the Conduct Rules; and

(xx) comply with all applicable rules and regulations of the Commission, and make generally available to its securityholders as soon as practicable but in any event not later than eighteen months after the effective date of such Shelf Registration Statement, an earning statement of the Company and its subsidiaries complying with Section 11(a) of the Securities Act (including, at the option of the Company, Rule 158 thereunder).

(e) In the event that the Issuers would be required, pursuant to Section 3(d)(viii)(F) above, to notify the Electing Holders, the placement or sales agent, if any, therefor and the managing underwriters, if any, thereof, the Issuers shall prepare and furnish to each of the Electing Holders, to each placement or sales agent, if any, and to each such underwriter, if any, a reasonable number of copies of a prospectus supplemented or amended so that, as thereafter delivered to purchasers of Registrable Securities, such prospectus conforms in all material respects to the applicable requirements of the Securities Act and the Trust Indenture Act, and the rules and regulations of the Commission thereunder, and shall not contain an untrue statement of a material fact or omit to state a material fact required to be stated

therein or necessary to make the statements therein not misleading in light of the circumstances then existing. Each Electing Holder agrees that upon receipt of any notice from the Issuers pursuant to Section 3(d)(viii)(F) hereof, such Electing Holder shall forthwith discontinue the disposition of Registrable Securities pursuant to the Shelf Registration Statement applicable to such Registrable Securities until such Electing Holder shall have received copies of such amended or supplemented prospectus, and if so directed by the Issuers, such Electing Holder shall deliver to the Issuers (at the Issuers' expense) all copies, other than permanent file copies, then in such Electing Holder's possession of the prospectus covering such Registrable Securities at the time of receipt of such notice.

(f) In the event of a Shelf Registration, in addition to the information required to be provided by each Electing Holder in its Notice and Questionnaire, the Issuers may require such Electing Holder to furnish to the Issuers such additional information regarding such Electing Holder and such Electing Holder's intended method of distribution of Registrable Securities as may be required in order to comply with the Securities Act. Each such Electing Holder agrees to notify the Issuers as promptly as practicable of any inaccuracy or change in information previously furnished by such Electing Holder to the Issuers or of the occurrence of any event in either case as a result of which any prospectus relating to such Shelf Registration contains or would contain an untrue statement of a material fact regarding such Electing Holder or such Electing Holder's intended method of disposition of such Registrable Securities or omits to state any material fact regarding such Electing Holder or such Electing Holder's intended method of disposition of such Registrable Securities required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing, and promptly to furnish to the Issuers any additional information required to correct and update any previously furnished information or required so that such prospectus shall not contain, with respect to such Electing Holder or the disposition of such Registrable Securities, an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing.

4. Registration Expenses.

The Issuers agree, subject to the last sentence of this Section, to bear and to pay or cause to be paid promptly all expenses incident to the Issuers' performance of or compliance with this Exchange and Registration Rights Agreement, including (a) all Commission and any NASD registration, filing and review fees and expenses including fees and disbursements of counsel for the placement or sales agent or underwriters in connection with such registration, filing and review, (b) all fees and expenses in connection with the qualification of the Notes for offering and sale under the securities laws and blue sky laws referred to in Section 3(d)(xii) hereof and determination of their eligibility for investment under the laws of such jurisdictions as any managing underwriters or the Electing Holders may designate, including any fees and disbursements of counsel for the Electing Holders or underwriters in

connection with such qualification and determination, (c) all expenses relating to the preparation, printing, production, distribution and reproduction of each registration statement required to be filed hereunder, each prospectus included therein or prepared for distribution pursuant hereto, each amendment or supplement to the foregoing, the expenses of preparing the Notes for delivery and the expenses of printing or producing any underwriting agreements, agreements among underwriters, selling agreements and blue sky or legal investment memoranda and all other documents in connection with the offering, sale or delivery of Notes to be disposed of (including certificates representing the Notes), (d) messenger, telephone and delivery expenses relating to the offering, sale or delivery of Notes and the preparation of documents referred in clause (c) above, (e) fees and expenses of the Trustee under the Indenture, any agent of the Trustee and any reasonable fees and expenses for counsel for the Trustee and of any collateral agent or custodian, (f) internal expenses (including all salaries and expenses of the Issuers' officers and employees performing legal or accounting duties), (g) fees, disbursements and expenses of counsel and independent certified public accountants of the Issuers (including the expenses of any opinions or "cold comfort" letters required by or incident to such performance and compliance), (h) fees, disbursements and expenses of any "qualified independent underwriter" engaged pursuant to Section 3(d)(xix) hereof, (i) reasonable fees, disbursements and expenses of one counsel for the Electing Holders retained in connection with a Shelf Registration, as selected by the Electing Holders of at least a majority in aggregate principal amount of the Registrable Securities held by Electing Holders (which counsel shall be reasonably satisfactory to the Issuers), (j) any fees charged by securities rating services for rating the Notes, and (k) reasonable fees, expenses and disbursements of any other persons, including special experts, retained by the Issuers in connection with such registration (collectively, the "Registration Expenses"). To the extent that any Registration Expenses are incurred, assumed or paid by any holder of Registrable Securities or any placement or sales agent therefor or underwriter thereof, the Issuers shall reimburse such person for the full amount of the Registration Expenses so incurred, assumed or paid promptly after receipt of a request therefor. Notwithstanding the foregoing, the holders of the Registrable Securities being registered shall pay all agency fees and commissions and underwriting discounts and commissions attributable to the sale of such Registrable Securities and the fees and disbursements of any counsel or other advisors or experts retained by such holders (severally or jointly), other than the counsel and experts specifically referred to above.

5. Representations, Warranties and Covenants.

Except with respect to clauses (a) and (b) below, the Issuers represent and warrant to, and agree with, each Purchaser and each of the holders from time to time of Registrable Securities the information set forth in this Section 5.

With respect to clauses (a) and (b) below, the Issuers covenant that:

(a) Each registration statement covering Registrable Securities and each prospectus (including any preliminary or summary prospectus) contained therein or furnished pursuant to Section 3(d) or Section 3(c) hereof and any further amendments or supplements to any such registration statement or prospectus, when it becomes effective or is filed with the Commission, as the case may be, and, in the case of an underwritten offering of Registrable Securities, at the time of the closing under the underwriting agreement relating thereto, will conform in all material respects to the requirements of the Securities Act and the Trust Indenture Act and the rules and regulations of the Commission thereunder and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; and at all times subsequent to the Effective Time when a prospectus would be required to be delivered under the Securities Act, other than from (i) such time as a notice has been given to holders of Registrable Securities pursuant to Section 3(d)(viii)(F) or Section 3(c)(iii)(F) hereof until (ii) such time as the Issuers furnishes an amended or supplemented prospectus pursuant to Section 3(e) or Section 3(c)(iv) hereof, each such registration statement, and each prospectus (including any summary prospectus) contained therein or furnished pursuant to Section 3(d) or Section 3(c) hereof, as then amended or supplemented, will conform in all material respects to the requirements of the Securities Act and the Trust Indenture Act and the rules and regulations of the Commission thereunder and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing; provided, however, that this covenant shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Issuers by a holder of Registrable Securities expressly for use therein.

(b) Any documents incorporated by reference in any prospectus referred to in Section 5(a) hereof, when they become or became effective or are or were filed with the Commission, as the case may be, will conform or conformed in all material respects to the requirements of the Securities Act or the Exchange Act, as applicable, and none of such documents will contain or contained an untrue statement of a material fact or will omit or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading; provided, however, that this covenant shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Issuers by a holder of Registrable Securities expressly for use therein.

(c) The compliance by the Issuers with all of the provisions of this Exchange and Registration Rights Agreement and the consummation of the transactions herein contemplated will not conflict with or result in a material breach of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement, lease, license, franchise agreement, permit or other material agreement or instrument to which either of the Issuers or any of their subsidiaries is a party or by which either of the Issuers or any of their subsidiaries is bound or to which any of the property or assets of the Issuers or

any of their subsidiaries is subject, nor will such action result in any violation of the provisions of the certificate of incorporation, charter, or the by-laws (or other organizational document) of the Issuers or any statute or any order, rule or regulation of any court or governmental agency or body, including without limitation, the Federal Communications Act of 1934, as amended, the Cable Communications Policy Act of 1984, the Cable Television Consumer Protection and Competition Act of 1992 and the Telecommunications Reform Act of 1996 (collectively, the "Cable Acts") or any order, rule or regulation of the Federal Communications Commission (the "FCC") having jurisdiction over the Issuers or any of their subsidiaries or any of their properties, except for any such violation which would not materially impair the Issuers' ability to comply herewith; and no consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required, including, without limitation, under the Cable Acts or any order, rule or regulation of the FCC, for the consummation by the Issuers of the transactions contemplated by this Exchange and Registration Rights Agreement, except the registration under the Securities Act of the Notes, qualification of the Indenture under the Trust Indenture Act and such consents, approvals, authorizations, registrations or qualifications as may be required under State Notes or blue sky laws in connection with the offering and distribution of the Notes.

(d) This Exchange and Registration Rights Agreement has been duly authorized, executed and delivered by the Issuers.

6. Indemnification.

(a) Indemnification by the Issuers and the Guarantor. The Issuers and the Guarantor (i) will indemnify and hold harmless each of the holders of Registrable Securities included in an Exchange Offer Registration Statement, each of the Electing Holders of Registrable Securities included in a Shelf Registration Statement and each person who participates as a placement or sales agent or as an underwriter in any offering or sale of such Registrable Securities against any losses, claims, damages or liabilities, joint or several, to which such holder, agent or underwriter may become subject under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any Exchange Offer Registration Statement or Shelf Registration Statement, as the case may be, under which such Registrable Securities were registered under the Securities Act, or any preliminary, final or summary prospectus contained therein or furnished by the Issuers to any such holder, Electing Holder, agent or underwriter, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and (ii) will reimburse such holder, such Electing Holder, such agent and such underwriter for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such action or claim as such expenses are incurred; provided, however, that none of the Issuers shall be liable to any such persons in any such case to the extent that any

such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement, or preliminary, final or summary prospectus, or amendment or supplement thereto, in reliance upon and in conformity with written information furnished to the Issuers by such persons expressly for use therein.

(b) Indemnification by the Holders and any Agents and Underwriters. The Issuers may require, as a condition to including any Registrable Securities in any registration statement filed pursuant to Section 2(b) hereof and to entering into any underwriting agreement or similar agreement with respect thereto, that the Issuers shall have received an undertaking reasonably satisfactory to them from the Electing Holder of such Registrable Securities included in a Shelf Registration Statement and from each underwriter or agent named in any such underwriting agreement or similar agreement, severally and not jointly, to (i) indemnify and hold harmless the Issuers, the Guarantor and all other holders of Registrable Securities, against any losses, claims, damages or liabilities to which the Issuers, the Guarantor or such other holders of Registrable Securities may become subject, under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in such registration statement, or any preliminary, final or summary prospectus contained therein or furnished by the Issuers to any such Electing Holder, agent or underwriter, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Issuers or the Guarantor by such Electing Holder or underwriter expressly for use therein, and (ii) reimburse the Issuers and the Guarantor for any legal or other expenses reasonably incurred by the Issuers and the Guarantor in connection with investigating or defending any such action or claim as such expenses are incurred; provided, however, that no such Electing Holder shall be required to undertake liability to any person under this Section 6(b) for any amounts in excess of the dollar amount of the proceeds to be received by such Electing Holder from the sale of such Electing Holder's Registrable Securities pursuant to such registration.

(c) Notices of Claims, Etc. Promptly after receipt by an indemnified party under subsection (a) or (b) above of written notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against an indemnifying party pursuant to the indemnification provisions of or contemplated by this Section 6, notify such indemnifying party in writing of the commencement of such action; but the omission so to notify the indemnifying party shall not relieve it from any liability which it may have to any indemnified party otherwise than under the indemnification provisions of or contemplated by Section 6(a) or 6(b) hereof. In case any such action shall be brought against any indemnified party and it shall notify an indemnifying party of the commencement thereof, such indemni-

fying party shall be entitled to participate therein and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, such indemnifying party shall not be liable to such indemnified party for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the written consent of the indemnified party, effect the settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified party is an actual or potential party to such action or claim) unless such settlement, compromise or judgment (i) includes an unconditional release of the indemnified party from all liability arising out of such action or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

(d) Contribution. If for any reason the indemnification provisions contemplated by Section 6(a) or Section 6(b) are unavailable to or insufficient to hold harmless an indemnified party in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative fault of the indemnifying party and the indemnified party in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative fault of such indemnifying party and indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by such indemnifying party or by such indemnified party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The parties hereto agree that it would not be just and equitable if contributions pursuant to this Section 6(d) were determined by pro rata allocation (even if the holders or any agents or underwriters or all of them were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to in this Section 6(d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages, or liabilities (or actions in respect thereof) referred to above shall be deemed to include any legal or other fees or expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 6(d), no holder shall be required to contribute any amount in excess of the amount by which the dollar amount of the proceeds received by such holder from the sale of any Registrable Securities (after deducting any fees, discounts and commissions applicable thereto) exceeds

the amount of any damages which such holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission, and no underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Registrable Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The holders' and any underwriters' obligations in this Section 6(d) to contribute shall be several in proportion to the principal amount of Registrable Securities registered or underwritten, as the case may be, by them and not joint.

(e) The obligations of the Issuers and the Guarantor under this Section 6 shall be in addition to any liability which the Issuers and the Guarantor may otherwise have and shall extend, upon the same terms and conditions, to each officer, director and partner of each holder, agent and underwriter and each person, if any, who controls any holder, agent or underwriter within the meaning of the Securities Act; and the obligations of the holders and any agents or underwriters contemplated by this Section 6 shall be in addition to any liability which the respective holder, agent or underwriter may otherwise have and shall extend, upon the same terms and conditions, to each officer (including any officer who signed any registration statement), director, employee, representative or agent of the Issuers and the Guarantor and to each person, if any, who controls the Issuers or the Guarantor within the meaning of the Securities Act.

7. Underwritten Offerings.

(a) Selection of Underwriters. If any of the Registrable Securities covered by the Shelf Registration are to be sold pursuant to an underwritten offering, the managing underwriter or underwriters thereof shall be designated by Electing Holders holding at least a majority in aggregate principal amount of the Registrable Securities to be included in such offering, provided that such designated managing underwriter or underwriters is or are reasonably acceptable to the Issuers.

(b) Participation by Holders. Each holder of Registrable Securities hereby agrees with each other such holder that no such holder may participate in any underwritten offering hereunder unless such holder (i) agrees to sell such holder's Registrable Securities on the basis provided in any underwriting arrangements approved by the persons entitled hereunder to approve such arrangements and (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements.

8. Rule 144.

Each of the Issuers covenants to the holders of Registrable Securities that to the extent it shall be required to do so under the Exchange Act, it shall timely file the reports required to be filed by it under the Exchange Act or the Securities Act (including the reports under Section 13 and 15(d) of the Exchange Act referred to in subparagraph (c)(1) of Rule 144 adopted by the Commission under the Securities Act) and the rules and regulations adopted by the Commission thereunder, and shall take such further action as any holder of Registrable Securities may reasonably request, all to the extent required from time to time to enable such holder to sell Registrable Securities without registration under the Securities Act within the limitations of the exemption provided by Rule 144 under the Securities Act, as such Rule may be amended from time to time, or any similar or successor rule or regulation hereafter adopted by the Commission. Upon the request of any holder of Registrable Securities in connection with that holder's sale pursuant to Rule 144, the Issuers shall deliver to such holder a written statement as to whether it has complied with such requirements.

9. Miscellaneous.

(a) No Inconsistent Agreements. The Issuers represent, warrant, covenant and agree that they have not granted, and shall not grant, registration rights with respect to Registrable Securities or any other Notes which would be inconsistent with the terms contained in this Exchange and Registration Rights Agreement.

(b) Specific Performance. The parties hereto acknowledge that there would be no adequate remedy at law if the Issuers fail to perform any of their obligations hereunder and that the Purchasers and the holders from time to time of the Registrable Securities may be irreparably harmed by any such failure, and accordingly agree that the Purchasers and such holders, in addition to any other remedy to which they may be entitled at law or in equity, shall be entitled to compel specific performance of the obligations of the Issuers under this Exchange and Registration Rights Agreement in accordance with the terms and conditions of this Exchange and Registration Rights Agreement, in any court of the United States or any State thereof having jurisdiction.

(c) Notices. All notices, requests, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been duly given (i) when delivered by hand, if delivered personally or by courier, (ii) when sent by facsimile (with written confirmation of receipt), provided that a copy is mailed by registered or certified mail, return receipt requested or (iii) three days after being deposited in the mail (registered or certified mail, postage prepaid, return receipt requested) as follows: If to the Issuers, c/o Charter Communications, Inc., 12444 Powerscourt Drive, Suite 100, St. Louis, Missouri, 63131, Attention: Secretary, and if to a holder, to the address of such holder set forth in the security register or other records of the Issuers, or to such other address as the Issuers or any

such holder may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

(d) Parties in Interest. All the terms and provisions of this Exchange and Registration Rights Agreement shall be binding upon, shall inure to the benefit of and shall be enforceable by the parties hereto and the holders from time to time of the Registrable Securities and the respective successors and assigns of the parties hereto and such holders. In the event that any transferee of any holder of Registrable Securities shall acquire Registrable Securities, in any manner, whether by gift, bequest, purchase, operation of law or otherwise, such transferee shall, without any further writing or action of any kind, be deemed a beneficiary hereof for all purposes and such Registrable Securities shall be held subject to all of the terms of this Exchange and Registration Rights Agreement, and by taking and holding such Registrable Securities such transferee shall be entitled to receive the benefits of, and be conclusively deemed to have agreed to be bound by all of the applicable terms and provisions of this Exchange and Registration Rights Agreement. If the Issuers shall so request, any such successor, assign or transferee shall agree in writing to acquire and hold the Registrable Securities subject to all of the applicable terms hereof.

(e) Survival. The respective indemnities, agreements, representations, warranties and each other provision set forth in this Exchange and Registration Rights Agreement or made pursuant hereto shall remain in full force and effect regardless of any investigation (or statement as to the results thereof) made by or on behalf of any holder of Registrable Securities, any director, officer or partner of such holder, any agent or underwriter or any director, officer or partner thereof, or any controlling person of any of the foregoing, and shall survive delivery of and payment for the Registrable Securities pursuant to the Purchase Agreement and the transfer and registration of Registrable Securities by such holder and the consummation of an Exchange Offer.

(f) Governing Law. This Exchange and Registration Rights Agreement shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to any provisions relating to conflicts of law.

(g) Headings. The descriptive headings of the several Sections and paragraphs of this Exchange and Registration Rights Agreement are inserted for convenience only, do not constitute a part of this Exchange and Registration Rights Agreement and shall not affect in any way the meaning or interpretation of this Exchange and Registration Rights Agreement.

(h) Entire Agreement; Amendments. This Exchange and Registration Rights Agreement and the other writings referred to herein (including the Indenture and the form of Notes) or delivered pursuant hereto which form a part hereof contain the entire understanding of the parties with respect to its subject matter. This Exchange and Registration Rights Agreement supersedes all prior agreements and understandings between the parties

with respect to its subject matter. This Exchange and Registration Rights Agreement may be amended and the observance of any term of this Exchange and Registration Rights Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) only by a written instrument duly executed by the Issuers and the holders of at least a majority in aggregate principal amount of the Registrable Securities at the time outstanding. Each holder of any Registrable Securities at the time or thereafter outstanding shall be bound by any amendment or waiver effected pursuant to this Section 9(h), whether or not any notice, writing or marking indicating such amendment or waiver appears on such Registrable Securities or is delivered to such holder.

(i) Inspection. For so long as this Exchange and Registration Rights Agreement shall be in effect, this Exchange and Registration Rights Agreement and a complete list of the names and addresses of all the holders of Registrable Securities shall be made available for inspection and copying, upon reasonable prior notice, on any business day during normal business hours by any holder of Registrable Securities for proper purposes only (which shall include any purpose related to the rights of the holders of Registrable Securities under the Notes, the Indenture and this Agreement) at the offices of the Issuers at the address thereof set forth in Section 9(c) above and at the office of the Trustee under the Indenture.

(j) Counterparts. This agreement may be executed by the parties in counterparts, each of which shall be deemed to be an original, but all such respective counterparts shall together constitute one and the same instrument.

If the foregoing is in accordance with your understanding, please sign and return to us counterparts hereof, and upon the acceptance hereof by you, on behalf of each of the Purchasers, this letter and such acceptance hereof shall constitute a binding agreement between each of the Purchasers and the Issuers. It is understood that your acceptance of this letter on behalf of each of the Purchasers is pursuant to the authority set forth in a form of Agreement among Purchasers, the form of which shall be submitted to the Issuers for examination upon request, but without warranty on your part as to the authority of the signers thereof.

Very truly yours,

CHARTER COMMUNICATIONS
HOLDINGS, LLC

By: /s/ Eloise Engman

Name: Eloise Engman
Title: Vice President

CHARTER COMMUNICATIONS HOLDINGS
CAPITAL CORPORATION

By: /s/ Eloise Engman

Name: Eloise Engman
Title: Vice President

MARCUS CABLE HOLDINGS, LLC

By: MARCUS CABLE PROPERTIES, L.L.C.,
as Manager

By: MARCUS CABLE PROPERTIES,
INC., as Manager

By: /s/ Marcy Lifton

Name: Marcy Lifton
Title: Senior Vice President and
Assistant Secretary

Accepted as of the date hereof:

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.
NESBITT BURNS SECURITIES INC.

By: GOLDMAN, SACHS & CO.

By: /s/ Goldman, Sachs & Co

Name:
Title:

Exhibit A

CHARTER COMMUNICATIONS HOLDINGS, LLC
CHARTER COMMUNICATIONS HOLDINGS CAPITAL CORPORATION
MARCUS CABLE HOLDINGS, LLC

INSTRUCTION TO DTC PARTICIPANTS

(Date of Mailing)

URGENT - IMMEDIATE ATTENTION REQUESTED

DEADLINE FOR RESPONSE: [DATE](a)

The Depository Trust Issuers ("DTC") has identified you as a DTC Participant through which beneficial interests in the Charter Communications Holdings, LLC (the "Company") and Charter Communications Holdings Capital Corporation ("Charter Capital" and, together with the Company, the "Issuers") 8.25% Senior Notes due 2007 (the "Notes"), guaranteed by Marcus Cable Holdings, LLC are held.

The Issuers are in the process of registering the Notes under the Securities Act of 1933, as amended, for resale by the beneficial owners thereof. In order to have their Notes included in the registration statement, beneficial owners must complete and return the enclosed Notice of Registration Statement and Selling Securityholder Questionnaire.

It is important that beneficial owners of the Notes receive a copy of the enclosed materials as soon as possible as their rights to have the Notes included in the registration statement depend upon their returning the Notice and Questionnaire by [Deadline For Response]. Please forward a copy of the enclosed documents to each beneficial owner that holds interests in the Notes through you. If you require more copies of the enclosed materials or have any questions pertaining to this matter, please contact the Issuers c/o Charter Communications, Inc., 12444 Powerscourt Drive, Suite 100, St. Louis, Missouri, 63131, Attention: Secretary.

- ----------

(a) Not less than 28 calendar days from date of mailing.

CHARTER COMMUNICATIONS HOLDINGS, LLC
CHARTER COMMUNICATIONS HOLDINGS CAPITAL CORPORATION
MARCUS CABLE HOLDINGS, LLC

Notice of Registration Statement
and
Selling Securityholder Questionnaire

(Date)

Reference is hereby made to the Exchange and Registration Rights Agreement (the "Exchange and Registration Rights Agreement") between Charter Communications Holdings, LLC and Charter Communications Holdings Capital Corporation (together, the "Issuers"), Marcus Cable Holdings, LLC (the "Guarantor") and the Purchasers named therein. Pursuant to the Exchange and Registration Rights Agreement, the Issuers have filed with the United States Securities and Exchange Commission (the "Commission") a registration statement on Form [__] (the "Shelf Registration Statement") for the registration and resale under Rule 415 of the Securities Act of 1933, as amended (the "Securities Act"), of the Issuers' 8.25% Senior Notes due 2007 (the "Notes"), guaranteed by the Guarantor. A copy of the Exchange and Registration Rights Agreement is attached hereto. All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Exchange and Registration Rights Agreement.

Each beneficial owner of Registrable Securities is entitled to have the Registrable Securities beneficially owned by it included in the Shelf Registration Statement. In order to have Registrable Securities included in the Shelf Registration Statement, this Notice of Registration Statement and Selling Securityholder Questionnaire ("Notice and Questionnaire") must be completed, executed and delivered to the Issuers' counsel at the address set forth herein for receipt ON OR BEFORE [Deadline for Response]. Beneficial owners of Registrable Securities who do not complete, execute and return this Notice and Questionnaire by such date (i) will not be named as selling securityholders in the Shelf Registration Statement and (ii) may not use the Prospectus forming a part thereof for resales of Registrable Securities.

Certain legal consequences arise from being named as a selling securityholder in the Shelf Registration Statement and related prospectus. Accordingly, holders and beneficial owners of Registrable Securities are advised to consult their own securities law counsel regarding the consequences of being named or not being named as a selling securityholder in the Shelf Registration Statement and related prospectus.

ELECTION

The undersigned holder (the "Selling Securityholder") of Registrable Securities hereby elects to include in the Shelf Registration Statement the Registrable Securities beneficially owned by it and listed below in Item (3). The undersigned, by signing and returning this Notice and Questionnaire, agrees to be bound with respect to such Registrable Securities by the terms and conditions of this Notice and Questionnaire and the Exchange and Registration Rights Agreement, including, without limitation, Section 6 of the Exchange and Registration Rights Agreement, as if the undersigned Selling Securityholder were an original party thereto.

Upon any sale of Registrable Securities pursuant to the Shelf Registration Statement, the Selling Securityholder will be required to deliver to the Issuers and the Trustee the Notice of Transfer set forth in Exhibit B to the Exchange and Registration Rights Agreement.

The Selling Securityholder hereby provides the following information to the Issuers and represents and warrants that such information is accurate and complete:

QUESTIONNAIRE

(1)(a) Full Legal Name of Selling Securityholder:

(b) Full Legal Name of Registered Holder (if not the same as in (a) above) of Registrable Securities Listed in Item (3) below:

(c) Full Legal Name of DTC Participant (if applicable and if not the same as (b) above) Through Which Registrable Securities Listed in Item (3) below are Held:

(2) Address for Notices to Selling Securityholder:

____

____

____

Telephone: _____________________________________

Fax: _____________________________________

Contact Person: _____________________________________

(3) Beneficial Ownership of Notes:

Except as set forth below in this Item (3), the undersigned does not beneficially own any Notes.

(a) Principal amount of Registrable Securities beneficially owned: _________ CUSIP No(s). of such Registrable Securities:
____

(b) Principal amount of Notes other than Registrable Securities beneficially owned: ____
CUSIP No(s). of such other Notes:
____

(c) Principal amount of Registrable Securities which the undersigned wishes to be included in the Shelf Registration Statement: CUSIP No(s). of such Registrable Securities to be included in the Shelf Registration Statement:

(4) Beneficial Ownership of Other Securities of the Issuers and the Guarantor:

Except as set forth below in this Item (4), the undersigned Selling Securityholder is not the beneficial or registered owner of any other securities of the Issuers or the Guarantor other than the Notes as Guaranteed listed above in Item (3).

State any exceptions here:

(5) Relationships with the Issuers and the Guarantor:

Except as set forth below, neither the Selling Securityholder nor any of its affiliates, officers, directors or principal equity holders (5% or more) has held any position or office or has had any other material relationship with the Issuers or the Guarantor (or their respective predecessors or affiliates) during the past three years.

State any exceptions here:

(6) Plan of Distribution:

Except as set forth below, the undersigned Selling Securityholder intends to distribute the Registrable Securities listed above in Item (3) only as follows (if at all): Such Registrable Securities may be sold from time to time directly by the undersigned Selling Securityholder or, alternatively, through underwriters, broker-dealers or agents. Such Registrable Securities may be sold in one or more transactions at fixed prices, at prevailing market prices at the time of sale, at varying prices determined at the time of sale, or at negotiated prices. Such sales may be effected in transactions (which may involve crosses or block transactions) (i) on any national securities exchange or quotation service on which the Registered Notes may be listed or quoted at the time of sale, (ii) in the over-the-counter market, (iii) in transactions otherwise than on such exchanges or services or in the over-the-counter market, or (iv) through the writing of options. In connection with sales of the Registrable Securities or otherwise, the Selling Securityholder may enter into hedging transactions with broker-dealers, which may in turn engage in short sales of the Registrable Securities in the course of hedging the positions they assume. The Selling Securityholder may also sell Registrable Securities short and deliver Registrable Securities to close out such short positions, or loan or pledge Registrable Securities to broker-dealers that in turn may sell such Notes.

State any exceptions here:

By signing below, the Selling Securityholder acknowledges that it understands its obligation to comply, and agrees that it will comply, with the provisions of the Exchange Act and the rules and regulations thereunder, particularly Regulation M.

In the event that the Selling Securityholder transfers all or any portion of the Registrable Securities listed in Item (3) above after the date on which such information is provided to the Issuers, the Selling Securityholder agrees to notify the transferee(s) at the time of the transfer of its rights and obligations under this Notice and Questionnaire and the Exchange and Registration Rights Agreement.

By signing below, the Selling Securityholder consents to the disclosure of the information contained herein in its answers to Items (1) through (6) above and the inclusion of such information in the Shelf Registration Statement and related Prospectus. The Selling Securityholder understands that such information will be relied upon by the Issuers in connection with the preparation of the Shelf Registration Statement and related Prospectus.

In accordance with the Selling Securityholder's obligation under Section 3(d) of the Exchange and Registration Rights Agreement to provide such information as may be required by law for inclusion in the Shelf Registration Statement, the Selling Securityholder agrees to promptly notify the Issuers of any inaccuracies or changes in the information provided herein which may occur subsequent to the date hereof at any time while the Shelf Registration Statement remains in effect. All notices hereunder and pursuant to the Exchange and Registration Rights Agreement shall be made in writing, by hand-delivery, first-class mail, or air courier guaranteeing overnight delivery as follows:

(i) To the Issuers:

____

____

____

____

____

(ii) With a copy to:

____

____

____

____

____

Once this Notice and Questionnaire is executed by the Selling Securityholder and received by the Issuers' counsel, the terms of this Notice and Questionnaire, and the representations and warranties contained herein, shall be binding on, shall inure to the benefit of and shall be enforceable by the respective successors, heirs, personal representatives, and assigns of the Issuers and the Selling Securityholder (with respect to the Registrable Securities beneficially owned by such Selling Securityholder and listed in Item (3) above. This Agreement shall be governed in all respects by the laws of the State of New York without giving effect to any provisions relating to conflicts of laws.

IN WITNESS WHEREOF, the undersigned, by authority duly given, has caused this Notice and Questionnaire to be executed and delivered either in person or by its duly authorized agent.

Dated: ___________________________

____
Selling Securityholder
(Print/type full legal name of beneficial owner of Registrable Securities)

By: ____
Name:
Title:

PLEASE RETURN THE COMPLETED AND EXECUTED NOTICE AND QUESTIONNAIRE FOR RECEIPT ON OR BEFORE [DEADLINE FOR RESPONSE] TO THE ISSUERS' COUNSEL AT:

____

____

____

____

____

Exhibit B

NOTICE OF TRANSFER PURSUANT TO REGISTRATION STATEMENT

[Name of Trustee]
Charter Communications Holdings, LLC
Charter Communications Holdings Capital
Corporation
Marcus Cable Holdings, LLC
c/o [Name of Trustee]
[Address of Trustee]

Attention: Trust Officer

Re: Charter Communications Holdings, LLC
and Charter Communications Holdings Capital Corporation
(together, the "Issuers") 8.25% Senior Notes due 2007
guaranteed by Marcus Cable Holdings, LLC

Dear Sirs:

Please be advised that ______________ has transferred $__________ aggregate principal amount of the above-referenced Notes pursuant to an effective Registration Statement on Form [___] (File No. 333-____) filed by the Issuers.

We hereby certify that the prospectus delivery requirements, if any, of the Securities Act of 1933, as amended, have been satisfied and that the above-named beneficial owner of the Notes is named as a "Selling Holder" in the prospectus dated [date] or in supplements thereto, and that the aggregate principal amount of the Notes transferred are the Notes listed in such prospectus opposite such owner's name.

Dated:

Very truly yours,

____
(Name)

By: ______________________________
(Authorized Signature)

Exhibit 4.2(a)

CHARTER COMMUNICATIONS HOLDINGS, LLC

AND

CHARTER COMMUNICATIONS HOLDINGS CAPITAL CORPORATION
as Issuers

AND

MARCUS CABLE HOLDINGS, LLC
as Guarantor

$1,500,000,000

8.625% SENIOR NOTES DUE 2009

INDENTURE

Dated as of March 17, 1999

HARRIS TRUST AND SAVINGS BANK,

Trustee

CROSS-REFERENCE TABLE*

Trust Indenture Act Section	Indenture Section
310(a)(1)	7.10
(a)(2)	7.10
(a)(3)	N.A.
(a)(4)	N.A.
(a)(5)	7.10
(b)	7.10
(c)	N.A.
311(a)	7.11
(b)	7.11
(c)	N.A.
312(a)	2.05
(b)	12.03
(c)	12.03
313(a)	7.06
(b)(1)	12.03
(b)(2)	7.07;12.03
(c)	7.06;12.02
(d)	7.06
314(a)	4.03;12.02
(b)	12.02
(c)(1)	12.04
(c)(2)	12.04
(c)(3)	N.A.
(d)	N.A.
(e)	12.05
(f)	N.A.
315(a)	7.01
(b)	7.05;12.02
(c)	7.01
(d)	7.01
(e)	6.11
316(a) (last sentence)	2.09
(a)(1)(A)	6.05
(a)(1)(B)	6.04
(a)(2)	N.A.
(b)	6.07
(c)	2.12
317(a)(1)	6.08
(a)(2)	6.09
(b)	2.04
318.....(a)	12.01
(b)	N.A.
(c)	12.01

N.A. means not applicable.

* This Cross-Reference Table is not part of the Indenture.

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DEFINITIONS AND INCORPORATION
BY REFERENCE

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INDENTURE dated as of March 17, 1999 among Charter Communications Holdings, LLC, a Delaware limited liability company (the "Company"), Charter Communications Holdings Capital Corporation, a company incorporated under the laws of Delaware ("Charter Capital" and together with the Company, the "Issuers"), Marcus Cable Holdings, LLC, a Delaware limited liability company, as guarantor (the "Guarantor"), and Harris Trust and Savings Bank, as trustee (the "Trustee").

The Issuers, the Guarantor and the Trustee agree as follows for the benefit of each other and for the equal and ratable benefit of the Holders of the 8.625% Senior Notes due 2009 (the "Notes"):

ARTICLE 1
DEFINITIONS AND INCORPORATION BY REFERENCE

Section 1.01. Definitions.

"144A Global Note" means a global note substantially in the form of Exhibit A hereto bearing the Global Note Legend and the Private Placement Legend and deposited with or on behalf of, and registered in the name of, the Depositary or its nominee that will be issued in an initial denomination equal to the outstanding principal amount of the Notes sold in reliance on Rule 144A.

"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 becomes 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.

"Agent" means any Registrar or Paying Agent.

"Applicable Procedures" means, with respect to any transfer or exchange of or for beneficial interests in any Global Note, the rules and procedures of the Depositary, Euroclear and Cedel that apply to such transfer or exchange.

"Asset Acquisition" means (a) an Investment by the Company or any of the Company's Restricted Subsidiaries, or the Guarantor or any of the Guarantor's Restricted Subsidiaries, as the case may be, in any other Person pursuant to which such Person shall become a Restricted Subsidiary of the Company or any of the Company's Restricted Subsidiaries, or the Guarantor or any of the Guarantor's

Restricted Subsidiaries, as the case may be, or shall be merged with or into the Company or any of the Company's Restricted Subsidiaries, or the Guarantor or any of the Guarantor's Restricted Subsidiaries, as the case may be, or (b) the acquisition by the Company or any of the Company's Restricted Subsidiaries, or the Guarantor or any of the Guarantor's Subsidiaries, as the case may be, 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 the Company and its Restricted Subsidiaries, taken as a whole, and of the Guarantor and its Restricted Subsidiaries, taken as a whole, shall be governed by Section 4.16 and/or Section 5.01 and not by the provisions of Section 4.11; and

(2) the issuance of Equity Interests by any of the Company's or the Guarantor's Restricted Subsidiaries or the sale of Equity Interests in any of the Company's or the Guarantor's 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 the Company, the Guarantor and their Restricted Subsidiaries of less than $100 million;

(2) a transfer of assets (i) between or among the Company and its Restricted Subsidiaries, (ii) between or among the Guarantor and its Restricted Subsidiaries and (iii) from the Guarantor or any of its Restricted Subsidiaries to any of the Company or its Restricted Subsidiaries;

(3) an issuance of Equity Interests by a Wholly Owned Restricted Subsidiary of the Company to the Company or to another Wholly Owned Restricted Subsidiary of the Company, or an issuance of Equity Interests by a Wholly Owned Restricted Subsidiary of the Guarantor to another Wholly Owned Restricted Subsidiary of the Guarantor;

(4) a Restricted Payment that is permitted by Section 4.07 and a Restricted Investment that is permitted by Section 4.08; 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.

"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.

"Bankruptcy Law" means Title 11, U.S. Code or any similar Federal or state law of any jurisdiction relating to bankruptcy, insolvency, winding up, liquidation, reorganization or relief of debtors.

"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.

"Board of Directors" means the Board of Directors of the Company, Charter Capital or the Guarantor, as the case may be, or any authorized committee of the Board of Directors of the Company, Charter Capital or the Guarantor, as the case may be.

"Board Resolution" means a copy of a resolution certified by the Secretary or an Assistant Secretary of the Company, Charter Capital or the Guarantor, as the case may be, to have been duly adopted by the Board of Directors of the Company, Charter Capital or the Guarantor, as the case may be, and to be in full force and effect on the date of such certification and delivered to the Trustee.

"Business Day" means any day other than a Legal Holiday.

"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 the Company or the Guarantor since the date of this Indenture (x) as a contribution to the common equity capital or from the issue or sale of Equity Interests of the Company or the Guarantor (other than Disqualified Stock) or (y) from the issue or sale of convertible or exchangeable Disqualified Stock or convertible or exchangeable debt securities of the Company or the Guarantor 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 or the Guarantor).

"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.

"Cedel" means Cedel Bank, SA.

"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 the Company and its Subsidiaries, taken as a whole, or the Guarantor 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 the Company or the Guarantor;

(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 the Company, becomes the Beneficial Owner, directly or indirectly, of more than 35% of the Voting Stock of the Company or the Guarantor, 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 the Company or the Guarantor, as the case may be, measured by voting power rather than the number of shares, than such person;

(4) after the Company's initial public offering, the first day on which a majority of the members of the Board of Directors of the Company are not Continuing Directors; or

(5) the Company or the Guarantor consolidates with, or merges with or into, any Person, or any Person consolidates with, or merges with or into, the Company or the Guarantor, in any such event pursuant to a transaction in which any of the outstanding Voting Stock of the Company or the Guarantor is converted into or exchanged for cash, securities or other property, other than any such transaction where the Voting Stock of the Company or the Guarantor 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.

"Charter Capital" has the meaning assigned to it in the preamble to this Indenture.

"Collateral" means the Mirror Note and other collateral which secures the obligations under the Notes pursuant to the Pledge Documents and the collateral which secures the obligations under the Mirror Note.

"Commission" or "SEC" means the Securities and Exchange Commission.

"Company" has the meaning assigned to it in the preamble to this Indenture.

"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 the Company 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 Section 4.10 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 Section 4.07 (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 this Indenture or incurred or issued thereafter in compliance with Section 4.10; provided that 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 provided such terms are determined by such Person to be customary in comparable financings and such restrictions are determined by the Company not to materially affect the Company's 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 (excluding Indebtedness of the Company or any of its Subsidiaries guaranteed by the Guarantor and any of its Subsidiaries which Indebtedness has been previously counted for the purposes of this definition), 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 the Company who:

(1) was a member of such Board of Directors on the date of this Indenture; 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.

"Corporate Trust Office of the Trustee" shall be at the address of the Trustee specified in Section 12.02 or such other address as to which the Trustee may give notice to the Issuers.

"Credit Facilities" means, with respect to the Company, the Guarantor and/or their respective 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.

"Definitive Note" means a certificated Note registered in the name of the Holder thereof and issued in accordance with Section 2.06, substantially in the form of Exhibit A hereto, except that such Note shall not bear the Global Note Legend and shall not have the "Schedule of Exchanges of Interests in the Global Note" attached thereto.

"Depositary" means, with respect to the Global Notes, the Person specified in Section 2.03 as the Depositary with respect to the Notes, and any and all successors thereto appointed as depositary hereunder and having become such pursuant to the applicable provision of this Indenture.

"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 the Company or the Guarantor, as the case may be, 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 the Company or the Guarantor, as the case may be, may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with Section 4.07.

"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 the Company of which the gross proceeds to the Company are at least $25 million.

"Euroclear" means Morgan Guaranty Trust Company of New York, Brussels office, as operator of the Euroclear system.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Exchange Notes" means the Notes issued in the Exchange Offer pursuant to Section 2.06(f).

"Exchange Offer" has the meaning set forth in the Registration Rights Agreement.

"Exchange Offer Registration Statement" has the meaning set forth in the Registration Rights Agreement.

"Existing Indebtedness" means Indebtedness of the Company and its Restricted Subsidiaries and the Guarantor and its Restricted Subsidiaries in existence on the Issue Date, until such amounts are repaid.

"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.

"Global Note Legend" means the legend set forth in Section 2.06(g)(ii), which is required to be placed on all Global Notes issued under this Indenture.

"Global Notes" means, individually and collectively, each of the Restricted Global Notes and the Unrestricted Global Notes.

"Government Securities" means direct obligations of, or obligations guaranteed by, the United States of America, and the payment for which the United States pledges its full faith and credit.

"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.

"Guarantor" has the meaning assigned to it in the preamble to this Indenture.

"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.

"Holder" means a holder of the Notes.

"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.

"Indenture" means this Indenture, as amended or supplemented from time to time.

"Indirect Participant" means a Person who holds a beneficial interest in a Global Note through a Participant.

"Institutional Accredited Investor" means an institution that is an "accredited investor" as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act that is not also a QIB.

"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 March 17, 1999.

"Issuers" has the meaning assigned to it in the preamble to this Indenture.

"Legal Holiday" means a Saturday, a Sunday or a day on which banking institutions in the City of New York or at a place of payment are authorized by law, regulation or executive order to remain closed. If a payment date is a Legal Holiday at a place of payment, payment may be made at that place on the next succeeding day that is not a Legal Holiday, and no interest shall accrue on such payment for the intervening period.

"Letter of Transmittal" means the letter of transmittal to be prepared by the Issuers and sent to all Holders of the Notes for use by such Holders in connection with the Exchange Offer.

"Leverage Ratio" means, as of any date, the ratio of:

(1) the combined Consolidated Indebtedness of the Company and the Guarantor on such date to

(2) the aggregate amount of combined Consolidated EBITDA for the Company and the Guarantor 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 of 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; and

(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 or 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.

For purposes of this definition and calculating the combined Consolidated Indebtedness for the Company and the Guarantor, in no case will the combined Consolidated Indebtedness for the Company include (x) Consolidated Indebtedness of the Company which has already been counted as part of the Consolidated Indebtedness of the Guarantor and (y) Consolidated Indebtedness of the Guarantor which has already been counted as the Consolidated Indebtedness of the Company. Further, for purposes of this definition and calculating combined Consolidated EBITDA for the Company and the Guarantor, in no case will combined Consolidated EBITDA for the Company and the Guarantor include (x) Consolidated EBITDA of the Company which has already been counted as part of the Consolidated EBITDA of the Guarantor and (y) Consolidated EBITDA of the Guarantor which has already been counted as the Consolidated EBITDA of the Company.

"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 Communication 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 the Company or any of its Restricted Subsidiaries.

"Mirror Note" means the senior note of the Guarantor due April 1, 2007 issued to the Company in the principal amount of $1,548,630,855 in the form attached to this Indenture as Exhibit F, and which will be secured by the pledge by the Guarantor of all of the Capital Stock of Marcus Cable Company LLC, a wholly owned Subsidiary of the Guarantor.

"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 the Company or any of its Restricted Subsidiaries or by the Guarantor or any of its Restricted Subsidiaries, as the case may be, 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 the Company nor any of its Restricted Subsidiaries, nor the Guarantor or any of its Restricted Subsidiaries, as the case may be, (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 the Company or any of its Restricted Subsidiaries, or the Guarantor or any of its Restricted Subsidiaries, as the case may be, 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 the Company or any of its Restricted Subsidiaries or the Guarantor or any of its Restricted Subsidiaries, as the case may be.

"Non-U.S. Person" means a Person who is not a U.S. Person.

"Notes" has the meaning assigned to it in the preamble to this Indenture.

"Obligations" means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

"Officer" means, with respect to any Person, the Chairman of the Board, the Chief Executive Officer, the President, the Chief Operating Officer, the Chief Financial Officer, the Treasurer, any Assistant Treasurer, the Controller, the Secretary or any Vice-President of such Person.

"Officers' Certificate" means a certificate signed on behalf of the Company, Charter Capital or the Guarantor, as the case may be, by two Officers of the Company, Charter Capital or the Guarantor, as the case may be, one of whom must be the principal executive officer, the chief financial officer or the treasurer of the Company, Charter Capital or the Guarantor, as the case may be, that meets the requirements of Section 12.05.

"Opinion of Counsel" means an opinion from legal counsel who is reasonably acceptable to the Trustee, that meets the requirements of Section 12.05. The counsel may be an employee of or counsel to the Issuers, the Guarantor, any Subsidiary of the Issuers or the Guarantor or the Trustee.

"Other Notes" means the 8.25% Senior Notes due 2007 of the Issuers in an aggregate principal amount not to exceed the principal amount issued on the Issue Date, and the 9.920% Senior Discount Notes due 2011 of the Issuers in an aggregate principal amount at maturity not to exceed the principal amount at maturity issued on the Issue Date.

"Participant" means, with respect to the Depositary, Euroclear or Cedel, a Person who has an account with the Depositary, Euroclear or Cedel, respectively (and, with respect to DTC, shall include Euroclear and Cedel).

"Permitted Investments" means:

(1) any Investment by the Company in a Restricted Subsidiary of the Company, or any Investment by the Guarantor in a Restricted Subsidiary of the Guarantor, the Company or a Restricted Subsidiary of the Company, or any Investment by a Restricted Subsidiary of the Company or the Guarantor in the Company;

(2) any Investment in Cash Equivalents;

(3) any Investment by the Company or any Restricted Subsidiary of the Company in a Person, if as a result of such Investment:

(a) such Person becomes a Restricted Subsidiary of the Company; or

(b) such Person is merged or consolidated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Company or a Restricted Subsidiary of the Company;

(4) any Investment by the Guarantor or any Restricted Subsidiary of the Guarantor in a Person, if as a result of such Investment:

(a) such Person becomes a Restricted Subsidiary of the Guarantor; 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, the Guarantor or a Restricted Subsidiary of the Guarantor;

(5) 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 Section 4.11;

(6) Investment made out of the net cash proceeds of the issue and sale (other than to a Subsidiary of the Company or the Guarantor) of Equity Interests (other than Disqualified Stock) of the Company or the Guarantor to the extent that such net cash proceeds have not been applied to make a Restricted Payment or to effect other transactions pursuant to Section 4.07 or to the extent such net cash proceeds have not been used to incur Indebtedness pursuant to clause (10) of Section 4.10;

(7) 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 in value), when taken together with all other Investments made pursuant to this clause (7) since the Issue Date, not to exceed $150 million; provided that either the Company or any of its Restricted Subsidiaries or the Guarantor or any of its Restricted Subsidiaries, after giving effect to such Investments, will own at least 20% of the Voting Stock of such Person;

(8) 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 (8) since the date of this Indenture, not to exceed $50 million;

(9) 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

(10) the Company's investment in the Guarantor, as outstanding on the Issue Date.

"Permitted Liens" means:

(1) Liens on the assets of the Company or the Guarantor securing Indebtedness and other Obligations under clause (1) of Section 4.10;

(2) Liens in favor of the Company and the Guarantor and Liens on the assets of any Restricted Subsidiary of the Company or the Guarantor in favor of any other Restricted Subsidiary of the Company or the Guarantor;

(3) Liens on property of a Person existing at the time such Person is merged with or into or consolidated with the Company or the Guarantor; 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 the Company or the Guarantor;

(4) Liens on property existing at the time of acquisition thereof by the Company or the Guarantor; 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 Capital Lease Obligations) incurred by the Company or the Guarantor upon any fixed or capital assets acquired after the Issue Date or purchase money mortgages (including without limitation Capital 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 (i) such mortgage or lien does not extend to or cover any of the assets of the Company or the Guarantor, 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 (ii) 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 Capital Lease Obligation) only;

(7) Liens existing on the date of this Indenture (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 the Company or the Guarantor or any of their 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 the Company, the Guarantor or any of their 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 the Company, the Guarantor or any of their respective 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 the Company or the Guarantor, 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 this Indenture and in the indentures relating to the Other Notes, in each case under Section 7.07; and

(23) Liens in favor of the Trustee for its benefit and the benefit of the Holders and the holders of the Other Notes, as their respective interests appear.

"Permitted Refinancing Indebtedness" means any Indebtedness of the Company or any of its Restricted Subsidiaries, or the Guarantor or any of its Restricted Subsidiaries, as the case may be, issued in exchange for, or the net proceeds of which are used to extend, refinance, renew, replace, defease or refund, other Indebtedness of the Company or any of its Restricted Subsidiaries, or the Guarantor or any of its Restricted Subsidiaries, respectively (other than intercompany Indebtedness); provided that unless permitted otherwise by this Indenture, no Indebtedness of the Company or any of its Restricted Subsidiaries, or the Guarantor or any of its Restricted Subsidiaries, may be issued in exchange for, or the net proceeds of which are used to extend, refinance, renew, replace, defease or refund Indebtedness of the Guarantor or any of its Restricted Subsidiaries, or the Company or any of its Restricted Subsidiaries, respectively; 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 or the Guarantee, 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 or the Guarantee, as the case may be, 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 the Company or by any of its Restricted Subsidiaries or the Guarantor 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.

"Pledge Documents" means, collectively, this Indenture and all pledge agreements or other instruments evidencing or creating any security interests in favor of the Trustee in all or any portion of the Collateral, in each case as amended, supplemented or modified from time to time in accordance with their terms and the terms of this Indenture.

"Principal" means Paul G. Allen.

"Private Placement Legend" means the legend set forth in Section 2.06(g)(i)(A) to be placed on all Notes issued under this Indenture except where otherwise permitted by the provisions of this Indenture.

"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.

"QIB" means a "qualified institutional buyer" as defined in Rule 144A.

"Qualified Capital Stock" means any Capital Stock that is not Disqualified Stock.

"Rating Agencies" means Moody's and S&P.

"Registration Rights Agreement" means the Exchange and Registration Rights Agreement dated as of the Issue Date among the Issuers, the Guarantor and the initial purchasers named therein with respect to the Notes issued on the Issue Date.

"Regulation S" means Regulation S promulgated under the Securities Act.

"Regulation S Global Note" means a global Note bearing the Private Placement Legend and deposited with or on behalf of the Depositary and registered in the name of the Depositary or its nominee, issued in an initial denomination equal to the outstanding principal amount of the Notes initially sold in reliance on Rule 903 of Regulation S.

"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).

"Responsible Officer," when used with respect to the Trustee, means any officer within the Corporate Trust Administration of the Trustee (or any successor group of the Trustee) with direct responsibility for the administration of this Indenture and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

"Restricted Definitive Note" means a Definitive Note bearing the Private Placement Legend.

"Restricted Global Note" means a Global Note bearing the Private Placement Legend.

"Restricted Investment" means an Investment other than a Permitted Investment.

"Restricted Subsidiary" of a Person means any Subsidiary of the referent Person that is not an Unrestricted Subsidiary.

"Rule 144" means Rule 144 promulgated under the Securities Act.

"Rule 144A" means Rule 144A promulgated under the Securities Act.

"Rule 903" means Rule 903 promulgated under the Securities Act.

"Rule 904" means Rule 904 promulgated the Securities Act.

"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.

"Securities Act" means the Securities Act of 1933, as amended.

"Shelf Registration Statement" means the Shelf Registration Statement as defined in the Registration Rights Agreement.

"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 Exchange Act.

"Special Interest" has the meaning set forth in the Registration Rights Agreement.

"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.

"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).

"Tax" shall mean any tax, duty, levy, impost, assessment or other governmental charge (including penalties, interest and any other liabilities related thereto).

"TIA" means the Trust Indenture Act of 1939 (15 U.S.C. ss.ss. 77aaa-77bbbb) as in effect on the date on which this Indenture is qualified under the TIA; provided, however, that in the event the Trust Indenture Act of 1939 is amended after such date, then "TIA" means, to the extent required by such amendment, the Trust Indenture Act of 1939 as so amended.

"Trustee" means Harris Trust and Savings Bank until a successor replaces Harris Trust and Savings Bank in accordance with the applicable provisions of this Indenture and thereafter means the successor serving hereunder.

"Unrestricted Definitive Note" means one or more Definitive Notes that do not bear and are not required to bear the Private Placement Legend.

"Unrestricted Global Note" means a permanent global Note substantially in the form of Exhibit A attached hereto that bears the Global Note Legend and that has the "Schedule of Exchanges of Interests in the Global Note" attached thereto, and that is deposited with or on behalf of and registered in the name of the Depositary, representing a series of Notes that do not bear the Private Placement Legend.

"Unrestricted Subsidiary" means any Subsidiary of the Company or the Guarantor 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 the Company or any Restricted Subsidiary of the Company or the Guarantor or any Restricted Subsidiary of the Guarantor unless the terms of any such agreement, contract, arrangement or

understanding are no less favorable to the Company or any Restricted Subsidiary or the Guarantor or any Restricted Subsidiary of the Guarantor than those that might be obtained at the time from Persons who are not Affiliates of the Company or the Guarantor unless such terms constitute Investments permitted by the covenant described above under Section 4.08;

(3) is a Person with respect to which neither the Company nor any of its Restricted Subsidiaries, nor the Guarantor 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 the Company or any of its Restricted Subsidiaries or the Guarantor 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 the Company or any of its Restricted Subsidiaries, or of the Guarantor 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, or of the Guarantor or any of its Restricted Subsidiaries.

"U.S. Person" means a U.S. person as defined in Rule 902(o) under the Securities Act.

"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.

Section 1.02. Other Definitions.

Term	Defined in Section
"Affiliate Transaction".................................	4.13
"Asset Sale Offer"......................................	3.09
"Authentication Order"..................................	2.02
"Change of Control Offer"...............................	4.16
"Change of Control Payment".............................	4.16

Term	Defined in Section
"Change of Control Payment Date".........................	4.16
"Covenant Defeasance"....................................	8.01
"DTC"..	2.03
"Event of Default".......................................	6.01
"Excess Proceeds"..	4.12
"incur"..	4.09
"Legal Defeasance".......................................	8.01
"Offer Period"...	3.09
"Paying Agent"...	2.03
"Payment Default"..	6.01
"Permitted Debt"...	4.10
"Preferred Stock Financing"..............................	4.10
"Purchase Date"..	3.09
"Registrar"..	2.03
"Restricted Payments"....................................	4.07
"Subordinated Debt Financing"............................	4.10
"Subordinated Notes".....................................	4.10
"Subsidiary Guarantee"...................................	4.17
"Suspended Covenants"....................................	4.19

Section 1.03. Incorporation by Reference of Trust Indenture Act.

Whenever this Indenture refers to a provision of the TIA, the provision is incorporated by reference in and made a part of this Indenture.

The following TIA terms used in this Indenture have the following meanings:

"indenture securities" means the Notes;

"indenture security Holder" means a Holder of a Note;

"indenture to be qualified" means this Indenture;

"indenture trustee" or "institutional trustee" means the Trustee; and

"obligor" on the Notes means the Issuers and any successor obligor upon the Notes.

All other terms used in this Indenture that are defined by the TIA, defined by TIA reference to another statute or defined by SEC rule under the TIA have the meanings so assigned to them.

Section 1.04. Rules of Construction.

Unless the context otherwise requires:

(a) a term has the meaning assigned to it;

(b) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;

(c) "or" is not exclusive;

(d) words in the singular include the plural, and in the plural include the singular;

(e) provisions apply to successive events and transactions;

(f) references to sections of or rules under the Securities Act shall be deemed to include substitute, replacement of successor sections or rules adopted by the SEC from time to time;

(g) references to any statute, law, rule or regulation shall be deemed to refer to the same as from time to time amended and in effect and to any successor statute, law, rule or regulation; and

(h) references to any contract, agreement or instrument shall mean the same as amended, modified, supplemented or amended and restated from time to time, in each case, in accordance with any applicable restrictions contained in this Indenture.

ARTICLE 2
THE NOTES

Section 2.01. Form and Dating.

(a) General. The Notes and the Trustee's certificate of authentication shall be substantially in the form of Exhibit A hereto. The Notes may have notations, legends or endorsements required by law, stock exchange rule or usage. Each Note shall be dated the date of its authentication. The Notes shall be in denominations of $1,000 and integral multiples thereof.

The terms and provisions contained in the Notes shall constitute, and are hereby expressly made, a part of this Indenture and the Issuers and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby. However, to the extent any provision of any Note conflicts with the express provisions of this Indenture, the provisions of this Indenture shall govern and be controlling.

(b) Global Notes. Notes issued in global form shall be substantially in the form of Exhibit A attached hereto (including the Global Note Legend thereon and the "Schedule of Exchanges of Interests in the Global Note" attached thereto). Notes issued in definitive form shall be substantially in the form of Exhibit A attached hereto (but without the Global Note Legend thereon and without the "Schedule of Exchanges of Interests in the Global Note" attached thereto). Each Global Note shall represent such of the outstanding Notes as shall be specified therein and each shall provide that it shall represent the aggregate principal amount of outstanding Notes from time to time endorsed thereon and that the aggregate principal amount of outstanding Notes represented thereby may from time to time be reduced or increased, as appropriate, to reflect exchanges and redemptions. Any endorsement of a Global Note to reflect the amount of any increase or decrease in the aggregate principal amount of outstanding Notes represented thereby shall be made by the Trustee or the custodian, at the direction of the Trustee, in accordance with instructions given by the Holder thereof as required by Section 2.06.

(c) Euroclear and Cedel Procedures Applicable. The provisions of the "Operating Procedures of the Euroclear System" and "Terms and Conditions Governing Use of Euroclear" and the "General Terms and Conditions of Cedel Bank" and "Customer Handbook" of Cedel Bank shall be applicable to transfers of beneficial interests in the Regulation S Global Notes that are held by Participants through Euroclear or Cedel Bank.

Section 2.02. Execution and Authentication.

Two Officers shall sign the Notes for each Issuer by manual or facsimile signature. The Guarantor shall execute the Guarantee in the manner set forth in Article 10.

If an Officer whose signature is on a Note no longer holds that office at the time a Note is authenticated, the Note shall nevertheless be valid.

A Note shall not be valid until authenticated by the manual signature of the Trustee. The signature shall be conclusive evidence that the Note has been authenticated under this Indenture.

The Trustee shall, upon a written order of the Issuers signed by an Officer of each of the Issuers (an "Authentication Order"), authenticate Notes for original issue in the aggregate principal amount of $1,500,000,000. The aggregate principal amount of Notes outstanding at any time may not exceed such amount except as provided in Section 2.07. On the Issue Date, the Issuers will issue $1,500,000,000 aggregate principal amount of Notes.

The Trustee may appoint an authenticating agent acceptable to the Issuers to authenticate Notes. An authenticating agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An authenticating agent has the same rights as an Agent to deal with Holders or an Affiliate of the Issuers.

Section 2.03. Registrar and Paying Agent.

The Issuers shall maintain an office or agency where Notes may be presented for registration of transfer or for exchange ("Registrar") and an office or agency where Notes may be presented for payment ("Paying Agent"). The Registrar shall keep a register of the Notes and of their transfer and exchange. The Issuers may appoint one or more co-registrars and one or more additional paying agents. The term "Registrar" includes any co-registrar and the term "Paying Agent" includes any additional paying agent. The Issuers may change any Paying Agent or Registrar without notice to any Holder. The Issuers shall notify the Trustee in writing of the name and address of any Agent not a party to this Indenture. If the Issuers fail to appoint or maintain another entity as Registrar or Paying Agent, the Trustee shall act as such. The Issuers or any of their Subsidiaries may act as Paying Agent or Registrar.

The Issuers initially appoint The Depository Trust Company ("DTC") to act as Depositary with respect to the Global Notes.

The Issuers initially appoint the Trustee to act as the Registrar and Paying Agent and to act as Custodian with respect to the Global Notes.

Section 2.04. Paying Agent to Hold Money in Trust.

The Issuers shall require each Paying Agent other than the Trustee to agree in writing that the Paying Agent shall hold in trust for the benefit of Holders or the Trustee all money held by the Paying Agent for the payment of principal, premium, if any, or interest on the Notes, and shall notify the Trustee of any default by the Issuers in making any such payment. While any such default continues, the Trustee may require a Paying Agent to pay all money held by it to the Trustee. The Issuers at any time may require a Paying Agent to pay all money held by it to the Trustee. Upon payment over to the Trustee, the Paying Agent (if other than the Issuers or a Subsidiary) shall have no further liability for the money. If the Issuers or a Subsidiary acts as Paying Agent, it shall segregate and hold in a separate trust fund for

the benefit of the Holders all money held by it as Paying Agent. Upon any bankruptcy or reorganization proceedings relating to the Issuers, the Trustee shall serve as Paying Agent for the Notes.

Section 2.05. Holder Lists.

The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of all Holders and shall otherwise comply with TIA ss. 312(a). If the Trustee is not the Registrar, the Issuers shall furnish to the Trustee at least seven Business Days before each interest payment date and at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of the Holders of Notes and the Issuers shall otherwise comply with TIA ss. 312(a).

Section 2.06. Transfer and Exchange.

(a) Transfer and Exchange of Global Notes. A Global Note may not be transferred as a whole except by the Depositary to a nominee of the Depositary, by a nominee of the Depositary to the Depositary or to another nominee of the Depositary, or by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary. All Global Notes shall be exchanged by the Company for Definitive Notes if:

(i) the Issuers deliver to the Trustee notice from the Depositary that it is unwilling or unable to continue to act as Depositary or that it is no longer a clearing agency registered under the Exchange Act and, in either case, a successor Depositary is not appointed by the Issuers within 120 days after the date of such notice from the Depositary; or

(ii) the Issuers in their sole discretion determine that the Global Notes (in whole but not in part) should be exchanged for Definitive Notes and deliver a written notice to such effect to the Trustee; or

(iii) there shall have occurred and be continuing a Default or Event of Default with respect to the Notes.

Upon the occurrence of any of the preceding events in (i), (ii) or (iii) above, Definitive Notes shall be issued in such names as the Depositary shall instruct the Trustee. Global Notes also may be exchanged or replaced, in whole or in part, as provided in Sections 2.07 and 2.10. Every Note authenticated and delivered in exchange for, or in lieu of, a Global Note or any portion thereof, pursuant to this Section 2.06 or Section 2.07 or 2.10, shall be authenticated and delivered in the form of, and shall be, a Global Note. A Global Note may not be exchanged for another Note other than as provided in this Section 2.06(a); however, beneficial interests in a Global Note may be transferred and exchanged as provided in Section 2.06(b), (c) or (f).

(b) Transfer and Exchange of Beneficial Interests in the Global Notes. The transfer and exchange of beneficial interests in the Global Notes shall be effected through the Depositary, in accordance with the provisions of this Indenture and the Applicable Procedures. Beneficial interests in the Restricted Global Notes shall be subject to restrictions on transfer comparable to those set forth herein to the extent required by the Securities Act. Transfers of beneficial interests in the Global Notes also shall require compliance with either subparagraph (i) or (ii) below, as applicable, as well as one or more of the other following subparagraphs, as applicable:

(i) Transfer of Beneficial Interests in the Same Global Note. Beneficial interests in any Restricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in the same Restricted Global Note in accordance with the transfer restrictions set forth in the Private Placement Legend. Beneficial interests in any Unrestricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note. No written orders or instructions shall be required to be delivered to the Registrar to effect the transfers described in this Section 2.06(b)(i).

(ii) All Other Transfers and Exchanges of Beneficial Interests in Global Notes. In connection with all transfers and exchanges of beneficial interests that are not subject to Section 2.06(b)(i) above, the transferor of such beneficial interest must deliver to the Registrar either:

(A)(1) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to credit or cause to be credited a beneficial interest in another Global Note in an amount equal to the beneficial interest to be transferred or exchanged; and

(A)(2) instructions given in accordance with the Applicable Procedures containing information regarding the Participant account to be credited with such increase; or

(B)(1) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to cause to be issued a Definitive Note in an amount equal to the beneficial interest to be transferred or exchanged; and

(B)(2) instructions given by the Depositary to the Registrar containing information regarding the Person in whose name such Definitive Note shall be registered to effect the transfer or exchange referred to in (1) above.

Upon consummation of an Exchange Offer by the Issuers in accordance with Section 2.06(f), the requirements of this Section 2.06(b)(ii) shall be deemed to have been satisfied upon receipt by the Registrar of the instructions contained in the Letter of Transmittal delivered by the holder of such beneficial interests in the Restricted Global Notes. Upon satisfaction of all of the requirements for transfer or exchange of beneficial interests in Global Notes contained in this Indenture and the Notes or otherwise applicable under the Securities Act, the Trustee shall adjust the principal amount of the relevant Global Note(s) pursuant to Section 2.06(h).

(iii) Transfer of Beneficial Interests to Another Restricted Global Note. A beneficial interest in any Restricted Global Note may be transferred to a Person who takes delivery thereof in the form of a beneficial interest in another Restricted Global Note if the transfer complies with the requirements of Section 2.06(b)(ii) above and the Registrar receives the following:

(A) if the transferee will take delivery in the form of a beneficial interest in the 144A Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (1) thereof; and

(B) if the transferee will take delivery in the form of a beneficial interest in the Regulation S Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof.

(iv) Transfer and Exchange of Beneficial Interests in a Restricted Global Note for Beneficial Interests in the Unrestricted Global Note. A beneficial interest in any Restricted Global Note may be exchanged by any holder thereof for a beneficial interest in an Unrestricted Global Note or transferred to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note if the exchange or transfer complies with the requirements of Section 2.06(b)(ii) above and:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and the holder of the beneficial interest to be transferred, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that it is not (1) a broker-dealer, (2) a Person participating in the distribution of the Exchange Notes or (3) a Person who is an affiliate (as defined in Rule 144) of the Issuers;

(B) such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement;

(C) such transfer is effected by a broker-dealer pursuant to the Exchange Registration Statement in accordance with the Registration Rights Agreement; or

(D) the Registrar receives the following:

(1) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a beneficial interest in an Unrestricted Global Note, a certificate from such holder in the form of Exhibit C hereto, including the certifications in item (1)(a) thereof; or

(2) if the holder of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note, a certificate from such holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (D), if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

If any such transfer is effected pursuant to subparagraph (B) or (D) above at a time when an Unrestricted Global Note has not yet been issued, the Issuers shall issue (and, in the case of the Guarantee, the Guarantor shall issue) and, upon receipt of an Authentication Order in accordance with Section 2.02, the Trustee shall authenticate one or more Unrestricted Global Notes (with corresponding Guarantees) in an aggregate

principal amount equal to the aggregate principal amount of beneficial interests transferred pursuant to subparagraph (B) or (D) above.

Beneficial interests in an Unrestricted Global Note cannot be exchanged for, or transferred to Persons who take delivery thereof in the form of, a beneficial interest in a Restricted Global Note.

(c) Transfer or Exchange of Beneficial Interests for Definitive Notes.

(i) Beneficial Interests in Restricted Global Notes to Restricted Definitive Notes. If any holder of a beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Restricted Definitive Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Restricted Definitive Note, then, upon receipt by the Registrar of the following documentation:

(A) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Restricted Definitive Note, a certificate from such holder in the form of Exhibit C hereto, including the certifications in item (2)(a) thereof;

(B) if such beneficial interest is being transferred to a QIB in accordance with Rule 144A under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (1) thereof;

(C) if such beneficial interest is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (2) thereof;

(D) if such beneficial interest is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144 under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(a) thereof;

(E) if such beneficial interest is being transferred to an Institutional Accredited Investor in reliance on an exemption from the registration requirements of the Securities Act other than those listed in subparagraphs (B) through (D) above, a certificate to the effect set forth in Exhibit B hereto, including the certifications, certificates and Opinion of Counsel required by item (3) thereof, if applicable;

(F) if such beneficial interest is being transferred to the Issuers or any of their Subsidiaries, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(b) thereof; or

(G) if such beneficial interest is being transferred pursuant to an effective registration statement under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(c) thereof,

the Trustee shall cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 2.06(h), and the Issuers shall execute (and, in the case of the Guarantee, the Guarantor shall execute) and the Trustee shall authenticate and deliver to the Person designated in the instructions a Definitive Note (with its

corresponding Guarantee) in the appropriate principal amount. Any Definitive Note issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this Section 2.06(c) shall be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest shall instruct the Registrar through instructions from the Depositary and the Participant or Indirect Participant. The Trustee shall deliver such Definitive Notes to the Persons in whose names such Notes are so registered. Any Definitive Note issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this Section 2.06(c)(i) shall bear the Private Placement Legend and shall be subject to all restrictions on transfer contained therein.

(ii) Beneficial Interests in Restricted Global Notes to Unrestricted Definitive Notes. A holder of a beneficial interest in a Restricted Global Note may exchange such beneficial interest for an Unrestricted Definitive Note or may transfer such beneficial interest to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note only if:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and the holder of such beneficial interest, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that it is not (1) a broker-dealer, (2) a Person participating in the distribution of the Exchange Notes or (3) a Person who is an affiliate (as defined in Rule 144) of the Issuers;

(B) such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement;

(C) such transfer is effected by a broker-dealer pursuant to the Exchange Registration Statement in accordance with the Registration Rights Agreement; or

(D) the Registrar receives the following:

(1) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Definitive Note that does not bear the Private Placement Legend, a certificate from such holder in the form of Exhibit C hereto, including the certifications in item (1)(b) thereof; or

(2) if the holder of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a Definitive Note that does not bear the Private Placement Legend, a certificate from such holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (D), if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(iii) Beneficial Interests in Unrestricted Global Notes to Unrestricted Definitive Notes. If any holder of a beneficial interest in an Unrestricted Global Note proposes to exchange such beneficial interest for a Definitive Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Definitive Note, then, upon satisfaction of the conditions set forth in Section 2.06(b)(ii), the Trustee shall cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 2.06(h), and the Issuers shall execute (and, in the case of the Guarantee, the Guarantor shall execute) and the Trustee shall authenticate and deliver to the Person designated in the instructions a Definitive Note (with its corresponding Guarantee) in the appropriate principal amount. Any Definitive Note issued in exchange for a beneficial interest pursuant to this Section 2.06(c)(iii) shall be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest shall instruct the Registrar through instructions from the Depositary and the Participant or Indirect Participant. The Trustee shall deliver such Definitive Notes to the Persons in whose names such Notes are so registered. Any Definitive Note issued in exchange for a beneficial interest pursuant to this Section 2.06(c)(iii) shall not bear the Private Placement Legend.

(d) Transfer and Exchange of Definitive Notes for Beneficial Interests in Global Notes.

(i) Restricted Definitive Notes to Beneficial Interests in Restricted Global Notes. If any Holder of a Restricted Definitive Note proposes to exchange such Note for a beneficial interest in a Restricted Global Note or to transfer such Restricted Definitive Notes to a Person who takes delivery thereof in the form of a beneficial interest in a Restricted Global Note, then, upon receipt by the Registrar of the following documentation:

(A) if the Holder of such Restricted Definitive Note proposes to exchange such Note for a beneficial interest in a Restricted Global Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (2)(b) thereof;

(B) if such Restricted Definitive Note is being transferred to a QIB in accordance with Rule 144A under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (1) thereof;

(C) if such Restricted Definitive Note is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (2) thereof;

(D) if such Restricted Definitive Note is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144 under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(a) thereof;

(E) if such Restricted Definitive Note is being transferred to an Institutional Accredited Investor in reliance on an exemption from the registration requirements of the Securities Act other than those listed in subparagraphs (B) through (D) above, a certificate to the effect set forth in Exhibit B hereto, including the certifications, certificates and Opinion of Counsel required by item (3) thereof, if applicable;

(F) if such Restricted Definitive Note is being transferred to the Company or any of its Subsidiaries, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(b) thereof; or

(G) if such Restricted Definitive Note is being transferred pursuant to an effective registration statement under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(c) thereof,

the Trustee shall cancel the Restricted Definitive Note, increase or cause to be increased the aggregate principal amount of, in the case of clause (A) above, the appropriate Restricted Global Note, in the case of clause (B) above, the 144A Global Note, in the case of clause (C) above, the Regulation S Global Note.

(ii) Restricted Definitive Notes to Beneficial Interests in Unrestricted Global Notes. A Holder of a Restricted Definitive Note may exchange such Note for a beneficial interest in an Unrestricted Global Note or transfer such Restricted Definitive Note to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note only if:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and the Holder, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that it is not (1) a broker-dealer, (2) a Person participating in the distribution of the Exchange Notes or (3) a Person who is an affiliate (as defined in Rule 144) of the Issuers;

(B) such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement;

(C) such transfer is effected by a broker-dealer pursuant to the Exchange Registration Statement in accordance with the Registration Rights Agreement; or

(D) the Registrar receives the following:

(1) if the Holder of such Definitive Notes proposes to exchange such Notes for a beneficial interest in the Unrestricted Global Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (1)(c) thereof; or

(2) if the Holder of such Definitive Notes proposes to transfer such Notes to a Person who shall take delivery thereof in the form of a beneficial interest in the Unrestricted Global Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (D), if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

Upon satisfaction of the conditions of any of the subparagraphs in this Section 2.06(d)(ii), the Trustee shall cancel the Definitive Notes and increase or cause to be increased the aggregate principal amount of the Unrestricted Global Note.

(iii) Unrestricted Definitive Notes to Beneficial Interests in Unrestricted Global Notes. A Holder of an Unrestricted Definitive Note may exchange such Note for a beneficial interest in an Unrestricted Global Note or transfer such Definitive Notes to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note at any time. Upon receipt of a request for such an exchange or transfer, the Trustee shall cancel the applicable Unrestricted Definitive Note and increase or cause to be increased the aggregate principal amount of one of the Unrestricted Global Notes.

If any such exchange or transfer from a Definitive Note to a beneficial interest is effected pursuant to subparagraphs (ii)(B), (ii)(D) or (iii) above at a time when an Unrestricted Global Note has not yet been issued, the Issuers shall issue (and, in the case of the Guarantee, the Guarantor shall issue) and, upon receipt of an Authentication Order in accordance with Section 2.02, the Trustee shall authenticate one or more Unrestricted Global Notes (with corresponding Guarantees) in an aggregate principal amount equal to the principal amount of Definitive Notes so transferred.

(e) Transfer and Exchange of Definitive Notes for Definitive Notes. Upon request by a Holder of Definitive Notes and such Holder's compliance with the provisions of this Section 2.06(e), the Registrar shall register the transfer or exchange of Definitive Notes. Prior to such registration of transfer or exchange, the requesting Holder shall present or surrender to the Registrar the Definitive Notes duly endorsed or accompanied by a written instruction of transfer in form satisfactory to the Registrar duly executed by such Holder or by its attorney, duly authorized in writing. In addition, the requesting Holder shall provide any additional certifications, documents and information, as applicable, required pursuant to the following provisions of this Section 2.06(e).

(i) Restricted Definitive Notes to Restricted Definitive Notes. Any Restricted Definitive Note may be transferred to and registered in the name of Persons who take delivery thereof in the form of a Restricted Definitive Note if the Registrar receives the following:

(A) if the transfer will be made pursuant to Rule 144A under the Securities Act, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (1) thereof;

(B) if the transfer will be made pursuant to Rule 903 or Rule 904, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof; and

(C) if the transfer will be made pursuant to any other exemption from the registration requirements of the Securities Act, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications, certificates and Opinion of Counsel required by item (3) thereof, if applicable.

(ii) Restricted Definitive Notes to Unrestricted Definitive Notes. Any Restricted Definitive Note may be exchanged by the Holder thereof for an Unrestricted

Definitive Note or transferred to a Person or Persons who take delivery thereof in the form of an Unrestricted Definitive Note if:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and the Holder, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that it is not (1) a broker-dealer, (2) a Person participating in the distribution of the Exchange Notes or (3) a Person who is an affiliate (as defined in Rule 144) of the Issuers;

(B) any such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement;

(C) any such transfer is effected by a broker-dealer pursuant to the Exchange Registration Statement in accordance with the Registration Rights Agreement; or

(D) the Registrar receives the following:

(1) if the Holder of such Restricted Definitive Notes proposes to exchange such Notes for an Unrestricted Definitive Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (1)(d) thereof; or

(2) if the Holder of such Restricted Definitive Notes proposes to transfer such Notes to a Person who shall take delivery thereof in the form of an Unrestricted Definitive Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (D), if the Registrar so requests, an Opinion of Counsel in form reasonably acceptable to the Issuers to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(iii) Unrestricted Definitive Notes to Unrestricted Definitive Notes. A Holder of Unrestricted Definitive Notes may transfer such Notes to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note. Upon receipt of a request to register such a transfer, the Registrar shall register the Unrestricted Definitive Notes pursuant to the instructions from the Holder thereof.

(f) Exchange Offer. Upon the occurrence of the Exchange Offer in accordance with the Registration Rights Agreement, the Issuers shall issue and, upon receipt of an Authentication Order in accordance with Section 2.02, the Trustee shall authenticate (i) one or more Unrestricted Global Notes in an aggregate principal amount equal to the principal amount of the beneficial interests in the Restricted Global Notes tendered for acceptance by Persons that certify in the applicable Letters of Transmittal that (x) they are not broker-dealers, (y) they are not participating in a distribution of the Exchange Notes and (z) they are not affiliates (as defined in Rule 144) of the Issuers, and accepted for exchange in the Exchange Offer and (ii) Definitive Notes in an aggregate principal amount equal to the principal amount of the Restricted Definitive Notes accepted for exchange in the Exchange Offer. Concurrently with the issuance of such Notes, the Trustee shall cause the aggregate principal amount of the applicable Restricted Global Notes to be reduced accordingly, and the Issuers shall execute and the Trustee shall

authenticate and deliver to the Persons designated by the Holders of Definitive Notes so accepted Definitive Notes in the appropriate principal amount.

(g) Legends. The following legends shall appear on the face of all Global Notes and Definitive Notes issued under this Indenture unless specifically stated otherwise in the applicable provisions of this Indenture.

(i) Private Placement Legend.

(A) Except as permitted by subparagraph (B) below, each Global Note and each Definitive Note (and all Notes issued in exchange therefor or substitution thereof) shall bear the legend in substantially the following form:

"THE NOTES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933 (THE "SECURITIES ACT") AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A)(1) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (3) TO AN INSTITUTIONAL ACCREDITED INVESTOR IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, (4) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES."

(B) Notwithstanding the foregoing, any Global Note or Definitive Note issued pursuant to subparagraphs (b)(iv), (c)(ii), (c)(iii), (d)(ii), (d)(iii), (e)(ii), (e)(iii) or (f) to this Section 2.06 (and all Notes issued in exchange therefor or substitution thereof) shall not bear the Private Placement Legend.

(ii) Global Note Legend. Each Global Note shall bear a legend in substantially the following form:

"THIS GLOBAL NOTE IS HELD BY THE DEPOSITARY (AS DEFINED IN THE INDENTURE GOVERNING THIS NOTE) OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (I) THE TRUSTEE MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED PURSUANT TO SECTION 2.07 OF THE INDENTURE, (II) THIS GLOBAL NOTE MAY BE EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO SECTION 2.06(a) OF THE INDENTURE, (III) THIS GLOBAL NOTE MAY BE DELIVERED TO THE TRUSTEE FOR CANCELLATION PURSUANT TO SECTION 2.11 OF THE INDENTURE AND (III) THIS GLOBAL

NOTE MAY BE TRANSFERRED TO A SUCCESSOR DEPOSITARY WITH THE PRIOR WRITTEN CONSENT OF THE ISSUERS."

(h) Cancellation and/or Adjustment of Global Notes. At such time as all beneficial interests in a particular Global Note have been exchanged for Definitive Notes or a particular Global Note has been redeemed, repurchased or canceled in whole and not in part, each such Global Note shall be returned to or retained and canceled by the Trustee in accordance with Section 2.11. At any time prior to such cancellation, if any beneficial interest in a Global Note is exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note or for Definitive Notes, the principal amount of Notes represented by such Global Note shall be reduced accordingly and an endorsement shall be made on such Global Note by the Trustee or by the Depositary at the direction of the Trustee to reflect such reduction; and if the beneficial interest is being exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note, such other Global Note shall be increased accordingly and an endorsement shall be made on such Global Note by the Trustee or by the Depositary at the direction of the Trustee to reflect such increase.

(i) General Provisions Relating to Transfers and Exchanges.

(i) To permit registrations of transfers and exchanges, the Issuers shall execute (and in the case of the Guarantee, the Guarantor shall execute) and the Trustee shall authenticate Global Notes and Definitive Notes (each with corresponding Guarantees) upon the Issuers' order or at the Registrar's request.

(ii) No service charge shall be made to a holder of a beneficial interest in a Global Note or to a Holder of a Definitive Note for any registration of transfer or exchange, but the Issuers may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith (other than any such transfer taxes or similar governmental charge payable upon exchange or transfer pursuant to Sections 2.10, 3.06, 3.09, 4.11, 4.16 and 9.05).

(iii) The Registrar shall not be required to register the transfer of or exchange any Note selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part.

(iv) All Global Notes and Definitive Notes issued upon any registration of transfer or exchange of Global Notes or Definitive Notes shall be the valid obligations of the Issuers (and the Guarantor, in the case of the Guarantee), evidencing the same debt, and entitled to the same benefits under this Indenture, as the Global Notes or Definitive Notes (each with a corresponding Guarantee) surrendered upon such registration of transfer or exchange.

(v) The Issuers shall not be required (A) to issue, to register the transfer of or to exchange any Notes during a period beginning at the opening of business 15 days before the day of any selection of Notes for redemption under Section 3.02 and ending at the close of business on the day of selection, (B) to register the transfer of or to exchange any Note so selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part or (C) to register the transfer of or to exchange a Note between a record date and the next succeeding Interest Payment Date.

(vi) Prior to due presentment for the registration of a transfer of any Note, the Trustee, any Agent and the Issuers may deem and treat the Person in whose name any Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of and interest on such Notes and for all other purposes, and none of the Trustee, any Agent or the Issuers shall be affected by notice to the contrary.

(vii) The Trustee shall authenticate Global Notes and Definitive Notes in accordance with the provisions of Section 2.02.

(viii) All certifications, certificates and Opinions of Counsel required to be submitted to the Registrar pursuant to this Section 2.06 to effect a registration of transfer or exchange may be submitted by facsimile.

Section 2.07. Replacement Notes.

If any mutilated Note is surrendered to the Trustee or the Issuers and the Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Note, the Issuers shall issue (and, in the case of the Guarantee, the Guarantor shall issue) and the Trustee, upon receipt of an Authentication Order, shall authenticate a replacement Note (with a corresponding Guarantee) if the Trustee's requirements are met. If required by the Trustee or the Issuers, an indemnity bond must be supplied by the Holder that is sufficient in the judgment of the Trustee and the Issuers to protect the Issuers, the Trustee, any Agent and any authenticating agent from any loss that any of them may suffer if a Note is replaced. The Issuers may charge for their expenses in replacing a Note.

Every replacement Note (with corresponding Guarantee) is an additional obligation of the Issuers and the Guarantor and shall be entitled to all of the benefits of this Indenture equally and proportionately with all other Notes (with corresponding Guarantees) duly issued hereunder.

Section 2.08. Outstanding Notes.

The Notes outstanding at any time are all the Notes authenticated by the Trustee except for those canceled by it, those delivered to it for cancellation, those reductions in the interest in a Global Note effected by the Trustee in accordance with the provisions, and those described in this Section as not outstanding. Except as set forth in Section 2.09, a Note does not cease to be outstanding because either of the Issuers, the Guarantor or an Affiliate of the Issuers or the Guarantor holds the Note; however, Notes held by an Issuer, the Guarantor or a Subsidiary of an Issuer or the Guarantor shall not be deemed to be outstanding for purposes of Section 3.07(b).

If a Note is replaced pursuant to Section 2.07, it ceases to be outstanding unless the Trustee receives proof satisfactory to it that the replaced Note is held by a bona fide purchaser.

If the principal amount of any Note is considered paid under Section 4.01, it ceases to be outstanding and interest on it ceases to accrue.

If the Paying Agent (other than an Issuer, a Subsidiary or an Affiliate of any thereof) holds, on a redemption date or maturity date, money sufficient to pay Notes payable on that date, then on and after that date such Notes shall be deemed to be no longer outstanding and shall cease to accrue interest.

Section 2.09. Treasury Notes.

In determining whether the Holders of the required principal amount of Notes have concurred in any direction, waiver or consent, Notes owned by an Issuer, or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with an Issuer, shall be considered as though not outstanding, except that for the purposes of determining whether the Trustee shall be protected in relying on any such direction, waiver or consent, only Notes that a Responsible Officer of the Trustee knows are so owned shall be so disregarded.

Section 2.10. Temporary Notes.

Until certificates representing Notes are ready for delivery, the Issuers may prepare (and, in the case of the Guarantee, the Guarantor may prepare) and the Trustee, upon receipt of an Authentication Order, shall authenticate temporary Notes (with corresponding Guarantees). Temporary Notes shall be substantially in the form of certificated Notes but may have variations that the Issuers considers appropriate for temporary Notes and as shall be reasonably acceptable to the Trustee. Without unreasonable delay, the Issuers shall prepare (and, in the case of the Guarantee, the Guarantor shall prepare) and the Trustee shall authenticate definitive Notes (with corresponding Guarantees) in exchange for temporary Notes.

Holders of temporary Notes shall be entitled to all of the benefits of this Indenture.

Section 2.11. Cancellation.

The Issuers at any time may deliver Notes to the Trustee for cancellation. The Registrar and Paying Agent shall forward to the Trustee any Notes surrendered to them for registration of transfer, exchange or payment. The Trustee and no one else shall cancel all Notes surrendered for registration of transfer, exchange, payment, replacement or cancellation and shall destroy canceled Notes. Certification of the destruction of all canceled Notes shall be delivered to the Issuers. The Issuers may not issue new Notes to replace Notes that they have paid or that have been delivered to the Trustee for cancellation.

Section 2.12. Defaulted Interest.

If the Issuers default in a payment of interest on the Notes, they shall pay the defaulted interest in any lawful manner plus, to the extent lawful, interest payable on the defaulted interest, to the Persons who are Holders on a subsequent special record date, in each case at the rate provided in the Notes and in Section 4.01. The Issuers shall notify the Trustee in writing of the amount of defaulted interest proposed to be paid on each Note and the date of the proposed payment. The Issuers shall fix or cause to be fixed each such special record date and payment date; provided that no such special record date shall be less than 10 days prior to the related payment date for such defaulted interest. At least 15 days before the special record date, the Issuers (or, upon the written request of the Issuers, the Trustee in the name and at the expense of the Issuers) shall mail or cause to be mailed to Holders a notice that states the special record date, the related payment date and the amount of such interest to be paid.

ARTICLE 3
REDEMPTION AND PREPAYMENT

Section 3.01. Notices to Trustee.

If the Issuers elect to redeem Notes pursuant to the optional redemption provisions of Section 3.07, it shall furnish to the Trustee, at least 30 days but not more than 60 days before a redemption date, an Officers' Certificate setting forth (i) the clause of this Indenture pursuant to which the redemption shall occur, (ii) the redemption date, (iii) the principal amount of Notes to be redeemed and (iv) the redemption price.

Section 3.02. Selection of Notes to Be Redeemed.

If less than all of the Notes are to be redeemed or purchased in an offer to purchase at any time, the Trustee shall select the Notes to be redeemed or purchased among the Holders of the Notes in compliance with the requirements of the principal national securities exchange, if any, on which the Notes are listed or, if the Notes are not so listed, on a pro rata basis, by lot or in accordance with any other method the Trustee considers fair and appropriate. In the event of partial redemption by lot, the particular Notes to be redeemed shall be selected, unless otherwise provided herein, not less than 30 nor more than 60 days prior to the redemption date by the Trustee from the outstanding Notes not previously called for redemption.

The Trustee shall promptly notify the Issuers in writing of the Notes selected for redemption and, in the case of any Note selected for partial redemption, the principal amount thereof to be redeemed. Notes and portions of Notes selected shall be in amounts of $1,000 or whole multiples of $1,000; except that if all of the Notes of a Holder are to be redeemed, the entire outstanding amount of Notes held by such Holder, even if not a multiple of $1,000, shall be redeemed. Except as provided in the preceding sentence, provisions of this Indenture that apply to Notes called for redemption also apply to portions of Notes called for redemption.

Section 3.03. Notice of Redemption.

Subject to the provisions of Section 3.09, at least 30 days but not more than 60 days before a redemption date, the Issuers shall mail or cause to be mailed, by first class mail, a notice of redemption to each Holder whose Notes are to be redeemed at its registered address.

The notice shall identify the Notes to be redeemed and shall state:

(a) the redemption date;

(b) the redemption price;

(c) if any Note is being redeemed in part, the portion of the principal amount of such Note to be redeemed and that, after the redemption date upon surrender of such Note, a new Note or Notes in principal amount equal to the unredeemed portion shall be issued upon cancellation of the original Note;

(d) the name and address of the Paying Agent;

(e) that Notes called for redemption must be surrendered to the Paying Agent to collect the redemption price;

(f) that, unless the Issuers default in making such redemption payment, interest on Notes called for redemption ceases to accrue on and after the redemption date;

(g) the paragraph of the Notes and/or Section of this Indenture pursuant to which the Notes called for redemption are being redeemed; and

(h) that no representation is made as to the correctness or accuracy of the CUSIP number, if any, listed in such notice or printed on the Notes.

At the Issuers' request, the Trustee shall give the notice of redemption in the Issuers' name and at their expense; provided, however, that each of the Issuers shall have delivered to the Trustee, at least 45 days prior to the redemption date, an Officers' Certificate requesting that the Trustee give such notice and setting forth the information to be stated in such notice as provided in the preceding paragraph.

Section 3.04. Effect of Notice of Redemption.

Once notice of redemption is mailed in accordance with Section 3.03, Notes called for redemption become irrevocably due and payable on the redemption date at the redemption price. A notice of redemption may not be conditional.

Section 3.05. Deposit of Redemption Price.

At or prior to 10:00 a.m., New York City time, on the redemption date, the Issuers shall deposit with the Trustee or with the Paying Agent money sufficient to pay the redemption price of and accrued interest on all Notes to be redeemed on that date. The Trustee or the Paying Agent shall promptly return to the Issuers any money deposited with the Trustee or the Paying Agent by the Issuers in excess of the amounts necessary to pay the redemption price of, and accrued interest on, all Notes to be redeemed.

If the Issuers comply with the provisions of the preceding paragraph, on and after the redemption date, interest shall cease to accrue on the Notes or the portions of Notes called for redemption. If a Note is redeemed on or after an interest record date but on or prior to the related interest payment date, then any accrued and unpaid interest shall be paid to the Person in whose name such Note was registered at the close of business on such record date. If any Note called for redemption shall not be so paid upon surrender for redemption because of the failure of the Issuers to comply with the preceding paragraph, interest shall be paid on the unpaid principal, from the redemption date until such principal is paid, and to the extent lawful on any interest not paid on such unpaid principal, in each case at the rate provided in the Notes and in Section 4.01.

Section 3.06. Notes Redeemed in Part.

Upon surrender of a Note that is redeemed in part, the Issuers shall issue and, upon the Issuers' written request, the Trustee shall authenticate for the Holder at the expense of the Issuers a new Note equal in principal amount to the unredeemed portion of the Note surrendered.

Section 3.07. Optional Redemption.

(a) Except as set forth in clause (b) of this Section 3.07, the Issuers shall not have the option to redeem the Notes pursuant to this Section 3.07 prior to April 1, 2004. Thereafter, the Issuers shall have the option to redeem the Notes, in whole or in part, 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%

(b) Notwithstanding the provisions of clause (a) of this Section 3.07, 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 Notes originally issued under this Indenture 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 Notes originally issued under this Indenture remains outstanding immediately after the occurrence of such redemption (excluding Notes held by the Company and its Subsidiaries and the Guarantor and its Subsidiaries); and

(2) the redemption must occur within 60 days of the date of the closing of such Equity Offering.

(c) Any redemption pursuant to this Section 3.07 shall be made pursuant to the provisions of Section 3.01 through 3.06.

Section 3.08. Mandatory Redemption.

Except as otherwise provided in Section 4.11 or Section 4.16 below, the Issuers shall not be required to make mandatory redemption payments with respect to the Notes.

Section 3.09. Offer to Purchase by Application of Excess Proceeds.

In the event that the Issuers shall be required to commence an offer to all Holders to purchase Notes pursuant to Section 4.11 (an "Asset Sale Offer"), they shall follow the procedures specified below.

The Asset Sale Offer shall remain open for a period of 20 Business Days following its commencement and no longer, except to the extent that a longer period is required by applicable law (the "Offer Period"). No later than five Business Days after the termination of the Offer Period (the "Purchase Date"), the Issuers shall purchase the principal amount of Notes required to be purchased pursuant to Section 4.11 (the "Offer Amount") or, if less than the Offer Amount has been tendered, all Notes tendered in response to the Asset Sale Offer. Payment for any Notes so purchased shall be made in the same manner as interest payments are made.

If the Purchase Date is on or after an interest record date and on or before the related interest payment date, any accrued and unpaid interest shall be paid to the Person in whose name a Note is registered at the close of business on such record date, and no Special Interest shall be payable to Holders who tender Notes pursuant to the Asset Sale Offer.

Upon the commencement of an Asset Sale Offer the Issuers shall send, by first class mail, a notice to the Trustee and each of the Holders, with a copy to the Trustee. The notice shall contain all instructions and materials necessary to enable such Holders to tender Notes pursuant to the Asset Sale Offer. The Asset Sale Offer shall be made to all Holders. The notice, which shall govern the terms of the Asset Sale Offer, shall state:

(a) that the Asset Sale Offer is being made pursuant to this Section 3.09 and Section 4.11 and the length of time the Asset Sale Offer shall remain open;

(b) the Offer Amount, the purchase price and the Purchase Date;

(c) that any Note not tendered or accepted for payment shall continue to accrue interest;

(d) that, unless the Issuers default in making such payment, any Note accepted for payment pursuant to the Asset Sale Offer shall cease to accrue interest after the Purchase Date;

(e) that Holders electing to have a Note purchased pursuant to an Asset Sale Offer or may elect to have Notes purchased in integral multiples of $1,000 only;

(f) that Holders electing to have a Note purchased pursuant to any Asset Sale Offer shall be required to surrender the Note, with the form entitled "Option of Holder to Elect Purchase" on the reverse of the Note completed, or transfer by book-entry transfer, to the Issuers, a depositary, if appointed by the Issuers, or a Paying Agent at the address specified in the notice at least three days before the Purchase Date;

(g) that Holders shall be entitled to withdraw their election if the Issuers, the depositary or the Paying Agent, as the case may be, receives, not later than the expiration of the Offer Period, a telegram, telex, facsimile transmission or letter setting forth the name of the Holder, the principal amount of the Note the Holder delivered for purchase and a statement that such Holder is withdrawing his election to have such Note purchased;

(h) that, if the aggregate principal amount of Notes surrendered by Holders exceeds the Offer Amount, the Issuers shall select the Notes to be purchased on a pro rata basis (with such adjustments as may be deemed appropriate by the Issuers so that only Notes in denominations of $1,000, or integral multiples thereof, shall be purchased); and

(i) that Holders whose Notes were purchased only in part shall be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered (or transferred by book-entry transfer).

On or before the Purchase Date, the Issuers shall, to the extent lawful, accept for payment, on a pro rata basis to the extent necessary, the Offer Amount of Notes or portions thereof tendered pursuant to the Asset Sale Offer or if less than the Offer Amount has been tendered, all Notes tendered, and shall deliver to the Trustee an Officers' Certificate stating that such Notes or portions thereof were accepted for payment by the Issuers in accordance with the terms of this Section 3.09. The Issuers, the Depositary or the Paying Agent, as the case may be, shall promptly (but in any case not later than five days after the Purchase Date) mail or deliver to each tendering Holder an amount equal to the purchase price of the Notes tendered by such Holder and accepted by the Issuers for purchase, and the Issuers shall promptly issue a new Note, and the Trustee, upon written request from the Issuers shall authenticate and mail or deliver such new Note to such Holder, in a principal amount equal to any unpurchased portion of the Note surrendered. Any Note not so accepted shall be promptly mailed or delivered by the Issuers to the

Holder thereof. The Issuers shall publicly announce the results of the Asset Sale Offer on the Purchase Date.

Other than as specifically provided in this Section 3.09, any purchase pursuant to this Section 3.09 shall be made pursuant to the provisions of Sections 3.01 through 3.06.

ARTICLE 4
COVENANTS

Section 4.01. Payment of Notes.

The Issuers shall pay or cause to be paid the principal of, premium, if any, and interest on the Notes on the dates and in the manner provided in the Notes. Principal, premium, if any, and interest shall be considered paid on the date due if the Paying Agent, if other than the Issuers or a Subsidiary thereof, holds as of 10:00 a.m. New York City time on the due date money deposited by the Issuers in immediately available funds and designated for and sufficient to pay all principal, premium, if any, and interest then due. The Issuers shall pay all Special Interest, if any, in the same manner on the dates and in the amounts set forth in the Registration Rights Agreement.

The Issuers shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal at the rate equal to 1% per annum in excess of the then applicable interest rate on the Notes to the extent lawful; they shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest (without regard to any applicable grace period) at the same rate to the extent lawful.

Section 4.02. Maintenance of Office or Agency.

The Issuers shall maintain in the Borough of Manhattan, the City of New York, an office or agency (which may be an office of the Trustee or an affiliate of the Trustee, Registrar or co-registrar) where Notes may be surrendered for registration of transfer or for exchange and where notices and demands to or upon the Issuers in respect of the Notes and this Indenture may be served. The Issuers shall give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Issuers shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee.

The Issuers may also from time to time designate one or more other offices or agencies where the Notes may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; provided, however, that no such designation or rescission shall in any manner relieve the Issuers of their obligation to maintain an office or agency in the Borough of Manhattan, the City of New York for such purposes. The Issuers shall give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

The Issuers hereby designate the Harris Trust Company of New York, an affiliate of the Trustee as one such office or agency of the Issuers in accordance with Section 2.03.

Section 4.03. Reports.

Whether or not required by the Commission, so long as any Notes are outstanding, the Issuers and the Guarantor shall furnish to the Holders of Notes, within the time periods specified in the Commission's rules and regulations:

(1) all quarterly and annual financial information that would be required to be contained in a filing with the Commission on Forms 10-Q and 10-K if the Issuers and the Guarantor were required to file such Forms, including a "Management's Discussion and Analysis of Financial Condition and Results of Operations" and, with respect to the annual information only, a report on the annual financial statements by the Issuers' certified independent accountants and the Guarantor's certified independent accountants; and

(2) all current reports that would be required to be filed with the Commission on Form 8-K if the Issuers or the Guarantor were required to file such reports.

If the Issuers or the Guarantor 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 the Issuers or the Guarantor, as the case may be, and their respective Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Issuers or the Guarantor, as the case may be.

In addition, whether or not required by the Commission, the Issuers and the Guarantor shall 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 Commission will not accept such a filing) and make such information available to securities analysts and prospective investors upon request.

Section 4.04. Compliance Certificate.

(a) Each of the Company and the Guarantor shall deliver to the Trustee, within 90 days after the end of each fiscal year, an Officers' Certificate stating that a review of the activities of the Company and its Subsidiaries and the Guarantor and its Subsidiaries, respectively, during the preceding fiscal year have been made under the supervision of the signing Officers with a view to determining whether the Company or the Guarantor, as the case may be, has kept, observed, performed and fulfilled its obligations under this Indenture, and further stating, as to each such Officer signing such certificate, that to the best of his or her knowledge the Company or the Guarantor, as the case may be, has kept, observed, performed and fulfilled each and every covenant contained in this Indenture and is not in default in the performance or observance of any of the terms, provisions and conditions of this Indenture (or, if a Default or Event of Default shall have occurred, describing all such Defaults or Events of Default of which he or she may have knowledge and what action the Company or the Guarantor, as the case may be, is taking or proposes to take with respect thereto) and that to the best of his or her knowledge no event has occurred and remains in existence by reason of which payments on account of the principal of or interest, if any, on the Notes is prohibited or if such event has occurred, a description of the event and what action the Company or the Guarantor, as the case may be, is taking or proposes to take with respect thereto.

(b) So long as not contrary to the then current recommendations of the American Institute of Certified Public Accountants, the year-end financial statements delivered pursuant to Section 4.03 above shall be accompanied by a written statement of the Company's independent public accountants or the Guarantor's independent public accountants, as the case may be, (each of whom shall be a firm of established national reputation) that in making the examination necessary for certification of such financial statements, nothing has come to their attention that would lead them to believe that the Company or the Guarantor, as the case may be, has violated any provisions of Article 4 or Article 5 or, if any such violation has occurred, specifying the nature and period of existence thereof, it being understood that such accountants shall not be liable directly or indirectly to any Person for any failure to obtain knowledge of any such violation. In the event that, after the Company or the Guarantor, as the case may be, has used its reasonable best efforts to obtain the written statement of the Company's independent public accountants or the Guarantor's independent public accountants, as the case may be, required by the provisions of this paragraph, such statement cannot be obtained, the Company or the Guarantor, as the case may be, shall deliver, in satisfaction of its obligations under this Section 4.04, an Officers' Certificate (A) certifying that it has used its reasonable best efforts to obtain such required statement but was unable to do so and (B) attaching the written statement of the Company's accountants or the Guarantor's accountants, as the case may be, that the Company or the Guarantor, as the case may be, received in lieu thereof.

(c) Each of the Company and the Guarantor shall, so long as any of the Notes are outstanding, deliver to the Trustee, forthwith upon any Officer becoming aware of any Default or Event of Default, an Officers' Certificate specifying such Default or Event of Default and what action the Company or the Guarantor, as the case may be, is taking or proposes to take with respect thereto.

Section 4.05. Taxes.

Each of the Company and the Guarantor shall pay, and shall cause each of their Subsidiaries to pay, prior to delinquency, all material taxes, assessments, and governmental levies except such as are contested in good faith and by appropriate proceedings or where the failure to effect such payment is not adverse in any material respect to the Holders of the Notes.

Section 4.06. Stay, Extension and Usury Laws.

Each of the Issuers and the Guarantor covenants (to the extent that it may lawfully do so) that it shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Indenture; and each of the Issuers and the Guarantor (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it shall not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Trustee, but shall suffer and permit the execution of every such power as though no such law has been enacted.

Section 4.07. Restricted Payments.

The Company shall not, and shall not permit any of its Restricted Subsidiaries to, and the Guarantor shall not and shall not permit any of its Restricted Subsidiaries to, directly or indirectly:

(a) declare or pay any dividend or make any other payment or distribution on account of the Company's, the Guarantor's or any of their Restricted Subsidiaries' Equity Interests (including, without limitation, any payment in connection with any merger or

consolidation involving the Company, the Guarantor or any of their Restricted Subsidiaries) or to the direct or indirect holders of the Company's, the Guarantor's or any of their Restricted Subsidiaries' Equity Interests in their capacity as such (other than dividends or distributions payable in Equity Interests (other than Disqualified Stock) of the Company or the Guarantor or, in the case of the Company and its Restricted Subsidiaries, to the Company or a Restricted Subsidiary of the Company or in the case of the Guarantor and its Restricted Subsidiaries, to the Company, the Guarantor or a Restricted Subsidiary of the Company or the Guarantor);

(b) purchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger or consolidation involving the Company) any Equity Interests of the Company or the Guarantor or any direct or indirect parent of the Company or the Guarantor or any Restricted Subsidiary of the Company or the Guarantor (other than, in the case of the Company and its Restricted Subsidiaries, any such Equity Interests owned by the Company or any Restricted Subsidiary of the Company or, in the case of the Guarantor and its Restricted Subsidiaries, any such Equity Interests owned by the Company, the Guarantor or any Restricted Subsidiary of the Company or the Guarantor); or

(c) 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 or the Guarantees (other than the Notes or the Guarantees), except a payment of interest or principal at the Stated Maturity thereof (all such payments and other actions set forth in clauses (a) through (c) above being 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; and

(2) the Company 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 Section 4.10; and

(3) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Company, the Guarantor and each of their Restricted Subsidiaries after the date of this Indenture (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 the combined Consolidated EBITDA of the Company and the Guarantor since the date of this Indenture to the end of the Company's and the Guarantor's 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 the Company and the Guarantor since the date of this Indenture to the end of the Company's and the Guarantor's 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 Section 4.10, plus

(c) $100.0 million.

So long as no Default has occurred and is continuing or would be caused thereby, the preceding provisions shall 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 this Indenture;

(2) the redemption, repurchase, retirement, defeasance or other acquisition of any subordinated Indebtedness of the Company or the Guarantor in exchange for, or out of the net proceeds of the substantially concurrent sale (other than to a Subsidiary of the Company or the Guarantor) of, Equity Interests of the Company or the Guarantor (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 the Company, the Guarantor or any of their 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 the Company or the Guarantor to pay federal, state or local income tax liabilities that would arise solely from income of the Company or the Guarantor or any of their Restricted Subsidiaries, as the case may be, for the relevant taxable period and attributable to them solely as a result of the Company or the Guarantor (and any intermediate entity through which the Holder owns such shares) or any of its 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 the Company or the Guarantor to the holders of its common Equity Interests on a pro rata basis;

(6) the payment of any dividend on the Company Preferred Stock or the redemption, repurchase, retirement or other acquisition of the Company 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 the Company or the Guarantor held by any member of the Company's or the Guarantor's management pursuant to any management equity subscription agreement or stock option agreement in effect as of the date of this Indenture; 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; 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 the Company, the Guarantor or any of their 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 the Company or the Guarantor, as the case may be, whose resolution with respect thereto shall be delivered to the Trustee. Such Board of Director's 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 Company or the Guarantor, as the case may be 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 Section 4.07 were computed, together with a copy of any fairness opinion or appraisal required by this Indenture.

Section 4.08. Investments.

The Company shall not, and shall not permit any of its Restricted Subsidiaries to, and the Guarantor shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly:

(1) make any Restricted Investment; or

(2) allow any Restricted Subsidiary of the Company or the Guarantor 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) the Company 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 Section 4.10.

Any designation of a Subsidiary of the Company or the Guarantor 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 this Section 4.08. If, at any time, any Unrestricted Subsidiary would fail to meet the requirements as an Unrestricted Subsidiary described in the definition of "Unrestricted Subsidiary," it shall thereafter cease to be an Unrestricted Subsidiary for purposes of this Indenture and any Indebtedness of such Subsidiary shall be deemed to be incurred by a Restricted Subsidiary of the Company or the Guarantor as of such date and, if such Indebtedness is not permitted to be incurred as of such date under Section 4.10, the Company or the Guarantor, as the case may be, shall be in default. The Board of Directors of the Company and the Guarantor 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 the Company or the Guarantor, respectively, 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 Section 4.10 calculated on a pro forma basis as if such designation had occurred at the beginning of the Reference Period; and (2) no Default or Event of Default would be in existence following such designation.

Section 4.09. Dividend and Other Payment Restrictions Affecting Subsidiaries.

The Company and the Guarantor shall not, directly or indirectly, create or permit to exist or become effective any encumbrance or restriction on the ability of any Restricted Subsidiary of the Company or the Guarantor, as the case may be, to:

(1) pay dividends or make any other distributions on its Capital Stock to the Company or any of its Restricted Subsidiaries or to the Guarantor 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 the Company or any of its Restricted Subsidiaries or to the Guarantor or any of its Restricted Subsidiaries;

(2) make loans or advances to the Company or any of its Restricted Subsidiaries or to the Guarantor or any of its Restricted Subsidiaries; or

(3) transfer any of its properties or assets to the Company or any of its Restricted Subsidiaries or to the Guarantor or any of its Restricted Subsidiaries.

However, the preceding restrictions shall not apply to encumbrances or restrictions existing under or by reason of:

(1) Existing Indebtedness as in effect on the date of this Indenture (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, refinancings, 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 this Indenture;

(2) this Indenture, the Notes and the Other Notes;

(3) applicable law;

(4) any instrument governing Indebtedness or Capital Stock of a Person acquired by the Company or any of its Restricted Subsidiaries or to the Guarantor 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 Indenture 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 either the Company or the Guarantor 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 Section 4.14 that limit the right of the Company or any of its Restricted Subsidiaries or the Guarantor 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 Section 4.10; 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 the Company determines that such restrictions will not materially impair the Company's ability to make payments as required under the Notes.

Section 4.10. Incurrence of Indebtedness and Issuance of Preferred Stock.

The Company shall not, and shall not permit any of its Restricted Subsidiaries to, and the Guarantor shall not, and shall 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 the Company and the Guarantor shall not issue any Disqualified Stock and shall not permit any of their 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 shall not prohibit the incurrence of any of the following items of Indebtedness (collectively, "Permitted Debt"):

(1) the incurrence by the Company and its Restricted Subsidiaries and the Guarantor and its Restricted Subsidiaries of Indebtedness under the Credit Facilities; provided that the aggregate principal amount of all Indebtedness of the Company and its Restricted Subsidiaries and the Guarantor and its Restricted Subsidiaries outstanding under all 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 the Company or any of its

Subsidiaries or the Guarantor or any of its Subsidiaries, as the case may be, in the case of an Asset Sale since the date of this Indenture to repay Indebtedness under a Credit Facility pursuant to Section 4.11;

(2) the incurrence by the Company and its Restricted Subsidiaries and the Guarantor and its Restricted Subsidiaries of Existing Indebtedness (other than the Credit Facilities);

(3) the incurrence on the Issue Date by the Company and its Restricted Subsidiaries and the Guarantor and its Restricted Subsidiaries of Indebtedness represented by the Notes, the Other Notes and the related Guarantees;

(4) the incurrence by the Company or any of its Restricted Subsidiaries or the Guarantor 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 the Company or any of its Restricted Subsidiaries or the Guarantor or any of its Restricted Subsidiaries, in an aggregate principal amount not to exceed $75 million at any time outstanding;

(5) the incurrence by the Company or any of its Restricted Subsidiaries or the Guarantor 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 this Indenture to be incurred under the first paragraph of this covenant or clauses (2) or (3) of this paragraph;

(6) the incurrence by the Company or any of its Restricted Subsidiaries or the Guarantor or any of its Restricted Subsidiaries, as the case may be, of intercompany Indebtedness between or among the Company and any of its Wholly Owned Restricted Subsidiaries, or the Guarantor or any of its Restricted Subsidiaries, respectively; provided that except for the Mirror Note, this clause does not permit Indebtedness between the Company or any of its Restricted Subsidiaries, as creditor or debtor, as the case may be, and the Guarantor or any of its Restricted Subsidiaries, as debtor or creditor, as the case may be, unless otherwise permitted by the Indentures; provided, further, that:

(a) if the Company or the Guarantor 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 in the case of the Company, or the Guarantee of such Guarantor, in the case of the Guarantor; and

(b) (i) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than the Company or a Wholly Owned Restricted Subsidiary thereof or the Guarantor 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 the Company or a Wholly Owned Restricted Subsidiary thereof or the Guarantor or a Wholly Owned Restricted Subsidiary thereof, shall be deemed, in each case, to constitute an incurrence of such Indebtedness by the Company or any of its Restricted Subsidiaries or the Guarantor or any of its Restricted Subsidiaries, respectively, as the case may be, that was not permitted by this clause (6);

(7) the incurrence by the Company or any of its Restricted Subsidiaries, or the Guarantor 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 the Company or the Guarantor of Indebtedness of the Company or a Restricted Subsidiary of the Company, or Indebtedness of the Guarantor or a Restricted Subsidiary of the Guarantor, that was permitted to be incurred by another provision of this Section 4.10;

(9) the incurrence by the Company or any of its Restricted Subsidiaries, or the Guarantor 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 the Company or any of its Restricted Subsidiaries, or the Guarantor 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 the Company from the sale of its Equity Interests (other than Disqualified Stock) after the date of this Indenture to the extent such net cash proceeds have not been applied to make Restricted Payments or to effect other transactions pursuant to Section 4.07 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; and

(12) Indebtedness under the Mirror Note.

For purposes of determining compliance with this Section 4.10, in the event that an item of proposed Indebtedness meets the criteria of more than one of the categories of Permitted Debt described in clauses (1) through (12) above, or is entitled to be incurred pursuant to the first paragraph of this covenant, the Company or the Guarantor, as the case may be, shall 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.

Notwithstanding the foregoing, in no event shall any Restricted Subsidiary of the Company or the Guarantor 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 the Company or the Guarantor 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 the Company or the Guarantor). "Subordinated Notes" with respect to any Restricted Subsidiary of the Company or the Guarantor 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 the Company or the Guarantor; 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, the Company or the Guarantor 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 or obligated to provide information pursuant to Rule 144A under the Securities Act.

Section 4.11. Limitation on Asset Sales.

The Company shall not, and shall not permit any of its Restricted Subsidiaries to, and the Guarantor shall not, and shall not permit any of its Restricted Subsidiaries to, consummate an Asset Sale unless:

(1) the Company, the Guarantor or a Restricted Subsidiary of the Company or the Guarantor, as the case may be, 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 the Company's or the Guarantor's Board of Directors, as the case may be, 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 the Company, the Guarantor or such Restricted Subsidiary is in the form of cash, Cash Equivalents or readily marketable securities.

For purposes of this Section 4.11, each of the following shall be deemed to be cash:

(a) any liabilities (as shown on the Company's, the Guarantor's or such Restricted Subsidiary's most recent balance sheet) of the Company, the Guarantor or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the Notes or the Guarantees) that are assumed by the transferee of any such assets pursuant to a customary novation agreement that releases the Company, the Guarantor or such Restricted Subsidiary from further liability;

(b) any securities, notes or other obligations received by the Company, the Guarantor or any such Restricted Subsidiary from such transferee that are converted by the Company, the Guarantor 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, the Company, the Guarantor or a Restricted Subsidiary of the Company or the Guarantor, as the case may be, may apply such Net Proceeds at its option:

(1) to repay debt under the Credit Facilities or any other Indebtedness of the Restricted Subsidiaries of the Company (other than Indebtedness represented by a guarantee of a Restricted Subsidiary of the Company or the Guarantor); or

(2) to invest in Productive Assets; provided that any Net Proceeds which the Company, the Guarantor, or a Restricted Subsidiary of the Company or the Guarantor, as the case may be, 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 shall constitute "Excess Proceeds." When the aggregate amount of Excess Proceeds exceeds $25.0 million, the Issuers shall 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 shall be payable in cash and equal to 100% of principal amount plus accrued and unpaid interest, if any, to the date of purchase. If any Excess Proceeds remain after consummation of an Asset Sale Offer, the Company may use such Excess Proceeds for any purpose not otherwise prohibited by this Indenture. 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 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.

In the event that the Issuers shall be required to commence an offer to Holders to purchase Notes pursuant to this Section 4.11, they shall follow the procedures specified in Section 3.09.

Section 4.12. Sale and Leaseback Transactions.

The Company shall not, and shall not permit any of its Restricted Subsidiaries to, and the Guarantor shall not, and shall not permit any of its Restricted Subsidiaries to, enter into any sale and leaseback transaction; provided that the Company or the Guarantor may enter into a sale and leaseback transaction if:

(1) the Company or the Guarantor, as applicable, 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 Section 4.10 and (b) incurred a Lien to secure such Indebtedness pursuant to Section 4.14; and

(2) the transfer of assets in that sale and leaseback transaction is permitted by, and the Company or the Guarantor, as the case may be, applies the proceeds of such transaction in compliance with, the covenant described above under Section 4.11.

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.

Section 4.13. Transactions with Affiliates.

The Company shall not, and shall not permit any of its Restricted Subsidiaries to, and the Guarantor shall not, and shall 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 the Company or the relevant Restricted Subsidiary or to the Guarantor or the relevant Restricted Subsidiary, than those that would have been obtained in a comparable transaction by the Company or such Restricted Subsidiary or the Guarantor or such Restricted Subsidiary, as the case may be, with an unrelated Person; and

(2) the Company, or the Guarantor, as the case may be, 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 the Company or a resolution of the Board of Directors of the Guarantor, as the case may be, 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 such 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, shall not be subject to the provisions of the prior paragraph:

(1) existing employment agreement entered into by the Company, the Guarantor or any of their Subsidiaries and any employment agreement entered into by the Company or any of its Restricted Subsidiaries or, any employment agreement entered into by the Guarantor or any of its Restricted Subsidiaries in the ordinary course of business and consistent with the past practice of the Company or such Restricted Subsidiary or the Guarantor or such Restricted Subsidiary, as the case may be;

(2) transactions between or among the Company and/or its Restricted Subsidiaries and the transactions between or among the Guarantor and/or its Restricted Subsidiaries;

(3) payment of reasonable directors fees to Persons who are not otherwise Affiliates of the Company or the Guarantor, as the case may be, and customary indemnification and insurance arrangements in favor of directors, regardless of affiliation with the Company, the Guarantor or any of their 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 Section 4.07; and

(6) Permitted Investments.

Section 4.14. Liens.

The Company and the Guarantor shall 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.

Section 4.15. Corporate Existence.

Subject to Article 5, each of the Company and the Guarantor shall do or cause to be done all things necessary to preserve and keep in full force and effect (i) its corporate existence, and the corporate, partnership or other existence of each of its Subsidiaries, in accordance with the respective organizational documents (as the same may be amended from time to time) of the Company, the Guarantor or any such Subsidiary and (ii) the rights (charter and statutory), licenses and franchises of the Company, the Guarantor and their Subsidiaries; provided, however, that neither the Company nor the Guarantor shall be required to preserve any such right, license or franchise, or the corporate, partnership or other existence of any of their Subsidiaries (other than Charter Capital), if the Board of Directors shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Company and its Subsidiaries and the Guarantor and its Subsidiaries, taken as a whole, and that the loss thereof is not adverse in any material respect to the Holders of the Notes.

Section 4.16. Repurchase at the Option of Holders upon a Change of Control.

If a Change of Control occurs, each Holder of Notes shall 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 shall offer (a "Change of Control Offer") a payment (the "Change of Control Payment") in cash equal to 101% of the aggregate principal amount of Notes repurchased plus accrued and unpaid interest thereon, if any, to the date of purchase.

Within ten days following any Change of Control, the Issuers shall mail a notice to each Holder (with a copy to the Trustee) describing the transaction or transactions that constitute the Change of Control and stating:

(a) the purchase price and the purchase date, which shall not exceed 30 Business Days from the date such notice is mailed (the "Change of Control Payment Date");

(b) that any Note not tendered shall continue to accrue interest;

(c) that, unless the Issuers default in the payment of the Change of Control Payment, all Notes accepted for payment pursuant to the Change of Control Offer shall cease to accrue interest after the Change of Control Payment Date;

(d) that Holders electing to have any Notes purchased pursuant to a Change of Control Offer shall be required to surrender the Notes, with the form entitled "Option of Holder to Elect Purchase" on the reverse of the Notes completed, to the Paying Agent at the address specified in the notice prior to the close of business on the third Business Day preceding the Change of Control Payment Date;

(e) that Holders shall be entitled to withdraw their election if the Paying Agent receives, not later than the close of business on the second Business Day preceding the Change

of Control Payment Date, a telegram, telex, facsimile transmission or letter setting forth the name of the Holder, the principal amount of Notes delivered for purchase, and a statement that such Holder is withdrawing his election to have the Notes purchased; and

(f) that Holders whose Notes are being purchased only in part shall be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered, which unpurchased portion must be equal to $1,000 in principal amount or an integral multiple thereof.

The Issuers shall comply with the requirements of Rule 14e-1 under the Exchange Act (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 shall, to the extent lawful:

(a) accept for payment all Notes or portions thereof properly tendered pursuant to the Change of Control Offer;

(b) 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

(c) 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 shall promptly pay to each Holder of Notes so tendered the Change of Control Payment for such Notes, and the Trustee shall 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 shall be in a principal amount of $1,000 or an integral multiple thereof. The Company shall publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

The provisions described above that require the Issuers to make a Change of Control Offer following a Change of Control shall be applicable regardless of whether or not any other provisions in this Indenture are applicable. Except as described above with respect to a Change of Control, this Indenture does 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.

Notwithstanding any other provision of this Section 4.16, the Issuers shall 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 this Indenture 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.

Section 4.17. Limitations on Issuances of Guarantees of Indebtedness.

The Company shall not permit any of its Restricted Subsidiaries, directly or indirectly, and the Guarantor shall 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 the Company or the Guarantor, as the case may be, except in respect of the Credit Facilities (the "Guaranteed Indebtedness") unless (i) such Restricted Subsidiary of the Company or the Guarantor, as the case may be, 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 (ii) 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 the Company, the Guarantor or any other Restricted Subsidiary of the Company or the Guarantor 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.

Section 4.18. Payments for Consent.

The Company shall not, and shall not permit any of its Subsidiaries to, and the Guarantor shall not, and shall 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 this Indenture 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.

Section 4.19. Application of Fall-Away Covenants.

During any period of time that (a) the Notes have Investment Grade Ratings from both Rating Agencies and (b) no Default or Event of Default has occurred and is continuing, the Company and its Restricted Subsidiaries and the Guarantor and its Restricted Subsidiaries shall not be subject to the provisions of Sections 4.07, 4.08, 4.09, 4.10, 4.11, 4.12, 4.13 and clause (4) of the first paragraph of Section 5.01 (collectively, the "Suspended Covenants"). In the event that the Company and its Restricted Subsidiaries are not subject to the Suspended Covenants for any period of time as a result of the preceding sentence and, subsequently, one or both of the Rating Agencies withdraws its ratings or downgrades the ratings assigned to the Notes below the required Investment Grade Ratings or a Default or Event of Default occurs and is continuing, then the Company and its Restricted Subsidiaries and the Guarantor and its Restricted Subsidiaries shall thereafter again be subject to the Suspended Covenants and compliance with the Suspended Covenants with respect to the Restricted Payments made after the time of such withdrawal, downgrade, Default or Event of Default will be calculated in accordance with the terms of Section 4.07 as though such covenant had been in effect during the entire period of time from the Issue Date.

Section 4.20. Impairment of Security Interest.

Neither the Company, the Guarantor nor any of their Subsidiaries shall take or omit to take any action which action or omission would have the result of adversely affecting or impairing the security interest in favor of the Trustee, on behalf of itself and the Holders, with respect to the Collateral, and neither the Company, the Guarantor nor any of their Subsidiaries shall grant to any Person, or suffer any Person (other than the Trustee with respect to the Collateral securing the obligations under the Notes and the Company with respect to the Collateral securing the obligations under the Mirror Note) to have any interest whatsoever in the Collateral other than Liens permitted by the Pledge Documents. Neither the Company nor any of its Subsidiaries shall enter into any agreement or instrument that by its terms requires the proceeds received from any sale of Collateral to be applied to repay, redeem, defease or

otherwise acquire or retire any Indebtedness of any Person, other than pursuant to this Indenture, the Notes and the Pledge Documents.

Section 4.21. Security Interest.

The Company and the Guarantor shall, and shall cause each of their Restricted Subsidiaries to, undertake to deliver or cause to be delivered to the Trustee from time to time such other documentation, consents, authorizations, approvals and orders in form and substance reasonably satisfactory to the Trustee as the Trustee shall deem necessary or advisable to perfect or maintain the security interest in the Collateral for the benefit of the Trustee on behalf of the Holders until any such Collateral is released in accordance with the terms of this Indenture.

ARTICLE 5
SUCCESSORS

Section 5.01. Merger, Consolidation, or Sale of Assets.

Neither of the Issuers nor the Guarantor may, directly or indirectly: (1) consolidate or merge with or into another Person (whether or not such Issuer, or the Guarantor, as the case may be, 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, or the Guarantor, as the case may be, is the surviving corporation; or (b) the Person formed by or surviving any such consolidation or merger (if other than such Issuer, or the Guarantor, as the case may be) 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 the Company, or the Guarantor, as the case may be) or the Person to which such sale, assignment, transfer, conveyance or other disposition shall have been made assumes all the obligations of the Company, or the Guarantor, as the case may be, under the Notes in the case of the Company, or under the Guarantee, in the case of the Guarantor, and this Indenture pursuant to agreements reasonably satisfactory to the Trustee;

(3) immediately after such transaction no Default or Event of Default exists; and

(4) the Company, or the Guarantor, as the case may be, or the Person formed by or surviving any such consolidation or merger (if other than the Company, or the Guarantor, as the case may be) 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 Section 4.10 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, the Company may not, directly or indirectly, and the Guarantor 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 Section 5.01 shall not apply to a sale, assignment, transfer, conveyance or other disposition of assets between or among the Company and any of its Wholly-Owned Subsidiaries, or the Guarantor and any of its Wholly-Owned Subsidiaries, as the case may be.

Section 5.02. Successor Corporation Substituted.

Upon any consolidation or merger, or any sale, assignment, transfer, lease, conveyance or other disposition of all or substantially all of the assets of either Issuer or the Guarantor, as the case may be, in accordance with Section 5.01, the successor Person formed by such consolidation or into which either Issuer or the Guarantor, as the case may be, is merged or to which such transfer is made shall succeed to and (except in the case of a lease) be substituted for, and may exercise every right and power of, such Issuer or the Guarantor, as the case may be, under this Indenture with the same effect as if such successor Person had been named therein as such Issuer or the Guarantor, as the case may be, and (except in the case of a lease) such Issuer or the Guarantor, as the case may be, shall be released from the obligations under the Notes (or the Guarantee, in the case of the Guarantor) and this Indenture, except with respect to any obligations that arise from, or are related to, such transaction.

ARTICLE 6
DEFAULTS AND REMEDIES

Section 6.01. Events of Default.

An "Event of Default" occurs if:

(a) the Issuers default in the payment when due of interest on the Notes and such default continues for a period of 30 days;

(b) the Issuers default in payment when due of the principal of or premium, if any, on the Notes;

(c) the Company or any of its Restricted Subsidiaries, or the Guarantor or any of its Restricted Subsidiaries, fails to comply with any of the provisions of Sections 4.16 or 5.01;

(d) the Company or any of its Restricted Subsidiaries, or the Guarantor or any of its Restricted Subsidiaries, fails to comply with any of their other covenants or agreements in this Indenture for 30 days after written notice thereof has been given to the Company by the Trustee or to the Company and the Trustee by Holders of at least 25% of the aggregate principal amount of the Notes outstanding;

(e) the Company or any of its Restricted Subsidiaries, or the Guarantor or any of its Restricted Subsidiaries, defaults 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 (or the payment of which is guaranteed by the Company or any of its Restricted Subsidiaries or by the Guarantor or any of its Restricted Subsidiaries) whether such Indebtedness or guarantee now exists or is created after the date of this Indenture, if that default:

(1) 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

(2) 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;

(f) the Company or any of its Restricted Subsidiaries, or the Guarantor or any of its Restricted Subsidiaries, fails 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;

(g) the Company, the Guarantor or any of their Significant Subsidiaries pursuant to or within the meaning of Bankruptcy Law:

(i) commences a voluntary case,

(ii) consents to the entry of an order for relief against it in an involuntary case,

(iii) consents to the appointment of a custodian of it or for all or substantially all of its property, or

(iv) makes a general assignment for the benefit of its creditors; or

(h) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(i) is for relief against the Company, the Guarantor or any of their Significant Subsidiaries in an involuntary case;

(ii) appoints a custodian of the Company, the Guarantor or any of their Significant Subsidiaries or for all or substantially all of the property of the Company, the Guarantor or any of their Significant Subsidiaries; or

(iii) orders the liquidation of the Company, the Guarantor or any of their Significant Subsidiaries;

and the order or decree remains unstayed and in effect for 60 consecutive days;

(i) except as permitted by this Indenture, the Guarantee of the Guarantor shall be held in any judicial proceeding to be unenforceable or invalid or shall cease for any reason to be in full force and effect or the Guarantor, or any Person acting on behalf of the Guarantor, shall deny or disaffirm its obligations under the Guarantee; or

(j) except as permitted by this Indenture, any of the Pledge Documents cease to be in full force and effect (other than in accordance with their respective terms or the terms of the

Indenture), or any of the Pledge Documents cease to give the Trustee or the Company, as the case may be, the Liens purported to be created thereby, or any Pledge Document is declared null and void, or the Company or the Guarantor shall repudiate or deny in writing that it has any liability or obligation under any Pledge Document.

Section 6.02. Acceleration.

In the case of an Event of Default arising from clause (g) or (h) of Section 6.01, with respect to the Company or the Guarantor, all outstanding Notes shall become due and payable immediately without further action or notice. If any other Event of Default occurs and is continuing, the Trustee by notice to the Issuers or the Holders of at least 25% in principal amount of the then outstanding Notes by notice to the Issuers and the Trustee may declare all the Notes to be due and payable immediately. The Holders of a majority in aggregate principal amount of the Notes then outstanding by written notice to the Trustee may on behalf of all of the Holders rescind an acceleration and its consequences if the rescission would not conflict with any judgment or decree and if all existing Events of Default (except nonpayment of principal, interest or premium that has become due solely because of the acceleration) have been cured or waived.

Section 6.03. Other Remedies.

If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy to collect the payment of principal, premium, if any, and interest on the Notes or to enforce the performance of any provision of the Notes or this Indenture.

The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Holder of a Note in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. All remedies are cumulative to the extent permitted by law.

Section 6.04. Waiver of Existing Defaults.

Holders of not less than a majority in aggregate principal amount of the then outstanding Notes by notice to the Trustee may on behalf of the Holders of all of the Notes waive an existing Default or Event of Default and its consequences hereunder, except a continuing Default or Event of Default in the payment of the principal of, premium, if any, or interest on, the Notes (including in connection with an offer to purchase) (provided, however, that the Holders of a majority in aggregate principal amount of the then outstanding Notes may rescind an acceleration and its consequences, including any related payment default that resulted from such acceleration). Upon any such waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereon.

Section 6.05. Control by Majority.

Holders of a majority in principal amount of the then outstanding Notes may direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee or exercising any trust or power conferred on it. However, the Trustee may refuse to follow any direction that conflicts with law or this Indenture that the Trustee determines may be unduly prejudicial to the

rights of other Holders of Notes or that may involve the Trustee in personal liability. The Trustee may take any other action which it deems proper that is not inconsistent with any such directive.

Section 6.06. Limitation on Suits.

A Holder of a Note may pursue a remedy with respect to this Indenture or the Notes only if:

(a) the Holder of a Note gives to the Trustee written notice of a continuing Event of Default;

(b) the Holders of at least 25% in principal amount of the then outstanding Notes make a written request to the Trustee to pursue the remedy;

(c) such Holder of a Note or Holders of Notes offer and, if requested, provide to the Trustee indemnity satisfactory to the Trustee against any loss, liability or expense;

(d) the Trustee does not comply with the request within 60 days after receipt of the request and the offer and, if requested, the provision of indemnity; and

(e) during such 60-day period the Holders of a majority in principal amount of the then outstanding Notes do not give the Trustee a direction inconsistent with the request.

A Holder of a Note may not use this Indenture to prejudice the rights of another Holder of a Note or to obtain a preference or priority over another Holder of a Note.

Section 6.07. Rights of Holders of Notes to Receive Payment.

Notwithstanding any other provision of this Indenture, the right of any Holder of a Note to receive payment of principal, premium, if any, and interest on the Note, on or after the respective due dates expressed in the Note (including in connection with an offer to purchase), or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder.

Section 6.08. Collection Suit by Trustee.

If an Event of Default specified in Section 6.01(a) or (b) occurs and is continuing, the Trustee is authorized to recover judgment in its own name and as trustee of an express trust against the Issuers for the whole amount of principal of, premium, if any, and interest remaining unpaid on the Notes and interest on overdue principal and, to the extent lawful, interest and such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

Section 6.09. Trustee May File Proofs of Claim.

The Trustee is authorized to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and the Holders of the Notes allowed in any judicial proceedings relative to the Issuers (or any other obligor upon the Notes), their creditors or their property and shall be entitled and empowered to collect, receive and distribute any money or other property payable or deliverable on any such claims and any custodian in any such judicial proceeding is hereby authorized by each Holder to make such payments to the

Trustee, and in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.07. To the extent that the payment of any such compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.07 out of the estate in any such proceeding, shall be denied for any reason, payment of the same shall be secured by a Lien on, and shall be paid out of, any and all distributions, dividends, money, securities and other properties that the Holders may be entitled to receive in such proceeding whether in liquidation or under any plan of reorganization or arrangement or otherwise. Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

Section 6.10. Priorities.

If the Trustee collects any money pursuant to this Article, it shall pay out the money in the following order:

First: to the Trustee, its agents and attorneys for amounts due under Section 7.07, including payment of all compensation, expense and liabilities incurred, and all advances made, by the Trustee and the costs and expenses of collection;

Second: to Holders of Notes for amounts due and unpaid on the Notes for principal, premium, if any, and interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for principal, premium, if any and interest, respectively; and

Third: to the Issuers or to such party as a court of competent jurisdiction shall direct.

The Trustee may fix a record date and payment date for any payment to Holders of Notes pursuant to this Section 6.10.

Section 6.11. Undertaking for Costs.

In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as a Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section does not apply to a suit by the Trustee, a suit by a Holder of a Note pursuant to Section 6.07, or a suit by Holders of more than 10% in principal amount of the then outstanding Notes.

ARTICLE 7
TRUSTEE

Section 7.01. Duties of Trustee.

(a) If an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in its exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) Except during the continuance of an Event of Default:

(i) the duties of the Trustee shall be determined solely by the express provisions of this Indenture and the Trustee need perform only those duties that are specifically set forth in this Indenture and no others, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, the Trustee shall examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture.

(c) The Trustee may not be relieved from liabilities for its own gross negligent action, its own gross negligent failure to act, or its own willful misconduct, except that:

(i) this paragraph does not limit the effect of paragraph (b) of this Section;

(ii) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it is proved that the Trustee was grossly negligent in ascertaining the pertinent facts; and

(iii) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.05.

(d) Whether or not therein expressly so provided, every provision of this Indenture that in any way relates to the Trustee is subject to paragraphs (a), (b), and (c) of this Section 7.01.

(e) No provision of this Indenture shall require the Trustee to expend or risk its own funds or incur any liability. The Trustee shall be under no obligation to exercise any of its rights and powers under this Indenture at the request of any Holders, unless such Holder shall have offered to the Trustee security and indemnity satisfactory to it against any loss, liability or expense.

(f) The Trustee shall not be liable for interest on any money received by it except as the Trustee may agree in writing with the Issuers. Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

(g) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture or other paper or documents.

Section 7.02. Rights of Trustee.

(a) The Trustee may conclusively rely upon any document believed by it to be genuine and to have been signed or presented by the proper Person. The Trustee need not investigate any fact or matter stated in the document.

(b) Before the Trustee acts or refrains from acting, it may require an Officers' Certificate or an Opinion of Counsel or both. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on such Officers' Certificate or Opinion of Counsel. The Trustee may consult with counsel and the written advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection from liability in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

(c) The Trustee may act through its attorneys and agents and shall not be responsible for the misconduct or negligence of any agent appointed with due care.

(d) The Trustee shall not be liable for any action it takes or omits to take in good faith that it believes to be authorized or within the rights or powers conferred upon it by this Indenture.

(e) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from either of the Issuers shall be sufficient if signed by an Officer of such Issuer.

(f) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders unless such Holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities that might be incurred by it in compliance with such request or direction.

(g) The Trustee shall not be charged with knowledge of any Default or Event of Default unless either (i) a Responsible Officer of the Trustee shall have actual knowledge of such Default or Event of Default or (ii) written notice of such Default or Event of Default shall have been given to the Trustee by the Issuers or any Holder.

Section 7.03. Individual Rights of Trustee.

The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Issuers, the Guarantor or any Affiliate of either of the Issuers or the Guarantor with the same rights it would have if it were not Trustee. However, in the event that the Trustee acquires any conflicting interest it must eliminate such conflict within 90 days, apply to the SEC for permission to continue as trustee or resign. Any Agent may do the same with like rights and duties. The Trustee is also subject to Sections 7.10 and 7.11.

Section 7.04. Trustee's Disclaimer.

The Trustee shall not be responsible for and makes no representation as to the validity or adequacy of this Indenture or the Notes, it shall not be accountable for the Issuers' use of the proceeds from the Notes or any money paid to the Issuers or upon the Issuers' direction under any provision of this Indenture, it shall not be responsible for the use or application of any money received by any Paying Agent other than the Trustee, and it shall not be responsible for any statement or recital herein or any statement in the Notes or any other document in connection with the sale of the Notes or pursuant to this Indenture other than its certificate of authentication.

Section 7.05. Notice of Defaults.

If a Default or Event of Default occurs and is continuing and if it is known to the Trustee, the Trustee shall mail to Holders of Notes a notice of the Default or Event of Default within 90 days after the Trustee acquires knowledge thereof. Except in the case of a Default or Event of Default in payment of principal of, premium, if any, or interest on any Note, the Trustee may withhold the notice if and so long as a committee of its Responsible Officers in good faith determines that withholding the notice is in the interests of the Holders of the Notes.

Section 7.06. Reports by Trustee to Holders of the Notes.

Within 60 days after each May 15 beginning with the May 15 following the date of this Indenture, and for so long as Notes remain outstanding, the Trustee shall mail to the Holders of the Notes a brief report dated as of such reporting date that complies with TIA ss. 313(a) (but if no event described in TIA ss. 313(a) has occurred within the twelve months preceding the reporting date, no report need be transmitted). The Trustee also shall comply with TIA ss. 313(b)(2). The Trustee shall also transmit by mail all reports as required by TIA ss. 313(c).

A copy of each report at the time of its mailing to the Holders of Notes shall be mailed to the Company and filed with the SEC and each stock exchange on which the Notes are listed in accordance with TIA ss. 313(d). The Issuers shall promptly notify the Trustee when the Notes are listed on any stock exchange.

Section 7.07. Compensation and Indemnity.

The Issuers shall pay to the Trustee from time to time reasonable compensation for its acceptance of this Indenture and services hereunder. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Issuers shall reimburse the Trustee promptly upon request for all reasonable disbursements, advances and expenses incurred or made by it in addition to the compensation for its services. Such expenses shall include the reasonable compensation, disbursements and expenses of the Trustee's agents and counsel.

The Issuers and the Guarantor shall, jointly and severally, indemnify the Trustee against any and all losses, liabilities or expenses incurred by it arising out of or in connection with the acceptance or administration of its duties under this Indenture, including the costs and expenses of enforcing this Indenture against the Issuers and the Guarantor (including this Section 7.07) and defending itself against any claim (whether asserted by the Issuers or the Guarantor or any Holder or any other person) or liability in connection with the exercise or performance of any of its powers or duties hereunder, except to the extent any such loss, liability or expense may be attributable to its gross negligence or willful misconduct. The Trustee shall notify the Issuers promptly of any claim for which it may seek indemnity. Failure by the Trustee to so notify the Issuers shall not relieve the Issuers or the Guarantor of their obligations hereunder. The Issuers and the Guarantor shall defend the claim and the Trustee shall cooperate in the defense. The Trustee may have separate counsel and the Issuers shall pay the reasonable fees and expenses of such counsel. The Issuers and the Guarantor need not pay for any settlement made without their consent, which consent shall not be unreasonably withheld.

The obligations of the Issuers and the Guarantor under this Section 7.07 shall survive resignation or removal of the Trustee and the satisfaction and discharge of this Indenture.

To secure the Issuers' payment obligations in this Section, the Trustee shall have a Lien prior to the Notes on all money or property held or collected by the Trustee, except that held in trust to pay principal and interest on particular Notes. Such Lien shall survive the resignation or removal of the Trustee and the satisfaction and discharge of this Indenture.

When the Trustee incurs expenses or renders services after an Event of Default specified in Section 6.01(g) or (h) occurs, the expenses and the compensation for the services (including the fees and expenses of its agents and counsel) are intended to constitute expenses of administration under any Bankruptcy Law.

The Trustee shall comply with the provisions of TIA ss. 313(b)(2) to the extent applicable.

Section 7.08. Replacement of Trustee.

A resignation or removal of the Trustee and appointment of a successor Trustee shall become effective only upon the successor Trustee's acceptance of appointment as provided in this Section.

The Trustee may resign in writing at any time and be discharged from the trust hereby created by so notifying the Issuers. The Holders of a majority in principal amount of the then outstanding Notes may remove the Trustee by so notifying the Trustee and the Issuers in writing. The Issuers may remove the Trustee if:

(a) the Trustee fails to comply with Section 7.10;

(b) the Trustee is adjudged a bankrupt or an insolvent or an order for relief is entered with respect to the Trustee under any Bankruptcy Law;

(c) a custodian or public officer takes charge of the Trustee or its property; or

(d) the Trustee becomes incapable of acting.

If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason, the Issuers shall promptly appoint a successor Trustee. Within one year after the successor Trustee takes office, the Holders of a majority in principal amount of the then outstanding Notes may appoint a successor Trustee to replace the successor Trustee appointed by the Issuers.

If a successor Trustee does not take office within 60 days after the retiring Trustee resigns or is removed, the retiring Trustee, the Issuers, or the Holders of at least 10% in principal amount of the then outstanding Notes may petition any court of competent jurisdiction for the appointment of a successor Trustee.

If the Trustee, after written request by any Holder who has been a Holder for at least six months, fails to comply with Section 7.10, such Holder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Issuers. Thereupon, the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee shall mail a notice of its succession to Holders. The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee; provided all sums owing to the Trustee hereunder have been paid and subject to the Lien provided for in Section 7.07.

Notwithstanding replacement of the Trustee pursuant to this Section 7.08, the Issuers' and the Guarantor's obligations under Section 7.07 shall continue for the benefit of the retiring Trustee.

Section 7.09. Successor Trustee by Merger, etc.

If the Trustee consolidates, merges or converts into, or transfers all or substantially all of its corporate trust business to, another corporation, the successor corporation without any further act shall be the successor Trustee.

Section 7.10. Eligibility; Disqualification.

There shall at all times be a Trustee hereunder that is a corporation organized and doing business under the laws of the United States of America or of any state thereof that is authorized under such laws to exercise corporate trustee power, that is subject to supervision or examination by federal or state authorities and that has a combined capital and surplus of at least $100 million as set forth in its most recent published annual report of condition.

This Indenture shall always have a Trustee who satisfies the requirements of TIA ss. 310(a)(1), (2) and (5). The Trustee is subject to TIA ss. 310(b).

Section 7.11. Preferential Collection of Claims Against the Issuers.

The Trustee is subject to TIA ss. 311(a), excluding any creditor relationship listed in TIA ss. 311(b). A Trustee who has resigned or been removed shall be subject to TIA ss. 311(a) to the extent indicated therein.

ARTICLE 8
LEGAL DEFEASANCE AND COVENANT DEFEASANCE

Section 8.01. Option to Effect Legal Defeasance or Covenant Defeasance.

The Issuers may, at the option of their respective Boards of Directors evidenced by a resolution set forth in an Officers' Certificate of each of the Issuers, at any time, elect to have either Section 8.02 or 8.03 be applied to all outstanding Notes upon compliance with the conditions set forth below in this Article 8.

Section 8.02. Legal Defeasance and Discharge.

Upon the Issuers' exercise under Section 8.01 of the option applicable to this Section 8.02, the Issuers and the Guarantor shall, subject to the satisfaction of the conditions set forth in Section 8.04, be deemed to have been discharged from their obligations with respect to all outstanding Notes and Guarantees thereof on the date the conditions set forth below are satisfied (hereinafter, "Legal Defeasance"). For this purpose, Legal Defeasance means that the Issuers shall be deemed to have paid and discharged the entire Indebtedness represented by the outstanding Notes, which shall thereafter be deemed to be "outstanding" only for the purposes of Section 8.05 and the other Sections of this Indenture referred to in (a) and (b) below, and to have satisfied all their other obligations under such Notes and this Indenture (and the Trustee, on demand of and at the expense of the Issuers, shall execute proper instruments acknowledging the same), except for the following provisions which shall survive until otherwise terminated or discharged hereunder:

(a) the rights of Holders of outstanding Notes to receive payments in respect of the principal of, premium, if any, and interest on such Notes when such payments are due from the trust referred to below;

(b) the Issuers' 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;

(c) the rights, powers, trusts, duties and immunities of the Trustee, and the Issuers' and the Guarantor's obligations in connection therewith; and

(d) the Legal Defeasance provisions of this Indenture.

Subject to compliance with this Article 8, the Issuers may exercise their option under this Section 8.02 notwithstanding the prior exercise of their option under Section 8.03.

Section 8.03. Covenant Defeasance.

Upon the Issuers' exercise under Section 8.01 of the option applicable to this Section 8.03, the Issuers and the Guarantor shall, subject to the satisfaction of the conditions set forth in Section 8.04, be released from their obligations under the covenants contained in Article 5 and Sections 4.03, 4.07, 4.08, 4.09, 4.10, 4.11, 4.12, 4.13, 4.14, 4.16, 4.17 and 4.19 with respect to the outstanding Notes and Guarantees thereof on and after the date the conditions set forth in Section 8.04 are satisfied (hereinafter, "Covenant Defeasance"), and the Notes and Guarantees thereof shall thereafter be deemed not "outstanding" for the purposes of any direction, waiver, consent or declaration or act of Holders (and the consequences of any thereof) in connection with such covenants, but shall continue to be deemed "outstanding" for all other purposes hereunder (it being understood that such Notes shall not be deemed outstanding for accounting purposes). For this purpose, Covenant Defeasance means that, with respect to the outstanding Notes, the Issuers and the Guarantor may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any reference in any such covenant to any other provision herein or in any other document and such omission to comply shall not constitute a Default or an Event of Default under Section 6.01, but, except as specified above, the remainder of this Indenture and such Notes and the Guarantees thereof shall be unaffected thereby. In addition, upon the Issuers' exercise under Section 8.01 of the option applicable to this Section 8.03, subject to the satisfaction of the conditions set forth in Section 8.04, Sections 6.01(c) through 6.01(f) shall not constitute Events of Default.

Section 8.04. Conditions to Legal or Covenant Defeasance.

The following shall be the conditions to the application of either Section 8.02 or 8.03 to the outstanding Notes:

In order to exercise either Legal Defeasance or Covenant Defeasance:

(1) the Company 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 the Company must specify whether the Notes are being defeased to maturity or to a particular redemption date;

(2) in the case of Legal Defeasance, the Company shall have delivered to the Trustee an Opinion of Counsel reasonably acceptable to the Trustee confirming that (a) the Company has received from, or there has been published by, the Internal Revenue Service a ruling or (b) since the date of this Indenture, 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, the Company 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 this Indenture) to which the Company or any of the Restricted Subsidiaries is a party or by which the Company or any of the Restricted Subsidiaries is bound;

(6) the Company must have delivered to the applicable Trustee an opinion of counsel to the effect that after the 91st day assuming no intervening bankruptcy, that no Holder is an insider of either of the Issuers following the deposit and that such deposit would not be deemed by a court of competent jurisdiction a transfer for the benefit of the Guarantor or either co-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) the Company must deliver to the Trustee an Officers' Certificate stating that the deposit was not made by the Company 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 the Company or others; and

(8) the Company 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 (i) have become due and payable or (ii) will become due and payable on the maturity date

within one year, by their terms or 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.

Section 8.05. Deposited Money and Government Securities to Be Held in Trust; Other Miscellaneous Provisions.

Subject to Section 8.06, all money and non-callable Government Securities (including the proceeds thereof) deposited with the Trustee (or other qualifying trustee, collectively for purposes of this Section 8.05, the "Trustee") pursuant to Section 8.04 in respect of the outstanding Notes shall be held in trust and applied by the Trustee, in accordance with the provisions of such Notes and this Indenture, to the payment, either directly or through any Paying Agent (including the Issuers acting as Paying Agent) as the Trustee may determine, to the Holders of such Notes of all sums due and to become due thereon in respect of principal, premium, if any, and interest, but such money need not be segregated from other funds except to the extent required by law.

The Issuers and the Guarantor shall pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the cash or non-callable Government Securities deposited pursuant to Section 8.04 or the principal and interest received in respect thereof other than any such tax, fee or other charge which by law is for the account of the Holders of the outstanding Notes.

Anything in this Article 8 to the contrary notwithstanding, the Trustee shall deliver or pay to the Issuers from time to time upon the request of the Issuers any money or non-callable Government Securities held by it as provided in Section 8.04 which, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee (which may be the opinion delivered under Section 8.04(a)), are in excess of the amount thereof that would then be required to be deposited to effect an equivalent Legal Defeasance or Covenant Defeasance.

Section 8.06. Repayment to Issuers.

Any money deposited with the Trustee or any Paying Agent, or then held by the Issuers, in trust for the payment of the principal of, premium, if any, or interest on any Note and remaining unclaimed for two years after such principal, and premium, if any, or interest has become due and payable shall be paid to the Issuers on their request or (if then held by the Issuers) shall be discharged from such trust; and the Holder of such Note shall thereafter look only to the Issuers for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Issuers as trustee thereof, shall thereupon cease; provided, however, that the Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Issuers cause to be published once, in the New York Times and The Wall Street Journal (national edition), notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such notification or publication, any unclaimed balance of such money then remaining shall be repaid to the Issuers.

Section 8.07. Reinstatement.

If the Trustee or Paying Agent is unable to apply any United States dollars or non-callable Government Securities in accordance with Section 8.02 or 8.03, as the case may be, by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the Issuers' and the Guarantor's obligations under this Indenture, the Notes and the Guarantee, as the case may be, shall be revived and reinstated as though no deposit had occurred

pursuant to Section 8.02 or 8.03 until such time as the Trustee or Paying Agent is permitted to apply all such money in accordance with Section 8.02 or 8.03, as the case may be; provided, however, that, if the Issuers make any payment of principal of, premium, if any, or interest on any Note following the reinstatement of their obligations, the Issuers or the Guarantor, as the case may be, shall be subrogated to the rights of the Holders of such Notes to receive such payment from the money held by the Trustee or Paying Agent.

ARTICLE 9
AMENDMENT, SUPPLEMENT AND WAIVER

Section 9.01. Without Consent of Holders of Notes.

Notwithstanding Section 9.02 of this Indenture, the Issuers, the Guarantor and the Trustee may amend or supplement this Indenture or the Notes without the consent of any Holder of a Note:

(a) to cure any ambiguity, defect or inconsistency;

(b) to provide for uncertificated Notes in addition to or in place of certificated Notes;

(c) to provide for the assumption of an Issuer's or the Guarantor's, obligations, as the case may be, to Holders of Notes in the case of a merger or consolidation or sale of all or substantially all of the assets of either Issuer or the Guarantor, as the case may be, pursuant to Article 5;

(d) 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 this Indenture of any such Holder; or

(e) to comply with requirements of the SEC in order to effect or maintain the qualification of this Indenture under the TIA or otherwise as necessary to comply with applicable law.

Upon the request of the Issuers accompanied by a resolution of their respective Boards of Directors authorizing the execution of any such amended or supplemental Indenture, and upon receipt by the Trustee of the documents described in Section 7.02, the Trustee shall join with the Issuers and the Guarantor in the execution of any amended or supplemental Indenture authorized or permitted by the terms of this Indenture and to make any further appropriate agreements and stipulations that may be therein contained, but the Trustee shall not be obligated to enter into such amended or supplemental Indenture that affects its own rights, duties or immunities under this Indenture or otherwise.

Section 9.02. With Consent of Holders of Notes.

Except as provided below in this Section 9.02, this Indenture (including Sections 4.11 and 4.16) or the Notes may be amended or supplemented with the consent of the Holders of at least a majority in principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or a tender offer or exchange offer for, Notes) and, subject to Sections 6.04 and 6.07, any existing Default or compliance with any provision of this Indenture or the Notes may be waived with the consent of the Holders of a majority in principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or a

tender offer or exchange offer for, Notes). Section 2.08 shall determine which Notes are considered to be "outstanding" for purposes of this Section 9.02.

Upon the request of the Issuers accompanied by a resolution of their respective Boards of Directors authorizing the execution of any such amended or supplemental Indenture, and upon the filing with the Trustee of evidence satisfactory to the Trustee of the consent of the Holders of Notes as aforesaid, and upon receipt by the Trustee of the documents described in Section 7.02, the Trustee shall join with the Issuers and the Guarantor in the execution of such amended or supplemental Indenture unless such amended or supplemental Indenture directly affects the Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, enter into such amended or supplemental Indenture.

It shall not be necessary for the consent of the Holders of Notes under this Section 9.02 to approve the particular form of any proposed amendment or waiver, but it shall be sufficient if such consent approves the substance thereof.

After an amendment, supplement or waiver under this Section 9.02 becomes effective, the Company shall mail to the Holders of Notes affected thereby a notice briefly describing the amendment, supplement or waiver. Any failure of the Company to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such amended or supplemental Indenture or waiver. Subject to Sections 6.04 and 6.07, the Holders of a majority in aggregate principal amount of the Notes then outstanding may waive compliance in a particular instance by the Issuers with any provision of this Indenture or the Notes. However, without the consent of each Holder affected, an amendment, supplement or waiver under this Section 9.02 may not (with respect to any Notes held by a non-consenting Holder):

(a) reduce the principal amount of Notes whose Holders must consent to an amendment, supplement or waiver;

(b) 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 Sections 4.11 and 4.16);

(c) reduce the rate of or extend the time for payment of interest on any Note;

(d) 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);

(e) make any Note payable in money other than that stated in the Notes;

(f) make any change in the provisions of this Indenture relating to waivers of past Defaults or the rights of Holders of Notes to receive payments of principal of or premium, if any, or interest on the Notes;

(g) waive a redemption payment with respect to any Note (other than a payment required by one of the covenants described in Sections 4.11 and 4.16);

(h) amend any provision or release the Guarantee of the Guarantor except pursuant to the Marcus Combination; or

(i) make any change in this Section 9.02.

Section 9.03. Compliance with Trust Indenture Act.

Every amendment or supplement to this Indenture or the Notes shall be set forth in a amended or supplemental Indenture that complies with the TIA as then in effect.

Section 9.04. Revocation and Effect of Consents.

Until an amendment, supplement or waiver becomes effective, a consent to it by a Holder of a Note is a continuing consent by the Holder of a Note and every subsequent Holder of a Note or portion of a Note that evidences the same debt as the consenting Holder's Note, even if notation of the consent is not made on any Note. However, any such Holder of a Note or subsequent Holder of a Note may revoke the consent as to its Note if the Trustee receives written notice of revocation before the date the waiver, supplement or amendment becomes effective. An amendment, supplement or waiver becomes effective in accordance with its terms and thereafter binds every Holder.

Section 9.05. Notation on or Exchange of Notes.

The Trustee may place an appropriate notation about an amendment, supplement or waiver on any Note thereafter authenticated. The Issuers in exchange for all Notes may issue and the Trustee shall, upon receipt of an Authentication Order, authenticate new Notes that reflect the amendment, supplement or waiver.

Failure to make the appropriate notation or issue a new Note shall not affect the validity and effect of such amendment, supplement or waiver.

Section 9.06. Trustee to Sign Amendments, etc.

The Trustee shall sign any amended or supplemental Indenture authorized pursuant to this Article 9 if the amendment or supplement does not adversely affect the rights, duties, liabilities or immunities of the Trustee. The Issuers and the Guarantor may not sign an amendment or supplemental Indenture until their respective Boards of Directors approve it. In executing any amended or supplemental indenture, the Trustee shall be entitled to receive and (subject to Section 7.01) shall be fully protected in relying upon, in addition to the documents required by Section 12.04, an Officer's Certificate and an Opinion of Counsel, in each case from each of the Issuers, stating that the execution of such amended or supplemental indenture is authorized or permitted by this Indenture.

ARTICLE 10
GUARANTEE OF NOTES

Section 10.01. Unconditional Guarantee.

Subject to the provisions of this Article Ten, the Guarantor hereby unconditionally and irrevocably guarantees, on a senior basis to each Holder of a Note authenticated and delivered by the Trustee and to the Trustee and its successors and assigns, irrespective of the validity and enforceability of this Indenture, the Notes or the obligations of the Issuers to the Holders or the Trustee hereunder or thereunder, that: (a) the principal of, premium, if any, and interest on the Notes (and any Special Interest payable thereon) shall be duly and punctually paid in full when due, whether at maturity, upon

redemption at the option of Holders pursuant to the provisions of the Notes relating thereto, by acceleration or otherwise, and interest on the overdue principal and (to the extent permitted by law) interest, if any, on the Notes and all other obligations of the Issuers to the Holders or the Trustee hereunder or thereunder (including amounts due the Trustee under Section 7.07) and all other obligations shall be promptly paid in full or performed, all in accordance with the terms hereof and thereof; and (b) in case of any extension of time of payment or renewal of any Notes or any of such other obligations, the same shall be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at maturity, by acceleration or otherwise. Failing payment when due of any amount so guaranteed, or failing performance of any other obligation of the Issuers to the Holders under this Indenture or under the Notes, for whatever reason, the Guarantor shall be obligated to pay, or to perform or cause the performance of, the same immediately. An Event of Default under this Indenture or the Notes shall constitute an event of default under this Guarantee, and shall entitle the Holders of Notes to accelerate the obligations of the Guarantor hereunder in the same manner and to the same extent as the obligations of the Issuers.

The Guarantor hereby agrees that its obligations hereunder shall be unconditional, irrespective of the validity, regularity or enforceability of the Notes or this Indenture, the absence of any action to enforce the same, any waiver or consent by any Holder of the Notes with respect to any provisions hereof or thereof, the recovery of any judgment against the Issuers, any action to enforce the same, whether or not this Guarantee is affixed to any particular Note, or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of the Guarantor. The Guarantor hereby waives the benefit of diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of either Issuer, any right to require a proceeding first against either Issuer, protest, notice and all demands whatsoever and covenants that its Guarantee shall not be discharged except by complete performance of the obligations contained in the Notes, this Indenture and this Guarantee or except as otherwise permitted by this Indenture. This Guarantee is a guarantee of payment and not of collection. If any Holder or the Trustee is required by any court or otherwise to return to either Issuer or to the Guarantor, or any custodian, trustee, liquidator or other similar official acting in relation to either Issuer or the Guarantor, any amount paid by either Issuer or the Guarantor to the Trustee or such Holder, this Guarantee, to the extent theretofore discharged, shall be reinstated in full force and effect. The Guarantor further agrees that, as between it, on the one hand, and the Holders of Notes and the Trustee, on the other hand, (a) subject to this Article Ten, the maturity of the obligations guaranteed hereby may be accelerated as provided in Article Six for the purposes of this Guarantee, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby, and (b) in the event of any acceleration of such obligations as provided in Article Six, such obligations (whether or not due and payable) shall forthwith become due and payable by the Guarantor for the purpose of this Guarantee.

No stockholder, member, officer, director, employee or incorporator, past, present or future, of the Guarantor , as such, shall have any personal liability under this Guarantee by reason of his, her or its status as such stockholder, officer, director, employee or incorporator.

Section 10.02. Limitations on this Guarantee.

The obligations of the Guarantor under its Guarantee are limited to the maximum amount which, after giving effect to all other contingent and fixed liabilities of the Guarantor will result in the obligations of the Guarantor under the Guarantee not constituting a fraudulent conveyance or fraudulent transfer under any laws of the United States, any state of the United States or the District of Columbia.

Section 10.03. Execution and Delivery of this Guarantee.

To further evidence the Guarantee set forth in Section 10.01, the Guarantor hereby agrees that a notation of such Guarantee, substantially in the form of Exhibit F, shall be endorsed on each Note authenticated and delivered by the Trustee. Such Guarantee shall be executed on behalf of the Guarantor by either manual or facsimile signature of two Officers of the Guarantor, each of whom, in each case, shall have been duly authorized to so execute by all requisite corporate action. The validity and enforceability of the Guarantee set forth in Section 10.01 shall not be affected by the fact that it is not affixed to any particular Note. The Guarantor hereby agrees that its Guarantee set forth in Section 10.01 shall remain in full force and effect notwithstanding any failure to endorse on each Note a notation of such Guarantee.

If an Officer of the Guarantor whose signature is on this Indenture or a Guarantee no longer holds that office at the time the Trustee authenticates the Note on which such Guarantee is endorsed or at any time thereafter, the Guarantor's Guarantee of such Note shall be valid nevertheless.

The delivery of any Note by the Trustee, after the authentication thereof hereunder, shall constitute due delivery of any Guarantee set forth in this Indenture on behalf of the Guarantor.

Section 10.04. Release of Guarantor.

(a) Upon the consummation of the Marcus Combination, the Guarantor's Guarantee shall be released, and the Guarantor shall be deemed released from all obligations under this Article Ten and this Indenture without any further action required on the part of the Guarantor, the Trustee or any Holder. If the Marcus Combination is not consummated, the Guarantor will not be so released and the Guarantor or any entity surviving the Guarantor, as applicable, shall remain or be liable under its Guarantee as provided in this Article Ten.

(b) The Trustee shall deliver an appropriate instrument evidencing the release of the Guarantor upon receipt of a request by the Company or the Guarantor accompanied by an Officers' Certificate and an Opinion of Counsel certifying as to the compliance with this Section 10.04; provided the legal counsel delivering such Opinion of Counsel may rely as to matters of fact on one or more Officers Certificates of the Company or the Guarantor.

The Trustee shall execute any documents reasonably requested by the Company or the Guarantor in order to evidence the release of the Guarantor from its obligations under its Guarantee endorsed on the Notes, under this Article Ten and under this Indenture.

Section 10.05. Waiver of Subrogation.

Until this Indenture is discharged and all of the Notes are discharged and paid in full, the Guarantor hereby irrevocably waives and agrees not to exercise any claim or other rights which it may now or hereafter acquire against either Issuer that arise from the existence, payment, performance or enforcement of the Issuers' obligations under the Notes or this Indenture and the Guarantor's obligations under this Guarantee and this Indenture, in any such instance including, without limitation, any right of subrogation, reimbursement, exoneration, contribution, indemnification, and any right to participate in any claim or remedy of the Holders against either Issuer, 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 either Issuer, 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. If any amount shall be paid to the

Guarantor in violation of the preceding sentence and any amounts owing to the Trustee or the Holders of Notes under the Notes, this Indenture, or any other document or instrument delivered under or in connection with such agreements or instruments, shall not have been paid in full, such amount shall have been deemed to have been paid to the Guarantor for the benefit of, and held in trust for the benefit of, the Trustee or the Holders and shall forthwith be paid to the Trustee for the benefit of itself or such Holders to be credited and applied to the obligations in favor of the Trustee or the Holders, as the case may be, whether matured or unmatured, in accordance with the terms of this Indenture. The Guarantor acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by this Indenture and that the waiver set forth in this Section 10.05 is knowingly made in contemplation of such benefits.

Section 10.06. Immediate Payment.

The Guarantor agrees to make immediate payment to the Trustee on behalf of the Holders of all obligations under the Notes and this Indenture owing or payable to the respective Holders upon receipt of a demand for payment therefor by the Trustee to such Guarantor in writing.

Section 10.07. Obligations Continuing.

The obligations of the Guarantor hereunder shall be continuing and shall remain in full force and effect until all the obligations have been paid and satisfied in full. The Guarantor agrees with the Trustee that it will from time to time deliver to the Trustee suitable acknowledgments of this continued liability hereunder.

Section 10.08. Obligations Reinstated.

The obligations of the Guarantor hereunder shall continue to be effective or shall be reinstated, as the case may be, if at any time any payment which would otherwise have reduced the obligations of the Guarantor hereunder (whether such payment shall have been made by or on behalf of either Issuer or by or on behalf of the Guarantor) is rescinded or reclaimed from any of the Holders upon the insolvency, bankruptcy, liquidation or reorganization of either Issuer or the Guarantor or otherwise, all as though such payment had not been made. If demand for, or acceleration of the time for, payment by either Issuer is stayed upon the insolvency, bankruptcy, liquidation or reorganization of either Issuer, all such Indebtedness otherwise subject to demand for payment or acceleration shall nonetheless be payable by the Guarantor as provided herein.

Section 10.09. Obligations Not Affected.

The obligations of the Guarantor hereunder shall not be affected, impaired or diminished in any way by any act, omission, matter or thing whatsoever, occurring before, upon or after any demand for payment hereunder (and whether or not known or consented to by the Guarantor or any of the Holders) which, but for this provision, might constitute a whole or partial defense to a claim against the Guarantor hereunder or might operate to release or otherwise exonerate the Guarantor from any of its obligations hereunder or otherwise affect such obligations, whether occasioned by default of any of the Holders or otherwise.

Section 10.10. Waiver.

Without in any way limiting the provisions of Section 10.01 hereof, the Guarantor hereby waives notice or proof of reliance by the Holders upon the obligations of the Guarantor hereunder, and diligence,

presentment, demand for payment on the Issuers, protest or notice of dishonor of any of the obligations under the Note and this Indenture, or other notice or formalities to the Issuers of any kind whatsoever.

Section 10.11. No Obligation To Take Action Against Either Issuer.

Neither the Trustee nor any other Person shall have any obligation to enforce or exhaust any rights or remedies or to take any other steps under any security for the obligations under the Notes and this Indenture or against either Issuer or any other Person or any property of either Issuer or any other Person before the Trustee is entitled to demand payment and performance by the Guarantor of its liabilities and obligations under its Guarantees or under this Indenture.

Section 10.12. Dealing With The Company and Others.

The Holders, without releasing, discharging, limiting or otherwise affecting in whole or in part the obligations and liabilities of the Guarantor hereunder and without the consent of or notice to the Guarantor, may

(a) grant time, renewals, extensions, compromises, concessions, waivers, releases, discharges and other indulgences to either Issuer or any other Person;

(b) take or abstain from taking security or collateral from the Issuers or from perfecting security or collateral of the Issuers;

(c) release, discharge, compromise, realize, enforce or otherwise deal with or do any act or thing in respect of (with or without consideration) any and all collateral, mortgages or other security given by the Issuers or any third party with respect to the obligations or matters contemplated by this Indenture or the Notes;

(d) accept compromises or arrangements from either Issuer;

(e) apply all monies at any time received from either Issuer or from any security upon such part of the obligations under the Notes or this Indenture as the Holders may see fit or change any such application in whole or in part from time to time as the Holders may see fit; and

(f) otherwise deal with, or waive or modify their right to deal with, either Issuer and all other Persons and any security as the Holders or the Trustee may see fit.

Section 10.13. Default and Enforcement.

If the Guarantor fails to pay in accordance with Section 10.06, the Trustee may proceed in its name as trustee hereunder in the enforcement of the Guarantee of the Guarantor and the Guarantor's obligations thereunder and hereunder by any remedy provided by law, whether by legal proceedings or otherwise, and to recover from the Guarantor the obligations.

Section 10.14. Amendment, Etc.

No amendment, modification or waiver of any provision of this Indenture relating to the Guarantor or consent to any departure by the Guarantor or any other Person from any such provision will in any event be effective unless it is signed by the Guarantor, the Issuers and the Trustee.

Section 10.15. Acknowledgement.

The Guarantor hereby acknowledges communication of the terms of this Indenture and the Notes and consents to and approves of the same.

Section 10.16. Costs and Expenses.

The Guarantor shall pay on demand by the Trustee any and all costs, fees and expenses (including, without limitation, legal fees on a solicitor and client basis) incurred by the Trustee, the agents, advisors and counsel or any of the Holders in enforcing any of their rights under its Guarantee.

Section 10.17. No Waiver; Cumulative Remedies.

No failure to exercise and no delay in exercising, on the part of the Trustee or the Holders, any right, remedy, power or privilege hereunder or under this Indenture or the Notes, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder or under this Indenture or the Notes preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges in the Guarantee and under this Indenture, the Notes and any other document or instrument between the Guarantor and/or the Issuers and the Trustee are cumulative and not exclusive of any rights, remedies, powers and privilege provided by law.

Section 10.18. Effect of Offset or Counterclaim.

The obligations of the Guarantor hereunder shall be enforceable against the Guarantor without regard to and without giving effect to any right of offset or counterclaim available to or which may be asserted by the Company or the Guarantor.

Section 10.19. Guarantee in Addition to Other Obligations.

The obligations of the Guarantor under its Guarantee and this Indenture are in addition to and not in substitution for any other obligations to the Trustee or to any of the Holders in relation to this Indenture or the Notes (including the Purchase Agreement and the Registration Rights Agreement).

Section 10.20. Severability.

Any provision of this Article Ten which is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction unless its removal would substantially defeat the basic intent, spirit and purpose of this Indenture and this Article Ten.

Section 10.21. Successors and Assigns.

Each Guarantee shall be binding upon and inure to the benefit of the Guarantor, the Issuers, the Trustee and the Holders and their respective successors and permitted assigns, except that the Guarantor may not assign any of its obligations hereunder or thereunder.

ARTICLE 11
SECURITY

Section 11.01. Security.

In order to secure the due and punctual payment of the principal of, premium, if any, and interest, and Special Interest, if any, on the Notes when and as the same shall be due and payable, whether on an interest payment date, at maturity, by acceleration, call for redemption or otherwise, and interest on the overdue principal and interest, if any, of the Notes and performance of all other obligations of the Issuers, to the Holders or the Trustee under this Indenture and the Notes, according to the terms hereof or thereof, the Company will make an assignment of its right, title and interest in and to the Collateral to the Trustee pursuant to the Pledge Documents and to the extent therein provided, no later than the date of the first issuance of the Notes hereunder. At the time the Pledge Documents are executed, the Company will have full right, power and lawful authority to grant, bargain, sell, release, convey, hypothecate, assign, mortgage, transfer and confirm, absolutely, the property constituting the Collateral in the manner and form done, or intended to be done, in the Pledge Documents, free and clear of all Liens whatsoever, except to the extent otherwise provided therein, and (a) will for so long as any Notes are outstanding, warrant and defend the title to the same against the claims of all Persons whatsoever, (b) will execute, acknowledge and deliver to the Trustee such further assignments, transfers, assurances or other instruments as the Trustee may require or request and (c) will do or cause to be done all such acts and things as may be necessary or proper, or as may be required by the Trustee, to assure and confirm to the Trustee the security interest in the Collateral contemplated hereby and by the Pledge Documents, or any part thereof, as from time to time constituted, so as to render the same available for the security and benefit of this Indenture and of the Notes secured hereby, according to the intent and purposes herein expressed. The Pledge Documents will create a direct and valid Lien on the property constituting the Collateral as set forth in the Pledge Documents.

Section 11.02. Recording and Opinions.

The Company will cause, at its own expense, the Pledge Documents, this Indenture and all amendments or supplements thereto and UCC-1 financing statements and other applicable documents relating thereto to be registered, recorded and filed or re-recorded, refiled and renewed in such manner and in such place or places if any, as may be required by law in order fully to preserve and protect the Liens created by the Pledge Documents on all parts of the Collateral and to effectuate and preserve the security of the Holders and all rights of the Trustee.

The Company shall furnish to the Trustee:

(a) promptly after the execution and delivery of the Pledge Documents, an Opinion of Counsel either (a) stating that, in the opinion of such counsel, this Indenture and the assignment of the Collateral intended to be made by the Pledge Documents and all other instruments of further assurance or amendment have been properly recorded, registered and filed to the extent necessary to make effective the Lien intended to be created by the Pledge Documents, and reciting the details of such action or referring to prior opinions of counsel in which such details are given, and stating that as to the Pledge Documents such recordings, registering and filings are sufficient to give notice thereof and that no re-recordings, re-registerings or refilings are necessary to maintain such notice, and further stating that all financing statements and continuation statements have been executed and filed that are necessary fully to preserve and protect the rights of the Holders and the Trustee hereunder and under the Pledge Documents, or

(b) stating that, in the opinion of such counsel, no such action is necessary to make such Lien and assignment effective; and

(b) within 30 days after April 1 in each year beginning with April 1, 2000, an Opinion of Counsel, dated as of such date, either (a) stating that, in the opinion of such counsel, such action has been taken with respect to the recording, registering, filing, re-recording, re-registering and refiling of all supplemental indentures, financing statements, continuation statements or other instruments of further assurance as is necessary to maintain the Lien of the Pledge Documents and reciting the details of such action or referring to prior opinions of counsel in which such details are given, and stating that all financing statements and continuation statements have been executed and filed that are necessary fully to preserve and protect the rights of the Holders and the Trustee hereunder and under the Pledge Documents, or (b) stating that, in the opinion of such counsel, no such action is necessary to maintain such lien and assignment.

Section 11.03. Release of Collateral.

Upon the consummation of the Marcus Combination, the security interest in the Collateral in favor of the Trustee for the benefit of the Holders will be immediately released.

To the extent applicable, the Company shall cause TIA ss. 314(d) relating the release of property from the Lien of the Pledge Documents to be complied with. Any certificate or opinion required by TIA ss. 314(d) may be made by an officer of the Company, except in cases in which TIA ss. 314(d) requires that such certificate or opinion be made by an independent Person.

Section 11.04. Authorization of Actions To Be Taken by the Trustee.

Subject to the provisions of the Pledge Documents, the Trustee shall have power to institute and to maintain such suits and proceedings as it may deem expedient to prevent any impairment of the Collateral by any acts which may be unlawful or in violation of the Pledge Documents, or this Indenture, and such suits and proceedings as the Trustee may deem expedient to preserve or protect its interests and the interests of the Holders in the Collateral (including power to institute and maintain suits or proceedings to restrain the enforcement of or compliance with any legislative or governmental enactment, rule, or order that may be unconstitutional or otherwise invalid if the enforcement of, or compliance with, such enactment, rule or order would impair the security hereunder or be prejudicial to the interest of the Trustee).

Section 11.05. Acknowledgment that Collateral Secures the Other Notes.

The Collateral is secured for the equal and ratable benefit of the holders of the Notes and the holders of the Other Notes.

ARTICLE 12
MISCELLANEOUS

Section 12.01. Trust Indenture Act Controls.

If any provision of this Indenture limits, qualifies or conflicts with the duties imposed by TIA ss. 318(c), the imposed duties shall control.

Section 12.02. Notices.

Any notice or communication by the Issuers, the Guarantor or the Trustee to the others is duly given if in writing and delivered in Person or mailed by first class mail (registered or certified, return receipt requested), telex, telecopier or overnight air courier guaranteeing next day delivery, to the others' address:

If to the Issuers
or the Guarantor: c/o Charter Communications, Inc.
12444 Powerscourt Drive, Suite 100
St. Louis, Missouri 63131
Telecopier No.: (314) 965-8793
Attention: Secretary

With a copy to: Paul, Hastings, Janofsky & Walker LLP
399 Park Avenue
31st Floor
New York, New York 10022
Telecopier No.: (212) 319-4090
Attention: Thomas R. Pollock, Esq.

If to the Trustee: Harris Trust and Savings Bank
311 West Monroe, 12th Floor
Chicago, Illinois 60606
Telecopier No.: (312) 461-3525
Attention: Corporate Trust Department

The Issuers, the Guarantor or the Trustee, by notice to the others may designate additional or different addresses for subsequent notices or communications.

All notices and communications (other than those sent to Holders) shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; five Business Days after being deposited in the mail, postage prepaid, if mailed; when answered back, if telexed; when receipt acknowledged, if telecopied; and the next Business Day after timely delivery to the courier, if sent by overnight air courier guaranteeing next day delivery.

Any notice or communication to a Holder shall be mailed by first class mail, certified or registered, return receipt requested, or by overnight air courier guaranteeing next day delivery to its address shown on the register kept by the Registrar. Any notice or communication shall also be so mailed to any Person described in TIA ss. 313(c), to the extent required by the TIA. Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders.

If a notice or communication is mailed in the manner provided above within the time prescribed, it is duly given, whether or not the addressee receives it.

If the Issuers mail a notice or communication to Holders, it shall mail a copy to the Trustee and each Agent at the same time.

Section 12.03. Communication by Holders of Notes with Other Holders of Notes.

Holders may communicate pursuant to TIA ss. 312(b) with other Holders with respect to their rights under this Indenture or the Notes. The Issuers, the Guarantor, the Trustee, the Registrar and anyone else shall have the protection of TIA ss. 312(c).

Section 12.04. Certificate and Opinion as to Conditions Precedent.

Upon any request or application by the Issuers or the Guarantor to the Trustee to take any action under this Indenture, the Issuers or the Guarantor, as the case may be, shall furnish to the Trustee:

(a) an Officers' Certificate in form and substance reasonably satisfactory to the Trustee (which shall include the statements set forth in Section 12.05) stating that, in the opinion of the signers, all conditions precedent and covenants, if any, provided for in this Indenture relating to the proposed action have been satisfied; and

(b) an Opinion of Counsel in form and substance reasonably satisfactory to the Trustee (which shall include the statements set forth in Section 12.05) stating that, in the opinion of such counsel, all such conditions precedent and covenants have been satisfied.

Section 12.05. Statements Required in Certificate or Opinion.

Each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture (other than a certificate provided pursuant to TIA ss. 314(a)(4)) shall comply with the provisions of TIA ss. 314(e) and shall include:

(a) a statement that the Person making such certificate or opinion has read such covenant or condition;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of such Person, he or she has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been satisfied; and

(d) a statement as to whether or not, in the opinion of such Person, such condition or covenant has been satisfied.

Section 12.06. Rules by Trustee and Agents.

The Trustee may make reasonable rules for action by or at a meeting of Holders. The Registrar or Paying Agent may make reasonable rules and set reasonable requirements for its functions.

Section 12.07. No Personal Liability of Directors, Officers, Employees, Members and Stockholders.

No director, officer, employee, incorporator, member or stockholder of the Issuers or the Guarantor, as such, shall have any liability for any obligations of the Issuers or the Guarantor under the Notes, the Guarantee, this Indenture 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 are part of the consideration for issuance of the Notes.

Section 12.08. Governing Law.

THE INTERNAL LAW OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUE THIS INDENTURE, THE NOTES AND THE GUARANTEE WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY. EACH OF THE PARTIES HERETO AGREES TO SUBMIT TO THE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS INDENTURE, THE NOTES OR ANY GUARANTEE.

Section 12.09. No Adverse Interpretation of Other Agreements.

This Indenture may not be used to interpret any other indenture, loan or debt agreement of the Issuers, the Guarantor or their Subsidiaries or of any other Person. Any such indenture, loan or debt agreement may not be used to interpret this Indenture.

Section 12.10. Successors.

All agreements of the Issuers and the Guarantor in this Indenture, the Notes and the Guarantee, as the case may be, shall bind their respective successors. All agreements of the Trustee in this Indenture shall bind its successors.

Section 12.11. Severability.

In case any provision in this Indenture, the Notes or the Guarantee, as the case may be, shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 12.12. Counterpart Originals.

The parties may sign any number of copies of this Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

Section 12.13. Table of Contents, Headings, etc.

The Table of Contents, Cross-Reference Table and Headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part of this Indenture and shall in no way modify or restrict any of the terms or provisions.

ARTICLE 13
SATISFACTION AND DISCHARGE

Section 13.01. Satisfaction and Discharge of Indenture.

This Indenture shall cease to be of further effect (except as to any surviving rights of registration of transfer or exchange of Notes herein expressly provided for), and the Trustee, on demand of and at the expense of the Issuers, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture, when

(1) either

(A) all Notes theretofore authenticated and delivered (other than (i) Notes which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 2.07 and (ii) Notes for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Issuers and thereafter repaid to the Issuers or discharged from such trust,) have been delivered to the Trustee for cancellation; or

(B) all such Notes not theretofore delivered to the Trustee for cancellation

(i) have become due and payable, or

(ii) will become due and payable at their Stated Maturity within one year, or

(iii) are to be called for redemption 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,

and the Issuers, in the case of (i), (ii) or (iii) above, have deposited or caused to be deposited with the Trustee as trust funds in trust for the purpose an amount sufficient to pay and discharge the entire indebtedness on such Notes not theretofore delivered to the Trustee for cancellation, for principal (and premium, if any) and interest to the date of such deposit (in the case of Notes which have become due and payable) or to the maturity or redemption thereof, as the case may be;

(2) the Issuers have paid or caused to be paid all other sums payable hereunder by the Issuers and the Guarantors; and

(3) each of the Issuers have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture have been complied with.

Notwithstanding the satisfaction and discharge of this Indenture pursuant to this Article 13, the obligations of the Issuers and the Guarantor to the Trustee under Section 7.07, and, if money shall have been deposited with the Trustee pursuant to subclause (B) of clause (1) of this Section, the obligations of the Trustee under Section 13.02 shall survive.

Section 13.02. Application of Trust Money.

All money deposited with the Trustee pursuant to Section 13.01 shall be held in trust and applied by it, in accordance with the provisions of the Notes and this Indenture, to the payment, either directly or through any Paying Agent as the Trustee may determine, to the Persons entitled thereto, of the principal (and premium, if any) and interest for whose payment such money has been deposited with the Trustee.

[Signatures on following page]

SIGNATURES

Dated as of March 17, 1999

CHARTER COMMUNICATIONS HOLDINGS, LLC, as
an Issuer

By: /s/ Eloise Engman

Name: Eloise Engman
Title: Vice President

CHARTER COMMUNICATIONS HOLDINGS
CAPITAL CORPORATION, as an Issuer

By: /s/ Eloise Engman

Name: Eloise Engman
Title: Vice President

MARCUS CABLE HOLDINGS, LLC,
as Guarantor

BY: MARCUS CABLE PROPERTIES, L.L.C.,
as Manager

BY: MARCUS CABLE PROPERTIES, INC.,
as Manager

By: /s/ Marcy Lifton

Name: Marcy Lifton
Title: Senior Vice President and
Assistant Secretary

HARRIS TRUST AND SAVINGS BANK,
as Trustee

By: /s/ Kevin O. Healey

Name: Kevin O. Healey
Title: Senior Vice President

EXHIBIT A

[Face of Note]

CUSIP NO. [ ]

8.625% Senior Notes due 2009

No. $

CHARTER COMMUNICATIONS HOLDINGS, LLC
and
CHARTER COMMUNICATIONS HOLDINGS CAPITAL CORPORATION

promise to pay to ____

or registered assigns,

the principal amount of ____

Dollars ($_____________________) on April 1, 2009.

Interest Payment Dates: April 1 and October 1

Record Dates: March 15 and September 15

Subject to Restrictions set forth in this Note.

Dated: March 17, 1999

CHARTER COMMUNICATIONS HOLDINGS, LLC

By: ________________________________
Name:
Title:

By: ________________________________
Name:
Title:

CHARTER COMMUNICATIONS HOLDINGS CAPITAL
CORPORATION

By: ________________________________
Name:
Title:

By: ________________________________
Name:
Title:

This is one of the Notes referred to
in the within-mentioned Indenture:

HARRIS TRUST AND SAVINGS BANK,
as Trustee

By: __________________________________
Authorized Signatory

[Back of Note]
8.625% Senior Notes due 2009

"THIS GLOBAL NOTE IS HELD BY THE DEPOSITARY (AS DEFINED IN THE INDENTURE GOVERNING THIS NOTE) OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (I) THE TRUSTEE MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED PURSUANT TO SECTION 2.07 OF THE INDENTURE, (II) THIS GLOBAL NOTE MAY BE EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO SECTION 2.06(a) OF THE INDENTURE, (III) THIS GLOBAL NOTE MAY BE DELIVERED TO THE TRUSTEE FOR CANCELLATION PURSUANT TO SECTION 2.11 OF THE INDENTURE AND (IV) THIS GLOBAL NOTE MAY BE TRANSFERRED TO A SUCCESSOR DEPOSITARY WITH THE PRIOR WRITTEN CONSENT OF THE ISSUERS."(1)

"THE NOTES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933 (THE "SECURITIES ACT") AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) (1) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (3) TO AN INSTITUTIONAL ACCREDITED INVESTOR IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, (4) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES."(2)

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(1) This paragraph should be included only if the Note is issued in global form.

(2) This paragraph should be removed upon the exchange of Notes for Exchange Notes in the Exchange Offer or upon the registration of the Notes pursuant to the terms of the Registration Rights Agreement.

Capitalized terms used herein shall have the meanings assigned to them in the Indenture referred to below unless otherwise indicated.

1. INTEREST. Charter Communications Holdings, LLC, a Delaware limited liability company (the "Company"), and Charter Communications Holdings Capital Corporation, a Delaware corporation ("Charter Capital" and, together with the Company, the "Issuers"), promise to pay interest on the principal amount of this Note at the rate of 8.625% per annum from March 17, 1999 until maturity. The interest rate on the Notes is subject to increase pursuant to the provisions of the Registration Rights Agreement. The Issuers will pay interest semi-annually in arrears on April 1 and October 1 of each year (each an "Interest Payment Date"), or if any such day is not a Business Day, on the next succeeding Business Day. Interest on the Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of issuance; provided that if there is no existing Default in the payment of interest, and if this Note is authenticated between a record date referred to on the face and the next succeeding Interest Payment Date, interest shall accrue from such next succeeding Interest Payment Date; provided, further, that the first Interest Payment Date shall be October 1, 1999. The Issuers shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal and premium, if any, from time to time on demand at a rate that is 1% per annum in excess of the rate then in effect; they shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest (without regard to any applicable grace periods) from time to time on demand at the same rate to the extent lawful. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

2. METHOD OF PAYMENT. The Issuers shall pay interest on the Notes (except defaulted interest) to the Persons who are registered Holders of Notes at the close of business on the March 15 or September 15 next preceding the Interest Payment Date, even if such Notes are canceled after such record date and on or before such Interest Payment Date, except as provided in Section 2.12 of the Indenture with respect to defaulted interest. The Notes will be payable as to principal, premium, if any, and interest at the office or agency of the Issuers maintained for such purpose within or without the City and State of New York, or, at the option of the Issuers, payment of interest may be made by check mailed to the Holders at their addresses set forth in the register of Holders, and provided that payment by wire transfer of immediately available funds will be required with respect to principal of and interest and premium on all Global Notes and all other Notes the Holders of which shall have provided wire transfer instructions to the Issuers or the Paying Agent. Such payment shall be in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

3. PAYING AGENT AND REGISTRAR. Initially, Harris Trust and Savings Bank, the Trustee under the Indenture, will act as Paying Agent and Registrar. The Issuers may change any Paying Agent or Registrar without notice to any Holder. The Company or any of its Subsidiaries may act in any such capacity.

4. INDENTURE. The Issuers issued the Notes under an Indenture dated as of March 17, 1999 ("Indenture") between the Issuers, Marcus Cable Holdings, LLC (the "Guarantor") and the Trustee. The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended (15 U.S. Code ss.ss. 77aaa-77bbbb). The Notes are subject to all such terms, and Holders are referred to the Indenture and such Act for a statement of such terms. To the extent any provision of this Note conflicts with the express provisions of the Indenture, the provisions of the Indenture shall govern and be controlling. The Notes are obligations of the Issuers limited to $1.5 billion in aggregate principal amount, of which all $1.5 billion in aggregate principal amount of Notes were issued on the Issue Date. The Notes are guaranteed on a senior basis by the Guarantor.

5. OPTIONAL REDEMPTION.

(a) Except as set forth in clauses (b) of this Paragraph 5, the Issuers shall not have the option to redeem the Notes prior to April 1, 2004. Thereafter, the Issuers shall have the option to redeem the Notes, in whole or in part, 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%

(b) Notwithstanding the provisions of clause (a) of this Paragraph 5, 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 Notes originally issued under the Indenture on a pro rata basis (or as nearly 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 Notes originally issued under the Indenture remains outstanding immediately after the occurrence of such redemption (excluding Notes held by the Company and its Subsidiaries); and

(2) the redemption must occur within 60 days of the date of the closing of such Equity Offering.

6. MANDATORY REDEMPTION.

Except as otherwise provided in Paragraph 7 below, the Issuers shall not be required to make mandatory redemption payments with respect to the Notes.

7. REPURCHASE AT OPTION OF HOLDER.

(a) If there is a Change of Control, the Issuers shall make an offer (a "Change of Control Offer") to repurchase all or any part (equal to $1,000 or an integral multiple thereof) of each Holder's Notes at a purchase price equal to 101% of the aggregate principal amount thereof plus accrued and unpaid interest thereon, if any, to the date of purchase (the "Change of Control Payment"). Within 10 days following any Change of Control, the Issuers shall mail a notice to each Holder describing the transaction or transactions that constitute the Change of Control and offering to repurchase Notes on the Change of Control Payment Date specified in such notice, pursuant to the procedures required by the Indenture and described in such notice.

(b) If the Company or a Restricted Subsidiary consummates any Asset Sale, when the aggregate amount of Excess Proceeds exceeds $25.0 million, the Issuers shall commence an offer (an "Asset Sale Offer") pursuant to Section 4.11 of the Indenture 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 100% of principal amount plus accrued and unpaid interest, if any, to the date of purchase. If any Excess Proceeds remain after consummation of an Asset Sale Offer, the Company may use such Excess Proceeds for any purpose not otherwise prohibited by the Indenture. 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 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. Holders of Notes that are the subject of an offer to purchase will receive an Asset Sale Offer from the Company prior to any related purchase date and may elect to have such Notes purchased by completing the form entitled "Option of Holder to Elect Purchase" on the reverse of the Notes.

8. NOTICE OF REDEMPTION. Notice of redemption will be mailed by first class mail at least 30 days but not more than 60 days before the redemption date to each Holder whose Notes are to be redeemed at its registered address. Notices of redemption may not be conditional. No Notes of $1,000 or less may be redeemed in part. Notes in denominations larger than $1,000 may be redeemed in part but only in whole multiples of $1,000, unless all of the Notes held by a Holder are to be redeemed. On and after the redemption date interest ceases to accrue on Notes or portions thereof called for redemption.

9. DENOMINATIONS, TRANSFER, EXCHANGE. The Notes are in registered form without coupons in denominations of $1,000 and integral multiples of $1,000. The transfer of Notes may be registered and Notes may be exchanged as provided in the Indenture. The Registrar and the Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and the Issuers may require a Holder to pay any taxes and fees required by law or permitted by the Indenture. The Issuers need not exchange or register the transfer of any Note or portion of a Note selected for redemption, except for the unredeemed portion of any Note being redeemed in part. Also, the Issuers need not exchange or register the transfer of any Notes for a period of 15 days before a selection of Notes to be redeemed or during the period between a record date and the corresponding Interest Payment Date.

10. PERSONS DEEMED OWNERS. The registered Holder of a Note may be treated as its owner for all purposes, other than with respect to the payment of Additional Amounts.

11. AMENDMENT, SUPPLEMENT AND WAIVER. Subject to certain exceptions, the Indenture or the Notes may be amended or supplemented with the consent of the Holders of at least a majority in principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes), and any existing default or compliance with any provision of the Indenture or the Notes may be waived with the consent of the Holders of a majority in principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes). Without the consent of any Holder of a Note, the Issuers and the Trustee may amend or supplement the Indenture or the Notes to cure any ambiguity, defect or inconsistency, to provide for uncertificated Notes in addition to or in place of certificated Notes, to provide for the assumption of an Issuers' or the Guarantor's, as the case may be, obligations to Holders of Notes in the case of a merger or consolidation or sale of all or substantially all of the assets of either Issuer or the Guarantor, as the case may be, 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 Indenture of any such Holder, or to comply with the requirements of the SEC in order to effect or maintain the qualification of the Indenture under the TIA or otherwise as necessary to comply with applicable law.

12. DEFAULTS AND REMEDIES. Each of the following is an Event of Default: (i) default for 30 days in the payment when due of interest on the Notes, (ii) default in payment when due of the principal of or premium, if any, on the Notes, (iii) failure by the Company or any of its Restricted

Subsidiaries, or the Guarantor or any of its Restricted Subsidiaries, to comply with Sections 4.16 and 5.01 of the Indenture, (iv) failure by the Company or any of its Restricted Subsidiaries, or the Guarantor or any of its Restricted Subsidiaries, for 30 days after written notice thereof has been given to the Company by the Trustee or to the Company and the Trustee by the 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 Indenture, (v) 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 the Company or any of its Restricted Subsidiaries, or by the Guarantor or any of its Restricted Subsidiaries, (or the payment of which is guaranteed by the Company or any of its Restricted Subsidiaries, or by the Guarantor or any of its Restricted Subsidiaries), whether such Indebtedness or guarantee now exists or is created after the date of the Indenture, if that default: (a) is caused by a failure to pay at final stated maturity the principal amount of 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, (vi) failure by the Company or any of its Restricted Subsidiaries, or by the Guarantor 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, (vii) certain events of bankruptcy or insolvency with respect to the Company or the Guarantor or any of their Significant Subsidiaries, (viii) except as permitted by the Indenture, the Guarantee of the Guarantor being held in any judicial proceeding to be unenforceable or invalid or ceasing for any reason to be in full force and effect or is caused by the Guarantor's, or any Person's (such Person acting on behalf of the Guarantor), denial or disaffirmation of its obligations under the Guarantee or (ix) except as permitted by the Indenture, any of the Pledge Documents cease to be in full force and effect (other than in accordance with their respective terms or the terms of the Indenture), or any of the Pledge Documents cease to give the Trustee or the Company, as the case may be, the Liens purported to be created thereby, or any Pledge Document is declared null and void. In the case of an Event of Default arising from certain events of bankruptcy or insolvency with respect to the Company, all outstanding Notes will become due and payable without further action or notice. If any other Event of Default occurs and is continuing, the Trustee by notice to the Issuers or the Holders of at least 25% in principal amount of the then outstanding Notes by notice to the Issuers and the Trustee may declare all the Notes to be due and payable. Holders may not enforce the Indenture or the Notes except as provided in the Indenture. Subject to certain limitations, Holders of a majority in principal amount of the then outstanding Notes may direct the Trustee in its exercise of any trust or power. 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 by notice to the Trustee may on behalf of the Holders of all of the Notes waive any existing Default or Event of Default and its consequences under the Indenture except a continuing Default or Event of Default in the payment of interest on, or the principal of, the Notes. The Company is required to deliver to the Trustee annually a statement regarding compliance with the Indenture. Upon becoming aware of any Default or Event of Default, the Company is required to deliver to the Trustee a statement specifying such Default or Event of Default.

13. TRUSTEE DEALINGS WITH ISSUERS. The Trustee, in its individual or any other capacity, may make loans to, accept deposits from, and perform services for the Issuers, the Guarantor or their Affiliates, and may otherwise deal with the Issuers, the Guarantor or their Affiliates, as if it were not the Trustee.

14. NO RECOURSE AGAINST OTHERS. A director, officer, employee, incorporator, member or stockholder of either of the Issuers or the Guarantor, as such, shall not have any liability for any obligations of the Issuers under the Notes or the Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Notes.

15. GUARANTEES. Until the consummation of the Marcus Combination, this Note will be entitled to the benefits of certain Guarantees, if any, made for the benefit of the Holders. Reference is hereby made to the Indenture for a statement of the respective rights, limitations of rights, duties and obligations thereunder of the Guarantor, the Trustee and the Holders.

16. GOVERNING LAW. This Note and the Indenture shall be governed by and construed in accordance with the laws of the State of New York, as applied to contracts made and performed within the State of New York, without regard to principles of conflict of laws. Each of the parties hereto and the holders agree to submit to the jurisdiction of the courts of the State of New York in any action or proceeding arising out of or relating to this Note.

17. AUTHENTICATION. This Note shall not be valid until authenticated by the manual signature of the Trustee or an authenticating agent.

18. ABBREVIATIONS. Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A (= Uniform Gifts to Minors Act).

19. ADDITIONAL RIGHTS OF HOLDERS OF RESTRICTED GLOBAL NOTES AND RESTRICTED DEFINITIVE NOTES. In addition to the rights provided to Holders of Notes under the Indenture, Holders of Restricted Global Notes and Restricted Definitive Notes shall have all the rights set forth in the Exchange and Registration Rights Agreement dated as of March 17, 1999, among the Issuers, the Guarantor and the initial purchasers named therein (the "Registration Rights Agreement").

20. CUSIP NUMBERS. Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Issuers have caused CUSIP numbers to be printed on the Notes and the Trustee may use CUSIP numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

The Company will furnish to any Holder upon written request and without charge a copy of the Indenture and/or the Registration Rights Agreement. Requests may be made to:

Charter Communications Holdings, LLC
Charter Communications Holdings Capital Corporation
c/o Charter Communications, Inc.
12444 Powerscourt Drive
Suite 100
St. Louis, Missouri 63131
Attention: Secretary
Telecopier No.: (314) 965-0555

ASSIGNMENT FORM

To assign this Note, fill in the form below:

(I) or (we) assign and transfer this Note to: ______________________________________
(Insert assignee's legal name)

____
(Insert assignee's soc. sec. or tax I.D. no.)

____

____

____

____
(Print or type assignee's name, address and zip code)

and irrevocably appoint ____
to transfer this Note on the books of the Issuers. The agent may substitute another to act for him.

Date: __________________

Your Signature: ____
(Sign exactly as your name appears on the face of this Note)

Signature Guarantee*: ____________________

* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note purchased by the Issuers pursuant to Section 4.11 or 4.16 of the Indenture, check the appropriate box below:

|_| Section 4.11 |_| Section 4.16

If you want to elect to have only part of the Note purchased by the Company pursuant to Section 4.11 or Section 4.16 of the Indenture, state the amount you elect to have purchased:

$_____________

Date: __________________

Your Signature: ____
(Sign exactly as your name appears on the face of this Note)

Tax Identification No.: ____________________________________

Signature Guarantee*: _____________________

* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

SCHEDULE OF EXCHANGES OF INTERESTS IN THE GLOBAL NOTE*

The following exchanges of a part of this Global Note for an interest in another Global Note or for a Definitive Note, or exchanges of a part of another Global Note or Definitive Note for an interest in this Global Note, have been made:

Date of Exchange	Amount of decrease in Principal Amount of this Global Note	Amount of increase in Principal Amount of this Global Note	Principal Amount of this Global Note following such decrease (or increase)	Signature of authorized officer of Trustee or Note Custodian

EXHIBIT B

FORM OF CERTIFICATE OF TRANSFER

Charter Communications Holdings, LLC
Charter Communications Holdings Capital Corporation
c/o Charter Communications, Inc.
12444 Powerscourt Drive, Suite 100
St. Louis, Missouri 63131

Harris Trust and Savings Bank
311 West Monroe, 12th Floor
Chicago, Illinois 60606
Attn: Corporate Trust Department

Re: 8.625% Senior Notes due 2009

Reference is hereby made to the Indenture, dated as of March 17, 1999 (the "Indenture"), among Charter Communications Holdings, LLC (the "Company") and Charter Communications Holdings Capital Corporation ("Charter Capital" and, together with the Company, the "Issuers"), Marcus Cable Holdings, LLC, as guarantor, and Harris Trust and Savings Bank, as trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

___________________ (the "Transferor") owns and proposes to transfer the Note[s] or interest in such Note[s] specified in Annex A hereto, in the principal amount of $___________ in such Note[s] or interests (the "Transfer"), to ___________________________ (the "Transferee"), as further specified in Annex A hereto. In connection with the Transfer, the Transferor hereby certifies that:

[CHECK ALL THAT APPLY]

1. |_| Check if Transferee will take delivery of a beneficial interest in the 144A Global Note or a Definitive Note Pursuant to Rule 144A. The Transfer is being effected pursuant to and in accordance with Rule 144A under the United States Securities Act of 1933, as amended (the "Securities Act"), and, accordingly, the Transferor hereby further certifies that the beneficial interest or Definitive Note is being transferred to a Person that the Transferor reasonably believed and believes is purchasing the beneficial interest or Definitive Note for its own account, or for one or more accounts with respect to which such Person exercises sole investment discretion, and such Person and each such account is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and such Transfer is in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the 144A Global Note and/or the Definitive Note and in the Indenture and the Securities Act.

2. |_| Check if Transferee will take delivery of a beneficial interest in the Regulation S Global Note or a Definitive Note pursuant to Regulation S. The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and, accordingly, the Transferor hereby further certifies that (i) the Transfer is not being made to a person in the United States and (x) at the time the buy order was originated, the Transferee was outside the United States or such Transferor and any Person acting on its behalf reasonably believed and believes that the Transferee was outside the United States or (y) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither such Transferor nor any Person acting on its behalf knows that the transaction was prearranged with a buyer in the United States, (ii) no directed selling efforts have been

made in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S under the Securities Act and (iii) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act. Upon consummation of the proposed transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will be subject to the restrictions on Transfer enumerated in the Private Placement Legend printed on the Regulation S Global Note and/or the Definitive Note and in the Indenture and the Securities Act.

3. |_| Check and complete if Transferee will take delivery of a beneficial interest in a Definitive Note pursuant to any provision of the Securities Act other than Rule 144A or Regulation S. The Transfer is being effected in compliance with the transfer restrictions applicable to beneficial interests in Restricted Global Notes and Restricted Definitive Notes and pursuant to and in accordance with the Securities Act and any applicable blue sky securities laws of any state of the United States, and accordingly the Transferor hereby further certifies that (check one):

(a) |_| such Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act;

or

(b) |_| such Transfer is being effected to the Company or a subsidiary thereof;

or

(c) |_| such Transfer is being effected pursuant to an effective registration statement under the Securities Act and in compliance with the prospectus delivery requirements of the Securities Act;

or

(d) |_| such Transfer is being effected to an Institutional Accredited Investor and pursuant to an exemption from the registration requirements of the Securities Act other than Rule 144A, Rule 144 or Rule 904, and the Transferor hereby further certifies that it has not engaged in any general solicitation within the meaning of Regulation D under the Securities Act and the Transfer complies with the transfer restrictions applicable to beneficial interests in a Restricted Global Note or Restricted Definitive Notes and the requirements of the exemption claimed, which certification is supported by (1) a certificate executed by the Transferee in the form of Exhibit D to the Indenture and (2) an Opinion of Counsel provided by the Transferor or the Transferee (a copy of which the Transferor has attached to this certification), to the effect that such Transfer is in compliance with the Securities Act. Upon consummation of the proposed transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Note and/or the Definitive Notes and in the Indenture and the Securities Act.

4. |_| Check if Transferee will take delivery of a beneficial interest in an Unrestricted Global Note or of an Unrestricted Definitive Note.

(a) |_| Check if Transfer is pursuant to Rule 144. (i) The Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement

Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes, on Restricted Definitive Notes and in the Indenture.

(b) |_| Check if Transfer is Pursuant to Regulation S. (i) The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes, on Restricted Definitive Notes and in the Indenture.

(c) |_| Check if Transfer is Pursuant to Other Exemption. (i) The Transfer is being effected pursuant to and in compliance with an exemption from the registration requirements of the Securities Act other than Rule 144, Rule 903 or Rule 904 and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any State of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will not be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes or Restricted Definitive Notes and in the Indenture.

This certificate and the statements contained herein are made for your benefit and the benefit of the Issuers.

____
[Insert Name of Transferor]

By: _______________________________________
Name:
Title:

Dated: _______________

ANNEX A TO CERTIFICATE OF TRANSFER

1. The Transferor owns and proposes to transfer the following:

[CHECK ONE OF (a) OR (b)]

(a) |_| a beneficial interest in the:

(i) |_| 144A Global Note (CUSIP ___), or

(ii) |_| Regulation S Global Note (CUSIP ___), or

(b) |_| a Restricted Definitive Note.

2. After the Transfer the Transferee will hold:

[CHECK ONE]

(a) |_| a beneficial interest in the:

(i) |_| 144A Global Note (CUSIP ___), or

(ii) |_| Regulation S Global Note (CUSIP ___), or

(iii) |_| Unrestricted Global Note (CUSIP ___); or

(b) |_| a Restricted Definitive Note; or

(c) |_| an Unrestricted Definitive Note,

in accordance with the terms of the Indenture.

EXHIBIT C

FORM OF CERTIFICATE OF EXCHANGE

Charter Communications Holdings, LLC
Charter Communications Holdings Capital Corporation
c/o Charter Communications, Inc.
12444 Powerscourt Drive, Suite 100
St. Louis, Missouri 63131

Harris Trust and Savings Bank
311 West Monroe, 12th Floor
Chicago, Illinois 60606
Attn: Corporate Trust Department

Re: 8.625% Senior Notes due 2009

(CUSIP ____________)

Reference is hereby made to the Indenture, dated as of March 17, 1999 (the "Indenture"), among Charter Communications Holdings, LLC (the "Company") and Charter Communications Holdings Capital Corporation ("Charter Capital" and, together with the Company, the "Issuers"), Marcus Cable Holdings, LLC, as guarantor, and Harris Trust and Savings Bank, as trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

__________________________ (the "Owner") owns and proposes to exchange the Note[s] or interest in such Note[s] specified herein, in the principal amount of $____________ in such Note[s] or interests (the "Exchange"). In connection with the Exchange, the Owner hereby certifies that:

1. Exchange of Restricted Definitive Notes or Beneficial Interests in a Restricted Global Note for Unrestricted Definitive Notes or Beneficial Interests in an Unrestricted Global Note

(a) |_| Check if Exchange is from beneficial interest in a Restricted Global Note to beneficial interest in an Unrestricted Global Note. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for a beneficial interest in an Unrestricted Global Note in an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Global Notes and pursuant to and in accordance with the United States Securities Act of 1933, as amended (the "Securities Act"), (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest in an Unrestricted Global Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(b) |_| Check if Exchange is from beneficial interest in a Restricted Global Note to Unrestricted Definitive Note. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for an Unrestricted Definitive Note, the Owner hereby certifies (i) the Definitive Note is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the Definitive Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(c) |_| Check if Exchange is from Restricted Definitive Note to beneficial interest in an Unrestricted Global Note. In connection with the Owner's Exchange of a Restricted Definitive Note for a beneficial interest in an Unrestricted Global Note, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(d) |_| Check if Exchange is from Restricted Definitive Note to Unrestricted Definitive Note. In connection with the Owner's Exchange of a Restricted Definitive Note for an Unrestricted Definitive Note, the Owner hereby certifies (i) the Unrestricted Definitive Note is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the Unrestricted Definitive Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

2. Exchange of Restricted Definitive Notes or Beneficial Interests in Restricted Global Notes for Restricted Definitive Notes or Beneficial Interests in Restricted Global Notes

(a) |_| Check if Exchange is from beneficial interest in a Restricted Global Note to Restricted Definitive Note. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for a Restricted Definitive Note with an equal principal amount, the Owner hereby certifies that the Restricted Definitive Note is being acquired for the Owner's own account without transfer. Upon consummation of the proposed Exchange in accordance with the terms of the Indenture, the Restricted Definitive Note issued will continue to be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Definitive Note and in the Indenture and the Securities Act.

(b) Check if Exchange is from Restricted Definitive Note to beneficial interest in a Restricted Global Note. In connection with the Exchange of the Owner's Restricted Definitive Note for a beneficial interest in the [CHECK ONE] |_| 144A Global Note or |_| Regulation S Global Note with an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer and (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Notes and pursuant to and in accordance with the Securities Act, and in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Exchange in accordance with the terms of the Indenture, the beneficial interest issued will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the relevant Restricted Global Note and in the Indenture and the Securities Act.

This certificate and the statements contained herein are made for your benefit and the benefit of the Issuers.

____
[Insert Name of Transferor]

By: _______________________________________
Name:
Title:

Dated: _______________

EXHIBIT D

FORM OF CERTIFICATE FROM
ACQUIRING INSTITUTIONAL ACCREDITED INVESTOR

Charter Communications Holdings, LLC
Charter Communications Holdings Capital Corporation
c/o Charter Communications, Inc.
12444 Powerscourt Drive, Suite 100
St. Louis, Missouri 63131

Harris Trust and Savings Bank
311 West Monroe, 12th Floor
Chicago, Illinois 60606
Attn: Corporate Trust Department

Re: 8.625% Senior Notes due 2009

Reference is hereby made to the Indenture, dated as of March 17, 1999 (the "Indenture"), among Charter Communications Holdings, LLC (the "Company") and Charter Communications Holdings Capital Corporation ("Charter Capital" and, together with the Company, the "Issuers"), Marcus Cable Holdings, LLC, as guarantor, and Harris Trust and Savings Bank, as trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

In connection with our proposed purchase of $____________ aggregate principal amount of:

(a) |_| a beneficial interest in a Global Note, or

(b) |_| a Definitive Note,

we confirm that:

1. We understand that any subsequent transfer of the Notes or any interest therein is subject to certain restrictions and conditions set forth in the Indenture and the undersigned agrees to be bound by, and not to resell, pledge or otherwise transfer the Notes or any interest therein except in compliance with, such restrictions and conditions and the United States Securities Act of 1933, as amended (the "Securities Act").

2. We understand that the offer and sale of the Notes have not been registered under the Securities Act, and that the Notes and any interest therein may not be offered or sold except as permitted in the following sentence. We agree, on our own behalf and on behalf of any accounts for which we are acting as hereinafter stated, that if we should sell the Notes or any interest therein, we will do so only (A) to the Company or any subsidiary thereof, (B) in accordance with Rule 144A under the Securities Act to a "qualified institutional buyer" (as defined therein), (C) to an institutional "accredited investor" (as defined below) that, prior to such transfer, furnishes (or has furnished on its behalf by a U.S. broker-dealer) to you and to the Company a signed letter substantially in the form of this letter and an Opinion of Counsel in form reasonably acceptable to the Company to the effect that such transfer is in compliance with the Securities Act, (D) outside the United States in accordance with Rule 904 of Regulation S under the Securities Act, (E) pursuant to the provisions of Rule 144(k) under the Securities Act or (F) pursuant to an effective registration statement under the Securities Act,

EXHIBIT D

and we further agree to provide to any person purchasing the Definitive Note or beneficial interest in a Global Note from us in a transaction meeting the requirements of clauses (A) through (E) of this paragraph a notice advising such purchaser that resales thereof are restricted as stated herein.

3. We understand that, on any proposed resale of the Notes or beneficial interest therein, we will be required to furnish to you and the Issuers such certifications, legal opinions and other information as you and the Issuers may reasonably require to confirm that the proposed sale complies with the foregoing restrictions. We further understand that the Notes purchased by us will bear a legend to the foregoing effect.

4. We are an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act) and have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of our investment in the Notes, and we and any accounts for which we are acting are each able to bear the economic risk of our or its investment.

5. We are acquiring the Notes or beneficial interest therein purchased by us for our own account or for one or more accounts (each of which is an institutional "accredited investor") as to each of which we exercise sole investment discretion.

You and the Issuers are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby.

____
[Insert Name of Transferor]

By: _______________________________________
Name:
Title:

Dated: _______________

EXHIBIT E

FORM OF GUARANTEE

For value received, the undersigned hereby unconditionally guarantees, as principal obligor and not only as a surety, to the Holder of this Note the cash payments in United States dollars of principal of, premium, if any, and interest on this Note (and including Special Interest payable thereon) in the amounts and at the times when due and interest on the overdue principal, premium, if any, and interest, if any, of this Note, if lawful, and the payment or performance of all other obligations of the Issuers under the Indenture (as defined below) or the Notes, to the Holder of this Note and the Trustee, all in accordance with and subject to the terms and limitations of this Note, Article Ten of the Indenture and this Guarantee. This Guarantee will become effective in accordance with Article Ten of the Indenture and its terms shall be evidenced therein. The validity and enforceability of any Guarantee shall not be affected by the fact that it is not affixed to any particular Note. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Indenture dated as of March 17, 1999, among Charter Communications Holdings, LLC, a Delaware limited liability company, Charter Communications Holdings Capital Corporation, a company incorporated under the laws of Delaware, Marcus Cable Holdings, LLC, a Delaware limited liability company, as guarantor, and Harris Trust and Savings Bank, as trustee, as amended or supplemented (the "Indenture").

The obligations of the undersigned to the Holders of Notes and to the Trustee pursuant to this Guarantee and the Indenture are expressly set forth in Article Ten of the Indenture and reference is hereby made to the Indenture for the precise terms of the Guarantee and all of the other provisions of the Indenture to which this Guarantee relates.

THIS GUARANTEE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO PRINCIPLES OF CONFLICTS OF LAW. Each Guarantor hereby agrees to submit to the jurisdiction of the courts of the State of New York in any action or proceeding arising out of or relating to this Guarantee.

This Guarantee is subject to release upon the terms set forth in the Indenture.

IN WITNESS WHEREOF, the Guarantor has caused its Guarantee to be duly executed.

Date:______________

MARCUS CABLE HOLDINGS, LLC,
as Guarantor

By: MARCUS CABLE PROPERTIES, L.L.C.,
as Manager

By: MARCUS CABLE PROPERTIES, INC.,
as Manager

By: ___________________________________
Name:
Title:

EXHIBIT F

FORM OF MIRROR NOTE

9.92% Senior Note due 2007

$1,548,630,855

MARCUS CABLE HOLDINGS, LLC
(the "Borrower")

promises to pay to CHARTER COMMUNICATIONS HOLDINGS, LLC (the "Lender") on April 1, 2007 (the "Maturity Date") the principal amount outstanding on the Maturity Date.

Interest Payment Dates: April 1 and October 1

Date: March 17, 1999

MARCUS CABLE HOLDINGS, LLC

By: MARCUS CABLE PROPERTIES, L.L.C., as Manager

By: MARCUS CABLE PROPERTIES, INC., as Manager

By: _______________________________
Name:
Title:

CHARTER COMMUNICATIONS HOLDINGS, LLC

By: _____________________________
Name:
Title:

1. INTEREST. Marcus Cable Holdings, LLC, a Delaware limited liability Company (the "Borrower"), promises to pay to Charter Communications Holdings, LLC, a Delaware limited liability company (the "Lender"), interest on the principal amount of this Note from time to time outstanding at the rate of 9.92% per annum from the date hereof until maturity. The Borrower will pay interest semi-annually in arrears on April 1 and October 1 of each year (each an "Interest Payment Date"), or if any such day is not a Business Day, on the next succeeding Business Day. Interest on the Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of issuance; provided, further, that the first Interest Payment Date shall be October 1, 1999. The principal amount on which the Borrower will pay interest on each Interest Payment Day will be the principal amount of this Note outstanding from time to time during the 6-month period prior to such Interest Payment Date. The Borrower shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal and premium, if any, from time to time on demand at a rate that is 1% per annum in excess of the rate then in effect; it shall pay interest (including post-petition interest in any proceeding under Bankruptcy Law) on overdue installments of interest (without regard to any applicable grace periods) from time to time on demand at the same rate to the extent lawful. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

2. METHOD OF PAYMENT. The Borrower will pay interest on this Note to Lender. This Note will be payable as to principal, premium, if any, and interest by check mailed to Lender at 12444 Powerscourt Drive, Suite 100, St. Louis, Missouri 63131 or such other address as Lender shall have notified the Borrower in writing, and provided that payment by wire transfer of immediately available funds will be required with respect to principal of and interest on this Note if Lender shall have provided wire transfer instructions to the Borrower. Such payment shall be in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

3. DEFINED TERMS. Capitalized terms used herein shall have the meanings assigned to them in the Indenture dated as of March 17, 1999 (the "Indenture") between the Lender, Charter Communications Holdings Capital Corporation, a company incorporated under the laws of Delaware, the Borrower, and Harris Trust and Savings Bank, as trustee, relating to the 8.625% Senior Notes due 2009.

4. PREPAYMENT OF NOTE. This Note may be prepaid in whole or in part at any time without penalty or premium.

5. REPAYMENT AT OPTION OF HOLDER. Upon the occurrence of (i) a Change of Control or (ii) an Asset Sale, in each case under the Indenture, Lender may require Borrower to prepay this Note in whole or in part.

6. DEFAULTS AND REMEDIES. Events of Default include: (i) default for 30 days in the payment when due of interest on this Note, (ii) default in payment when due of principal on this Note, and (iii) any event which constitutes an Event of Default under the Indenture. If any Event of Default occurs and is continuing, Lender may declare this Note to be due and payable.

Notwithstanding the foregoing, upon the occurrence of an Event of Default pursuant to Section 6.01(g) or (h) of the Indenture, this Note will become due and payable without further action or notice. Lender may waive any existing Default or Event of Default and its consequences except a continuing Default or Event of Default in the payment of interest on, or the principal of, this Note. The Borrower is required upon becoming aware of any Default or Event of Default to deliver to Lender a statement specifying such Default or Event of Default.

7. NO RECOURSE AGAINST OTHERS. A director, officer, employee, incorporator, member or stockholder, of the Borrower, as such, shall not have any liability for any obligations of the Borrower under this Note or for any claim based on, in respect of, or by reason of, such obligation or its creation. Lender by accepting this Note waives and releases all such liability. The waiver and release are part of the consideration for the issuance of this Note.

8. GOVERNING LAW. This Note shall be governed by and construed in accordance with the laws of the State of New York, as applied to contracts made and performed within the State of New York, without regard to principles of conflict of laws. Each of the parties hereto and the holders agree to submit to the jurisdiction of the courts of the State of New York in any action or proceeding arising out of or relating to this Note.

Exhibit 4.2(c)

CHARTER COMMUNICATIONS HOLDINGS, LLC
CHARTER COMMUNICATIONS HOLDINGS CAPITAL CORPORATION

MARCUS CABLE HOLDINGS, LLC

$1,500,000,000 8.625% Senior Notes due 2009

Exchange and Registration Rights Agreement

March 17, 1999

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.
Nesbitt Burns Securities Inc.
c/o Goldman, Sachs & Co.
85 Broad Street,
New York, New York 10004

Ladies and Gentlemen:

Charter Communications Holdings, LLC, a Delaware limited liability company (the "Company"), and Charter Communications Holdings Capital Corporation, a Delaware corporation ("Charter Capital" and, together with the Company, the "Issuers"), propose, subject to the terms and conditions stated herein, to issue and sell to the Purchasers (as defined herein) upon the terms set forth in the Purchase Agreement (as defined herein) their $1,500,000,000 aggregate principal amount of 8.625% Senior Notes due 2009 (the "Notes"), which are guaranteed (the "Guarantee") by Marcus Cable Holdings, LLC (the "Guarantor"). As an inducement to the Purchasers to enter into the Purchase Agreement and in satisfaction of a condition to the obligations of the Purchasers thereunder, the Issuers and the Guarantor agree with the Purchasers for the benefit of holders (as defined herein) from time to time of the Registrable Securities (as defined herein) as follows:

1. Certain Definitions. For purposes of this Exchange and Registration Rights Agreement, the following terms shall have the following respective meanings:

"Base Interest" shall mean the interest that would otherwise accrue on the Notes under the terms thereof and the Indenture, without giving effect to the provisions of this Exchange and Registration Rights Agreement.

The term "broker-dealer" shall mean any broker or dealer registered with the Commission under the Exchange Act.

"Closing Date" shall mean the date on which the Notes are initially issued.

"Commission" shall mean the United States Securities and Exchange Commission, or any other federal agency at the time administering the Exchange Act or the Securities Act, whichever is the relevant statute for the particular purpose.

"Effective Time," in the case of (i) an Exchange Offer Registration, shall mean the time and date as of which the Commission declares the Exchange Offer Registration Statement effective or as of which the Exchange Offer Registration Statement otherwise becomes effective and (ii) a Shelf Registration, shall mean the time and date as of which the Commission declares the Shelf Registration Statement effective or as of which the Shelf Registration Statement otherwise becomes effective.

"Electing Holder" shall mean any holder of Registrable Securities that has returned a completed and signed Notice and Questionnaire to the Issuers in accordance with Section 3(d)(ii) or 3(d)(iii) hereof.

"Exchange Act" shall mean the Securities Exchange Act of 1934, or any successor thereto, as the same shall be amended from time to time.

"Exchange Notes" shall have the meaning assigned thereto in Section 2(a) hereof.

"Exchange Offer" shall have the meaning assigned thereto in Section 2(a) hereof.

"Exchange Offer Registration" shall have the meaning assigned thereto in Section 3(c) hereof.

"Exchange Offer Registration Statement" shall have the meaning assigned thereto in Section 2(a) hereof.

"Guarantee" shall mean the guarantee of the Notes to be issued by the Guarantor.

The term "holder" shall mean each of the Purchasers and other persons who acquire Registrable Securities from time to time (including any successors or assigns), in each case for so long as such person is a registered holder of any Registrable Securities.

"Indenture" shall mean the Indenture governing the Notes, dated as of March 17, 1999 between the Issuers and Harris Trust and Savings Bank, as Trustee, as the same shall be amended from time to time.

"Notes" shall mean, collectively, the 8.625% Senior Notes due 2009 of the Issuers, guaranteed by the Guarantor, to be issued and sold to the Purchasers, and Notes issued in exchange therefor or in lieu thereof, pursuant to the Indenture.

"Notice and Questionnaire" means a Notice of Registration Statement and Selling Securityholder Questionnaire substantially in the form of Exhibit A hereto.

The term "person" shall mean a corporation, association, partnership, organization, business, individual, government or political subdivision thereof or governmental agency.

"Purchase Agreement" shall mean the Purchase Agreement, dated as of March 12, 1999, between the Purchasers, the Guarantor and the Issuers relating to the Notes.

"Purchasers" shall mean the Purchasers named in Schedule I to the Purchase Agreement.

"Registrable Securities" shall mean the Notes; provided, however, that a Note shall cease to be a Registrable Security when (i) in the circumstances contemplated by Section 2(a) hereof, such Note has been exchanged for an Exchange Note in an Exchange Offer as contemplated in Section 2(a) hereof (provided that any Exchange Note that, pursuant to the last two sentences of Section 2(a), is included in a prospectus for use in connection with resales by broker-dealers shall be deemed to be a Registrable Security with respect to Sections 5, 6 and 9 hereof until resale of such Registrable Security has been effected within the 180-day period referred to in Section 2(a))(y); (ii) in the circumstances contemplated by Section 2(b) hereof, a Shelf Registration Statement registering such Note under the Securities Act has been declared or becomes effective and such Note has been sold or otherwise transferred by the holder thereof pursuant to and in a manner contemplated by such effective Shelf Registration Statement; (iii) such Note is sold pursuant to Rule 144 under circumstances in which any legend borne by such Note relating to restrictions on transferability thereof, under the Securities Act or otherwise, is removed by the Issuers or pursuant to the Indenture; (iv) such Security is eligible to be sold pursuant to paragraph (k) of Rule 144; or (v) such Security shall cease to be outstanding.

"Registration Default" shall have the meaning assigned thereto in Section 2(c) hereof.

"Registration Expenses" shall have the meaning assigned thereto in Section 4 hereof.

"Resale Period" shall have the meaning assigned thereto in Section 2(a) hereof.

"Restricted Holder" shall mean (i) a holder that is an affiliate of the Issuers within the meaning of Rule 405, (ii) a holder who acquires Exchange Notes outside the ordinary course of such holder's business, (iii) a holder who has arrangements or understandings with any person to participate in the Exchange Offer for the purpose of distributing Exchange Notes and (iv) a holder that is a broker-dealer, but only with respect to Exchange Notes received by such broker-dealer pursuant to an Exchange Offer in exchange for Registrable Securities acquired by the broker-dealer directly from the Issuers.

"Rule 144," "Rule 405" and "Rule 415" shall mean, in each case, such rule promulgated under the Securities Act (or any successor provision), as the same shall be amended from time to time.

"Securities Act" shall mean the Securities Act of 1933, or any successor thereto, as the same shall be amended from time to time.

"Shelf Registration" shall have the meaning assigned thereto in Section 2(b) hereof.

"Shelf Registration Statement" shall have the meaning assigned thereto in Section 2(b) hereof.

"Special Interest" shall have the meaning assigned thereto in Section 2(c) hereof.

"subsidiaries" shall mean subsidiaries which would be "significant subsidiaries" as defined in Rule 1-02(w) of Regulation S-X under the Exchange Act.

"Trust Indenture Act" shall mean the Trust Indenture Act of 1939, or any successor thereto, and the rules, regulations and forms promulgated thereunder, all as the same shall be amended from time to time.

Unless the context otherwise requires, any reference herein to a "Section" or "clause" refers to a Section or clause, as the case may be, of this Exchange and Registration Rights Agreement, and the words "herein," "hereof" and "hereunder" and other words of

similar import refer to this Exchange and Registration Rights Agreement as a whole and not to any particular Section or other subdivision.

2. Registration Under the Securities Act.

(a) Except as set forth in Section 2(b) below, the Issuers agree to file under the Securities Act, as soon as practicable, but no later than 90 days after the Closing Date, a registration statement relating to an offer to exchange (such registration statement, the "Exchange Offer Registration Statement", and such offer, the "Exchange Offer") any and all of the Notes guaranteed by the Guarantor for a like aggregate principal amount of notes issued by the Issuers and guaranteed by the Guarantor, which notes and guarantee are substantially identical in all material respects to the Notes and Guarantee (and are entitled to the benefits of a trust indenture which has terms identical in all material respects to the Indenture or is the Indenture and which has been qualified under the Trust Indenture Act), except that they have been registered pursuant to an effective registration statement under the Securities Act and do not contain provisions for the additional interest contemplated in Section 2(c) below (such notes hereinafter called "Exchange Notes"). The Issuers agree to use their reasonable best efforts to cause the Exchange Offer Registration Statement to become effective under the Securities Act as soon as practicable, but no later than 150 days after the Closing Date. The Exchange Offer will be registered under the Securities Act on the appropriate form and will comply with all applicable tender offer rules and regulations under the Exchange Act. The Issuers further agree to use their reasonable best efforts to complete the Exchange Offer promptly, but no later than 30 business days or longer, if required by the federal securities laws, after such registration statement has become effective, hold the Exchange Offer open for at least 30 days and exchange Exchange Notes for all Registrable Securities that have been properly tendered and not withdrawn on or prior to the expiration of the Exchange Offer. The Exchange Offer will be deemed to have been "completed" only if the notes received by holders other than Restricted Holders in the Exchange Offer for Registrable Securities are, upon receipt, transferable by each such holder without restriction under the Securities Act and the Exchange Act and without material restrictions under the blue sky or securities laws of a substantial majority of the States of the United States of America. The Exchange Offer shall be deemed to have been completed upon the earlier to occur of (i) the Issuers having exchanged the Exchange Notes for all outstanding Registrable Securities pursuant to the Exchange Offer and (ii) the Issuers having exchanged, pursuant to the Exchange Offer, Exchange Notes for all Registrable Securities that have been properly tendered and not withdrawn before the expiration of the Exchange Offer, which shall be on a date that is at least 30 business days following the commencement of the Exchange Offer. The Issuers agree (x) to include in the Exchange Offer Registration Statement a prospectus for use in any resales by any holder of Exchange Notes that is a broker-dealer and (y) to keep such Exchange Offer Registration Statement effective for a period (the "Resale Period") beginning when Exchange Notes are first issued in the Exchange Offer and ending upon the earlier of the expiration of the 180th day after the Exchange Offer has been completed or such time as such broker-dealers no longer own any

Registrable Securities. With respect to such Exchange Offer Registration Statement, such holders shall have the benefit of the rights of indemnification and contribution set forth in Sections 6(a), (c), (d) and (e) hereof.

(b) If (i) on or prior to the time the Exchange Offer is completed existing law or Commission policy or interpretations are changed such that the Exchange Notes received by holders, other than Restricted Holders in the Exchange Offer in exchange for Registrable Securities are not or would not be, upon receipt, transferable by each such holder without restriction under the Securities Act, (ii) the Exchange Offer has not been completed within 180 days following the Closing Date or (iii) the Exchange Offer is not available to any holder of the Notes, the Issuers shall, in lieu of (or, in the case of clause (iii), in addition to) conducting the Exchange Offer contemplated by Section 2(a), file under the Securities Act on or prior to 30 business days after the time such obligation to file arises, a "shelf" registration statement providing for the registration of, and the sale on a continuous or delayed basis by the holders of, all of the Registrable Securities, pursuant to Rule 415 or any similar rule that may be adopted by the Commission (such filing, the "Shelf Registration" and such registration statement, the "Shelf Registration Statement"). The Issuers agree to use their reasonable best efforts (x) to cause the Shelf Registration Statement to become or be declared effective by the Commission no later than 90 days after such obligation to file arises and to keep such Shelf Registration Statement continuously effective for a period ending on the earlier of (i) the second anniversary of the Effective Time or (ii) such time as there are no longer any Registrable Securities outstanding, provided, however, that no holder shall be entitled to be named as a selling securityholder in the Shelf Registration Statement or to use the prospectus forming a part thereof for resales of Registrable Securities unless such holder is an Electing Holder, and (y) after the Effective Time of the Shelf Registration Statement, promptly upon the request of any holder of Registrable Securities that is not then an Electing Holder, to take any action reasonably necessary to enable such holder to use the prospectus forming a part thereof for resales of Registrable Securities, including, without limitation, any action necessary to identify such holder as a selling securityholder in the Shelf Registration Statement, provided, however, that nothing in this clause (y) shall relieve any such holder of the obligation to return a completed and signed Notice and Questionnaire to the Issuers in accordance with Section 3(d)(iii) hereof. The Issuers further agree to supplement or make amendments to the Shelf Registration Statement, as and when required by the rules, regulations or instructions applicable to the registration form used by the Issuers for such Shelf Registration Statement or by the Securities Act or rules and regulations thereunder for shelf registration, and the Issuers agree to furnish to each Electing Holder copies of any such supplement or amendment prior to its being used or promptly following its filing with the Commission.

(c) In the event that (i) the Issuers have not filed the Exchange Offer Registration Statement or Shelf Registration Statement on or before the date on which such registration statement is required to be filed pursuant to Section 2(a) or 2(b), respectively, or (ii) such Exchange Offer Registration Statement or Shelf Registration Statement to become effective or been declared effec-

tive by the Commission on or before the date on which such registration statement is required to become or be declared effective pursuant to Section 2(a) or 2(b), respectively, or (iii) the Exchange Offer has not been completed within 30 business days after the initial effective date of the Exchange Offer Registration Statement relating to the Exchange Offer (if the Exchange Offer is then required to be made) or (iv) any Exchange Offer Registration Statement or Shelf Registration Statement required by Section 2(a) or 2(b) hereof is filed and declared effective but shall thereafter either be withdrawn by the Issuers or shall become subject to an effective stop order issued pursuant to Section 8(d) of the Securities Act suspending the effectiveness of such registration statement (except as specifically permitted herein) without being succeeded immediately by an additional registration statement filed and declared effective (each such event referred to in clauses (i) through (iv), a "Registration Default" and each period during which a Registration Default has occurred and is continuing, a "Registration Default Period"), then, as liquidated damages for such Registration Default, subject to the provisions of Section 9(b), special interest ("Special Interest"), in addition to the Base Interest, shall accrue on the aggregate principal amount of the outstanding Notes at a per annum rate of 0.25% for the first 90 days of the Registration Default Period, at a per annum rate of 0.50% for the second 90 days of the Registration Default Period, at a per annum rate of 0.75% for the third 90 days of the Registration Default Period and at a per annum rate of 1.0% thereafter for the remaining portion of the Registration Default Period. All accrued Special Interest shall be paid in cash by the Issuers on each Interest Payment Date (as defined in the Indenture).

(d) The Issuers shall use their reasonable best efforts to take all actions necessary or advisable to be taken by them to ensure that the transactions contemplated herein are effected as so contemplated in Section 2(a) or 2(b) hereof.

(e) Any reference herein to a registration statement as of any time shall be deemed to include any document incorporated, or deemed to be incorporated, therein by reference as of such time and any reference herein to any post-effective amendment to a registration statement as of any time shall be deemed to include any document incorporated, or deemed to be incorporated, therein by reference as of such time.

3. Registration Procedures.

If the Issuers file a registration statement pursuant to Section 2(a) or Section 2(b), the following provisions shall apply:

(a) At or before the Effective Time of the Exchange Offer or the Shelf Registration, as the case may be, the Issuers shall cause the Indenture to be qualified under the Trust Indenture Act of 1939.

(b) In the event that such qualification would require the appointment of a new trustee under the Indenture, the Issuers shall appoint a new trustee thereunder pursuant to the applicable provisions of the Indenture.

(c) In connection with the Issuers' obligations with respect to the registration of Exchange Notes as contemplated by Section 2(a) (the "Exchange Offer Registration"), if applicable, the Issuers shall, as soon as practicable (or as otherwise specified):

(i) prepare and file with the Commission, as soon as practicable but no later than 90 days after the Closing Date, an Exchange Offer Registration Statement on any form which may be utilized by the Issuers and which shall permit the Exchange Offer and resales of Exchange Notes by broker-dealers during the Resale Period to be effected as contemplated by Section 2(a), and use their reasonable best efforts to cause such Exchange Offer Registration Statement to become effective as soon as practicable thereafter, but no later than 150 days after the Closing Date;

(ii) as soon as practicable prepare and file with the Commission such amendments and supplements to such Exchange Offer Registration Statement and the prospectus included therein as may be necessary to effect and maintain the effectiveness of such Exchange Offer Registration Statement for the periods and purposes contemplated in Section 2(a) hereof and as may be required by the applicable rules and regulations of the Commission and the instructions applicable to the form of such Exchange Offer Registration Statement, and promptly provide each broker-dealer holding Exchange Notes with such number of copies of the prospectus included therein (as then amended or supplemented), in conformity in all material respects with the requirements of the Securities Act and the Trust Indenture Act and the rules and regulations of the Commission thereunder, as such broker-dealer reasonably may request prior to the expiration of the Resale Period, for use in connection with resales of Exchange Notes;

(iii) promptly notify each broker-dealer that has requested or received copies of the prospectus included in such registration statement, and confirm such advice in writing, (A) when such Exchange Offer Registration Statement or the prospectus included therein or any prospectus amendment or supplement or post-effective amendment has been filed, and, with respect to such Exchange Offer Registration Statement or any post-effective amendment, when the same has become effective, (B) of any comments by the Commission and by the blue sky or securities commissioner or regulator of any state with respect thereto or any request by the Commission for amendments or supplements to such Exchange Offer Registration Statement or prospectus or for additional informa-

tion, (C) of the issuance by the Commission of any stop order suspending the effectiveness of such Exchange Offer Registration Statement or the initiation or, to the knowledge of the Issuers, threatening of any proceedings for that purpose, (D) if at any time the representations and warranties of the Issuers contemplated by Section 5 hereof cease to be true and correct in all material respects, (E) of the receipt by the Issuers of any notification with respect to the suspension of the qualification of the Exchange Notes for sale in any jurisdiction or the initiation or, to the knowledge of the Issuers, threatening of any proceeding for such purpose, or (F) at any time during the Resale Period when a prospectus is required to be delivered under the Securities Act, that such Exchange Offer Registration Statement, prospectus, prospectus amendment or supplement or post-effective amendment does not conform in all material respects to the applicable requirements of the Securities Act and the Trust Indenture Act, and the rules and regulations of the Commission thereunder or contains an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing;

(iv) in the event that the Issuers would be required, pursuant to Section 3(e)(iii)(F) above, to notify any broker-dealers holding Exchange Notes, the Issuers shall prepare and furnish to each such holder a reasonable number of copies of a prospectus supplemented or amended so that, as thereafter delivered to purchasers of such Exchange Notes during the Resale Period, such prospectus conforms in all material respects to the applicable requirements of the Securities Act and the Trust Indenture Act and the rules and regulations of the Commission thereunder and shall not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing;

(v) use their reasonable best efforts to obtain the withdrawal of any order suspending the effectiveness of such Exchange Offer Registration Statement or any post-effective amendment thereto as soon as practicable;

(vi) use their reasonable best efforts to (A) register or qualify the Exchange Notes under the securities laws or blue sky laws of such jurisdictions as are contemplated by Section 2(a) no later than the commencement of the Exchange Offer, (B) keep such registrations or qualifications in effect and comply with such laws so as to permit the continuance of offers, sales and dealings therein in such jurisdictions until the expiration of the Resale Period and (C) take any and all other actions as may be reasonably necessary or advisable to enable each broker-dealer holding Exchange Notes to consummate the disposi-

tion thereof in such jurisdictions; provided, however, that none of the Issuers shall be required for any such purpose to (1) qualify as a foreign corporation or limited liability company, as the case may be, in any jurisdiction wherein it would not otherwise be required to qualify but for the requirements of this Section 3(c)(vi), (2) consent to general service of process in any such jurisdiction or (3) make any changes to its certificate of incorporation or by-laws (or other organizational document) or any agreement between it and holders of its ownership interests;

(vii) use their reasonable best efforts to obtain the consent or approval of each governmental agency or authority, whether federal, state or local, which may be required to effect the Exchange Offer Registration, the Exchange Offer and the offering and sale of Exchange Notes by broker-dealers during the Resale Period;

(viii) provide a CUSIP number for all Exchange Notes, not later than the applicable Effective Time;

(ix) comply with all applicable rules and regulations of the Commission, and make generally available to its securityholders as soon as practicable but no later than eighteen months after the effective date of such Exchange Offer Registration Statement, an earning statement of the Company and its subsidiaries complying with Section 11(a) of the Securities Act (including, at the option of the Company, Rule 158 thereunder).

(d) In connection with the Issuers' obligations with respect to the Shelf Registration, if applicable, the Issuers shall, as soon as practicable (or as otherwise specified):

(i) prepare and file with the Commission within the time periods specified in Section 2(b), a Shelf Registration Statement on any form which may be utilized by the Issuers and which shall register all of the Registrable Securities for resale by the holders thereof in accordance with such method or methods of disposition as may be specified by such of the holders as, from time to time, may be Electing Holders and use their reasonable best efforts to cause such Shelf Registration Statement to become effective within the time periods specified in Section 2(b);

(ii) not less than 30 calendar days prior to the Effective Time of the Shelf Registration Statement, mail the Notice and Questionnaire to the holders of Registrable Securities; no holder shall be entitled to be named as a selling securityholder in the Shelf Registration Statement as of the Effective Time, and no holder shall be entitled to use the prospectus forming a part thereof for resales of Registrable Securities at any time, unless such holder has returned a

completed and signed Notice and Questionnaire to the Issuers by the deadline for response set forth therein; provided, however, holders of Registrable Securities shall have at least 28 calendar days from the date on which the Notice and Questionnaire is first mailed to such holders to return a completed and signed Notice and Questionnaire to the Issuers;

(iii) after the Effective Time of the Shelf Registration Statement, upon the request of any holder of Registrable Securities that is not then an Electing Holder, promptly send a Notice and Questionnaire to such holder; provided that the Issuers shall not be required to take any action to name such holder as a selling securityholder in the Shelf Registration Statement or to enable such holder to use the prospectus forming a part thereof for resales of Registrable Securities until such holder has returned a completed and signed Notice and Questionnaire to the Issuers;

(iv) as soon as practicable prepare and file with the Commission such amendments and supplements to such Shelf Registration Statement and the prospectus included therein as may be necessary to effect and maintain the effectiveness of such Shelf Registration Statement for the period specified in Section 2(b) hereof and as may be required by the applicable rules and regulations of the Commission and the instructions applicable to the form of such Shelf Registration Statement, and furnish to the Electing Holders copies of any such supplement or amendment simultaneously with or prior to its being used or filed with the Commission;

(v) comply with the provisions of the Securities Act with respect to the disposition of all of the Registrable Securities covered by such Shelf Registration Statement in accordance with the intended methods of disposition by the Electing Holders provided for in such Shelf Registration Statement;

(vi) provide (A) the Electing Holders, (B) the underwriters (which term, for purposes of this Exchange and Registration Rights Agreement, shall include a person deemed to be an underwriter within the meaning of Section 2(a)(11) of the Securities Act), if any, thereof, (C) any sales or placement agent therefor, (D) counsel for any such underwriter or agent and (E) not more than one counsel for all the Electing Holders the opportunity to participate in the preparation of such Shelf Registration Statement, each prospectus included therein or filed with the Commission and each amendment or supplement thereto;

(vii) for a reasonable period prior to the filing of such Shelf Registration Statement, and throughout the period specified in Section 2(b), make available at reasonable times at the Issuers' principal place of business or such other reasonable place for inspection by the persons referred to in Section 3(d)(vi) who

shall certify to the Issuers that they have a current intention to sell the Registrable Securities pursuant to the Shelf Registration such financial and other relevant information and books and records of the Issuers, and cause the officers, employees, counsel and independent certified public accountants of the Issuers to respond to such inquiries, as shall be reasonably necessary, in the judgment of the respective counsel referred to in such Section, to conduct a reasonable investigation within the meaning of Section 11 of the Securities Act; provided, however, that each such party shall be required to maintain in confidence and not to disclose to any other person any information or records reasonably designated by the Issuers as being confidential, until such time as (A) such information becomes a matter of public record (whether by virtue of its inclusion in such registration statement or otherwise, except as a result of a breach of this or any other obligation of confidentiality to the Issuers), or (B) such person shall be required so to disclose such information pursuant to a subpoena or order of any court or other governmental agency or body having jurisdiction over the matter (subject to the requirements of such order, and only after such person shall have given the Issuers prompt prior written notice of such requirement), or (C) such information is required to be set forth in such Shelf Registration Statement or the prospectus included therein or in an amendment to such Shelf Registration Statement or an amendment or supplement to such prospectus in order that such Shelf Registration Statement, prospectus, amendment or supplement, as the case may be, complies with applicable requirements of the federal securities laws and the rules and regulations of the Commission and does not contain an untrue statement of a material fact or omit to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing;

(viii) promptly notify each of the Electing Holders, any sales or placement agent therefor and any underwriter thereof (which notification may be made through any managing underwriter that is a representative of such underwriter for such purpose) and confirm such advice in writing, (A) when such Shelf Registration Statement or the prospectus included therein or any prospectus amendment or supplement or post-effective amendment has been filed, and, with respect to such Shelf Registration Statement or any post-effective amendment, when the same has become effective, (B) of any comments by the Commission and by the blue sky or securities commissioner or regulator of any state with respect thereto or any request by the Commission for amendments or supplements to such Shelf Registration Statement or prospectus or for additional information, (C) of the issuance by the Commission of any stop order suspending the effectiveness of such Shelf Registration Statement or the initiation or, to the knowledge of the Issuers, threatening of any proceedings for that

purpose, (D) if at any time the representations and warranties of the Issuers contemplated by Section 3(d)(xvii) or Section 5 hereof cease to be true and correct in all material respects, (E) of the receipt by the Issuers of any notification with respect to the suspension of the qualification of the Registrable Securities for sale in any jurisdiction or the initiation or, to the knowledge of the Issuers, threatening of any proceeding for such purpose, or (F) if at any time when a prospectus is required to be delivered under the Securities Act, that such Shelf Registration Statement, prospectus, prospectus amendment or supplement or post-effective amendment does not conform in all material respects to the applicable requirements of the Securities Act and the Trust Indenture Act and the rules and regulations of the Commission thereunder or contains an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing;

(ix) use their reasonable best efforts to obtain the withdrawal of any order suspending the effectiveness of such registration statement or any post-effective amendment thereto as soon as practicable;

(x) if requested by any managing underwriter or underwriters, any placement or sales agent or any Electing Holder, promptly incorporate in a prospectus supplement or post-effective amendment such information as is required by the applicable rules and regulations of the Commission and as such managing underwriter or underwriters, such agent or such Electing Holder specifies should be included therein relating to the terms of the sale of such Registrable Securities, including information (i) with respect to the principal amount of Registrable Securities being sold by such Electing Holder or agent or to any underwriters, the name and description of such Electing Holder, agent or underwriter, the offering price of such Registrable Securities and any discount, commission or other compensation payable in respect thereof and the purchase price being paid therefor by such underwriters and (ii) with respect to any other material terms of the offering of the Registrable Securities to be sold by such Electing Holder or agent or to such underwriters; and make all required filings of such prospectus supplement or post-effective amendment upon notification of the matters to be incorporated in such prospectus supplement or post-effective amendment;

(xi) furnish to each Electing Holder, each placement or sales agent, if any, therefor, each underwriter, if any, thereof and the respective counsel referred to in Section 3(d)(vi) hereof an executed copy (or, in the case of an Electing Holder, a conformed copy) of such Shelf Registration Statement, each such amendment and supplement thereto (in each case including all exhibits

thereto (in the case of an Electing Holder of Registrable Securities, upon request) and documents incorporated by reference therein) and such number of copies of such Shelf Registration Statement (excluding exhibits thereto and documents incorporated by reference therein unless specifically so requested by such Electing Holder, agent or underwriter, as the case may be) and of the prospectus included in such Shelf Registration Statement (including each preliminary prospectus and any summary prospectus), in conformity in all material respects with the applicable requirements of the Securities Act and the Trust Indenture Act and the rules and regulations of the Commission thereunder, and such other documents, as such Electing Holder, agent, if any, and underwriter, if any, may reasonably request in order to facilitate the offering and disposition of the Registrable Securities owned by such Electing Holder, offered or sold by such agent or underwritten by such underwriter and to permit such Electing Holder, agent and underwriter to satisfy the prospectus delivery requirements of the Securities Act; and the Issuers hereby consent to the use of such prospectus (including such preliminary and summary prospectus) and any amendment or supplement thereto by each such Electing Holder and by any such agent and underwriter, in each case in the form most recently provided to such person by the Issuers in connection with the offering and sale of the Registrable Securities covered by the prospectus (including such preliminary and summary prospectus) or any supplement or amendment thereto;

(xii) use their reasonable best efforts to (A) register or qualify the Registrable Securities to be included in such Shelf Registration Statement under such securities laws or blue sky laws of such jurisdictions as any Electing Holder and each placement or sales agent, if any, therefor and underwriter, if any, thereof shall reasonably request, (B) keep such registrations or qualifications in effect and comply with such laws so as to permit the continuance of offers, sales and dealings therein in such jurisdictions during the period the Shelf Registration is required to remain effective under Section 2(b) above and for so long as may be necessary to enable any such Electing Holder, agent or underwriter to complete its distribution of Notes pursuant to such Shelf Registration Statement and (C) take any and all other actions as may be reasonably necessary or advisable to enable each such Electing Holder, agent, if any, and underwriter, if any, to consummate the disposition in such jurisdictions of such Registrable Securities; provided, however, that none of the Issuers shall be required for any such purpose to (1) qualify as a foreign corporation or limited liability company, as the case may be, in any jurisdiction wherein it would not otherwise be required to qualify but for the requirements of this Section 3(d)(xii), (2) consent to general service of process in any such jurisdiction or (3) make any changes to its certificate of incorporation or by-laws (or other or-

ganizational document) or any agreement between it and holders of its ownership interests;

(xiii) use their reasonable best efforts to obtain the consent or approval of each governmental agency or authority, whether federal, state or local, which may be required to effect the Shelf Registration or the offering or sale in connection therewith or to enable the selling holder or holders to offer, or to consummate the disposition of, their Registrable Securities;

(xiv) unless any Registrable Securities shall be in book-entry only form, cooperate with the Electing Holders and the managing underwriters, if any, to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be sold, which certificates, if so required by any securities exchange upon which any Registrable Securities are listed, shall be penned, lithographed or engraved, or produced by any combination of such methods, on steel engraved borders, and which certificates shall not bear any restrictive legends; and, in the case of an underwritten offering, enable such Registrable Securities to be in such denominations and registered in such names as the managing underwriters may request at least two business days prior to any sale of the Registrable Securities;

(xv) provide a CUSIP number for all Registrable Securities, not later than the applicable Effective Time;

(xvi) enter into one or more underwriting agreements, engagement letters, agency agreements, "best efforts" underwriting agreements or similar agreements, as appropriate, including customary provisions relating to indemnification and contribution, and take such other actions in connection therewith as any Electing Holders of at least 20% in aggregate principal amount of the Registrable Securities at the time outstanding shall request in order to expedite or facilitate the disposition of such Registrable Securities;

(xvii) whether or not an agreement of the type referred to in Section 3(d)(xvi) hereof is entered into and whether or not any portion of the offering contemplated by the Shelf Registration is an underwritten offering or is made through a placement or sales agent or any other entity, (A) make such representations and warranties to the Electing Holders and the placement or sales agent, if any, therefor and the underwriters, if any, thereof in form, substance and scope as are customarily made in connection with an offering of debt securities pursuant to any appropriate agreement or to a registration statement filed on the form applicable to the Shelf Registration; (B) obtain an opinion of counsel to the Issuers in customary form, subject to customary limitations, assumptions and exclusions, and covering such matters, of the type customarily cov-

ered by such an opinion, as the managing underwriters, if any, or as any Electing Holders of at least 20% in aggregate principal amount of the Registrable Securities at the time outstanding may reasonably request, addressed to such Electing Holder or Electing Holders and the placement or sales agent, if any, therefor and the underwriters, if any, thereof and dated the date of the Effective Time of such Shelf Registration Statement (and if such Shelf Registration Statement contemplates an underwritten offering of a part or all of the Registrable Securities, dated the date of the closing under the underwriting agreement relating thereto) (it being agreed that the matters to be covered by such opinion shall include the matters set forth in paragraph (b) of Section 7 of the Purchase Agreement to the extent applicable to an offering of this type); (C) obtain a "cold comfort" letter or letters from the independent certified public accountants of the Issuers addressed to the selling Electing Holders, the placement or sales agent, if any, therefor or the underwriters, if any, thereof, dated (i) the effective date of such Shelf Registration Statement and (ii) the effective date of any prospectus supplement to the prospectus included in such Shelf Registration Statement or post-effective amendment to such Shelf Registration Statement which includes unaudited or audited financial statements as of a date or for a period subsequent to that of the latest such statements included in such prospectus (and, if such Shelf Registration Statement contemplates an underwritten offering pursuant to any prospectus supplement to the prospectus included in such Shelf Registration Statement or post-effective amendment to such Shelf Registration Statement which includes unaudited or audited financial statements as of a date or for a period subsequent to that of the latest such statements included in such prospectus, dated the date of the closing under the underwriting agreement relating thereto), such letter or letters to be in customary form and covering such matters of the type customarily covered by letters of such type; (D) deliver such documents and certificates, including officers' certificates, as may be reasonably requested by any Electing Holders of at least 20% in aggregate principal amount of the Registrable Securities at the time outstanding or the placement or sales agent, if any, therefor and the managing underwriters, if any, thereof to evidence the accuracy of the representations and warranties made pursuant to clause (A) above or those contained in Section 5(a) hereof and the compliance with or satisfaction of any agreements or conditions contained in the underwriting agreement or other similar agreement entered into by the Issuers pursuant to Section 3(d)(xvi); and (E) undertake such obligations relating to expense reimbursement, indemnification and contribution as are provided in Section 6 hereof;

(xviii) notify in writing each holder of Registrable Securities of any proposal by the Issuers to amend or waive any provision of this Exchange and Registration Rights Agreement pursuant to Section 9(h) hereof and of any

amendment or waiver effected pursuant thereto, each of which notices shall contain the substance of the amendment or waiver proposed or effected, as the case may be;

(xix) in the event that any broker-dealer registered under the Exchange Act shall underwrite any Registrable Securities or participate as a member of an underwriting syndicate or selling group or "assist in the distribution" (within the meaning of the Conduct Rules (the "Conduct Rules") of the National Association of Securities Dealers, Inc. ("NASD") or any successor thereto, as amended from time to time) thereof, whether as a holder of such Registrable Securities or as an underwriter, a placement or sales agent or a broker or dealer in respect thereof, or otherwise, assist such broker-dealer in complying with the requirements of such Conduct Rules, including by (A) if such Conduct Rules shall so require, engaging a "qualified independent underwriter" (as defined in such Conduct Rules) to participate in the preparation of the Shelf Registration Statement relating to such Registrable Securities, to exercise usual standards of due diligence in respect thereto and, if any portion of the offering contemplated by such Shelf Registration Statement is an underwritten offering or is made through a placement or sales agent, to recommend the yield of such Registrable Securities, (B) indemnifying any such qualified independent underwriter to the extent of the indemnification of underwriters provided in Section 6 hereof (or to such other customary extent as may be requested by such underwriter), and (C) providing such information to such broker-dealer as may be required in order for such broker-dealer to comply with the requirements of the Conduct Rules; and

(xx) comply with all applicable rules and regulations of the Commission, and make generally available to its securityholders as soon as practicable but in any event not later than eighteen months after the effective date of such Shelf Registration Statement, an earning statement of the Company and its subsidiaries complying with Section 11(a) of the Securities Act (including, at the option of the Company, Rule 158 thereunder).

(e) In the event that the Issuers would be required, pursuant to Section 3(d)(viii)(F) above, to notify the Electing Holders, the placement or sales agent, if any, therefor and the managing underwriters, if any, thereof, the Issuers shall prepare and furnish to each of the Electing Holders, to each placement or sales agent, if any, and to each such underwriter, if any, a reasonable number of copies of a prospectus supplemented or amended so that, as thereafter delivered to purchasers of Registrable Securities, such prospectus conforms in all material respects to the applicable requirements of the Securities Act and the Trust Indenture Act, and the rules and regulations of the Commission thereunder and shall not contain an untrue statement of a material fact or omit to state a material fact required to be stated

therein or necessary to make the statements therein not misleading in light of the circumstances then existing. Each Electing Holder agrees that upon receipt of any notice from the Issuers pursuant to Section 3(d)(viii)(F) hereof, such Electing Holder shall forthwith discontinue the disposition of Registrable Securities pursuant to the Shelf Registration Statement applicable to such Registrable Securities until such Electing Holder shall have received copies of such amended or supplemented prospectus, and if so directed by the Issuers, such Electing Holder shall deliver to the Issuers (at the Issuers' expense) all copies, other than permanent file copies, then in such Electing Holder's possession of the prospectus covering such Registrable Securities at the time of receipt of such notice.

(f) In the event of a Shelf Registration, in addition to the information required to be provided by each Electing Holder in its Notice and Questionnaire, the Issuers may require such Electing Holder to furnish to the Issuers such additional information regarding such Electing Holder and such Electing Holder's intended method of distribution of Registrable Securities as may be required in order to comply with the Securities Act. Each such Electing Holder agrees to notify the Issuers as promptly as practicable of any inaccuracy or change in information previously furnished by such Electing Holder to the Issuers or of the occurrence of any event in either case as a result of which any prospectus relating to such Shelf Registration contains or would contain an untrue statement of a material fact regarding such Electing Holder or such Electing Holder's intended method of disposition of such Registrable Securities or omits to state any material fact regarding such Electing Holder or such Electing Holder's intended method of disposition of such Registrable Securities required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing, and promptly to furnish to the Issuers any additional information required to correct and update any previously furnished information or required so that such prospectus shall not contain, with respect to such Electing Holder or the disposition of such Registrable Securities, an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing.

4. Registration Expenses.

The Issuers agree, subject to the last sentence of this Section, to bear and to pay or cause to be paid promptly all expenses incident to the Issuers' performance of or compliance with this Exchange and Registration Rights Agreement, including (a) all Commission and any NASD registration, filing and review fees and expenses including fees and disbursements of counsel for the placement or sales agent or underwriters in

connection with such registration, filing and review, (b) all fees and expenses in connection with the qualification of the Notes for offering and sale under the securities laws and blue sky laws referred to in Section 3(d)(xii) hereof and determination of their eligibility for investment under the laws of such jurisdictions as any managing underwriters or the Electing Holders may designate, including any fees and disbursements of counsel for the Electing Holders or underwriters in connection with such qualification and determination, (c) all expenses relating to the preparation, printing, production, distribution and reproduction of each registration statement required to be filed hereunder, each prospectus included therein or prepared for distribution pursuant hereto, each amendment or supplement to the foregoing, the expenses of preparing the Notes for delivery and the expenses of printing or producing any underwriting agreements, agreements among underwriters, selling agreements and blue sky or legal investment memoranda and all other documents in connection with the offering, sale or delivery of Notes to be disposed of (including certificates representing the Notes), (d) messenger, telephone and delivery expenses relating to the offering, sale or delivery of Notes and the preparation of documents referred in clause (c) above, (e) fees and expenses of the Trustee under the Indenture, any agent of the Trustee and any reasonable fees and expenses for counsel for the Trustee and of any collateral agent or custodian, (f) internal expenses (including all salaries and expenses of the Issuers' officers and employees performing legal or accounting duties), (g) fees, disbursements and expenses of counsel and independent certified public accountants of the Issuers (including the expenses of any opinions or "cold comfort" letters required by or incident to such performance and compliance), (h) fees, disbursements and expenses of any "qualified independent underwriter" engaged pursuant to Section 3(d)(xix) hereof, (i) reasonable fees, disbursements and expenses of one counsel for the Electing Holders retained in connection with a Shelf Registration, as selected by the Electing Holders of at least a majority in aggregate principal amount of the Registrable Securities held by Electing Holders (which counsel shall be reasonably satisfactory to the Issuers), (j) any fees charged by securities rating services for rating the Notes, and (k) reasonable fees, expenses and disbursements of any other persons, including special experts, retained by the Issuers in connection with such registration (collectively, the "Registration Expenses"). To the extent that any Registration Expenses are incurred, assumed or paid by any holder of Registrable Securities or any placement or sales agent therefor or underwriter thereof, the Issuers shall reimburse such person for the full amount of the Registration Expenses so incurred, assumed or paid promptly after receipt of a request therefor. Notwithstanding the foregoing, the holders of the Registrable Securities being registered shall pay all agency fees and commissions and underwriting discounts and commissions attributable to the sale of such Registrable Securities and the fees and disbursements of any counsel or other advisors or experts retained by such holders (severally or jointly), other than the counsel and experts specifically referred to above.

5. Representations, Warranties and Covenants.

Except with respect to clauses (a) and (b) below, the Issuers represent and warrant to, and agree with, each Purchaser and each of the holders from time to time of Registrable Securities the information set forth in this Section 5.

With respect to clauses (a) and (b) below, the Issuers covenant that:

(a) Each registration statement covering Registrable Securities and each prospectus (including any preliminary or summary prospectus) contained therein or furnished pursuant to Section 3(d) or Section 3(c) hereof and any further amendments or supplements to any such registration statement or prospectus, when it becomes effective or is filed with the Commission, as the case may be, and, in the case of an underwritten offering of Registrable Securities, at the time of the closing under the underwriting agreement relating thereto, will conform in all material respects to the requirements of the Securities Act and the Trust Indenture Act and the rules and regulations of the Commission thereunder and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; and at all times subsequent to the Effective Time when a prospectus would be required to be delivered under the Securities Act, other than from (i) such time as a notice has been given to holders of Registrable Securities pursuant to Section 3(d)(viii)(F) or Section 3(c)(iii)(F) hereof until (ii) such time as the Issuers furnishes an amended or supplemented prospectus pursuant to Section 3(e) or Section 3(c)(iv) hereof, each such registration statement, and each prospectus (including any summary prospectus) contained therein or furnished pursuant to Section 3(d) or Section 3(c) hereof, as then amended or supplemented, will conform in all material respects to the requirements of the Securities Act and the Trust Indenture Act and the rules and regulations of the Commission thereunder and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing; provided, however, that this covenant shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Issuers by a holder of Registrable Securities expressly for use therein.

(b) Any documents incorporated by reference in any prospectus referred to in Section 5(a) hereof, when they become or became effective or are or were filed with the Commission, as the case may be, will conform or conformed in all material respects to the requirements of the Securities Act or the Exchange Act, as applicable, and none of such documents will contain or contained an untrue statement of a material fact or will omit or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading; provided, however, that this covenant shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Issuers by a holder of Registrable Securities expressly for use therein.

(c) The compliance by the Issuers with all of the provisions of this Exchange and Registration Rights Agreement and the consummation of the transactions herein contemplated will not conflict with or result in a material breach of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement, lease, license, franchise agreement, permit or other material agreement or instrument to which either of the Issuers or any of their subsidiaries is a party or by which either of the Issuers or any of their subsidiaries is bound or to which any of the property or assets of the Issuers or

any of their subsidiaries is subject, nor will such action result in any violation of the provisions of the certificate of incorporation, charter, or the by-laws (or other organizational document) of the Issuers or any statute or any order, rule or regulation of any court or governmental agency or body, including without limitation, the Federal Communications Act of 1934, as amended, the Cable Communications Policy Act of 1984, the Cable Television Consumer Protection and Competition Act of 1992 and the Telecommunications Reform Act of 1996 (collectively, the "Cable Acts") or any order, rule or regulation of the Federal Communications Commission (the "FCC") having jurisdiction over the Issuers or any of their subsidiaries or any of their properties, except for any such violation which would not materially impair the Issuers' ability to comply herewith; and no consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required, including, without limitation, under the Cable Acts or any order, rule or regulation of the FCC, for the consummation by the Issuers of the transactions contemplated by this Exchange and Registration Rights Agreement, except the registration under the Securities Act of the Notes, qualification of the Indenture under the Trust Indenture Act and such consents, approvals, authorizations, registrations or qualifications as may be required under State Notes or blue sky laws in connection with the offering and distribution of the Notes.

(d) This Exchange and Registration Rights Agreement has been duly authorized, executed and delivered by the Issuers.

6. Indemnification.

(a) Indemnification by the Issuers and the Guarantor. The Issuers and the Guarantor (i) will indemnify and hold harmless each of the holders of Registrable Securities included in an Exchange Offer Registration Statement, each of the Electing Holders of Registrable Securities included in a Shelf Registration Statement and each person who participates as a placement or sales agent or as an underwriter in any offering or sale of such Registrable Securities against any losses, claims, damages or liabilities, joint or several, to which such holder, agent or underwriter may become subject under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any Exchange Offer Registration Statement or Shelf Registration Statement, as the case may be, under which such Registrable Securities were registered under the Securities Act, or any preliminary, final or summary prospectus contained therein or furnished by the Issuers to any such holder, Electing Holder, agent or underwriter, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and (ii) will reimburse such holder, such Electing Holder, such agent and such underwriter for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such action or claim as such expenses are incurred; provided, however, that none of the Issuers shall be liable to any such persons in any such case to the extent that any

such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement, or preliminary, final or summary prospectus, or amendment or supplement thereto, in reliance upon and in conformity with written information furnished to the Issuers by such persons expressly for use therein.

(b) Indemnification by the Holders and any Agents and Underwriters. The Issuers may require, as a condition to including any Registrable Securities in any registration statement filed pursuant to Section 2(b) hereof and to entering into any underwriting agreement or similar agreement with respect thereto, that the Issuers shall have received an undertaking reasonably satisfactory to them from the Electing Holder of such Registrable Securities included in a Shelf Registration Statement and from each underwriter or agent named in any such underwriting agreement or similar agreement, severally and not jointly, to (i) indemnify and hold harmless the Issuers, the Guarantor and all other holders of Registrable Securities, against any losses, claims, damages or liabilities to which the Issuers, the Guarantor or such other holders of Registrable Securities may become subject, under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in such registration statement, or any preliminary, final or summary prospectus contained therein or furnished by the Issuers to any such Electing Holder, agent or underwriter, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Issuers or the Guarantor by such Electing Holder or underwriter expressly for use therein, and (ii) reimburse the Issuers and the Guarantor for any legal or other expenses reasonably incurred by the Issuers and the Guarantor in connection with investigating or defending any such action or claim as such expenses are incurred; provided, however, that no such Electing Holder shall be required to undertake liability to any person under this Section 6(b) for any amounts in excess of the dollar amount of the proceeds to be received by such Electing Holder from the sale of such Electing Holder's Registrable Securities pursuant to such registration.

(c) Notices of Claims, Etc. Promptly after receipt by an indemnified party under subsection (a) or (b) above of written notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against an indemnifying party pursuant to the indemnification provisions of or contemplated by this Section 6, notify such indemnifying party in writing of the commencement of such action; but the omission so to notify the indemnifying party shall not relieve it from any liability which it may have to any indemnified party otherwise than under the indemnification provisions of or contemplated by Section 6(a) or 6(b) hereof. In case any such action shall be brought against any indemnified party and it shall notify an indemnifying party of the commencement thereof, such indemni-

fying party shall be entitled to participate therein and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, such indemnifying party shall not be liable to such indemnified party for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the written consent of the indemnified party, effect the settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified party is an actual or potential party to such action or claim) unless such settlement, compromise or judgment (i) includes an unconditional release of the indemnified party from all liability arising out of such action or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

(d) Contribution. If for any reason the indemnification provisions contemplated by Section 6(a) or Section 6(b) are unavailable to or insufficient to hold harmless an indemnified party in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative fault of the indemnifying party and the indemnified party in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative fault of such indemnifying party and indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by such indemnifying party or by such indemnified party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The parties hereto agree that it would not be just and equitable if contributions pursuant to this Section 6(d) were determined by pro rata allocation (even if the holders or any agents or underwriters or all of them were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to in this Section 6(d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages, or liabilities (or actions in respect thereof) referred to above shall be deemed to include any legal or other fees or expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 6(d), no holder shall be required to contribute any amount in excess of the amount by which the dollar amount of the proceeds received by such holder from the sale of any Registrable Securities (after deducting any fees, discounts and commissions applicable thereto) exceeds

the amount of any damages which such holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission, and no underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Registrable Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The holders' and any underwriters' obligations in this Section 6(d) to contribute shall be several in proportion to the principal amount of Registrable Securities registered or underwritten, as the case may be, by them and not joint.

(e) The obligations of the Issuers and the Guarantor under this Section 6 shall be in addition to any liability which the Issuers and the Guarantor may otherwise have and shall extend, upon the same terms and conditions, to each officer, director and partner of each holder, agent and underwriter and each person, if any, who controls any holder, agent or underwriter within the meaning of the Securities Act; and the obligations of the holders and any agents or underwriters contemplated by this Section 6 shall be in addition to any liability which the respective holder, agent or underwriter may otherwise have and shall extend, upon the same terms and conditions, to each officer (including any officer who signed any registration statement), director, employee, representative or agent of the Issuers and the Guarantor and to each person, if any, who controls the Issuers or the Guarantor within the meaning of the Securities Act.

7. Underwritten Offerings.

(a) Selection of Underwriters. If any of the Registrable Securities covered by the Shelf Registration are to be sold pursuant to an underwritten offering, the managing underwriter or underwriters thereof shall be designated by Electing Holders holding at least a majority in aggregate principal amount of the Registrable Securities to be included in such offering, provided that such designated managing underwriter or underwriters is or are reasonably acceptable to the Issuers.

(b) Participation by Holders. Each holder of Registrable Securities hereby agrees with each other such holder that no such holder may participate in any underwritten offering hereunder unless such holder (i) agrees to sell such holder's Registrable Securities on the basis provided in any underwriting arrangements approved by the persons entitled hereunder to approve such arrangements and (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements.

8. Rule 144.

Each of the Issuers covenants to the holders of Registrable Securities that to the extent it shall be required to do so under the Exchange Act, it shall timely file the reports required to be filed by it under the Exchange Act or the Securities Act (including the reports under Section 13 and 15(d) of the Exchange Act referred to in subparagraph (c)(1) of Rule 144 adopted by the Commission under the Securities Act) and the rules and regulations adopted by the Commission thereunder, and shall take such further action as any holder of Registrable Securities may reasonably request, all to the extent required from time to time to enable such holder to sell Registrable Securities without registration under the Securities Act within the limitations of the exemption provided by Rule 144 under the Securities Act, as such Rule may be amended from time to time, or any similar or successor rule or regulation hereafter adopted by the Commission. Upon the request of any holder of Registrable Securities in connection with that holder's sale pursuant to Rule 144, the Issuers shall deliver to such holder a written statement as to whether it has complied with such requirements.

9. Miscellaneous.

(a) No Inconsistent Agreements. The Issuers represent, warrant, covenant and agree that they have not granted, and shall not grant, registration rights with respect to Registrable Securities or any other Notes which would be inconsistent with the terms contained in this Exchange and Registration Rights Agreement.

(b) Specific Performance. The parties hereto acknowledge that there would be no adequate remedy at law if the Issuers fail to perform any of their obligations hereunder and that the Purchasers and the holders from time to time of the Registrable Securities may be irreparably harmed by any such failure, and accordingly agree that the Purchasers and such holders, in addition to any other remedy to which they may be entitled at law or in equity, shall be entitled to compel specific performance of the obligations of the Issuers under this Exchange and Registration Rights Agreement in accordance with the terms and conditions of this Exchange and Registration Rights Agreement, in any court of the United States or any State thereof having jurisdiction.

(c) Notices. All notices, requests, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been duly given (i) when delivered by hand, if delivered personally or by courier, (ii) when sent by facsimile (with written confirmation of receipt), provided that a copy is mailed by registered or certified mail, return receipt requested or (iii) three days after being deposited in the mail (registered or certified mail, postage prepaid, return receipt requested) as follows: If to the Issuers, c/o Charter Communications, Inc., 12444 Powerscourt Drive, Suite 100, St. Louis, Missouri, 63131, Attention: Secretary, and if to a holder, to the address of such holder set forth in the security register or other records of the Issuers, or to such other address as the Issuers or any

such holder may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

(d) Parties in Interest. All the terms and provisions of this Exchange and Registration Rights Agreement shall be binding upon, shall inure to the benefit of and shall be enforceable by the parties hereto and the holders from time to time of the Registrable Securities and the respective successors and assigns of the parties hereto and such holders. In the event that any transferee of any holder of Registrable Securities shall acquire Registrable Securities, in any manner, whether by gift, bequest, purchase, operation of law or otherwise, such transferee shall, without any further writing or action of any kind, be deemed a beneficiary hereof for all purposes and such Registrable Securities shall be held subject to all of the terms of this Exchange and Registration Rights Agreement, and by taking and holding such Registrable Securities such transferee shall be entitled to receive the benefits of, and be conclusively deemed to have agreed to be bound by all of the applicable terms and provisions of this Exchange and Registration Rights Agreement. If the Issuers shall so request, any such successor, assign or transferee shall agree in writing to acquire and hold the Registrable Securities subject to all of the applicable terms hereof.

(e) Survival. The respective indemnities, agreements, representations, warranties and each other provision set forth in this Exchange and Registration Rights Agreement or made pursuant hereto shall remain in full force and effect regardless of any investigation (or statement as to the results thereof) made by or on behalf of any holder of Registrable Securities, any director, officer or partner of such holder, any agent or underwriter or any director, officer or partner thereof, or any controlling person of any of the foregoing, and shall survive delivery of and payment for the Registrable Securities pursuant to the Purchase Agreement and the transfer and registration of Registrable Securities by such holder and the consummation of an Exchange Offer.

(f) Governing Law. This Exchange and Registration Rights Agreement shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to any provisions relating to conflicts of law.

(g) Headings. The descriptive headings of the several Sections and paragraphs of this Exchange and Registration Rights Agreement are inserted for convenience only, do not constitute a part of this Exchange and Registration Rights Agreement and shall not affect in any way the meaning or interpretation of this Exchange and Registration Rights Agreement.

(h) Entire Agreement; Amendments. This Exchange and Registration Rights Agreement and the other writings referred to herein (including the Indenture and the form of Notes) or delivered pursuant hereto which form a part hereof contain the entire understanding of the parties with respect to its subject matter. This Exchange and Registration Rights Agreement supersedes all prior agreements and understandings between the parties

with respect to its subject matter. This Exchange and Registration Rights Agreement may be amended and the observance of any term of this Exchange and Registration Rights Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) only by a written instrument duly executed by the Issuers and the holders of at least a majority in aggregate principal amount of the Registrable Securities at the time outstanding. Each holder of any Registrable Securities at the time or thereafter outstanding shall be bound by any amendment or waiver effected pursuant to this Section 9(h), whether or not any notice, writing or marking indicating such amendment or waiver appears on such Registrable Securities or is delivered to such holder.

(i) Inspection. For so long as this Exchange and Registration Rights Agreement shall be in effect, this Exchange and Registration Rights Agreement and a complete list of the names and addresses of all the holders of Registrable Securities shall be made available for inspection and copying, upon reasonable prior notice, on any business day during normal business hours by any holder of Registrable Securities for proper purposes only (which shall include any purpose related to the rights of the holders of Registrable Securities under the Notes, the Indenture and this Agreement) at the offices of the Issuers at the address thereof set forth in Section 9(c) above and at the office of the Trustee under the Indenture.

(j) Counterparts. This agreement may be executed by the parties in counterparts, each of which shall be deemed to be an original, but all such respective counterparts shall together constitute one and the same instrument.

If the foregoing is in accordance with your understanding, please sign and return to us counterparts hereof, and upon the acceptance hereof by you, on behalf of each of the Purchasers, this letter and such acceptance hereof shall constitute a binding agreement between each of the Purchasers and the Issuers. It is understood that your acceptance of this letter on behalf of each of the Purchasers is pursuant to the authority set forth in a form of Agreement among Purchasers, the form of which shall be submitted to the Issuers for examination upon request, but without warranty on your part as to the authority of the signers thereof.

Very truly yours,

CHARTER COMMUNICATIONS
HOLDINGS, LLC

By: /s/ Eloise Engman

Name: Eloise Engman
Title: Vice President

CHARTER COMMUNICATIONS HOLDINGS
CAPITAL CORPORATION

By: /s/ Eloise Engman

Name: Eloise Engman
Title: Vice President

MARCUS CABLE HOLDINGS, LLC

By: MARCUS CABLE PROPERTIES, L.L.C.,
as Manager

By: MARCUS CABLE PROPERTIES,
INC., as Manager

By: /s/ Marcy Lifton

Name: Marcy Lifton
Title: Senior Vice President and
Assistant Secretary

Accepted as of the date hereof:

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.
NESBITT BURNS SECURITIES INC.

By: GOLDMAN, SACHS & CO.

By: /s/ Goldman, Sachs & Co.

Name:
Title:

Exhibit A

CHARTER COMMUNICATIONS HOLDINGS LLC
CHARTER COMMUNICATIONS HOLDINGS CAPITAL CORPORATION
MARCUS CABLE HOLDINGS, LLC

INSTRUCTION TO DTC PARTICIPANTS

(Date of Mailing)

URGENT - IMMEDIATE ATTENTION REQUESTED

DEADLINE FOR RESPONSE: [DATE](a)

The Depository Trust Issuers ("DTC") has identified you as a DTC Participant through which beneficial interests in the Charter Communications Holdings LLC (the "Company") and Charter Communications Holdings Capital Corporation ("Charter Capital" and, together with the Company, the "Issuers") 8.625% Senior Notes due 2009 (the "Notes"), guaranteed by Marcus Cable Holdings, LLC are held.

The Issuers are in the process of registering the Notes under the Securities Act of 1933, as amended, for resale by the beneficial owners thereof. In order to have their Notes included in the registration statement, beneficial owners must complete and return the enclosed Notice of Registration Statement and Selling Securityholder Questionnaire.

It is important that beneficial owners of the Notes receive a copy of the enclosed materials as soon as possible as their rights to have the Notes included in the registration statement depend upon their returning the Notice and Questionnaire by [Deadline For Response]. Please forward a copy of the enclosed documents to each beneficial owner that holds interests in the Notes through you. If you require more copies of the enclosed materials or have any questions pertaining to this matter, please contact the Issuers c/o Charter Communications, Inc., 12444 Powerscourt Drive, Suite 100, St. Louis, Missouri, 63131, Attention: Secretary.

- ----------

(a) Not less than 28 calendar days from date of mailing.

CHARTER COMMUNICATIONS HOLDINGS LLC
CHARTER COMMUNICATIONS HOLDINGS CAPITAL CORPORATION
MARCUS CABLE HOLDINGS, LLC

Notice of Registration Statement
and
Selling Securityholder Questionnaire

(Date)

Reference is hereby made to the Exchange and Registration Rights Agreement (the "Exchange and Registration Rights Agreement") between Charter Communications Holdings LLC and Charter Communications Holdings Capital Corporation (together, the "Issuers"), Marcus Cable Holdings, LLC (the "Guarantor") and the Purchasers named therein. Pursuant to the Exchange and Registration Rights Agreement, the Issuers have filed with the United States Securities and Exchange Commission (the "Commission") a registration statement on Form [__] (the "Shelf Registration Statement") for the registration and resale under Rule 415 of the Securities Act of 1933, as amended (the "Securities Act"), of the Issuers' 8.625% Senior Notes due 2009 (the "Notes"), guaranteed by the Guarantor. A copy of the Exchange and Registration Rights Agreement is attached hereto. All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Exchange and Registration Rights Agreement.

Each beneficial owner of Registrable Securities is entitled to have the Registrable Securities beneficially owned by it included in the Shelf Registration Statement. In order to have Registrable Securities included in the Shelf Registration Statement, this Notice of Registration Statement and Selling Securityholder Questionnaire ("Notice and Questionnaire") must be completed, executed and delivered to the Issuers' counsel at the address set forth herein for receipt ON OR BEFORE [Deadline for Response]. Beneficial owners of Registrable Securities who do not complete, execute and return this Notice and Questionnaire by such date (i) will not be named as selling securityholders in the Shelf Registration Statement and (ii) may not use the Prospectus forming a part thereof for resales of Registrable Securities.

Certain legal consequences arise from being named as a selling securityholder in the Shelf Registration Statement and related prospectus. Accordingly, holders and beneficial owners of Registrable Securities are advised to consult their own securities law counsel regarding the consequences of being named or not being named as a selling securityholder in the Shelf Registration Statement and related prospectus.

ELECTION

The undersigned holder (the "Selling Securityholder") of Registrable Securities hereby elects to include in the Shelf Registration Statement the Registrable Securities beneficially owned by it and listed below in Item (3). The undersigned, by signing and returning this Notice and Questionnaire, agrees to be bound with respect to such Registrable Securities by the terms and conditions of this Notice and Questionnaire and the Exchange and Registration Rights Agreement, including, without limitation, Section 6 of the Exchange and Registration Rights Agreement, as if the undersigned Selling Securityholder were an original party thereto.

Upon any sale of Registrable Securities pursuant to the Shelf Registration Statement, the Selling Securityholder will be required to deliver to the Issuers and the Trustee the Notice of Transfer set forth in Exhibit B to the Exchange and Registration Rights Agreement.

The Selling Securityholder hereby provides the following information to the Issuers and represents and warrants that such information is accurate and complete:

QUESTIONNAIRE

(1)(a) Full Legal Name of Selling Securityholder:

(b) Full Legal Name of Registered Holder (if not the same as in (a) above) of Registrable Securities Listed in Item (3) below:

(c) Full Legal Name of DTC Participant (if applicable and if not the same as (b) above) Through Which Registrable Securities Listed in Item (3) below are Held:

(2) Address for Notices to Selling Securityholder:

____

____

____

Telephone: _____________________________________

Fax: _____________________________________

Contact Person: _____________________________________

(3) Beneficial Ownership of Notes:

Except as set forth below in this Item (3), the undersigned does not beneficially own any Notes.

(a) Principal amount of Registrable Securities beneficially owned: _________ CUSIP No(s). of such Registrable Securities: ____

(b) Principal amount of Notes other than Registrable Securities beneficially owned: ____ CUSIP No(s). of such other Notes: ____

(c) Principal amount of Registrable Securities which the undersigned wishes to be included in the Shelf Registration Statement: ______ CUSIP No(s). of such Registrable Securities to be included in the Shelf Registration Statement:

(4) Beneficial Ownership of Other Securities of the Issuers and the Guarantor:

Except as set forth below in this Item (4), the undersigned Selling Securityholder is not the beneficial or registered owner of any other securities of the Issuers or the Guarantor other than the Notes as Guaranteed listed above in Item (3).

State any exceptions here:

(5) Relationships with the Issuers and the Guarantor:

Except as set forth below, neither the Selling Securityholder nor any of its affiliates, officers, directors or principal equity holders (5% or more) has held any position or office or has had any other material relationship with the Issuers or the Guarantor (or their respective predecessors or affiliates) during the past three years.

State any exceptions here:

(6) Plan of Distribution:

Except as set forth below, the undersigned Selling Securityholder intends to distribute the Registrable Securities listed above in Item (3) only as follows (if at all): Such Registrable Securities may be sold from time to time directly by the undersigned Selling Securityholder or, alternatively, through underwriters, broker-dealers or agents. Such Registrable Securities may be sold in one or more transactions at fixed prices, at prevailing market prices at the time of sale, at varying prices determined at the time of sale, or at negotiated prices. Such sales may be effected in transactions (which may involve crosses or block transactions) (i) on any national securities exchange or quotation service on which the Registered Notes may be listed or quoted at the time of sale, (ii) in the over-the-counter market, (iii) in transactions otherwise than on such exchanges or services or in the over-the-counter market, or (iv) through the writing of options. In connection with sales of the Registrable Securities or otherwise, the Selling Securityholder may enter into hedging transactions with broker-dealers, which may in turn engage in short sales of the Registrable Securities in the course of hedging the positions they assume. The Selling Securityholder may also sell Registrable Securities short and deliver Registrable Securities to close out such short positions, or loan or pledge Registrable Securities to broker-dealers that in turn may sell such Notes.

State any exceptions here:

By signing below, the Selling Securityholder acknowledges that it understands its obligation to comply, and agrees that it will comply, with the provisions of the Exchange Act and the rules and regulations thereunder, particularly Regulation M.

In the event that the Selling Securityholder transfers all or any portion of the Registrable Securities listed in Item (3) above after the date on which such information is provided to the Issuers, the Selling Securityholder agrees to notify the transferee(s) at the time of the transfer of its rights and obligations under this Notice and Questionnaire and the Exchange and Registration Rights Agreement.

By signing below, the Selling Securityholder consents to the disclosure of the information contained herein in its answers to Items (1) through (6) above and the inclusion of such information in the Shelf Registration Statement and related Prospectus. The Selling Securityholder understands that such information will be relied upon by the Issuers in connection with the preparation of the Shelf Registration Statement and related Prospectus.

In accordance with the Selling Securityholder's obligation under Section 3(d) of the Exchange and Registration Rights Agreement to provide such information as may be required by law for inclusion in the Shelf Registration Statement, the Selling Securityholder agrees to promptly notify the Issuers of any inaccuracies or changes in the information provided herein which may occur subsequent to the date hereof at any time while the Shelf Registration Statement remains in effect. All notices hereunder and pursuant to the Exchange and Registration Rights Agreement shall be made in writing, by hand-delivery, first-class mail, or air courier guaranteeing overnight delivery as follows:

(i) To the Issuers:

____

____

____

____

____

(ii) With a copy to:

____

____

____

____

____

Once this Notice and Questionnaire is executed by the Selling Securityholder and received by the Issuers' counsel, the terms of this Notice and Questionnaire, and the representations and warranties contained herein, shall be binding on, shall inure to the benefit of and shall be enforceable by the respective successors, heirs, personal representatives, and assigns of the Issuers and the Selling Securityholder (with respect to the Registrable Securities beneficially owned by such Selling Securityholder and listed in Item (3) above. This Agreement shall be governed in all respects by the laws of the State of New York without giving effect to any provisions relating to conflicts of laws.

IN WITNESS WHEREOF, the undersigned, by authority duly given, has caused this Notice and Questionnaire to be executed and delivered either in person or by its duly authorized agent.

Dated: ___________________________

____
Selling Securityholder
(Print/type full legal name of beneficial owner of Registrable Securities)

By: ____
Name:
Title:

PLEASE RETURN THE COMPLETED AND EXECUTED NOTICE AND QUESTIONNAIRE FOR RECEIPT ON OR BEFORE [DEADLINE FOR RESPONSE] TO THE ISSUERS' COUNSEL AT:

____

____

____

____

____

Exhibit B

NOTICE OF TRANSFER PURSUANT TO REGISTRATION STATEMENT

[Name of Trustee]
Charter Communications Holdings LLC
Charter Communications Holdings Capital
Corporation
Marcus Cable Holdings, LLC
c/o [Name of Trustee]
[Address of Trustee]

Attention: Trust Officer

Re: Charter Communications Holdings LLC
and Charter Communications Holdings Capital Corporation
(together, the "Issuers") 8.625% Senior Notes due 2009
guaranteed by Marcus Cable Holdings, LLC

Dear Sirs:

Please be advised that ______________ has transferred $__________ aggregate principal amount of the above-referenced Notes pursuant to an effective Registration Statement on Form [___] (File No. 333-____) filed by the Issuers.

We hereby certify that the prospectus delivery requirements, if any, of the Securities Act of 1933, as amended, have been satisfied and that the above-named beneficial owner of the Notes is named as a "Selling Holder" in the prospectus dated [date] or in supplements thereto, and that the aggregate principal amount of the Notes transferred are the Notes listed in such prospectus opposite such owner's name.

Dated:

Very truly yours,

____
(Name)

By: ______________________________
(Authorized Signature)

Exhibit 4.3(a)

CHARTER COMMUNICATIONS HOLDINGS, LLC

AND

CHARTER COMMUNICATIONS HOLDINGS CAPITAL CORPORATION
as Issuers

AND

MARCUS CABLE HOLDINGS, LLC
as Guarantor

$1,475,000,000 (principal amount at maturity)

9.92% SENIOR DISCOUNT NOTES DUE 2011

INDENTURE

Dated as of March 17, 1999

HARRIS TRUST AND SAVINGS BANK,

Trustee

CROSS-REFERENCE TABLE*

Trust Indenture Act Section	Indenture Section
310 (a)(1)	7.10
(a)(2)	7.10
(a)(3)	N.A.
(a)(4)	N.A.
(a)(5)	7.10
(b)	7.10
(c)	N.A.
311 (a)	7.11
(b)	7.11
(c)	N.A.
312 (a)	2.05
(b)	12.03
(c)	12.03
313 (a)	7.06
(b)(1)	12.03
(b)(2)	7.07, 12.03
(c)	7.06; 12.02
(d)	7.06
314 (a)	4.03; 12.02
(b)	12.02
(c)(1)	12.04
(c)(2)	12.04
(c)(3)	N.A.
(d)	N.A.
(e)	12.05
(f)	N.A.
315 (a)	7.01
(b)	7.05; 12.02
(c)	7.01
(d)	7.01
(e)	6.11
316 (a) (last sentence)	2.09
(a)(1)(A)	6.05
(a)(1)(B)	6.04
(a)(2)	N.A.
(b)	6.07
(c)	2.12
317 (a)(1)	6.08
(a)(2)	6.09
(b)	2.04
318 (a)	12.01
(b)	N.A.
(c)	12.01

- ----------

N.A. means Not Applicable

This Cross-Reference Table is not part of the Indenture

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INDENTURE dated as of March 17, 1999 among Charter Communications Holdings, LLC, a Delaware limited liability company (the "Company"), Charter Communications Holdings Capital Corporation, a company incorporated under the laws of Delaware ("Charter Capital" and together with the Company, the "Issuers"), Marcus Cable Holdings, LLC, a Delaware limited liability company, as guarantor (the "Guarantor"), and Harris Trust and Savings Bank, as trustee (the "Trustee").

The Issuers, the Guarantor and the Trustee agree as follows for the benefit of each other and for the equal and ratable benefit of the Holders of the 9.92% Senior Discount Notes due 2011 (the "Notes"):

ARTICLE 1
DEFINITIONS AND INCORPORATION BY REFERENCE

Section 1.01. Definitions.

"144A Global Note" means a global note substantially in the form of Exhibit A hereto bearing the Global Note Legend and the Private Placement Legend and deposited with or on behalf of, and registered in the name of, the Depositary or its nominee that will be issued in an initial denomination equal to the outstanding principal amount at maturity of the Notes sold in reliance on Rule 144A.

"Accreted Value" is defined to mean, for any specific date, the amount calculated pursuant to (i), (ii), (iii) or (iv) for each $ 1,000 of principal amount at maturity of the Notes:

(i) 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

(ii) 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 (1) the Accreted Value for the first Semi-Annual Accrual Date less $613.94 multiplied by (2) 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;

(iii) 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

(iv) 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 becomes 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.

"Agent" means any Registrar or Paying Agent.

"Applicable Procedures" means, with respect to any transfer or exchange of or for beneficial interests in any Global Note, the rules and procedures of the Depositary, Euroclear and Cedel that apply to such transfer or exchange.

"Asset Acquisition" means (a) an Investment by the Company or any of the Company's Restricted Subsidiaries, or the Guarantor or any of the Guarantor's Restricted Subsidiaries, as

the case may be, in any other Person pursuant to which such Person shall become a Restricted Subsidiary of the Company or any of the Company's Restricted Subsidiaries, or the Guarantor or any of the Guarantor's Restricted Subsidiaries, as the case may be, or shall be merged with or into the Company or any of the Company's Restricted Subsidiaries, or the Guarantor or any of the Guarantor's Restricted Subsidiaries, as the case may be, or (b) the acquisition by the Company or any of the Company's Restricted Subsidiaries, or the Guarantor or any of the Guarantor's Subsidiaries, as the case may be, 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 the Company and its Restricted Subsidiaries, taken as a whole and of the Guarantor and its Restricted Subsidiaries, taken as a whole, shall be governed by Section 4.16 and/or Section 5.01 and not by the provisions of Section 4.11; and

(2) the issuance of Equity Interests by any of the Company's or the Guarantor's Restricted Subsidiaries or the sale of Equity Interests in any of the Company's or the Guarantor's 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 the Company, the Guarantor and their Restricted Subsidiaries of less than $100 million;

(2) a transfer of assets (i) between or among the Company and its Restricted Subsidiaries, (ii) between or among the Guarantor and its Restricted Subsidiaries and (iii) from the Guarantor or any of its Restricted Subsidiaries to any of the Company or its Restricted Subsidiaries;

(3) an issuance of Equity Interests by a Wholly Owned Restricted Subsidiary of the Company to the Company or to another Wholly Owned Restricted Subsidiary of the Company, or an issuance of Equity Interests by a Wholly Owned Restricted Subsidiary of the Guarantor to another Wholly Owned Restricted Subsidiary of the Guarantor;

(4) a Restricted Payment that is permitted by Section 4.07 and a Restricted Investment that is permitted by Section 4.08; 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.

"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.

"Bankruptcy Law" means Title 11, U.S. Code or any similar Federal or state law of any jurisdiction relating to bankruptcy, insolvency, winding up, liquidation, reorganization or relief of debtors.

"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.

"Board of Directors" means the Board of Directors of the Company, Charter Capital or the Guarantor, as the case may be, or any authorized committee of the Board of Directors of the Company, Charter Capital or the Guarantor, as the case may be.

"Board Resolution" means a copy of a resolution certified by the Secretary or an Assistant Secretary of the Company, Charter Capital or the Guarantor, as the case may be, to have been duly adopted by the Board of Directors of the Company, Charter Capital or the Guarantor, as the case may be, and to be in full force and effect on the date of such certification and delivered to the Trustee.

"Business Day" means any day other than a Legal Holiday.

"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 the Company or the Guarantor since the date of this Indenture (x) as a contribution to the common equity capital or from the issue or sale of Equity Interests of the Company or the Guarantor (other than Disqualified Stock) or (y) from the issue or sale of convertible or exchangeable Disqualified Stock or convertible or exchangeable debt securities of the Company or the Guarantor 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 or the Guarantor).

"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.

"Cedel" means Cedel Bank, SA.

"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 the Company and its Subsidiaries, taken as a whole, or the Guarantor 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 the Company or the Guarantor;

(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 the Company, becomes the Beneficial Owner, directly or indirectly, of more than 35% of the Voting Stock of the Company or the Guarantor, 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 the Company or the Guarantor, as the case may be, measured by voting power rather than the number of shares, than such person;

(4) after the Company's initial public offering, the first day on which a majority of the members of the Board of Directors of the Company are not Continuing Directors; or

(5) the Company or the Guarantor consolidates with, or merges with or into, any Person, or any Person consolidates with, or merges with or into, the Company or the Guarantor, in any such event pursuant to a transaction in which any of the outstanding Voting Stock of the Company or the Guarantor is converted into or exchanged for cash, securities or other property, other than any such transaction where the Voting Stock of the Company or the Guarantor 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.

"Charter Capital" has the meaning assigned to it in the preamble to this Indenture.

"Collateral" means the Mirror Note and other collateral which secures the obligations under the Notes pursuant to the Pledge Documents and the collateral which secures the obligations under the Mirror Note.

"Commission" or "SEC" means the Securities and Exchange Commission.

"Company" has the meaning assigned to it in the preamble to this Indenture.

"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 the Company 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 Section 4.10 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 Section 4.07 (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 this Indenture or incurred or issued thereafter in compliance with Section 4.10; provided that 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 provided such terms are determined by such Person to be customary in comparable financings and such restrictions are determined by the Company not to materially affect the Company's 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 (excluding Indebtedness of the Company or any of its Subsidiaries guaranteed by the Guarantor and any of its Subsidiaries which Indebtedness has been previously counted for the purposes of this definition), 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 the Company who:

(1) was a member of such Board of Directors on the date of this Indenture; 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.

"Corporate Trust Office of the Trustee" shall be at the address of the Trustee specified in Section 12.02 or such other address as to which the Trustee may give notice to the Issuers.

"Credit Facilities" means, with respect to the Company, the Guarantor and/or their respective 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.

"Definitive Note" means a certificated Note registered in the name of the Holder thereof and issued in accordance with Section 2.06, substantially in the form of Exhibit A hereto, except that such Note shall not bear the Global Note Legend and shall not have the "Schedule of Exchanges of Interests in the Global Note" attached thereto.

"Depositary" means, with respect to the Global Notes, the Person specified in Section 2.03 as the Depositary with respect to the Notes, and any and all successors thereto appointed as depositary hereunder and having become such pursuant to the applicable provision of this Indenture.

"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 the Company or the Guarantor, as the case

may be, 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 the Company or the Guarantor, as the case may be, may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with Section 4.07.

"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 the Company of which the gross proceeds to the Company are at least $25 million.

"Euroclear" means Morgan Guaranty Trust Company of New York, Brussels office, as operator of the Euroclear system.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Exchange Notes" means the Notes issued in the Exchange Offer pursuant to Section 2.06(f).

"Exchange Offer" has the meaning set forth in the Registration Rights Agreement.

"Exchange Offer Registration Statement" has the meaning set forth in the Registration Rights Agreement.

"Existing Indebtedness" means Indebtedness of the Company and its Restricted Subsidiaries and the Guarantor and its Restricted Subsidiaries in existence on the Issue Date, until such amounts are repaid.

"Full Accretion Date" means, April 1, 2004, the first date on which the Accreted Value of the Notes has accreted to an amount equal to the principal amount at maturity of the 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.

"Global Note Legend" means the legend set forth in Section 2.06(g)(ii), which is required to be placed on all Global Notes issued under this Indenture.

"Global Notes" means, individually and collectively, each of the Restricted Global Notes and the Unrestricted Global Notes.

"Government Securities" means direct obligations of, or obligations guaranteed by, the United States of America, and the payment for which the United States pledges its full faith and credit.

"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.

"Guarantor" has the meaning assigned to it in the preamble to this Indenture.

"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.

"Holder" means a holder of the Notes.

"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.

"Indenture" means this Indenture, as amended or supplemented from time to time.

"Indirect Participant" means a Person who holds a beneficial interest in a Global Note through a Participant.

"Institutional Accredited Investor" means an institution that is an "accredited investor" as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act that is not also a QIB.

"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 March 17, 1999.

"Issuers" has the meaning assigned to it in the preamble to this Indenture.

"Legal Holiday" means a Saturday, a Sunday or a day on which banking institutions in the City of New York or at a place of payment are authorized by law, regulation or executive order to remain closed. If a payment date is a Legal Holiday at a place of payment, payment may be made at that place on the next succeeding day that is not a Legal Holiday, and no interest shall accrue on such payment for the intervening period.

"Letter of Transmittal" means the letter of transmittal to be prepared by the Issuers and sent to all Holders of the Notes for use by such Holders in connection with the Exchange Offer.

"Leverage Ratio " means, as of any date, the ratio of:

(1) the combined Consolidated Indebtedness of the Company and the Guarantor on such date to

(2) the aggregate amount of combined Consolidated EBITDA for the Company and the Guarantor 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 of 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; and

(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 or 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.

For purposes of this definition and calculating the combined Consolidated Indebtedness for the Company and the Guarantor, in no case will the combined Consolidated Indebtedness for the Company include (x) Consolidated Indebtedness of the Company which has already been counted as part of the Consolidated Indebtedness of the Guarantor and (y) Consolidated Indebtedness of the Guarantor which has already been counted as the Consolidated Indebtedness of the Company. Further, for purposes of this definition and calculating combined Consolidated EBITDA for the Company and the Guarantor, in no case will combined Consolidated EBITDA for the Company and the Guarantor include (x) Consolidated EBITDA of the Company which has already been counted as part of the Consolidated EBITDA of the Guarantor and (y) Consolidated EBITDA of the Guarantor which has already been counted as the Consolidated EBITDA of the Company.

"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 Communication 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 the Company or any of its Restricted Subsidiaries.

"Mirror Note" means the senior note of the Guarantor due April 1, 2007 issued to the Company in the principal amount of $1,548,630,855 in the form attached to this Indenture as Exhibit F, and which will be secured by the pledge by the Guarantor of all of the Capital Stock of Marcus Cable Company LLC, a wholly owned Subsidiary of the Guarantor.

"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 the Company or any of its Restricted Subsidiaries or by the Guarantor or any of its Restricted Subsidiaries, as the case may be, 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 the Company nor any of its Restricted Subsidiaries, nor the Guarantor or any of its Restricted Subsidiaries, as the case may be, (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 the Company or any of its Restricted Subsidiaries, or the Guarantor or any of its Restricted Subsidiaries, as the case may be, 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 the Company or any of its Restricted Subsidiaries or the Guarantor or any of its Restricted Subsidiaries, as the case may be.

"Non-U.S. Person" means a Person who is not a U.S. Person.

"Notes" has the meaning assigned to it in the preamble to this Indenture.

"Obligations" means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

"Officer" means, with respect to any Person, the Chairman of the Board, the Chief Executive Officer, the President, the Chief Operating Officer, the Chief Financial Officer, the Treasurer, any Assistant Treasurer, the Controller, the Secretary or any Vice-President of such Person.

"Officers' Certificate" means a certificate signed on behalf of the Company, Charter Capital or the Guarantor, as the case may be, by two Officers of the Company, Charter Capital or the Guarantor, as the case may be, one of whom must be the principal executive officer, the chief financial officer or the treasurer of the Company, Charter Capital or the Guarantor, as the case may be, that meets the requirements of Section 12.05.

"Opinion of Counsel" means an opinion from legal counsel who is reasonably acceptable to the Trustee, that meets the requirements of Section 12.05. The counsel may be an employee of or counsel to the Issuers, the Guarantor, any Subsidiary of the Issuers or the Guarantor or the Trustee.

"Other Notes" means the 8.25% Senior Notes due 2007 of the Issuers in an aggregate principal amount not to exceed the principal amount issued on the Issue Date, and the 8.625% Senior Notes due 2009 of the Issuers in an aggregate principal amount not to exceed the principal amount issued on the Issue Date.

"Participant" means, with respect to the Depositary, Euroclear or Cedel, a Person who has an account with the Depositary, Euroclear or Cedel, respectively (and, with respect to DTC, shall include Euroclear and Cedel).

"Permitted Investments" means:

(1) any Investment by the Company in a Restricted Subsidiary of the Company, or any Investment by the Guarantor in a Restricted Subsidiary of the Guarantor, the Company or a Restricted Subsidiary of the Company, or any Investment by a Restricted Subsidiary of the Company or the Guarantor in the Company;

(2) any Investment in Cash Equivalents;

(3) any Investment by the Company or any Restricted Subsidiary of the Company in a Person, if as a result of such Investment:

(a) such Person becomes a Restricted Subsidiary of the Company; or

(b) such Person is merged or consolidated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Company or a Restricted Subsidiary of the Company;

(4) any Investment by the Guarantor or any Restricted Subsidiary of the Guarantor in a Person, if as a result of such Investment:

(a) such Person becomes a Restricted Subsidiary of the Guarantor; 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, the Guarantor or a Restricted Subsidiary of the Guarantor;

(5) 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 Section 4.11;

(6) Investment made out of the net cash proceeds of the issue and sale (other than to a Subsidiary of the Company or the Guarantor) of Equity Interests (other than Disqualified Stock) of the Company or the Guarantor to the extent that such net cash proceeds have not been applied to make a Restricted Payment or to effect other transactions pursuant to Section 4.07 or to the extent such net cash proceeds have not been used to incur Indebtedness pursuant to clause (10) of Section 4.10;

(7) 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 in value), when taken together with all other Investments made pursuant to this clause (7) since the Issue Date, not to exceed $150 million; provided that either the Company or any of its Restricted Subsidiaries or the Guarantor or any of its Restricted Subsidiaries, after giving effect to such Investments, will own at least 20% of the Voting Stock of such Person;

(8) 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 (8) since the date of this Indenture, not to exceed $50 million;

(9) 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

(10) the Company's investment in the Guarantor, as outstanding on the Issue Date.

"Permitted Liens" means:

(1) Liens on the assets of the Company or the Guarantor securing Indebtedness and other Obligations under clause (1) of Section 4.10;

(2) Liens in favor of the Company and the Guarantor and Liens on the assets of any Restricted Subsidiary of the Company or the Guarantor in favor of any other Restricted Subsidiary of the Company or the Guarantor;

(3) Liens on property of a Person existing at the time such Person is merged with or into or consolidated with the Company or the Guarantor; 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 the Company or the Guarantor;

(4) Liens on property existing at the time of acquisition thereof by the Company or the Guarantor; 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 Capital Lease Obligations) incurred by the Company or the Guarantor upon any fixed or capital assets acquired after the Issue Date or purchase money mortgages (including without limitation Capital 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 (i) such mortgage or lien does not extend to or cover any of the assets of the Company or the Guarantor, 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 (ii) 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 Capital Lease Obligation) only;

(7) Liens existing on the date of this Indenture (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 the Company or the Guarantor or any of their 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 the Company, the Guarantor or any of their 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 the Company, the Guarantor or any of their respective 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 the Company or the Guarantor, 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 this Indenture and in the indentures relating to the Other Notes, in each case under Section 7.07; and

(23) Liens in favor of the Trustee for its benefit and the benefit of the Holders and the holders of the Other Notes, as their respective interests appear.

"Permitted Refinancing Indebtedness" means any Indebtedness of the Company or any of its Restricted Subsidiaries, or the Guarantor or any of its Restricted Subsidiaries, as the case may be, issued in exchange for, or the net proceeds of which are used to extend, refinance, renew, replace, defease or refund, other Indebtedness of the Company or any of its Restricted Subsidiaries, or the Guarantor or any of its Restricted Subsidiaries, respectively (other than intercompany Indebtedness); provided that unless permitted otherwise by this Indenture, no Indebtedness of the Company or any of its Restricted Subsidiaries, or the Guarantor or any of its Restricted Subsidiaries, may be issued in exchange for, or the net proceeds of which are used to extend, refinance, renew, replace, defease or refund Indebtedness of the Guarantor or any of its Restricted Subsidiaries, or the Company or any of its Restricted Subsidiaries, respectively; 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 or the Guarantee, 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 or the Guarantee, as the case may be, 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 the Company or by any of its Restricted Subsidiaries or the Guarantor 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.

"Pledge Documents" means, collectively, this Indenture and all pledge agreements or other instruments evidencing or creating any security interests in favor of the Trustee in all or any portion of the Collateral, in each case as amended, supplemented or modified from time to time in accordance with their terms and the terms of this Indenture.

"Principal" means Paul G. Allen.

"Private Placement Legend" means the legend set forth in Section 2.06(g)(i)(A) to be placed on all Notes issued under this Indenture except where otherwise permitted by the provisions of this Indenture.

"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.

"QIB" means a "qualified institutional buyer" as defined in Rule 144A.

"Qualified Capital Stock" means any Capital Stock that is not Disqualified Stock.

"Rating Agencies" means Moody's and S&P.

"Registration Rights Agreement" means the Exchange and Registration Rights Agreement dated as of the Issue Date among the Issuers, the Guarantor and the initial purchasers named therein with respect to the Notes issued on the Issue Date.

"Regulation S" means Regulation S promulgated under the Securities Act.

"Regulation S Global Note" means a global Note bearing the Private Placement Legend and deposited with or on behalf of the Depositary and registered in the name of the Depositary or its nominee, issued in an initial denomination equal to the outstanding principal amount at maturity of the Notes initially sold in reliance on Rule 903 of Regulation S.

"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).

"Responsible Officer," when used with respect to the Trustee, means any officer within the Corporate Trust Administration of the Trustee (or any successor group of the Trustee) with

direct responsibility for the administration of this Indenture and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

"Restricted Definitive Note" means a Definitive Note bearing the Private Placement Legend.

"Restricted Global Note" means a Global Note bearing the Private Placement Legend.

"Restricted Investment" means an Investment other than a Permitted Investment.

"Restricted Subsidiary" of a Person means any Subsidiary of the referent Person that is not an Unrestricted Subsidiary.

"Rule 144" means Rule 144 promulgated under the Securities Act.

"Rule 144A" means Rule 144A promulgated under the Securities Act.

"Rule 903" means Rule 903 promulgated under the Securities Act.

"Rule 904" means Rule 904 promulgated the Securities Act.

"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.

"Securities Act" means the Securities Act of 1933, as amended.

"Shelf Registration Statement" means the Shelf Registration Statement as defined in the Registration Rights Agreement.

"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 Exchange Act.

"Special Interest" has the meaning set forth in the Registration Rights Agreement.

"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.

"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).

"Tax" shall mean any tax, duty, levy, impost, assessment or other governmental charge (including penalties, interest and any other liabilities related thereto).

"TIA" means the Trust Indenture Act of 1939 (15 U.S.C. ss.ss. 77aaa-77bbbb) as in effect on the date on which this Indenture is qualified under the TIA; provided, however, that in the event the Trust Indenture Act of 1939 is amended after such date, then "TIA" means, to the extent required by such amendment, the Trust Indenture Act of 1939 as so amended.

"Trustee" means Harris Trust and Savings Bank until a successor replaces Harris Trust and Savings Bank in accordance with the applicable provisions of this Indenture and thereafter means the successor serving hereunder.

"Unrestricted Definitive Note" means one or more Definitive Notes that do not bear and are not required to bear the Private Placement Legend.

"Unrestricted Global Note" means a permanent global Note substantially in the form of Exhibit A attached hereto that bears the Global Note Legend and that has the "Schedule of Exchanges of Interests in the Global Note" attached thereto, and that is deposited with or on behalf of and registered in the name of the Depositary, representing a series of Notes that do not bear the Private Placement Legend.

"Unrestricted Subsidiary" means any Subsidiary of the Company or the Guarantor 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 the Company or any Restricted Subsidiary of the Company or the Guarantor or any Restricted Subsidiary of the Guarantor unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to the Company or any Restricted Subsidiary or the Guarantor or any Restricted Subsidiary of the Guarantor than those that might be obtained at the time from Persons who are not Affiliates of the Company or the Guarantor unless such terms constitute Investments permitted by the covenant described above under Section 4.08;

(3) is a Person with respect to which neither the Company nor any of its Restricted Subsidiaries, nor the Guarantor 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 the Company or any of its Restricted Subsidiaries or the Guarantor 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 the Company or any of its Restricted Subsidiaries, or of the Guarantor 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, or of the Guarantor or any of its Restricted Subsidiaries.

"U.S. Person" means a U.S. person as defined in Rule 902(o) under the Securities Act.

"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.

Section 1.02. Other Definitions.

Term	Defined in Section
"Affiliate Transaction"	4.13
"Asset Sale Offer"	3.09
"Authentication Order"	2.02
"Change of Control Offer"	4.16

Term	Defined in Section
"Change of Control Payment"	4.16
"Change of Control Payment Date"	4.16
"Covenant Defeasance"	8.01
"DTC"	2.03
"Event of Default"	6.01
"Excess Proceeds"	4.12
"incur"	4.09
"Legal Defeasance"	8.01
"Offer Period"	3.09
"Paying Agent"	2.03
"Payment Default"	6.01
"Permitted Debt"	4.10
"Preferred Stock Financing"	4.10
"Purchase Date"	3.09
"Registrar"	2.03
"Restricted Payments"	4.07
"Subordinated Debt Financing"	4.10
"Subordinated Notes"	4.10
"Subsidiary Guarantee"	4.17
"Suspended Covenants"	4.19

Section 1.03. Incorporation by Reference of Trust Indenture Act.

Whenever this Indenture refers to a provision of the TIA, the provision is incorporated by reference in and made a part of this Indenture.

The following TIA terms used in this Indenture have the following meanings:

"indenture securities" means the Notes;

"indenture security Holder" means a Holder of a Note;

"indenture to be qualified" means this Indenture;

"indenture trustee" or "institutional trustee" means the Trustee; and

"obligor" on the Notes means the Issuers and any successor obligor upon the Notes.

All other terms used in this Indenture that are defined by the TIA, defined by TIA reference to another statute or defined by SEC rule under the TIA have the meanings so assigned to them.

Section 1.04. Rules of Construction.

Unless the context otherwise requires:

(a) a term has the meaning assigned to it;

(b) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;

(c) "or" is not exclusive;

(d) words in the singular include the plural, and in the plural include the singular;

(e) provisions apply to successive events and transactions;

(f) references to sections of or rules under the Securities Act shall be deemed to include substitute, replacement of successor sections or rules adopted by the SEC from time to time;

(g) references to any statute, law, rule or regulation shall be deemed to refer to the same as from time to time amended and in effect and to any successor statute, law, rule or regulation; and

(h) references to any contract, agreement or instrument shall mean the same as amended, modified, supplemented or amended and restated from time to time, in each case, in accordance with any applicable restrictions contained in this Indenture.

ARTICLE 2
THE NOTES

Section 2.01. Form and Dating.

(a) General. The Notes and the Trustee's certificate of authentication shall be substantially in the form of Exhibit A hereto. The Notes may have notations, legends or endorsements required by law, stock exchange rule or usage. Each Note shall be dated the date of its authentication. The Notes shall be in denominations of $1,000 principal amount at maturity and integral multiples thereof.

The terms and provisions contained in the Notes shall constitute, and are hereby expressly made, a part of this Indenture and the Issuers and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby. However, to the extent any provision of any Note conflicts with the express provisions of this Indenture, the provisions of this Indenture shall govern and be controlling.

(b) Global Notes. Notes issued in global form shall be substantially in the form of Exhibit A attached hereto (including the Global Note Legend thereon and the "Schedule of Exchanges of Interests in the Global Note" attached thereto). Notes issued in definitive form shall be substantially in the form of Exhibit A attached hereto (but without the Global Note Legend thereon and without the "Schedule of Exchanges of Interests in the Global Note" attached thereto). Each Global Note shall represent such of the outstanding Notes as shall be specified therein and each shall provide that it shall represent the aggregate principal amount at maturity of outstanding Notes from time to time endorsed thereon and that the aggregate principal amount at maturity of outstanding Notes represented thereby may from time to time be reduced or increased, as appropriate, to reflect exchanges and redemptions. Any endorsement of a Global Note to reflect the amount of any increase or decrease in the aggregate principal amount at maturity of outstanding Notes represented thereby shall be made by the Trustee or the custodian, at the direction of the Trustee, in accordance with instructions given by the Holder thereof as required by Section 2.06.

(c) Euroclear and Cedel Procedures Applicable. The provisions of the "Operating Procedures of the Euroclear System" and "Terms and Conditions Governing Use of Euroclear" and the "General Terms and Conditions of Cedel Bank" and "Customer Handbook" of Cedel Bank shall be applicable to transfers of beneficial interests in the Regulation S Global Notes that are held by Participants through Euroclear or Cedel Bank.

Section 2.02. Execution and Authentication.

Two Officers shall sign the Notes for each Issuer by manual or facsimile signature. The Guarantor shall execute the Guarantee in the manner set forth in Article 10.

If an Officer whose signature is on a Note no longer holds that office at the time a Note is authenticated, the Note shall nevertheless be valid.

A Note shall not be valid until authenticated by the manual signature of the Trustee. The signature shall be conclusive evidence that the Note has been authenticated under this Indenture.

The Trustee shall, upon a written order of the Issuers signed by an Officer of each of the Issuers (an "Authentication Order"), authenticate Notes for original issue in the aggregate principal amount at maturity of $1,475,000,000. The aggregate principal amount at maturity of Notes outstanding at any time may not exceed such amount except as provided in Section 2.07. On the Issue Date, the Issuers will issue $1,475,000,000 aggregate principal amount at maturity of Notes.

The Trustee may appoint an authenticating agent acceptable to the Issuers to authenticate Notes. An authenticating agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An authenticating agent has the same rights as an Agent to deal with Holders or an Affiliate of the Issuers.

Section 2.03. Registrar and Paying Agent.

The Issuers shall maintain an office or agency where Notes may be presented for registration of transfer or for exchange ("Registrar") and an office or agency where Notes may be pre-

sented for payment ("Paying Agent"). The Registrar shall keep a register of the Notes and of their transfer and exchange. The Issuers may appoint one or more co-registrars and one or more additional paying agents. The term "Registrar" includes any co-registrar and the term "Paying Agent" includes any additional paying agent. The Issuers may change any Paying Agent or Registrar without notice to any Holder. The Issuers shall notify the Trustee in writing of the name and address of any Agent not a party to this Indenture. If the Issuers fail to appoint or maintain another entity as Registrar or Paying Agent, the Trustee shall act as such. The Issuers or any of their Subsidiaries may act as Paying Agent or Registrar.

The Issuers initially appoint The Depository Trust Company ("DTC") to act as Depositary with respect to the Global Notes.

The Issuers initially appoint the Trustee to act as the Registrar and Paying Agent and to act as Custodian with respect to the Global Notes.

Section 2.04. Paying Agent to Hold Money in Trust.

The Issuers shall require each Paying Agent other than the Trustee to agree in writing that the Paying Agent shall hold in trust for the benefit of Holders or the Trustee all money held by the Paying Agent for the payment of Accreted Value, premium, if any, or interest on the Notes, and shall notify the Trustee of any default by the Issuers in making any such payment. While any such default continues, the Trustee may require a Paying Agent to pay all money held by it to the Trustee. The Issuers at any time may require a Paying Agent to pay all money held by it to the Trustee. Upon payment over to the Trustee, the Paying Agent (if other than the Issuers or a Subsidiary) shall have no further liability for the money. If the Issuers or a Subsidiary acts as Paying Agent, it shall segregate and hold in a separate trust fund for the benefit of the Holders all money held by it as Paying Agent. Upon any bankruptcy or reorganization proceedings relating to the Issuers, the Trustee shall serve as Paying Agent for the Notes.

Section 2.05. Holder Lists.

The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of all Holders and shall otherwise comply with TIA ss. 312(a). If the Trustee is not the Registrar, the Issuers shall furnish to the Trustee at least seven Business Days before each interest payment date and at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of the Holders of Notes and the Issuers shall otherwise comply with TIA ss. 312(a).

Section 2.06. Transfer and Exchange.

(a) Transfer and Exchange of Global Notes. A Global Note may not be transferred as a whole except by the Depositary to a nominee of the Depositary, by a nominee of the Depositary to the Depositary or to another nominee of the Depositary, or by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary. All Global Notes shall be exchanged by the Company for Definitive Notes if:

(i) the Issuers deliver to the Trustee notice from the Depositary that it is unwilling or unable to continue to act as Depositary or that it is no longer a clearing agency registered under the Exchange Act and, in either case, a successor Depositary is not appointed by the Issuers within 120 days after the date of such notice from the Depositary; or

(ii) the Issuers in their sole discretion determine that the Global Notes (in whole but not in part) should be exchanged for Definitive Notes and deliver a written notice to such effect to the Trustee; or

(iii) there shall have occurred and be continuing a Default or Event of Default with respect to the Notes.

Upon the occurrence of any of the preceding events in (i), (ii) or (iii) above, Definitive Notes shall be issued in such names as the Depositary shall instruct the Trustee. Global Notes also may be exchanged or replaced, in whole or in part, as provided in Sections 2.07 and 2.10. Every Note authenticated and delivered in exchange for, or in lieu of, a Global Note or any portion thereof, pursuant to this Section 2.06 or Section 2.07 or 2.10, shall be authenticated and delivered in the form of, and shall be, a Global Note. A Global Note may not be exchanged for another Note other than as provided in this Section 2.06(a); however, beneficial interests in a Global Note may be transferred and exchanged as provided in Section 2.06(b), (c) or (f).

(b) Transfer and Exchange of Beneficial Interests in the Global Notes. The transfer and exchange of beneficial interests in the Global Notes shall be effected through the Depositary, in accordance with the provisions of this Indenture and the Applicable Procedures. Beneficial interests in the Restricted Global Notes shall be subject to restrictions on transfer comparable to those set forth herein to the extent required by the Securities Act. Transfers of beneficial interests in the Global Notes also shall require compliance with either subparagraph (i) or (ii) below, as applicable, as well as one or more of the other following subparagraphs, as applicable:

(i) Transfer of Beneficial Interests in the Same Global Note. Beneficial interests in any Restricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in the same Restricted Global Note in accordance with the transfer restrictions set forth in the Private Placement Legend. Beneficial interests in any Unrestricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note. No written orders or instructions shall be required to be delivered to the Registrar to effect the transfers described in this Section 2.06(b)(i).

(ii) All Other Transfers and Exchanges of Beneficial Interests in Global Notes. In connection with all transfers and exchanges of beneficial interests that are not subject to Section 2.06(b)(i) above, the transferor of such beneficial interest must deliver to the Registrar either:

(A)(1) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary

to credit or cause to be credited a beneficial interest in another Global Note in an amount equal to the beneficial interest to be transferred or exchanged; and

(A)(2) instructions given in accordance with the Applicable Procedures containing information regarding the Participant account to be credited with such increase; or

(B)(1) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to cause to be issued a Definitive Note in an amount equal to the beneficial interest to be transferred or exchanged; and

(B)(2) instructions given by the Depositary to the Registrar containing information regarding the Person in whose name such Definitive Note shall be registered to effect the transfer or exchange referred to in (1) above.

Upon consummation of an Exchange Offer by the Issuers in accordance with Section 2.06(f), the requirements of this Section 2.06(b)(ii) shall be deemed to have been satisfied upon receipt by the Registrar of the instructions contained in the Letter of Transmittal delivered by the holder of such beneficial interests in the Restricted Global Notes. Upon satisfaction of all of the requirements for transfer or exchange of beneficial interests in Global Notes contained in this Indenture and the Notes or otherwise applicable under the Securities Act, the Trustee shall adjust the principal amount at maturity of the relevant Global Note(s) pursuant to Section 2.06(h).

(iii) Transfer of Beneficial Interests to Another Restricted Global Note. A beneficial interest in any Restricted Global Note may be transferred to a Person who takes delivery thereof in the form of a beneficial interest in another Restricted Global Note if the transfer complies with the requirements of Section 2.06(b)(ii) above and the Registrar receives the following:

(A) if the transferee will take delivery in the form of a beneficial interest in the 144A Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (1) thereof; and

(B) if the transferee will take delivery in the form of a beneficial interest in the Regulation S Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof.

(iv) Transfer and Exchange of Beneficial Interests in a Restricted Global Note for Beneficial Interests in the Unrestricted Global Note. A beneficial interest in any Restricted Global Note may be exchanged by any holder thereof for a beneficial interest in an Unrestricted Global Note or transferred to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note if the exchange or transfer complies with the requirements of Section 2.06(b)(ii) above and:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and the holder of the beneficial interest to be transferred, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that it is not (1) a broker-dealer, (2) a Person participating in the distribution of the Exchange Notes or (3) a Person who is an affiliate (as defined in Rule 144) of the Issuers;

(B) such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement;

(C) such transfer is effected by a broker-dealer pursuant to the Exchange Registration Statement in accordance with the Registration Rights Agreement; or

(D) the Registrar receives the following:

(1) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a beneficial interest in an Unrestricted Global Note, a certificate from such holder in the form of Exhibit C hereto, including the certifications in item (1)(a) thereof; or

(2) if the holder of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note, a certificate from such holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (D), if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

If any such transfer is effected pursuant to subparagraph (B) or (D) above at a time when an Unrestricted Global Note has not yet been issued, the Issuers shall issue (and, in the case of the Guarantee, the Guarantor shall issue) and, upon receipt of an Authentication Order in accordance with Section 2.02, the Trustee shall authenticate one or more Unrestricted Global Notes (with corresponding Guarantees) in an aggregate principal amount at maturity equal to the aggregate principal amount at maturity of beneficial interests transferred pursuant to subparagraph (B) or (D) above.

Beneficial interests in an Unrestricted Global Note cannot be exchanged for, or transferred to Persons who take delivery thereof in the form of, a beneficial interest in a Restricted Global Note.

(c) Transfer or Exchange of Beneficial Interests for Definitive Notes.

(i) Beneficial Interests in Restricted Global Notes to Restricted Definitive Notes. If any holder of a beneficial interest in a Restricted Global Note proposes to exchange such

beneficial interest for a Restricted Definitive Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Restricted Definitive Note, then, upon receipt by the Registrar of the following documentation:

(A) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Restricted Definitive Note, a certificate from such holder in the form of Exhibit C hereto, including the certifications in item (2)(a) thereof;

(B) if such beneficial interest is being transferred to a QIB in accordance with Rule 144A under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (1) thereof;

(C) if such beneficial interest is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (2) thereof;

(D) if such beneficial interest is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144 under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(a) thereof;

(E) if such beneficial interest is being transferred to an Institutional Accredited Investor in reliance on an exemption from the registration requirements of the Securities Act other than those listed in subparagraphs (B) through (D) above, a certificate to the effect set forth in Exhibit B hereto, including the certifications, certificates and Opinion of Counsel required by item (3) thereof, if applicable;

(F) if such beneficial interest is being transferred to the Issuers or any of their Subsidiaries, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(b) thereof; or

(G) if such beneficial interest is being transferred pursuant to an effective registration statement under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(c) thereof,

the Trustee shall cause the aggregate principal amount at maturity of the applicable Global Note to be reduced accordingly pursuant to Section 2.06(h), and the Issuers shall execute (and, in the case of the Guarantee, the Guarantor shall execute) and the Trustee shall authenticate and deliver to the Person designated in the instructions a Definitive Note (with its corresponding Guarantee) in the appropriate principal amount. Any Definitive Note issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this Section 2.06(c) shall be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest shall instruct the Registrar through instructions from the Depositary and the Participant or Indirect Participant. The Trustee shall deliver such

Definitive Notes to the Persons in whose names such Notes are so registered. Any Definitive Note issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this Section 2.06(c)(i) shall bear the Private Placement Legend and shall be subject to all restrictions on transfer contained therein.

(ii) Beneficial Interests in Restricted Global Notes to Unrestricted Definitive Notes. A holder of a beneficial interest in a Restricted Global Note may exchange such beneficial interest for an Unrestricted Definitive Note or may transfer such beneficial interest to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note only if:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and the holder of such beneficial interest, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that it is not (1) a broker-dealer, (2) a Person participating in the distribution of the Exchange Notes or (3) a Person who is an affiliate (as defined in Rule 144) of the Issuers;

(B) such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement;

(C) such transfer is effected by a broker-dealer pursuant to the Exchange Registration Statement in accordance with the Registration Rights Agreement; or

(D) the Registrar receives the following:

(1) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Definitive Note that does not bear the Private Placement Legend, a certificate from such holder in the form of Exhibit C hereto, including the certifications in item (1)(b) thereof; or

(2) if the holder of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a Definitive Note that does not bear the Private Placement Legend, a certificate from such holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (D), if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(iii) Beneficial Interests in Unrestricted Global Notes to Unrestricted Definitive Notes. If any holder of a beneficial interest in an Unrestricted Global Note proposes to exchange such beneficial interest for a Definitive Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Definitive Note, then, upon satisfaction of

the conditions set forth in Section 2.06(b)(ii), the Trustee shall cause the aggregate principal amount at maturity of the applicable Global Note to be reduced accordingly pursuant to Section 2.06(h), and the Issuers shall execute (and, in the case of the Guarantee, the Guarantor shall execute) and the Trustee shall authenticate and deliver to the Person designated in the instructions a Definitive Note (with its corresponding Guarantee) in the appropriate principal amount. Any Definitive Note issued in exchange for a beneficial interest pursuant to this Section 2.06(c)(iii) shall be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest shall instruct the Registrar through instructions from the Depositary and the Participant or Indirect Participant. The Trustee shall deliver such Definitive Notes to the Persons in whose names such Notes are so registered. Any Definitive Note issued in exchange for a beneficial interest pursuant to this Section 2.06(c)(iii) shall not bear the Private Placement Legend.

(d) Transfer and Exchange of Definitive Notes for Beneficial Interests in Global Notes.

(i) Restricted Definitive Notes to Beneficial Interests in Restricted Global Notes. If any Holder of a Restricted Definitive Note proposes to exchange such Note for a beneficial interest in a Restricted Global Note or to transfer such Restricted Definitive Notes to a Person who takes delivery thereof in the form of a beneficial interest in a Restricted Global Note, then, upon receipt by the Registrar of the following documentation:

(A) if the Holder of such Restricted Definitive Note proposes to exchange such Note for a beneficial interest in a Restricted Global Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (2)(b) thereof;

(B) if such Restricted Definitive Note is being transferred to a QIB in accordance with Rule 144A under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (1) thereof;

(C) if such Restricted Definitive Note is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (2) thereof;

(D) if such Restricted Definitive Note is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144 under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(a) thereof;

(E) if such Restricted Definitive Note is being transferred to an Institutional Accredited Investor in reliance on an exemption from the registration requirements of the Securities Act other than those listed in subparagraphs (B) through (D) above, a certificate to the effect set forth in Exhibit B hereto, including the certifications, certificates and Opinion of Counsel required by item (3) thereof, if applicable;

(F) if such Restricted Definitive Note is being transferred to the Company or any of its Subsidiaries, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(b) thereof; or

(G) if such Restricted Definitive Note is being transferred pursuant to an effective registration statement under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(c) thereof,

the Trustee shall cancel the Restricted Definitive Note, increase or cause to be increased the aggregate principal amount at maturity of, in the case of clause (A) above, the appropriate Restricted Global Note, in the case of clause (B) above, the 144A Global Note, in the case of clause (C) above, the Regulation S Global Note.

(ii) Restricted Definitive Notes to Beneficial Interests in Unrestricted Global Notes. A Holder of a Restricted Definitive Note may exchange such Note for a beneficial interest in an Unrestricted Global Note or transfer such Restricted Definitive Note to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note only if:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and the Holder, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that it is not (1) a broker-dealer, (2) a Person participating in the distribution of the Exchange Notes or (3) a Person who is an affiliate (as defined in Rule 144) of the Issuers;

(B) such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement;

(C) such transfer is effected by a broker-dealer pursuant to the Exchange Registration Statement in accordance with the Registration Rights Agreement; or

(D) the Registrar receives the following:

(1) if the Holder of such Definitive Notes proposes to exchange such Notes for a beneficial interest in the Unrestricted Global Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (1)(c) thereof; or

(2) if the Holder of such Definitive Notes proposes to transfer such Notes to a Person who shall take delivery thereof in the form of a beneficial interest in the Unrestricted Global Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (D), if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act

and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

Upon satisfaction of the conditions of any of the subparagraphs in this Section 2.06(d)(ii), the Trustee shall cancel the Definitive Notes and increase or cause to be increased the aggregate principal amount at maturity of the Unrestricted Global Note.

(iii) Unrestricted Definitive Notes to Beneficial Interests in Unrestricted Global Notes. A Holder of an Unrestricted Definitive Note may exchange such Note for a beneficial interest in an Unrestricted Global Note or transfer such Definitive Notes to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note at any time. Upon receipt of a request for such an exchange or transfer, the Trustee shall cancel the applicable Unrestricted Definitive Note and increase or cause to be increased the aggregate principal amount at maturity of one of the Unrestricted Global Notes.

If any such exchange or transfer from a Definitive Note to a beneficial interest is effected pursuant to subparagraphs (ii)(B), (ii)(D) or (iii) above at a time when an Unrestricted Global Note has not yet been issued, the Issuers shall issue (and, in the case of the Guarantee, the Guarantor shall issue) and, upon receipt of an Authentication Order in accordance with Section 2.02, the Trustee shall authenticate one or more Unrestricted Global Notes (with corresponding Guarantees) in an aggregate principal amount at maturity equal to the principal amount at maturity of Definitive Notes so transferred.

(e) Transfer and Exchange of Definitive Notes for Definitive Notes. Upon request by a Holder of Definitive Notes and such Holder's compliance with the provisions of this Section 2.06(e), the Registrar shall register the transfer or exchange of Definitive Notes. Prior to such registration of transfer or exchange, the requesting Holder shall present or surrender to the Registrar the Definitive Notes duly endorsed or accompanied by a written instruction of transfer in form satisfactory to the Registrar duly executed by such Holder or by its attorney, duly authorized in writing. In addition, the requesting Holder shall provide any additional certifications, documents and information, as applicable, required pursuant to the following provisions of this Section 2.06(e).

(i) Restricted Definitive Notes to Restricted Definitive Notes. Any Restricted Definitive Note may be transferred to and registered in the name of Persons who take delivery thereof in the form of a Restricted Definitive Note if the Registrar receives the following:

(A) if the transfer will be made pursuant to Rule 144A under the Securities Act, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (1) thereof;

(B) if the transfer will be made pursuant to Rule 903 or Rule 904, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof; and

(C) if the transfer will be made pursuant to any other exemption from the registration requirements of the Securities Act, then the transferor must deliver a cer-

tificate in the form of Exhibit B hereto, including the certifications, certificates and Opinion of Counsel required by item (3) thereof, if applicable.

(ii) Restricted Definitive Notes to Unrestricted Definitive Notes. Any Restricted Definitive Note may be exchanged by the Holder thereof for an Unrestricted Definitive Note or transferred to a Person or Persons who take delivery thereof in the form of an Unrestricted Definitive Note if:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and the Holder, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that it is not (1) a broker-dealer, (2) a Person participating in the distribution of the Exchange Notes or (3) a Person who is an affiliate (as defined in Rule 144) of the Issuers;

(B) any such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement;

(C) any such transfer is effected by a broker-dealer pursuant to the Exchange Registration Statement in accordance with the Registration Rights Agreement; or

(D) the Registrar receives the following:

(1) if the Holder of such Restricted Definitive Notes proposes to exchange such Notes for an Unrestricted Definitive Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (1)(d) thereof; or

(2) if the Holder of such Restricted Definitive Notes proposes to transfer such Notes to a Person who shall take delivery thereof in the form of an Unrestricted Definitive Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (D), if the Registrar so requests, an Opinion of Counsel in form reasonably acceptable to the Issuers to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(iii) Unrestricted Definitive Notes to Unrestricted Definitive Notes. A Holder of Unrestricted Definitive Notes may transfer such Notes to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note. Upon receipt of a request to register such a transfer, the Registrar shall register the Unrestricted Definitive Notes pursuant to the instructions from the Holder thereof.

(f) Exchange Offer. Upon the occurrence of the Exchange Offer in accordance with the Registration Rights Agreement the Issuers shall issue and, upon receipt of an Authentication Order in accordance with Section 2.02, the Trustee shall authenticate (i) one or more Unrestricted Global Notes in an aggregate principal amount at maturity equal to the principal amount at maturity of the beneficial interests in the Restricted Global Notes tendered for acceptance by Persons that certify in the applicable Letters of Transmittal that (x) they are not broker-dealers, (y) they are not participating in a distribution of the Exchange Notes and (z) they are not affiliates (as defined in Rule 144) of the Issuers, and accepted for exchange in the Exchange Offer and (ii) Definitive Notes in an aggregate principal amount at maturity equal to the principal amount at maturity of the Restricted Definitive Notes accepted for exchange in the Exchange Offer. Concurrently with the issuance of such Notes, the Trustee shall cause the aggregate principal amount at maturity of the applicable Restricted Global Notes to be reduced accordingly, and the Issuers shall execute and the Trustee shall authenticate and deliver to the Persons designated by the Holders of Definitive Notes so accepted Definitive Notes in the appropriate principal amount.

(g) Legends. The following legends shall appear on the face of all Global Notes and Definitive Notes issued under this Indenture unless specifically stated otherwise in the applicable provisions of this Indenture.

(i) Private Placement Legend.

(A) Except as permitted by subparagraph (B) below, each Global Note and each Definitive Note (and all Notes issued in exchange therefor or substitution thereof) shall bear the legend in substantially the following form:

"THE NOTES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933 (THE "SECURITIES ACT") AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A)(1) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (3) TO AN INSTITUTIONAL ACCREDITED INVESTOR IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, (4) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES."

(B) Notwithstanding the foregoing, any Global Note or Definitive Note issued pursuant to subparagraphs (b)(iv), (c)(ii), (c)(iii), (d)(ii), (d)(iii), (e)(ii), (e)(iii)

or (f) to this Section 2.06 (and all Notes issued in exchange therefor or substitution thereof) shall not bear the Private Placement Legend.

(ii) Global Note Legend. Each Global Note shall bear a legend in substantially the following form:

"THIS GLOBAL NOTE IS HELD BY THE DEPOSITARY (AS DEFINED IN THE INDENTURE GOVERNING THIS NOTE) OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (I) THE TRUSTEE MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED PURSUANT TO SECTION 2.07 OF THE INDENTURE, (II) THIS GLOBAL NOTE MAY BE EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO SECTION 2.06(a) OF THE INDENTURE, (III) THIS GLOBAL NOTE MAY BE DELIVERED TO THE TRUSTEE FOR CANCELLATION PURSUANT TO SECTION 2.11 OF THE INDENTURE AND (III) THIS GLOBAL NOTE MAY BE TRANSFERRED TO A SUCCESSOR DEPOSITARY WITH THE PRIOR WRITTEN CONSENT OF THE ISSUERS."

(h) Cancellation and/or Adjustment of Global Notes. At such time as all beneficial interests in a particular Global Note have been exchanged for Definitive Notes or a particular Global Note has been redeemed, repurchased or canceled in whole and not in part, each such Global Note shall be returned to or retained and canceled by the Trustee in accordance with Section 2.11. At any time prior to such cancellation, if any beneficial interest in a Global Note is exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note or for Definitive Notes, the principal amount at maturity of Notes represented by such Global Note shall be reduced accordingly and an endorsement shall be made on such Global Note by the Trustee or by the Depositary at the direction of the Trustee to reflect such reduction; and if the beneficial interest is being exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note, such other Global Note shall be increased accordingly and an endorsement shall be made on such Global Note by the Trustee or by the Depositary at the direction of the Trustee to reflect such increase.

(i) General Provisions Relating to Transfers and Exchanges.

(i) To permit registrations of transfers and exchanges, the Issuers shall execute (and in the case of the Guarantee, the Guarantor shall execute) and the Trustee shall authenticate Global Notes and Definitive Notes (each with corresponding Guarantees) upon the Issuers' order or at the Registrar's request.

(ii) No service charge shall be made to a holder of a beneficial interest in a Global Note or to a Holder of a Definitive Note for any registration of transfer or exchange, but the Issuers may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith (other than any such transfer taxes or similar governmental charge payable upon exchange or transfer pursuant to Sections 2.10, 3.06, 3.09, 4.11, 4.16 and 9.05).

(iii) The Registrar shall not be required to register the transfer of or exchange any Note selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part.

(iv) All Global Notes and Definitive Notes issued upon any registration of transfer or exchange of Global Notes or Definitive Notes shall be the valid obligations of the Issuers (and the Guarantor, in the case of the Guarantee), evidencing the same debt, and entitled to the same benefits under this Indenture, as the Global Notes or Definitive Notes (each with a corresponding Guarantee) surrendered upon such registration of transfer or exchange.

(v) The Issuers shall not be required (A) to issue, to register the transfer of or to exchange any Notes during a period beginning at the opening of business 15 days before the day of any selection of Notes for redemption under Section 3.02 and ending at the close of business on the day of selection, (B) to register the transfer of or to exchange any Note so selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part or (C) to register the transfer of or to exchange a Note between a record date and the next succeeding Interest Payment Date.

(vi) Prior to due presentment for the registration of a transfer of any Note, the Trustee, any Agent and the Issuers may deem and treat the Person in whose name any Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of and interest on such Notes and for all other purposes, and none of the Trustee, any Agent or the Issuers shall be affected by notice to the contrary.

(vii) The Trustee shall authenticate Global Notes and Definitive Notes in accordance with the provisions of Section 2.02.

(viii) All certifications, certificates and Opinions of Counsel required to be submitted to the Registrar pursuant to this Section 2.06 to effect a registration of transfer or exchange may be submitted by facsimile.

Section 2.07. Replacement Notes.

If any mutilated Note is surrendered to the Trustee or the Issuers and the Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Note, the Issuers shall issue (and, in the case of the Guarantee, the Guarantor shall issue) and the Trustee, upon receipt of an Authentication Order, shall authenticate a replacement Note (with a corresponding Guarantee) if the Trustee's requirements are met. If required by the Trustee or the Issuers, an indemnity bond must be supplied by the Holder that is sufficient in the judgment of the Trustee and the Issuers to protect the Issuers, the Trustee, any Agent and any authenticating agent from any loss that any of them may suffer if a Note is replaced. The Issuers may charge for their expenses in replacing a Note.

Every replacement Note (with corresponding Guarantee) is an additional obligation of the Issuers and the Guarantor and shall be entitled to all of the benefits of this Indenture equally and proportionately with all other Notes (with corresponding Guarantees) duly issued hereunder.

Section 2.08. Outstanding Notes.

The Notes outstanding at any time are all the Notes authenticated by the Trustee except for those canceled by it, those delivered to it for cancellation, those reductions in the interest in a Global Note effected by the Trustee in accordance with the provisions, and those described in this Section as not outstanding. Except as set forth in Section 2.09, a Note does not cease to be outstanding because either of the Issuers, the Guarantor or an Affiliate of the Issuers or the Guarantor holds the Note; however, Notes held by an Issuer, the Guarantor or a Subsidiary of an Issuer or the Guarantor shall not be deemed to be outstanding for purposes of Section 3.07(b).

If a Note is replaced pursuant to Section 2.07, it ceases to be outstanding unless the Trustee receives proof satisfactory to it that the replaced Note is held by a bona fide purchaser.

If the Accreted Value of any Note is considered paid under Section 4.01, it ceases to be outstanding and interest on it ceases to accrue.

If the Paying Agent (other than an Issuer, a Subsidiary or an Affiliate of any thereof) holds, on a redemption date or maturity date, money sufficient to pay Notes payable on that date, then on and after that date such Notes shall be deemed to be no longer outstanding and shall cease to accrue interest.

Section 2.09. Treasury Notes.

In determining whether the Holders of the required principal amount at maturity of Notes have concurred in any direction, waiver or consent, Notes owned by an Issuer, or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with an Issuer, shall be considered as though not outstanding, except that for the purposes of determining whether the Trustee shall be protected in relying on any such direction, waiver or consent, only Notes that a Responsible Officer of the Trustee knows are so owned shall be so disregarded.

Section 2.10. Temporary Notes.

Until certificates representing Notes are ready for delivery, the Issuers may prepare (and, in the case of the Guarantee, the Guarantor may prepare) and the Trustee, upon receipt of an Authentication Order, shall authenticate temporary Notes (with corresponding Guarantees). Temporary Notes shall be substantially in the form of certificated Notes but may have variations that the Issuers considers appropriate for temporary Notes and as shall be reasonably acceptable to the Trustee. Without unreasonable delay, the Issuers shall prepare (and, in the case of the Guarantee, the Guarantor shall prepare) and the Trustee shall authenticate definitive Notes (with corresponding Guarantees) in exchange for temporary Notes.

Holders of temporary Notes shall be entitled to all of the benefits of this Indenture.

Section 2.11. Cancellation.

The Issuers at any time may deliver Notes to the Trustee for cancellation. The Registrar and Paying Agent shall forward to the Trustee any Notes surrendered to them for registration of

transfer, exchange or payment. The Trustee and no one else shall cancel all Notes surrendered for registration of transfer, exchange, payment, replacement or cancellation and shall destroy canceled Notes. Certification of the destruction of all canceled Notes shall be delivered to the Issuers. The Issuers may not issue new Notes to replace Notes that they have paid or that have been delivered to the Trustee for cancellation.

Section 2.12. Defaulted Interest.

If the Issuers default in a payment of interest on the Notes, they shall pay the defaulted interest in any lawful manner plus, to the extent lawful, interest payable on the defaulted interest, to the Persons who are Holders on a subsequent special record date, in each case at the rate provided in the Notes and in Section 4.01. The Issuers shall notify the Trustee in writing of the amount of defaulted interest proposed to be paid on each Note and the date of the proposed payment. The Issuers shall fix or cause to be fixed each such special record date and payment date; provided that no such special record date shall be less than 10 days prior to the related payment date for such defaulted interest. At least 15 days before the special record date, the Issuers (or, upon the written request of the Issuers, the Trustee in the name and at the expense of the Issuers) shall mail or cause to be mailed to Holders a notice that states the special record date, the related payment date and the amount of such interest to be paid.

ARTICLE 3
REDEMPTION AND PREPAYMENT

Section 3.01. Notices to Trustee.

If the Issuers elect to redeem Notes pursuant to the optional redemption provisions of Section 3.07, it shall furnish to the Trustee, at least 30 days but not more than 60 days before a redemption date, an Officers' Certificate setting forth (i) the clause of this Indenture pursuant to which the redemption shall occur, (ii) the redemption date, (iii) the Accreted Value of Notes to be redeemed and (iv) the redemption price.

Section 3.02. Selection of Notes to Be Redeemed.

If less than all of the Notes are to be redeemed or purchased in an offer to purchase at any time, the Trustee shall select the Notes to be redeemed or purchased among the Holders of the Notes in compliance with the requirements of the principal national securities exchange, if any, on which the Notes are listed or, if the Notes are not so listed, on a pro rata basis, by lot or in accordance with any other method the Trustee considers fair and appropriate. In the event of partial redemption by lot, the particular Notes to be redeemed shall be selected, unless otherwise provided herein, not less than 30 nor more than 60 days prior to the redemption date by the Trustee from the outstanding Notes not previously called for redemption.

The Trustee shall promptly notify the Issuers in writing of the Notes selected for redemption and, in the case of any Note selected for partial redemption, the Accreted Value thereof to be redeemed. Notes and portions of Notes selected shall be in amounts of $1,000 principal amount at

maturity or whole multiples of $1,000 principal amount at maturity; except that if all of the Notes of a Holder are to be redeemed, the entire outstanding amount of Notes held by such Holder, even if not a multiple of $1,000 principal amount at maturity, shall be redeemed. Except as provided in the preceding sentence, provisions of this Indenture that apply to Notes called for redemption also apply to portions of Notes called for redemption.

Section 3.03. Notice of Redemption.

Subject to the provisions of Section 3.09, at least 30 days but not more than 60 days before a redemption date, the Issuers shall mail or cause to be mailed, by first class mail, a notice of redemption to each Holder whose Notes are to be redeemed at its registered address.

The notice shall identify the Notes to be redeemed and shall state:

(a) the redemption date;

(b) the redemption price;

(c) if any Note is being redeemed in part, the portion of the Accreted Value or the principal amount at maturity of such Note to be redeemed and that, after the redemption date upon surrender of such Note, a new Note or Notes in principal amount at maturity equal to the unredeemed portion shall be issued upon cancellation of the original Note;

(d) the name and address of the Paying Agent;

(e) that Notes called for redemption must be surrendered to the Paying Agent to collect the redemption price;

(f) that, unless the Issuers default in making such redemption payment, interest on Notes called for redemption ceases to accrue, or the Accreted Value on the Notes ceases to increase, as the case may be, on and after the redemption date;

(g) the paragraph of the Notes and/or Section of this Indenture pursuant to which the Notes called for redemption are being redeemed; and

(h) that no representation is made as to the correctness or accuracy of the CUSIP number, if any, listed in such notice or printed on the Notes.

At the Issuers' request, the Trustee shall give the notice of redemption in the Issuers' name and at their expense; provided, however, that each of the Issuers shall have delivered to the Trustee, at least 45 days prior to the redemption date, an Officers' Certificate requesting that the Trustee give such notice and setting forth the information to be stated in such notice as provided in the preceding paragraph.

Section 3.04. Effect of Notice of Redemption.

Once notice of redemption is mailed in accordance with Section 3.03, Notes called for redemption become irrevocably due and payable on the redemption date at the redemption price. A notice of redemption may not be conditional.

Section 3.05. Deposit of Redemption Price.

At or prior to 10:00 a.m., New York City time, on the redemption date, the Issuers shall deposit with the Trustee or with the Paying Agent money sufficient to pay the redemption price of and accrued interest on all Notes to be redeemed on that date. The Trustee or the Paying Agent shall promptly return to the Issuers any money deposited with the Trustee or the Paying Agent by the Issuers in excess of the amounts necessary to pay the redemption price of, and accrued interest on, all Notes to be redeemed.

If the Issuers comply with the provisions of the preceding paragraph, on and after the redemption date, interest shall cease to accrue on the Notes or the portions of Notes called for redemption. If a Note is redeemed on or after an interest record date but on or prior to the related interest payment date, then any accrued and unpaid interest shall be paid to the Person in whose name such Note was registered at the close of business on such record date. If any Note called for redemption shall not be so paid upon surrender for redemption because of the failure of the Issuers to comply with the preceding paragraph, interest shall be paid on the unpaid principal, from the redemption date until such principal is paid, and to the extent lawful on any interest not paid on such unpaid principal, in each case at the rate provided in the Notes and in Section 4.01.

Section 3.06. Notes Redeemed in Part.

Upon surrender of a Note that is redeemed in part, the Issuers shall issue and, upon the Issuers' written request, the Trustee shall authenticate for the Holder at the expense of the Issuers a new Note equal in principal amount at maturity to the unredeemed portion of the Note surrendered.

Section 3.07. Optional Redemption.

(a) Except as set forth in clause (b) of this Section 3.07, the Issuers shall not have the option to redeem the Notes pursuant to this Section 3.07 prior to April 1, 2004. Thereafter, the Issuers shall have the option to redeem the Notes, in whole or in part, upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount at maturity) 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%

(b) Notwithstanding the provisions of clause (a) of this Section 3.07, 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 Notes originally issued under this Indenture on a pro rata basis (or nearly as pro rata as practicable) at a redemption price of 109.92% of the Accreted Value thereof, plus, after the Full Accretion Date, 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 at maturity of Notes originally issued under this Indenture remains outstanding immediately after the occurrence of such redemption (excluding Notes held by the Company and its Subsidiaries and the Guarantor and its Subsidiaries); and

(2) the redemption must occur within 60 days of the date of the closing of such Equity Offering.

(c) Any redemption pursuant to this Section 3.07 shall be made pursuant to the provisions of Section 3.01 through 3.06.

Section 3.08. Mandatory Redemption.

Except as otherwise provided in Section 4.11 or Section 4.16 below, the Issuers shall not be required to make mandatory redemption payments with respect to the Notes.

Section 3.09. Offer to Purchase by Application of Excess Proceeds.

In the event that the Issuers shall be required to commence an offer to all Holders to purchase Notes pursuant to Section 4.11 (an "Asset Sale Offer"), they shall follow the procedures specified below.

The Asset Sale Offer shall remain open for a period of 20 Business Days following its commencement and no longer, except to the extent that a longer period is required by applicable law (the "Offer Period"). No later than five Business Days after the termination of the Offer Period (the "Purchase Date"), the Issuers shall purchase the principal amount at maturity of Notes required to be purchased pursuant to Section 4.11 (the "Offer Amount") or, if less than the Offer Amount has been tendered, all Notes tendered in response to the Asset Sale Offer. Payment for any Notes so purchased shall be made in the same manner as interest payments are made.

If the Purchase Date is on or after an interest record date and on or before the related interest payment date, any accrued and unpaid interest shall be paid to the Person in whose name a Note is registered at the close of business on such record date, and no Special Interest shall be payable to Holders who tender Notes pursuant to the Asset Sale Offer.

Upon the commencement of an Asset Sale Offer the Issuers shall send, by first class mail, a notice to the Trustee and each of the Holders, with a copy to the Trustee. The notice shall contain all instructions and materials necessary to enable such Holders to tender Notes pursuant to the Asset Sale Offer. The Asset Sale Offer shall be made to all Holders. The notice, which shall govern the terms of the Asset Sale Offer, shall state:

(a) that the Asset Sale Offer is being made pursuant to this Section 3.09 and Section 4.11 and the length of time the Asset Sale Offer shall remain open;

(b) the Offer Amount, the purchase price and the Purchase Date;

(c) that any Note not tendered or accepted for payment shall continue to accrue interest;

(d) that, unless the Issuers default in making such payment, any Note accepted for payment pursuant to the Asset Sale Offer shall cease to accrue interest after the Purchase Date;

(e) that Holders electing to have a Note purchased pursuant to an Asset Sale Offer or may elect to have Notes purchased in integral multiples of $1,000 principal amount at maturity only;

(f) that Holders electing to have a Note purchased pursuant to any Asset Sale Offer shall be required to surrender the Note, with the form entitled "Option of Holder to Elect Purchase" on the reverse of the Note completed, or transfer by book-entry transfer, to the Issuers, a depositary, if appointed by the Issuers, or a Paying Agent at the address specified in the notice at least three days before the Purchase Date;

(g) that Holders shall be entitled to withdraw their election if the Issuers, the depositary or the Paying Agent, as the case may be, receives, not later than the expiration of the Offer Period, a telegram, telex, facsimile transmission or letter setting forth the name of the Holder, the principal amount at maturity of the Note the Holder delivered for purchase and a statement that such Holder is withdrawing his election to have such Note purchased;

(h) that, if the aggregate Accreted Value of Notes surrendered by Holders exceeds the Offer Amount, the Issuers shall select the Notes to be purchased on a pro rata basis (with such adjustments as may be deemed appropriate by the Issuers so that only Notes in denominations of $1,000 principal amount at maturity, or integral multiples thereof, shall be purchased); and

(i) that Holders whose Notes were purchased only in part shall be issued new Notes equal in principal amount at maturity to the unpurchased portion of the Notes surrendered (or transferred by book-entry transfer).

On or before the Purchase Date, the Issuers shall, to the extent lawful, accept for payment, on a pro rata basis to the extent necessary, the Offer Amount of Notes or portions thereof tendered pursuant to the Asset Sale Offer or if less than the Offer Amount has been tendered, all Notes tendered, and shall deliver to the Trustee an Officers' Certificate stating that such Notes or portions thereof were accepted for payment by the Issuers in accordance with the terms of this Section 3.09. The Issuers, the Depositary or the Paying Agent, as the case may be, shall promptly (but in any case not later than five days after the Purchase Date) mail or deliver to each tendering Holder an amount equal to the purchase price of the Notes tendered by such Holder and accepted by the Issuers for purchase, and the Issuers shall promptly issue a new Note, and the Trustee, upon written request

from the Issuers shall authenticate and mail or deliver such new Note to such Holder, in a principal amount at maturity equal to any unpurchased portion of the Note surrendered. Any Note not so accepted shall be promptly mailed or delivered by the Issuers to the Holder thereof. The Issuers shall publicly announce the results of the Asset Sale Offer on the Purchase Date.

Other than as specifically provided in this Section 3.09, any purchase pursuant to this Section 3.09 shall be made pursuant to the provisions of Sections 3.01 through 3.06.

ARTICLE 4
COVENANTS

Section 4.01. Payment of Notes.

The Issuers shall pay or cause to be paid the Accreted Value of, premium, if any, and interest on the Notes on the dates and in the manner provided in the Notes. Accreted Value, premium, if any, and interest shall be considered paid on the date due if the Paying Agent, if other than the Issuers or a Subsidiary thereof, holds as of 10:00 a.m. New York City time on the due date money deposited by the Issuers in immediately available funds and designated for and sufficient to pay all Accreted Value, premium, if any, and interest then due. The Issuers shall pay all Special Interest, if any, in the same manner on the dates and in the amounts set forth in the Registration Rights Agreement.

The Issuers shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal at the rate equal to 1% per annum in excess of the then applicable interest rate on the Notes to the extent lawful; they shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest (without regard to any applicable grace period) at the same rate to the extent lawful.

Section 4.02. Maintenance of Office or Agency.

The Issuers shall maintain in the Borough of Manhattan, the City of New York, an office or agency (which may be an office of the Trustee or an affiliate of the Trustee, Registrar or co-registrar) where Notes may be surrendered for registration of transfer or for exchange and where notices and demands to or upon the Issuers in respect of the Notes and this Indenture may be served. The Issuers shall give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Issuers shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee.

The Issuers may also from time to time designate one or more other offices or agencies where the Notes may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; provided, however, that no such designation or rescission shall in any manner relieve the Issuers of their obligation to maintain an office or agency in the Borough of Manhattan, the City of New York for such purposes. The Issuers shall give prompt written notice to

the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

The Issuers hereby designate the Harris Trust Company of New York, an affiliate of the Trustee, as one such office or agency of the Issuers in accordance with Section 2.03.

Section 4.03. Reports.

Whether or not required by the Commission, so long as any Notes are outstanding, the Issuers and the Guarantor shall furnish to the Holders of Notes, within the time periods specified in the Commission's rules and regulations:

(1) all quarterly and annual financial information that would be required to be contained in a filing with the Commission on Forms 10-Q and 10-K if the Issuers and the Guarantor were required to file such Forms, including a "Management's Discussion and Analysis of Financial Condition and Results of Operations" and, with respect to the annual information only, a report on the annual financial statements by the Issuers' certified independent accountants and the Guarantor's certified independent accountants; and

(2) all current reports that would be required to be filed with the Commission on Form 8-K if the Issuers or the Guarantor were required to file such reports.

If the Issuers or the Guarantor 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 the Issuers or the Guarantor, as the case may be, and their respective Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Issuers or the Guarantor, as the case may be.

In addition, whether or not required by the Commission, the Issuers and the Guarantor shall 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 Commission will not accept such a filing) and make such information available to securities analysts and prospective investors upon request.

Section 4.04. Compliance Certificate.

(a) Each of the Company and the Guarantor shall deliver to the Trustee, within 90 days after the end of each fiscal year, an Officers' Certificate stating that a review of the activities of the Company and its Subsidiaries and the Guarantor and its Subsidiaries, respectively, during the preceding fiscal year have been made under the supervision of the signing Officers with a view to determining whether the Company or the Guarantor, as the case may be, has kept, observed, performed and fulfilled its obligations under this Indenture, and further stating, as to each such Officer signing such certificate, that to the best of his or her knowledge the Company or the Guarantor, as the case may be, has kept, observed, performed and fulfilled each and every covenant contained in this Inden-

ture and is not in default in the performance or observance of any of the terms, provisions and conditions of this Indenture (or, if a Default or Event of Default shall have occurred, describing all such Defaults or Events of Default of which he or she may have knowledge and what action the Company or the Guarantor, as the case may be, is taking or proposes to take with respect thereto) and that to the best of his or her knowledge no event has occurred and remains in existence by reason of which payments on account of the principal of or interest, if any, on the Notes is prohibited or if such event has occurred, a description of the event and what action the Company or the Guarantor, as the case may be, is taking or proposes to take with respect thereto.

(b) So long as not contrary to the then current recommendations of the American Institute of Certified Public Accountants, the year-end financial statements delivered pursuant to Section 4.03 above shall be accompanied by a written statement of the Company's independent public accountants or the Guarantor's independent public accountants, as the case may be, (each of whom shall be a firm of established national reputation) that in making the examination necessary for certification of such financial statements, nothing has come to their attention that would lead them to believe that the Company or the Guarantor, as the case may be, has violated any provisions of Article 4 or Article 5 or, if any such violation has occurred, specifying the nature and period of existence thereof, it being understood that such accountants shall not be liable directly or indirectly to any Person for any failure to obtain knowledge of any such violation. In the event that, after the Company or the Guarantor, as the case may be, has used its reasonable best efforts to obtain the written statement of the Company's independent public accountants or the Guarantor's independent public accountants, as the case may be, required by the provisions of this paragraph, such statement cannot be obtained, the Company or the Guarantor, as the case may be, shall deliver, in satisfaction of its obligations under this Section 4.04, an Officers' Certificate (A) certifying that it has used its reasonable best efforts to obtain such required statement but was unable to do so and (B) attaching the written statement of the Company's accountants or the Guarantor's accountants, as the case may be, that the Company or the Guarantor, as the case may be, received in lieu thereof.

(c) Each of the Company and the Guarantor shall, so long as any of the Notes are outstanding, deliver to the Trustee, forthwith upon any Officer becoming aware of any Default or Event of Default, an Officers' Certificate specifying such Default or Event of Default and what action the Company or the Guarantor, as the case may be, is taking or proposes to take with respect thereto.

Section 4.05. Taxes.

Each of the Company and the Guarantor shall pay, and shall cause each of its Subsidiaries to pay, prior to delinquency, all material taxes, assessments, and governmental levies except such as are contested in good faith and by appropriate proceedings or where the failure to effect such payment is not adverse in any material respect to the Holders of the Notes.

Section 4.06. Stay, Extension and Usury Laws.

Each of the Issuers and the Guarantor covenants (to the extent that it may lawfully do so) that it shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Indenture; and each of the Is-

suers and the Guarantor (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it shall not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Trustee, but shall suffer and permit the execution of every such power as though no such law has been enacted.

Section 4.07. Restricted Payments.

The Company shall not, and shall not permit any of its Restricted Subsidiaries to, and the Guarantor shall not and shall not permit any of its Restricted Subsidiaries to, directly or indirectly:

(a) declare or pay any dividend or make any other payment or distribution on account of the Company's, the Guarantor's or any of their Restricted Subsidiaries' Equity Interests (including, without limitation, any payment in connection with any merger or consolidation involving the Company, the Guarantor or any of their Restricted Subsidiaries) or to the direct or indirect holders of the Company's, the Guarantor's or any of their Restricted Subsidiaries' Equity Interests in their capacity as such (other than dividends or distributions payable in Equity Interests (other than Disqualified Stock) of the Company or the Guarantor or, in the case of the Company and its Restricted Subsidiaries, to the Company or a Restricted Subsidiary of the Company or in the case of the Guarantor and its Restricted Subsidiaries, to the Company, the Guarantor or a Restricted Subsidiary of the Company or the Guarantor);

(b) purchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger or consolidation involving the Company) any Equity Interests of the Company or the Guarantor or any direct or indirect parent of the Company or the Guarantor or any Restricted Subsidiary of the Company or the Guarantor (other than, in the case of the Company and its Restricted Subsidiaries, any such Equity Interests owned by the Company or any Restricted Subsidiary of the Company or, in the case of the Guarantor and its Restricted Subsidiaries, any such Equity Interests owned by the Company, the Guarantor or any Restricted Subsidiary of the Company or the Guarantor); or

(c) 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 or the Guarantees (other than the Notes or the Guarantees), except a payment of interest or principal at the Stated Maturity thereof

(all such payments and other actions set forth in clauses (a) through (c) above being 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; and

(2) the Company 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 Section 4.10; and

(3) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Company, the Guarantor and each of their Restricted Subsidiaries after the date of this Indenture (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 the combined Consolidated EBITDA of the Company and the Guarantor since the date of this Indenture to the end of the Company's and the Guarantor's 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 the Company and the Guarantor since the date of this Indenture to the end of the Company's and the Guarantor's 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 Section 4.10, plus

(c) $100.0 million.

So long as no Default has occurred and is continuing or would be caused thereby, the preceding provisions shall 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 this Indenture;

(2) the redemption, repurchase, retirement, defeasance or other acquisition of any subordinated Indebtedness of the Company or the Guarantor in exchange for, or out of the net proceeds of the substantially concurrent sale (other than to a Subsidiary of the Company or the Guarantor) of, Equity Interests of the Company or the Guarantor (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 the Company, the Guarantor or any of their 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 the Company or the Guarantor to pay federal, state or local income tax liabilities that would arise solely from income of the Company or the Guarantor or any of their Restricted Subsidiaries, as the case may be, for the relevant taxable period and attributable to

them solely as a result of the Company or the Guarantor (and any intermediate entity through which the Holder owns such shares) or any of its 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 the Company or the Guarantor to the holders of its common Equity Interests on a pro rata basis;

(6) the payment of any dividend on the Company Preferred Stock or the redemption, repurchase, retirement or other acquisition of the Company 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 the Company or the Guarantor held by any member of the Company's or the Guarantor's management pursuant to any management equity subscription agreement or stock option agreement in effect as of the date of this Indenture; 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; 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 the Company, the Guarantor or any of their 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 the Company or the Guarantor, as the case may be, whose resolution with respect thereto shall be delivered to the Trustee. Such Board of Director's 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 Company or the Guarantor, as the case may be, 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 Section 4.07 were computed, together with a copy of any fairness opinion or appraisal required by this Indenture.

Section 4.08. Investments.

The Company shall not, and shall not permit any of its Restricted Subsidiaries to, and the Guarantor shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly:

(1) make any Restricted Investment; or

(2) allow any Restricted Subsidiary of the Company or the Guarantor 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) the Company 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 Section 4.10.

Any designation of a Subsidiary of the Company or the Guarantor 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 this Section 4.08. If, at any time, any Unrestricted Subsidiary would fail to meet the requirements as an Unrestricted Subsidiary described in the definition of "Unrestricted Subsidiary," it shall thereafter cease to be an Unrestricted Subsidiary for purposes of this Indenture and any Indebtedness of such Subsidiary shall be deemed to be incurred by a Restricted Subsidiary of the Company or the Guarantor as of such date and, if such Indebtedness is not permitted to be incurred as of such date under Section 4.10, the Company or the Guarantor, as the case may be, shall be in default. The Board of Directors of the Company and the Guarantor 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 the Company or the Guarantor, respectively, 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 Section 4.10 calculated on a pro forma basis as if such designation had occurred at the beginning of the Reference Period; and (2) no Default or Event of Default would be in existence following such designation.

Section 4.09. Dividend and Other Payment Restrictions Affecting Subsidiaries.

The Company and the Guarantor shall not, directly or indirectly, create or permit to exist or become effective any encumbrance or restriction on the ability of any Restricted Subsidiary of the Company or the Guarantor, as the case may be, to:

(1) pay dividends or make any other distributions on its Capital Stock to the Company or any of its Restricted Subsidiaries or to the Guarantor 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 the Company or any of its Restricted Subsidiaries or to the Guarantor or any of its Restricted Subsidiaries;

(2) make loans or advances to the Company or any of its Restricted Subsidiaries or to the Guarantor or any of its Restricted Subsidiaries; or

(3) transfer any of its properties or assets to the Company or any of its Restricted Subsidiaries or to the Guarantor or any of its Restricted Subsidiaries.

However, the preceding restrictions shall not apply to encumbrances or restrictions existing under or by reason of:

(1) Existing Indebtedness as in effect on the date of this Indenture (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, refinancings, 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 this Indenture;

(2) this Indenture, the Notes and the Other Notes;

(3) applicable law;

(4) any instrument governing Indebtedness or Capital Stock of a Person acquired by the Company or any of its Restricted Subsidiaries or to the Guarantor 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 Indenture 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 either the Company or the Guarantor 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 Section 4.14 that limit the right of the Company or any of its Restricted Subsidiaries or the Guarantor 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 Section 4.10; 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 the Company determines that such restrictions will not materially impair the Company's ability to make payments as required under the Notes.

Section 4.10. Incurrence of Indebtedness and Issuance of Preferred Stock.

The Company shall not, and shall not permit any of its Restricted Subsidiaries to, and the Guarantor shall not, and shall 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 the Company and the Guarantor shall not issue any Disqualified Stock and shall not permit any of their 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 shall not prohibit the incurrence of any of the following items of Indebtedness (collectively, "Permitted Debt"):

(1) the incurrence by the Company and its Restricted Subsidiaries and the Guarantor and its Restricted Subsidiaries of Indebtedness under the Credit Facilities; provided that the aggregate principal amount of all Indebtedness of the Company and its Restricted Subsidiaries and the Guarantor and its Restricted Subsidiaries outstanding under all 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 the Company or any of its Subsidiaries or the Guarantor or any of its Subsidiaries, as the case may be, in the case of an Asset Sale since the date of this Indenture to repay Indebtedness under a Credit Facility pursuant to Section 4.11;

(2) the incurrence by the Company and its Restricted Subsidiaries and the Guarantor and its Restricted Subsidiaries of Existing Indebtedness (other than the Credit Facilities);

(3) the incurrence on the Issue Date by the Company and its Restricted Subsidiaries and the Guarantor and its Restricted Subsidiaries of Indebtedness represented by the Notes, the Other Notes and the related Guarantees;

(4) the incurrence by the Company or any of its Restricted Subsidiaries or the Guarantor 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 the Company or any of its Restricted Subsidiaries or the Guarantor or any of its Restricted Subsidiaries, in an aggregate principal amount not to exceed $75 million at any time outstanding;

(5) the incurrence by the Company or any of its Restricted Subsidiaries or the Guarantor 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 this Indenture to be incurred under the first paragraph of this covenant or clauses (2) or (3) of this paragraph;

(6) the incurrence by the Company or any of its Restricted Subsidiaries or the Guarantor or any of its Restricted Subsidiaries, as the case may be, of intercompany Indebtedness between or among the Company and any of its Wholly Owned Restricted Subsidiaries, or the Guarantor or any of its Restricted Subsidiaries, respectively; provided that except for the Mirror Note, this clause does not permit Indebtedness between the Company or any of its Restricted Subsidiaries, as creditor or debtor, as the case may be, and the Guarantor or any of its Restricted Subsidiaries, as debtor or creditor, as the case may be, unless otherwise permitted by the Indentures; provided, further, that:

(a) if the Company or the Guarantor 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 in the case of the Company, or the Guarantee of such Guarantor, in the case of the Guarantor; and

(b)(i) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than the Company or a Wholly Owned Restricted Subsidiary thereof or the Guarantor 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 the Company or a Wholly Owned Restricted Subsidiary thereof, or the Guarantor or a Wholly Owned Restricted Subsidiary thereof, shall be deemed, in each case, to constitute an incurrence of such Indebtedness by the Company or any of its Restricted Subsidiaries or the Guarantor or any of its Restricted Subsidiaries, respectively, as the case may be, that was not permitted by this clause (6);

(7) the incurrence by the Company or any of its Restricted Subsidiaries, or the Guarantor 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 the Company or the Guarantor of Indebtedness of the Company or a Restricted Subsidiary of the Company, or Indebtedness of the Guarantor or a Restricted Subsidiary of the Guarantor that was permitted to be incurred by another provision of this Section 4.10;

(9) the incurrence by the Company or any of its Restricted Subsidiaries, or the Guarantor 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 the Company or any of its Restricted Subsidiaries, or the Guarantor 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 the Company from the sale of its Equity Interests (other than Disqualified Stock) after the date of this Indenture to the extent such net cash proceeds have not been applied to make Restricted Payments or to effect other transactions pursuant to Section 4.07 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; and

(12) Indebtedness under the Mirror Note.

For purposes of determining compliance with this Section 4.10, in the event that an item of proposed Indebtedness meets the criteria of more than one of the categories of Permitted Debt described in clauses (1) through (12) above, or is entitled to be incurred pursuant to the first paragraph of this covenant, the Company or the Guarantor, as the case may be, shall 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.

Notwithstanding the foregoing, in no event shall any Restricted Subsidiary of the Company or the Guarantor 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 the Company or the Guarantor 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 the Company or the Guarantor). "Subordinated Notes" with respect to any Restricted Subsidiary of the Company or the Guarantor 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 the Company or the Guarantor; 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, the Company or the Guarantor 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 or obligated to provide information pursuant to Rule 144A under the Securities Act.

Section 4.11. Limitation on Asset Sales.

The Company shall not, and shall not permit any of its Restricted Subsidiaries to, and the Guarantor shall not, and shall not permit any of its Restricted Subsidiaries to, consummate an Asset Sale unless:

(1) the Company, the Guarantor or a Restricted Subsidiary of the Company or the Guarantor, as the case may be, 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 the Company's or the Guarantor's Board of Directors, as the case may be, 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 the Company, the Guarantor or such Restricted Subsidiary is in the form of cash, Cash Equivalents or readily marketable securities.

For purposes of this Section 4.11, each of the following shall be deemed to be cash:

(a) any liabilities (as shown on the Company's, the Guarantor's or such Restricted Subsidiary's most recent balance sheet) of the Company, the Guarantor or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the Notes or the Guarantees) that are assumed by the transferee of any such assets pursuant to a customary novation agreement that releases the Company, the Guarantor or such Restricted Subsidiary from further liability;

(b) any securities, notes or other obligations received by the Company, the Guarantor or any such Restricted Subsidiary from such transferee that are converted by the Company, the Guarantor 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, the Company, the Guarantor or a Restricted Subsidiary of the Company or the Guarantor, as the case may be, may apply such Net Proceeds at its option:

(1) to repay debt under the Credit Facilities or any other Indebtedness of the Restricted Subsidiaries of the Company (other than Indebtedness represented by a guarantee of a Restricted Subsidiary of the Company or the Guarantor); or

(2) to invest in Productive Assets; provided that any Net Proceeds which the Company, the Guarantor, or a Restricted Subsidiary of the Company or the Guarantor, as the case may be, 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 shall constitute "Excess Proceeds." When the aggregate amount of Excess Proceeds exceeds $25.0 million, the Issuers shall 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 at maturity 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 shall be payable in cash and equal to 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, the Company may use such Excess Proceeds for any purpose not otherwise prohibited by this Indenture. If the aggregate Accreted Value of Notes and such other pari passu Indebtedness tendered into such Asset Sale Offer exceeds the amount of Excess Proceeds, the 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.

In the event that the Issuers shall be required to commence an offer to Holders to purchase Notes pursuant to this Section 4.11, they shall follow the procedures specified in Section 3.09.

Section 4.12. Sale and Leaseback Transactions.

The Company shall not, and shall not permit any of its Restricted Subsidiaries to, and the Guarantor shall not, and shall not permit any of its Restricted Subsidiaries to, enter into any sale and leaseback transaction; provided that the Company or the Guarantor may enter into a sale and leaseback transaction if:

(1) the Company or the Guarantor, as applicable, 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 Section 4.10 and (b) incurred a Lien to secure such Indebtedness pursuant to Section 4.14; and

(2) the transfer of assets in that sale and leaseback transaction is permitted by, and the Company or the Guarantor, as the case may be, applies the proceeds of such transaction in compliance with, the covenant described above under Section 4.11.

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.

Section 4.13. Transactions with Affiliates.

The Company shall not, and shall not permit any of its Restricted Subsidiaries to, and the Guarantor shall not, and shall 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 the Company or the relevant Restricted Subsidiary or to the Guarantor or the relevant Restricted Subsidiary, than those that would have been obtained in a comparable transaction by the Company or such Restricted Subsidiary or the Guarantor or such Restricted Subsidiary, as the case may be, with an unrelated Person; and

(2) the Company, or the Guarantor, as the case may be, 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 the Company or a resolution of the Board of Directors of the Guarantor, as the case may be, 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 such 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, shall not be subject to the provisions of the prior paragraph:

(1) existing employment agreement entered into by the Company, the Guarantor or any of their Subsidiaries and any employment agreement entered into by the Company or any of its Restricted Subsidiaries, or any employment agreement entered into by the Guarantor or any of its Restricted Subsidiaries in the ordinary course of business and consistent with the past practice of the Company or such Restricted Subsidiary or the Guarantor or such Restricted Subsidiary, as the case may be;

(2) transactions between or among the Company and/or its Restricted Subsidiaries and the transactions between or among the Guarantor and/or its Restricted Subsidiaries;

(3) payment of reasonable directors fees to Persons who are not otherwise Affiliates of the Company or the Guarantor, as the case may be, and customary indemnification and insurance arrangements in favor of directors, regardless of affiliation with the Company, the Guarantor or any of their 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 Section 4.07; and

(6) Permitted Investments.

Section 4.14. Liens.

The Company and the Guarantor shall 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.

Section 4.15. Corporate Existence.

Subject to Article 5, each of the Company and the Guarantor shall do or cause to be done all things necessary to preserve and keep in full force and effect (i) its corporate existence, and the corporate, partnership or other existence of each of its Subsidiaries, in accordance with the respective organizational documents (as the same may be amended from time to time) of the Company, the Guarantor or any such Subsidiary and (ii) the rights (charter and statutory), licenses and franchises of the Company, the Guarantor and their Subsidiaries; provided, however, that neither the Company nor the Guarantor shall be required to preserve any such right, license or franchise, or the corporate, partnership or other existence of any of their Subsidiaries (other than Charter Capital), if the Board of Directors shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Company and its Subsidiaries and the Guarantor and its Subsidiaries, taken as a whole, and that the loss thereof is not adverse in any material respect to the Holders of the Notes.

Section 4.16. Repurchase at the Option of Holders upon a Change of Control.

If a Change of Control occurs, each Holder of Notes shall have the right to require the Issuers to repurchase all or any part (equal to $1,000 principal amount at maturity 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 shall offer (a "Change of Control Offer") a payment (the "Change of Control Payment") in cash equal to 101% of the Accreted Value plus, for any Change of Control Offer occurring after the Full Accretion Date, accrued and unpaid interest thereon, if any, to the date of purchase.

Within ten days following any Change of Control, the Issuers shall mail a notice to each Holder (with a copy to the Trustee) describing the transaction or transactions that constitute the Change of Control and stating:

(a) the purchase price and the purchase date, which shall not exceed 30 Business Days from the date such notice is mailed (the "Change of Control Payment Date");

(b) that any Note not tendered shall continue to accrete in value or accrue interest;

(c) that, unless the Issuers default in the payment of the Change of Control Payment, all Notes accepted for payment pursuant to the Change of Control Offer shall cease to accrete in value or accrue interest after the Change of Control Payment Date;

(d) that Holders electing to have any Notes purchased pursuant to a Change of Control Offer shall be required to surrender the Notes, with the form entitled "Option of Holder to Elect Purchase" on the reverse of the Notes completed, to the Paying Agent at the address specified in the notice prior to the close of business on the third Business Day preceding the Change of Control Payment Date;

(e) that Holders shall be entitled to withdraw their election if the Paying Agent receives, not later than the close of business on the second Business Day preceding the Change of Control Payment Date, a telegram, telex, facsimile transmission or letter setting forth the name of the Holder, the principal amount at maturity of Notes delivered for purchase, and a statement that such Holder is withdrawing his election to have the Notes purchased; and

(f) that Holders whose Notes are being purchased only in part shall be issued new Notes equal in principal amount at maturity to the unpurchased portion of the Notes surrendered, which unpurchased portion must be equal to $1,000 in principal amount at maturity or an integral multiple thereof.

The Issuers shall comply with the requirements of Rule 14e-1 under the Exchange Act (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 shall, to the extent lawful:

(a) accept for payment all Notes or portions thereof properly tendered pursuant to the Change of Control Offer;

(b) 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

(c) deliver or cause to be delivered to the Trustee the Notes so accepted together with an Officers' Certificate stating the aggregate principal amount at maturity of Notes or portions thereof being purchased by the Issuers.

The Paying Agent shall promptly pay to each Holder of Notes so tendered the Change of Control Payment for such Notes, and the Trustee shall promptly authenticate and mail (or cause to be transferred by book entry) to each Holder a new Note equal in principal amount at maturity to any unpurchased portion of the Notes surrendered, if any; provided that each such new Note shall be in a principal amount at maturity of $1,000 or an integral multiple thereof. The Company shall publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

The provisions described above that require the Issuers to make a Change of Control Offer following a Change of Control shall be applicable regardless of whether or not any other provisions in this Indenture are applicable. Except as described above with respect to a Change of Control, this Indenture does 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.

Notwithstanding any other provision of this Section 4.16, the Issuers shall 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 this Indenture 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.

Section 4.17. Limitations on Issuances of Guarantees of Indebtedness.

The Company shall not permit any of its Restricted Subsidiaries, directly or indirectly, and the Guarantor shall 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 the Company or the Guarantor, as the case may be, except in respect of the Credit Facilities (the "Guaranteed Indebtedness") unless (i) such Restricted Subsidiary of the Company or the Guarantor, as the case may be, 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 (ii) 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 the Company, the Guarantor or any other Restricted Subsidiary of the Company or the Guarantor 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.

Section 4.18. Payments for Consent.

The Company shall not, and shall not permit any of its Subsidiaries to, and the Guarantor shall not, and shall 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 this Indenture 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.

Section 4.19. Application of Fall-Away Covenants.

During any period of time that (a) the Notes have Investment Grade Ratings from both Rating Agencies and (b) no Default or Event of Default has occurred and is continuing, the Company and its Restricted Subsidiaries and the Guarantor and its Restricted Subsidiaries shall not be subject to the provisions of Sections 4.07, 4.08, 4.09, 4.10, 4.11, 4.12, 4.13 and clause (4) of the first paragraph of Section 5.01 (collectively, the "Suspended Covenants"). In the event that the Company and its Restricted Subsidiaries are not subject to the Suspended Covenants for any period of time as a result of the preceding sentence and, subsequently, one or both of the Rating Agencies withdraws its ratings or downgrades the ratings assigned to the Notes below the required Investment Grade Ratings or a Default or Event of Default occurs and is continuing, then the Company and its Restricted Subsidiaries and the Guarantor and its Restricted Subsidiaries shall thereafter again be subject to the Suspended Covenants and compliance with the Suspended Covenants with respect to the Restricted Payments made after the time of such withdrawal, downgrade, Default or Event of Default will be calculated in accordance with the terms of Section 4.07 as though such covenant had been in effect during the entire period of time from the Issue Date.

Section 4.20. Impairment of Security Interest.

Neither the Company, the Guarantor nor any of their Subsidiaries shall take or omit to take any action which action or omission would have the result of adversely affecting or impairing the security interest in favor of the Trustee, on behalf of itself and the Holders, with respect to the Collateral, and neither the Company, the Guarantor nor any of their Subsidiaries shall grant to any Person, or suffer any Person (other than the Trustee with respect to the Collateral securing the obligations under the Notes and the Company with respect to the Collateral securing the obligations under the Mirror Note) to have any interest whatsoever in the Collateral other than Liens permitted by the Pledge Documents. Neither the Company nor any of its Subsidiaries shall enter into any agreement or instrument that by its terms requires the proceeds received from any sale of Collateral to be applied to repay, redeem, defease or otherwise acquire or retire any Indebtedness of any Person, other than pursuant to this Indenture, the Notes and the Pledge Documents.

Section 4.21. Security Interest.

The Company and the Guarantor shall, and shall cause each of their Restricted Subsidiaries to, undertake to deliver or cause to be delivered to the Trustee from time to time such other documentation, consents, authorizations, approvals and orders in form and substance reasonably satisfactory to the Trustee as the Trustee shall deem necessary or advisable to perfect or maintain the security interest in the Collateral for the benefit of the Trustee on behalf of the Holders until any such Collateral is released in accordance with the terms of this Indenture.

ARTICLE 5
SUCCESSORS

Section 5.01. Merger, Consolidation, or Sale of Assets.

Neither of the Issuers nor the Guarantor may, directly or indirectly: (1) consolidate or merge with or into another Person (whether or not such Issuer, or the Guarantor, as the case may be, 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, or the Guarantor, as the case may be, is the surviving corporation; or (b) the Person formed by or surviving any such consolidation or merger (if other than such Issuer, or the Guarantor, as the case may be) 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 the Company, or the Guarantor, as the case may be) or the Person to which such sale, assignment, transfer, conveyance or other disposition shall have been made assumes all the obligations of the Company, or the Guarantor, as the case may be, under the Notes in the case of the Company, or under the Guarantee, in the case of the Guarantor, and this Indenture pursuant to agreements reasonably satisfactory to the Trustee;

(3) immediately after such transaction no Default or Event of Default exists; and

(4) the Company, or the Guarantor, as the case may be, or the Person formed by or surviving any such consolidation or merger (if other than the Company, or the Guarantor, as the case may be) 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 Section 4.10 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, the Company may not, directly or indirectly, and the Guarantor 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 Section 5.01 shall not apply to a sale, assignment, transfer, conveyance or other disposition of assets between or among the Company and any of its Wholly-Owned Subsidiaries, or the Guarantor and any of its Wholly-Owned Subsidiaries, as the case may be.

Section 5.02. Successor Corporation Substituted.

Upon any consolidation or merger, or any sale, assignment, transfer, lease, conveyance or other disposition of all or substantially all of the assets of either Issuer or the Guarantor, as the case may be, in accordance with Section 5.01, the successor Person formed by such consolidation or into which either Issuer or the Guarantor, as the case may be, is merged or to which such transfer is made shall succeed to and (except in the case of a lease) be substituted for, and may exercise every right and power of, such Issuer or the Guarantor, as the case may be, under this Indenture with the same effect as if such successor Person had been named therein as such Issuer or the Guarantor, as the case may be, and (except in the case of a lease) such Issuer or the Guarantor, as the case may be, shall be released from the obligations under the Notes (or the Guarantee, in the case of the Guarantor) and this Indenture, except with respect to any obligations that arise from, or are related to, such transaction.

ARTICLE 6
DEFAULTS AND REMEDIES

Section 6.01. Events of Default.

An "Event of Default" occurs if:

(a) the Issuers default in the payment when due of interest on the Notes and such default continues for a period of 30 days;

(b) the Issuers default in payment when due of the Accreted Value of, or premium, if any, on the Notes;

(c) the Company or any of its Restricted Subsidiaries, or the Guarantor or any of its Restricted Subsidiaries, fails to comply with any of the provisions of Sections 4.16 or 5.01;

(d) the Company or any of its Restricted Subsidiaries, or the Guarantor or any of its Restricted Subsidiaries, fails to comply with any of their other covenants or agreements in this Indenture for 30 days after written notice thereof has been given to the Company by the Trustee or to the Company and the Trustee by Holders of at least 25% of the aggregate principal amount at maturity of the Notes outstanding;

(e) the Company or any of its Restricted Subsidiaries, or the Guarantor or any of its Restricted Subsidiaries, defaults 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 (or the payment of which is guaranteed by the Company or any of its Restricted Subsidiaries or by the Guarantor or any of its Restricted Subsidiaries) whether such Indebtedness or guarantee now exists or is created after the date of this Indenture, if that default:

(1) 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

(2) 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;

(f) the Company or any of its Restricted Subsidiaries, or the Guarantor or any of its Restricted Subsidiaries, fails 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;

(g) the Company, the Guarantor or any of their Significant Subsidiaries pursuant to or within the meaning of Bankruptcy Law:

(i) commences a voluntary case,

(ii) consents to the entry of an order for relief against it in an involuntary case,

(iii) consents to the appointment of a custodian of it or for all or substantially all of its property, or

(iv) makes a general assignment for the benefit of its creditors; or

(h) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(i) is for relief against the Company, the Guarantor or any of their Significant Subsidiaries in an involuntary case;

(ii) appoints a custodian of the Company, the Guarantor or any of their Significant Subsidiaries or for all or substantially all of the property of the Company, the Guarantor or any of their Significant Subsidiaries; or

(iii) orders the liquidation of the Company, the Guarantor or any of their Significant Subsidiaries;

and the order or decree remains unstayed and in effect for 60 consecutive days;

(i) except as permitted by this Indenture, the Guarantee of the Guarantor shall be held in any judicial proceeding to be unenforceable or invalid or shall cease for any reason to

be in full force and effect or the Guarantor, or any Person acting on behalf of the Guarantor, shall deny or disaffirm its obligations under the Guarantee; or

(j) except as permitted by this Indenture, any of the Pledge Documents cease to be in full force and effect (other than in accordance with their respective terms or the terms of the Indenture), or any of the Pledge Documents cease to give the Trustee or the Company, as the case may be, the Liens purported to be created thereby, or any Pledge Document is declared null and void, or the Company or the Guarantor shall repudiate or deny in writing that it has any liability or obligation under any Pledge Document.

Section 6.02. Acceleration.

In the case of an Event of Default arising from clause (g) or (h) of Section 6.01, with respect to the Company or the Guarantor, all outstanding Notes shall become due and payable immediately without further action or notice. If any other Event of Default occurs and is continuing, the Trustee by notice to the Issuers or the Holders of at least 25% in aggregate principal amount at maturity of the then outstanding Notes by notice to the Issuers and the Trustee may declare all the Notes to be due and payable immediately in an amount equal to (x) the Accreted Value of the Notes outstanding on the date of acceleration, if such declaration is made prior to the Full Accretion Date or (y) the entire principal amount at maturity of all the Notes outstanding on the date of acceleration plus accrued interest, if any, to the date of acceleration, if such declaration is made after the Full Accretion Date. The Holders of a majority in aggregate principal amount at maturity of the Notes then outstanding by written notice to the Trustee may on behalf of all of the Holders rescind an acceleration and its consequences if the rescission would not conflict with any judgment or decree and if all existing Events of Default (except nonpayment of Accreted Value, interest or premium that has become due solely because of the acceleration) have been cured or waived.

Section 6.03. Other Remedies.

If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy to collect the payment of Accreted Value, premium, if any, and interest on the Notes or to enforce the performance of any provision of the Notes or this Indenture.

The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Holder of a Note in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. All remedies are cumulative to the extent permitted by law.

Section 6.04. Waiver of Existing Defaults.

Holders of not less than a majority in aggregate principal amount at maturity of the then outstanding Notes by notice to the Trustee may on behalf of the Holders of all of the Notes waive an existing Default or Event of Default and its consequences hereunder, except a continuing Default or Event of Default in the payment of the Accreted Value of, premium, if any, or interest on, the Notes (including in connection with an offer to purchase) (provided, however, that the Holders of

a majority in aggregate principal amount at maturity of the then outstanding Notes may rescind an acceleration and its consequences, including any related payment default that resulted from such acceleration). Upon any such waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereon.

Section 6.05. Control by Majority.

Holders of a majority in aggregate principal amount at maturity of the then outstanding Notes may direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee or exercising any trust or power conferred on it. However, the Trustee may refuse to follow any direction that conflicts with law or this Indenture that the Trustee determines may be unduly prejudicial to the rights of other Holders of Notes or that may involve the Trustee in personal liability. The Trustee may take any other action which it deems proper that is not inconsistent with any such directive.

Section 6.06. Limitation on Suits.

A Holder of a Note may pursue a remedy with respect to this Indenture or the Notes only if:

(a) the Holder of a Note gives to the Trustee written notice of a continuing Event of Default;

(b) the Holders of at least 25% in aggregate principal amount at maturity of the then outstanding Notes make a written request to the Trustee to pursue the remedy;

(c) such Holder of a Note or Holders of Notes offer and, if requested, provide to the Trustee indemnity satisfactory to the Trustee against any loss, liability or expense;

(d) the Trustee does not comply with the request within 60 days after receipt of the request and the offer and, if requested, the provision of indemnity; and

(e) during such 60-day period the Holders of a majority in aggregate principal amount at maturity of the then outstanding Notes do not give the Trustee a direction inconsistent with the request.

A Holder of a Note may not use this Indenture to prejudice the rights of another Holder of a Note or to obtain a preference or priority over another Holder of a Note.

Section 6.07. Rights of Holders of Notes to Receive Payment.

Notwithstanding any other provision of this Indenture, the right of any Holder of a Note to receive payment of Accreted Value, premium, if any, and interest on the Note, on or after the respective due dates expressed in the Note (including in connection with an offer to purchase), or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder.

Section 6.08. Collection Suit by Trustee.

If an Event of Default specified in Section 6.01(a) or (b) occurs and is continuing, the Trustee is authorized to recover judgment in its own name and as trustee of an express trust against the Issuers for the whole amount of Accreted Value of, premium, if any, and interest remaining unpaid on the Notes and interest on overdue Accreted Value and, to the extent lawful, interest and such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

Section 6.09. Trustee May File Proofs of Claim.

The Trustee is authorized to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and the Holders of the Notes allowed in any judicial proceedings relative to the Issuers (or any other obligor upon the Notes), their creditors or their property and shall be entitled and empowered to collect, receive and distribute any money or other property payable or deliverable on any such claims and any custodian in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee, and in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.07. To the extent that the payment of any such compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.07 out of the estate in any such proceeding, shall be denied for any reason, payment of the same shall be secured by a Lien on, and shall be paid out of, any and all distributions, dividends, money, securities and other properties that the Holders may be entitled to receive in such proceeding whether in liquidation or under any plan of reorganization or arrangement or otherwise. Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

Section 6.10. Priorities.

If the Trustee collects any money pursuant to this Article, it shall pay out the money in the following order:

First: to the Trustee, its agents and attorneys for amounts due under Section 7.07, including payment of all compensation, expense and liabilities incurred, and all advances made, by the Trustee and the costs and expenses of collection;

Second: to Holders of Notes for amounts due and unpaid on the Notes for Accreted Value, premium, if any, and interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for Accreted Value, premium, if any and interest, respectively; and

Third: to the Issuers or to such party as a court of competent jurisdiction shall direct.

The Trustee may fix a record date and payment date for any payment to Holders of Notes pursuant to this Section 6.10.

Section 6.11. Undertaking for Costs.

In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as a Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section does not apply to a suit by the Trustee, a suit by a Holder of a Note pursuant to Section 6.07, or a suit by Holders of more than 10% in aggregate principal amount at maturity of the then outstanding Notes.

ARTICLE 7
TRUSTEE

Section 7.01. Duties of Trustee.

(a) If an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in its exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) Except during the continuance of an Event of Default:

(i) the duties of the Trustee shall be determined solely by the express provisions of this Indenture and the Trustee need perform only those duties that are specifically set forth in this Indenture and no others, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, the Trustee shall examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture.

(c) The Trustee may not be relieved from liabilities for its own gross negligent action, its own gross negligent failure to act, or its own willful misconduct, except that:

(i) this paragraph does not limit the effect of paragraph (b) of this Section;

(ii) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it is proved that the Trustee was grossly negligent in ascertaining the pertinent facts; and

(iii) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.05.

(d) Whether or not therein expressly so provided, every provision of this Indenture that in any way relates to the Trustee is subject to paragraphs (a), (b), and (c) of this Section 7.01.

(e) No provision of this Indenture shall require the Trustee to expend or risk its own funds or incur any liability. The Trustee shall be under no obligation to exercise any of its rights and powers under this Indenture at the request of any Holders, unless such Holder shall have offered to the Trustee security and indemnity satisfactory to it against any loss, liability or expense.

(f) The Trustee shall not be liable for interest on any money received by it except as the Trustee may agree in writing with the Issuers. Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

(g) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture or other paper or documents.

Section 7.02. Rights of Trustee.

(a) The Trustee may conclusively rely upon any document believed by it to be genuine and to have been signed or presented by the proper Person. The Trustee need not investigate any fact or matter stated in the document.

(b) Before the Trustee acts or refrains from acting, it may require an Officers' Certificate or an Opinion of Counsel or both. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on such Officers' Certificate or Opinion of Counsel. The Trustee may consult with counsel and the written advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection from liability in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

(c) The Trustee may act through its attorneys and agents and shall not be responsible for the misconduct or negligence of any agent appointed with due care.

(d) The Trustee shall not be liable for any action it takes or omits to take in good faith that it believes to be authorized or within the rights or powers conferred upon it by this Indenture.

(e) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from either of the Issuers shall be sufficient if signed by an Officer of such Issuer.

(f) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders unless such Holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities that might be incurred by it in compliance with such request or direction.

(g) The Trustee shall not be charged with knowledge of any Default or Event of Default unless either (i) a Responsible Officer of the Trustee shall have actual knowledge of such Default or Event of Default or (ii) written notice of such Default or Event of Default shall have been given to the Trustee by the Issuers or any Holder.

Section 7.03. Individual Rights of Trustee.

The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Issuers, the Guarantor or any Affiliate of either of the Issuers or the Guarantor with the same rights it would have if it were not Trustee. However, in the event that the Trustee acquires any conflicting interest it must eliminate such conflict within 90 days, apply to the SEC for permission to continue as trustee or resign. Any Agent may do the same with like rights and duties. The Trustee is also subject to Sections 7.10 and 7.11.

Section 7.04. Trustee's Disclaimer.

The Trustee shall not be responsible for and makes no representation as to the validity or adequacy of this Indenture or the Notes, it shall not be accountable for the Issuers' use of the proceeds from the Notes or any money paid to the Issuers or upon the Issuers' direction under any provision of this Indenture, it shall not be responsible for the use or application of any money received by any Paying Agent other than the Trustee, and it shall not be responsible for any statement or recital herein or any statement in the Notes or any other document in connection with the sale of the Notes or pursuant to this Indenture other than its certificate of authentication.

Section 7.05. Notice of Defaults.

If a Default or Event of Default occurs and is continuing and if it is known to the Trustee, the Trustee shall mail to Holders of Notes a notice of the Default or Event of Default within 90 days after the Trustee acquires knowledge thereof. Except in the case of a Default or Event of Default in payment of Accreted Value of, premium, if any, or interest on any Note, the Trustee may withhold the notice if and so long as a committee of its Responsible Officers in good faith determines that withholding the notice is in the interests of the Holders of the Notes.

Section 7.06. Reports by Trustee to Holders of the Notes.

Within 60 days after each May 15 beginning with the May 15 following the date of this Indenture, and for so long as Notes remain outstanding, the Trustee shall mail to the Holders of the Notes a brief report dated as of such reporting date that complies with TIA ss. 313(a) (but if no event described in TIA ss. 313(a) has occurred within the twelve months preceding the reporting date, no report need be transmitted). The Trustee also shall comply with TIA ss. 313(b)(2). The Trustee shall also transmit by mail all reports as required by TIA ss. 313(c).

A copy of each report at the time of its mailing to the Holders of Notes shall be mailed to the Company and filed with the SEC and each stock exchange on which the Notes are listed in accordance with TIA ss. 313(d). The Issuers shall promptly notify the Trustee when the Notes are listed on any stock exchange.

Section 7.07. Compensation and Indemnity.

The Issuers shall pay to the Trustee from time to time reasonable compensation for its acceptance of this Indenture and services hereunder. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Issuers shall reimburse the Trustee promptly upon request for all reasonable disbursements, advances and expenses incurred or made by it in addition to the compensation for its services. Such expenses shall include the reasonable compensation, disbursements and expenses of the Trustee's agents and counsel.

The Issuers and the Guarantor shall, jointly and severally, indemnify the Trustee against any and all losses, liabilities or expenses incurred by it arising out of or in connection with the acceptance or administration of its duties under this Indenture, including the costs and expenses of enforcing this Indenture against the Issuers and the Guarantor (including this Section 7.07) and defending itself against any claim (whether asserted by the Issuers or the Guarantor or any Holder or any other person) or liability in connection with the exercise or performance of any of its powers or duties hereunder, except to the extent any such loss, liability or expense may be attributable to its gross negligence or willful misconduct. The Trustee shall notify the Issuers promptly of any claim for which it may seek indemnity. Failure by the Trustee to so notify the Issuers shall not relieve the Issuers or the Guarantor of their obligations hereunder. The Issuers and the Guarantor shall defend the claim and the Trustee shall cooperate in the defense. The Trustee may have separate counsel and the Issuers shall pay the reasonable fees and expenses of such counsel. The Issuers need not pay for any settlement made without their consent, which consent shall not be unreasonably withheld.

The obligations of the Issuers and the Guarantor under this Section 7.07 shall survive resignation or removal of the Trustee and the satisfaction and discharge of this Indenture.

To secure the Issuers' payment obligations in this Section, the Trustee shall have a Lien prior to the Notes on all money or property held or collected by the Trustee, except that held in trust to pay principal and interest on particular Notes. Such Lien shall survive the resignation or removal of the Trustee and the satisfaction and discharge of this Indenture.

When the Trustee incurs expenses or renders services after an Event of Default specified in Section 6.01(g) or (h) occurs, the expenses and the compensation for the services (including the fees and expenses of its agents and counsel) are intended to constitute expenses of administration under any Bankruptcy Law.

The Trustee shall comply with the provisions of TIA ss. 313(b)(2) to the extent applicable.

Section 7.08. Replacement of Trustee.

A resignation or removal of the Trustee and appointment of a successor Trustee shall become effective only upon the successor Trustee's acceptance of appointment as provided in this Section.

The Trustee may resign in writing at any time and be discharged from the trust hereby created by so notifying the Issuers. The Holders of a majority in aggregate principal amount at maturity of the then outstanding Notes may remove the Trustee by so notifying the Trustee and the Issuers in writing. The Issuers may remove the Trustee if:

(a) the Trustee fails to comply with Section 7.10;

(b) the Trustee is adjudged a bankrupt or an insolvent or an order for relief is entered with respect to the Trustee under any Bankruptcy Law;

(c) a custodian or public officer takes charge of the Trustee or its property; or

(d) the Trustee becomes incapable of acting.

If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason, the Issuers shall promptly appoint a successor Trustee. Within one year after the successor Trustee takes office, the Holders of a majority in aggregate principal amount at maturity of the then outstanding Notes may appoint a successor Trustee to replace the successor Trustee appointed by the Issuers.

If a successor Trustee does not take office within 60 days after the retiring Trustee resigns or is removed, the retiring Trustee, the Issuers, or the Holders of at least 10% in aggregate principal amount at maturity of the then outstanding Notes may petition any court of competent jurisdiction for the appointment of a successor Trustee.

If the Trustee, after written request by any Holder who has been a Holder for at least six months, fails to comply with Section 7.10, such Holder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Issuers. Thereupon, the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee shall mail a notice of its succession to Holders. The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee; provided all sums owing to the Trustee hereunder have been paid and subject to the Lien provided for in Section 7.07. Notwithstanding replacement of the Trustee pursuant to this Section 7.08, the Issuers' and the Guarantor's obligations under Section 7.07 shall continue for the benefit of the retiring Trustee.

Section 7.09. Successor Trustee by Merger, etc.

If the Trustee consolidates, merges or converts into, or transfers all or substantially all of its corporate trust business to, another corporation, the successor corporation without any further act shall be the successor Trustee.

Section 7.10. Eligibility; Disqualification.

There shall at all times be a Trustee hereunder that is a corporation organized and doing business under the laws of the United States of America or of any state thereof that is authorized under such laws to exercise corporate trustee power, that is subject to supervision or examination by federal or state authorities and that has a combined capital and surplus of at least $100 million as set forth in its most recent published annual report of condition.

This Indenture shall always have a Trustee who satisfies the requirements of TIA ss. 310(a)(1), (2) and (5). The Trustee is subject to TIA ss. 310(b).

Section 7.11. Preferential Collection of Claims Against the Issuers.

The Trustee is subject to TIA ss. 311(a), excluding any creditor relationship listed in TIA ss. 311(b). A Trustee who has resigned or been removed shall be subject to TIA ss. 311(a) to the extent indicated therein.

ARTICLE 8
LEGAL DEFEASANCE AND COVENANT DEFEASANCE

Section 8.01. Option to Effect Legal Defeasance or Covenant Defeasance.

The Issuers may, at the option of their respective Boards of Directors evidenced by a resolution set forth in an Officers' Certificate of each of the Issuers, at any time, elect to have either Section 8.02 or 8.03 be applied to all outstanding Notes upon compliance with the conditions set forth below in this Article 8.

Section 8.02. Legal Defeasance and Discharge.

Upon the Issuers' exercise under Section 8.01 of the option applicable to this Section 8.02, the Issuers and the Guarantor shall, subject to the satisfaction of the conditions set forth in Section 8.04, be deemed to have been discharged from their obligations with respect to all outstanding Notes and Guarantees thereof on the date the conditions set forth below are satisfied (hereinafter, "Legal Defeasance"). For this purpose, Legal Defeasance means that the Issuers shall be deemed to have paid and discharged the entire Indebtedness represented by the outstanding Notes, which shall thereafter be deemed to be "outstanding" only for the purposes of Section 8.05 and the other Sections of this Indenture referred to in (a) and (b) below, and to have satisfied all their other obligations under such Notes and this Indenture (and the Trustee, on demand of and at the expense of the Issuers, shall

execute proper instruments acknowledging the same), except for the following provisions which shall survive until otherwise terminated or discharged hereunder:

(a) the rights of Holders of outstanding Notes to receive payments in respect of the Accreted Value of, premium, if any, and interest on such Notes when such payments are due from the trust referred to below;

(b) the Issuers' 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;

(c) the rights, powers, trusts, duties and immunities of the Trustee, and the Issuers' and the Guarantor's obligations in connection therewith; and

(d) the Legal Defeasance provisions of this Indenture.

Subject to compliance with this Article 8, the Issuers may exercise their option under this Section 8.02 notwithstanding the prior exercise of their option under Section 8.03.

Section 8.03. Covenant Defeasance.

Upon the Issuers' exercise under Section 8.01 of the option applicable to this Section 8.03, the Issuers and the Guarantor shall, subject to the satisfaction of the conditions set forth in Section 8.04, be released from their obligations under the covenants contained in Article 5 and Sections 4.03, 4.07, 4.08, 4.09, 4.10, 4.11, 4.12, 4.13, 4.14, 4.16, 4.17 and 4.19 with respect to the outstanding Notes and Guarantees thereof on and after the date the conditions set forth in Section 8.04 are satisfied (hereinafter, "Covenant Defeasance"), and the Notes and Guarantees thereof shall thereafter be deemed not "outstanding" for the purposes of any direction, waiver, consent or declaration or act of Holders (and the consequences of any thereof) in connection with such covenants, but shall continue to be deemed "outstanding" for all other purposes hereunder (it being understood that such Notes shall not be deemed outstanding for accounting purposes). For this purpose, Covenant Defeasance means that, with respect to the outstanding Notes, the Issuers and the Guarantor may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any reference in any such covenant to any other provision herein or in any other document and such omission to comply shall not constitute a Default or an Event of Default under Section 6.01, but, except as specified above, the remainder of this Indenture and such Notes and the Guarantees thereof shall be unaffected thereby. In addition, upon the Issuers' exercise under Section 8.01 of the option applicable to this Section 8.03, subject to the satisfaction of the conditions set forth in Section 8.04, Sections 6.01(c) through 6.01(f) shall not constitute Events of Default.

Section 8.04. Conditions to Legal or Covenant Defeasance.

The following shall be the conditions to the application of either Section 8.02 or 8.03 to the outstanding Notes:

In order to exercise either Legal Defeasance or Covenant Defeasance:

(1) the Company 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 the Company must specify whether the Notes are being defeased to maturity or to a particular redemption date;

(2) in the case of Legal Defeasance, the Company shall have delivered to the Trustee an Opinion of Counsel reasonably acceptable to the Trustee confirming that (a) the Company has received from, or there has been published by, the Internal Revenue Service a ruling or (b) since the date of this Indenture, 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, the Company 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 this Indenture) to which the Company or any of the Restricted Subsidiaries is a party or by which the Company or any of the Restricted Subsidiaries is bound;

(6) the Company must have delivered to the applicable Trustee an opinion of counsel to the effect that after the 91st day assuming no intervening bankruptcy, that no Holder is an insider of either of the Issuers following the deposit and that such deposit would not be deemed by a court of competent jurisdiction a transfer for the benefit of the Guarantor or either co-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) the Company must deliver to the Trustee an Officers' Certificate stating that the deposit was not made by the Company 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 the Company or others; and

(8) the Company 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 (i) have become due and payable or (ii) will become due and payable on the maturity date within one year, by their terms or 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.

Section 8.05. Deposited Money and Government Securities to Be Held in Trust; Other Miscellaneous Provisions.

Subject to Section 8.06, all money and non-callable Government Securities (including the proceeds thereof) deposited with the Trustee (or other qualifying trustee, collectively for purposes of this Section 8.05, the "Trustee") pursuant to Section 8.04 in respect of the outstanding Notes shall be held in trust and applied by the Trustee, in accordance with the provisions of such Notes and this Indenture, to the payment, either directly or through any Paying Agent (including the Issuers acting as Paying Agent) as the Trustee may determine, to the Holders of such Notes of all sums due and to become due thereon in respect of principal, premium, if any, and interest, but such money need not be segregated from other funds except to the extent required by law.

The Issuers and the Guarantor shall pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the cash or non-callable Government Securities deposited pursuant to Section 8.04 or the principal and interest received in respect thereof other than any such tax, fee or other charge which by law is for the account of the Holders of the outstanding Notes.

Anything in this Article 8 to the contrary notwithstanding, the Trustee shall deliver or pay to the Issuers from time to time upon the request of the Issuers any money or non-callable Government Securities held by it as provided in Section 8.04 which, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee (which may be the opinion delivered under Section 8.04(a)), are in excess of the amount thereof that would then be required to be deposited to effect an equivalent Legal Defeasance or Covenant Defeasance.

Section 8.06. Repayment to Issuers.

Any money deposited with the Trustee or any Paying Agent, or then held by the Issuers, in trust for the payment of the Accreted Value of, premium, if any, or interest on any Note and remaining unclaimed for two years after such principal, and premium, if any, or interest has become due and payable shall be paid to the Issuers on their request or (if then held by the Issuers) shall be discharged from such trust; and the Holder of such Note shall thereafter look only to the Issuers for

payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Issuers as trustee thereof, shall thereupon cease; provided, however, that the Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Issuers cause to be published once, in the New York Times and The Wall Street Journal (national edition), notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such notification or publication, any unclaimed balance of such money then remaining shall be repaid to the Issuers.

Section 8.07. Reinstatement.

If the Trustee or Paying Agent is unable to apply any United States dollars or non-callable Government Securities in accordance with Section 8.02 or 8.03, as the case may be, by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the Issuers' and the Guarantor's obligations under this Indenture, the Notes and the Guarantee, as the case may be, shall be revived and reinstated as though no deposit had occurred pursuant to Section 8.02 or 8.03 until such time as the Trustee or Paying Agent is permitted to apply all such money in accordance with Section 8.02 or 8.03, as the case may be; provided, however, that, if the Issuers make any payment of Accreted Value of, premium, if any, or interest on any Note following the reinstatement of their obligations, the Issuers or the Guarantor, as the case may be, shall be subrogated to the rights of the Holders of such Notes to receive such payment from the money held by the Trustee or Paying Agent.

ARTICLE 9
AMENDMENT, SUPPLEMENT AND WAIVER

Section 9.01. Without Consent of Holders of Notes.

Notwithstanding Section 9.02 of this Indenture, the Issuers, the Guarantor and the Trustee may amend or supplement this Indenture or the Notes without the consent of any Holder of a Note:

(a) to cure any ambiguity, defect or inconsistency;

(b) to provide for uncertificated Notes in addition to or in place of certificated Notes;

(c) to provide for the assumption of an Issuer's or the Guarantor's obligations, as the case may be, to Holders of Notes in the case of a merger or consolidation or sale of all or substantially all of the assets of either Issuer or the Guarantor, as the case may be, pursuant to Article 5;

(d) 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 this Indenture of any such Holder; or

(e) to comply with requirements of the SEC in order to effect or maintain the qualification of this Indenture under the TIA or otherwise as necessary to comply with applicable law.

Upon the request of the Issuers accompanied by a resolution of their respective Boards of Directors authorizing the execution of any such amended or supplemental Indenture, and upon receipt by the Trustee of the documents described in Section 7.02, the Trustee shall join with the Issuers and the Guarantor in the execution of any amended or supplemental Indenture authorized or permitted by the terms of this Indenture and to make any further appropriate agreements and stipulations that may be therein contained, but the Trustee shall not be obligated to enter into such amended or supplemental Indenture that affects its own rights, duties or immunities under this Indenture or otherwise.

Section 9.02. With Consent of Holders of Notes.

Except as provided below in this Section 9.02, this Indenture (including Sections 4.11 and 4.16) or the Notes may be amended or supplemented with the consent of the Holders of at least a majority in aggregate principal amount at maturity of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or a tender offer or exchange offer for, Notes) and, subject to Sections 6.04 and 6.07, any existing Default or compliance with any provision of this Indenture or the Notes may be waived with the consent of the Holders of a majority in aggregate principal amount at maturity of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or a tender offer or exchange offer for, Notes). Section 2.08 shall determine which Notes are considered to be "outstanding" for purposes of this Section 9.02.

Upon the request of the Issuers accompanied by a resolution of their respective Boards of Directors authorizing the execution of any such amended or supplemental Indenture, and upon the filing with the Trustee of evidence satisfactory to the Trustee of the consent of the Holders of Notes as aforesaid, and upon receipt by the Trustee of the documents described in Section 7.02, the Trustee shall join with the Issuers and the Guarantor in the execution of such amended or supplemental Indenture unless such amended or supplemental Indenture directly affects the Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, enter into such amended or supplemental Indenture.

It shall not be necessary for the consent of the Holders of Notes under this Section 9.02 to approve the particular form of any proposed amendment or waiver, but it shall be sufficient if such consent approves the substance thereof.

After an amendment, supplement or waiver under this Section becomes effective, the Company shall mail to the Holders of Notes affected thereby a notice briefly describing the amendment, supplement or waiver. Any failure of the Company to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such amended or supplemental Indenture or waiver. Subject to Sections 6.04 and 6.07, the Holders of a majority in aggregate principal amount at maturity of the Notes then outstanding may waive compliance in a particular instance by the Issuers with any provision of this Indenture or the Notes. However, without the consent of each

Holder affected, an amendment, supplement or waiver under this Section 9.02 may not (with respect to any Notes held by a non-consenting Holder):

(a) reduce the principal amount at maturity of Notes whose Holders must consent to an amendment, supplement or waiver;

(b) reduce the Accreted Value 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 Sections 4.11 and 4.16);

(c) reduce the rate of or extend the time for payment of interest on any Note;

(d) waive a Default or Event of Default in the payment of Accreted Value 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 at maturity of the Notes and a waiver of the payment default that resulted from such acceleration);

(e) make any Note payable in money other than that stated in the Notes;

(f) make any change in the provisions of this Indenture relating to waivers of past Defaults or the rights of Holders of Notes to receive payments of Accreted Value of, or premium, if any, or interest on the Notes;

(g) waive a redemption payment with respect to any Note (other than a payment required by one of the covenants described in Sections 4.11 and 4.16);

(h) amend any provision or release the Guarantee of the Guarantor except pursuant to the Marcus Combination; or

(i) make any change in this Section 9.02.

Section 9.03. Compliance with Trust Indenture Act.

Every amendment or supplement to this Indenture or the Notes shall be set forth in a amended or supplemental Indenture that complies with the TIA as then in effect.

Section 9.04. Revocation and Effect of Consents.

Until an amendment, supplement or waiver becomes effective, a consent to it by a Holder of a Note is a continuing consent by the Holder of a Note and every subsequent Holder of a Note or portion of a Note that evidences the same debt as the consenting Holder's Note, even if notation of the consent is not made on any Note. However, any such Holder of a Note or subsequent Holder of a Note may revoke the consent as to its Note if the Trustee receives written notice of revocation before the date the waiver, supplement or amendment becomes effective. An amendment, supplement or waiver becomes effective in accordance with its terms and thereafter binds every Holder.

Section 9.05. Notation on or Exchange of Notes.

The Trustee may place an appropriate notation about an amendment, supplement or waiver on any Note thereafter authenticated. The Issuers in exchange for all Notes may issue and the Trustee shall, upon receipt of an Authentication Order, authenticate new Notes that reflect the amendment, supplement or waiver.

Failure to make the appropriate notation or issue a new Note shall not affect the validity and effect of such amendment, supplement or waiver.

Section 9.06. Trustee to Sign Amendments, etc.

The Trustee shall sign any amended or supplemental Indenture authorized pursuant to this Article 9 if the amendment or supplement does not adversely affect the rights, duties, liabilities or immunities of the Trustee. The Issuers and the Guarantor may not sign an amendment or supplemental Indenture until their respective Boards of Directors approve it. In executing any amended or supplemental indenture, the Trustee shall be entitled to receive and (subject to Section 7.01) shall be fully protected in relying upon, in addition to the documents required by Section 12.04, an Officer's Certificate and an Opinion of Counsel, in each case from each of the Issuers, stating that the execution of such amended or supplemental indenture is authorized or permitted by this Indenture.

ARTICLE 10
GUARANTEE OF NOTES

Section 10.01. Unconditional Guarantee.

Subject to the provisions of this Article Ten, the Guarantor hereby unconditionally and irrevocably guarantees, on a senior basis to each Holder of a Note authenticated and delivered by the Trustee and to the Trustee and its successors and assigns, irrespective of the validity and enforceability of this Indenture, the Notes or the obligations of the Issuers to the Holders or the Trustee hereunder or thereunder, that: (a) the principal of, premium, if any, and interest on the Notes (and any Special Interest payable thereon) shall be duly and punctually paid in full when due, whether at maturity, upon redemption at the option of Holders pursuant to the provisions of the Notes relating thereto, by acceleration or otherwise, and interest on the overdue principal and (to the extent permitted by law) interest, if any, on the Notes and all other obligations of the Issuers to the Holders or the Trustee hereunder or thereunder (including amounts due the Trustee under Section 7.07) and all other obligations shall be promptly paid in full or performed, all in accordance with the terms hereof and thereof; and (b) in case of any extension of time of payment or renewal of any Notes or any of such other obligations, the same shall be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at maturity, by acceleration or otherwise. Failing payment when due of any amount so guaranteed, or failing performance of any other obligation of the Issuers to the Holders under this Indenture or under the Notes, for whatever reason, the Guarantor shall be obligated to pay, or to perform or cause the performance of, the same immediately. An Event of Default under this Indenture or the Notes shall constitute an event of default under this Guarantee,

and shall entitle the Holders of Notes to accelerate the obligations of the Guarantor hereunder in the same manner and to the same extent as the obligations of the Issuers.

The Guarantor hereby agrees that its obligations hereunder shall be unconditional, irrespective of the validity, regularity or enforceability of the Notes or this Indenture, the absence of any action to enforce the same, any waiver or consent by any Holder of the Notes with respect to any provisions hereof or thereof, the recovery of any judgment against the Issuers, any action to enforce the same, whether or not this Guarantee is affixed to any particular Note, or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of the Guarantor. The Guarantor hereby waives the benefit of diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of either Issuer, any right to require a proceeding first against either Issuer, protest, notice and all demands whatsoever and covenants that its Guarantee shall not be discharged except by complete performance of the obligations contained in the Notes, this Indenture and this Guarantee or except as otherwise permitted by this Indenture. This Guarantee is a guarantee of payment and not of collection. If any Holder or the Trustee is required by any court or otherwise to return to either Issuer or to the Guarantor, or any custodian, trustee, liquidator or other similar official acting in relation to either Issuer or the Guarantor, any amount paid by either Issuer or the Guarantor to the Trustee or such Holder, this Guarantee, to the extent theretofore discharged, shall be reinstated in full force and effect. The Guarantor further agrees that, as between it, on the one hand, and the Holders of Notes and the Trustee, on the other hand, (a) subject to this Article Ten, the maturity of the obligations guaranteed hereby may be accelerated as provided in Article Six for the purposes of this Guarantee, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby, and (b) in the event of any acceleration of such obligations as provided in Article Six, such obligations (whether or not due and payable) shall forthwith become due and payable by the Guarantor for the purpose of this Guarantee.

No stockholder, member, officer, director, employee or incorporator, past, present or future, of the Guarantor , as such, shall have any personal liability under this Guarantee by reason of his, her or its status as such stockholder, officer, director, employee or incorporator.

Section 10.02. Limitations on this Guarantee.

The obligations of the Guarantor under its Guarantee are limited to the maximum amount which, after giving effect to all other contingent and fixed liabilities of the Guarantor will result in the obligations of the Guarantor under the Guarantee not constituting a fraudulent conveyance or fraudulent transfer under any laws of the United States, any state of the United States or the District of Columbia.

Section 10.03. Execution and Delivery of this Guarantee.

To further evidence the Guarantee set forth in Section 10.01, the Guarantor hereby agrees that a notation of such Guarantee, substantially in the form of Exhibit F, shall be endorsed on each Note authenticated and delivered by the Trustee. Such Guarantee shall be executed on behalf of the Guarantor by either manual or facsimile signature of two Officers of the Guarantor, each of whom, in each case, shall have been duly authorized to so execute by all requisite corporate action.

The validity and enforceability of the Guarantee set forth in Section 10.01 shall not be affected by the fact that it is not affixed to any particular Note. The Guarantor hereby agrees that its Guarantee set forth in Section 10.01 shall remain in full force and effect notwithstanding any failure to endorse on each Note a notation of such Guarantee.

If an Officer of the Guarantor whose signature is on this Indenture or a Guarantee no longer holds that office at the time the Trustee authenticates the Note on which such Guarantee is endorsed or at any time thereafter, the Guarantor's Guarantee of such Note shall be valid nevertheless.

The delivery of any Note by the Trustee, after the authentication thereof hereunder, shall constitute due delivery of any Guarantee set forth in this Indenture on behalf of the Guarantor.

Section 10.04. Release of Guarantor.

(a) Upon the consummation of the Marcus Combination, the Guarantor's Guarantee shall be released, and the Guarantor shall be deemed released from all obligations under this Article Ten and this Indenture without any further action required on the part of the Guarantor, the Trustee or any Holder. If the Marcus Combination is not consummated, the Guarantor will not be so released and the Guarantor or any entity surviving the Guarantor, as applicable, shall remain or be liable under its Guarantee as provided in this Article Ten.

(b) The Trustee shall deliver an appropriate instrument evidencing the release of the Guarantor upon receipt of a request by the Company or the Guarantor accompanied by an Officers' Certificate and an Opinion of Counsel certifying as to the compliance with this Section 10.04; provided the legal counsel delivering such Opinion of Counsel may rely as to matters of fact on one or more Officers Certificates of the Company or the Guarantor.

The Trustee shall execute any documents reasonably requested by the Company or the Guarantor in order to evidence the release of the Guarantor from its obligations under its Guarantee endorsed on the Notes, under this Article Ten and under this Indenture.

Section 10.05. Waiver of Subrogation.

Until this Indenture is discharged and all of the Notes are discharged and paid in full, the Guarantor hereby irrevocably waives and agrees not to exercise any claim or other rights which it may now or hereafter acquire against either Issuer that arise from the existence, payment, performance or enforcement of the Issuers' obligations under the Notes or this Indenture and the Guarantor's obligations under this Guarantee and this Indenture, in any such instance including, without limitation, any right of subrogation, reimbursement, exoneration, contribution, indemnification, and any right to participate in any claim or remedy of the Holders against either Issuer, 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 either Issuer, 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. If any amount shall be paid to the Guarantor in violation of the preceding sentence and any amounts owing to the Trustee or the Holders of Notes under the Notes, this Indenture, or any other document or instrument delivered under or in connection with such agreements or instruments, shall

not have been paid in full, such amount shall have been deemed to have been paid to the Guarantor for the benefit of, and held in trust for the benefit of, the Trustee or the Holders and shall forthwith be paid to the Trustee for the benefit of itself or such Holders to be credited and applied to the obligations in favor of the Trustee or the Holders, as the case may be, whether matured or unmatured, in accordance with the terms of this Indenture. The Guarantor acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by this Indenture and that the waiver set forth in this Section 10.05 is knowingly made in contemplation of such benefits.

Section 10.06. Immediate Payment.

The Guarantor agrees to make immediate payment to the Trustee on behalf of the Holders of all obligations under the Notes and this Indenture owing or payable to the respective Holders upon receipt of a demand for payment therefor by the Trustee to such Guarantor in writing.

Section 10.07. Obligations Continuing.

The obligations of the Guarantor hereunder shall be continuing and shall remain in full force and effect until all the obligations have been paid and satisfied in full. The Guarantor agrees with the Trustee that it will from time to time deliver to the Trustee suitable acknowledgments of this continued liability hereunder.

Section 10.08. Obligations Reinstated.

The obligations of the Guarantor hereunder shall continue to be effective or shall be reinstated, as the case may be, if at any time any payment which would otherwise have reduced the obligations of the Guarantor hereunder (whether such payment shall have been made by or on behalf of either Issuer or by or on behalf of the Guarantor) is rescinded or reclaimed from any of the Holders upon the insolvency, bankruptcy, liquidation or reorganization of either Issuer or the Guarantor or otherwise, all as though such payment had not been made. If demand for, or acceleration of the time for, payment by either Issuer is stayed upon the insolvency, bankruptcy, liquidation or reorganization of either Issuer, all such Indebtedness otherwise subject to demand for payment or acceleration shall nonetheless be payable by the Guarantor as provided herein.

Section 10.09. Obligations Not Affected.

The obligations of the Guarantor hereunder shall not be affected, impaired or diminished in any way by any act, omission, matter or thing whatsoever, occurring before, upon or after any demand for payment hereunder (and whether or not known or consented to by the Guarantor or any of the Holders) which, but for this provision, might constitute a whole or partial defense to a claim against the Guarantor hereunder or might operate to release or otherwise exonerate the Guarantor from any of its obligations hereunder or otherwise affect such obligations, whether occasioned by default of any of the Holders or otherwise.

Section 10.10. Waiver.

Without in any way limiting the provisions of Section 10.01 hereof, the Guarantor hereby waives notice or proof of reliance by the Holders upon the obligations of the Guarantor

hereunder, and diligence, presentment, demand for payment on the Issuers, protest or notice of dishonor of any of the obligations under the Note and this Indenture, or other notice or formalities to the Issuers of any kind whatsoever.

Section 10.11. No Obligation To Take Action Against Either Issuer.

Neither the Trustee nor any other Person shall have any obligation to enforce or exhaust any rights or remedies or to take any other steps under any security for the obligations under the Notes and this Indenture or against either Issuer or any other Person or any property of either Issuer or any other Person before the Trustee is entitled to demand payment and performance by the Guarantor of its liabilities and obligations under its Guarantees or under this Indenture.

Section 10.12. Dealing With The Company and Others.

The Holders, without releasing, discharging, limiting or otherwise affecting in whole or in part the obligations and liabilities of the Guarantor hereunder and without the consent of or notice to the Guarantor, may

(a) grant time, renewals, extensions, compromises, concessions, waivers, releases, discharges and other indulgences to either Issuer or any other Person;

(b) take or abstain from taking security or collateral from the Issuers or from perfecting security or collateral of the Issuers;

(c) release, discharge, compromise, realize, enforce or otherwise deal with or do any act or thing in respect of (with or without consideration) any and all collateral, mortgages or other security given by the Issuers or any third party with respect to the obligations or matters contemplated by this Indenture or the Notes;

(d) accept compromises or arrangements from either Issuer;

(e) apply all monies at any time received from either Issuer or from any security upon such part of the obligations under the Notes or this Indenture as the Holders may see fit or change any such application in whole or in part from time to time as the Holders may see fit; and

(f) otherwise deal with, or waive or modify their right to deal with, either Issuer and all other Persons and any security as the Holders or the Trustee may see fit.

Section 10.13. Default and Enforcement.

If the Guarantor fails to pay in accordance with Section 10.06, the Trustee may proceed in its name as trustee hereunder in the enforcement of the Guarantee of the Guarantor and the Guarantor's obligations thereunder and hereunder by any remedy provided by law, whether by legal proceedings or otherwise, and to recover from the Guarantor the obligations.

Section 10.14. Amendment, Etc.

No amendment, modification or waiver of any provision of this Indenture relating to the Guarantor or consent to any departure by the Guarantor or any other Person from any such provision will in any event be effective unless it is signed by the Guarantor, the Issuers and the Trustee.

Section 10.15. Acknowledgement.

The Guarantor hereby acknowledges communication of the terms of this Indenture and the Notes and consents to and approves of the same.

Section 10.16. Costs and Expenses.

The Guarantor shall pay on demand by the Trustee any and all costs, fees and expenses (including, without limitation, legal fees on a solicitor and client basis) incurred by the Trustee, its agents, advisors and counsel or any of the Holders in enforcing any of their rights under its Guarantee.

Section 10.17. No Waiver; Cumulative Remedies.

No failure to exercise and no delay in exercising, on the part of the Trustee or the Holders, any right, remedy, power or privilege hereunder or under this Indenture or the Notes, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder or under this Indenture or the Notes preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges in the Guarantee and under this Indenture, the Notes and any other document or instrument between the Guarantor and/or the Issuers and the Trustee are cumulative and not exclusive of any rights, remedies, powers and privilege provided by law.

Section 10.18. Effect of Offset or Counterclaim.

The obligations of the Guarantor hereunder shall be enforceable against the Guarantor without regard to and without giving effect to any right of offset or counterclaim available to or which may be asserted by the Company or the Guarantor.

Section 10.19. Guarantee in Addition to Other Obligations.

The obligations of the Guarantor under its Guarantee and this Indenture are in addition to and not in substitution for any other obligations to the Trustee or to any of the Holders in relation to this Indenture or the Notes (including the Purchase Agreement and the Registration Rights Agreement).

Section 10.20. Severability.

Any provision of this Article Ten which is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction

unless its removal would substantially defeat the basic intent, spirit and purpose of this Indenture and this Article Ten.

Section 10.21. Successors and Assigns.

Each Guarantee shall be binding upon and inure to the benefit of the Guarantor, the Issuers, the Trustee and the Holders and their respective successors and permitted assigns, except that the Guarantor may not assign any of its obligations hereunder or thereunder.

ARTICLE 11
SECURITY

Section 11.01. Security.

In order to secure the due and punctual payment of the principal of, premium, if any, and interest, and Special Interest, if any, on the Notes when and as the same shall be due and payable, whether on an interest payment date, at maturity, by acceleration, call for redemption or otherwise, and interest on the overdue principal and interest, if any, of the Notes and performance of all other obligations of the Issuers, to the Holders or the Trustee under this Indenture and the Notes, according to the terms hereof or thereof, the Company will make an assignment of its right, title and interest in and to the Collateral to the Trustee pursuant to the Pledge Documents and to the extent therein provided, no later than the date of the first issuance of the Notes hereunder. At the time the Pledge Documents are executed, the Company will have full right, power and lawful authority to grant, bargain, sell, release, convey, hypothecate, assign, mortgage, transfer and confirm, absolutely, the property constituting the Collateral in the manner and form done, or intended to be done, in the Pledge Documents, free and clear of all Liens whatsoever, except to the extent otherwise provided therein, and (a) will for so long as any Notes are outstanding, warrant and defend the title to the same against the claims of all Persons whatsoever, (b) will execute, acknowledge and deliver to the Trustee such further assignments, transfers, assurances or other instruments as the Trustee may require or request and (c) will do or cause to be done all such acts and things as may be necessary or proper, or as may be required by the Trustee, to assure and confirm to the Trustee the security interest in the Collateral contemplated hereby and by the Pledge Documents, or any part thereof, as from time to time constituted, so as to render the same available for the security and benefit of this Indenture and of the Notes secured hereby, according to the intent and purposes herein expressed. The Pledge Documents will create a direct and valid Lien on the property constituting the Collateral as set forth in the Pledge Documents.

Section 11.02. Recording and Opinions.

The Company will cause, at its own expense, the Pledge Documents, this Indenture and all amendments or supplements thereto and UCC-1 financing statements and other applicable documents relating thereto to be registered, recorded and filed or re-recorded, refiled and renewed in such manner and in such place or places if any, as may be required by law in order fully to preserve and protect the Liens created by the Pledge Documents on all parts of the Collateral and to effectuate and preserve the security of the Holders and all rights of the Trustee.

The Company shall furnish to the Trustee:

(a) promptly after the execution and delivery of the Pledge Documents, an Opinion of Counsel either (a) stating that, in the opinion of such counsel, this Indenture and the assignment of the Collateral intended to be made by the Pledge Documents and all other instruments of further assurance or amendment have been properly recorded, registered and filed to the extent necessary to make effective the Lien intended to be created by the Pledge Documents, and reciting the details of such action or referring to prior opinions of counsel in which such details are given, and stating that as to the Pledge Documents such recordings, registering and filings are sufficient to give notice thereof and that no re-recordings, re-registerings or refilings are necessary to maintain such notice, and further stating that all financing statements and continuation statements have been executed and filed that are necessary fully to preserve and protect the rights of the Holders and the Trustee hereunder and under the Pledge Documents, or (b) stating that, in the opinion of such counsel, no such action is necessary to make such Lien and assignment effective; and

(b) within 30 days after April 1 in each year beginning with April 1, 2000, an Opinion of Counsel, dated as of such date, either (a) stating that, in the opinion of such counsel, such action has been taken with respect to the recording, registering, filing, re-recording, re-registering and refiling of all supplemental indentures, financing statements, continuation statements or other instruments of further assurance as is necessary to maintain the Lien of the Pledge Documents and reciting the details of such action or referring to prior opinions of counsel in which such details are given, and stating that all financing statements and continuation statements have been executed and filed that are necessary fully to preserve and protect the rights of the Holders and the Trustee hereunder and under the Pledge Documents, or (b) stating that, in the opinion of such counsel, no such action is necessary to maintain such lien and assignment.

Section 11.03. Release of Collateral.

Upon the consummation of the Marcus Combination, the security interest in the Collateral in favor of the Trustee for the benefit of the Holders will be immediately released.

To the extent applicable, the Company shall cause TIA ss. 314(d) relating the release of property from the Lien of the Pledge Documents to be complied with. Any certificate or opinion required by TIA ss. 314(d) may be made by an officer of the Company, except in cases in which TIA ss. 314(d) requires that such certificate or opinion be made by an independent Person.

Section 11.04. Authorization of Actions To Be Taken by the Trustee.

Subject to the provisions of the Pledge Documents, the Trustee shall have power to institute and to maintain such suits and proceedings as it may deem expedient to prevent any impairment of the Collateral by any acts which may be unlawful or in violation of the Pledge Documents, or this Indenture, and such suits and proceedings as the Trustee may deem expedient to preserve or protect its interests and the interests of the Holders in the Collateral (including power to institute and maintain suits or proceedings to restrain the enforcement of or compliance with any legislative or

governmental enactment, rule, or order that may be unconstitutional or otherwise invalid if the enforcement of, or compliance with, such enactment, rule or order would impair the security hereunder or be prejudicial to the interest of the Trustee).

Section 11.05. Acknowledgment that Collateral Secures the Other Notes.

The Collateral is secured for the equal and ratable benefit of the holders of the Notes and the holders of the Other Notes.

ARTICLE 12
MISCELLANEOUS

Section 12.01. Trust Indenture Act Controls.

If any provision of this Indenture limits, qualifies or conflicts with the duties imposed by TIA ss. 318(c), the imposed duties shall control.

Section 12.02. Notices.

Any notice or communication by the Issuers, the Guarantor or the Trustee to the others is duly given if in writing and delivered in Person or mailed by first class mail (registered or certified, return receipt requested), telex, telecopier or overnight air courier guaranteeing next day delivery, to the others' address:

If to the Issuers or the Guarantor:
c/o Charter Communications, Inc.
12444 Powerscourt Drive, Suite 100
St. Louis, Missouri 63131
Telecopier No.: (314) 965-8793
Attention: Secretary

With a copy to:
Paul, Hastings, Janofsky & Walker LLP
399 Park Avenue
31st Floor
New York, New York 10022
Telecopier No.: (212) 319-4090
Attention: Thomas R. Pollock, Esq.

If to the Trustee:
Harris Trust and Savings Bank
311 West Monroe, 12th Floor
Chicago, Illinois 60606
Telecopier No.: (312) 461-3525
Attention: Corporate Trust Department

The Issuers, the Guarantor or the Trustee, by notice to the others may designate additional or different addresses for subsequent notices or communications.

All notices and communications (other than those sent to Holders) shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; five Business Days after being deposited in the mail, postage prepaid, if mailed; when answered back, if telexed; when receipt acknowledged, if telecopied; and the next Business Day after timely delivery to the courier, if sent by overnight air courier guaranteeing next day delivery.

Any notice or communication to a Holder shall be mailed by first class mail, certified or registered, return receipt requested, or by overnight air courier guaranteeing next day delivery to its address shown on the register kept by the Registrar. Any notice or communication shall also be so mailed to any Person described in TIA ss. 313(c), to the extent required by the TIA. Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders.

If a notice or communication is mailed in the manner provided above within the time prescribed, it is duly given, whether or not the addressee receives it.

If the Issuers mail a notice or communication to Holders, it shall mail a copy to the Trustee and each Agent at the same time.

Section 12.03. Communication by Holders of Notes with Other Holders of Notes.

Holders may communicate pursuant to TIA ss. 312(b) with other Holders with respect to their rights under this Indenture or the Notes. The Issuers, the Guarantor, the Trustee, the Registrar and anyone else shall have the protection of TIA ss. 312(c).

Section 12.04. Certificate and Opinion as to Conditions Precedent.

Upon any request or application by the Issuers or the Guarantor to the Trustee to take any action under this Indenture, the Issuers or the Guarantor, as the case may be, shall furnish to the Trustee:

(a) an Officers' Certificate in form and substance reasonably satisfactory to the Trustee (which shall include the statements set forth in Section 12.05) stating that, in the opinion of the signers, all conditions precedent and covenants, if any, provided for in this Indenture relating to the proposed action have been satisfied; and

(b) an Opinion of Counsel in form and substance reasonably satisfactory to the Trustee (which shall include the statements set forth in Section 12.05) stating that, in the opinion of such counsel, all such conditions precedent and covenants have been satisfied.

Section 12.05. Statements Required in Certificate or Opinion.

Each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture (other than a certificate provided pursuant to TIA ss. 314(a)(4)) shall comply with the provisions of TIA ss. 314(e) and shall include:

(a) a statement that the Person making such certificate or opinion has read such covenant or condition;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of such Person, he or she has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been satisfied; and

(d) a statement as to whether or not, in the opinion of such Person, such condition or covenant has been satisfied.

Section 12.06. Rules by Trustee and Agents.

The Trustee may make reasonable rules for action by or at a meeting of Holders. The Registrar or Paying Agent may make reasonable rules and set reasonable requirements for its functions.

Section 12.07. No Personal Liability of Directors, Officers, Employees, Members and Stockholders.

No director, officer, employee, incorporator, member or stockholder of the Issuers or the Guarantor, as such, shall have any liability for any obligations of the Issuers or the Guarantor under the Notes, the Guarantee, this Indenture 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 are part of the consideration for issuance of the Notes.

Section 12.08. Governing Law.

THE INTERNAL LAW OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUE THIS INDENTURE, THE NOTES AND THE GUARANTEE WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY. EACH OF THE PARTIES HERETO AGREES TO SUBMIT TO THE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS INDENTURE, THE NOTES OR ANY GUARANTEE.

Section 12.09. No Adverse Interpretation of Other Agreements.

This Indenture may not be used to interpret any other indenture, loan or debt agreement of the Issuers, the Guarantor or their Subsidiaries or of any other Person. Any such indenture, loan or debt agreement may not be used to interpret this Indenture.

Section 12.10. Successors.

All agreements of the Issuers and the Guarantor in this Indenture, the Notes and the Guarantee, as the case may be, shall bind their respective successors. All agreements of the Trustee in this Indenture shall bind its successors.

Section 12.11. Severability.

In case any provision in this Indenture, the Notes or the Guarantee, as the case may be, shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 12.12. Counterpart Originals.

The parties may sign any number of copies of this Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

Section 12.13. Table of Contents, Headings, etc.

The Table of Contents, Cross-Reference Table and Headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part of this Indenture and shall in no way modify or restrict any of the terms or provisions.

ARTICLE 13
SATISFACTION AND DISCHARGE

Section 13.01. Satisfaction and Discharge of Indenture.

This Indenture shall cease to be of further effect (except as to any surviving rights of registration of transfer or exchange of Notes herein expressly provided for), and the Trustee, on demand of and at the expense of the Issuers, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture, when

(1) either

(A) all Notes theretofore authenticated and delivered (other than (i) Notes which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 2.07 and (ii) Notes for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Issuers and thereafter re-

paid to the Issuers or discharged from such trust,) have been delivered to the Trustee for cancellation; or

(B) all such Notes not theretofore delivered to the Trustee for cancellation

(i) have become due and payable, or

(ii) will become due and payable at their Stated Maturity within one year, or

(iii) are to be called for redemption 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,

and the Issuers, in the case of (i), (ii) or (iii) above, have deposited or caused to be deposited with the Trustee as trust funds in trust for the purpose an amount sufficient to pay and discharge the entire indebtedness on such Notes not theretofore delivered to the Trustee for cancellation, for principal (and premium, if any) and interest to the date of such deposit (in the case of Notes which have become due and payable) or to the maturity or redemption thereof, as the case may be;

(2) the Issuers have paid or caused to be paid all other sums payable hereunder by the Issuers and the Guarantors; and

(3) each of the Issuers have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture have been complied with.

Notwithstanding the satisfaction and discharge of this Indenture pursuant to this Article 13, the obligations of the Issuers and the Guarantor to the Trustee under Section 7.07, and, if money shall have been deposited with the Trustee pursuant to subclause (B) of clause (1) of this Section, the obligations of the Trustee under Section 13.02 shall survive.

Section 13.02. Application of Trust Money.

All money deposited with the Trustee pursuant to Section 13.01 shall be held in trust and applied by it, in accordance with the provisions of the Notes and this Indenture, to the payment, either directly or through any Paying Agent as the Trustee may determine, to the Persons entitled thereto, of the principal (and premium, if any) and interest for whose payment such money has been deposited with the Trustee.

[Signatures on following page]

SIGNATURES

Dated as of March 17, 1999

CHARTER COMMUNICATIONS HOLDINGS, LLC,
as an Issuer

By: /s/ Eloise Engman
____
Name: Eloise Engman
Title: Vice President

CHARTER COMMUNICATIONS HOLDINGS
CAPITAL CORPORATION, as an Issuer

By: /s/ Eloise Engman
____
Name: Eloise Engman
Title: Vice President

MARCUS CABLE HOLDINGS, LLC,
as Guarantor

BY: MARCUS CABLE PROPERTIES, L.L.C.,
as Manager

BY: MARCUS CABLE PROPERTIES, INC.,
as Manager

By: /s/ Marcy Lifton
____
Name: Marcy Lifton
Title: Senior Vice President and
Assistant Secretary

HARRIS TRUST AND SAVINGS BANK,
as Trustee

By: /s/ Kevin O. Healey
____
Name: Kevin O. Healey
Title: Senior Vice President

EXHIBIT A

[Face of Note]

CUSIP NO. [   ]

9.92% Senior Discount Notes due 2011

No. $

CHARTER COMMUNICATIONS HOLDINGS, LLC
and
CHARTER COMMUNICATIONS HOLDINGS CAPITAL CORPORATION

promise to pay to____.

or registered assigns,

the principal amount at maturity of ______________________

Dollars ($) on April 1, 2011.

Interest Payment Dates: April 1 and October 1

Record Dates: March 15 and September 15

Subject to Restrictions set forth in this Note.

Dated: March 17, 1999

CHARTER COMMUNICATIONS HOLDINGS, LLC

By:_____________________________________
Name:
Title:

By:_____________________________________
Name:
Title:

CHARTER COMMUNICATIONS HOLDINGS
CAPITAL CORPORATION

By:_____________________________________
Name:
Title:

By:_____________________________________
Name:
Title:

This is one of the Notes referred to in the within-mentioned Indenture:

HARRIS TRUST AND SAVINGS BANK,
as Trustee

By: __________________________________
Authorized Signatory

[Back of Note]
9.92% Senior Discount Notes due 2011

FOR THE PURPOSES OF SECTIONS 1272, 1273 AND 1275 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, THIS SECURITY IS BEING ISSUED WITH ORIGINAL ISSUE DISCOUNT; FOR EACH $1,000 PRINCIPAL AMOUNT OF THIS SECURITY, THE ISSUE PRICE IS $613.94, THE AMOUNT OF ORIGINAL ISSUE DISCOUNT IS $386.06, THE ISSUE DATE IS MARCH 17, 1999 AND THE YIELD TO MATURITY IS 9.92% PER ANNUM.

"THIS GLOBAL NOTE IS HELD BY THE DEPOSITARY (AS DEFINED IN THE INDENTURE GOVERNING THIS NOTE) OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (I) THE TRUSTEE MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED PURSUANT TO SECTION 2.07 OF THE INDENTURE, (II) THIS GLOBAL NOTE MAY BE EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO SECTION 2.06(a) OF THE INDENTURE, (III) THIS GLOBAL NOTE MAY BE DELIVERED TO THE TRUSTEE FOR CANCELLATION PURSUANT TO SECTION 2.11 OF THE INDENTURE AND (IV) THIS GLOBAL NOTE MAY BE TRANSFERRED TO A SUCCESSOR DEPOSITARY WITH THE PRIOR WRITTEN CONSENT OF THE ISSUERS."(1)

"THE NOTES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933 (THE "SECURITIES ACT") AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) (1) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (3) TO AN INSTITUTIONAL ACCREDITED INVESTOR IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, (4) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES."(2)

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(1) This paragraph should be included only if the Note is issued in global form.

(2) This paragraph should be removed upon the exchange of Notes for Exchange Notes in the Exchange Offer or upon the registration of the Notes pursuant to the terms of the Registration Rights Agreement.

Capitalized terms used herein shall have the meanings assigned to them in the Indenture referred to below unless otherwise indicated.

1. INTEREST. Charter Communications Holdings, LLC, a Delaware limited liability company (the "Company"), and Charter Communications Holdings Capital Corporation, a Delaware corporation ("Charter Capital" and, together with the Company, the "Issuers"), promise to pay interest on the principal amount at maturity of this Note at the rate of 9.92% per annum. The interest rate on the Notes is subject to increase pursuant to the provisions of the Registration Rights Agreement. The Issuers will pay interest semi-annually in arrears on April 1 and October 1 of each year (each an "Interest Payment Date"), or if any such day is not a Business Day, on the next succeeding Business Day, commencing on October 1, 2004. The principal amount at maturity of this Note will not bear or accrue cash interest until April 1, 2004. Cash interest on the Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from April 1, 2004; provided that if there is no existing Default in the payment of interest, and if this Note is authenticated between a record date referred to on the face and the next succeeding Interest Payment Date, interest shall accrue from such next succeeding Interest Payment Date. The Issuers shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue Accreted Value and premium, if any, from time to time on demand at a rate that is 1% per annum in excess of the rate then in effect; they shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest (without regard to any applicable grace periods) from time to time on demand at the same rate to the extent lawful. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

2. METHOD OF PAYMENT. The Issuers shall pay interest on the Notes (except defaulted interest) to the Persons who are registered Holders of Notes at the close of business on the March 15 or September 15 next preceding the Interest Payment Date, even if such Notes are canceled after such record date and on or before such Interest Payment Date, except as provided in Section 2.12 of the Indenture with respect to defaulted interest. The Notes will be payable as to Accreted Value, premium, if any, and interest at the office or agency of the Issuers maintained for such purpose within or without the City and State of New York, or, at the option of the Issuers, payment of interest may be made by check mailed to the Holders at their addresses set forth in the register of Holders, and provided that payment by wire transfer of immediately available funds will be required with respect to Accreted Value of and interest and premium on all Global Notes and all other Notes the Holders of which shall have provided wire transfer instructions to the Issuers or the Paying Agent. Such payment shall be in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

3. PAYING AGENT AND REGISTRAR. Initially, Harris Trust and Savings Bank, the Trustee under the Indenture, will act as Paying Agent and Registrar. The Issuers may change any Paying Agent or Registrar without notice to any Holder. The Company or any of its Subsidiaries may act in any such capacity.

4. INDENTURE. The Issuers issued the Notes under an Indenture dated as of March 17, 1999 ("Indenture") between the Issuers, Marcus Cable Holdings, LLC (the "Guarantor") and the Trustee. The terms of the Notes include those stated in the Indenture and those made part of

the Indenture by reference to the Trust Indenture Act of 1939, as amended (15 U.S. Code ss.ss. 77aaa-77bbbb). The Notes are subject to all such terms, and Holders are referred to the Indenture and such Act for a statement of such terms. To the extent any provision of this Note conflicts with the express provisions of the Indenture, the provisions of the Indenture shall govern and be controlling. The Notes are obligations of the Issuers limited to $1.475 billion in aggregate principal amount at maturity, of which all $1.475 billion in aggregate principal amount at maturity of Notes were issued on the Issue Date. The Notes are guaranteed on a senior basis by the Guarantor.

5. OPTIONAL REDEMPTION.

(a) Except as set forth in clause (b) of this Paragraph 5, the Issuers shall not have the option to redeem the Notes prior to April 1, 2004. Thereafter, the Issuers shall have the option to redeem the Notes, in whole or in part, upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount at maturity) 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%

(b) Notwithstanding the provisions of clause (a) of this Paragraph 5, 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 Notes originally issued under the Indenture on a pro rata basis (or as nearly pro rata as practicable), at a redemption price of 109.920% of the Accreted Value thereof, plus, after the Full Accretion Date, 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 at maturity of Notes originally issued under the Indenture remains outstanding immediately after the occurrence of such redemption (excluding Notes held by the Company and its Subsidiaries); and

(2) the redemption must occur within 60 days of the date of the closing of such Equity Offering.

6. MANDATORY REDEMPTION.

Except as otherwise provided in Paragraph 7 below, the Issuers shall not be required to make mandatory redemption payments with respect to the Notes.

7. REPURCHASE AT OPTION OF HOLDER

(a) If there is a Change of Control, the Issuers shall make an offer (a "Change of Control Offer") to repurchase all or any part (equal to $1,000 principal amount at maturity or an integral multiple thereof) of each Holder's Notes at a purchase price equal to 101% of the Accreted Value thereof plus, for any Change of Control Offer occurring after the Full Accretion Date, accrued and unpaid interest thereon, if any, to the date of purchase (the "Change of Control Payment"). Within 10 days following any Change of Control, the Issuers shall mail a notice to each Holder describing the transaction or transactions that constitute the Change of Control and offering to repurchase Notes on the Change of Control Payment Date specified in such notice, pursuant to the procedures required by the Indenture and described in such notice.

(b) If the Company or a Restricted Subsidiary consummates any Asset Sale, when the aggregate amount of Excess Proceeds exceeds $25.0 million, the Issuers shall commence an offer (an "Asset Sale Offer") pursuant to Section 4.11 of the Indenture 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 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, the Company may use such Excess Proceeds for any purpose not otherwise prohibited by the Indenture. 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 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. Holders of Notes that are the subject of an offer to purchase will receive an Asset Sale Offer from the Company prior to any related purchase date and may elect to have such Notes purchased by completing the form entitled "Option of Holder to Elect Purchase" on the reverse of the Notes.

8. NOTICE OF REDEMPTION. Notice of redemption will be mailed by first class mail at least 30 days but not more than 60 days before the redemption date to each Holder whose Notes are to be redeemed at its registered address. Notices of redemption may not be conditional. No Notes of $1,000 principal amount at maturity or less may be redeemed in part. Notes in denominations larger than $1,000 principal amount at maturity may be redeemed in part but only in whole multiples of $1,000 principal amount at maturity, unless all of the Notes held by a Holder are to be redeemed. On and after the redemption date Accreted Value ceases to accrete and interest ceases to accrue, as the case may be, on Notes or portions thereof called for redemption.

9. DENOMINATIONS, TRANSFER, EXCHANGE. The Notes are in registered form without coupons in denominations of $1,000 principal amount at maturity and integral multiples of $1,000 principal amount at maturity. The transfer of Notes may be registered and Notes may be exchanged as provided in the Indenture. The Registrar and the Trustee may require

a Holder, among other things, to furnish appropriate endorsements and transfer documents and the Issuers may require a Holder to pay any taxes and fees required by law or permitted by the Indenture. The Issuers need not exchange or register the transfer of any Note or portion of a Note selected for redemption, except for the unredeemed portion of any Note being redeemed in part. Also, the Issuers need not exchange or register the transfer of any Notes for a period of 15 days before a selection of Notes to be redeemed or during the period between a record date and the corresponding Interest Payment Date.

10. PERSONS DEEMED OWNERS. The registered Holder of a Note may be treated as its owner for all purposes, other than with respect to the payment of Additional Amounts.

11. AMENDMENT, SUPPLEMENT AND WAIVER. Subject to certain exceptions, the Indenture or the Notes may be amended or supplemented with the consent of the Holders of at least a majority in aggregate principal amount at maturity of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes), and any existing default or compliance with any provision of the Indenture or the Notes may be waived with the consent of the Holders of a majority in aggregate principal amount at maturity of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes). Without the consent of any Holder of a Note, the Issuers and the Trustee may amend or supplement the Indenture or the Notes to cure any ambiguity, defect or inconsistency, to provide for uncertificated Notes in addition to or in place of certificated Notes, to provide for the assumption of an Issuers' or the Guarantor's, as the case may be, obligations to Holders of Notes in the case of a merger or consolidation or sale of all or substantially all of the assets of either Issuer or the Guarantor, as the case may be, 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 Indenture of any such Holder, or to comply with the requirements of the SEC in order to effect or maintain the qualification of the Indenture under the TIA or otherwise as necessary to comply with applicable law.

12. DEFAULTS AND REMEDIES. Each of the following is an Event of Default: (i) default for 30 days in the payment when due of interest on the Notes, (ii) default in payment when due of the Accreted Value of, or premium, if any, on the Notes, (iii) failure by the Company or any of its Restricted Subsidiaries, or the Guarantor or any of its Restricted Subsidiaries, to comply with Sections 4.16 and 5.01 of the Indenture, (iv) failure by the Company or any of its Restricted Subsidiaries, or the Guarantor or any of its Restricted Subsidiaries, for 30 days after written notice thereof has been given to the Company by the Trustee or to the Company and the Trustee by the Holders of at least 25% of the aggregate principal amount at maturity of the Notes outstanding to comply with any of their other covenants or agreements in the Indenture, (v) 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 the Company or any of its Restricted Subsidiaries, or by the Guarantor or any of its Restricted Subsidiaries, (or the payment of which is guaranteed by the Company or any of its Restricted Subsidiaries, or by the Guarantor or any of its Restricted Subsidiaries), whether such Indebtedness or guarantee now exists or is created after the date of the Indenture, if that default: (a) is caused by a failure to pay at final stated maturity the principal amount of 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, (vi) failure by the Company or any of its Restricted Subsidiaries, or by the Guarantor 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, (vii) certain events of bankruptcy or insolvency with respect to the Company or the Guarantor or any of their Significant Subsidiaries, (viii) except as permitted by the Indenture the Guarantee of the Guarantor being held in any judicial proceeding to be unenforceable or invalid or ceasing for any reason to be in full force and effect or is caused by the Guarantor's, or any Person's (such Person acting on behalf of the Guarantor), denial or disaffirmation of its obligations under the Guarantee or (ix) except as permitted by the Indenture any of the Pledge Documents cease to be in full force and effect (other than in accordance with their respective terms or the terms of the Indenture), or any of the Pledge Documents cease to give the Trustee or the Company, as the case may be, the Liens purported to be created thereby, or any Pledge Document is declared null and void. In the case of an Event of Default arising from certain events of bankruptcy or insolvency with respect to the Company, all outstanding Notes will become due and payable without further action or notice. If any other Event of Default occurs and is continuing, the Trustee by notice to the Issuers or the Holders of at least 25% in aggregate principal amount at maturity of the then outstanding Notes by notice to the Issuers and the Trustee may declare all the Notes to be due and payable in an amount equal to (x) the Accreted Value of the Notes outstanding on the date of acceleration, if such declaration is made prior to the Full Accretion Date or (y) the entire principal amount at maturity of all the Notes outstanding on the date of acceleration, plus accrued interest, if any, to the date of acceleration, if such declaration is made after the Full Accretion Date. Holders may not enforce the Indenture or the Notes except as provided in the Indenture. Subject to certain limitations, Holders of a majority in aggregate principal amount at maturity of the then outstanding Notes may direct the Trustee in its exercise of any trust or power. 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 at maturity of the Notes then outstanding by notice to the Trustee may on behalf of the Holders of all of the Notes waive any existing Default or Event of Default and its consequences under the Indenture except a continuing Default or Event of Default in the payment of interest on, or the Accreted Value of, the Notes. The Company is required to deliver to the Trustee annually a statement regarding compliance with the Indenture. Upon becoming aware of any Default or Event of Default, the Company is required to deliver to the Trustee a statement specifying such Default or Event of Default.

13. TRUSTEE DEALINGS WITH ISSUERS. The Trustee, in its individual or any other capacity, may make loans to, accept deposits from, and perform services for the Issuers, the Guarantor or their Affiliates, and may otherwise deal with the Issuers, the Guarantor or their Affiliates, as if it were not the Trustee.

14. NO RECOURSE AGAINST OTHERS. A director, officer, employee, incorporator, member or stockholder of either of the Issuers or the Guarantor, as such, shall not have any liability for any obligations of the Issuers under the Notes or the Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives

and releases all such liability. The waiver and release are part of the consideration for the issuance of the Notes.

15. GUARANTEES. Until the consummation of the Marcus Combination, this Note will be entitled to the benefits of certain Guarantees, if any, made for the benefit of the Holders. Reference is hereby made to the Indenture for a statement of the respective rights, limitations of rights, duties and obligations thereunder of the Guarantor, the Trustee and the Holders.

16. GOVERNING LAW. This Note and the Indenture shall be governed by and construed in accordance with the laws of the State of New York, as applied to contracts made and performed within the State of New York, without regard to principles of conflict of laws. Each of the parties hereto and the holders agree to submit to the jurisdiction of the courts of the State of New York in any action or proceeding arising out of or relating to this Note.

17. AUTHENTICATION. This Note shall not be valid until authenticated by the manual signature of the Trustee or an authenticating agent.

18. ABBREVIATIONS. Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A (= Uniform Gifts to Minors Act).

19. ADDITIONAL RIGHTS OF HOLDERS OF RESTRICTED GLOBAL NOTES AND RESTRICTED DEFINITIVE NOTES. In addition to the rights provided to Holders of Notes under the Indenture, Holders of Restricted Global Notes and Restricted Definitive Notes shall have all the rights set forth in the Exchange and Registration Rights Agreement dated as of March 17, 1999, among the Issuers, the Guarantor and the initial purchasers named therein (the "Registration Rights Agreement").

20. CUSIP NUMBERS. Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Issuers have caused CUSIP numbers to be printed on the Notes and the Trustee may use CUSIP numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

The Company will furnish to any Holder upon written request and without charge a copy of the Indenture and/or the Registration Rights Agreement. Requests may be made to:

Charter Communications Holdings, LLC
Charter Communications Holdings Capital Corporation
c/o Charter Communications, Inc.
12444 Powerscourt Drive
Suite 100
St. Louis, Missouri 63131
Attention: Secretary
Telecopier No.: (314) 965-0555

ASSIGNMENT FORM

To assign this Note, fill in the form below:

(I) or (we) assign and transfer this Note to:_______________________________
(Insert assignee's legal name)

____
(Insert assignee's soc. sec. or tax I.D. no.)

____

____

____

____
(Print or type assignee's name, address and zip code)

and irrevocably appoint____
to transfer this Note on the books of the Issuers. The agent may substitute another to act for him.

Date: _________________________

Your Signature: _____________________
(Sign exactly as your name appears on the face of this Note)

Signature Guarantee*: _______________________

* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note purchased by the Issuers pursuant to Section 4.11 or 4.16 of the Indenture, check the appropriate box below:

|_| Section 4.11 |_| Section 4.16

If you want to elect to have only part of the Note purchased by the Company pursuant to Section 4.11 or Section 4.16 of the Indenture, state the amount you elect to have purchased:

$____________________

Date: ____________________________

Your Signature:__________________________
(Sign exactly as your name appears on the face of this Note)

Tax Identification No.:__________________

Signature Guarantee*:________________________

* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

SCHEDULE OF EXCHANGES OF INTERESTS IN THE GLOBAL NOTE*

The following exchanges of a part of this Global Note for an interest in another Global Note or for a Definitive Note, or exchanges of a part of another Global Note or Definitive Note for an interest in this Global Note, have been made:

Date of Exchange	Amount of decrease in Principal Amount at Maturity of this Global Note	Amount of increase in Principal Amount at Maturity of this Global Note	Principal Amount at Maturity of this Global Note following such decrease (or increase)	Signature of authorized officer of Trustee or Note Custodian

EXHIBIT B

FORM OF CERTIFICATE OF TRANSFER

Charter Communications Holdings, LLC
Charter Communications Holdings Capital Corporation
c/o Charter Communications, Inc.
12444 Powerscourt Drive, Suite 100
St. Louis, Missouri 63131

Harris Trust and Savings Bank
311 West Monroe, 12th Floor
Chicago, Illinois 60606
Attn: Corporate Trust Department

Re: 9.92% Senior Discount Notes due 2011

Reference is hereby made to the Indenture, dated as of March 17, 1999 (the "Indenture"), among Charter Communications Holdings, LLC (the "Company") and Charter Communications Holdings Capital Corporation ("Charter Capital" and, together with the Company, the "Issuers"), Marcus Cable Holdings, LLC, as guarantor, and Harris Trust and Savings Bank, as trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

___________________ (the "Transferor") owns and proposes to transfer the Note[s] or interest in such Note[s] specified in Annex A hereto, in the principal amount at maturity of $___________ in such Note[s] or interests (the "Transfer"), to ___________________________ (the "Transferee"), as further specified in Annex A hereto. In connection with the Transfer, the Transferor hereby certifies that:

[CHECK ALL THAT APPLY]

1. |_| Check if Transferee will take delivery of a beneficial interest in the 144A Global Note or a Definitive Note Pursuant to Rule 144A. The Transfer is being effected pursuant to and in accordance with Rule 144A under the United States Securities Act of 1933, as amended (the "Securities Act"), and, accordingly, the Transferor hereby further certifies that the beneficial interest or Definitive Note is being transferred to a Person that the Transferor reasonably believed and believes is purchasing the beneficial interest or Definitive Note for its own account, or for one or more accounts with respect to which such Person exercises sole investment discretion, and such Person and each such account is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and such Transfer is in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the 144A Global Note and/or the Definitive Note and in the Indenture and the Securities Act.

2. |_| Check if Transferee will take delivery of a beneficial interest in the Regulation S Global Note or a Definitive Note pursuant to Regulation S. The Transfer is being

effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and, accordingly, the Transferor hereby further certifies that (i) the Transfer is not being made to a person in the United States and (x) at the time the buy order was originated, the Transferee was outside the United States or such Transferor and any Person acting on its behalf reasonably believed and believes that the Transferee was outside the United States or (y) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither such Transferor nor any Person acting on its behalf knows that the transaction was prearranged with a buyer in the United States, (ii) no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S under the Securities Act and (iii) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act. Upon consummation of the proposed transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will be subject to the restrictions on Transfer enumerated in the Private Placement Legend printed on the Regulation S Global Note and/or the Definitive Note and in the Indenture and the Securities Act.

3. |_| Check and complete if Transferee will take delivery of a beneficial interest in a Definitive Note pursuant to any provision of the Securities Act other than Rule 144A or Regulation S. The Transfer is being effected in compliance with the transfer restrictions applicable to beneficial interests in Restricted Global Notes and Restricted Definitive Notes and pursuant to and in accordance with the Securities Act and any applicable blue sky securities laws of any state of the United States, and accordingly the Transferor hereby further certifies that (check one):

(a) |_| such Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act;

or

(b) |_| such Transfer is being effected to the Company or a subsidiary thereof;

or

(c) |_| such Transfer is being effected pursuant to an effective registration statement under the Securities Act and in compliance with the prospectus delivery requirements of the Securities Act;

or

(c) |_| such Transfer is being effected to an Institutional Accredited Investor and pursuant to an exemption from the registration requirements of the Securities Act other than Rule 144A, Rule 144 or Rule 904, and the Transferor hereby further certifies that it has not engaged in any general solicitation within the meaning of Regulation D under the Securities Act and the Transfer complies with the transfer restrictions applicable to beneficial interests in a Restricted Global Note or Restricted Definitive Notes and the requirements of the exemption claimed, which certification is supported by (1) a certificate executed by the Transferee in the form of Exhibit D to the Indenture and (2) an Opinion of Counsel provided by the Transferor or the Transferee (a copy of which the Transferor has attached to this certification), to the effect that such Transfer is in compliance with the Securities Act. Upon consummation of the proposed transfer in accordance with the terms of the Indenture, the trans-

ferred beneficial interest or Definitive Note will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Note and/or the Definitive Notes and in the Indenture and the Securities Act.

4.|_| Check if Transferee will take delivery of a beneficial interest in an Unrestricted Global Note or of an Unrestricted Definitive Note.

(a) |_| Check if Transfer is pursuant to Rule 144. (i) The Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes, on Restricted Definitive Notes and in the Indenture.

(b) |_| Check if Transfer is Pursuant to Regulation S. (i) The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes, on Restricted Definitive Notes and in the Indenture.

(c) |_| Check if Transfer is Pursuant to Other Exemption. (i) The Transfer is being effected pursuant to and in compliance with an exemption from the registration requirements of the Securities Act other than Rule 144, Rule 903 or Rule 904 and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any State of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will not be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes or Restricted Definitive Notes and in the Indenture.

This certificate and the statements contained herein are made for your benefit and the benefit of the Issuers.

____
[Insert Name of Transferor]

By:___________________________________
Name:
Title:

Dated: ________________________

ANNEX A TO CERTIFICATE OF TRANSFER

1. The Transferor owns and proposes to transfer the following:

[CHECK ONE OF (a) OR (b)]

(a) |_| a beneficial interest in the:

(i) |_| 144A Global Note (CUSIP__________), or

(ii) |_| Regulation S Global Note (CUSIP__________), or

(b) |_| a Restricted Definitive Note.

2. After the Transfer the Transferee will hold:

[CHECK ONE]

(a) |_| a beneficial interest in the:

(i) |_| 144A Global Note (CUSIP__________), or

(ii) |_| Regulation S Global Note (CUSIP__________), or

(iii) |_| Unrestricted Global Note (CUSIP__________); or

(b) |_| a Restricted Definitive Note; or

(c) |_| an Unrestricted Definitive Note,

in accordance with the terms of the Indenture.

EXHIBIT C

FORM OF CERTIFICATE OF EXCHANGE

Charter Communications Holdings, LLC
Charter Communications Holdings Capital Corporation
c/o Charter Communications, Inc.
12444 Powerscourt Drive, Suite 100
St. Louis, Missouri 63131

Harris Trust and Savings Bank
311 West Monroe, 12th Floor
Chicago, Illinois 60606
Attn: Corporate Trust Department

Re: 9.92% Senior Discount Notes due 2011

(CUSIP ____________)

Reference is hereby made to the Indenture, dated as of March 17, 1999 (the "Indenture"), among Charter Communications Holdings, LLC (the "Company") and Charter Communications Holdings Capital Corporation ("Charter Capital" and, together with the Company, the "Issuers"), Marcus Cable Holdings, LLC, as guarantor, and Harris Trust and Savings Bank, as trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

__________________________ (the "Owner") owns and proposes to exchange the Note[s] or interest in such Note[s] specified herein, in the principal amount at maturity of $____________ in such Note[s] or interests (the "Exchange"). In connection with the Exchange, the Owner hereby certifies that:

1. Exchange of Restricted Definitive Notes or Beneficial Interests in a Restricted Global Note for Unrestricted Definitive Notes or Beneficial Interests in an Unrestricted Global Note

(a) |_| Check if Exchange is from beneficial interest in a Restricted Global Note to beneficial interest in an Unrestricted Global Note. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for a beneficial interest in an Unrestricted Global Note in an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Global Notes and pursuant to and in accordance with the United States Securities Act of 1933, as amended (the "Securities Act"), (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest in an Unrestricted Global Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(b) |_| Check if Exchange is from beneficial interest in a Restricted Global Note to Unrestricted Definitive Note. In connection with the Exchange of the Owner's

beneficial interest in a Restricted Global Note for an Unrestricted Definitive Note, the Owner hereby certifies (i) the Definitive Note is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the Definitive Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(c) |_| Check if Exchange is from Restricted Definitive Note to beneficial interest in an Unrestricted Global Note. In connection with the Owner's Exchange of a Restricted Definitive Note for a beneficial interest in an Unrestricted Global Note, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(d) |_| Check if Exchange is from Restricted Definitive Note to Unrestricted Definitive Note. In connection with the Owner's Exchange of a Restricted Definitive Note for an Unrestricted Definitive Note, the Owner hereby certifies (i) the Unrestricted Definitive Note is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the Unrestricted Definitive Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

2. Exchange of Restricted Definitive Notes or Beneficial Interests in Restricted Global Notes for Restricted Definitive Notes or Beneficial Interests in Restricted Global Notes

(a) |_| Check if Exchange is from beneficial interest in a Restricted Global Note to Restricted Definitive Note. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for a Restricted Definitive Note with an equal principal amount, the Owner hereby certifies that the Restricted Definitive Note is being acquired for the Owner's own account without transfer. Upon consummation of the proposed Exchange in accordance with the terms of the Indenture, the Restricted Definitive Note issued will continue to be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Definitive Note and in the Indenture and the Securities Act.

(b) |_| Check if Exchange is from Restricted Definitive Note to beneficial interest in a Restricted Global Note. In connection with the Exchange of the Owner's Restricted Definitive Note for a beneficial interest in the [CHECK ONE] 144A Global Note or Regulation S Global Note with an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer and (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Notes and pursuant to and in accordance with the Securities Act, and in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed

Exchange in accordance with the terms of the Indenture, the beneficial interest issued will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the relevant Restricted Global Note and in the Indenture and the Securities Act.

This certificate and the statements contained herein are made for your benefit and the benefit of the Issuers.

____
[Insert Name of Transferor]

By: ___________________________________
Name:
Title:

Dated: _______________________

EXHIBIT D

FORM OF CERTIFICATE FROM
ACQUIRING INSTITUTIONAL ACCREDITED INVESTOR

Charter Communications Holdings, LLC
Charter Communications Holdings Capital Corporation
c/o Charter Communications, Inc.
12444 Powerscourt Drive, Suite 100
St. Louis, Missouri 63131

Harris Trust and Savings Bank
311 West Monroe, 12th Floor
Chicago, Illinois 60606
Attn: Corporate Trust Department

Re: 9.92% Senior Discount Notes due 2011

Reference is hereby made to the Indenture, dated as of March 17, 1999 (the "Indenture"), among Charter Communications Holdings, LLC (the "Company") and Charter Communications Holdings Capital Corporation ("Charter Capital" and, together with the Company, the "Issuers"), Marcus Cable Holdings, LLC, as guarantor, and Harris Trust and Savings Bank, as trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

In connection with our proposed purchase of $____________ aggregate principal amount at maturity of:

(a) |_| a beneficial interest in a Global Note, or

(b) |_| a Definitive Note,

we confirm that:

1. We understand that any subsequent transfer of the Notes or any interest therein is subject to certain restrictions and conditions set forth in the Indenture and the undersigned agrees to be bound by, and not to resell, pledge or otherwise transfer the Notes or any interest therein except in compliance with, such restrictions and conditions and the United States Securities Act of 1933, as amended (the "Securities Act").

2. We understand that the offer and sale of the Notes have not been registered under the Securities Act, and that the Notes and any interest therein may not be offered or sold except as permitted in the following sentence. We agree, on our own behalf and on behalf of any accounts for which we are acting as hereinafter stated, that if we should sell the Notes or any interest therein, we will do so only (A) to the Company or any subsidiary thereof, (B) in accordance with Rule 144A under the Securities Act to a "qualified institutional buyer" (as defined therein), (C) to an institutional "accredited investor" (as defined below) that, prior to such transfer, furnishes (or has furnished on its behalf by a U.S. broker-dealer) to you and to the Company a signed letter substantially in the form of this letter and an Opinion of Counsel in form reasonably acceptable to the Company to the effect that

such transfer is in compliance with the Securities Act, (D) outside the United States in accordance with Rule 904 of Regulation S under the Securities Act, (E) pursuant to the provisions of Rule 144(k) under the Securities Act or (F) pursuant to an effective registration statement under the Securities Act, and we further agree to provide to any person purchasing the Definitive Note or beneficial interest in a Global Note from us in a transaction meeting the requirements of clauses (A) through (E) of this paragraph a notice advising such purchaser that resales thereof are restricted as stated herein.

3. We understand that, on any proposed resale of the Notes or beneficial interest therein, we will be required to furnish to you and the Issuers such certifications, legal opinions and other information as you and the Issuers may reasonably require to confirm that the proposed sale complies with the foregoing restrictions. We further understand that the Notes purchased by us will bear a legend to the foregoing effect.

4. We are an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act) and have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of our investment in the Notes, and we and any accounts for which we are acting are each able to bear the economic risk of our or its investment.

5. We are acquiring the Notes or beneficial interest therein purchased by us for our own account or for one or more accounts (each of which is an institutional "accredited investor") as to each of which we exercise sole investment discretion.

You and the Issuers are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby.

____
[Insert Name of Accredited Investor]

By: ___________________________________
Name:
Title:

Dated: _____________________

EXHIBIT E

FORM OF GUARANTEE

For value received, the undersigned hereby unconditionally guarantees, as principal obligor and not only as a surety, to the Holder of this Note the cash payments in United States dollars of principal of, premium, if any, and interest on this Note (and including Special Interest payable thereon) in the amounts and at the times when due and interest on the overdue principal, premium, if any, and interest, if any, of this Note, if lawful, and the payment or performance of all other obligations of the Issuers under the Indenture (as defined below) or the Notes, to the Holder of this Note and the Trustee, all in accordance with and subject to the terms and limitations of this Note, Article Ten of the Indenture and this Guarantee. This Guarantee will become effective in accordance with Article Ten of the Indenture and its terms shall be evidenced therein. The validity and enforceability of any Guarantee shall not be affected by the fact that it is not affixed to any particular Note. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Indenture dated as of March 17, 1999, among Charter Communications Holdings, LLC, a Delaware limited liability company, Charter Communications Holdings Capital Corporation, a company incorporated under the laws of Delaware, Marcus Cable Holdings, LLC, a Delaware limited liability company, as guarantor, and Harris Trust and Savings Bank, as trustee, as amended or supplemented (the "Indenture").

The obligations of the undersigned to the Holders of Notes and to the Trustee pursuant to this Guarantee and the Indenture are expressly set forth in Article Ten of the Indenture and reference is hereby made to the Indenture for the precise terms of the Guarantee and all of the other provisions of the Indenture to which this Guarantee relates.

THIS GUARANTEE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO PRINCIPLES OF CONFLICTS OF LAW. Each Guarantor hereby agrees to submit to the jurisdiction of the courts of the State of New York in any action or proceeding arising out of or relating to this Guarantee.

This Guarantee is subject to release upon the terms set forth in the Indenture.

IN WITNESS WHEREOF, the Guarantor has caused its Guarantee to be duly executed.

Date:______________

MARCUS CABLE HOLDINGS, LLC,
as Guarantor

By: MARCUS CABLE PROPERTIES, L.L.C.,
as Manager

By: MARCUS CABLE PROPERTIES, INC.,
as Manager

By: ____
Name:
Title:

EXHIBIT F

FORM OF MIRROR NOTE

9.92% Senior Note due 2007

$1,548,630,855

MARCUS CABLE HOLDINGS, LLC
(the "Borrower")

promises to pay to CHARTER COMMUNICATIONS HOLDINGS, LLC (the "Lender") on April 1, 2007 (the "Maturity Date") the principal amount outstanding on the Maturity Date.

Interest Payment Dates: April 1 and October 1

Date: March 17, 1999

MARCUS CABLE HOLDINGS, LLC

By: MARCUS CABLE PROPERTIES, L.L.C.,
as Manager

By: MARCUS CABLE PROPERTIES, INC.,
as Manager

By: ____
Name:
Title:

CHARTER COMMUNICATIONS HOLDINGS, LLC

By: ____
Name:
Title:

1. INTEREST. Marcus Cable Holdings, LLC, a Delaware limited liability Company (the "Borrower"), promises to pay to Charter Communications Holdings, LLC, a Delaware limited liability company (the "Lender"), interest on the principal amount of this Note from time to time outstanding at the rate of 9.92% per annum from the date hereof until maturity. The Borrower will pay interest semi-annually in arrears on April 1 and October 1 of each year (each an "Interest Payment Date"), or if any such day is not a Business Day, on the next succeeding Business Day. Interest on the Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of issuance; provided, further, that the first Interest Payment Date shall be October 1, 1999. The principal amount on which the Borrower will pay interest on each Interest Payment Day will be the principal amount of this Note outstanding from time to time during the 6-month period prior to such Interest Payment Date. The Borrower shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal and premium, if any, from time to time on demand at a rate that is 1% per annum in excess of the rate then in effect; it shall pay interest (including post-petition interest in any proceeding under Bankruptcy Law) on overdue installments of interest (without regard to any applicable grace periods) from time to time on demand at the same rate to the extent lawful. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

2. METHOD OF PAYMENT. The Borrower will pay interest on this Note to Lender. This Note will be payable as to principal, premium, if any, and interest by check mailed to Lender at 12444 Powerscourt Drive, Suite 100, St. Louis, Missouri 63131 or such other address as Lender shall have notified the Borrower in writing, and provided that payment by wire transfer of immediately available funds will be required with respect to principal of and interest on this Note if Lender shall have provided wire transfer instructions to the Borrower. Such payment shall be in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

3. DEFINED TERMS. Capitalized terms used herein shall have the meanings assigned to them in the Indenture dated as of March 17, 1999 (the "Indenture") between the Lender, Charter Communications Holdings Capital Corporation, a company incorporated under the laws of Delaware, the Borrower, and Harris Trust and Savings Bank, as trustee, relating to the 8.625% Senior Notes due 2009.

4. PREPAYMENT OF NOTE. This Note may be prepaid in whole or in part at any time without penalty or premium.

5. REPAYMENT AT OPTION OF HOLDER. Upon the occurrence of (i) a Change of Control or (ii) an Asset Sale, in each case under the Indenture, Lender may require Borrower to prepay this Note in whole or in part.

6. DEFAULTS AND REMEDIES. Events of Default include: (i) default for 30 days in the payment when due of interest on this Note, (ii) default in payment when due of principal on this Note, and (iii) any event which constitutes an Event of Default under the Indenture. If any

Event of Default occurs and is continuing, Lender may declare this Note to be due and payable. Notwithstanding the foregoing, upon the occurrence of an Event of Default pursuant to Section 6.01(g) or (h) of the Indenture, this Note will become due and payable without further action or notice. Lender may waive any existing Default or Event of Default and its consequences except a continuing Default or Event of Default in the payment of interest on, or the principal of, this Note. The Borrower is required upon becoming aware of any Default or Event of Default to deliver to Lender a statement specifying such Default or Event of Default.

7. NO RECOURSE AGAINST OTHERS. A director, officer, employee, incorporator, member or stockholder, of the Borrower, as such, shall not have any liability for any obligations of the Borrower under this Note or for any claim based on, in respect of, or by reason of, such obligation or its creation. Lender by accepting this Note waives and releases all such liability. The waiver and release are part of the consideration for the issuance of this Note.

8. GOVERNING LAW. This Note shall be governed by and construed in accordance with the laws of the State of New York, as applied to contracts made and performed within the State of New York, without regard to principles of conflict of laws. Each of the parties hereto and the holders agree to submit to the jurisdiction of the courts of the State of New York in any action or proceeding arising out of or relating to this Note.

Exhibit 4.3(c)

CHARTER COMMUNICATIONS HOLDINGS, LLC
CHARTER COMMUNICATIONS HOLDINGS CAPITAL CORPORATION

MARCUS CABLE HOLDINGS, LLC

$1,475,000,000 9.92% Senior Discount Notes due 2011

Exchange and Registration Rights Agreement

March 17, 1999

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.
Nesbitt Burns Securities Inc.
c/o Goldman, Sachs & Co.
85 Broad Street,
New York, New York 10004

Ladies and Gentlemen:

Charter Communications Holdings, LLC, a Delaware limited liability company (the "Company"), and Charter Communications Holdings Capital Corporation, a Delaware corporation ("Charter Capital" and, together with the Company, the "Issuers"), propose, subject to the terms and conditions stated herein, to issue and sell to the Purchasers (as defined herein) upon the terms set forth in the Purchase Agreement (as defined herein) their $1,475,000,000 aggregate principal amount at maturity of 9.92% Senior Discount Notes due 2011 (the "Notes"), which are guaranteed (the "Guarantee") by Marcus Cable Holdings, LLC (the "Guarantor"). As an inducement to the Purchasers to enter into the Purchase Agreement and in satisfaction of a condition to the obligations of the Purchasers thereunder, the Issuers and the Guarantor agree with the Purchasers for the benefit of holders (as defined herein) from time to time of the Registrable Securities (as defined herein) as follows:

1. Certain Definitions. For purposes of this Exchange and Registration Rights Agreement, the following terms shall have the following respective meanings:

"Base Interest" shall mean the interest that would otherwise accrue on the Notes under the terms thereof and the Indenture, without giving effect to the provisions of this Exchange and Registration Rights Agreement.

The term "broker-dealer" shall mean any broker or dealer registered with the Commission under the Exchange Act.

"Closing Date" shall mean the date on which the Notes are initially issued.

"Commission" shall mean the United States Securities and Exchange Commission, or any other federal agency at the time administering the Exchange Act or the Securities Act, whichever is the relevant statute for the particular purpose.

"Effective Time," in the case of (i) an Exchange Offer Registration, shall mean the time and date as of which the Commission declares the Exchange Offer Registration Statement effective or as of which the Exchange Offer Registration Statement otherwise becomes effective and (ii) a Shelf Registration, shall mean the time and date as of which the Commission declares the Shelf Registration Statement effective or as of which the Shelf Registration Statement otherwise becomes effective.

"Electing Holder" shall mean any holder of Registrable Securities that has returned a completed and signed Notice and Questionnaire to the Issuers in accordance with Section 3(d)(ii) or 3(d)(iii) hereof.

"Exchange Act" shall mean the Securities Exchange Act of 1934, or any successor thereto, as the same shall be amended from time to time.

"Exchange Notes" shall have the meaning assigned thereto in Section 2(a) hereof.

"Exchange Offer" shall have the meaning assigned thereto in Section 2(a) hereof.

"Exchange Offer Registration" shall have the meaning assigned thereto in Section 3(c) hereof.

"Exchange Offer Registration Statement" shall have the meaning assigned thereto in Section 2(a) hereof.

"Guarantee" shall mean the guarantee of the Notes to be issued by the Guarantor.

The term "holder" shall mean each of the Purchasers and other persons who acquire Registrable Securities from time to time (including any successors or assigns), in each case for so long as such person is a registered holder of any Registrable Securities.

"Indenture" shall mean the Indenture governing the Notes, dated as of March 17, 1999 between the Issuers and Harris Trust and Savings Bank, as Trustee, as the same shall be amended from time to time.

"Notes" shall mean, collectively, the 9.92% Senior Discount Notes due 2011 of the Issuers, guaranteed by the Guarantor to be issued and sold to the Purchasers, and Notes issued in exchange therefor or in lieu thereof, pursuant to the Indenture.

"Notice and Questionnaire" means a Notice of Registration Statement and Selling Securityholder Questionnaire substantially in the form of Exhibit A hereto.

The term "person" shall mean a corporation, association, partnership, organization, business, individual, government or political subdivision thereof or governmental agency.

"Purchase Agreement" shall mean the Purchase Agreement, dated as of March 12, 1999, between the Purchasers, the Guarantor and the Issuers relating to the Notes.

"Purchasers" shall mean the Purchasers named in Schedule I to the Purchase Agreement.

"Registrable Securities" shall mean the Notes; provided, however, that a Note shall cease to be a Registrable Security when (i) in the circumstances contemplated by Section 2(a) hereof, such Note has been exchanged for an Exchange Note in an Exchange Offer as contemplated in Section 2(a) hereof (provided that any Exchange Note that, pursuant to the last two sentences of Section 2(a), is included in a prospectus for use in connection with resales by broker-dealers shall be deemed to be a Registrable Security with respect to Sections 5, 6 and 9 hereof until resale of such Registrable Security has been effected within the 180-day period referred to in Section 2(a))(y); (ii) in the circumstances contemplated by Section 2(b) hereof, a Shelf Registration Statement registering such Note under the Securities Act has been declared or becomes effective and such Note has been sold or otherwise transferred by the holder thereof pursuant to and in a manner contemplated by such effective Shelf Registration Statement; (iii) such Note is sold pursuant to Rule 144 under circumstances in which any legend borne by such Note relating to restrictions on transferability thereof, under the Securities Act or otherwise, is removed by the Issuers or pursuant to the Indenture; (iv) such Security is eligible to be sold pursuant to paragraph (k) of Rule 144; or (v) such Security shall cease to be outstanding.

"Registration Default" shall have the meaning assigned thereto in Section 2(c) hereof.

"Registration Expenses" shall have the meaning assigned thereto in Section 4 hereof.

"Resale Period" shall have the meaning assigned thereto in Section 2(a) hereof.

"Restricted Holder" shall mean (i) a holder that is an affiliate of the Issuers within the meaning of Rule 405, (ii) a holder who acquires Exchange Notes outside the ordinary course of such holder's business, (iii) a holder who has arrangements or understandings with any person to participate in the Exchange Offer for the purpose of distributing Exchange Notes and (iv) a holder that is a broker-dealer, but only with respect to Exchange Notes received by such broker-dealer pursuant to an Exchange Offer in exchange for Registrable Securities acquired by the broker-dealer directly from the Issuers.

"Rule 144," "Rule 405" and "Rule 415" shall mean, in each case, such rule promulgated under the Securities Act (or any successor provision), as the same shall be amended from time to time.

"Securities Act" shall mean the Securities Act of 1933, or any successor thereto, as the same shall be amended from time to time.

"Shelf Registration" shall have the meaning assigned thereto in Section 2(b) hereof.

"Shelf Registration Statement" shall have the meaning assigned thereto in Section 2(b) hereof.

"Special Interest" shall have the meaning assigned thereto in Section 2(c) hereof.

"subsidiaries" shall mean subsidiaries which would be "significant subsidiaries" as defined in Rule 1-02(w) of Regulation S-X under the Exchange Act.

"Trust Indenture Act" shall mean the Trust Indenture Act of 1939, or any successor thereto, and the rules, regulations and forms promulgated thereunder, all as the same shall be amended from time to time.

Unless the context otherwise requires, any reference herein to a "Section" or "clause" refers to a Section or clause, as the case may be, of this Exchange and Registration Rights Agreement, and the words "herein," "hereof" and "hereunder" and other words of

similar import refer to this Exchange and Registration Rights Agreement as a whole and not to any particular Section or other subdivision.

2. Registration Under the Securities Act.

(a) Except as set forth in Section 2(b) below, the Issuers agree to file under the Securities Act, as soon as practicable, but no later than 90 days after the Closing Date, a registration statement relating to an offer to exchange (such registration statement, the "Exchange Offer Registration Statement", and such offer, the "Exchange Offer") any and all of the Notes guaranteed by the Guarantor for a like aggregate principal amount of notes issued by the Issuers and guaranteed by the Guarantor, which notes and guarantee are substantially identical in all material respects to the Notes and Guarantee (and are entitled to the benefits of a trust indenture which has terms identical in all material respects to the Indenture or is the Indenture and which has been qualified under the Trust Indenture Act), except that they have been registered pursuant to an effective registration statement under the Securities Act and do not contain provisions for the additional interest contemplated in Section 2(c) below (such notes hereinafter called "Exchange Notes"). The Issuers agree to use their reasonable best efforts to cause the Exchange Offer Registration Statement to become effective under the Securities Act as soon as practicable, but no later than 150 days after the Closing Date. The Exchange Offer will be registered under the Securities Act on the appropriate form and will comply with all applicable tender offer rules and regulations under the Exchange Act. The Issuers further agree to use their reasonable best efforts to complete the Exchange Offer promptly, but no later than 30 business days or longer, if required by the federal securities laws, after such registration statement has become effective, hold the Exchange Offer open for at least 30 days and exchange Exchange Notes for all Registrable Securities that have been properly tendered and not withdrawn on or prior to the expiration of the Exchange Offer. The Exchange Offer will be deemed to have been "completed" only if the notes received by holders other than Restricted Holders in the Exchange Offer for Registrable Securities are, upon receipt, transferable by each such holder without restriction under the Securities Act and the Exchange Act and without material restrictions under the blue sky or securities laws of a substantial majority of the States of the United States of America. The Exchange Offer shall be deemed to have been completed upon the earlier to occur of (i) the Issuers having exchanged the Exchange Notes for all outstanding Registrable Securities pursuant to the Exchange Offer and (ii) the Issuers having exchanged, pursuant to the Exchange Offer, Exchange Notes for all Registrable Securities that have been properly tendered and not withdrawn before the expiration of the Exchange Offer, which shall be on a date that is at least 30 business days following the commencement of the Exchange Offer. The Issuers agree (x) to include in the Exchange Offer Registration Statement a prospectus for use in any resales by any holder of Exchange Notes that is a broker-dealer and (y) to keep such Exchange Offer Registration Statement effective for a period (the "Resale Period") beginning when Exchange Notes are first issued in the Exchange Offer and ending upon the earlier of the expiration of the 180th day after the Exchange Offer has been completed or such time as such broker-dealers no longer own any

Registrable Securities. With respect to such Exchange Offer Registration Statement, such holders shall have the benefit of the rights of indemnification and contribution set forth in Sections 6(a), (c), (d) and (e) hereof.

(b) If (i) on or prior to the time the Exchange Offer is completed existing law or Commission policy or interpretations are changed such that the Exchange Notes received by holders, other than Restricted Holders in the Exchange Offer in exchange for Registrable Securities are not or would not be, upon receipt, transferable by each such holder without restriction under the Securities Act, (ii) the Exchange Offer has not been completed within 180 days following the Closing Date or (iii) the Exchange Offer is not available to any holder of the Notes, the Issuers shall, in lieu of (or, in the case of clause (iii), in addition to) conducting the Exchange Offer contemplated by Section 2(a), file under the Securities Act on or prior to 30 business days after the time such obligation to file arises, a "shelf" registration statement providing for the registration of, and the sale on a continuous or delayed basis by the holders of, all of the Registrable Securities, pursuant to Rule 415 or any similar rule that may be adopted by the Commission (such filing, the "Shelf Registration" and such registration statement, the "Shelf Registration Statement"). The Issuers agree to use their reasonable best efforts (x) to cause the Shelf Registration Statement to become or be declared effective by the Commission no later than 90 days after such obligation to file arises and to keep such Shelf Registration Statement continuously effective for a period ending on the earlier of (i) the second anniversary of the Effective Time or (ii) such time as there are no longer any Registrable Securities outstanding, provided, however, that no holder shall be entitled to be named as a selling securityholder in the Shelf Registration Statement or to use the prospectus forming a part thereof for resales of Registrable Securities unless such holder is an Electing Holder, and (y) after the Effective Time of the Shelf Registration Statement, promptly upon the request of any holder of Registrable Securities that is not then an Electing Holder, to take any action reasonably necessary to enable such holder to use the prospectus forming a part thereof for resales of Registrable Securities, including, without limitation, any action necessary to identify such holder as a selling securityholder in the Shelf Registration Statement, provided, however, that nothing in this clause (y) shall relieve any such holder of the obligation to return a completed and signed Notice and Questionnaire to the Issuers in accordance with Section 3(d)(iii) hereof. The Issuers further agree to supplement or make amendments to the Shelf Registration Statement, as and when required by the rules, regulations or instructions applicable to the registration form used by the Issuers for such Shelf Registration Statement or by the Securities Act or rules and regulations thereunder for shelf registration, and the Issuers agree to furnish to each Electing Holder copies of any such supplement or amendment prior to its being used or promptly following its filing with the Commission.

(c) In the event that (i) the Issuers have not filed the Exchange Offer Registration Statement or Shelf Registration Statement on or before the date on which such registration statement is required to be filed pursuant to Section 2(a) or 2(b), respectively, or (ii) such Exchange Offer Registration Statement or Shelf Registration Statement to become effec-

tive or been declared effective by the Commission on or before the date on which such registration statement is required to become or be declared effective pursuant to Section 2(a) or 2(b), respectively, or (iii) the Exchange Offer has not been completed within 30 business days after the initial effective date of the Exchange Offer Registration Statement relating to the Exchange Offer (if the Exchange Offer is then required to be made) or (iv) any Exchange Offer Registration Statement or Shelf Registration Statement required by Section 2(a) or 2(b) hereof is filed and declared effective but shall thereafter either be withdrawn by the Issuers or shall become subject to an effective stop order issued pursuant to Section 8(d) of the Securities Act suspending the effectiveness of such registration statement (except as specifically permitted herein) without being succeeded immediately by an additional registration statement filed and declared effective (each such event referred to in clauses (i) through (iv), a "Registration Default" and each period during which a Registration Default has occurred and is continuing, a "Registration Default Period"), then, as liquidated damages for such Registration Default, subject to the provisions of Section 9(b), special interest ("Special Interest"), in addition to the Base Interest, shall accrue on the average Accreted Value (as defined in the Indenture) of the outstanding Notes at a per annum rate of 0.25% for the first 90 days of the Registration Default Period, at a per annum rate of 0.50% for the second 90 days of the Registration Default Period, at a per annum rate of 0.75% for the third 90 days of the Registration Default Period and at a per annum rate of 1.0% thereafter for the remaining portion of the Registration Default Period. All accrued Special Interest shall be paid in cash by the Issuers on each Interest Payment Date (as defined in the Indenture).

(d) The Issuers shall use their reasonable best efforts to take all actions necessary or advisable to be taken by them to ensure that the transactions contemplated herein are effected as so contemplated in Section 2(a) or 2(b) hereof.

(e) Any reference herein to a registration statement as of any time shall be deemed to include any document incorporated, or deemed to be incorporated, therein by reference as of such time and any reference herein to any post-effective amendment to a registration statement as of any time shall be deemed to include any document incorporated, or deemed to be incorporated, therein by reference as of such time.

3. Registration Procedures.

If the Issuers file a registration statement pursuant to Section 2(a) or Section 2(b), the following provisions shall apply:

(a) At or before the Effective Time of the Exchange Offer or the Shelf Registration, as the case may be, the Issuers shall cause the Indenture to be qualified under the Trust Indenture Act of 1939.

(b) In the event that such qualification would require the appointment of a new trustee under the Indenture, the Issuers shall appoint a new trustee thereunder pursuant to the applicable provisions of the Indenture.

(c) In connection with the Issuers' obligations with respect to the registration of Exchange Notes as contemplated by Section 2(a) (the "Exchange Offer Registration"), if applicable, the Issuers shall, as soon as practicable (or as otherwise specified):

(i) prepare and file with the Commission, as soon as practicable but no later than 90 days after the Closing Date, an Exchange Offer Registration Statement on any form which may be utilized by the Issuers and which shall permit the Exchange Offer and resales of Exchange Notes by broker-dealers during the Resale Period to be effected as contemplated by Section 2(a), and use their reasonable best efforts to cause such Exchange Offer Registration Statement to become effective as soon as practicable thereafter, but no later than 150 days after the Closing Date;

(ii) as soon as practicable prepare and file with the Commission such amendments and supplements to such Exchange Offer Registration Statement and the prospectus included therein as may be necessary to effect and maintain the effectiveness of such Exchange Offer Registration Statement for the periods and purposes contemplated in Section 2(a) hereof and as may be required by the applicable rules and regulations of the Commission and the instructions applicable to the form of such Exchange Offer Registration Statement, and promptly provide each broker-dealer holding Exchange Notes with such number of copies of the prospectus included therein (as then amended or supplemented), in conformity in all material respects with the requirements of the Securities Act and the Trust Indenture Act and the rules and regulations of the Commission thereunder, as such broker-dealer reasonably may request prior to the expiration of the Resale Period, for use in connection with resales of Exchange Notes;

(iii) promptly notify each broker-dealer that has requested or received copies of the prospectus included in such registration statement, and confirm such advice in writing, (A) when such Exchange Offer Registration Statement or the prospectus included therein or any prospectus amendment or supplement or post-effective amendment has been filed, and, with respect to such Exchange Offer Registration Statement or any post-effective amendment, when the same has become effective, (B) of any comments by the Commission and by the blue sky or securities commissioner or regulator of any state with respect thereto or any request by the Commission for amendments or supplements to such Exchange Offer Registration Statement or prospectus or for additional informa-

tion, (C) of the issuance by the Commission of any stop order suspending the effectiveness of such Exchange Offer Registration Statement or the initiation or, to the knowledge of the Issuers, threatening of any proceedings for that purpose, (D) if at any time the representations and warranties of the Issuers contemplated by Section 5 hereof cease to be true and correct in all material respects, (E) of the receipt by the Issuers of any notification with respect to the suspension of the qualification of the Exchange Notes for sale in any jurisdiction or the initiation or, to the knowledge of the Issuers, threatening of any proceeding for such purpose, or (F) at any time during the Resale Period when a prospectus is required to be delivered under the Securities Act, that such Exchange Offer Registration Statement, prospectus, prospectus amendment or supplement or post-effective amendment does not conform in all material respects to the applicable requirements of the Securities Act and the Trust Indenture Act, and the rules and regulations of the Commission thereunder, or contains an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing;

(iv) in the event that the Issuers would be required, pursuant to Section 3(e)(iii)(F) above, to notify any broker-dealers holding Exchange Notes, the Issuers shall prepare and furnish to each such holder a reasonable number of copies of a prospectus supplemented or amended so that, as thereafter delivered to purchasers of such Exchange Notes during the Resale Period, such prospectus conforms in all material respects to the applicable requirements of the Securities Act and the Trust Indenture Act and the rules and regulations of the Commission thereunder and shall not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing;

(v) use their reasonable best efforts to obtain the withdrawal of any order suspending the effectiveness of such Exchange Offer Registration Statement or any post-effective amendment thereto as soon as practicable;

(vi) use their reasonable best efforts to (A) register or qualify the Exchange Notes under the securities laws or blue sky laws of such jurisdictions as are contemplated by Section 2(a) no later than the commencement of the Exchange Offer, (B) keep such registrations or qualifications in effect and comply with such laws so as to permit the continuance of offers, sales and dealings therein in such jurisdictions until the expiration of the Resale Period and (C) take any and all other actions as may be reasonably necessary or advisable to enable each broker-dealer holding Exchange Notes to consummate the disposi-

tion thereof in such jurisdictions; provided, however, that none of the Issuers shall be required for any such purpose to (1) qualify as a foreign corporation or limited liability company, as the case may be, in any jurisdiction wherein it would not otherwise be required to qualify but for the requirements of this Section 3(c)(vi), (2) consent to general service of process in any such jurisdiction or (3) make any changes to its certificate of incorporation or by-laws (or other organizational document) or any agreement between it and holders of its ownership interests;

(vii) use their reasonable best efforts to obtain the consent or approval of each governmental agency or authority, whether federal, state or local, which may be required to effect the Exchange Offer Registration, the Exchange Offer and the offering and sale of Exchange Notes by broker-dealers during the Resale Period;

(viii) provide a CUSIP number for all Exchange Notes, not later than the applicable Effective Time;

(ix) comply with all applicable rules and regulations of the Commission, and make generally available to its securityholders as soon as practicable but no later than eighteen months after the effective date of such Exchange Offer Registration Statement, an earning statement of the Company and its subsidiaries complying with Section 11(a) of the Securities Act (including, at the option of the Company, Rule 158 thereunder).

(d) In connection with the Issuers' obligations with respect to the Shelf Registration, if applicable, the Issuers shall, as soon as practicable (or as otherwise specified):

(i) prepare and file with the Commission within the time periods specified in Section 2(b), a Shelf Registration Statement on any form which may be utilized by the Issuers and which shall register all of the Registrable Securities for resale by the holders thereof in accordance with such method or methods of disposition as may be specified by such of the holders as, from time to time, may be Electing Holders and use their reasonable best efforts to cause such Shelf Registration Statement to become effective within the time periods specified in Section 2(b);

(ii) not less than 30 calendar days prior to the Effective Time of the Shelf Registration Statement, mail the Notice and Questionnaire to the holders of Registrable Securities; no holder shall be entitled to be named as a selling securityholder in the Shelf Registration Statement as of the Effective Time, and no holder shall be entitled to use the prospectus forming a part thereof for resales of Registrable Securities at any time, unless such holder has returned a

completed and signed Notice and Questionnaire to the Issuers by the deadline for response set forth therein; provided, however, holders of Registrable Securities shall have at least 28 calendar days from the date on which the Notice and Questionnaire is first mailed to such holders to return a completed and signed Notice and Questionnaire to the Issuers;

(iii) after the Effective Time of the Shelf Registration Statement, upon the request of any holder of Registrable Securities that is not then an Electing Holder, promptly send a Notice and Questionnaire to such holder; provided that the Issuers shall not be required to take any action to name such holder as a selling securityholder in the Shelf Registration Statement or to enable such holder to use the prospectus forming a part thereof for resales of Registrable Securities until such holder has returned a completed and signed Notice and Questionnaire to the Issuers;

(iv) as soon as practicable prepare and file with the Commission such amendments and supplements to such Shelf Registration Statement and the prospectus included therein as may be necessary to effect and maintain the effectiveness of such Shelf Registration Statement for the period specified in Section 2(b) hereof and as may be required by the applicable rules and regulations of the Commission and the instructions applicable to the form of such Shelf Registration Statement, and furnish to the Electing Holders copies of any such supplement or amendment simultaneously with or prior to its being used or filed with the Commission;

(v) comply with the provisions of the Securities Act with respect to the disposition of all of the Registrable Securities covered by such Shelf Registration Statement in accordance with the intended methods of disposition by the Electing Holders provided for in such Shelf Registration Statement;

(vi) provide (A) the Electing Holders, (B) the underwriters (which term, for purposes of this Exchange and Registration Rights Agreement, shall include a person deemed to be an underwriter within the meaning of Section 2(a)(11) of the Securities Act), if any, thereof, (C) any sales or placement agent therefor, (D) counsel for any such underwriter or agent and (E) not more than one counsel for all the Electing Holders the opportunity to participate in the preparation of such Shelf Registration Statement, each prospectus included therein or filed with the Commission and each amendment or supplement thereto;

(vii) for a reasonable period prior to the filing of such Shelf Registration Statement, and throughout the period specified in Section 2(b), make available at reasonable times at the Issuers' principal place of business or such other reasonable place for inspection by the persons referred to in Section 3(d)(vi) who

shall certify to the Issuers that they have a current intention to sell the Registrable Securities pursuant to the Shelf Registration such financial and other relevant information and books and records of the Issuers, and cause the officers, employees, counsel and independent certified public accountants of the Issuers to respond to such inquiries, as shall be reasonably necessary, in the judgment of the respective counsel referred to in such Section, to conduct a reasonable investigation within the meaning of Section 11 of the Securities Act; provided, however, that each such party shall be required to maintain in confidence and not to disclose to any other person any information or records reasonably designated by the Issuers as being confidential, until such time as (A) such information becomes a matter of public record (whether by virtue of its inclusion in such registration statement or otherwise, except as a result of a breach of this or any other obligation of confidentiality to the Issuers), or (B) such person shall be required so to disclose such information pursuant to a subpoena or order of any court or other governmental agency or body having jurisdiction over the matter (subject to the requirements of such order, and only after such person shall have given the Issuers prompt prior written notice of such requirement), or (C) such information is required to be set forth in such Shelf Registration Statement or the prospectus included therein or in an amendment to such Shelf Registration Statement or an amendment or supplement to such prospectus in order that such Shelf Registration Statement, prospectus, amendment or supplement, as the case may be, complies with applicable requirements of the federal securities laws and the rules and regulations of the Commission and does not contain an untrue statement of a material fact or omit to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing;

(viii) promptly notify each of the Electing Holders, any sales or placement agent therefor and any underwriter thereof (which notification may be made through any managing underwriter that is a representative of such underwriter for such purpose) and confirm such advice in writing, (A) when such Shelf Registration Statement or the prospectus included therein or any prospectus amendment or supplement or post-effective amendment has been filed, and, with respect to such Shelf Registration Statement or any post-effective amendment, when the same has become effective, (B) of any comments by the Commission and by the blue sky or securities commissioner or regulator of any state with respect thereto or any request by the Commission for amendments or supplements to such Shelf Registration Statement or prospectus or for additional information, (C) of the issuance by the Commission of any stop order suspending the effectiveness of such Shelf Registration Statement or the initiation or, to the knowledge of the Issuers, threatening of any proceedings for that

purpose, (D) if at any time the representations and warranties of the Issuers contemplated by Section 3(d)(xvii) or Section 5 hereof cease to be true and correct in all material respects, (E) of the receipt by the Issuers of any notification with respect to the suspension of the qualification of the Registrable Securities for sale in any jurisdiction or the initiation or, to the knowledge of the Issuers, threatening of any proceeding for such purpose, or (F) if at any time when a prospectus is required to be delivered under the Securities Act, that such Shelf Registration Statement, prospectus, prospectus amendment or supplement or post-effective amendment does not conform in all material respects to the applicable requirements of the Securities Act and the Trust Indenture Act and the rules and regulations of the Commission thereunder or contains an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing;

(ix) use their reasonable best efforts to obtain the withdrawal of any order suspending the effectiveness of such registration statement or any post-effective amendment thereto as soon as practicable;

(x) if requested by any managing underwriter or underwriters, any placement or sales agent or any Electing Holder, promptly incorporate in a prospectus supplement or post-effective amendment such information as is required by the applicable rules and regulations of the Commission and as such managing underwriter or underwriters, such agent or such Electing Holder specifies should be included therein relating to the terms of the sale of such Registrable Securities, including information (i) with respect to the principal amount of Registrable Securities being sold by such Electing Holder or agent or to any underwriters, the name and description of such Electing Holder, agent or underwriter, the offering price of such Registrable Securities, and any discount, commission or other compensation payable in respect thereof and the purchase price being paid therefor by such underwriters and (ii) with respect to any other material terms of the offering of the Registrable Securities to be sold by such Electing Holder or agent or to such underwriters; and make all required filings of such prospectus supplement or post-effective amendment upon notification of the matters to be incorporated in such prospectus supplement or post-effective amendment;

(xi) furnish to each Electing Holder, each placement or sales agent, if any, therefor, each underwriter, if any, thereof and the respective counsel referred to in Section 3(d)(vi) hereof an executed copy (or, in the case of an Electing Holder, a conformed copy) of such Shelf Registration Statement, each such amendment and supplement thereto (in each case including all exhibits

thereto (in the case of an Electing Holder of Registrable Securities, upon request) and documents incorporated by reference therein) and such number of copies of such Shelf Registration Statement (excluding exhibits thereto and documents incorporated by reference therein unless specifically so requested by such Electing Holder, agent or underwriter, as the case may be) and of the prospectus included in such Shelf Registration Statement (including each preliminary prospectus and any summary prospectus), in conformity in all material respects with the applicable requirements of the Securities Act and the Trust Indenture Act, and the rules and regulations of the Commission thereunder, and such other documents, as such Electing Holder, agent, if any, and underwriter, if any, may reasonably request in order to facilitate the offering and disposition of the Registrable Securities owned by such Electing Holder, offered or sold by such agent or underwritten by such underwriter and to permit such Electing Holder, agent and underwriter to satisfy the prospectus delivery requirements of the Securities Act; and the Issuers hereby consent to the use of such prospectus (including such preliminary and summary prospectus) and any amendment or supplement thereto by each such Electing Holder and by any such agent and underwriter, in each case in the form most recently provided to such person by the Issuers, in connection with the offering and sale of the Registrable Securities covered by the prospectus (including such preliminary and summary prospectus) or any supplement or amendment thereto;

(xii) use their reasonable best efforts to (A) register or qualify the Registrable Securities to be included in such Shelf Registration Statement under such securities laws or blue sky laws of such jurisdictions as any Electing Holder and each placement or sales agent, if any, therefor and underwriter, if any, thereof shall reasonably request, (B) keep such registrations or qualifications in effect and comply with such laws so as to permit the continuance of offers, sales and dealings therein in such jurisdictions during the period the Shelf Registration is required to remain effective under Section 2(b) above and for so long as may be necessary to enable any such Electing Holder, agent or underwriter to complete its distribution of Notes pursuant to such Shelf Registration Statement and (C) take any and all other actions as may be reasonably necessary or advisable to enable each such Electing Holder, agent, if any, and underwriter, if any, to consummate the disposition in such jurisdictions of such Registrable Securities; provided, however, that none of the Issuers shall be required for any such purpose to (1) qualify as a foreign corporation or limited liability company, as the case may be, in any jurisdiction wherein it would not otherwise be required to qualify but for the requirements of this Section 3(d)(xii), (2) consent to general service of process in any such jurisdiction or (3) make any changes to its certificate of incorporation or by-laws (or other or-

ganizational document) or any agreement between it and holders of its ownership interests;

(xiii) use their reasonable best efforts to obtain the consent or approval of each governmental agency or authority, whether federal, state or local, which may be required to effect the Shelf Registration or the offering or sale in connection therewith or to enable the selling holder or holders to offer, or to consummate the disposition of, their Registrable Securities;

(xiv) unless any Registrable Securities shall be in book-entry only form, cooperate with the Electing Holders and the managing underwriters, if any, to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be sold, which certificates, if so required by any securities exchange upon which any Registrable Securities are listed, shall be penned, lithographed or engraved, or produced by any combination of such methods, on steel engraved borders, and which certificates shall not bear any restrictive legends; and, in the case of an underwritten offering, enable such Registrable Securities to be in such denominations and registered in such names as the managing underwriters may request at least two business days prior to any sale of the Registrable Securities;

(xv) provide a CUSIP number for all Registrable Securities, not later than the applicable Effective Time;

(xvi) enter into one or more underwriting agreements, engagement letters, agency agreements, "best efforts" underwriting agreements or similar agreements, as appropriate, including customary provisions relating to indemnification and contribution, and take such other actions in connection therewith as any Electing Holders of at least 20% in aggregate principal amount of the Registrable Securities at the time outstanding shall request in order to expedite or facilitate the disposition of such Registrable Securities;

(xvii) whether or not an agreement of the type referred to in Section 3(d)(xvi) hereof is entered into and whether or not any portion of the offering contemplated by the Shelf Registration is an underwritten offering or is made through a placement or sales agent or any other entity, (A) make such representations and warranties to the Electing Holders and the placement or sales agent, if any, therefor and the underwriters, if any, thereof in form, substance and scope as are customarily made in connection with an offering of debt securities pursuant to any appropriate agreement or to a registration statement filed on the form applicable to the Shelf Registration; (B) obtain an opinion of counsel to the Issuers in customary form, subject to customary limitations, assumptions and exclusions, and covering such matters, of the type customarily cov-

ered by such an opinion, as the managing underwriters, if any, or as any Electing Holders of at least 20% in aggregate principal amount of the Registrable Securities at the time outstanding may reasonably request, addressed to such Electing Holder or Electing Holders and the placement or sales agent, if any, therefor and the underwriters, if any, thereof and dated the date of the Effective Time of such Shelf Registration Statement (and if such Shelf Registration Statement contemplates an underwritten offering of a part or all of the Registrable Securities, dated the date of the closing under the underwriting agreement relating thereto) (it being agreed that the matters to be covered by such opinion shall include the matters set forth in paragraph (b) of Section 7 of the Purchase Agreement to the extent applicable to an offering of this type; (C) obtain a "cold comfort" letter or letters from the independent certified public accountants of the Issuers addressed to the selling Electing Holders, the placement or sales agent, if any, therefor or the underwriters, if any, thereof, dated (i) the effective date of such Shelf Registration Statement and (ii) the effective date of any prospectus supplement to the prospectus included in such Shelf Registration Statement or post-effective amendment to such Shelf Registration Statement which includes unaudited or audited financial statements as of a date or for a period subsequent to that of the latest such statements included in such prospectus (and, if such Shelf Registration Statement contemplates an underwritten offering pursuant to any prospectus supplement to the prospectus included in such Shelf Registration Statement or post-effective amendment to such Shelf Registration Statement which includes unaudited or audited financial statements as of a date or for a period subsequent to that of the latest such statements included in such prospectus, dated the date of the closing under the underwriting agreement relating thereto), such letter or letters to be in customary form and covering such matters of the type customarily covered by letters of such type; (D) deliver such documents and certificates, including officers' certificates, as may be reasonably requested by any Electing Holders of at least 20% in aggregate principal amount of the Registrable Securities at the time outstanding or the placement or sales agent, if any, therefor and the managing underwriters, if any, thereof to evidence the accuracy of the representations and warranties made pursuant to clause (A) above or those contained in Section 5(a) hereof and the compliance with or satisfaction of any agreements or conditions contained in the underwriting agreement or other similar agreement entered into by the Issuers pursuant to Section 3(d)(xvi); and (E) undertake such obligations relating to expense reimbursement, indemnification and contribution as are provided in Section 6 hereof;

(xviii) notify in writing each holder of Registrable Securities of any proposal by the Issuers to amend or waive any provision of this Exchange and Registration Rights Agreement pursuant to Section 9(h) hereof and of any

amendment or waiver effected pursuant thereto, each of which notices shall contain the substance of the amendment or waiver proposed or effected, as the case may be;

(xix) in the event that any broker-dealer registered under the Exchange Act shall underwrite any Registrable Securities or participate as a member of an underwriting syndicate or selling group or "assist in the distribution" (within the meaning of the Conduct Rules (the "Conduct Rules") of the National Association of Securities Dealers, Inc. ("NASD") or any successor thereto, as amended from time to time) thereof, whether as a holder of such Registrable Securities or as an underwriter, a placement or sales agent or a broker or dealer in respect thereof, or otherwise, assist such broker-dealer in complying with the requirements of such Conduct Rules, including by (A) if such Conduct Rules shall so require, engaging a "qualified independent underwriter" (as defined in such Conduct Rules) to participate in the preparation of the Shelf Registration Statement relating to such Registrable Securities, to exercise usual standards of due diligence in respect thereto and, if any portion of the offering contemplated by such Shelf Registration Statement is an underwritten offering or is made through a placement or sales agent, to recommend the yield of such Registrable Securities, (B) indemnifying any such qualified independent underwriter to the extent of the indemnification of underwriters provided in Section 6 hereof (or to such other customary extent as may be requested by such underwriter), and (C) providing such information to such broker-dealer as may be required in order for such broker-dealer to comply with the requirements of the Conduct Rules; and

(xx) comply with all applicable rules and regulations of the Commission, and make generally available to its securityholders as soon as practicable but in any event not later than eighteen months after the effective date of such Shelf Registration Statement, an earning statement of the Company and its subsidiaries complying with Section 11(a) of the Securities Act (including, at the option of the Company, Rule 158 thereunder).

(e) In the event that the Issuers would be required, pursuant to Section 3(d)(viii)(F) above, to notify the Electing Holders, the placement or sales agent, if any, therefor and the managing underwriters, if any, thereof, the Issuers shall prepare and furnish to each of the Electing Holders, to each placement or sales agent, if any, and to each such underwriter, if any, a reasonable number of copies of a prospectus supplemented or amended so that, as thereafter delivered to purchasers of Registrable Securities, such prospectus conforms in all material respects to the applicable requirements of the Securities Act and the Trust Indenture Act and the rules and regulations of the Commission thereunder and shall not contain an untrue statement of a material fact or omit to state a material fact required to be stated

therein or necessary to make the statements therein not misleading in light of the circumstances then existing. Each Electing Holder agrees that upon receipt of any notice from the Issuers pursuant to Section 3(d)(viii)(F) hereof, such Electing Holder shall forthwith discontinue the disposition of Registrable Securities pursuant to the Shelf Registration Statement applicable to such Registrable Securities until such Electing Holder shall have received copies of such amended or supplemented prospectus, and if so directed by the Issuers, such Electing Holder shall deliver to the Issuers (at the Issuers' expense) all copies, other than permanent file copies, then in such Electing Holder's possession of the prospectus covering such Registrable Securities at the time of receipt of such notice.

(f) In the event of a Shelf Registration, in addition to the information required to be provided by each Electing Holder in its Notice and Questionnaire, the Issuers may require such Electing Holder to furnish to the Issuers such additional information regarding such Electing Holder and such Electing Holder's intended method of distribution of Registrable Securities as may be required in order to comply with the Securities Act. Each such Electing Holder agrees to notify the Issuers as promptly as practicable of any inaccuracy or change in information previously furnished by such Electing Holder to the Issuers or of the occurrence of any event in either case as a result of which any prospectus relating to such Shelf Registration contains or would contain an untrue statement of a material fact regarding such Electing Holder or such Electing Holder's intended method of disposition of such Registrable Securities or omits to state any material fact regarding such Electing Holder or such Electing Holder's intended method of disposition of such Registrable Securities required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing, and promptly to furnish to the Issuers any additional information required to correct and update any previously furnished information or required so that such prospectus shall not contain, with respect to such Electing Holder or the disposition of such Registrable Securities, an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing.

4. Registration Expenses.

The Issuers agree, subject to the last sentence of this Section, to bear and to pay or cause to be paid promptly all expenses incident to the Issuers' performance of or compliance with this Exchange and Registration Rights Agreement, including (a) all Commission and any NASD registration, filing and review fees and expenses including fees and disbursements of counsel for the placement or sales agent or underwriters in connection with such registration, filing and review, (b) all fees and expenses in connection with the qualification of the Notes for offering and sale under the securities laws and blue sky laws referred to in Section 3(d)(xii) hereof and determination of their eligibility for investment under the laws of such jurisdictions as any managing underwriters or the Electing Holders may designate, including any fees and disbursements of counsel for the Electing Holders or underwriters in

connection with such qualification and determination, (c) all expenses relating to the preparation, printing, production, distribution and reproduction of each registration statement required to be filed hereunder, each prospectus included therein or prepared for distribution pursuant hereto, each amendment or supplement to the foregoing, the expenses of preparing the Notes for delivery and the expenses of printing or producing any underwriting agreements, agreements among underwriters, selling agreements and blue sky or legal investment memoranda and all other documents in connection with the offering, sale or delivery of Notes to be disposed of (including certificates representing the Notes), (d) messenger, telephone and delivery expenses relating to the offering, sale or delivery of Notes and the preparation of documents referred in clause (c) above, (e) fees and expenses of the Trustee under the Indenture, any agent of the Trustee and any reasonable fees and expenses for counsel for the Trustee and of any collateral agent or custodian, (f) internal expenses (including all salaries and expenses of the Issuers' officers and employees performing legal or accounting duties), (g) fees, disbursements and expenses of counsel and independent certified public accountants of the Issuers (including the expenses of any opinions or "cold comfort" letters required by or incident to such performance and compliance), (h) fees, disbursements and expenses of any "qualified independent underwriter" engaged pursuant to Section 3(d)(xix) hereof, (i) reasonable fees, disbursements and expenses of one counsel for the Electing Holders retained in connection with a Shelf Registration, as selected by the Electing Holders of at least a majority in aggregate principal amount of the Registrable Securities held by Electing Holders (which counsel shall be reasonably satisfactory to the Issuers), (j) any fees charged by securities rating services for rating the Notes, and (k) reasonable fees, expenses and disbursements of any other persons, including special experts, retained by the Issuers in connection with such registration (collectively, the "Registration Expenses"). To the extent that any Registration Expenses are incurred, assumed or paid by any holder of Registrable Securities or any placement or sales agent therefor or underwriter thereof, the Issuers shall reimburse such person for the full amount of the Registration Expenses so incurred, assumed or paid promptly after receipt of a request therefor. Notwithstanding the foregoing, the holders of the Registrable Securities being registered shall pay all agency fees and commissions and underwriting discounts and commissions attributable to the sale of such Registrable Securities and the fees and disbursements of any counsel or other advisors or experts retained by such holders (severally or jointly), other than the counsel and experts specifically referred to above.

5. Representations, Warranties and Covenants.

Except with respect to clauses (a) and (b) below, the Issuers represent and warrant to, and agree with, each Purchaser and each of the holders from time to time of Registrable Securities the information set forth in this Section 5.

With respect to clauses (a) and (b) below, the Issuers covenant that:

(a) Each registration statement covering Registrable Securities and each prospectus (including any preliminary or summary prospectus) contained therein or furnished pursuant to Section 3(d) or Section 3(c) hereof and any further amendments or supplements to any such registration statement or prospectus, when it becomes effective or is filed with the Commission, as the case may be, and, in the case of an underwritten offering of Registrable Securities, at the time of the closing under the underwriting agreement relating thereto, will conform in all material respects to the requirements of the Securities Act and the Trust Indenture Act and the rules and regulations of the Commission thereunder and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; and at all times subsequent to the Effective Time when a prospectus would be required to be delivered under the Securities Act, other than from (i) such time as a notice has been given to holders of Registrable Securities pursuant to Section 3(d)(viii)(F) or Section 3(c)(iii)(F) hereof until (ii) such time as the Issuers furnishes an amended or supplemented prospectus pursuant to Section 3(e) or Section 3(c)(iv) hereof, each such registration statement, and each prospectus (including any summary prospectus) contained therein or furnished pursuant to Section 3(d) or Section 3(c) hereof, as then amended or supplemented, will conform in all material respects to the requirements of the Securities Act and the Trust Indenture Act and the rules and regulations of the Commission thereunder and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing; provided, however, that this covenant shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Issuers by a holder of Registrable Securities expressly for use therein.

(b) Any documents incorporated by reference in any prospectus referred to in Section 5(a) hereof, when they become or became effective or are or were filed with the Commission, as the case may be, will conform or conformed in all material respects to the requirements of the Securities Act or the Exchange Act, as applicable, and none of such documents will contain or contained an untrue statement of a material fact or will omit or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading; provided, however, that this covenant shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Issuers by a holder of Registrable Securities expressly for use therein.

(c) The compliance by the Issuers with all of the provisions of this Exchange and Registration Rights Agreement and the consummation of the transactions herein contemplated will not conflict with or result in a material breach of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement, lease, license, franchise agreement, permit or other material agreement or instrument to which either of the Issuers or any of their subsidiaries is a party or by which either of the Issuers or any of their subsidiaries is bound or to which any of the property or assets of the Issuers or

any of their subsidiaries is subject, nor will such action result in any violation of the provisions of the certificate of incorporation, charter, or the by-laws (or other organizational document) of the Issuers or any statute or any order, rule or regulation of any court or governmental agency or body, including without limitation, the Federal Communications Act of 1934, as amended, the Cable Communications Policy Act of 1984, the Cable Television Consumer Protection and Competition Act of 1992 and the Telecommunications Reform Act of 1996 (collectively, the "Cable Acts") or any order, rule or regulation of the Federal Communications Commission (the "FCC") having jurisdiction over the Issuers or any of their subsidiaries or any of their properties, except for any such violation which would not materially impair the Issuers' ability to comply herewith; and no consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required, including, without limitation, under the Cable Acts or any order, rule or regulation of the FCC, for the consummation by the Issuers of the transactions contemplated by this Exchange and Registration Rights Agreement, except the registration under the Securities Act of the Notes, qualification of the Indenture under the Trust Indenture Act and such consents, approvals, authorizations, registrations or qualifications as may be required under State Notes or blue sky laws in connection with the offering and distribution of the Notes.

(d) This Exchange and Registration Rights Agreement has been duly authorized, executed and delivered by the Issuers.

6. Indemnification.

(a) Indemnification by the Issuers and the Guarantor. The Issuers and the Guarantor (i) will indemnify and hold harmless each of the holders of Registrable Securities included in an Exchange Offer Registration Statement, each of the Electing Holders of Registrable Securities included in a Shelf Registration Statement and each person who participates as a placement or sales agent or as an underwriter in any offering or sale of such Registrable Securities against any losses, claims, damages or liabilities, joint or several, to which such holder, agent or underwriter may become subject under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any Exchange Offer Registration Statement or Shelf Registration Statement, as the case may be, under which such Registrable Securities were registered under the Securities Act, or any preliminary, final or summary prospectus contained therein or furnished by the Issuers to any such holder, Electing Holder, agent or underwriter, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and (ii) will reimburse such holder, such Electing Holder, such agent and such underwriter for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such action or claim as such expenses are incurred; provided, however, that none of the Issuers shall be liable to any such persons in any such case to the extent that any

such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement, or preliminary, final or summary prospectus, or amendment or supplement thereto, in reliance upon and in conformity with written information furnished to the Issuers by such persons expressly for use therein.

(b) Indemnification by the Holders and any Agents and Underwriters. The Issuers may require, as a condition to including any Registrable Securities in any registration statement filed pursuant to Section 2(b) hereof and to entering into any underwriting agreement or similar agreement with respect thereto, that the Issuers shall have received an undertaking reasonably satisfactory to them from the Electing Holder of such Registrable Securities included in a Shelf Registration Statement and from each underwriter or agent named in any such underwriting agreement or similar agreement, severally and not jointly, to (i) indemnify and hold harmless the Issuers, the Guarantor and all other holders of Registrable Securities, against any losses, claims, damages or liabilities to which the Issuers, the Guarantor or such other holders of Registrable Securities may become subject, under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in such registration statement, or any preliminary, final or summary prospectus contained therein or furnished by the Issuers to any such Electing Holder, agent or underwriter, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Issuers or the Guarantor by such Electing Holder or underwriter expressly for use therein, and (ii) reimburse the Issuers and the Guarantor for any legal or other expenses reasonably incurred by the Issuers and the Guarantor in connection with investigating or defending any such action or claim as such expenses are incurred; provided, however, that no such Electing Holder shall be required to undertake liability to any person under this Section 6(b) for any amounts in excess of the dollar amount of the proceeds to be received by such Electing Holder from the sale of such Electing Holder's Registrable Securities pursuant to such registration.

(c) Notices of Claims, Etc. Promptly after receipt by an indemnified party under subsection (a) or (b) above of written notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against an indemnifying party pursuant to the indemnification provisions of or contemplated by this Section 6, notify such indemnifying party in writing of the commencement of such action; but the omission so to notify the indemnifying party shall not relieve it from any liability which it may have to any indemnified party otherwise than under the indemnification provisions of or contemplated by Section 6(a) or 6(b) hereof. In case any such action shall be brought against any indemnified party and it shall notify an indemnifying party of the commencement thereof, such indemni-

fying party shall be entitled to participate therein and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, such indemnifying party shall not be liable to such indemnified party for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the written consent of the indemnified party, effect the settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified party is an actual or potential party to such action or claim) unless such settlement, compromise or judgment (i) includes an unconditional release of the indemnified party from all liability arising out of such action or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

(d) Contribution. If for any reason the indemnification provisions contemplated by Section 6(a) or Section 6(b) are unavailable to or insufficient to hold harmless an indemnified party in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative fault of the indemnifying party and the indemnified party in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative fault of such indemnifying party and indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by such indemnifying party or by such indemnified party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The parties hereto agree that it would not be just and equitable if contributions pursuant to this Section 6(d) were determined by pro rata allocation (even if the holders or any agents or underwriters or all of them were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to in this Section 6(d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages, or liabilities (or actions in respect thereof) referred to above shall be deemed to include any legal or other fees or expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 6(d), no holder shall be required to contribute any amount in excess of the amount by which the dollar amount of the proceeds received by such holder from the sale of any Registrable Securities (after deducting any fees, discounts and commissions applicable thereto) exceeds

the amount of any damages which such holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission, and no underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Registrable Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The holders' and any underwriters' obligations in this Section 6(d) to contribute shall be several in proportion to the principal amount of Registrable Securities registered or underwritten, as the case may be, by them and not joint.

(e) The obligations of the Issuers and the Guarantor under this Section 6 shall be in addition to any liability which the Issuers and the Guarantor may otherwise have and shall extend, upon the same terms and conditions, to each officer, director and partner of each holder, agent and underwriter and each person, if any, who controls any holder, agent or underwriter within the meaning of the Securities Act; and the obligations of the holders and any agents or underwriters contemplated by this Section 6 shall be in addition to any liability which the respective holder, agent or underwriter may otherwise have and shall extend, upon the same terms and conditions, to each officer (including any officer who signed any registration statement), director, employee, representative or agent of the Issuers and the Guarantor and to each person, if any, who controls the Issuers or the Guarantor within the meaning of the Securities Act.

7. Underwritten Offerings.

(a) Selection of Underwriters. If any of the Registrable Securities covered by the Shelf Registration are to be sold pursuant to an underwritten offering, the managing underwriter or underwriters thereof shall be designated by Electing Holders holding at least a majority in aggregate principal amount of the Registrable Securities to be included in such offering, provided that such designated managing underwriter or underwriters is or are reasonably acceptable to the Issuers.

(b) Participation by Holders. Each holder of Registrable Securities hereby agrees with each other such holder that no such holder may participate in any underwritten offering hereunder unless such holder (i) agrees to sell such holder's Registrable Securities on the basis provided in any underwriting arrangements approved by the persons entitled hereunder to approve such arrangements and (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements.

8. Rule 144.

Each of the Issuers covenants to the holders of Registrable Securities that to the extent it shall be required to do so under the Exchange Act, it shall timely file the reports required to be filed by it under the Exchange Act or the Securities Act (including the reports under Section 13 and 15(d) of the Exchange Act referred to in subparagraph (c)(1) of Rule 144 adopted by the Commission under the Securities Act) and the rules and regulations adopted by the Commission thereunder, and shall take such further action as any holder of Registrable Securities may reasonably request, all to the extent required from time to time to enable such holder to sell Registrable Securities without registration under the Securities Act within the limitations of the exemption provided by Rule 144 under the Securities Act, as such Rule may be amended from time to time, or any similar or successor rule or regulation hereafter adopted by the Commission. Upon the request of any holder of Registrable Securities in connection with that holder's sale pursuant to Rule 144, the Issuers shall deliver to such holder a written statement as to whether it has complied with such requirements.

9. Miscellaneous.

(a) No Inconsistent Agreements. The Issuers represent, warrant, covenant and agree that they have not granted, and shall not grant, registration rights with respect to Registrable Securities or any other Notes which would be inconsistent with the terms contained in this Exchange and Registration Rights Agreement.

(b) Specific Performance. The parties hereto acknowledge that there would be no adequate remedy at law if the Issuers fail to perform any of their obligations hereunder and that the Purchasers and the holders from time to time of the Registrable Securities may be irreparably harmed by any such failure, and accordingly agree that the Purchasers and such holders, in addition to any other remedy to which they may be entitled at law or in equity, shall be entitled to compel specific performance of the obligations of the Issuers under this Exchange and Registration Rights Agreement in accordance with the terms and conditions of this Exchange and Registration Rights Agreement, in any court of the United States or any State thereof having jurisdiction.

(c) Notices. All notices, requests, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been duly given (i) when delivered by hand, if delivered personally or by courier, (ii) when sent by facsimile (with written confirmation of receipt), provided that a copy is mailed by registered or certified mail, return receipt requested or (iii) three days after being deposited in the mail (registered or certified mail, postage prepaid, return receipt requested) as follows: If to the Issuers, c/o Charter Communications, Inc., 12444 Powerscourt Drive, Suite 100, St. Louis, Missouri, 63131, Attention: Secretary, and if to a holder, to the address of such holder set forth in the security register or other records of the Issuers, or to such other address as the Issuers or any

such holder may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

(d) Parties in Interest. All the terms and provisions of this Exchange and Registration Rights Agreement shall be binding upon, shall inure to the benefit of and shall be enforceable by the parties hereto and the holders from time to time of the Registrable Securities and the respective successors and assigns of the parties hereto and such holders. In the event that any transferee of any holder of Registrable Securities shall acquire Registrable Securities, in any manner, whether by gift, bequest, purchase, operation of law or otherwise, such transferee shall, without any further writing or action of any kind, be deemed a beneficiary hereof for all purposes and such Registrable Securities shall be held subject to all of the terms of this Exchange and Registration Rights Agreement, and by taking and holding such Registrable Securities such transferee shall be entitled to receive the benefits of, and be conclusively deemed to have agreed to be bound by all of the applicable terms and provisions of this Exchange and Registration Rights Agreement. If the Issuers shall so request, any such successor, assign or transferee shall agree in writing to acquire and hold the Registrable Securities subject to all of the applicable terms hereof.

(e) Survival. The respective indemnities, agreements, representations, warranties and each other provision set forth in this Exchange and Registration Rights Agreement or made pursuant hereto shall remain in full force and effect regardless of any investigation (or statement as to the results thereof) made by or on behalf of any holder of Registrable Securities, any director, officer or partner of such holder, any agent or underwriter or any director, officer or partner thereof, or any controlling person of any of the foregoing, and shall survive delivery of and payment for the Registrable Securities pursuant to the Purchase Agreement and the transfer and registration of Registrable Securities by such holder and the consummation of an Exchange Offer.

(f) Governing Law. This Exchange and Registration Rights Agreement shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to any provisions relating to conflicts of law.

(g) Headings. The descriptive headings of the several Sections and paragraphs of this Exchange and Registration Rights Agreement are inserted for convenience only, do not constitute a part of this Exchange and Registration Rights Agreement and shall not affect in any way the meaning or interpretation of this Exchange and Registration Rights Agreement.

(h) Entire Agreement; Amendments. This Exchange and Registration Rights Agreement and the other writings referred to herein (including the Indenture and the form of Notes) or delivered pursuant hereto which form a part hereof contain the entire understanding of the parties with respect to its subject matter. This Exchange and Registration Rights Agreement supersedes all prior agreements and understandings between the parties

with respect to its subject matter. This Exchange and Registration Rights Agreement may be amended and the observance of any term of this Exchange and Registration Rights Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) only by a written instrument duly executed by the Issuers and the holders of at least a majority in aggregate principal amount of the Registrable Securities at the time outstanding. Each holder of any Registrable Securities at the time or thereafter outstanding shall be bound by any amendment or waiver effected pursuant to this Section 9(h), whether or not any notice, writing or marking indicating such amendment or waiver appears on such Registrable Securities or is delivered to such holder.

(i) Inspection. For so long as this Exchange and Registration Rights Agreement shall be in effect, this Exchange and Registration Rights Agreement and a complete list of the names and addresses of all the holders of Registrable Securities shall be made available for inspection and copying, upon reasonable prior notice, on any business day during normal business hours by any holder of Registrable Securities for proper purposes only (which shall include any purpose related to the rights of the holders of Registrable Securities under the Notes, the Indenture and this Agreement) at the offices of the Issuers at the address thereof set forth in Section 9(c) above and at the office of the Trustee under the Indenture.

(j) Counterparts. This agreement may be executed by the parties in counterparts, each of which shall be deemed to be an original, but all such respective counterparts shall together constitute one and the same instrument.

If the foregoing is in accordance with your understanding, please sign and return to us counterparts hereof, and upon the acceptance hereof by you, on behalf of each of the Purchasers, this letter and such acceptance hereof shall constitute a binding agreement between each of the Purchasers and the Issuers. It is understood that your acceptance of this letter on behalf of each of the Purchasers is pursuant to the authority set forth in a form of Agreement among Purchasers, the form of which shall be submitted to the Issuers for examination upon request, but without warranty on your part as to the authority of the signers thereof.

Very truly yours,

CHARTER COMMUNICATIONS
HOLDINGS, LLC

By: /s/ Eloise Engman

Name: Eloise Engman
Title: Vice President

CHARTER COMMUNICATIONS HOLDINGS
CAPITAL CORPORATION

By: /s/ Eloise Engman

Name: Eloise Engman
Title: Vice President

MARCUS CABLE HOLDINGS, LLC

By: MARCUS CABLE PROPERTIES, L.L.C.,
as Manager

By: MARCUS CABLE PROPERTIES,
INC., as Manager

By: /s/ Marcy Lifton

Name: Marcy Lifton
Title: Senior Vice President and
Assistant Secretary

Accepted as of the date hereof:

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.
NESBITT BURNS SECURITIES INC.

By: GOLDMAN, SACHS & CO.

By: /s/ Goldman, Sachs & Co.

Name:
Title:

Exhibit A

CHARTER COMMUNICATIONS HOLDINGS LLC
CHARTER COMMUNICATIONS HOLDINGS CAPITAL CORPORATION
MARCUS CABLE HOLDINGS, LLC

INSTRUCTION TO DTC PARTICIPANTS

(Date of Mailing)

URGENT - IMMEDIATE ATTENTION REQUESTED

DEADLINE FOR RESPONSE: [DATE][a]

The Depository Trust Issuers ("DTC") has identified you as a DTC Participant through which beneficial interests in the Charter Communications Holdings LLC (the "Company") and Charter Communications Holdings Capital Corporation ("Charter Capital" and, together with the Company, the "Issuers") 9.92% Senior Discount Notes due 2011 (the "Notes"), guaranteed by Marcus Cable Holdings, LLC are held.

The Issuers are in the process of registering the Notes under the Securities Act of 1933, as amended, for resale by the beneficial owners thereof. In order to have their Notes included in the registration statement, beneficial owners must complete and return the enclosed Notice of Registration Statement and Selling Securityholder Questionnaire.

It is important that beneficial owners of the Notes receive a copy of the enclosed materials as soon as possible as their rights to have the Notes included in the registration statement depend upon their returning the Notice and Questionnaire by [Deadline For Response]. Please forward a copy of the enclosed documents to each beneficial owner that holds interests in the Notes through you. If you require more copies of the enclosed materials or have any questions pertaining to this matter, please contact the Issuers c/o Charter Communications, Inc., 12444 Powerscourt Drive, Suite 100, St. Louis, Missouri, 63131, Attention: Secretary.

- --------
a   Not less than 28 calendar days from date of mailing.

CHARTER COMMUNICATIONS HOLDINGS LLC
CHARTER COMMUNICATIONS HOLDINGS CAPITAL CORPORATION
MARCUS CABLE HOLDINGS, LLC

Notice of Registration Statement
and
Selling Securityholder Questionnaire

(Date)

Reference is hereby made to the Exchange and Registration Rights Agreement (the "Exchange and Registration Rights Agreement") between Charter Communications Holdings LLC and Charter Communications Holdings Capital Corporation (together, the "Issuers") Marcus Cable Holdings, LLC (the "Guarantor") and the Purchasers named therein. Pursuant to the Exchange and Registration Rights Agreement, the Issuers have filed with the United States Securities and Exchange Commission (the "Commission") a registration statement on Form [__] (the "Shelf Registration Statement") for the registration and resale under Rule 415 of the Securities Act of 1933, as amended (the "Securities Act"), of the Issuers' 9.92% Senior Discount Notes due 2011 (the "Notes"), guaranteed by the Guarantor. A copy of the Exchange and Registration Rights Agreement is attached hereto. All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Exchange and Registration Rights Agreement.

Each beneficial owner of Registrable Securities is entitled to have the Registrable Securities beneficially owned by it included in the Shelf Registration Statement. In order to have Registrable Securities included in the Shelf Registration Statement, this Notice of Registration Statement and Selling Securityholder Questionnaire ("Notice and Questionnaire") must be completed, executed and delivered to the Issuers' counsel at the address set forth herein for receipt ON OR BEFORE [Deadline for Response]. Beneficial owners of Registrable Securities who do not complete, execute and return this Notice and Questionnaire by such date (i) will not be named as selling securityholders in the Shelf Registration Statement and (ii) may not use the Prospectus forming a part thereof for resales of Registrable Securities.

Certain legal consequences arise from being named as a selling securityholder in the Shelf Registration Statement and related prospectus. Accordingly, holders and beneficial owners of Registrable Securities are advised to consult their own securities law counsel regarding the

consequences of being named or not being named as a selling securityholder in the Shelf Registration Statement and related prospectus.

ELECTION

The undersigned holder (the "Selling Securityholder") of Registrable Securities hereby elects to include in the Shelf Registration Statement the Registrable Securities beneficially owned by it and listed below in Item (3). The undersigned, by signing and returning this Notice and Questionnaire, agrees to be bound with respect to such Registrable Securities by the terms and conditions of this Notice and Questionnaire and the Exchange and Registration Rights Agreement, including, without limitation, Section 6 of the Exchange and Registration Rights Agreement, as if the undersigned Selling Securityholder were an original party thereto.

Upon any sale of Registrable Securities pursuant to the Shelf Registration Statement, the Selling Securityholder will be required to deliver to the Issuers and the Trustee the Notice of Transfer set forth in Exhibit B to the Exchange and Registration Rights Agreement.

The Selling Securityholder hereby provides the following information to the Issuers and represents and warrants that such information is accurate and complete:

QUESTIONNAIRE

(1)(a) Full Legal Name of Selling Securityholder:

(b) Full Legal Name of Registered Holder (if not the same as in (a) above) of Registrable Securities Listed in Item (3) below:

(c) Full Legal Name of DTC Participant (if applicable and if not the same as (b) above) Through Which Registrable Securities Listed in Item (3) below are Held:

(2) Address for Notices to Selling Securityholder:

____

____

____

Telephone: ________________________________

Fax: ________________________________

Contact Person: ________________________________

(3) Beneficial Ownership of Notes:

Except as set forth below in this Item (3), the undersigned does not beneficially own any Notes.

(a) Principal amount of Registrable Securities beneficially owned: _____
CUSIP No(s). of such Registrable Securities:

____

(b) Principal amount of Notes other than Registrable Securities beneficially owned: ____
CUSIP No(s). of such other Notes:

____

(c) Principal amount of Registrable Securities which the undersigned wishes to be included in the Shelf Registration Statement: CUSIP No(s). of such Registrable Securities to be included in the Shelf Registration Statement:

(4) Beneficial Ownership of Other Securities of the Issuers and the Guarantor:

Except as set forth below in this Item (4), the undersigned Selling Securityholder is not the beneficial or registered owner of any other securities of the Issuers or the Guarantor other than the Notes as Guaranteed listed above in Item (3).

State any exceptions here:

(5) Relationships with the Issuers and the Guarantor:

Except as set forth below, neither the Selling Securityholder nor any of its affiliates, officers, directors or principal equity holders (5% or more) has held any position or office or has had any other material relationship with the Issuers or the Guarantor (or their respective predecessors or affiliates) during the past three years.

State any exceptions here:

(6) Plan of Distribution:

Except as set forth below, the undersigned Selling Securityholder intends to distribute the Registrable Securities listed above in Item (3) only as follows (if at all): Such Registrable Securities may be sold from time to time directly by the undersigned Selling Securityholder or, alternatively, through underwriters, broker-dealers or agents. Such Registrable Securities may be sold in one or more transactions at fixed prices, at prevailing market prices at the time of sale, at varying prices determined at the time of sale, or at negotiated prices. Such sales may be effected in transactions (which may involve crosses or block transactions) (i) on any national securities exchange or quotation service on which the Registered Notes may be listed or quoted at the time of sale, (ii) in the over-the-counter market, (iii) in transactions otherwise than on such exchanges or services or in the over-the-counter market, or (iv) through the writing of options. In connection with sales of the Registrable Securities or otherwise, the Selling Securityholder may enter into hedging transactions with broker-dealers, which may in turn engage in short sales of the Registrable Securities in the course of hedging the positions they assume. The Selling Securityholder may also sell Registrable Securities short and deliver Registrable Securities to close out such short positions, or loan or pledge Registrable Securities to broker-dealers that in turn may sell such Notes.

State any exceptions here:

By signing below, the Selling Securityholder acknowledges that it understands its obligation to comply, and agrees that it will comply, with the provisions of the Exchange Act and the rules and regulations thereunder, particularly Regulation M.

In the event that the Selling Securityholder transfers all or any portion of the Registrable Securities listed in Item (3) above after the date on which such information is provided to the Issuers, the Selling Securityholder agrees to notify the transferee(s) at the time of the transfer of its rights and obligations under this Notice and Questionnaire and the Exchange and Registration Rights Agreement.

By signing below, the Selling Securityholder consents to the disclosure of the information contained herein in its answers to Items (1) through (6) above and the inclusion of such information in the Shelf Registration Statement and related Prospectus. The Selling Securityholder understands that such information will be relied upon by the Issuers in connection with the preparation of the Shelf Registration Statement and related Prospectus.

In accordance with the Selling Securityholder's obligation under Section 3(d) of the Exchange and Registration Rights Agreement to provide such information as may be required by law for inclusion in the Shelf Registration Statement, the Selling Securityholder agrees to promptly notify the Issuers of any inaccuracies or changes in the information provided herein which may occur subsequent to the date hereof at any time while the Shelf Registration Statement remains in effect. All notices hereunder and pursuant to the Exchange and Registration Rights Agreement shall be made in writing, by hand-delivery, first-class mail, or air courier guaranteeing overnight delivery as follows:

(i) To the Issuers:

____

____

____

____

____

(ii) With a copy to:

____

____

____

____

____

Once this Notice and Questionnaire is executed by the Selling Securityholder and received by the Issuers' counsel, the terms of this Notice and Questionnaire, and the representations and warranties contained herein, shall be binding on, shall inure to the benefit of and shall be enforceable by the respective successors, heirs, personal representatives, and assigns of the Issuers and the Selling Securityholder (with respect to the Registrable Securities beneficially owned by such Selling Securityholder and listed in Item (3) above. This Agreement shall be governed in all respects by the laws of the State of New York without giving effect to any provisions relating to conflicts of laws.

IN WITNESS WHEREOF, the undersigned, by authority duly given, has caused this Notice and Questionnaire to be executed and delivered either in person or by its duly authorized agent.

Dated: _________________________

____
Selling Securityholder
(Print/type full legal name of beneficial owner of Registrable Securities)

By: ____
Name:
Title:

PLEASE RETURN THE COMPLETED AND EXECUTED NOTICE AND QUESTIONNAIRE FOR RECEIPT ON OR BEFORE [DEADLINE FOR RESPONSE] TO THE ISSUERS' COUNSEL AT:

____

____

____

____

____

Exhibit B

NOTICE OF TRANSFER PURSUANT TO REGISTRATION STATEMENT

[Name of Trustee]
Charter Communications Holdings LLC
Charter Communications Holdings Capital
Corporation
Marcus Cable Holdings, LLC
c/o [Name of Trustee]
[Address of Trustee]

Attention: Trust Officer

Re: Charter Communications Holdings LLC
and Charter Communications Holdings Capital Corporation
(together, the "Issuers") 9.92% Senior Discount Notes due 2011
guaranteed by Marcus Cable Holdings, LLC

Dear Sirs:

Please be advised that ______________ has transferred $__________ aggregate principal amount of the above-referenced Notes pursuant to an effective Registration Statement on Form [___] (File No. 333-_____) filed by the Issuers.

We hereby certify that the prospectus delivery requirements, if any, of the Securities Act of 1933, as amended, have been satisfied and that the above-named beneficial owner of the Notes is named as a "Selling Holder" in the prospectus dated [date] or in supplements thereto, and that the aggregate principal amount of the Notes transferred are the Notes listed in such prospectus opposite such owner's name.

Dated:

Very truly yours,

____
(Name)

By:__________________________________
(Authorized Signature)

Exhibit 10.1

EXECUTION COPY

$4,100,000,000
CREDIT AGREEMENT

CHARTER COMMUNICATIONS OPERATING, LLC
and
MARCUS CABLE OPERATING COMPANY, LLC,
as Borrowers

CHARTER COMMUNICATIONS HOLDINGS LLC
and
MARCUS CABLE COMPANY, LLC,
as Guarantors

CHASE SECURITIES INC.,
as Lead Arranger

CHASE SECURITIES INC. and TD SECURITIES (USA) INC.,
as Joint Book Managers

CHASE SECURITIES INC., NATIONSBANC MONTGOMERY SECURITIES LLC and
TD SECURITIES (USA) INC.,
as Arrangers

NATIONSBANK, N.A. and THE CHASE MANHATTAN BANK,
as Administrative Agents

CHASE SECURITIES INC., NATIONSBANC MONTGOMERY SECURITIES LLC and
TD SECURITIES (USA) INC., as Syndication Agents

TORONTO DOMINION (TEXAS), INC., FLEET BANK, N.A. and
CREDIT LYONNAIS NEW YORK BRANCH, as Documentation Agents

Dated as of March 18, 1999

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E	Form of Assignment and Acceptance
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G	Form of Prepayment Option Notice
H	Form of Exemption Certificate
I	Form of Specified Subordinated Note

CREDIT AGREEMENT, dated as of March 18, 1999, among CHARTER COMMUNICATIONS HOLDINGS LLC, a Delaware limited liability company ("Charter Holdings"), MARCUS CABLE COMPANY, LLC, a Delaware limited liability company ("Marcus Holdings"), CHARTER COMMUNICATIONS OPERATING, LLC, a Delaware limited liability company ("Charter"), MARCUS CABLE OPERATING COMPANY, LLC, a Delaware limited liability company ("Marcus"), the several banks and other financial institutions or entities from time to time parties to this Agreement (the "Lenders"), TORONTO DOMINION (TEXAS), INC., FLEET BANK, N.A. and CREDIT LYONNAIS NEW YORK BRANCH, as documentation agents (in such capacity, the "Documentation Agents"), CHASE SECURITIES INC., NATIONSBANC MONTGOMERY SECURITIES LLC and TD SECURITIES (USA) INC., as syndication agents (in such capacity, the "Syndication Agents"), and NATIONSBANK, N.A. and THE CHASE MANHATTAN BANK, as Administrative Agents (in such capacity, the "Administrative Agents").

The parties hereto hereby agree as follows:

SECTION 1. DEFINITIONS

1.1 Defined Terms. As used in this Agreement, the terms listed in this Section 1.1 shall have the respective meanings set forth in this Section 1.1.

"ABR": for any day, a rate per annum (rounded upwards, if necessary, to the next 1/100th of 1%) equal to the greater of (a) the Prime Rate in effect on such day and (b) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1%. Any change in the ABR due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective as of the opening of business on the effective day of such change in the Prime Rate or the Federal Funds Effective Rate, respectively.

"ABR Loans": Loans the rate of interest applicable to which is based upon the ABR.

"Addendum": an instrument, substantially in the form of Exhibit D-1, by which a Lender becomes a party to this Agreement as of the Stage One Closing Date.

"Adjustment Date": as defined in the Pricing Grid.

"Administrative Agents": as defined in the preamble hereto.

"Affiliate": as to any Person, any other Person that, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, "control" of a Person means the power, directly or indirectly, either to (a) vote 10% or more of the securities having ordinary voting power for the election of directors (or persons performing similar functions) of such Person or (b) direct or cause the direction of the management and policies of such Person, whether by contract or otherwise.

"Agents": the collective reference to the Syndication Agents, the Documentation Agents, the Administrative Agents and the Funding Agent.

"Aggregate Exposure": with respect to any Lender at any time, an amount equal to the sum of (a) the aggregate then unpaid principal amount of such Lender's Term Loans, (b) the amount of such Lender's unutilized Tranche A Term Commitment then in effect and (c) the amount of such Lender's Revolving Commitment then in effect or, if the Revolving Commitments have been terminated, the amount of such Lender's Revolving Extensions of Credit then outstanding.

"Aggregate Exposure Percentage": with respect to any Lender at any time, the ratio (expressed as a percentage) of such Lender's Aggregate Exposure at such time to the Aggregate Exposure of all Lenders at such time.

"Agreement": this Credit Agreement, as amended, supplemented or otherwise modified from time to time.

"Annualized Asset Cash Flow Amount": with respect to any Disposition of assets, an amount equal to the portion of Consolidated Operating Cash Flow for the most recent Asset Disposition Test Period ending prior to the date of such Disposition which was contributed by such assets multiplied by four.

"Annualized Operating Cash Flow": for any fiscal quarter, an amount equal to Consolidated Operating Cash Flow for such period multiplied by four.

"Annualized Pro Forma Operating Cash Flow": an amount, determined on any Disposition Date or Exchange Date in connection with any proposed Disposition or Exchange pursuant to Section 7.5(e) or (f), equal to Consolidated Operating Cash Flow for the most recent Asset Disposition Test Period multiplied by four, calculated in the manner contemplated by Section 1.2(e) but excluding the effect of such Disposition or Exchange.

"Applicable Margin": (a) with respect to Tranche A Term Loans, Tranche B Term Loans, Revolving Loans and Swingline Loans, the per annum rates determined in accordance with the Pricing Grid and (b) with respect to Incremental Term Loans, such per annum rates as shall be agreed to by the Borrower and the applicable Incremental Term Lenders as shown in the applicable Increased Facility Activation Notice.

"Application": an application, in such form as the relevant Issuing Lender may specify from time to time, requesting such Issuing Lender to open a Letter of Credit.

"Approved Fund": with respect to any Lender that is a fund that invests in commercial loans, any other fund that invests in commercial loans and is managed or advised by the same investment advisor as such Lender or by an Affiliate of such investment advisor.

"Asset Disposition Test Period": as of any date of determination, the most recent fiscal quarter as to which financial statements have been delivered pursuant to Section 6.1.

"Asset Sale": any Disposition of property or series of related Dispositions of property (excluding (a) Exchanges pursuant to which no cash consideration is received by the Borrower or any of its Subsidiaries and (b) any such Disposition permitted by clause (a), (b), (c) or (d) of Section 7.5) that yields gross cash proceeds to the Borrower or any of its Subsidiaries in excess of $1,000,000.

"Assignee": as defined in Section 10.6(c).

"Assignment and Acceptance": an Assignment and Acceptance, substantially in the form of Exhibit E.

"Assignor": as defined in Section 10.6(c).

"Attributable Debt": in respect of a sale and leaseback transaction entered into by Holdings, the Borrower or any of its Subsidiaries, at the time of determination, the present value of the

obligation of the lessee for net rental payments during the remaining term of the lease included in such sale and leaseback transaction including any period for which such lease has been extended or may, at the sole option of the lessor, be extended. Such present value shall be calculated using a discount rate equal to the rate of interest implicit in such transaction, determined in accordance with GAAP.

"Authorizations": all filings, recordings and registrations with, and all validations or exemptions, approvals, orders, authorizations, consents, Licenses, certificates and permits from, the FCC, applicable public utilities and other Governmental Authorities, including, without limitation, CATV Franchises, FCC Licenses and Pole Agreements.

"Available Revolving Commitment": as to any Revolving Lender at any time, an amount equal to the excess, if any, of (a) such Lender's Revolving Commitment then in effect over (b) such Lender's Revolving Extensions of Credit then outstanding; provided, that in calculating any Lender's Revolving Extensions of Credit for the purpose of determining such Lender's Available Revolving Commitment pursuant to Section 2.6(a), the aggregate principal amount of Swingline Loans then outstanding shall be deemed to be zero.

"Benefitted Lender": as defined in Section 10.7(a).

"Board": the Board of Governors of the Federal Reserve System of the United States (or any successor).

"Borrower": prior to the Marcus Combination, Charter and Marcus, both collectively and individually, and after the Marcus Combination, Charter. Without limiting the generality of the foregoing, prior to the Marcus Combination, each of Charter and Marcus shall be jointly and severally liable to repay all Loans borrowed hereunder and to pay all interest and other obligations incurred or owing by "the Borrower" pursuant to this Agreement.

"Borrowing Date": any Business Day specified by the Borrower as a date on which the Borrower requests the relevant Lenders to make Loans hereunder.

"Budget": as defined in Section 6.2(c).

"Business": as defined in Section 4.17(b).

"Business Day": a day other than a Saturday, Sunday or other day on which commercial banks in New York City or Dallas, Texas are authorized or required by law to close, provided, that with respect to notices and determinations in connection with, and payments of principal and interest on, Eurodollar Loans, such day is also a day for trading by and between banks in Dollar deposits in the London, England interbank eurodollar market.

"Capital Lease Obligations": as to any Person, the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP and, for the purposes of this Agreement, the amount of such obligations at any time shall be the capitalized amount thereof at such time determined in accordance with GAAP.

"Cash Equivalents": (a) marketable direct obligations issued by, or unconditionally guaranteed by, the United States government or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within one year from the date of acquisition; (b)

certificates of deposit, time deposits, eurodollar time deposits or overnight bank deposits having maturities of six months or less from the date of acquisition issued by any Lender or by any commercial bank organized under the laws of the United States or any state thereof having combined capital and surplus of not less than $500,000,000; (c) commercial paper of an issuer rated at the time of acquisition at least A-1 by Standard & Poor's Ratings Services ("S&P") or P-1 by Moody's Investors Service, Inc. ("Moody's"), or carrying an equivalent rating by a nationally recognized rating agency, if both of the two named rating agencies cease publishing ratings of commercial paper issuers generally, and maturing within six months from the date of acquisition; (d) repurchase obligations of any Lender or of any commercial bank satisfying the requirements of clause (b) of this definition, having a term of not more than 30 days, with respect to securities issued or fully guaranteed or insured by the United States government; (e) securities with maturities of one year or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States, by any political subdivision or taxing authority of any such state, commonwealth or territory or by any foreign government, the securities of which state, commonwealth, territory, political subdivision, taxing authority or foreign government (as the case may be) are rated at the time of acquisition at least A by S&P or A by Moody's; (f) securities with maturities of six months or less from the date of acquisition backed by standby letters of credit issued by any Lender or any commercial bank satisfying the requirements of clause (b) of this definition; or (g) shares of money market mutual or similar funds which invest exclusively in assets satisfying the requirements of clauses (a) through (f) of this definition.

"CATV Franchise": collectively, with respect to the Borrower and its Subsidiaries, (a) any franchise, license, permit, wire agreement or easement granted by any political jurisdiction or unit or other local, state or federal franchising authority (other than licenses, permits and easements not material to the operations of a CATV System) pursuant to which such Person has the right or license to operate a CATV System and (b) any law, regulation, ordinance, agreement or other instrument or document setting forth all or any part of the terms of any franchise, license, permit, wire agreement or easement described in clause (a) of this definition.

"CATV System": any cable distribution system owned or acquired by the Borrower or any of its Subsidiaries which receives audio, video, digital, other broadcast signals or information or telecommunications by cable, optical, antennae, microwave or satellite transmission and which amplifies and transmits such signals to customers of the Borrower or any of its Subsidiaries.

"Charter": as defined in the preamble hereto.

"Charter Group": the collective reference to Charter Communications, Inc., the Borrower and its Subsidiaries, together with any member of the Paul Allen Group or any Affiliate of any such member that, in each case, directly or indirectly owns more than 50% of the Equity Interests (determined on the basis of economic interests) in the Borrower or any of its Subsidiaries. Notwithstanding the foregoing, no individual and no entity organized for estate planning purposes shall be deemed to be a member of the Charter Group.

"Charter Holdings": as defined in the preamble hereto.

"Code": the Internal Revenue Code of 1986, as amended from time to time.

"Collateral": all property of the Loan Parties, now owned or hereafter acquired, upon which a Lien is purported to be created by the Guarantee and Collateral Agreement.

"Commitment": as to any Lender, the sum of the Tranche A Term Commitment, the Tranche B Term Commitment and the Revolving Commitment of such Lender.

"Commitment Fee Rate": the per annum rate determined in accordance with the Pricing Grid.

"Commonly Controlled Entity": an entity, whether or not incorporated, that is under common control with the Borrower within the meaning of Section 4001 of ERISA or is part of a group that includes the Borrower and that is treated as a single employer under Section 414 of the Code.

"Compliance Certificate": a certificate duly executed by a Responsible Officer substantially in the form of Exhibit B.

"Confidential Information Memorandum": the collective reference to (a) the Confidential Information Memorandum dated March 1999 and furnished to certain of the Lenders in connection with the syndication of certain of the Facilities prior to the Stage One Closing Date and (b) any other information memorandum authorized by the Borrower to be distributed to one or more Lenders or prospective Lenders in connection with any other syndication of any of the Facilities (including in connection with any increase in the amount thereof).

"Consideration": with respect to any Investment or Disposition, (a) any cash or other property (valued at fair market value in the case of such other property) paid or transferred in connection therewith, (b) the principal amount of any Indebtedness assumed in connection therewith and (c) any letters of credit, surety arrangements or security deposits posted in connection therewith.

"Consolidated Debt Service Coverage Ratio": as of the last day of any period, the ratio of (a) Annualized Operating Cash Flow determined in respect of the fiscal quarter ending on such day to (b) the sum of (i) Consolidated Interest Expense for the period of four consecutive fiscal quarters ending on such day and (ii) scheduled principal payments on Indebtedness of the Borrower or any of its Subsidiaries for the period of four consecutive fiscal quarters commencing immediately after such day (or, in the case of the Revolving Facility, the excess, if any, of the Total Revolving Extensions of Credit outstanding on such day over the amount of the Total Revolving Commitments scheduled to be in effect at the end of such period of four consecutive fiscal quarters).

"Consolidated Interest Coverage Ratio": as of the last day of any period, the ratio of (a) Consolidated Operating Cash Flow for the period of four consecutive fiscal quarters ending on such day to (b) Consolidated Interest Expense for the period of four consecutive fiscal quarters ending on such day.

"Consolidated Interest Expense": for any period, the sum of (a) total cash interest expense (including that attributable to Capital Lease Obligations) of the Borrower and its Subsidiaries for such period with respect to all outstanding Indebtedness of the Borrower and its Subsidiaries (including all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing and net costs under Hedge Agreements in respect of interest rates to the extent such net costs are allocable to such period in accordance with GAAP) and (b) all Restricted Payments made by the Borrower during such period in order to enable any of its Affiliates to pay cash interest expense in respect of Indebtedness of such Affiliate.

"Consolidated Leverage Ratio": as of the last day of any period, the ratio of (a) Consolidated Total Debt on such day to (b) Annualized Operating Cash Flow determined in respect of the fiscal quarter ending on such day.

"Consolidated Net Income": for any period, the consolidated net income (or loss) of the Borrower and its Subsidiaries, determined on a consolidated basis in accordance with GAAP; provided

that, GAAP to the contrary notwithstanding, there shall be excluded (a) the income (or deficit) of any Person accrued prior to the date it becomes a Subsidiary of the Borrower or is merged into or consolidated with the Borrower or any of its Subsidiaries, (b) the income (or deficit) of any Person (other than a Subsidiary of the Borrower) in which the Borrower or any of its Subsidiaries has an ownership interest, except to the extent that any such income is actually received by the Borrower or such Subsidiary in the form of dividends or similar distributions, (c) the undistributed earnings of any Subsidiary of the Borrower (including any Excluded Acquired Subsidiary) to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary is not at the time permitted by the terms of any Contractual Obligation (other than under any Loan Document) or Requirement of Law applicable to such Subsidiary and (d) whether or not distributed, the income of any Non-Recourse Subsidiary.

"Consolidated Operating Cash Flow": for any period with respect to the Borrower and its Subsidiaries, Consolidated Net Income for such period plus, without duplication and to the extent reflected as a charge in the statement of Consolidated Net Income for such period, the sum of (i) total income tax expense, (ii) interest expense, amortization or writeoff of debt discount and debt issuance costs and commissions, discounts and other fees and charges associated with Indebtedness, (iii) depreciation and amortization expense, (iv) management fees expensed during such period, (v) any extraordinary or non-recurring non-cash expenses or non-cash losses, provided that in the event that the Borrower or any Subsidiary makes any cash payment in respect of any such extraordinary or non-recurring non-cash expense, such cash payment shall be deducted from Consolidated Operating Cash Flow in the period in which such cash payment is made, (vi) losses on Dispositions of assets outside of the ordinary course of business, and (vii) other noncash items reducing such Consolidated Net Income and minus, without duplication and to the extent included in the statement of Consolidated Net Income for such period, the sum of (i) any extraordinary or non-recurring non-cash income or non-cash gains, (ii) gains on Dispositions of assets outside of the ordinary course of business and (iii) other noncash items increasing such Consolidated Net Income, all as determined on a consolidated basis in accordance with GAAP.

"Consolidated Total Debt": at any date, the aggregate principal amount of all Indebtedness (other than, in the case of contingent obligations of the type described in clause (f) of the definition of "Indebtedness", any such obligations not constituting L/C Obligations) of the Borrower and its Subsidiaries at such date, determined on a consolidated basis in accordance with GAAP.

"Contractual Obligation": as to any Person, any provision of any debt or equity security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

"Default": any of the events specified in Section 8, whether or not any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

"Disposition": with respect to any property, any sale, lease (other than leases in the ordinary course of business, including leases of excess office space and fiber leases), sale and leaseback, assignment, conveyance, transfer or other disposition thereof, including pursuant to an exchange for other property. The terms "Dispose" and "Disposed of" shall have correlative meanings.

"Disposition Date": as defined in Section 7.5(e).

"Documentation Agents": as defined in the preamble hereto.

"Dollars" and "$": dollars in lawful currency of the United States.

"Domestic Subsidiary": any Subsidiary of the Borrower organized under the laws of any jurisdiction within the United States.

"Environmental Laws": any and all foreign, federal, state, local or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees, requirements of any Governmental Authority or other Requirements of Law (including common law) regulating, relating to or imposing liability or standards of conduct concerning protection of human health or the environment, as now or may at any time hereafter be in effect.

"Equity Interests": any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all classes of membership interests in a limited liability company, any and all classes of partnership interests in a partnership and any and all other equivalent ownership interests in a Person, and any and all warrants, rights or options to purchase any of the foregoing.

"ERISA": the Employee Retirement Income Security Act of 1974, as amended from time to time.

"Eurocurrency Reserve Requirements": for any day as applied to a Eurodollar Loan, the aggregate (without duplication) of the maximum rates (expressed as a decimal fraction) of reserve requirements in effect on such day (including basic, supplemental, marginal and emergency reserves under any regulations of the Board or other Governmental Authority having jurisdiction with respect thereto) dealing with reserve requirements prescribed for eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Board) maintained by a member bank of the Federal Reserve System.

"Eurodollar Base Rate": with respect to each day during each Interest Period pertaining to a Eurodollar Loan, the rate per annum determined on the basis of the rate for deposits in Dollars for a period equal to such Interest Period commencing on the first day of such Interest Period appearing on Page 3750 of the Dow Jones Markets screen as of 11:00 A.M., London time, two Business Days prior to the beginning of such Interest Period. In the event that such rate does not appear on Page 3750 of the Dow Jones Markets screen (or otherwise on such screen), the "Eurodollar Base Rate" shall be determined by reference to such other comparable publicly available service for displaying eurodollar rates as may be selected by the Funding Agent or, in the absence of such availability, by reference to the rate at which the Funding Agent is offered Dollar deposits at or about 10:00 A.M., Dallas time, two Business Days prior to the beginning of such Interest Period in the interbank eurodollar market where its eurodollar and foreign currency and exchange operations are then being conducted for delivery on the first day of such Interest Period for the number of days comprised therein.

"Eurodollar Loans": Loans for which the applicable rate of interest is based upon the Eurodollar Rate.

"Eurodollar Rate": with respect to each day during each Interest Period pertaining to a Eurodollar Loan, a rate per annum determined for such day in accordance with the following formula (rounded upward to the nearest 1/100th of 1%):

$$\frac{\text{Eurodollar Base Rate}}{1.00 - \text{Eurocurrency Reserve Requirements}}$$

"Eurodollar Tranche": the collective reference to Eurodollar Loans under a particular Facility the then current Interest Periods with respect to all of which begin on the same date and end on the same later date (whether or not such Loans shall originally have been made on the same day).

"Event of Default": any of the events specified in Section 8, provided that any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

"Exchange": any exchange of operating assets for other operating assets in a Permitted Line of Business and, subject to the last sentence of this definition, of comparable value and use to those assets being exchanged, including exchanges involving the transfer or acquisition (or both transfer and acquisition) of Equity Interests of a Person so long as 100% of the Equity Interests of such Person are transferred or acquired, as the case may be. It is understood that exchanges of the kind described above as to which a portion of the consideration paid or received is in the form of cash shall nevertheless constitute "Exchanges" for the purposes of this Agreement.

"Exchange Date": as defined in Section 7.5(f).

"Excluded Acquired Subsidiary": any Subsidiary described in paragraph (g) or (h) of Section 7.2 to the extent that the documentation governing the Indebtedness referred to in said paragraph prohibits such Subsidiary from becoming a Subsidiary Guarantor, but only so long as such Indebtedness remains outstanding.

"Facility": each of (a) the Tranche A Term Commitments and the Tranche A Term Loans made thereunder (the "Tranche A Term Facility"), (b) the Tranche B Term Commitments and the Tranche B Term Loans made thereunder (the "Tranche B Term Facility"), (c) the Incremental Term Loans (the "Incremental Term Facility") and (d) the Revolving Commitments and the extensions of credit made thereunder (the "Revolving Facility").

"FCC": the Federal Communications Commission and any successor thereto.

"FCC License": any community antenna relay service, broadcast auxiliary license, earth station registration, business radio, microwave or special safety radio service license issued by the FCC pursuant to the Communications Act of 1934, as amended.

"Federal Funds Effective Rate": for any day, the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for the day of such transactions received by the Funding Agent from three federal funds brokers of recognized standing selected by it.

"Flow-Through Entity": any Person that is not treated as a separate tax paying entity for United States federal income tax purposes.

"Foreign Subsidiary": any Subsidiary of the Borrower that is not a Domestic Subsidiary.

"Funding Agent": NationsBank, N.A., together with any of its successors.

"Funding Office": the office of the Funding Agent specified in Section 10.2 or such other office as may be specified from time to time by the Funding Agent as its funding office by written notice to the Borrower and the Lenders.

"GAAP": generally accepted accounting principles in the United States as in effect from time to time, except that for purposes of Section 7.1, GAAP shall be determined on the basis of such principles in effect on the date hereof and consistent with those used in the preparation of the most recent audited financial statements delivered pursuant to Section 4.1(b). In the event that any "Accounting Change" (as defined below) shall occur and such change results in a change in the method of calculation of financial covenants, standards or terms in this Agreement, then the Borrower and the Administrative Agents agree to enter into negotiations in order to amend such provisions of this Agreement so as to equitably reflect such Accounting Changes with the desired result that the criteria for evaluating the Borrower's financial condition shall be the same after such Accounting Changes as if such Accounting Changes had not been made. Until such time as such an amendment shall have been executed and delivered by the Borrower, the Administrative Agents and the Required Lenders, all financial covenants, standards and terms in this Agreement shall continue to be calculated or construed as if such Accounting Changes had not occurred. "Accounting Changes" refers to changes in accounting principles required by the promulgation of any rule, regulation, pronouncement or opinion by the Financial Accounting Standards Board of the American Institute of Certified Public Accountants or, if applicable, the SEC.

"Governmental Authority": any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, any securities exchange and any self-regulatory organization (including the National Association of Insurance Commissioners).

"Guarantee and Collateral Agreement": the Guarantee and Collateral Agreement to be executed and delivered by Holdings, the Borrower and each Subsidiary Guarantor, substantially in the form of Exhibit A, as the same may be amended, supplemented or otherwise modified from time to time.

"Guarantee Obligation": as to any Person (the "guaranteeing person"), any obligation of (a) the guaranteeing person or (b) another Person (including any bank under any letter of credit) to induce the creation of which the guaranteeing person has issued a reimbursement, counterindemnity or similar obligation, in either case guaranteeing or in effect guaranteeing any Indebtedness, leases, dividends or other obligations (the "primary obligations") of any other third Person (the "primary obligor") in any manner, whether directly or indirectly, including any obligation of the guaranteeing person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (1) for the purchase or payment of any such primary obligation or (2) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the owner of any such primary obligation against loss in respect thereof; provided, however, that the term "Guarantee Obligation" shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Guarantee Obligation of any guaranteeing person shall be deemed to be the lower of (a) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee Obligation is made and (b) the maximum amount for which such guaranteeing person may be liable pursuant to the terms of the instrument embodying such Guarantee Obligation, unless such primary obligation and the maximum amount for which such guaranteeing person may be liable are not stated or determinable, in which case the amount of such Guarantee Obligation shall be such guaranteeing person's maximum reasonably anticipated liability in respect thereof as determined by the Borrower in good faith.

"Guarantors": the collective reference to Holdings and the Subsidiary Guarantors.

"Hedge Agreements": all interest rate swaps, caps or collar agreements or similar arrangements dealing with interest rates or currency exchange rates or the exchange of nominal interest obligations, either generally or under specific contingencies.

"Holdings": prior to the Marcus Combination, Charter Holdings and Marcus Holdings, both collectively and individually, and after the Marcus Combination, Charter Holdings.

"Holdings Debt": the collective reference to the Senior Notes and any other Indebtedness of Holdings.

"Increased Facility Activation Date": any Business Day on which any Lender shall execute and deliver to the Administrative Agents an Increased Facility Activation Notice pursuant to Section 2.1(c).

"Increased Facility Activation Notice": a notice substantially in the form of Exhibit D-3.

"Increased Facility Closing Date": any Business Day designated as such in an Increased Facility Activation Notice.

"Incremental Term Facility": as defined in the definition of "Facility".

"Incremental Term Lenders": (a) on any Increased Facility Activation Date relating to Incremental Term Loans, the Lenders signatory to the relevant Increased Facility Activation Notice and (b) thereafter, each Lender that is a holder of an Incremental Term Loan.

"Incremental Term Loans": as defined in Section 2.1(a).

"Incremental Term Maturity Date": with respect to the Incremental Term Loans to be made pursuant to any Increased Facility Activation Notice, the maturity date specified in such Increased Facility Activation Notice, which date shall be a date at least six months after the final maturity of the Tranche B Term Loans.

"Indebtedness": of any Person at any date, without duplication, (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person for the deferred purchase price of property or services (other than current trade payables incurred in the ordinary course of such Person's business), (c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (d) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (e) all Capital Lease Obligations of such Person, (f) all obligations of such Person, contingent or otherwise, as an account party under acceptances, letters of credit, surety bonds or similar arrangements, (g) the liquidation value of all redeemable preferred Equity Interests of such Person, (h) all Guarantee Obligations of such Person in respect of obligations of the kind referred to in clauses (a) through (g) above, (i) all obligations of the kind referred to in clauses (a) through (h) above secured by (or for which the holder of such obligation has an existing right, contingent or otherwise, to be secured by) any Lien on property (including accounts and contract rights) owned by such Person, whether or not such Person has assumed or become liable for the payment of such obligation, and (j) for the purposes of Section 8(e) only, all obligations of such Person in respect of Hedge Agreements. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's

ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness expressly provide that such Person is not liable therefor.

"Initial Public Offering": an underwritten public offering of Equity Interests of any member of the Charter Group pursuant to a registration statement filed with the Securities and Exchange Commission in accordance with the Securities Act of 1933, as amended, that yields Net Cash Proceeds of at least $500,000,000.

"Insolvency": with respect to any Multiemployer Plan, the condition that such Plan is insolvent within the meaning of Section 4245 of ERISA.

"Insolvent": pertaining to a condition of Insolvency.

"Intellectual Property": the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including copyrights, copyright licenses, patents, patent licenses, trademarks, trademark licenses, technology, know-how and processes, and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

"Interest Payment Date": (a) as to any ABR Loan, the last day of each March, June, September and December to occur while such Loan is outstanding and the final maturity date of such Loan, (b) as to any Eurodollar Loan having an Interest Period of three months or less, the last day of such Interest Period, (c) as to any Eurodollar Loan having an Interest Period longer than three months, each day that is three months, or a whole multiple thereof, after the first day of such Interest Period and the last day of such Interest Period and (d) as to any Loan (other than any Revolving Loan that is an ABR Loan and any Swingline Loan), the date of any repayment or prepayment made in respect thereof.

"Interest Period": as to any Eurodollar Loan, (a) initially, the period commencing on the borrowing or conversion date, as the case may be, with respect to such Eurodollar Loan and ending one, two, three, six or, if consented to by (which consent shall not be unreasonably withheld) each Lender under the relevant Facility, nine or twelve months thereafter, as selected by the Borrower in its notice of borrowing or notice of conversion, as the case may be, given with respect thereto; and (b) thereafter, each period commencing on the last day of the next preceding Interest Period applicable to such Eurodollar Loan and ending one, two, three, six or, if consented to by (which consent shall not be unreasonably withheld) each Lender under the relevant Facility, nine or twelve months thereafter, as selected by the Borrower by irrevocable notice to the Funding Agent not less than three Business Days prior to the last day of the then current Interest Period with respect thereto; provided that, all of the foregoing provisions relating to Interest Periods are subject to the following:

(i) if any Interest Period would otherwise end on a day that is not a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless the result of such extension would be to carry such Interest Period into another calendar month in which event such Interest Period shall end on the immediately preceding Business Day;

(ii) the Borrower may not select an Interest Period under a particular Facility that would extend beyond the Revolving Termination Date or beyond the date final payment is due on the Tranche A Term Loans, the Tranche B Term Loans or the relevant Incremental Term Loans, as the case may be;

(iii) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of a calendar month; and

(iv) the Borrower shall select Interest Periods so as not to require a payment or prepayment of any Eurodollar Loan during an Interest Period for such Loan.

"Investments": as defined in Section 7.7.

"Issuing Lender": each of the Funding Agent and any other Revolving Lender that has agreed in its sole discretion to act as an "Issuing Lender" hereunder and that has been approved in writing by the Funding Agent as an "Issuing Lender" hereunder, in each case in its capacity as issuer of any Letter of Credit.

"L/C Commitment": $350,000,000.

"L/C Fee Payment Date": the last day of each March, June, September and December and the last day of the Revolving Commitment Period.

"L/C Obligations": at any time, an amount equal to the sum of (a) the aggregate then undrawn and unexpired amount of the then outstanding Letters of Credit and (b) the aggregate amount of drawings under Letters of Credit that have not then been reimbursed pursuant to Section 3.5.

"L/C Participants": with respect to any Letter of Credit, the collective reference to all Revolving Lenders other than the Issuing Lender that issued such Letter of Credit.

"Lenders": as defined in the preamble hereto.

"Letters of Credit": as defined in Section 3.1(a).

"License": as to any Person, any license, permit, certificate of need, authorization, certification, accreditation, franchise, approval, or grant of rights by any Governmental Authority or other Person necessary or appropriate for such Person to own, maintain, or operate its business or property, including FCC Licenses.

"Lien": any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge or other security interest or any preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement and any capital lease having substantially the same economic effect as any of the foregoing).

"Loan": any loan made or held by any Lender pursuant to this Agreement.

"Loan Documents": this Agreement and the Guarantee and Collateral Agreement.

"Loan Parties": Holdings, the Borrower and each Subsidiary of the Borrower that is a party to a Loan Document.

"Majority Facility Lenders": with respect to any Facility, the holders of more than 50% of the aggregate unpaid principal amount of the Term Loans or the Total Revolving Extensions of Credit, as the case may be, outstanding under such Facility (or, in the case of the Revolving Facility, prior to any

termination of the Revolving Commitments, the holders of more than 50% of the Total Revolving Commitments).

"Management Fee Agreement": the amended and restated Management Agreement dated as of March 18, 1999 between the Borrower and Charter Communications, Inc.

"Marcus" : as defined in the preamble hereto.

"Marcus Combination": as defined in Section 7.4(e).

"Marcus Holdings": as defined in the preamble hereto.

"Material Adverse Effect": a material adverse effect on (a) the business, property, operations or condition (financial or otherwise) of the Borrower and its Subsidiaries taken as a whole or (b) the validity or enforceability of any material provision of this Agreement or any of the other Loan Documents or the rights or remedies of the Administrative Agents or the Lenders hereunder or thereunder.

"Materials of Environmental Concern": any gasoline or petroleum (including crude oil or any fraction thereof) or petroleum products or any hazardous or toxic substances, materials or wastes, defined or regulated as such in or under any Environmental Law, including asbestos, polychlorinated biphenyls and urea-formaldehyde insulation.

"Multiemployer Plan": a Plan that is a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Net Cash Proceeds": (a) in connection with any Asset Sale or any Recovery Event, the proceeds thereof in the form of cash and Cash Equivalents (including any such proceeds received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment receivable or otherwise, but only as and when received) of such Asset Sale or Recovery Event, net of attorneys' fees, accountants' fees, investment banking fees, amounts required to be applied to the repayment of Indebtedness secured by a Lien expressly permitted hereunder on any asset that is the subject of such Asset Sale or Recovery Event (other than any Lien pursuant to the Guarantee and Collateral Agreement) and other customary fees and expenses actually incurred in connection therewith and net of taxes paid or reasonably estimated to be payable as a result thereof (after taking into account any available tax credits or deductions and any tax sharing arrangements) and (b) in connection with any issuance or sale of Equity Interests or any incurrence of Indebtedness, the cash proceeds received from such issuance or incurrence, net of attorneys' fees, investment banking fees, accountants' fees, underwriting discounts and commissions and other customary fees and expenses actually incurred in connection therewith.

"New Lender": as defined in Section 2.1(d).

"New Lender Supplement": as defined in Section 2.1(d).

"Non-Excluded Taxes": as defined in Section 2.17(a).

"Non-Recourse Subsidiary": (a) any Subsidiary of the Borrower created, acquired or activated by the Borrower or any of its Subsidiaries in connection with any Investment made pursuant to Section 7.7(g) and designated as such by the Borrower substantially concurrently with such creation, acquisition or activation and (b) any Subsidiary of such designated Subsidiary, provided, that (i) at no

time shall any creditor of any such Subsidiary have any claim (whether pursuant to a Guarantee Obligation, by operation of law or otherwise) against the Borrower or any of its other Subsidiaries (other than another Non-Recourse Subsidiary) in respect of any Indebtedness or other obligation of any such Subsidiary (other than in respect of a non-recourse pledge of Equity Interests in such Subsidiary); (ii) neither the Borrower nor any of its Subsidiaries (other than another Non-Recourse Subsidiary) shall become a general partner of any such Subsidiary; (iii) no default with respect to any Indebtedness of any such Subsidiary (including any right which the holders thereof may have to take enforcement action against any such Subsidiary) shall permit (upon notice, lapse of time or both) any holder of any Indebtedness of the Borrower or its other Subsidiaries (other than another Non-Recourse Subsidiary) to declare a default on such other Indebtedness or cause the payment thereof to be accelerated or payable prior to its final scheduled maturity; (iv) no such Subsidiary shall own any Equity Interests of, or own or hold any Lien on any property of, the Borrower or any other Subsidiary of the Borrower (other than another Non-Recourse Subsidiary); (v) no Investments may be made in any such Subsidiary by the Borrower or any of its Subsidiaries (other than another Non-Recourse Subsidiary) except pursuant to Section 7.7(g); (vi) the Borrower shall not directly own any Equity Interests in such Subsidiary; and (vii) at the time of such designation, no Default or Event of Default shall have occurred and be continuing or would result therefrom. It is understood that Non-Recourse Subsidiaries shall be disregarded for the purposes of any calculation pursuant to this Agreement relating to financial matters with respect to the Borrower.

"Non-U.S. Lender": as defined in Section 2.17(d).

"Notes": the collective reference to any promissory note evidencing Loans.

"Other Taxes": any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document.

"Participant": as defined in Section 10.6(b).

"Paul Allen Contributions": any capital contribution made by Paul G. Allen, directly or indirectly, to the Borrower or any of its Subsidiaries.

"Paul Allen Group": the collective reference to (a) Paul G. Allen, (b) his estate, spouse, immediate family members and heirs and (c) any trust, corporation, partnership or other entity, the beneficiaries, stockholders, partners or other owners of which consist exclusively of Paul G. Allen or such other Persons referred to in clause (b) above or a combination thereof.

"PBGC": the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA (or any successor).

"Pending Acquired Entities": American Cable Entertainment, Inc., GreaterMedia Cablevision Inc., Renaissance Media Holdings LLC and Renaissance Media Group LLC.

"Permitted Line of Business": as defined in Section 7.14(a).

"Person": an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

"Plan": at a particular time, any employee benefit plan that is covered by ERISA and in respect of which the Borrower or a Commonly Controlled Entity is (or, if such plan were terminated at such time, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Pole Agreement": any pole attachment agreement or underground conduit use agreement entered into in connection with the operation of any CATV System.

"Pricing Grid": the pricing grid attached hereto as Annex A.

"Prime Rate": the rate of interest per annum publicly announced from time to time by the Funding Agent as its prime rate in effect at its principal office in Dallas, Texas (the Prime Rate not being intended to be the lowest rate of interest charged by the Funding Agent in connection with extensions of credit to debtors).

"Pro Forma Financial Statements": as defined in Section 4.1(a).

"Properties": as defined in Section 4.17(a).

"Recovery Event": any settlement of or payment in respect of any property or casualty insurance claim or any condemnation proceeding relating to any asset of the Borrower or any of its Subsidiaries.

"Refunded Swingline Loans": as defined in Section 2.5.

"Refunding Date": as defined in Section 2.5.

"Register": as defined in Section 10.6(d).

"Regulation U": Regulation U of the Board as in effect from time to time.

"Reimbursement Obligation": the obligation of the Borrower to reimburse the relevant Issuing Lender pursuant to Section 3.5 for amounts drawn under Letters of Credit.

"Reinvestment Deadline": as defined in the definition of "Reinvestment Notice".

"Reinvestment Deferred Amount": with respect to any Reinvestment Event, the aggregate Net Cash Proceeds received by the Borrower or any of its Subsidiaries in connection therewith that are not applied to prepay the Term Loans pursuant to Section 2.9(b) as a result of the delivery of a Reinvestment Notice.

"Reinvestment Event": any Asset Sale or Recovery Event in respect of which the Borrower has delivered a Reinvestment Notice.

"Reinvestment Notice": a written notice executed by a Responsible Officer and delivered to the Administrative Agents within twelve months after any Asset Sale or Recovery Event, stating that (a) no Event of Default has occurred and is continuing, (b) the Borrower (directly or indirectly through a Subsidiary) intends and expects to use all or a specified portion of the Net Cash Proceeds of such Asset Sale or Recovery Event to acquire assets useful in its business, on or prior to the earlier of (i) the date that is eighteen months from the date of receipt of such Net Cash Proceeds and (ii) the date on which such proceeds would be required to be applied, or to be offered to be applied, to

prepay, redeem or defease any Indebtedness of the Borrower or any of its Affiliates (other than Indebtedness under this Agreement) if not applied as described above (such earlier date, the "Reinvestment Deadline"), and (c) such use will not require redemptions or prepayments (or offers to make redemptions or prepayments) of any other Indebtedness of the Borrower or any of its Affiliates.

"Reinvestment Prepayment Amount": with respect to any Reinvestment Event, the Reinvestment Deferred Amount relating thereto less any amount expended prior to the relevant Reinvestment Prepayment Date to acquire assets useful in the Borrower's business.

"Reinvestment Prepayment Date": with respect to any Reinvestment Event, the earlier of (a) the relevant Reinvestment Deadline and (b) the date on which the Borrower shall have determined not to, or shall have otherwise ceased to, acquire assets useful in the Borrower's business with all or any portion of the relevant Reinvestment Deferred Amount.

"Reorganization": with respect to any Multiemployer Plan, the condition that such plan is in reorganization within the meaning of Section 4241 of ERISA.

"Reportable Event": any of the events set forth in Section 4043(b) of ERISA, other than those events as to which the thirty day notice period is waived under subsections .27, .28, .29, .30, .31, .32, .34 or .35 of PBGC Reg. ss. 4043.

"Required Lenders": at any time, the holders of more than 50% of the sum of (a) the aggregate unpaid principal amount of the Term Loans then outstanding, (b) the aggregate unutilized Tranche A Term Commitments then in effect and (c) the Total Revolving Commitments then in effect or, if the Revolving Commitments have been terminated, the Total Revolving Extensions of Credit then outstanding.

"Required Prepayment Lenders": the Majority Facility Lenders in respect of each Facility (with the Tranche B Term Facility and the Incremental Term Facility being treated for this purpose as a single Facility).

"Requirement of Law": as to any Person, the Certificate of Incorporation and By-Laws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Responsible Officer": the chief executive officer, president or chief financial officer of the Borrower, but in any event, with respect to financial matters, any of the chief financial officer or any other financial officer of the Borrower.

"Restricted Payments": as defined in Section 7.6.

"Revolving Aggregate Committed Amount": the sum of the Total Revolving Commitments as in effect on the Stage One Closing Date and the amount of any increases therein effected pursuant to Section 2.1(c).

"Revolving Commitment": as to any Lender, the obligation of such Lender, if any, to make Revolving Loans and participate in Swingline Loans and Letters of Credit in an aggregate principal and/or face amount not to exceed the amount set forth under the heading "Revolving Commitment" opposite such Lender's name on Schedule 1.1 or in the Assignment and Acceptance or New Lender Supplement pursuant to which such Lender became a party hereto, as the same may be changed from

time to time pursuant to the terms hereof. The original amount of the Total Revolving Commitments is $556,000,000.

"Revolving Commitment Period": the period from and including the Stage One Closing Date to the Revolving Termination Date.

"Revolving Extensions of Credit": as to any Revolving Lender at any time, an amount equal to the sum of (a) the aggregate principal amount of all Revolving Loans held by such Lender then outstanding, (b) such Lender's Revolving Percentage of the L/C Obligations then outstanding and (c) such Lender's Revolving Percentage of the aggregate principal amount of Swingline Loans then outstanding.

"Revolving Facility": as defined in the definition of "Facility".

"Revolving Lender": each Lender that has a Revolving Commitment or that holds Revolving Loans.

"Revolving Loans": as defined in Section 2.1(b).

"Revolving Percentage": as to any Revolving Lender at any time, the percentage which such Lender's Revolving Commitment then constitutes of the Total Revolving Commitments (or, at any time after the Revolving Commitments shall have expired or terminated, the percentage which the aggregate principal amount of such Lender's Revolving Loans then outstanding constitutes of the aggregate principal amount of the Revolving Loans then outstanding).

"Revolving Termination Date": September 18, 2007.

"SEC": the Securities and Exchange Commission, any successor thereto and any analogous Governmental Authority.

"Senior Note Indenture": the collective reference to the Indentures entered into by Charter Holdings and Charter Communications Holdings Capital Corporation in connection with the issuance of the Senior Notes, together with all instruments and other agreements entered into by Charter Holdings or Charter Communications Holdings Capital Corporation in connection therewith, as the same may be amended, supplemented or otherwise modified from time to time in accordance with Section 7.8.

"Senior Notes": the senior notes and senior discount notes of Charter Holdings and Charter Communications Holdings Capital Corporation issued on or about the Stage One Closing Date pursuant to the Senior Note Indenture.

"Shell Subsidiary": any Subsidiary of the Borrower that is a "shell" company having (a) assets (either directly or through any Subsidiary or other Equity Interests) with an aggregate value not exceeding $10,000 and (b) no operations.

"Single Employer Plan": any Plan that is covered by Title IV of ERISA, but that is not a Multiemployer Plan.

"Solvent": when used with respect to any Person, means that, as of any date of determination, (a) the amount of the "present fair saleable value" of the assets of such Person will, as of such date, exceed the amount of all "liabilities of such Person, contingent or otherwise", as of such date, as such quoted terms are determined in accordance with applicable federal and state laws governing

determinations of the insolvency of debtors, (b) the present fair saleable value of the assets of such Person will, as of such date, be greater than the amount that will be required to pay the liability of such Person on its debts as such debts become absolute and matured, (c) such Person will not have, as of such date, an unreasonably small amount of capital with which to conduct its business, and (d) such Person will be able to pay its debts as they mature. For purposes of this definition, (i) "debt" means liability on a "claim", and (ii) "claim" means any (x) right to payment, whether or not such a right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured or (y) right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured or unmatured, disputed, undisputed, secured or unsecured.

"Specified Change of Control": a "Change of Control" as defined in the Senior Note Indenture and any defined term having a comparable purpose contained in the documentation governing any other Holdings Debt or any Specified Long-Term Indebtedness.

"Specified Holdings Subsidiary": each Subsidiary of Charter Holdings other than the Borrower and its Subsidiaries.

"Specified Long-Term Indebtedness": any Indebtedness incurred pursuant to Section 7.2(f).

"Specified Senior Notes": any Senior Notes having a maturity approximately eight years after the Stage One Closing Date, provided, that no more than $750,000,000 of Specified Senior Notes shall be issued.

"Specified Subordinated Debt": any Indebtedness of the Borrower issued directly or indirectly to Paul G. Allen after the Stage Two Closing Date, the proceeds of which are applied promptly after the incurrence thereof to finance Investments permitted hereby, so long as such Indebtedness (a) qualifies as Specified Long-Term Indebtedness and (b) has terms and conditions substantially identical to those set forth in Exhibit I.

"Stage One Closing Date": the date on which the conditions precedent set forth in Section 5.1 shall have been satisfied, which date is March 18, 1999.

"Stage Two Closing Date": any Business Day on or prior to the date that is 120 days after the Stage One Closing Date selected by the Borrower pursuant to an Increased Facility Activation Notice.

"Subsidiary": as to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person; provided, that Non-Recourse Subsidiaries shall be deemed not to constitute "Subsidiaries" for the purposes of this Agreement (other than the definition of "Non-Recourse Subsidiary"). Unless otherwise qualified, all references to a "Subsidiary" or to "Subsidiaries" in this Agreement shall refer to a Subsidiary or Subsidiaries of the Borrower.

"Subsidiary Guarantor": each Subsidiary of the Borrower other than any Foreign Subsidiary and any Excluded Acquired Subsidiary.

"Swingline Commitment": the obligation of the Swingline Lender to make Swingline Loans pursuant to Section 2.4 in an aggregate principal amount at any one time outstanding not to exceed $25,000,000.

"Swingline Lender": NationsBank, N.A., in its capacity as the lender of Swingline Loans.

"Swingline Loans": as defined in Section 2.4.

"Swingline Participation Amount": as defined in Section 2.5.

"Syndication Agents": as defined in the preamble hereto.

"Term Lenders": the collective reference to the Tranche A Term Lenders, the Tranche B Term Lenders and the Incremental Term Lenders.

"Term Loans": the collective reference to the Tranche A Term Loans, Tranche B Term Loans and Incremental Term Loans.

"Threshold Management Fee Date": any date on which, both before and after giving pro forma effect to the payment of any previously deferred management fees pursuant to Section 7.8(c) (including any Indebtedness incurred in connection therewith), the Consolidated Interest Coverage Ratio, determined in respect of the most recent period of four consecutive fiscal quarters for which the relevant financial information is available, is greater than 2.25 to 1.0.

"Threshold Transaction Date": any date on which, both before and after giving pro forma effect to a particular transaction (including any Indebtedness incurred in connection therewith), the Consolidated Interest Coverage Ratio, determined in respect of the most recent period of four consecutive fiscal quarters for which the relevant financial information is available, is greater than 1.75 to 1.0.

"Total Revolving Commitments": at any time, the aggregate amount of the Revolving Commitments then in effect.

"Total Revolving Extensions of Credit": at any time, the aggregate amount of the Revolving Extensions of Credit of the Revolving Lenders outstanding at such time.

"Tranche A Aggregate Funded Amount": the sum of the aggregate principal amount of Tranche A Term Loans made pursuant to Section 2.1(a) and the aggregate principal amount of Tranche A Term Loans made pursuant to Section 2.1(c).

"Tranche A Term Commitment": as to any Tranche A Term Lender, the obligation of such Lender to make a Tranche A Term Loan to the Borrower hereunder in a principal amount not to exceed the amount set forth under the heading "Tranche A Term Commitment" opposite such Lender's name on Schedule 1.1 or in the Assignment and Acceptance or New Lender Supplement pursuant to which such Lender became a party hereto, as the same may be changed from time to time pursuant to the terms hereof. The original aggregate amount of the Tranche A Term Commitments is $444,000,000.

"Tranche A Term Facility": as defined in the definition of "Facility".

"Tranche A Term Lender": each Lender that has a Tranche A Term Commitment or is the holder of a Tranche A Term Loan.

"Tranche A Term Loan": as defined in Section 2.1(a).

"Tranche A Term Percentage": as to any Tranche A Term Lender at any time, the percentage which the aggregate principal amount of such Lender's Tranche A Term Loans then outstanding constitutes of the aggregate principal amount of all Tranche A Term Loans then outstanding.

"Tranche B Aggregate Funded Amount": the sum of the aggregate principal amount of Tranche B Term Loans made on the Stage One Closing Date and the aggregate principal amount of Tranche B Term Loans made pursuant to Section 2.1(c).

"Tranche B Term Commitment": as to any Tranche B Term Lender, the obligation of such Lender to make a Tranche B Term Loan to the Borrower hereunder in a principal amount not to exceed the amount set forth under the heading "Tranche B Term Commitment" opposite such Lender's name on Schedule 1.1. The original aggregate amount of the Tranche B Term Commitments is $1,750,000,000.

"Tranche B Term Facility": as defined in the definition of "Facility".

"Tranche B Term Lender": each Lender that has a Tranche B Term Commitment or that holds a Tranche B Term Loan.

"Tranche B Term Loan": as defined in Section 2.1(a).

"Tranche B Term Percentage": as to any Tranche B Term Lender at any time, the percentage which the aggregate principal amount of such Lender's Tranche B Term Loans then outstanding constitutes of the aggregate principal amount of all Tranche B Term Loans then outstanding.

"Transferee": any Assignee or Participant.

"Type": as to any Loan, its nature as an ABR Loan or a Eurodollar Loan.

"United States": the United States of America.

"Wholly Owned Subsidiary": as to any Person, any other Person all of the Equity Interests of which (other than directors' qualifying shares required by law) is owned by such Person directly or through other Wholly Owned Subsidiaries or a combination thereof.

"Wholly Owned Subsidiary Guarantor": any Subsidiary Guarantor that is a Wholly Owned Subsidiary of the Borrower.

1.2 Other Definitional Provisions; Pro Forma Calculations. (a) Unless otherwise specified therein, all terms defined in this Agreement shall have the defined meanings when used in the other Loan Documents or any certificate or other document made or delivered pursuant hereto or thereto.

(b) As used herein and in the other Loan Documents, and any certificate or other document made or delivered pursuant hereto or thereto, (i) accounting terms relating to Holdings, the Borrower and its Subsidiaries not defined in Section 1.1 and accounting terms partly defined in Section 1.1, to the extent not defined, shall have the respective meanings given to them under GAAP, (ii) the

words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation", (iii) the word "incur" shall be construed to mean incur, create, issue, assume, become liable in respect of or suffer to exist (and the words "incurred" and "incurrence" shall have correlative meanings), and (iv) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, Equity Interests, securities, revenues, accounts, leasehold interests, contract rights and any other "assets" as such term is defined under GAAP.

(c) The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(d) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

(e) For the purposes of calculating Annualized Operating Cash Flow, Annualized Pro Forma Operating Cash Flow, Consolidated Operating Cash Flow and Consolidated Interest Expense for any period (a "Test Period"), (i) if at any time from the period (a "Pro Forma Period") commencing on the second day of such Test Period and ending on the last day of such Test Period (or, in the case of any pro forma calculation made pursuant hereto in respect of a particular transaction, ending on the date such transaction is consummated and, unless otherwise expressly provided herein, after giving effect thereto), the Borrower or any Subsidiary shall have made any Material Disposition, the Consolidated Operating Cash Flow for such Test Period shall be reduced by an amount equal to the Consolidated Operating Cash Flow (if positive) attributable to the property which is the subject of such Material Disposition for such Test Period or increased by an amount equal to the Consolidated Operating Cash Flow (if negative) attributable thereto for such Test Period, and Consolidated Interest Expense for such Test Period shall be reduced by an amount equal to the Consolidated Interest Expense for such Test Period attributable to any Indebtedness of the Borrower or any Subsidiary repaid, repurchased, defeased or otherwise discharged with respect to the Borrower and its Subsidiaries in connection with such Material Disposition (or, if the Equity Interests of any Subsidiary is sold, the Consolidated Interest Expense for such Test Period directly attributable to the Indebtedness of such Subsidiary to the extent the Borrower and its continuing Subsidiaries are no longer liable for such Indebtedness after such Disposition); (ii) if during such Pro Forma Period the Borrower or any Subsidiary shall have made a Material Acquisition, Consolidated Operating Cash Flow and Consolidated Interest Expense for such Test Period shall be calculated after giving pro forma effect thereto (including the incurrence or assumption of any Indebtedness in connection therewith) as if such Material Acquisition (and the incurrence or assumption of any such Indebtedness) occurred on the first day of such Test Period; (iii) if during such Pro Forma Period any Person that subsequently became a Subsidiary or was merged with or into the Borrower or any Subsidiary since the beginning of such Pro Forma Period shall have entered into any disposition or acquisition transaction that would have required an adjustment pursuant to clause (i) or (ii) above if made by the Borrower or a Subsidiary during such Pro Forma Period, Consolidated Operating Cash Flow and Consolidated Interest Expense for such Test Period shall be calculated after giving pro forma effect thereto as if such transaction occurred on the first day of such Test Period; and (iv) in the case of determinations in connection with transactions involving the incurrence of Indebtedness, Consolidated Interest Expense shall be calculated after giving pro forma effect thereto (and all other incurrences of Indebtedness during such Pro Forma Period) as if such Indebtedness was incurred on the first day of such Test Period. For the purposes of this paragraph, pro forma calculations regarding the amount of income or earnings relating to any Material Disposition or Material Acquisition and the amount of Consolidated Interest Expense associated with any discharge or incurrence of Indebtedness shall in each case be determined in good faith by a Responsible Officer of the Borrower. If any Indebtedness bears a floating

rate of interest and the incurrence or assumption thereof is being given pro forma effect, the interest expense on such Indebtedness shall be calculated as if the rate in effect on the last day of the relevant Pro Forma Period had been the applicable rate for the entire relevant Test Period (taking into account any interest rate protection agreement applicable to such Indebtedness if such interest rate protection agreement has a remaining term in excess of 12 months). As used in this Section 1.2(e), "Material Acquisition" means any acquisition of property or series of related acquisitions of property that (i) constitutes assets comprising all or substantially all of an operating unit of a business or constitutes all or substantially all of the Equity Interests of a Person and (ii) involves the payment of Consideration by the Borrower and its Subsidiaries in excess of $1,000,000; and "Material Disposition" means any Disposition of property or series of related Dispositions of property that yields gross proceeds to the Borrower or any of its Subsidiaries in excess of $1,000,000.

SECTION 2. AMOUNT AND TERMS OF COMMITMENTS

2.1 Commitments; Increases in the Tranche A Term Facility, the Tranche B Term Facility and the Revolving Facility; Incremental Term Loans. (a) Subject to the terms and conditions hereof, (i) each Tranche A Term Lender severally agrees to make one or more term loans (each, a "Tranche A Term Loan") to the Borrower in an aggregate amount not to exceed the amount of the Tranche A Term Commitment of such Lender, (ii) each Tranche B Term Lender severally agrees to make a term loan (each, a "Tranche B Term Loan") to the Borrower in an amount not to exceed the amount of the Tranche B Term Commitment of such Lender and (iii) each Incremental Term Lender severally agrees to make one or more term loans (each, an "Incremental Term Loan") to the extent provided in Section 2.1(c). The Term Loans may from time to time be Eurodollar Loans or ABR Loans, as determined by the Borrower and notified to the Funding Agent in accordance with Sections 2.2 and 2.10. Except as otherwise provided in Section 2.1(c), Tranche A Term Loans may only be made on three dates selected by the Borrower during the period from and including the Stage One Closing Date to the earlier of July 15, 1999 and the date that is 90 days after the Stage Two Closing Date (such earlier date, the "Tranche A Commitment Termination Date"). Any unutilized Tranche A Term Commitments shall automatically terminate on the Tranche A Commitment Termination Date. Except as otherwise provided in Section 2.1(c), Tranche B Term Loans may only be made on the Stage One Closing Date.

(b) Subject to the terms and conditions hereof, each Revolving Lender severally agrees to make revolving credit loans ("Revolving Loans") to the Borrower from time to time during the Revolving Commitment Period in an aggregate principal amount at any one time outstanding which, when added to such Lender's Revolving Percentage of the sum of (i) the L/C Obligations then outstanding and (ii) the aggregate principal amount of the Swingline Loans then outstanding, does not exceed the amount of such Lender's Revolving Commitment. During the Revolving Commitment Period the Borrower may use the Revolving Commitments by borrowing, prepaying the Revolving Loans in whole or in part, and reborrowing, all in accordance with the terms and conditions hereof. The Revolving Loans may from time to time be Eurodollar Loans or ABR Loans, as determined by the Borrower and notified to the Funding Agent in accordance with Sections 2.2 and 2.10.

(c) The Borrower and any one or more Lenders (including New Lenders) may on the Stage Two Closing Date and from time to time during the period from the date that is 60 days after the Stage Two Closing Date to the third anniversary of the Stage One Closing Date, agree that such Lenders shall make, obtain or increase the amount of their Tranche A Term Commitments, Tranche A Term Loans, Tranche B Term Loans, Incremental Term Loans or Revolving Commitments, as applicable, by executing and delivering to the Administrative Agents an Increased Facility Activation Notice specifying (i) the amount of such increase and the Facility or Facilities involved, (ii) the applicable Increased Facility Closing Date and (iii) in the case of Incremental Term Loans, (x) the applicable Incremental Term Maturity Date, (y) the amortization schedule for such Incremental Term Loans, which shall comply

with Section 2.3, and (z) the Applicable Margin for such Incremental Term Loans. Notwithstanding the foregoing, without the consent of the Required Lenders, (i) on the Stage Two Closing Date, the Tranche A Aggregate Funded Amount (together with the aggregate unutilized Tranche A Term Commitments), Tranche B Aggregate Funded Amount and Revolving Aggregate Committed Amount (the sum of such amounts, the "Aggregate Facility Amount") may not be increased to more than $1,000,000,000, $1,850,000,000 and $1,250,000,000, respectively, except as may be otherwise agreed to by the Agents, (ii) no Incremental Term Loans may be obtained on the Stage Two Closing Date, (iii) no incremental Tranche B Term Loans may be obtained after the Stage Two Closing Date, (iv) the aggregate amount of borrowings of Incremental Term Loans shall not exceed an amount equal to (w) $500,000,000 plus (x) the aggregate principal amount of optional prepayments of Term Loans made pursuant to Section 2.8 or optional reductions of the Revolving Commitments pursuant to Section 2.7 (provided that the amount described in this clause (x) shall not exceed $500,000,000) minus (y) the aggregate amount of incremental Tranche A Term Loans or incremental Revolving Commitments obtained pursuant to this paragraph (other than on the Stage Two Closing Date) minus (z) the amount by which the Aggregate Facility Amount on the Stage Two Closing Date exceeds $4,100,000,000, (v) the aggregate amount of incremental Tranche A Term Loans and incremental Revolving Commitments obtained pursuant to this paragraph (other than on the Stage Two Closing Date) shall not exceed $250,000,000, (vi) each increase effected pursuant to this paragraph shall be in a minimum amount of at least $100,000,000 and (vii) no more than five Increased Facility Closing Dates (excluding the Second Stage Closing Date) may be selected by the Borrower during the term of this Agreement. No Lender shall have any obligation to participate in any increase described in this paragraph unless it agrees to do so in its sole discretion.

(d) Any additional bank, financial institution or other entity which, with the consent of the Borrower and the Administrative Agents (which consent shall not be unreasonably withheld), elects to become a "Lender" under this Agreement in connection with any transaction described in Section 2.1(c) shall execute a New Lender Supplement (each, a "New Lender Supplement"), substantially in the form of Exhibit D-2, whereupon such bank, financial institution or other entity (a "New Lender") shall become a Lender for all purposes and to the same extent as if originally a party hereto and shall be bound by and entitled to the benefits of this Agreement.

(e) Unless otherwise agreed by the Administrative Agents, on each Increased Facility Closing Date (other than in respect of Incremental Term Loans), the Borrower shall borrow Term Loans under the relevant increased Facility, or shall borrow Revolving Loans under the increased Revolving Commitments, as the case may be, from each Lender participating in the relevant increase in an amount determined by reference to the amount of each Type of Loan (and, in the case of Eurodollar Loans, of each Eurodollar Tranche) which would then have been outstanding from such Lender if (i) each such Type or Eurodollar Tranche had been borrowed or effected on such Increased Facility Closing Date and (ii) the aggregate amount of each such Type or Eurodollar Tranche requested to be so borrowed or effected had been proportionately increased. The Eurodollar Base Rate applicable to any Eurodollar Loan borrowed pursuant to the preceding sentence shall equal the Eurodollar Base Rate then applicable to the Eurodollar Loans of the other Lenders in the same Eurodollar Tranche (or, until the expiration of the then-current Interest Period, such other rate as shall be agreed upon between the Borrower and the relevant Lender).

2.2 Procedure for Borrowing. In order to effect a borrowing hereunder, the Borrower shall give the Funding Agent irrevocable notice (which notice must be received by the Funding Agent prior to 12:00 Noon, Dallas time, (a) three Business Days prior to the requested Borrowing Date, in the case of Eurodollar Loans, or (b) one Business Day prior to the requested Borrowing Date, in the case of ABR Loans), specifying (i) the Facility under which such Loan is to be borrowed, (ii) the amount and Type of Loans to be borrowed, (iii) the requested Borrowing Date and (iv) in the case of Eurodollar Loans, the respective amounts of each such Type of Loan and the respective lengths of the initial Interest

Period therefor. Any Loans made on the Stage One Closing Date shall initially be ABR Loans and, unless otherwise agreed by the Administrative Agents in their sole discretion, prior to the Stage Two Closing Date, no Loan may be made as, converted into or continued as a Eurodollar Loan having an Interest Period in excess of one month. Each borrowing shall be in an aggregate amount equal to (x) in the case of ABR Loans, $5,000,000 or a whole multiple of $1,000,000 in excess thereof (or, if the then aggregate Available Revolving Commitments are less than $5,000,000, such lesser amount) and (y) in the case of Eurodollar Loans, $10,000,000 or a whole multiple of $1,000,000 in excess thereof; provided, that the Swingline Lender may request, on behalf of the Borrower, borrowings under the Revolving Commitments that are ABR Loans in other amounts pursuant to Section 2.5. Upon receipt of any such notice from the Borrower, the Funding Agent shall promptly notify each relevant Lender thereof. Each relevant Lender will make the amount of its pro rata share of each borrowing available to the Funding Agent for the account of the Borrower at the Funding Office prior to 11:00 A.M., Dallas time, on the Borrowing Date requested by the Borrower in funds immediately available to the Funding Agent. Such borrowing will then be made available not later than 2:00 P.M., Dallas time, to the Borrower by the Funding Agent crediting the account of the Borrower on the books of such office with the aggregate of the amounts made available to the Funding Agent by the relevant Lenders and in like funds as received by the Funding Agent.

2.3 Repayment of Loans. (a) The Tranche A Term Loans of each Tranche A Term Lender shall mature in 22 consecutive quarterly installments, commencing on June 30, 2002, each of which shall be in an amount equal to such Lender's Tranche A Term Percentage multiplied by the percentage of the Tranche A Aggregate Funded Amount set forth below opposite such installment:

Installment	Percentage
June 30, 2002	2.5%
September 30, 2002	2.5%
December 31, 2002	2.5%
March 31, 2003	2.5%
June 30, 2003	3.75%
September 30, 2003	3.75%
December 31, 2003	3.75%
March 31, 2004	3.75%
June 30, 2004	3.75%
September 30, 2004	3.75%
December 31, 2004	3.75%
March 31, 2005	3.75%
June 30, 2005	5.0%
September 30, 2005	5.0%
December 31, 2005	5.0%
March 31, 2006	5.0%
June 30, 2006	6.25%
September 30, 2006	6.25%
December 31, 2006	6.25%
March 31, 2007	6.25%
June 30, 2007	7.5%
September 18, 2007	7.5%

(b) The Tranche B Term Loans of each Tranche B Term Lender shall mature in 24 consecutive quarterly installments (each due on the last day of each calendar quarter, except for the last such installment), commencing on June 30, 2002, each of which shall be in an amount equal to such Lender's Tranche B Term Percentage multiplied by (i) in the case of the first 23 such installments, 0.25%

of the Tranche B Aggregate Funded Amount and (ii) in the case of the last such installment (which shall be due on March 18, 2008), 94.25% of the Tranche B Aggregate Funded Amount.

(c) The Incremental Term Loans of each Incremental Term Lender shall mature in consecutive installments (which shall be no more frequent than quarterly) as specified in the Increased Facility Activation Notice pursuant to which such Incremental Term Loans were made, provided that, prior to the date that is six months after the final maturity of the Tranche B Term Loans, the aggregate amount of such installments for any four consecutive fiscal quarters shall not exceed 1% of the aggregate principal amount of such Incremental Term Loans on the date such Loans were first made.

(d) The Total Revolving Commitments shall be permanently reduced on each of the dates set forth below by an aggregate amount equal to the percentage of the Revolving Aggregate Committed Amount set forth opposite such date:

Date	Percentage
March 31, 2004	10.0%
March 31, 2005	15.0%
March 31, 2006	30.0%
March 31, 2007	30.0%
September 18, 2007	15.0%

(e) Notwithstanding anything to the contrary in this Section 2.3, if any Specified Senior Notes are outstanding on the date (the "Six-Month Date") that is six months prior to the stated maturity of such Specified Senior Notes then, on such Six-Month Date, all outstanding Term Loans shall automatically become due and payable and the Revolving Commitments shall automatically be terminated. Specified Senior Notes that have been defeased in accordance with the terms thereof shall be deemed to be no longer outstanding for the purposes of this paragraph.

(f) Any reduction or termination of the Revolving Commitments pursuant to this Section 2.3 shall be accompanied by prepayment of the Revolving Loans and/or Swingline Loans to the extent that the Total Revolving Extensions of Credit exceed the amount of the Total Revolving Commitments after giving effect thereto, provided that if the aggregate principal amount of Revolving Loans and Swingline Loans then outstanding is less than the amount of such excess (because L/C Obligations constitute a portion thereof), the Borrower shall, to the extent of the balance of such excess, replace outstanding Letters of Credit and/or deposit an amount in cash in a cash collateral account established with the Funding Agent for the benefit of the Lenders on terms and conditions satisfactory to the Funding Agent. The application of any prepayment pursuant to this paragraph shall be made, first, to ABR Loans and, second, to Eurodollar Loans. Each prepayment of the Loans under this paragraph (other than ABR Loans and Swingline Loans) shall be accompanied by accrued interest to the date of such prepayment on the amount prepaid.

2.4 Swingline Commitment. Subject to the terms and conditions hereof, the Swingline Lender agrees to make a portion of the credit otherwise available to the Borrower under the Revolving Commitments from time to time during the Revolving Commitment Period by making swingline loans ("Swingline Loans") to the Borrower; provided that (a) the aggregate principal amount of Swingline Loans outstanding at any time shall not exceed the Swingline Commitment then in effect (notwithstanding that the Swingline Loans outstanding at any time, when aggregated with the Swingline Lender's other outstanding Revolving Loans hereunder, may exceed the Swingline Commitment then in effect) and (b) the Borrower shall not request, and the Swingline Lender shall not make, any Swingline Loan if, after giving effect to the making of such Swingline Loan, the aggregate amount of the Available Revolving Commitments would be less than zero. During the Revolving Commitment Period, the

Borrower may use the Swingline Commitment by borrowing, repaying and reborrowing, all in accordance with the terms and conditions hereof. Swingline Loans shall be ABR Loans only.

2.5 Procedure for Swingline Borrowing; Refunding of Swingline Loans. (a) Whenever the Borrower desires that the Swingline Lender make Swingline Loans it shall give the Swingline Lender irrevocable telephonic notice confirmed promptly in writing (which telephonic notice must be received by the Swingline Lender not later than 12:00 Noon, Dallas time, on the proposed Borrowing Date), specifying (i) the amount to be borrowed and (ii) the requested Borrowing Date (which shall be a Business Day during the Revolving Commitment Period). Each borrowing under the Swingline Commitment shall be in an amount equal to $1,000,000 or a whole multiple of $500,000 in excess thereof. Not later than 2:00 P.M., Dallas time, on the Borrowing Date specified in a notice in respect of Swingline Loans, the Swingline Lender shall make available to the Funding Agent at the Funding Office an amount in immediately available funds equal to the amount of the Swingline Loan to be made by the Swingline Lender. The Funding Agent shall make the proceeds of such Swingline Loan available to the Borrower on such Borrowing Date by depositing such proceeds in the account of the Borrower with the Funding Agent on such Borrowing Date in immediately available funds.

(b) The Swingline Lender, at any time and from time to time in its sole and absolute discretion and in consultation with the Borrower (provided that the failure to so consult shall not affect the ability of the Swingline Lender to make the following request) may, on behalf of the Borrower (which hereby irrevocably directs the Swingline Lender to act on its behalf), on one Business Day's notice given by the Swingline Lender no later than 1:00 P.M., Dallas time, request each Revolving Lender to make, and each Revolving Lender hereby agrees to make, a Revolving Loan, in an amount equal to such Revolving Lender's Revolving Percentage of the aggregate amount of the Swingline Loans (the "Refunded Swingline Loans") outstanding on the date of such notice, to repay the Swingline Lender. Each Revolving Lender shall make the amount of such Revolving Loan available to the Funding Agent at the Funding Office in immediately available funds, not later than 11:00 A.M., Dallas time, one Business Day after the date of such notice. The proceeds of such Revolving Loans shall be immediately made available by the Funding Agent to the Swingline Lender for application by the Swingline Lender to the repayment of the Refunded Swingline Loans. The Borrower irrevocably authorizes the Swingline Lender to charge the Borrower's accounts with the Funding Agent (up to the amount available in each such account) in order to immediately pay the amount of such Refunded Swingline Loans to the extent amounts received from the Revolving Lenders are not sufficient to repay in full such Refunded Swingline Loans.

(c) If prior to the time a Revolving Loan would have otherwise been made pursuant to Section 2.5(b), one of the events described in Section 8(f) shall have occurred and be continuing with respect to the Borrower or if for any other reason, as determined by the Swingline Lender in its sole discretion, Revolving Loans may not be made as contemplated by Section 2.5(b), each Revolving Lender shall, on the date such Revolving Loan was to have been made pursuant to the notice referred to in Section 2.5(b) (the "Refunding Date"), purchase for cash an undivided participating interest in the then outstanding Swingline Loans by paying to the Swingline Lender an amount (the "Swingline Participation Amount") equal to (i) such Revolving Lender's Revolving Percentage times (ii) the sum of the aggregate principal amount of Swingline Loans then outstanding that were to have been repaid with such Revolving Loans.

(d) Whenever, at any time after the Swingline Lender has received from any Revolving Lender such Lender's Swingline Participation Amount, the Swingline Lender receives any payment on account of the Swingline Loans, the Swingline Lender will distribute to such Lender its Swingline Participation Amount (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's participating interest was outstanding and funded and, in the case of

principal and interest payments, to reflect such Lender's pro rata portion of such payment if such payment is not sufficient to pay the principal of and interest on all Swingline Loans then due); provided, however, that in the event that such payment received by the Swingline Lender is required to be returned, such Revolving Lender will return to the Swingline Lender any portion thereof previously distributed to it by the Swingline Lender.

(e) Each Revolving Lender's obligation to make the Loans referred to in Section 2.5(b) and to purchase participating interests pursuant to Section 2.5(c) shall be absolute and unconditional and shall not be affected by any circumstance, including (i) any setoff, counterclaim, recoupment, defense or other right that such Revolving Lender or the Borrower may have against the Swingline Lender, the Borrower or any other Person for any reason whatsoever; (ii) the occurrence or continuance of a Default or an Event of Default or the failure to satisfy any of the other conditions specified in Section 5; (iii) any adverse change in the condition (financial or otherwise) of the Borrower; (iv) any breach of this Agreement or any other Loan Document by the Borrower, any other Loan Party or any other Revolving Lender; or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

2.6 Commitment Fees, etc. (a) The Borrower agrees to pay to the Funding Agent for the account of each Revolving Lender and each Tranche A Term Lender a nonrefundable commitment fee for the period from and including the Stage One Closing Date to the last day of the Revolving Commitment Period or the date on which the Tranche A Term Commitments have been fully utilized or terminated, as the case may be, computed at the Commitment Fee Rate on the average daily amount of the Available Revolving Commitment or the unutilized Tranche A Term Commitment, as the case may be, of such Lender during the period for which payment is made, payable quarterly in arrears on the last day of each March, June, September and December and on the Revolving Termination Date or the date on which the Tranche A Term Commitments have been fully utilized or terminated, as the case may be, commencing on the first of such dates to occur after the date hereof.

(b) The Borrower agrees to pay to the Funding Agent the fees in the amounts and on the dates previously agreed to in writing by the Borrower and the Funding Agent.

2.7 Termination or Reduction of Revolving Commitments. The Borrower shall have the right, upon not less than three Business Days' notice to the Funding Agent, to terminate the Revolving Commitments or, from time to time, to reduce the amount of the Revolving Commitments; provided that no such termination or reduction of Revolving Commitments shall be permitted if, after giving effect thereto and to any prepayments of the Revolving Loans and Swingline Loans made on the effective date thereof, the Total Revolving Extensions of Credit would exceed the Total Revolving Commitments. Any such reduction shall be in an amount equal to $10,000,000, or a whole multiple of $1,000,000 in excess thereof, shall reduce permanently the Revolving Commitments then in effect and shall be applied pro rata to the scheduled reductions thereof.

2.8 Optional Prepayments. The Borrower may at any time and from time to time prepay the Loans, in whole or in part, without premium or penalty, upon irrevocable notice delivered to the Funding Agent at least three Business Days prior thereto in the case of Eurodollar Loans and at least one Business Day prior thereto in the case of ABR Loans, which notice shall specify the date and amount of prepayment and whether the prepayment is of Eurodollar Loans or ABR Loans; provided, that if a Eurodollar Loan is prepaid on any day other than the last day of the Interest Period applicable thereto, the Borrower shall also pay any amounts owing pursuant to Section 2.18. Upon receipt of any such notice the Funding Agent shall promptly notify each relevant Lender thereof. If any such notice is given, the amount specified in such notice shall be due and payable on the date specified therein, together with (except in the case of Revolving Loans that are ABR Loans and Swingline Loans) accrued interest to

such date on the amount prepaid. Partial prepayments of Term Loans and Revolving Loans shall be in an aggregate principal amount of $5,000,000 or a whole multiple of $1,000,000 in excess thereof. Partial prepayments of Swingline Loans shall be in an aggregate principal amount of $1,000,000 or a whole multiple of $500,000 in excess thereof.

2.9 Mandatory Prepayments. (a) Unless the Required Prepayment Lenders shall otherwise agree, if any member of the Charter Group shall receive any Net Cash Proceeds in respect of any issuance of its Equity Interests or otherwise receive Net Cash Proceeds pursuant to Section 8(k), then, within two Business Days after such receipt, the Borrower shall apply an amount equal to 50% of such Net Cash Proceeds (whether or not contributed to the Borrower or any of its Subsidiaries) toward the prepayment of the Term Loans; provided that (i) the foregoing requirement shall not apply to Paul Allen Contributions and (ii) in the case of any offering or sale of Equity Interests consummated on or prior to the date that is eighteen months after the Stage One Closing Date, the foregoing requirement shall apply only to that portion, if any, of the aggregate amount of the Net Cash Proceeds of all such offerings and sales consummated during such period in excess of $500,000,000.

(b) Unless the Required Prepayment Lenders shall otherwise agree, if on any date the Borrower or any of its Subsidiaries shall receive Net Cash Proceeds from any Asset Sale or Recovery Event then, (i) unless a Reinvestment Notice shall be delivered in respect thereof, such Net Cash Proceeds shall be applied within two Business Days after the deadline by which such Reinvestment Notice is otherwise required to be delivered in respect of such Asset Sale or Recovery Event toward the prepayment of the Term Loans (provided that the foregoing requirement shall not apply to the first $5,000,000 of aggregate Net Cash Proceeds received after the Stage One Closing Date) and (ii) on each Reinvestment Prepayment Date, an amount equal to the Reinvestment Prepayment Amount with respect to the relevant Reinvestment Event shall be applied toward the prepayment of the Term Loans.

(c) The application of any prepayment pursuant to this Section 2.9 shall be made, first, to ABR Loans and, second, to Eurodollar Loans. Each prepayment of the Loans under this Section 2.9 shall be accompanied by accrued interest to the date of such prepayment on the amount prepaid.

2.10 Conversion and Continuation Options. (a) The Borrower may elect from time to time to convert Eurodollar Loans to ABR Loans by giving the Funding Agent at least two Business Days' prior irrevocable notice of such election, provided that any such conversion of Eurodollar Loans may only be made on the last day of an Interest Period with respect thereto. The Borrower may elect from time to time to convert ABR Loans to Eurodollar Loans by giving the Funding Agent at least three Business Days' prior irrevocable notice of such election (which notice shall specify the length of the initial Interest Period therefor), provided that no ABR Loan may be converted into a Eurodollar Loan when any Event of Default has occurred and is continuing. Upon receipt of any such notice the Funding Agent shall promptly notify each relevant Lender thereof.

(b) Any Eurodollar Loan may be continued as such upon the expiration of the then current Interest Period with respect thereto by the Borrower giving irrevocable notice to the Funding Agent, in accordance with the applicable provisions of the term "Interest Period" set forth in Section 1.1, of the length of the next Interest Period to be applicable to such Loans, provided that (i) no Eurodollar Loan may be continued as such when any Event of Default has occurred and is continuing and (ii) if the Borrower shall fail to give any required notice as described above in this paragraph, the relevant Eurodollar Loans shall be automatically converted to Eurodollar Loans having a one-month Interest Period on the last day of the then expiring Interest Period. Upon receipt of any such notice the Funding Agent shall promptly notify each relevant Lender thereof.

2.11 Limitations on Eurodollar Tranches. Notwithstanding anything to the contrary in this Agreement, all borrowings, conversions and continuations of Eurodollar Loans hereunder and all selections of Interest Periods hereunder shall be in such amounts and be made pursuant to such elections so that, (a) after giving effect thereto, the aggregate principal amount of the Eurodollar Loans comprising each Eurodollar Tranche shall be equal to $10,000,000 or a whole multiple of $1,000,000 in excess thereof and (b) no more than fifteen Eurodollar Tranches shall be outstanding at any one time.

2.12 Interest Rates and Payment Dates. (a) Each Eurodollar Loan shall bear interest for each day during each Interest Period with respect thereto at a rate per annum equal to the Eurodollar Rate determined for such day plus the Applicable Margin.

(b) Each ABR Loan shall bear interest at a rate per annum equal to the ABR plus the Applicable Margin.

(c) (i) If all or a portion of the principal amount of any Loan or Reimbursement Obligation shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), all outstanding Loans and Reimbursement Obligations (whether or not overdue) shall bear interest at a rate per annum equal to (x) in the case of the Loans, the rate that would otherwise be applicable thereto pursuant to the foregoing provisions of this Section plus 2% or (y) in the case of Reimbursement Obligations, the rate applicable to ABR Loans under the Revolving Facility plus 2%, and (ii) if all or a portion of any interest payable on any Loan or Reimbursement Obligation or any commitment fee or other amount payable hereunder shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue amount shall bear interest at a rate per annum equal to the rate then applicable to ABR Loans under the relevant Facility plus 2% (or, in the case of any such other amounts that do not relate to a particular Facility, the rate then applicable to ABR Loans under the Revolving Facility plus 2%), in each case, with respect to clauses (i) and (ii) above, from the date of such non-payment until such amount is paid in full (as well after as before judgment).

(d) Interest shall be payable in arrears on each Interest Payment Date, provided that interest accruing pursuant to paragraph (c) of this Section shall be payable from time to time on demand.

2.13 Computation of Interest and Fees. (a) Interest and fees payable pursuant hereto shall be calculated on the basis of a 360-day year for the actual days elapsed, except that, with respect to ABR Loans the rate of interest on which is calculated on the basis of the Prime Rate, the interest thereon shall be calculated on the basis of a 365- (or 366-, as the case may be) day year for the actual days elapsed. The Funding Agent shall as soon as practicable notify the Borrower and the relevant Lenders of each determination of a Eurodollar Rate. Any change in the interest rate on a Loan resulting from a change in the ABR or the Eurocurrency Reserve Requirements shall become effective as of the opening of business on the day on which such change becomes effective. The Funding Agent shall as soon as practicable notify the Borrower and the relevant Lenders of the effective date and the amount of each such change in interest rate.

(b) Each determination of an interest rate by the Funding Agent pursuant to any provision of this Agreement shall be conclusive and binding on the Borrower and the Lenders in the absence of manifest error. The Funding Agent shall, at the request of the Borrower, deliver to the Borrower a statement showing the quotations used by the Funding Agent in determining any interest rate pursuant to Section 2.12(a).

2.14 Inability to Determine Interest Rate. If prior to the first day of any Interest Period:

(a) the Funding Agent shall have determined (which determination shall be conclusive and binding upon the Borrower) that, by reason of circumstances affecting the relevant market, adequate and reasonable means do not exist for ascertaining the Eurodollar Rate for such Interest Period, or

(b) the Funding Agent shall have received notice from the Majority Facility Lenders in respect of the relevant Facility that the Eurodollar Rate determined or to be determined for such Interest Period will not adequately and fairly reflect the cost to such Lenders (as conclusively certified by such Lenders) of making or maintaining their affected Loans during such Interest Period,

the Funding Agent shall give telecopy or telephonic notice thereof to the Borrower and the relevant Lenders as soon as practicable thereafter. If such notice is given (x) any Eurodollar Loans under the relevant Facility requested to be made on the first day of such Interest Period shall be made as ABR Loans, (y) any Loans under the relevant Facility that were to have been converted on the first day of such Interest Period to Eurodollar Loans shall be continued as ABR Loans and (z) any outstanding Eurodollar Loans under the relevant Facility shall be converted, on the last day of the then-current Interest Period, to ABR Loans. Until such notice has been withdrawn by the Funding Agent, no further Eurodollar Loans under the relevant Facility shall be made or continued as such, nor shall the Borrower have the right to convert Loans under the relevant Facility to Eurodollar Loans.

2.15 Pro Rata Treatment and Payments. (a) Except in the case of the Incremental Term Facility, each borrowing by the Borrower from the Lenders hereunder, each payment by the Borrower on account of any commitment fee and any reduction of the Commitments of the Lenders shall be made pro rata according to the respective Tranche A Term Commitments, Tranche B Term Commitments or Revolving Commitments, as the case may be, of the relevant Lenders.

(b) Each payment (including each prepayment) by the Borrower on account of principal of and interest on the Term Loans shall be made pro rata according to the respective outstanding principal amounts of the Term Loans then held by the Term Lenders (except as otherwise provided in Section 2.15(d)). The amount of each principal prepayment of the Term Loans shall be applied to reduce the then remaining installments of the Tranche A Term Loans, Tranche B Term Loans and Incremental Term Loans, as the case may be, pro rata based upon the then remaining principal amount thereof. Amounts prepaid on account of the Term Loans may not be reborrowed.

(c) Each payment (including each prepayment) by the Borrower on account of principal of and interest on the Revolving Loans shall be made pro rata according to the respective outstanding principal amounts of the Revolving Loans then held by the Revolving Lenders.

(d) Notwithstanding anything to the contrary in this Agreement, with respect to the amount of any mandatory prepayment of the Term Loans pursuant to Section 2.9 and, if the Borrower so elects in its sole discretion, any optional prepayment of the Term Loans pursuant to Section 2.8, that in any such case is allocated to Tranche B Term Loans or Incremental Term Loans (such amounts, the "Tranche B Prepayment Amount" and the "Incremental Prepayment Amount", respectively), at any time when Tranche A Term Loans remain outstanding, the Borrower will (or, in the case of optional prepayments, may), in lieu of applying such amount to the prepayment of Tranche B Term Loans and Incremental Term Loans, respectively, on the date specified in Section 2.9 or 2.8, as the case may be, for such prepayment, give the Funding Agent telephonic notice (promptly confirmed in writing) requesting that the Funding Agent prepare and provide to each Tranche B Lender and

Incremental Term Lender a notice (each, a "Prepayment Option Notice") as described below. As promptly as practicable after receiving such notice from the Borrower, the Funding Agent will send to each Tranche B Lender and Incremental Term Lender a Prepayment Option Notice, which shall be in the form of Exhibit G, and shall include an offer by the Borrower to prepay on the date (each a "Prepayment Date") that is 10 Business Days after the date of the Prepayment Option Notice, the relevant Term Loans of such Lender by an amount equal to the portion of the Prepayment Amount indicated in such Lender's Prepayment Option Notice as being applicable to such Lender's Tranche B Term Loans or Incremental Term Loans, as the case may be. On the Prepayment Date, (i) the Borrower shall pay to the relevant Tranche B Lenders and Incremental Term Lenders the aggregate amount necessary to prepay that portion of the outstanding relevant Term Loans in respect of which such Lenders have accepted prepayment as described above, (ii) the Borrower shall pay to the Tranche A Lenders an amount equal to 50% (or, in the case of optional prepayments, such percentage as shall be determined by the Borrower in its sole discretion) of the portion of the Tranche B Prepayment Amount and the Incremental Prepayment Amount not accepted by the relevant Lenders, and such amount shall be applied to the prepayment of the Tranche A Term Loans, and (iii) the Borrower shall be entitled to retain the remaining portion of the Tranche B Prepayment Amount and the Incremental Prepayment Amount not accepted by the relevant Lenders.

(e) All payments (including prepayments) to be made by the Borrower hereunder, whether on account of principal, interest, fees or otherwise, shall be made without setoff or counterclaim and shall be made prior to 12:00 Noon, Dallas time, on the due date thereof to the Funding Agent, for the account of the Lenders, at the Funding Office, in Dollars and in immediately available funds. The Funding Agent shall distribute such payments to the Lenders promptly upon receipt in like funds as received. If any payment hereunder (other than payments on the Eurodollar Loans) becomes due and payable on a day other than a Business Day, such payment shall be extended to the next succeeding Business Day. If any payment on a Eurodollar Loan becomes due and payable on a day other than a Business Day, the maturity thereof shall be extended to the next succeeding Business Day unless the result of such extension would be to extend such payment into another calendar month, in which event such payment shall be made on the immediately preceding Business Day. In the case of any extension of any payment of principal pursuant to the preceding two sentences, interest thereon shall be payable at the then applicable rate during such extension.

(f) Unless the Funding Agent shall have been notified in writing by any Lender prior to a borrowing that such Lender will not make the amount that would constitute its share of such borrowing available to the Funding Agent, the Funding Agent may assume that such Lender is making such amount available to the Funding Agent, and the Funding Agent may, in reliance upon such assumption, make available to the Borrower a corresponding amount. If such amount is not made available to the Funding Agent by the required time on the Borrowing Date therefor, such Lender shall pay to the Funding Agent, on demand, such amount with interest thereon at a rate equal to the daily average Federal Funds Effective Rate for the period until such Lender makes such amount immediately available to the Funding Agent. A certificate of the Funding Agent submitted to any Lender with respect to any amounts owing under this paragraph shall be conclusive in the absence of manifest error. If such Lender's share of such borrowing is not made available to the Funding Agent by such Lender within three Business Days of such Borrowing Date, the Funding Agent shall also be entitled to recover such amount with interest thereon at the rate per annum applicable to ABR Loans under the relevant Facility, on demand, from the Borrower.

(g) Unless the Funding Agent shall have been notified in writing by the Borrower prior to the date of any payment being made hereunder that the Borrower will not make such payment to the Funding Agent, the Funding Agent may assume that the Borrower is making such payment, and the Funding Agent may, but shall not be required to, in reliance upon such assumption, make available to the Lenders their respective pro rata shares of a corresponding amount. If such payment is not made to the Funding Agent by the Borrower within three Business Days of such required date, the Funding Agent shall be entitled to recover, on demand, from each Lender to which any amount which was made available pursuant to the preceding sentence, such amount with interest thereon at the rate per annum

equal to the daily average Federal Funds Effective Rate. Nothing herein shall be deemed to limit the rights of the Funding Agent or any Lender against the Borrower.

2.16 Requirements of Law. (a) If the adoption of or any change in any Requirement of Law or in the interpretation or application thereof or compliance by any Lender with any request or directive (whether or not having the force of law) from any central bank or other Governmental Authority made subsequent to the date hereof:

(i) shall subject any Lender to any tax of any kind whatsoever with respect to this Agreement, any Letter of Credit, any Application or any Eurodollar Loan made by it, or change the basis of taxation of payments to such Lender in respect thereof (except for Non-Excluded Taxes covered by Section 2.17 and changes in the rate of tax on the overall net income of such Lender);

(ii) shall impose, modify or hold applicable any reserve, special deposit, compulsory loan or similar requirement against assets held by, deposits or other liabilities in or for the account of, advances, loans or other extensions of credit by, or any other acquisition of funds by, any office of such Lender that is not otherwise included in the determination of the Eurodollar Rate hereunder; or

(iii) shall impose on such Lender any other condition;

and the result of any of the foregoing is to increase the cost to such Lender, by an amount that such Lender deems to be material, of making, converting into, continuing or maintaining Eurodollar Loans or issuing or participating in Letters of Credit, or to reduce any amount receivable hereunder in respect thereof, then, in any such case, the Borrower shall promptly pay such Lender, upon its demand, any additional amounts necessary to compensate such Lender for such increased cost or reduced amount receivable. If any Lender becomes entitled to claim any additional amounts pursuant to this paragraph, it shall promptly notify the Borrower (with a copy to the Funding Agent) of the event by reason of which it has become so entitled.

(b) If any Lender shall have determined that the adoption of or any change in any Requirement of Law regarding capital adequacy or in the interpretation or application thereof or compliance by such Lender or any corporation controlling such Lender with any request or directive regarding capital adequacy (whether or not having the force of law) from any Governmental Authority made subsequent to the date hereof shall have the effect of reducing the rate of return on such Lender's or such corporation's capital as a consequence of its obligations hereunder or under or in respect of any Letter of Credit to a level below that which such Lender or such corporation could have achieved but for such adoption, change or compliance (taking into consideration such Lender's or such corporation's policies with respect to capital adequacy) by an amount deemed by such Lender to be material, then from time to time, after submission by such Lender to the Borrower (with a copy to the Funding Agent) of a written request therefor, the Borrower shall pay to such Lender such additional amount or amounts as will compensate such Lender for such reduction; provided that the Borrower shall not be required to compensate a Lender pursuant to this paragraph for any amounts incurred more than six months prior to the date that such Lender notifies the Borrower of such Lender's intention to claim compensation therefor; and provided further that, if the circumstances giving rise to such claim have a retroactive effect, then such six-month period shall be extended to include the period of such retroactive effect.

(c) A certificate as to any additional amounts payable pursuant to this Section submitted by any Lender to the Borrower (with a copy to the Funding Agent) shall be conclusive in the absence of

manifest error. The obligations of the Borrower pursuant to this Section shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

2.17 Taxes. (a) All payments made by the Borrower under this Agreement shall be made free and clear of, and without deduction or withholding for or on account of, any present or future income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority, excluding net income taxes and franchise taxes (imposed in lieu of net income taxes) imposed on the Funding Agent or any Lender as a result of a present or former connection between the Funding Agent or such Lender and the jurisdiction of the Governmental Authority imposing such tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from the Funding Agent or such Lender having executed, delivered or performed its obligations or received a payment under, or enforced, this Agreement or any other Loan Document). If any such non-excluded taxes, levies, imposts, duties, charges, fees, deductions or withholdings ("Non-Excluded Taxes") or Other Taxes are required to be withheld from any amounts payable to the Funding Agent or any Lender hereunder, the amounts so payable to the Funding Agent or such Lender shall be increased to the extent necessary to yield to the Funding Agent or such Lender (after payment of all Non-Excluded Taxes and Other Taxes) interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Agreement, provided, however, that the Borrower shall not be required to increase any such amounts payable to any Lender with respect to any Non-Excluded Taxes (i) that are attributable to such Lender's failure to comply with the requirements of paragraph (d) or (e) of this Section or (ii) that are United States withholding taxes imposed on amounts payable to such Lender at the time the Lender becomes a party to this Agreement, except to the extent that such Lender's assignor (if any) was entitled, at the time of assignment, to receive additional amounts from the Borrower with respect to such Non-Excluded Taxes pursuant to this paragraph.

(b) In addition, the Borrower shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) Whenever any Non-Excluded Taxes or Other Taxes are payable by the Borrower, as promptly as possible thereafter the Borrower shall send to the Funding Agent for its own account or for the account of the relevant Lender, as the case may be, a certified copy of an original official receipt received by the Borrower showing payment thereof. If the Borrower fails to pay any Non-Excluded Taxes or Other Taxes when due to the appropriate taxing authority or fails to remit to the Funding Agent the required receipts or other required documentary evidence, the Borrower shall indemnify the Funding Agent and the Lenders for any incremental taxes, interest or penalties that may become payable by the Funding Agent or any Lender as a result of any such failure.

(d) Each Lender (or Transferee) that is not a citizen or resident of the United States of America, a corporation, partnership or other entity created or organized in or under the laws of the United States of America (or any jurisdiction thereof), or any estate or trust that is subject to federal income taxation regardless of the source of its income (a "Non-U.S. Lender") shall deliver to the Borrower and the Funding Agent (or, in the case of a Participant, to the Lender from which the related participation shall have been purchased) two copies of either U.S. Internal Revenue Service Form 1001 or Form 4224, or, in the case of a Non-U.S. Lender claiming exemption from U.S. federal withholding tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest", a statement substantially in the form of Exhibit H and a Form W-8, or any subsequent versions thereof or successors thereto, properly completed and duly executed by such Non-U.S. Lender claiming complete exemption from U.S. federal withholding tax on all payments by the Borrower under this Agreement and the other Loan Documents. Such forms shall be delivered by each Non-U.S. Lender on or before the date it becomes a party to this Agreement (or, in the case of any Participant, on or before the date such

Participant purchases the related participation). In addition, each Non-U.S. Lender shall deliver such forms promptly upon the obsolescence or invalidity of any form previously delivered by such Non-U.S. Lender. Each Non-U.S. Lender shall promptly notify the Borrower at any time it determines that it is no longer in a position to provide any previously delivered certificate to the Borrower (or any other form of certification adopted by the U.S. taxing authorities for such purpose). Notwithstanding any other provision of this paragraph, a Non-U.S. Lender shall not be required to deliver any form pursuant to this paragraph that such Non-U.S. Lender is not legally able to deliver.

(e) A Lender that is entitled to an exemption from non-U.S. withholding tax under the law of the jurisdiction in which the Borrower is located, or any treaty to which such jurisdiction is a party, with respect to payments under this Agreement shall deliver to the Borrower (with a copy to the Funding Agent), at the time or times prescribed by applicable law or reasonably requested by the Borrower, such properly completed and executed documentation prescribed by applicable law as will permit such payments to be made without withholding, provided that such Lender is legally entitled to complete, execute and deliver such documentation and in such Lender's judgment such completion, execution or submission would not materially prejudice the legal position of such Lender.

(f) The agreements in this Section shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

2.18 Indemnity. The Borrower agrees to indemnify each Lender and to hold each Lender harmless from any loss or expense that such Lender may sustain or incur as a consequence of (a) default by the Borrower in making a borrowing of, conversion into or continuation of Eurodollar Loans after the Borrower has given a notice requesting the same in accordance with the provisions of this Agreement, (b) default by the Borrower in making any prepayment of or conversion from Eurodollar Loans after the Borrower has given a notice thereof in accordance with the provisions of this Agreement or (c) the making of a prepayment of Eurodollar Loans on a day that is not the last day of an Interest Period with respect thereto. Such indemnification may include an amount equal to the excess, if any, of (i) the amount of interest that would have accrued on the amount so prepaid, or not so borrowed, converted or continued, for the period from the date of such prepayment or of such failure to borrow, convert or continue to the last day of such Interest Period (or, in the case of a failure to borrow, convert or continue, the Interest Period that would have commenced on the date of such failure) in each case at the applicable rate of interest for such Loans provided for herein (excluding, however, the Applicable Margin included therein, if any) over (ii) the amount of interest (as reasonably determined by such Lender) that would have accrued to such Lender on such amount by placing such amount on deposit for a comparable period with leading banks in the interbank eurodollar market. A certificate as to any amounts payable pursuant to this Section submitted to the Borrower by any Lender shall be conclusive in the absence of manifest error. This covenant shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

2.19 Change of Lending Office. Each Lender agrees that, upon the occurrence of any event giving rise to the operation of Section 2.16 or 2.17(a) with respect to such Lender, it will, if requested by the Borrower, use reasonable efforts (subject to overall policy considerations of such Lender) to designate another lending office for any Loans affected by such event with the object of avoiding the consequences of such event; provided, that such designation is made on terms that, in the sole judgment of such Lender, cause such Lender and its lending office(s) to suffer no economic, legal or regulatory disadvantage, and provided, further, that nothing in this Section shall affect or postpone any of the obligations of any Borrower or the rights of any Lender pursuant to Section 2.16 or 2.17(a).

2.20 Replacement of Lenders. The Borrower shall be permitted to replace any Lender that (a) requests reimbursement for amounts owing pursuant to Section 2.16 or 2.17(a) or (b) defaults in

its obligation to make Loans hereunder, with a replacement financial institution; provided that (i) such replacement does not conflict with any Requirement of Law, (ii) no Event of Default shall have occurred and be continuing at the time of such replacement, (iii) prior to any such replacement, such Lender shall have taken no action under Section 2.19 which has eliminated the continued need for payment of amounts owing pursuant to Section 2.16 or 2.17(a), (iv) the replacement financial institution shall purchase, at par, all Loans and other amounts owing to such replaced Lender on or prior to the date of replacement, (v) the Borrower shall be liable to such replaced Lender under Section 2.18 if any Eurodollar Loan owing to such replaced Lender shall be purchased other than on the last day of the Interest Period relating thereto, (vi) the replacement financial institution, if not already a Lender, shall be reasonably satisfactory to the Administrative Agents, (vii) the replaced Lender shall be obligated to make such replacement in accordance with the provisions of Section 10.6 (provided that the Borrower shall be obligated to pay the registration and processing fee referred to therein), (viii) until such time as such replacement shall be consummated, the Borrower shall pay all additional amounts (if any) required pursuant to Section 2.16 or 2.17(a), as the case may be, and (ix) any such replacement shall not be deemed to be a waiver of any rights that the Borrower, the Agents or any other Lender shall have against the replaced Lender.

SECTION 3. LETTERS OF CREDIT

3.1 L/C Commitment. (a) Subject to the terms and conditions hereof, each Issuing Lender, in reliance on the agreements of the other Revolving Lenders set forth in Section 3.4(a), agrees to issue letters of credit ("Letters of Credit") for the account of the Borrower on any Business Day during the Revolving Commitment Period in such form as may be approved from time to time by such Issuing Lender; provided that no Issuing Lender shall issue any Letter of Credit if, after giving effect to such issuance, (i) the L/C Obligations would exceed the L/C Commitment or (ii) the aggregate amount of the Available Revolving Commitments would be less than zero. Each Letter of Credit shall (i) be denominated in Dollars, (ii) unless otherwise agreed by the Funding Agent and the relevant Issuing Lender, have a face amount of at least $500,000 and (iii) expire no later than the earlier of (x) the first anniversary of its date of issuance and (y) the date that is five Business Days prior to the Revolving Termination Date, provided that any Letter of Credit with a one-year term may provide for the renewal thereof for additional one-year periods (which shall in no event extend beyond the date referred to in clause (y) above).

(b) No Issuing Lender shall be obligated to issue any Letter of Credit hereunder if such issuance would conflict with, or cause such Issuing Lender or any L/C Participant to exceed any limits imposed by, any applicable Requirement of Law.

3.2 Procedure for Issuance of Letter of Credit. The Borrower may from time to time request that any Issuing Lender issue a Letter of Credit by delivering to such Issuing Lender an Application therefor, completed to the satisfaction of such Issuing Lender, and such other certificates, documents and other papers and information as such Issuing Lender may request. Upon receipt of any Application, the relevant Issuing Lender will process such Application and the certificates, documents and other papers and information delivered to it in connection therewith in accordance with its customary procedures and shall promptly issue the Letter of Credit requested thereby (but in no event shall such Issuing Lender be required to issue any Letter of Credit earlier than three Business Days after its receipt of the Application therefor and all such other certificates, documents and other papers and information relating thereto) by issuing the original of such Letter of Credit to the beneficiary thereof or as otherwise may be agreed to by such Issuing Lender and the Borrower. The relevant Issuing Lender shall furnish a copy of such Letter of Credit to the Borrower promptly following the issuance thereof. The relevant Issuing Lender shall promptly furnish to the Funding Agent, which shall in turn promptly furnish to the Lenders, notice of the issuance of each Letter of Credit (including the amount thereof).

3.3 Fees and Other Charges. (a) The Borrower will pay a fee on all outstanding Letters of Credit at a per annum rate equal to the Applicable Margin then in effect with respect to Eurodollar Loans under the Revolving Facility, shared ratably among the Revolving Lenders and payable quarterly in arrears on each L/C Fee Payment Date after the issuance date. In addition, the Borrower shall pay to the relevant Issuing Lender for its own account a fronting fee of 0.25% per annum on the undrawn and unexpired amount of each Letter of Credit issued by such Issuing Lender, payable quarterly in arrears on each L/C Fee Payment Date after the Issuance Date.

(b) In addition to the foregoing fees, the Borrower shall pay or reimburse the relevant Issuing Lender for such normal and customary costs and expenses as are incurred or charged by such Issuing Lender in issuing, negotiating, effecting payment under, amending or otherwise administering any Letter of Credit.

3.4 L/C Participations. (a) Each Issuing Lender irrevocably agrees to grant and hereby grants to each L/C Participant, and, to induce the Issuing Lenders to issue Letters of Credit hereunder, each L/C Participant irrevocably agrees to accept and purchase and hereby accepts and purchases from each Issuing Lender, on the terms and conditions hereinafter stated, for such L/C Participant's own account and risk an undivided interest equal to such L/C Participant's Revolving Percentage in each Issuing Lender's obligations and rights under each Letter of Credit issued by it hereunder and the amount of each draft paid by such Issuing Lender thereunder. Each L/C Participant unconditionally and irrevocably agrees with each Issuing Lender that, if a draft is paid under any Letter of Credit issued by such Issuing Lender for which such Issuing Lender is not reimbursed in full by the Borrower in accordance with the terms of this Agreement, such L/C Participant shall pay to such Issuing Lender upon demand an amount equal to such L/C Participant's Revolving Percentage of the amount of such draft, or any part thereof, that is not so reimbursed.

(b) If any amount required to be paid by any L/C Participant to any Issuing Lender pursuant to Section 3.4(a) in respect of any unreimbursed portion of any payment made by such Issuing Lender under any Letter of Credit is paid to such Issuing Lender within three Business Days after the date such payment is due, such L/C Participant shall pay to such Issuing Lender on demand an amount equal to the product of (i) such amount, times (ii) the daily average Federal Funds Effective Rate during the period from and including the date such payment is required to the date on which such payment is immediately available to such Issuing Lender, times (iii) a fraction the numerator of which is the number of days that elapse during such period and the denominator of which is 360. If any such amount required to be paid by any L/C Participant pursuant to Section 3.4(a) is not made available to the relevant Issuing Lender by such L/C Participant within three Business Days after the date such payment is due, such Issuing Lender shall be entitled to recover from such L/C Participant, on demand, such amount with interest thereon calculated from such due date at the rate per annum applicable to ABR Loans under the Revolving Facility. A certificate of the relevant Issuing Lender submitted to any L/C Participant with respect to any amounts owing under this Section shall be conclusive in the absence of manifest error.

(c) Whenever, at any time after the relevant Issuing Lender has made payment under any Letter of Credit and has received from any L/C Participant its pro rata share of such payment in accordance with Section 3.4(a), such Issuing Lender receives any payment related to such Letter of Credit (whether directly from the Borrower or otherwise, including proceeds of collateral applied thereto by such Issuing Lender), or any payment of interest on account thereof, such Issuing Lender will distribute to such L/C Participant its pro rata share thereof; provided, however, that in the event that any such payment received by such Issuing Lender shall be required to be returned by such Issuing Lender, such L/C Participant shall return to such Issuing Lender the portion thereof previously distributed by such Issuing Lender to it.

3.5 Reimbursement Obligation of the Borrower. The Borrower agrees to reimburse the relevant Issuing Lender on each date on which such Issuing Lender notifies the Borrower of the date and amount of a draft presented under any Letter of Credit and paid by such Issuing Lender for the amount of (a) such draft so paid and (b) any taxes, fees, charges or other costs or expenses incurred by such Issuing Lender in connection with such payment. Each such payment shall be made to the relevant Issuing Lender in lawful money of the United States and in immediately available funds. Interest shall be payable on any and all amounts remaining unpaid by the Borrower under this Section from the date such amounts become payable (whether at stated maturity, by acceleration or otherwise) until payment in full at the rate set forth in (i) until the second Business Day following the date of the applicable drawing, Section 2.12(b) and (ii) thereafter, Section 2.12(c).

3.6 Obligations Absolute. The Borrower's obligations under this Section 3 shall be absolute and unconditional under any and all circumstances and irrespective of any setoff, counterclaim or defense to payment that the Borrower may have or have had against any Issuing Lender, any beneficiary of a Letter of Credit or any other Person. The Borrower also agrees with each Issuing Lender that no Issuing Lender shall be responsible for, and the Borrower's Reimbursement Obligations under Section 3.5 shall not be affected by, among other things, the validity or genuineness of documents or of any endorsements thereon, even though such documents shall in fact prove to be invalid, fraudulent or forged, or any dispute between or among the Borrower and any beneficiary of any Letter of Credit or any other party to which such Letter of Credit may be transferred or any claims whatsoever of the Borrower against any beneficiary of such Letter of Credit or any such transferee. No Issuing Lender shall be liable for any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with any Letter of Credit, except for errors or omissions found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of the relevant Issuing Lender. The Borrower agrees that any action taken or omitted by any Issuing Lender under or in connection with any Letter of Credit or the related drafts or documents, if done in the absence of gross negligence or willful misconduct and in accordance with the standards of care specified in the Uniform Commercial Code of the State of New York, shall be binding on the Borrower and shall not result in any liability of any Issuing Lender to the Borrower.

3.7 Letter of Credit Payments. If any draft shall be presented for payment under any Letter of Credit, the relevant Issuing Lender shall promptly notify the Borrower of the date and amount thereof. The responsibility of each Issuing Lender to the Borrower in connection with any draft presented for payment under any Letter of Credit shall, in addition to any payment obligation expressly provided for in such Letter of Credit, be limited to determining that the documents (including each draft) delivered under such Letter of Credit in connection with such presentment are substantially in conformity with such Letter of Credit.

3.8 Applications. To the extent that any provision of any Application related to any Letter of Credit is inconsistent with the provisions of this Section 3, the provisions of this Section 3 shall apply.

SECTION 4. REPRESENTATIONS AND WARRANTIES

To induce the Agents and the Lenders to enter into this Agreement and to make the Loans and issue or participate in the Letters of Credit, Holdings and the Borrower hereby jointly and severally represent and warrant to the Agents and each Lender that:

4.1 Financial Condition. (a) The unaudited pro forma combined balance sheet data and statement of operations of Charter Holdings (the "Pro Forma Financial Statements") are based on the financial statements of Charter Holdings, the CCA Group (as defined in Schedule 4.1) and CharterComm Holdings, L.P. identified on Schedule 4.1, as adjusted to illustrate the estimated effect of the following transactions as if they had occurred on January 1, 1998 for the statement of operations and on December 31, 1998 for the balance sheet data: certain acquisitions made during 1998 by Charter and Marcus, the combination of Charter Holdings and Marcus Holdings, the acquisitions of the Pending Acquired Entities and the making of the Loans and the issuance of the Senior Notes and the use of proceeds thereof. The Pro Forma Financial Statements have been prepared based on the best information available to Holdings and the Borrower as of the date of delivery thereof, and present fairly on a pro forma basis the financial condition of Charter Holdings, Marcus Holdings, the Pending Acquired Entities and their respective consolidated Subsidiaries for the 1998 fiscal year, and as at December 31, 1998, as the case may be.

(b) The consolidated financial statements of Marcus Holdings and CharterComm Holdings, L.P., and the combined financial statements of Charter Holdings and the CCA Group, all as identified on Schedule 4.1, have been reported on and accompanied by an unqualified report of the independent public accountant identified on Schedule 4.1. With respect to the financial statements identified on Schedule 4.1, the audited balance sheets present fairly the consolidated or combined (as the case may be) financial condition of such Person as at the date indicated, and the consolidated or combined (as the case may be) results of its operations and cash flows for the periods indicated. All such financial statements, including the related schedules and notes thereto, have been prepared in accordance with GAAP applied consistently throughout the periods involved (except as approved by the aforementioned firm of accountants and disclosed therein). Holdings, the Borrower and its Subsidiaries do not have any material Guarantee Obligations, contingent liabilities and liabilities for taxes, or any long-term leases or unusual forward or long-term commitments, including any interest rate or foreign currency swap or exchange transaction or other obligation in respect of derivatives, that are not reflected in the most recent financial statements referred to in this paragraph. During the period from December 31, 1998 to and including the date hereof there has been no Disposition by Holdings, the Borrower or any of its Subsidiaries of any material part of its business or property.

4.2 No Change. Since December 31, 1998 there has been no event, development or circumstance that has had or could reasonably be expected to have a Material Adverse Effect.

4.3 Existence; Compliance with Law. Each of Holdings, the Borrower and its Subsidiaries (a) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (b) has the power and authority, and the legal right, to own and operate its property, to lease the property it operates as lessee and to conduct the business in which it is currently engaged, (c) is duly qualified as a foreign entity and in good standing under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification and (d) is in compliance with all Requirements of Law, in each case with respect to clauses (c) and (d), except as could not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

4.4 Power; Authorization; Enforceable Obligations. Each Loan Party has the power and authority, and the legal right, to make, deliver and perform the Loan Documents to which it is a party and, in the case of the Borrower, to borrow hereunder. Each Loan Party has taken all necessary action to authorize the execution, delivery and performance of the Loan Documents to which it is a party and, in the case of the Borrower, to authorize the borrowings on the terms and conditions of this Agreement. No consent or authorization of, filing with, notice to or other act by or in respect of, any Governmental Authority or any other Person is required in connection with the borrowings hereunder or with the execution, delivery, performance, validity or enforceability of this Agreement or any of the Loan Documents, except the filings referred to in Section 4.20. Each Loan Document has been duly executed

and delivered on behalf of each Loan Party party thereto. This Agreement constitutes, and each other Loan Document upon execution will constitute, a legal, valid and binding obligation of each Loan Party party thereto, enforceable against each such Loan Party in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

4.5 No Legal Bar. The execution, delivery and performance of this Agreement and the other Loan Documents, the issuance of Letters of Credit, the borrowings hereunder and the use of the proceeds thereof will not violate any Requirement of Law or any material Contractual Obligation of Holdings, the Borrower or any of its Subsidiaries and will not result in, or require, the creation or imposition of any Lien on any of their respective properties or revenues pursuant to any Requirement of Law or any such Contractual Obligation (other than the Liens created by the Guarantee and Collateral Agreement).

4.6 Litigation. No litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of Holdings or the Borrower, threatened by or against Holdings, the Borrower or any of its Subsidiaries or against any of their respective properties or revenues (a) with respect to any of the Loan Documents or any of the transactions contemplated hereby or thereby, or (b) that could reasonably be expected to have a Material Adverse Effect.

4.7 No Default. Neither Holdings, the Borrower nor any of its Subsidiaries is in default under or with respect to any of its Contractual Obligations in any respect that could reasonably be expected to have a Material Adverse Effect. No Default or Event of Default has occurred and is continuing.

4.8 Ownership of Property; Liens. Each of Holdings, the Borrower and its Subsidiaries has title in fee simple to, or a valid leasehold interest in, all its material real property, and good title to, or a valid leasehold interest in, all its other material property, and none of such property is subject to any Lien except as permitted by Section 7.3.

4.9 Intellectual Property. Holdings, the Borrower and each of its Subsidiaries owns, or is licensed to use, all material Intellectual Property necessary for the conduct of its business as currently conducted. No material claim has been asserted and is pending by any Person challenging or questioning the use, validity or effectiveness of any material Intellectual Property owned or licensed by Holdings, the Borrower or any of its Subsidiaries, nor does Holdings or the Borrower know of any valid basis for any such claim. The use of Intellectual Property by Holdings, the Borrower and its Subsidiaries does not infringe on the rights of any Person in any material respect.

4.10 Taxes. Each of Holdings, the Borrower and each of its Subsidiaries has filed or caused to be filed all federal, state and other material tax returns that are required to be filed and has paid all taxes shown to be due and payable on said returns or on any assessments made against it or any of its property and all other taxes, fees or other charges imposed on it or any of its property by any Governmental Authority (other than any the amount or validity of that are currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided on the books of Holdings, the Borrower or its Subsidiaries, as the case may be); no tax Lien has been filed, and, to the knowledge of Holdings and the Borrower, no claim is being asserted, with respect to any such tax, fee or other charge.

4.11 Federal Regulations. No part of the proceeds of any Loans will be used for "buying" or "carrying" any "margin stock" within the respective meanings of each of the quoted terms

under Regulation U as now and from time to time hereafter in effect or for any purpose that violates the provisions of the Regulations of the Board. If requested by any Lender or the Funding Agent, the Borrower will furnish to the Funding Agent and each Lender a statement to the foregoing effect in conformity with the requirements of FR Form G-3 or FR Form U-1, as applicable, referred to in Regulation U.

4.12 Labor Matters. Except as, in the aggregate, could not reasonably be expected to have a Material Adverse Effect: (a) there are no strikes or other labor disputes against Holdings, the Borrower or any of its Subsidiaries pending or, to the knowledge of Holdings or the Borrower, threatened; (b) hours worked by and payment made to employees of Holdings, the Borrower and its Subsidiaries have not been in violation of the Fair Labor Standards Act or any other applicable Requirement of Law dealing with such matters; and (c) all payments due from Holdings, the Borrower or any of its Subsidiaries on account of employee health and welfare insurance have been paid or accrued as a liability on the books of Holdings, the Borrower or the relevant Subsidiary.

4.13 ERISA. Neither a Reportable Event nor an "accumulated funding deficiency" (within the meaning of Section 412 of the Code or Section 302 of ERISA) has occurred during the five-year period prior to the date on which this representation is made or deemed made with respect to any Plan, and each Plan has complied in all material respects with the applicable provisions of ERISA and the Code. No termination of a Single Employer Plan has occurred, and no Lien in favor of the PBGC or a Plan has arisen, during such five-year period. The present value of all accrued benefits under each Single Employer Plan (based on those assumptions used to fund such Plans) did not, as of the last annual valuation date prior to the date on which this representation is made or deemed made, exceed the value of the assets of such Plan allocable to such accrued benefits by a material amount. Neither the Borrower nor any Commonly Controlled Entity has had a complete or partial withdrawal from any Multiemployer Plan that has resulted or could reasonably be expected to result in a material liability under ERISA, and neither the Borrower nor, to the Borrower's knowledge, any Commonly Controlled Entity would become subject to any material liability under ERISA if the Borrower or any such Commonly Controlled Entity were to withdraw completely from all Multiemployer Plans as of the valuation date most closely preceding the date on which this representation is made or deemed made. No such Multiemployer Plan of Holdings or any of its Subsidiaries nor, to the Borrower's knowledge, any other Multiemployer Plan, is in Reorganization or Insolvent.

4.14 Investment Company Act; Other Regulations. No Loan Party is an "investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended. No Loan Party is subject to regulation under any Requirement of Law (other than Regulation X of the Board) that limits its ability to incur Indebtedness.

4.15 Subsidiaries. Except as disclosed to the Funding Agent by the Borrower in writing from time to time after the Stage One Closing Date, (a) Schedule 4.15 sets forth the name and jurisdiction of organization of Holdings and each of its Subsidiaries and, as to each such Subsidiary, the percentage of each class of Equity Interests owned by any Loan Party and (b) except as set forth on Schedule 4.15, there are no outstanding subscriptions, options, warrants, calls, rights or other agreements or commitments of any nature relating to any Equity Interests of the Borrower or any of its Subsidiaries, except as created by the Loan Documents.

4.16 Use of Proceeds. The proceeds of the Loans, and the Letters of Credit, shall be used for general purposes, including to finance permitted Investments.

4.17 Environmental Matters. Except as, in the aggregate, could not reasonably be expected to have a Material Adverse Effect:

(a) the facilities and properties owned, leased or operated by Holdings, the Borrower or any of its Subsidiaries (the "Properties") do not contain, and have not previously contained, any Materials of Environmental Concern in amounts or concentrations or under circumstances that constitute or constituted a violation of, or could give rise to liability under, any Environmental Law;

(b) neither Holdings, the Borrower nor any of its Subsidiaries has received or is aware of any notice of violation, alleged violation, non-compliance, liability or potential liability regarding environmental matters or compliance with Environmental Laws with regard to any of the Properties or the business operated by Holdings, the Borrower or any of its Subsidiaries (the "Business"), nor does Holdings or the Borrower have knowledge or reason to believe that any such notice will be received or is being threatened;

(c) Materials of Environmental Concern have not been transported or disposed of from the Properties in violation of, or in a manner or to a location that could give rise to liability under, any Environmental Law, nor have any Materials of Environmental Concern been generated, treated, stored or disposed of at, on or under any of the Properties in violation of, or in a manner that could give rise to liability under, any applicable Environmental Law;

(d) no judicial proceeding or governmental or administrative action is pending or, to the knowledge of Holdings and the Borrower, threatened, under any Environmental Law to which Holdings, the Borrower or any Subsidiary is or will be named as a party with respect to the Properties or the Business, nor are there any consent decrees or other decrees, consent orders, administrative orders or other orders, or other administrative or judicial requirements outstanding under any Environmental Law with respect to the Properties or the Business;

(e) there has been no release or threat of release of Materials of Environmental Concern at or from the Properties, or arising from or related to the operations of Holdings, the Borrower or any Subsidiary in connection with the Properties or otherwise in connection with the Business, in violation of or in amounts or in a manner that could give rise to liability under Environmental Laws;

(f) the Properties and all operations at the Properties are in compliance, and have in the last five years been in compliance, with all applicable Environmental Laws, and there is no contamination at, under or about the Properties or violation of any Environmental Law with respect to the Properties or the Business; and

(g) neither Holdings, the Borrower nor any of its Subsidiaries has assumed any liability of any other Person under Environmental Laws.

4.18 Certain Cable Television Matters. Except as, in the aggregate, could not reasonably be expected to result in a Material Adverse Effect:

(a) (i) Holdings, the Borrower and its Subsidiaries possess all Authorizations necessary to own, operate and construct the CATV Systems or otherwise for the operations of their businesses and are not in violation thereof and (ii) all such Authorizations are in full force and effect and no event has occurred that permits, or after notice or lapse of time could permit, the revocation, termination or material and adverse modification of any such Authorization;

(b) neither Holdings, the Borrower nor any of its Subsidiaries is in violation of any duty or obligation required by the Communications Act of 1934, as amended, or any FCC rule or regulation applicable to the operation of any portion of any of the CATV Systems;

(c) (i) there is not pending or, to the best knowledge of Holdings or the Borrower, threatened, any action by the FCC to revoke, cancel, suspend or refuse to renew any FCC License held by Holdings, the Borrower or any of its Subsidiaries and (ii) there is not pending or, to the best knowledge of Holdings or the Borrower, threatened, any action by the FCC to modify adversely, revoke, cancel, suspend or refuse to renew any other Authorization; and

(d) there is not issued or outstanding or, to the best knowledge of Holdings or the Borrower, threatened, any notice of any hearing, violation or complaint against Holdings, the Borrower or any of its Subsidiaries with respect to the operation of any portion of the CATV Systems and neither Holdings nor the Borrower has any knowledge that any Person intends to contest renewal of any Authorization.

4.19 Accuracy of Information, etc. No statement or information contained in this Agreement, any other Loan Document, the Confidential Information Memorandum or any other document, certificate or statement furnished by or on behalf of any Loan Party to the Agents or the Lenders, or any of them, for use in connection with the transactions contemplated by this Agreement or the other Loan Documents, as supplemented from time to time prior to the date this representation and warranty is made or deemed made, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained herein or therein not misleading. The projections and pro forma financial information contained in the materials referenced above are based upon good faith estimates and assumptions believed by management of the Borrower to be reasonable at the time made, it being recognized by the Lenders that such financial information as it relates to future events is not to be viewed as fact and that actual results during the period or periods covered by such financial information may differ from the projected results set forth therein by a material amount. There is no fact known to any Loan Party that could reasonably be expected to have a Material Adverse Effect that has not been expressly disclosed herein, in the other Loan Documents, in the Confidential Information Memorandum or in any other documents, certificates and statements furnished to the Agents and the Lenders for use in connection with the transactions contemplated hereby and by the other Loan Documents.

4.20 Security Interests. The Guarantee and Collateral Agreement is effective to create in favor of the Funding Agent, for the benefit of the Lenders, a legal, valid and enforceable security interest in the Collateral described therein and proceeds thereof. In the case of certificated Pledged Stock described in the Guarantee and Collateral Agreement, when certificates representing such Pledged Stock are delivered to the Administrative Agents, and in the case of the other Collateral described in the Guarantee and Collateral Agreement, when financing statements specified on Schedule 4.20 in appropriate form are filed in the offices specified on Schedule 4.20, the Guarantee and Collateral Agreement shall constitute a fully perfected Lien on, and security interest in, all right, title and interest of the Loan Parties in such Collateral and the proceeds thereof, as security for the Obligations (as defined in the Guarantee and Collateral Agreement), in each case prior and superior in right to any other Person.

4.21 Solvency. Each Loan Party (other than any Shell Subsidiary) is, and after giving effect to the financing transactions referred to herein will be and will continue to be, Solvent.

4.22 Certain Tax Matters. As of the Stage One Closing Date, each of Holdings, the Borrower and each of its Subsidiaries (other than any such Subsidiary that is organized as a corporation) is a Flow-Through Entity.

4.23 Year 2000 Matters. Any reprogramming required to permit the proper functioning (but only to the extent that such proper functioning would otherwise be impaired by the occurrence of the year 2000) in and following the year 2000 of computer systems and other equipment containing embedded microchips, in either case owned or operated by Holdings, the Borrower or any of its Subsidiaries or used or relied upon in the conduct of their business (including any such systems and other equipment supplied by others or with which the computer systems of Holdings, the Borrower or any of its Subsidiaries interface) has been completed. The testing of all such systems and other equipment as so reprogrammed will be completed at such times, and to the extent necessary, so as to avoid a Material Adverse Effect. The costs to Holdings, the Borrower and its Subsidiaries that have not been incurred as of the date hereof for such reprogramming and testing and for the other reasonably foreseeable consequences to them of any improper functioning of other computer systems and equipment containing embedded microchips due to the occurrence of the year 2000 could not reasonably be expected to result in a Default or Event of Default or to have a Material Adverse Effect. The computer systems of Holdings, the Borrower and its Subsidiaries are and, with ordinary course upgrading and maintenance, will continue for the term of this Agreement to be, sufficient for the conduct of their business as currently conducted.

SECTION 5. CONDITIONS PRECEDENT

5.1 Conditions to Initial Extension of Credit. The agreement of each Lender to make the initial extension of credit requested to be made by it is subject to the satisfaction, prior to or concurrently with the making of such extension of credit on the Stage One Closing Date, of the following conditions precedent (with references to the Lenders in this Section 5.1 referring only to Lenders as of the Stage One Closing Date):

(a) Credit Agreement; Guarantee and Collateral Agreement. The Administrative Agents shall have received (i) this Agreement, executed and delivered by the Agents, Holdings and the Borrower, (ii) an Addendum, executed and delivered by each Lender listed on Schedule 1.1, (iii) the Guarantee and Collateral Agreement, executed and delivered by Holdings, the Borrower and each Subsidiary Guarantor and (iv) an Acknowledgment and Consent in the form attached to the Guarantee and Collateral Agreement, executed and delivered by each Issuer (as defined therein), if any, that is not a Loan Party.

In the event that an Addendum has not been duly executed and delivered by each Person listed on Schedule 1.1 on the date scheduled to be the Stage One Closing Date, the condition referred to in clause (i) above shall nevertheless be deemed satisfied if on such date the Borrower and the Administrative Agents shall have designated one or more Persons (the "Designated Lenders") to assume, in the aggregate, all of the Commitments that would have been held by the Persons listed on Schedule 1.1 (the "Non-Executing Persons") which have not so executed and delivered an Addendum (subject to each such Designated Lender's consent and its execution and delivery of an Addendum). Schedule 1.1 shall automatically be deemed to be amended to reflect the respective Commitments of the Designated Lenders and the omission of the Non-Executing Persons as Lenders hereunder.

(b) Financial Statements. The Lenders shall have received the financial statements referred to in Section 4.1.

(c) Senior Notes. Charter Holdings shall have issued the Senior Notes. Any Senior Notes that are Specified Senior Notes shall be issued in compliance with the definition of "Specified Senior Notes".

(d) Existing Indebtedness. All of the existing notes (other than a de minimis amount) and credit facilities of Holdings and its Subsidiaries shall have been redeemed, defeased or paid in full, and any commitments under such credit facilities shall have been terminated.

(e) Approvals. All material governmental and third party approvals necessary in connection with the financing contemplated hereby shall have been obtained and be in full force and effect.

(f) Lien Searches. The Funding Agent shall have received the results of a recent Lien search in each of the jurisdictions where assets of the Loan Parties are located, and such search shall reveal no Liens on any of the assets of Holdings, the Borrower or any of its Subsidiaries except for Liens permitted by Section 7.3 or Liens which have been discharged, or for which releases have been tendered, on or prior to the Stage One Closing Date pursuant to documentation satisfactory to the Funding Agent.

(g) Fees. The Lenders and the Agents shall have received all fees required to be paid, and all expenses for which invoices have been presented (including the reasonable fees and expenses of legal counsel), on or before the Stage One Closing Date. All such amounts will be paid with proceeds of Loans made on the Stage One Closing Date and will be reflected in the funding instructions given by the Borrower to the Funding Agent on or before the Stage One Closing Date.

(h) Closing Certificate; No Material Restrictions; Pro Forma Compliance. The Funding Agent shall have received, with a counterpart for each Lender, a certificate of each Loan Party, dated the Stage One Closing Date, substantially in the form of Exhibit C, with appropriate insertions and attachments, which (i) in the case of Holdings, shall also certify that Holdings and its Subsidiaries are not subject to material contractual or other restrictions that would be violated by the transactions contemplated hereby and (ii) in the case of the Borrower, shall also certify, in reasonable detail, pro forma compliance with Section 7.1(a).

(i) Legal Opinions. The Administrative Agents shall have received the following executed legal opinions:

(i) the legal opinion of Paul, Hastings, Janofsky & Walker LLP, counsel to Holdings and its Subsidiaries, substantially in the form of Exhibit F-1; and

(ii) the legal opinion of Curtis S. Shaw, Esq., general counsel of Holdings and its Subsidiaries, substantially in the form of Exhibit F-2.

Each such legal opinion shall cover such other matters incident to the transactions contemplated by this Agreement as the Administrative Agents may reasonably require.

(j) Filings, Registrations, Recordings, etc. Each document (including any Uniform Commercial Code financing statement) required by the Guarantee and Collateral Agreement under law or reasonably requested by the Funding Agent to be filed, registered or recorded in order to create in favor of the Funding Agent, for the benefit of the Lenders, a perfected Lien on the Colleteral described therein, prior end superior in right to any other Person, shall be in proper fovm for filing, registration or recordation. The Funding Agent shall have received (i) the certificates, if any, representing the Equity Interests pledged pursuant to the Guarantee and Collateral Agreement, together with an undated stock power for each such certificate executed by

the pledgor thereof, and (ii) each promissory note (if any) pledged to the Funding Agent pursuant to the Guarantee and Collateral Agreement endorsed in blank by the pledgor thereof.

5.2 Conditions to Each Extension of Credit. The agreement of each Lender to make any extension of credit requested to be made by it on any date (including its initial extension of credit) is subject to the satisfaction of the following conditions precedent:

(a) Representations and Warranties. Each of the representations and warranties made by any Loan Party in or pursuant to the Loan Documents shall be true and correct in all material respects on and as of such date as if made on and as of such date.

(b) No Default. No Default or Event of Default shall have occurred and be continuing on such date or after giving effect to the extensions of credit requested to be made on such date.

(c) Other Documents. In the case of any extension of credit made on an Increased Facility Closing Date, the Administrative Agents shall have received such documents and information as they may reasonably request.

Each borrowing by and issuance of a Letter of Credit on behalf of the Borrower hereunder shall constitute a representation and warranty by the Borrower as of the date of such extension of credit that the conditions contained in Sections 5.2(a) and (b) have been satisfied.

SECTION 6. AFFIRMATIVE COVENANTS

Holdings and the Borrower hereby agree that, so long as the Commitments remain in effect, any Letter of Credit remains outstanding or any Loan or other amount is owing to any Lender or any Agent hereunder, each of Holdings and the Borrower shall, and shall cause each Subsidiary of the Borrower to:

6.1 Financial Statements. Furnish to the Funding Agent (with sufficient copies for each Lender):

(a) as soon as available, but in any event within 90 days after the end of each fiscal year of the Borrower, a copy of the audited consolidated balance sheet of the Borrower and its consolidated Subsidiaries as at the end of such year and the related audited consolidated statements of income and of cash flows for such year, setting forth in each case in comparative form the figures for the previous year, reported on without a "going concern" or like qualification or exception, or qualification arising out of the scope of the audit, by Arthur Andersen LLP or other independent certified public accountants of nationally recognized standing; and

(b) as soon as available, but in any event not later than 45 days after the end of each of the first three quarterly periods of each fiscal year of the Borrower, the unaudited consolidated balance sheet of the Borrower and its consolidated Subsidiaries as at the end of such quarter and the related unaudited consolidated statements of income and of cash flows for such quarter and the portion of the fiscal year through the end of such quarter, setting forth in each case in comparative form the figures for the previous year, certified by a Responsible Officer as being fairly stated in all material respects (subject to normal year-end audit adjustments).

All such financial statements shall be complete and correct in all material respects and shall be prepared in reasonable detail and in accordance with GAAP applied consistently throughout the periods reflected

therein and with prior periods (except as approved by such accountants or officer, as the case may be, and disclosed therein).

6.2 Certificates; Other Information. Furnish to the Funding Agent (with sufficient copies for each Lender) (or (i) in the case of clause (e) below, to the Administrative Agents and (ii) in the case of clause (f) below, to the relevant Lender):

(a) concurrently with the delivery of the financial statements referred to in Section 6.1(a), a certificate of the independent certified public accountants reporting on such financial statements stating that in making the examination necessary therefor no knowledge was obtained of any Default or Event of Default under Section 7.1, except as specified in such certificate;

(b) concurrently with the delivery of any financial statements pursuant to Section 6.1, (i) a certificate of a Responsible Officer stating that, to the best of each such Responsible Officer's knowledge, each Loan Party during such period has observed or performed all of its covenants and other agreements, and satisfied every condition, contained in this Agreement and the other Loan Documents to which it is a party to be observed, performed or satisfied by it, and that such Responsible Officer has obtained no knowledge of any Default or Event of Default except as specified in such certificate and (ii) a Compliance Certificate containing all information and calculations necessary for determining compliance by Holdings, the Borrower and its Subsidiaries with the provisions of this Agreement referred to therein as of the last day of the fiscal quarter or fiscal year of the Borrower, as the case may be;

(c) as soon as available, and in any event no later than 45 days after the end of each fiscal year of the Borrower, a budget for the following fiscal year (which shall include projected Consolidated Operating Cash Flow and budgeted capital expenditures), and, as soon as available, material revisions, if any, of such budget with respect to such fiscal year (collectively, the "Budget"), which Budget shall in each case be accompanied by a certificate of a Responsible Officer stating that such Budget is based on reasonable estimates, information and assumptions and that such Responsible Officer has no reason to believe that such Budget is incorrect or misleading in any material respect;

(d) within five days after the same are sent, copies of all financial statements and reports (including reports on Form 10-K, 10-Q or 8-K) that Holdings or the Borrower sends to the holders of any class of its debt securities or public equity securities and, within five days after the same are filed, copies of all financial statements and reports that Holdings or the Borrower may make to, or file with, the SEC;

(e) no later than three Business Days prior to consummating any transaction described in Section 7.2(f), 7.2(g), 7.2(h), 7.5(e), 7.5(f), 7.5(g), 7.6(b), 7.7(f), 7.7(g) or (with respect to payment of deferred management fees) 7.8(c), a certificate of a Responsible Officer demonstrating in reasonable detail (i) that both before and after giving effect to such transaction, no Default or Event of Default shall be in effect (including, on a pro forma basis, pursuant to Section 7.1) and (ii) compliance with any other financial tests referred to in the relevant Section, provided that, in the case of Investments, Dispositions or the payment of deferred management fees, the requirement to deliver such certificate shall not apply to any Investment or Disposition pursuant to which the Consideration paid is less than $5,000,000 or to any such payment of deferred management fees in an amount less than $5,000,000; and

(f) promptly, such additional financial and other information as any Lender may from time to time reasonably request.

6.3 Payment of Obligations. Pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all its material obligations of whatever nature, except where the amount or validity thereof is currently being contested in good faith by appropriate proceedings and reserves in conformity with GAAP with respect thereto have been provided on the books of Holdings, the Borrower or its Subsidiaries, as the case may be.

6.4 Maintenance of Existence; Compliance. (a) (i) Preserve, renew and keep in full force and effect its existence and (ii) take all reasonable action to maintain all rights, privileges and franchises necessary or desirable in the normal conduct of its business, except, in each case, as otherwise permitted by Section 7.4 and except, in the case of clause (ii) above, to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect; and (b) comply with all Contractual Obligations and Requirements of Law except to the extent that failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

6.5 Maintenance of Property; Insurance. (a) Keep all material property useful and necessary in its business in good working order and condition, ordinary wear and tear excepted and (b) maintain with financially sound and reputable insurance companies insurance on all its material property in at least such amounts and against at least such risks (but including in any event public liability, product liability and business interruption) as are usually insured against in the same general area by companies engaged in the same or a similar business.

6.6 Inspection of Property; Books and Records; Discussions. (a) Keep proper books of records and account in which full, true and correct entries in conformity with GAAP and all Requirements of Law shall be made of all dealings and transactions in relation to its business and activities and (b) permit representatives of any Lender, coordinated through the Administrative Agents, to visit and inspect any of its properties and examine and make abstracts from any of its books and records at any reasonable time and as often as may reasonably be desired and to discuss the business, operations, properties and financial and other condition of Holdings, the Borrower and its Subsidiaries with officers and employees of Holdings, the Borrower and its Subsidiaries and with its independent certified public accountants.

6.7 Notices. Promptly give notice to the Funding Agent and each Lender of:

(a) the occurrence of any Default or Event of Default;

(b) any (i) default or event of default under any Contractual Obligation of Holdings, the Borrower or any of its Subsidiaries or (ii) litigation, investigation or proceeding that may exist at any time between Holdings, the Borrower or any of its Subsidiaries and any Governmental Authority, that, in either case, could reasonably be expected to have a Material Adverse Effect;

(c) any litigation or proceeding commenced against Holdings, the Borrower or any of its Subsidiaries which could reasonably be expected to result in a liability of $25,000,000 or more to the extent not covered by insurance or which could reasonably be expected to have a Material Adverse Effect;

(d) the following events, as soon as possible and in any event within 30 days after the Borrower knows or has reason to know thereof: (i) the occurrence of any Reportable Event with respect to any Plan, a failure to make any required contribution to a Plan, the creation of any Lien in favor of the PBGC or a Plan or any withdrawal from, or the termination, Reorganization or Insolvency of, any Multiemployer Plan or (ii) the institution of proceedings or the taking of any other action by the PBGC or the Borrower or any Commonly Controlled Entity or any

Multiemployer Plan with respect to the withdrawal from, or the termination, Reorganization or Insolvency of, any Plan; and

(e) any other development or event that has had or could reasonably be expected to have a Material Adverse Effect.

Each notice pursuant to this Section 6.7 shall be accompanied by a statement of a Responsible Officer setting forth details of the occurrence referred to therein and stating what action Holdings, the Borrower or the relevant Subsidiary proposes to take with respect thereto.

6.8 Environmental Laws. (a) Except as, in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, comply with, and ensure compliance by all tenants and subtenants, if any, with, all applicable Environmental Laws, and obtain and comply with and maintain, and ensure that all tenants and subtenants obtain and comply with and maintain, any and all licenses, approvals, notifications, registrations or permits required by applicable Environmental Laws.

(b) Except as, in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, conduct and complete all investigations, studies, sampling and testing, and all remedial, removal and other actions required under Environmental Laws and promptly comply with all lawful orders and directives of all Governmental Authorities regarding Environmental Laws.

6.9 Interest Rate Protection. At all times cause at least 50% of the aggregate outstanding principal amount of Holdings Debt, Specified Long-Term Indebtedness and Term Loans to be subject to a fixed rate, whether directly or pursuant to Hedge Agreements having terms and conditions reasonably satisfactory to the Administrative Agents.

6.10 Additional Collateral. With respect to any new Subsidiary (other than a Shell Subsidiary so long as it qualifies as such) created or acquired after the Stage One Closing Date by Marcus Holdings, the Borrower or any of its Subsidiaries (which shall be deemed to have occurred in the event that any Non-Recourse Subsidiary ceases to qualify as such), promptly (a) execute and deliver to the Funding Agent such amendments to the Guarantee and Collateral Agreement as the Funding Agent deems necessary or advisable to grant to the Funding Agent, for the benefit of the Lenders, a perfected first priority security interest in the Equity Interests and intercompany obligations of such new Subsidiary that are held by Holdings, the Borrower or any of its Subsidiaries (limited, in the case of Equity Interests of any Foreign Subsidiary, to 66% of the total outstanding Equity Interests of such Foreign Subsidiary), (b) deliver to the Funding Agent the certificates, if any, representing such Equity Interests, and any intercompany notes evidencing such obligations, together with undated stock powers and endorsements, in blank, executed and delivered by a duly authorized officer of Marcus Holdings, the Borrower or such Subsidiary, as the case may be and (c) except in the case of a Foreign Subsidiary or an Excluded Acquired Subsidiary (until it ceases to qualify as such), cause such new Subsidiary (i) to become a party to the Guarantee and Collateral Agreement and (ii) to take such actions necessary or advisable to grant to the Funding Agent for the benefit of the Lenders a perfected first priority security interest in the Collateral described in the Guarantee and Collateral Agreement with respect to such new Subsidiary, including the filing of Uniform Commercial Code financing statements in such jurisdictions as may be required by the Guarantee and Collateral Agreement or by law or as may be requested by the Funding Agent.

6.11 Organizational Separateness. In the case of Holdings, each Specified Holdings Subsidiary, each Non-Recourse Subsidiary and the Borrower and its Subsidiaries, (a) satisfy customary formalities with respect to organizational separateness, including, without limitation, (i) the maintenance of separate books and records and (ii) the maintenance of separate bank accounts in its own name; (b) act

solely in its own name and through its authorized officers and agents; (c) in the case of the Borrower or any of its Subsidiaries, not make or agree to make any payment to a creditor of Holdings, any Specified Holdings Subsidiary or any Non-Recourse Subsidiary; (d) not commingle any money or other assets of Holdings, any Specified Holdings Subsidiary or any Non-Recourse Subsidiary with any money or other assets of the Borrower or any of its Subsidiaries; and (e) not take any action, or conduct its affairs in a manner, which could reasonably be expected to result in the separate organizational existence of Holdings, each Specified Holdings Subsidiary and each Non-Recourse Subsidiary from the Borrower and its Subsidiaries being ignored under any circumstance. Holdings agrees to cause each Specified Holdings Subsidiary, and the Borrower agrees to cause each Non-Recourse Subsidiary, to comply with the applicable provisions of this Section 6.11.

SECTION 7. NEGATIVE COVENANTS

Holdings and the Borrower hereby agree that, so long as the Commitments remain in effect, any Letter of Credit remains outstanding or any Loan or other amount is owing to any Lender or any Agent hereunder, each of Holdings and the Borrower shall not, and shall not permit any Subsidiary of the Borrower to, directly or indirectly (provided that only Sections 7.2, 7.3, 7.4, 7.8, 7.10, 7.12 and 7.15 shall apply to Charter Holdings):

7.1 Financial Condition Covenants.

(a) Consolidated Leverage Ratio. Permit the Consolidated Leverage Ratio determined as of the last day of any fiscal quarter of the Borrower ending during any period set forth below to exceed the ratio set forth below opposite such period:

Period	Consolidated Leverage Ratio
04/01/99 - 03/31/01	5.00 to 1.0
04/01/01 - 03/31/02	4.50 to 1.0
04/01/02 - 03/31/03	4.25 to 1.0
04/01/03 and thereafter	4.00 to 1.0

(b) Consolidated Interest Coverage Ratio. Permit the Consolidated Interest Coverage Ratio determined as of the last day of any fiscal quarter ending during any period set forth below to be less than the ratio set forth below opposite such period:

Period	Consolidated Interest Coverage Ratio
04/01/99 - 03/31/01	1.50 to 1.0
04/01/01 - 03/31/03	1.75 to 1.0
04/01/03 and thereafter	2.00 to 1.0

(c) Consolidated Debt Service Coverage Ratio. Permit the Consolidated Debt Service Coverage Ratio determined as of the last day of any fiscal quarter commencing after the Stage One Closing Date to be less than 1.25 to 1.0.

For the purposes of paragraphs (b) and (c) above, (i) in calculating the relevant ratios for the fiscal quarters of the Borrower ending June 30, 1999, September 30, 1999 and December 31, 1999, Consolidated Interest Expense for the relevant period shall (x) be deemed to equal Consolidated Interest Expense for such fiscal quarter (and, in the case of the latter two such determinations, each previous fiscal quarter commencing on or after April 1, 1999) multiplied by 4, 2 and 4/3, respectively, and (y) in

any event, include the first two scheduled cash interest payments in respect of the Senior Notes, without duplication, and (ii) in determining Consolidated Interest Expense for any period that commences prior to the Stage One Closing Date, Consolidated Interest Expense shall be determined as if any incurrence or refinancing of Indebtedness that occurs on the Stage One Closing Date had occurred on the first day of such period.

7.2 Indebtedness. Create, issue, incur, assume, become liable in respect of or suffer to exist any Indebtedness, except:

(a) Indebtedness of any Loan Party pursuant to any Loan Document;

(b) Indebtedness of the Borrower to any Subsidiary and of any Wholly Owned Subsidiary Guarantor to the Borrower or any other Subsidiary;

(c) Guarantee Obligations incurred in the ordinary course of business by the Borrower or any of its Subsidiaries of obligations of any Wholly Owned Subsidiary Guarantor;

(d) Indebtedness described on Schedule 7.2(d);

(e) Indebtedness (including, without limitation, Capital Lease Obligations) secured by Liens permitted by Section 7.3(f) in an aggregate principal amount not to exceed $20,000,000 at any one time outstanding;

(f) Indebtedness of the Borrower (but not any Subsidiary of the Borrower) incurred on any Threshold Transaction Date so long as (i) no Default or Event of Default shall have occurred and be continuing or would result therefrom, (ii) such Indebtedness shall have no scheduled amortization prior to the date that is one year after the final maturity of the Term Loans outstanding on the date such Indebtedness is incurred and (iii) the covenants and default provisions applicable to such Indebtedness shall be no more restrictive than those contained in this Agreement, provided that the requirement that such Indebtedness be incurred on a Threshold Transaction Date shall not apply in the case of any refinancing of Indebtedness previously incurred pursuant to this Section 7.2(f) so long as the interest rate and cash-pay characteristics applicable to such refinancing Indebtedness are no more onerous than those applicable to such refinanced Indebtedness;

(g) Indebtedness of any Person that becomes a Subsidiary pursuant to an Investment permitted by Section 7.7 (other than as set forth in Section 7.2(h)), so long as (i) no Default or Event of Default shall have occurred and be continuing or would result therefrom, (ii) such Indebtedness existed at the time of such Investment and was not created in anticipation thereof, (iii) the Borrower shall use its best efforts to cause such Indebtedness to be repaid no later than 90 days after the date of such Investment, (iv) if such Indebtedness is not repaid within such period then, until such Indebtedness is repaid, the operating cash flow of the relevant Subsidiary shall be excluded for the purposes of calculating Consolidated Operating Cash Flow (whether or not distributed to the Borrower or any of its other Subsidiaries) and (v) the aggregate outstanding principal amount of Indebtedness incurred pursuant to this paragraph shall not exceed $250,000,000;

(h) Indebtedness of Renaissance Media Holdings LLC and its Subsidiaries in the event that they become Subsidiaries pursuant to an Investment permitted by Section 7.7, so long as (i) no Default or Event of Default shall have occurred and be continuing or would result therefrom, (ii) such Indebtedness existed at the time of such Investment and was not created in anticipation

thereof, (iii) no principal shall be payable in respect of such Indebtedness until October 2008, (iv) no cash interest shall be payable in respect of such Indebtedness until October 2003 and (v) the aggregate outstanding principal amount of Indebtedness incurred pursuant to this paragraph shall not exceed $115,000,000 plus any amounts that accrete in respect thereof after the Stage One Closing Date at a per annum rate of 10.0%;

(i) letters of credit for the account of the Borrower or any of its Subsidiaries obtained other than pursuant to this Agreement, so long as the aggregate undrawn face amount thereof, together with any unreimbursed reimbursement obligations in respect thereof, does not exceed $35,000,000 at any one time;

(j) Indebtedness of Charter Holdings (but not any Subsidiary of Charter Holdings) so long as (i) such Indebtedness shall have no scheduled amortization prior to the date that is one year after the final maturity of the Term Loans outstanding on the date such Indebtedness is incurred (except in the case of Specified Senior Notes) and (ii) except in the case of the Senior Notes, 100% of the Net Cash Proceeds thereof (other than any such Net Cash Proceeds that are applied to refinance other Indebtedness of Holdings to the extent permitted by Section 7.8) shall, within two Business Days after the receipt thereof, be contributed to the Borrower in the form of a capital contribution; and

(k) additional Indebtedness of the Borrower or any of its Subsidiaries in an aggregate principal amount (for the Borrower and all Subsidiaries) not to exceed $50,000,000 at any one time outstanding.

7.3 Liens. Create, incur, assume or suffer to exist any Lien upon any of its property, whether now owned or hereafter acquired, except:

(a) Liens for taxes, assessments and other governmental charges not yet due or that are being contested in good faith by appropriate proceedings, provided that adequate reserves with respect thereto are maintained on the books of Holdings, the Borrower or its Subsidiaries, as the case may be, in conformity with GAAP;

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like Liens arising in the ordinary course of business that are not overdue for a period of more than 30 days or that are being contested in good faith by appropriate proceedings;

(c) pledges or deposits in connection with workers' compensation, unemployment insurance and other social security legislation;

(d) deposits made to secure the performance of bids, tenders, trade contracts, leases, statutory or regulatory obligations, surety and appeal bonds, bankers acceptances, government contracts, performance bonds and other obligations of a like nature incurred in the ordinary course of business, in each case excluding obligations for borrowed money;

(e) easements, rights-of-way, municipal and zoning ordinances, title defects, restrictions and other similar encumbrances incurred in the ordinary course of business that, in the aggregate, are not substantial in amount and that do not in any case materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of Holdings, the Borrower or any of its Subsidiaries;

(f) Liens securing Indebtedness of Holdings, the Borrower or any of its Subsidiaries incurred pursuant to Section 7.2(e) to finance the acquisition of fixed or capital assets, provided that (i) such Liens shall be created substantially simultaneously with the acquisition of such fixed or capital assets, (ii) such Liens do not at any time encumber any property other than the property financed by such Indebtedness and (iii) the amount of Indebtedness secured thereby is not increased;

(g) Liens created pursuant to the Guarantee and Collateral Agreement securing obligations of the Loan Parties under (i) the Loan Documents, (ii) Hedge Agreements provided by any Lender or any Affiliate of any Lender and (iii) letters of credit issued pursuant to Section 7.2(i) by any Lender or any Affiliate of any Lender;

(h) any landlord's Lien or other interest or title of a lessor under any lease or a licensor under a license entered into by Holdings, the Borrower or any of its Subsidiaries in the ordinary course of its business and covering only the assets so leased or licensed;

(i) Liens on the Mirror Note (as defined in the Senior Note Indenture) securing the Senior Notes;

(j) Liens created under Pole Agreements on cables and other property affixed to transmission poles or contained in underground conduits;

(k) Liens of or restrictions on the transfer of assets imposed by any franchisors, utilities or other regulatory bodies or any federal, state or local statute, regulation or ordinance, in each case arising in the ordinary course of business in connection with franchise agreements or Pole Agreements;

(l) Liens arising from judgments or decrees not constituting an Event of Default under Section 8(h); and

(m) Liens not otherwise permitted by this Section so long as neither (i) the aggregate outstanding principal amount of the obligations secured thereby nor (ii) the aggregate fair market value (determined as of the date such Lien is incurred) of the assets subject thereto exceeds (as to Holdings, the Borrower and all Subsidiaries), when added to the aggregate outstanding amount of Attributable Debt, $20,000,000 at any one time.

7.4 Fundamental Changes. Enter into any merger, consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or Dispose of all or substantially all of its property or business, except that:

(a) any Subsidiary of the Borrower may be merged or consolidated with or into any Wholly Owned Subsidiary Guarantor (provided that the Wholly Owned Subsidiary Guarantor shall be the continuing or surviving entity);

(b) any Subsidiary of the Borrower that is a holding company with no operations may be merged or consolidated with or into the Borrower (provided that the Borrower shall be the continuing or surviving entity);

(c) any Subsidiary of the Borrower may Dispose of any or all of its assets (upon voluntary liquidation or otherwise) to any Wholly Owned Subsidiary Guarantor;

(d) any Shell Subsidiary may be dissolved; and

(e) so long as no Default or Event of Default has occurred or is continuing or would result therefrom, (i) Marcus Cable Holdings, LLC and Marcus Holdings may be merged or consolidated with one another and/or into Charter Holdings in a substantially simultaneous transaction (provided that Charter Holdings is the continuing or surviving entity); and (ii) Marcus may be merged or consolidated with or into Charter (provided that Charter is the continuing or surviving entity) (the foregoing mergers and/or consolidations, the "Marcus Combination").

7.5 Disposition of Property. Dispose of any of its property, whether now owned or hereafter acquired, or, in the case of any Subsidiary, issue or sell any Equity Interests to any Person, except:

(a) the Disposition of obsolete or worn out property in the ordinary course of business;

(b) the sale of inventory in the ordinary course of business;

(c) Dispositions expressly permitted by Section 7.4;

(d) the sale or issuance of any Subsidiary's Equity Interests to the Borrower or any Wholly Owned Subsidiary Guarantor;

(e) the Disposition (directly or indirectly through the Disposition of 100% of the Equity Interests of a Subsidiary) of operating assets by the Borrower or any of its Subsidiaries (including any Exchange to the extent not otherwise permitted by Section 7.5(f), it being understood that if the entire amount of an Exchange is not permitted by Section 7.5(f) any portion not so permitted may be allocated to any unused availability in respect of Dispositions pursuant to this Section 7.5(e), subject to compliance with the requirements of clauses (i) through (v) below), provided that (i) on the date of such Disposition (the "Disposition Date"), no Default or Event of Default shall have occurred and be continuing or would result therefrom; (ii) the Annualized Asset Cash Flow Amount attributable to the assets being disposed of, when added to the Annualized Asset Cash Flow Amount attributable to all other assets previously disposed of pursuant to this Section 7.5(e) during the one-year period ending on such Disposition Date (or, if shorter, the period from the Stage One Closing Date to such Disposition Date), shall not exceed an amount equal to 15% of Annualized Pro Forma Operating Cash Flow determined as of such Disposition Date; (iii) the Annualized Asset Cash Flow Amount attributable to the assets being disposed of, when added to the Annualized Asset Cash Flow Amount attributable to all other assets previously disposed of pursuant to this Section 7.5(e) during the five-year period ending on such Disposition Date (or, if shorter, the period from the Stage One Closing Date to such Disposition Date), shall not exceed an amount equal to 25% of Annualized Pro Forma Operating Cash Flow determined as of such Disposition Date; (iv) except in the case of any Exchange, at least 75% of the proceeds of such Disposition shall be in the form of cash; and (v) the Net Cash Proceeds of such Disposition shall be applied to prepay the Term Loans to the extent required by Section 2.9(b);

(f) any Exchange by the Borrower and its Subsidiaries; provided that (i) on the date of such Exchange (the "Exchange Date"), no Default or Event of Default shall have occurred and be continuing or would result therefrom; (ii) the Annualized Asset Cash Flow Amount attributable to the assets being Exchanged, when added to the Annualized Asset Cash Flow Amount attributable to all other assets previously Exchanged pursuant to this Section 7.5(f) during the one-year period ending on such Exchange Date (or, if shorter, the period from the Stage One

Closing Date to such Exchange Date), shall not exceed an amount equal to 15% of Annualized Pro Forma Operating Cash Flow determined as of such Exchange Date; (iii) the Annualized Asset Cash Flow Amount attributable to the assets being Exchanged, when added to the Annualized Asset Cash Flow Amount attributable to all other assets previously Exchanged pursuant to this Section 7.5(f) during the five-year period ending on such Exchange Date (or, if shorter, the period from the Stage One Closing Date to such Exchange Date), shall not exceed an amount equal to 25% of Annualized Pro Forma Operating Cash Flow determined as of such Exchange Date; and (iv) the Net Cash Proceeds of such Exchange, if any, shall be applied to prepay the Term Loans to the extent required by Section 2.9(b);

(g) Dispositions of property acquired after the Stage Two Closing Date, (other than (i) property acquired pursuant to the acquisition of Planned Acquired Entities and (ii) property acquired in connection with Exchanges of (x) property owned on the Stage Two Closing Date or (y) property described in clause (i) above), so long as (1) no Default or Event of Default shall have occurred and be continuing or would result therefrom, (2) a definitive agreement to consummate such Disposition is executed no later than twelve months after the date on which relevant property is acquired and (3) such Disposition is consummated within eighteen months after the date on which the relevant property is acquired;

(h) any Exchange of cash and certain cable systems of the Borrower and its Subsidiaries for certain cable systems of InterMedia Partners IV L.P., as more particularly described on Schedule 7.5(h); and

(i) the Disposition of other property having a fair market value not to exceed $5,000,000 in the aggregate for any fiscal year of the Borrower.

7.6 Restricted Payments. Declare or pay any dividend (other than dividends payable solely in common stock of the Person making such dividend) on, or make any payment on account of, or set apart assets for a sinking or other analogous fund for, the purchase, redemption, defeasance, retirement or other acquisition of, any Equity Interests of Holdings, the Borrower or any Subsidiary, whether now or hereafter outstanding, or make any other distribution in respect thereof, either directly or indirectly, whether in cash or property or in obligations of Holdings, the Borrower or any Subsidiary (collectively, "Restricted Payments"), except that:

(a) any Subsidiary may make Restricted Payments to the Borrower or any Wholly Owned Subsidiary Guarantor;

(b) the Borrower may make distributions to Holdings for the purpose of enabling Holdings to make scheduled interest payments in respect of Holdings Debt, provided that (i) no Default or Event of Default shall have occurred and be continuing or would result therefrom, (ii) except in the case of any distribution made for the purpose of paying interest on the Senior Notes, each such distribution shall be made on a Threshold Transaction Date and (iii) each such distribution shall be made no earlier than three Business Days prior to the date the relevant interest payment is due;

(c) so long as no Default or Event of Default has occurred and is continuing or would result therefrom, (i) the Borrower may make distributions to Charter Holdings to be used to repurchase, redeem or otherwise acquire or retire for value any Equity Interests of Charter Holdings held by any member of management of Charter Holdings, the Borrower or any of its Subsidiaries pursuant to any management equity subscription agreement or stock option agreement in effect as of the Stage One Closing Date, provided that the aggregate amount of such

distributions shall not exceed $10,000,000 in any fiscal year of the Borrower and (ii) the Borrower may make distributions to Charter Holdings to pay amounts not in excess of 1.0% of the aggregate enterprise value of Investments permitted hereby (excluding the Marcus Combination) to certain members of the Charter Group; and

(d) the Borrower may make distributions to Charter Holdings to permit Charter Holdings to pay (i) attorneys' fees, investment banking fees, accountants' fees, underwriting discounts and commissions and other customary fees and expenses actually incurred in connection with any issuance or sale by Charter Holdings of Equity Interests or any incurrence by Charter Holdings of Indebtedness, (ii) costs and expenses incurred in connection with the Exchange Offers (as defined in the Senior Note Indenture) and (iii) other administrative expenses (including legal, accounting, other professional fees and costs, printing and other such fees and expenses) incurred in the ordinary course of business, in an aggregate amount in the case of this clause (iii) not to exceed $2,000,000 in any fiscal year.

7.7 Investments. Make any advance, loan, extension of credit (by way of guaranty or otherwise) or capital contribution to, or purchase any Equity Interests, bonds, notes, debentures or other debt securities of, or any assets constituting a significant part of a business unit of, or make any other investment in, any Person (all of the foregoing, "Investments"), except:

(a) extensions of trade credit in the ordinary course of business;

(b) investments in Cash Equivalents;

(c) Guarantee Obligations permitted by Section 7.2;

(d) loans and advances to employees of the Borrower or any of its Subsidiaries in the ordinary course of business (including for travel, entertainment and relocation expenses) in an aggregate amount not to exceed $5,000,000 at any one time outstanding;

(e) Investments by the Borrower or any of its Subsidiaries in the Borrower or any Person that, prior to such investment, is a Wholly Owned Subsidiary Guarantor;

(f) acquisitions by the Borrower or any Wholly Owned Subsidiary Guarantor of operating assets (substantially all of which consist of cable systems), directly through an asset acquisition or indirectly through the acquisition of 100% of the Equity Interests of a Person substantially all of whose assets consist of cable systems, provided, that (i) no Default or Event of Default shall have occurred and be continuing or would result therefrom and (ii) the aggregate Consideration (excluding Consideration paid with the proceeds of Paul Allen Contributions) paid in connection with such acquisitions, other than acquisitions consummated on a Threshold Transaction Date, shall not exceed $750,000,000 during the term of this Agreement;

(g) the Borrower or any of its Subsidiaries may contribute cable systems to any Non-Recourse Subsidiary so long as (i) such Disposition is permitted pursuant to Section 7.5(e), (ii) no Default or Event of Default shall have occurred and be continuing or would result therefrom, (iii) after giving effect thereto, the Consolidated Leverage Ratio shall be equal to or lower than the Consolidated Leverage Ratio in effect immediately prior thereto and (iv) the Equity Interests received by the Borrower or any of its Subsidiaries in connection therewith shall be pledged as Collateral (either directly or through a holding company parent of such Non-Recourse Subsidiary so long as such parent is a Wholly Owned Subsidiary Guarantor); and

(h) in addition to Investments otherwise expressly permitted by this Section, Investments by the Borrower or any of its Subsidiaries in an aggregate amount (valued at cost) not to exceed $100,000,000 during the term of this Agreement.

Notwithstanding anything to the contrary in this Agreement, in no event shall the sum of (i) the aggregate amount of letters of credit and surety arrangements (including unreimbursed reimbursement obligations in respect thereof) and security deposits posted by the Borrower or any of its Subsidiaries in connection with potential Investments (including pursuant to letters of intent) and (ii) the aggregate outstanding amount of L/C Obligations, exceed $350,000,000 at any one time.

7.8 Certain Payments and Modifications Relating to Indebtedness and Management Fees. (a) Make or offer to make any payment, prepayment, repurchase or redemption in respect of, or otherwise optionally or voluntarily defease or segregate funds with respect to (collectively, "prepayment"), any Holdings Debt or any Specified Long-Term Indebtedness, other than (i) the payment of scheduled interest payments required to be made in cash, (ii) the prepayment of Specified Subordinated Debt with the proceeds of other Specified Long-Term Indebtedness or of Loans, (iii) the prepayment of any such Indebtedness with the proceeds of other Holdings Debt or other Specified Long-Term Indebtedness, respectively, so long as such new Indebtedness has terms no less favorable to the interests of Holdings, the Borrower and the Lenders than those applicable to the Indebtedness being refinanced and (iv) so long as no Default or Event of Default shall have occurred and be continuing or would result therefrom, the prepayment of any Specified Senior Note no earlier than the date that is seven months prior to the stated maturity thereof.

(b) Amend, modify, waive or otherwise change, or consent or agree to any amendment, modification, waiver or other change to, any of the terms of the Holdings Debt or any Specified Long-Term Indebtedness, other than any such amendment, modification, waiver or other change that (i) (x) would extend the maturity or reduce the amount of any payment of principal thereof or reduce the rate or extend any date for payment of interest thereon or (y) is immaterial to the interests of the Lenders and (ii) does not involve the payment of a consent fee.

(c) Make, agree to make or expense any payment in respect of management fees, directly or indirectly, except that the Borrower may pay management fees pursuant to the Management Fee Agreement so long as (i) no Default or Event of Default shall have occurred and be continuing or would result therefrom, (ii) the aggregate amount of such payments expensed during any fiscal year of the Borrower shall not exceed 3.50% of consolidated revenues of the Borrower and its consolidated Subsidiaries for the immediately preceding fiscal year (provided that, in addition, payments of management fees may be made in respect of amounts that have been accrued, but were not paid, during any preceding fiscal year of the Borrower ending on or after December 31, 1999, so long as the aggregate amount of payments made pursuant to this parenthetical during any fiscal year of the Borrower (other than any such payments made on a Threshold Management Fee Date), when added to the aggregate amount of non-deferred management fees otherwise paid pursuant to this clause (ii) during such fiscal year, shall not exceed 5.0% of consolidated revenues of the Borrower and its consolidated Subsidiaries for the immediately preceding fiscal year) and (iii) each such payment shall be made no earlier than three Business Days prior to the date such payment is due.

(d) Amend, modify, waive or otherwise change, or consent or agree to any amendment, modification, waiver or other change to, any of the terms of the Management Fee Agreement, other than any such amendment, modification, waiver or other change that (i) (x) would extend the due date or reduce the amount of any payment thereunder or (y) does not adversely affect the interests of the Lenders and (ii) does not involve the payment of a consent fee.

7.9 Transactions with Affiliates. Enter into any transaction, including any purchase, sale, lease or exchange of property, the rendering of any service or the payment of any management, advisory or similar fees, with any Affiliate (other than the Borrower or any Wholly Owned Subsidiary Guarantor) unless such transaction is (a) not prohibited under this Agreement, (b) in the ordinary course of business of the Borrower or such Subsidiary, as the case may be, and (c) upon fair and reasonable terms no less favorable to the Borrower or such Subsidiary, as the case may be, than it would obtain in a comparable arm's length transaction with a Person that is not an Affiliate. The foregoing restrictions shall not apply to transactions expressly permitted by Section 7.6 or Section 7.8(c).

7.10 Sales and Leasebacks. Enter into any arrangement with any Person providing for the leasing by Holdings, the Borrower or any Subsidiary of real or personal property that has been or is to be sold or transferred by Holdings, the Borrower or such Subsidiary to such Person or to any other Person to whom funds have been or are to be advanced by such Person on the security of such property or rental obligations of Holdings, the Borrower or such Subsidiary unless, after giving effect thereto, the aggregate outstanding amount of Attributable Debt, when added to the aggregate amount utilized pursuant to Section 7.3(m), does not exceed $20,000,000.

7.11 Changes in Fiscal Periods. Permit the fiscal year of the Borrower to end on a day other than December 31 or change the Borrower's method of determining fiscal quarters.

7.12 Negative Pledge Clauses. Enter into or suffer to exist or become effective any agreement that prohibits or limits the ability of Holdings, the Borrower or any of its Subsidiaries to create, incur, assume or suffer to exist any Lien upon any of its property or revenues, whether now owned or hereafter acquired, other than (a) this Agreement and the other Loan Documents, (b) any agreements governing any purchase money Liens or Capital Lease Obligations otherwise permitted hereby (in which case, any prohibition or limitation shall only be effective against the assets financed thereby), (c) pursuant to Contractual Obligations assumed in connection with Investments (but not created in contemplation thereof) so long as the maximum aggregate liabilities of Holdings and its Subsidiaries pursuant thereto do not exceed $2,000,000 at any time and (d) the Senior Note Indenture and any other document governing Indebtedness permitted hereby so long as such restrictions are no more onerous than those contained in the Senior Note Indenture.

7.13 Clauses Restricting Subsidiary Distributions. Enter into or suffer to exist or become effective any consensual encumbrance or restriction on the ability of any Subsidiary of the Borrower to (a) make Restricted Payments in respect of any Equity Interests of such Subsidiary held by, or pay any Indebtedness owed to, the Borrower or any other Subsidiary of the Borrower, (b) make loans or advances to, or other Investments in, the Borrower or any other Subsidiary of the Borrower or (c) transfer any of its assets to the Borrower or any other Subsidiary of the Borrower, except for such encumbrances or restrictions existing under or by reason of (i) any restrictions existing under the Loan Documents, (ii) any restrictions with respect to a Subsidiary imposed pursuant to an agreement that has been entered into in connection with the Disposition of all or substantially all of the Equity Interests or assets of such Subsidiary in a transaction otherwise permitted by this Agreement and (iii) any restrictions contained in the Senior Note Indenture or any other document governing Indebtedness permitted hereby so long as such restrictions are no more onerous than those contained in the Senior Note Indenture.

7.14 Lines of Business; Holding Company Status. (a) Enter into any business, either directly or through any Subsidiary, except for (i) those businesses in which the Borrower and its Subsidiaries are significantly engaged on the date of this Agreement and (ii) businesses which are reasonably similar or related thereto or reasonable extensions thereof but not, in the case of this clause (ii), in the aggregate, material to the overall business of the Borrower and its Subsidiaries (collectively, "Permitted Lines of Business"), provided, that, in any event, the Borrower and its Subsidiaries will

continue to be primarily engaged in the businesses in which they are primarily engaged on the date of this Agreement.

(b) In the case of Marcus Holdings, the Borrower and the two corporate entities referred to below, (i) conduct, transact or otherwise engage in, or commit to conduct, transact or otherwise engage in, any business or operations other than, in the case of Marcus Holdings and the Borrower, those incidental to its ownership of the Equity Interests of its Subsidiaries or (ii) own, lease, manage or otherwise operate any properties or assets other than, in the case of Marcus Holdings and the Borrower, the ownership of Equity Interests of its Subsidiaries (which, in the case of Marcus Holdings, shall be limited to Equity Interests of Marcus and of the two corporate entities owned by Marcus Holdings on the Stage One Closing Date and identified on Schedule 4.15).

7.15 Certain Intercompany and Tax Matters. (a) In the case of Holdings, make any Investment in the Borrower other than in the form of a capital contribution.

(b) In the case of the Borrower or any of its Subsidiaries, enter into any tax sharing arrangement with any of its Affiliates.

(c) In the case of Holdings, the Borrower or any Subsidiary of the Borrower, (i) take any action that could cause such Person (if such Person is a Flow-Through Entity) to cease to be a Flow-Through Entity or (ii) fail to convert any new Subsidiary that is not a Flow-Through Entity into a Flow-Through Entity as soon as reasonably practicable after the date such Person becomes a Subsidiary unless, in the reasonable judgment of the Borrower, such conversion would be impracticable or materially disadvantageous to the interests of the Borrower or such Subsidiary. This paragraph shall not apply to Shell Subsidiaries.

SECTION 8. EVENTS OF DEFAULT

If any of the following events shall occur and be continuing:

(a) the Borrower shall fail to pay any principal of any Loan or Reimbursement Obligation when due in accordance with the terms hereof; or the Borrower shall fail to pay any interest on any Loan or Reimbursement Obligation, or any other amount payable hereunder or under any other Loan Document, within five days after any such interest or other amount becomes due in accordance with the terms hereof; or

(b) any representation or warranty made or deemed made by any Loan Party herein or in any other Loan Document or that is contained in any certificate, document or financial or other statement furnished by it at any time under or in connection with this Agreement or any such other Loan Document shall prove to have been inaccurate in any material respect on or as of the date made or deemed made; or

(c) any Loan Party shall default in the observance or performance of any agreement contained in clause (i) or (ii) of Section 6.4(a) (with respect to Holdings and the Borrower only), Section 6.7(a) or Section 7 of this Agreement or Sections 6.4 and 6.6(b) of the Guarantee and Collateral Agreement; or

(d) any Loan Party shall default in the observance or performance of any other agreement contained in this Agreement or any other Loan Document (other than as provided in paragraphs (a) through (c) of this Section), and such default shall continue unremedied for a

period of 30 days after notice to the Borrower from the Funding Agent or the Required Lenders; or

(e) Holdings, the Borrower or any of its Subsidiaries shall (i) default in making any payment of any principal of any Indebtedness (including any Guarantee Obligation, but excluding the Loans) on the scheduled or original due date with respect thereto; or (ii) default in making any payment of any interest on any such Indebtedness beyond the period of grace, if any, provided in the instrument or agreement under which such Indebtedness was created; or (iii) default in the observance or performance of any other agreement or condition relating to any such Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or beneficiary of such Indebtedness (or a trustee or agent on behalf of such holder or beneficiary) to cause, with the giving of notice if required, such Indebtedness to become due prior to its stated maturity or (in the case of any such Indebtedness constituting a Guarantee Obligation) to become payable; provided, that a default, event or condition described in clause (i), (ii) or (iii) of this paragraph (e) shall not at any time constitute an Event of Default unless, at such time, one or more defaults, events or conditions of the type described in clauses (i), (ii) and (iii) of this paragraph (e) shall have occurred and be continuing with respect to Indebtedness the outstanding principal amount of which exceeds in the aggregate $50,000,000; or

(f) (i) Holdings, the Borrower or any of its Subsidiaries shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its assets, or Holdings, the Borrower or any of its Subsidiaries shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against Holdings, the Borrower or any of its Subsidiaries any case, proceeding or other action of a nature referred to in clause (i) above that (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismissed, undischarged or unbonded for a period of 60 days; or (iii) there shall be commenced against Holdings, the Borrower or any of its Subsidiaries any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets that results in the entry of an order for any such relief that shall not have been vacated, discharged, or stayed or bonded pending appeal within 60 days from the entry thereof; or (iv) Holdings, the Borrower or any of its Subsidiaries shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above; or (v) Holdings, the Borrower or any of its Subsidiaries shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or

(g) (i) any Person shall engage in any "prohibited transaction" (as defined in Section 406 of ERISA or Section 4975 of the Code) involving any Plan, (ii) any "accumulated funding deficiency" (as defined in Section 302 of ERISA), whether or not waived, shall exist with respect to any Plan or any Lien in favor of the PBGC or a Plan shall arise on the assets of the Borrower or any Commonly Controlled Entity, (iii) a Reportable Event shall occur with respect to, or proceedings shall commence to have a trustee appointed, or a trustee shall be appointed, to administer or to terminate, any Single Employer Plan, which Reportable Event or commencement of proceedings or appointment of a trustee is, in the reasonable opinion of the Required Lenders,

likely to result in the termination of such Plan for purposes of Title IV of ERISA, (iv) any Single Employer Plan shall terminate for purposes of Title IV of ERISA, (v) the Borrower or any Commonly Controlled Entity shall, or in the reasonable opinion of the Required Lenders is likely to, incur any liability in connection with a withdrawal from, or the Insolvency or Reorganization of, a Multiemployer Plan or (vi) any other event or condition shall occur or exist with respect to a Plan; and in each case in clauses (i) through (vi) above, such event or condition, together with all other such events or conditions, if any, could, in the sole judgment of the Required Lenders, reasonably be expected to have a Material Adverse Effect; or

(h) one or more judgments or decrees shall be entered against Holdings, the Borrower or any of its Subsidiaries involving in the aggregate a liability (to the extent not paid or fully covered by insurance as to which the relevant insurance company has acknowledged coverage) of $25,000,000 or more, and all such judgments or decrees shall not have been vacated, discharged, stayed or bonded pending appeal within 30 days from the entry thereof; or

(i) the Guarantee and Collateral Agreement shall cease, for any reason (other than the gross negligence or willful misconduct of the Funding Agent), to be in full force and effect, or any Loan Party or any Affiliate of any Loan Party shall so assert, or any Lien created by the Guarantee and Collateral Agreement shall cease to be enforceable and of the same effect and priority purported to be created thereby; or

(j) (i) the Paul Allen Group shall cease to have the power, directly or indirectly, to vote or direct the voting of Equity Interests having at least 51% (determined on a fully diluted basis) of the ordinary voting power for the management of Charter; (ii) the Paul Allen Group shall cease to own of record and beneficially, directly or indirectly, Equity Interests of Charter representing at least 51% (determined on a fully diluted basis) of the economic interests therein (provided that such percentage shall be reduced to 35% after the consummation of an Initial Public Offering); (iii) prior to the Marcus Combination the Paul Allen Group shall cease to own of record and beneficially, directly or indirectly, Equity Interests of Marcus representing at least 51% (determined on a fully diluted basis) of the economic interests therein (provided that such percentage shall be reduced to 35% after the consummation of an Initial Public Offering); (iv) a Specified Change of Control shall occur; or (v) the Borrower shall cease to be a direct Wholly Owned Subsidiary of Holdings; or

(k) any member of the Charter Group (other than the Borrower or any of its Subsidiaries) shall consummate an offering or sale of Equity Interests of any member of the Charter Group (excluding sales to other members of the Charter Group) without contributing 100% of the Net Cash Proceeds thereof to the Borrower within two Business Days after such member of the Charter Group receives such Net Cash Proceeds; or

(l) the Borrower or any of its Subsidiaries shall have received a notice of termination or suspension with respect to any of its CATV Franchises or CATV Systems from the FCC or any Governmental Authority or other franchising authority or the Borrower or any of its Subsidiaries or the grantors of any CATV Franchises or CATV Systems shall fail to renew such CATV Franchises or CATV Systems at the stated expiration thereof if the percentage represented by such CATV Franchises or CATV Systems and any other CATV Franchises or CATV Systems which are then so terminated, suspended or not renewed of Consolidated Operating Cash Flow for the 12-month period preceding the date of the termination, suspension or failure to renew, as the case may be, (giving pro forma effect to any acquisitions or Dispositions that have occurred since the beginning of such 12-month period as if such acquisitions or Dispositions had occurred at the beginning of such 12-month period), would exceed 10%, unless (i) an alternative CATV

Franchise or CATV System in form and substance reasonably satisfactory to the Required Lenders shall have been procured and come into effect prior to or concurrently with the termination or expiration date of such terminated, suspended or non-renewed CATV Franchise or CATV System or (ii) the Borrower or such Subsidiary continues to operate and retain the revenues received from such systems after the stated termination or expiration and is engaged in negotiations to renew or extend such franchise rights and obtains such renewal or extension within one year following the stated termination or expiration, provided that such negotiations have not been terminated by either party thereto, such franchise rights or the equivalent thereof have not been awarded on an exclusive basis to a third Person and no final determination (within the meaning of Section 635 of the Communications Act of 1934, as amended) has been made that the Borrower or such Subsidiary is not entitled to the renewal or extension thereof;

then, and in any such event, (A) if such event is an Event of Default specified in clause (i) or (ii) of paragraph (f) above with respect to the Borrower, automatically the Commitments shall immediately terminate and the Loans hereunder (with accrued interest thereon) and all other amounts owing under this Agreement and the other Loan Documents (including all amounts of L/C Obligations, whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented the documents required thereunder) shall immediately become due and payable, and (B) if such event is any other Event of Default, either or both of the following actions may be taken: (i) with the consent of the Required Lenders, the Funding Agent may, or upon the request of the Required Lenders, the Funding Agent shall, by notice to the Borrower declare the Revolving Commitments to be terminated forthwith, whereupon the Revolving Commitments shall immediately terminate; and (ii) with the consent of the Required Lenders, the Funding Agent may, or upon the request of the Required Lenders, the Funding Agent shall, by notice to the Borrower, declare the Loans hereunder (with accrued interest thereon) and all other amounts owing under this Agreement and the other Loan Documents (including all amounts of L/C Obligations, whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented the documents required thereunder) to be due and payable forthwith, whereupon the same shall immediately become due and payable. With respect to all Letters of Credit with respect to which presentment for honor shall not have occurred at the time of an acceleration pursuant to this paragraph, the Borrower shall at such time deposit in a cash collateral account opened by the Funding Agent an amount equal to the aggregate then undrawn and unexpired amount of such Letters of Credit. Amounts held in such cash collateral account shall be applied by the Funding Agent to the payment of drafts drawn under such Letters of Credit, and the unused portion thereof after all such Letters of Credit shall have expired or been fully drawn upon, if any, shall be applied to repay other obligations of the Borrower hereunder and under the other Loan Documents. After all such Letters of Credit shall have expired or been fully drawn upon, all Reimbursement Obligations shall have been satisfied and all other obligations of the Borrower hereunder and under the other Loan Documents shall have been paid in full, the balance, if any, in such cash collateral account shall be returned to the Borrower (or such other Person as may be lawfully entitled thereto). Except as expressly provided above in this Section, presentment, demand, protest and all other notices of any kind are hereby expressly waived by the Borrower.

SECTION 9. THE AGENTS

9.1 Appointment. Each Lender hereby irrevocably designates and appoints the Funding Agent as the agent of such Lender under this Agreement and the other Loan Documents, and each such Lender irrevocably authorizes the Funding Agent, in such capacity, to take such action on its behalf under the provisions of this Agreement and the other Loan Documents and to exercise such powers and perform such duties as are expressly delegated to the Funding Agent by the terms of this Agreement and the other Loan Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Funding Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship

with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against the Funding Agent.

9.2 Delegation of Duties. The Funding Agent may execute any of its duties under this Agreement and the other Loan Documents by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Funding Agent shall not be responsible for the negligence or misconduct of any agents or attorneys in-fact selected by it with reasonable care.

9.3 Exculpatory Provisions. Neither any Agent nor any of their respective officers, directors, employees, agents, attorneys-in-fact or affiliates shall be (i) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with this Agreement or any other Loan Document (except to the extent that any of the foregoing are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from its or such Person's own gross negligence or willful misconduct) or (ii) responsible in any manner to any of the Lenders for any recitals, statements, representations or warranties made by any Loan Party or any officer thereof contained in this Agreement or any other Loan Document or in any certificate, report, statement or other document referred to or provided for in, or received by the Agents under or in connection with, this Agreement or any other Loan Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document or for any failure of any Loan Party a party thereto to perform its obligations hereunder or thereunder. The Agents shall not be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Loan Document, or to inspect the properties, books or records of any Loan Party.

9.4 Reliance by Funding Agent. The Funding Agent shall be entitled to rely, and shall be fully protected in relying, upon any instrument, writing, resolution, notice, consent, certificate, affidavit, letter, telecopy, telex or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including counsel to Holdings or the Borrower), independent accountants and other experts selected by the Funding Agent. The Funding Agent may deem and treat the payee of any Note as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with the Funding Agent. The Funding Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Loan Document unless it shall first receive such advice or concurrence of the Required Lenders (or, if so specified by this Agreement, all Lenders) as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. The Funding Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the other Loan Documents in accordance with a request of the Required Lenders (or, if so specified by this Agreement, all Lenders), and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future holders of the Loans.

9.5 Notice of Default. The Funding Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder unless the Funding Agent has received notice from a Lender, Holdings or the Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default". In the event that the Funding Agent receives such a notice, the Funding Agent shall give notice thereof to the Lenders. The Funding Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders (or, if so specified by this Agreement, all Lenders);

provided that unless and until the Funding Agent shall have received such directions, the Funding Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Lenders.

9.6 Non-Reliance on Agents and Other Lenders. Each Lender expressly acknowledges that neither the Agents nor any of their respective officers, directors, employees, agents, attorneys-in-fact or affiliates have made any representations or warranties to it and that no act by any Agent hereinafter taken, including any review of the affairs of a Loan Party or any affiliate of a Loan Party, shall be deemed to constitute any representation or warranty by any Agent to any Lender. Each Lender represents to the Agents that it has, independently and without reliance upon any Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Loan Parties and their affiliates and made its own decision to make its Loans hereunder and enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon any Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Loan Parties and their affiliates. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Funding Agent hereunder, the Funding Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or creditworthiness of any Loan Party or any affiliate of a Loan Party that may come into the possession of the Funding Agent or any of its officers, directors, employees, agents, attorneys-in-fact or affiliates.

9.7 Indemnification. The Lenders agree to indemnify each Agent in its capacity as such (to the extent not reimbursed by Holdings or the Borrower and without limiting the obligation of Holdings or the Borrower to do so), ratably according to their respective Aggregate Exposure Percentages in effect on the date on which indemnification is sought under this Section (or, if indemnification is sought after the date upon which the Commitments shall have terminated and the Loans shall have been paid in full, ratably in accordance with such Aggregate Exposure Percentages immediately prior to such date), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever that may at any time (whether before or after the payment of the Loans) be imposed on, incurred by or asserted against such Agent in any way relating to or arising out of, the Commitments, this Agreement, any of the other Loan Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by such Agent under or in connection with any of the foregoing; provided that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements that are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from such Agent's gross negligence or willful misconduct. The agreements in this Section shall survive the payment of the Loans and all other amounts payable hereunder.

9.8 Agent in Its Individual Capacity. Each Agent and its affiliates may make loans to, accept deposits from and generally engage in any kind of business with any Loan Party as though such Agent was not an Agent. With respect to its Loans made or renewed by it and with respect to any Letter of Credit issued or participated in by it, each Agent shall have the same rights and powers under this Agreement and the other Loan Documents as any Lender and may exercise the same as though it were not an Agent, and the terms "Lender" and "Lenders" shall include each Agent in its individual capacity.

9.9 Successor Funding Agent. The Funding Agent may resign as Funding Agent upon 30 days' written notice to the Lenders and the Borrower. If the Funding Agent shall resign as Funding Agent under this Agreement and the other Loan Documents, then the Required Lenders shall appoint from among the Lenders a successor agent for the Lenders, which successor agent shall (unless an Event of Default under Section 8(a) or Section 8(f) with respect to the Borrower shall have occurred and be continuing) be subject to approval by the Borrower (which approval shall not be unreasonably withheld or delayed), whereupon such successor agent shall succeed to the rights, powers and duties of the Funding Agent, and the term "Funding Agent" shall mean such successor agent effective upon such appointment and approval, and the former Funding Agent's rights, powers and duties as Funding Agent shall be terminated, without any other or further act or deed on the part of such former Funding Agent or any of the parties to this Agreement or any holders of the Loans. If no successor agent has accepted appointment as Funding Agent by the date that is 30 days following a retiring Funding Agent's notice of resignation, the retiring Funding Agent's resignation shall nevertheless thereupon become effective and the other Administrative Agent or, in the case of any resignation of such other Administrative Agent in its capacity as Funding Agent (which shall also be subject to the 30 day notice requirement described above), the Lenders, shall assume and perform all of the duties of the Funding Agent hereunder until such time, if any, as the Required Lenders appoint a successor agent as provided for above. After any retiring Funding Agent's resignation as Funding Agent, the provisions of this Section 9 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Funding Agent under this Agreement and the other Loan Documents.

9.10 Other Agents. Notwithstanding any provision to the contrary elsewhere in this Agreement (including the circumstance that the Administrative Agents shall have certain rights regarding notification, consents and other matters, to the extent expressly provided herein), no Agent other than the Funding Agent shall have any duties or responsibilities hereunder or under any other Loan Document, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against any Agent.

SECTION 10. MISCELLANEOUS

10.1 Amendments and Waivers. Neither this Agreement, any other Loan Document, nor any terms hereof or thereof may be amended, supplemented or modified except in accordance with the provisions of this Section 10.1. The Required Lenders and each Loan Party party to the relevant Loan Document may, or, with the written consent of the Required Lenders, the Administrative Agents and each Loan Party party to the relevant Loan Document may, from time to time, (a) enter into written amendments, supplements or modifications hereto and to the other Loan Documents for the purpose of adding any provisions to this Agreement or the other Loan Documents or changing in any manner the rights of the Lenders or of the Loan Parties hereunder or thereunder or (b) waive, on such terms and conditions as the Required Lenders or the Administrative Agents, as the case may be, may specify in such instrument, any of the requirements of this Agreement or the other Loan Documents or any Default or Event of Default and its consequences; provided, however, that no such waiver and no such amendment, supplement or modification shall (i) forgive the principal amount or extend the final scheduled date of maturity of any Loan, extend the scheduled date of any amortization payment in respect of any Term Loan, reduce the stated rate of any interest or fee payable hereunder or extend the scheduled date of any payment thereof, or increase the amount or extend the expiration date of any Lender's Commitment, in each case without the consent of each Lender directly affected thereby; (ii) eliminate or reduce any voting rights under this Section 10.1 or reduce any percentage specified in the definition of Required Lenders, consent to the assignment or transfer by the Borrower of any of its rights and obligations under this Agreement and the other Loan Documents, release all or substantially all of the Collateral or release any material Guarantor from its obligations under the Guarantee and

Collateral Agreement (in each case except in connection with Dispositions consummated or approved in accordance with the other terms of this Agreement), in each case without the written consent of all Lenders; (iii) reduce the percentage specified in the definition of Majority Facility Lenders with respect to any Facility without the written consent of all Lenders under such Facility; (iv) amend, modify or waive any provision of Section 9 without the written consent of each affected Agent; (vii) amend, modify or waive any provision of Section 2.4 or 2.5 without the written consent of the Swingline Lender; or (viii) amend, modify or waive any provision of Section 3 without the written consent of each affected Issuing Lender. Any such waiver and any such amendment, supplement or modification shall apply equally to each of the Lenders and shall be binding upon the Loan Parties, the Lenders, the Agents and all future holders of the Loans. In the case of any waiver, the Loan Parties, the Lenders and the Agents shall be restored to their former position and rights hereunder and under the other Loan Documents, and any Default or Event of Default waived shall be deemed to be cured and not continuing; but no such waiver shall extend to any subsequent or other Default or Event of Default, or impair any right consequent thereon.

10.2 Notices. All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by telecopy), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered, or three Business Days after being deposited in the mail, postage prepaid, or, in the case of telecopy notice, when received, addressed as follows in the case of Holdings, the Borrower, the Administrative Agents and the Funding Agent, and as set forth in an administrative questionnaire delivered to the Funding Agent in the case of the Lenders, or to such other address as may be hereafter notified by the respective parties hereto:

Any Loan Party:	c/o Charter Communications Holdings LLC 12444 Powerscourt Drive, Suite 400 St. Louis, Missouri 63131 Attention: Kent D. Kalkwarf Telecopy: (314) 965-8793 Telephone: (314) 543-2309
with a copy to:	Paul, Hastings, Janofsky & Walker LLP 600 Peachtree Street, N.E., Suite 2400 Atlanta, Georgia 30308 Attention: Kevin Conboy, Esq. Telecopy: (404) 815-2444 Telephone: (404) 815-2211
The Administrative Agents:	NationsBank, N.A. 901 Main Street Dallas, Texas 75202 Attention: Jennifer Zydney Telecopy: (214) 508-9390 Telephone: (214) 508-2752
with a copy to:	901 Main Street Dallas, TX 75202 Attention: Richard Peck Telecopy: (214) 508-9390 Telephone: (214) 508-2576
	The Chase Manhattan Bank

One Chase Manhattan Plaza
New York, New York 10081
Attention: Janet Belden
Telecopy: (212) 552-5658
Telephone: (212) 552-7277

The Funding Agent: NationsBank, N.A.
901 Main Street
Dallas, Texas 75202
Attention: Ruth DelaGarza
Telecopy: (214) 508-2118
Telephone: (214) 508-0989

provided that any notice, request or demand to or upon the Funding Agent, the Administrative Agents or the Lenders shall not be effective until received.

10.3 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of any Agent or any Lender, any right, remedy, power or privilege hereunder or under the other Loan Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

10.4 Survival of Representations and Warranties. All representations and warranties made hereunder, in the other Loan Documents and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the making of the Loans and other extensions of credit hereunder.

10.5 Payment of Expenses and Taxes. The Borrower agrees (a) to pay or reimburse each Administrative Agent for all its reasonable out-of-pocket costs and expenses incurred in connection with the development, preparation and execution of, and any amendment, supplement or modification to, this Agreement and the other Loan Documents and any other documents prepared in connection herewith or therewith, and the consummation and administration of the transactions contemplated hereby and thereby, including the reasonable fees and disbursements of one firm of counsel to the Administrative Agents and filing and recording fees and expenses, with statements with respect to the foregoing to be submitted to the Borrower prior to the Stage One Closing Date (in the case of amounts to be paid on the Stage One Closing Date) and from time to time thereafter on a quarterly basis or such other periodic basis as the Administrative Agents shall deem appropriate, (b) to pay or reimburse each Lender and each Agent for all its costs and expenses incurred in connection with the enforcement or preservation of any rights under this Agreement, the other Loan Documents and any such other documents, including the fees and disbursements of one firm of counsel selected by the Funding Agent and reasonably acceptable to the Administrative Agent that is not acting as Funding Agent (or, in the event that such Administrative Agent determines in good faith that issues apply to it that are not applicable to the Funding Agent or, with respect to an issue as to which another counsel is proposed to be engaged, that its interests are different from those of the Funding Agent, one additional firm of counsel selected by such Administrative Agent), together with any special or local counsel, to the Administrative Agents and not more than one other firm of counsel to the Lenders, (c) to pay, indemnify, and hold each Lender and each Agent harmless from, any and all recording and filing fees and any and all liabilities with respect to, or resulting from any delay in paying, stamp, excise and other taxes, if any, that may be payable or determined to be payable in connection with the execution and delivery of, or consummation or administration of any of the

transactions contemplated by, or any amendment, supplement or modification of, or any waiver or consent under or in respect of, this Agreement, the other Loan Documents and any such other documents, and (d) to pay, indemnify, and hold each Lender, each Agent, their affiliates and their respective officers, directors, trustees, employees, agents and controlling persons (each, an "Indemnitee") harmless from and against any and all other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Agreement, the other Loan Documents and any such other documents, including any of the foregoing relating to the use of proceeds of the Loans or the violation of, noncompliance with or liability under, any Environmental Law applicable to the operations of Holdings, the Borrower any of its Subsidiaries or any of the Properties and the reasonable fees and expenses of legal counsel in connection with claims, actions or proceedings by any Indemnitee against any Loan Party under any Loan Document (all the foregoing in this clause (d), collectively, the "Indemnified Liabilities"), provided, that the Borrower shall have no obligation hereunder to any Indemnitee with respect to Indemnified Liabilities to the extent such Indemnified Liabilities are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of such Indemnitee. Without limiting the foregoing, and to the extent permitted by applicable law, the Borrower agrees not to assert and to cause its Subsidiaries not to assert, and hereby waives and agrees to cause its Subsidiaries to so waive, all rights for contribution or any other rights of recovery with respect to all claims, demands, penalties, fines, liabilities, settlements, damages, costs and expenses of whatever kind or nature, under or related to Environmental Laws, that any of them might have by statute or otherwise against any Indemnitee. All amounts due under this Section 10.5 shall be payable not later than 15 days after written demand therefor. Statements payable by the Borrower pursuant to this Section 10.5 shall be submitted to Kent Kalkwarf (Telephone No. 314-543-2309) (Telecopy No. 314-965-8793), at the address of the Borrower set forth in Section 10.2, or to such other Person or address as may be hereafter designated by the Borrower in a written notice to the Administrative Agents. The agreements in this Section 10.5 shall survive repayment of the Loans and all other amounts payable hereunder.

10.6 Successors and Assigns; Participations and Assignments. (a) This Agreement shall be binding upon and inure to the benefit of Holdings, the Borrower, the Lenders, the Agents, all future holders of the Loans and their respective successors and assigns, except that the Borrower may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of each Lender.

(b) Any Lender may, without the consent of the Borrower or the Funding Agent, in accordance with applicable law, at any time sell to one or more banks, financial institutions or other entities (each, a "Participant") participating interests in any Loan owing to such Lender, any Commitment of such Lender or any other interest of such Lender hereunder and under the other Loan Documents. In the event of any such sale by a Lender of a participating interest to a Participant, such Lender's obligations under this Agreement to the other parties to this Agreement shall remain unchanged, such Lender shall remain solely responsible for the performance thereof, such Lender shall remain the holder of any such Loan for all purposes under this Agreement and the other Loan Documents, and the Borrower and the Agents shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and the other Loan Documents. In no event shall any Participant under any such participation have any right to approve any amendment or waiver of any provision of any Loan Document, or any consent to any departure by any Loan Party therefrom, except to the extent that such amendment, waiver or consent would reduce the principal of, or interest on, the Loans or any fees payable hereunder, or postpone the date of the final maturity of the Loans, in each case to the extent subject to such participation. The Borrower agrees that if amounts outstanding under this Agreement and the Loans are due or unpaid, or shall have been declared or shall have become due and payable upon the occurrence of an Event of Default, each Participant shall, to the maximum extent

permitted by applicable law, be deemed to have the right of setoff in respect of its participating interest in amounts owing under this Agreement to the same extent as if the amount of its participating interest were owing directly to it as a Lender under this Agreement, provided that, in purchasing such participating interest, such Participant shall be deemed to have agreed to share with the Lenders the proceeds thereof as provided in Section 10.7(a) as fully as if it were a Lender hereunder. The Borrower also agrees that each Participant shall be entitled to the benefits of Sections 2.16, 2.17 and 2.18 with respect to its participation in the Commitments and the Loans outstanding from time to time as if it was a Lender; provided that, in the case of Section 2.17, such Participant shall have complied with the requirements of said Section and provided, further, that no Participant shall be entitled to receive any greater amount pursuant to any such Section than the transferor Lender would have been entitled to receive in respect of the amount of the participation transferred by such transferor Lender to such Participant had no such transfer occurred.

(c) Any Lender (an "Assignor") may, in accordance with applicable law, at any time and from time to time assign to any Lender, any affiliate of any Lender or any Approved Fund or, with the consent of the Borrower and the Funding Agent (which, in each case, shall not be unreasonably withheld or delayed), to an additional bank, financial institution or other entity (an "Assignee") all or any part of its rights and obligations under this Agreement pursuant to an Assignment and Acceptance, executed by such Assignee, such Assignor and any other Person whose consent is required pursuant to this paragraph, and delivered to the Funding Agent for its acceptance and recording in the Register; provided that, except in the case of an assignment of all of a Lender's interests under this Agreement, no such assignment to an Assignee (other than any Lender, any affiliate of any Lender or any Approved Fund) shall (i) be in an aggregate principal amount of less than $5,000,000 or (ii) cause the Assignor to have Aggregate Exposure of less than $3,000,000, in each case unless otherwise agreed by the Borrower and the Funding Agent. For purposes of clauses (i) and (ii) of the preceding sentence, the amounts described therein shall be aggregated in respect of each Lender and its related Approved Funds, if any. Any such assignment need not be ratable as among the Facilities. Upon such execution, delivery, acceptance and recording, from and after the effective date determined pursuant to such Assignment and Acceptance, (x) the Assignee thereunder shall be a party hereto and, to the extent provided in such Assignment and Acceptance, have the rights and obligations of a Lender hereunder with a Commitment and/or Loans as set forth therein, and (y) the Assignor thereunder shall, to the extent provided in such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of an Assignor's rights and obligations under this Agreement, such Assignor shall cease to be a party hereto). Notwithstanding any provision of this Section 10.6, the consent of the Borrower shall not be required for any assignment that occurs when an Event of Default pursuant to Section 8(a) or 8(f) shall have occurred and be continuing. On the effective date of any Assignment and Acceptance, the Funding Agent shall give notice of the terms thereof to the Administrative Agent that is not serving as Funding Agent.

(d) The Funding Agent shall, on behalf of the Borrower, maintain at its address referred to in Section 10.2 a copy of each Assignment and Acceptance delivered to it and a register (the "Register") for the recordation of the names and addresses of the Lenders and the Commitment of, and the principal amount of the Loans owing to, each Lender from time to time. The entries in the Register shall be conclusive, in the absence of manifest error, and the Borrower, each other Loan Party, the Agents and the Lenders shall treat each Person whose name is recorded in the Register as the owner of the Loans and any Notes evidencing the Loans recorded therein for all purposes of this Agreement. Any assignment of any Loan, whether or not evidenced by a Note, shall be effective only upon appropriate entries with respect thereto being made in the Register (and each Note shall expressly so provide). Any assignment or transfer of all or part of a Loan evidenced by a Note shall be registered on the Register only upon surrender for registration of assignment or transfer of the Note evidencing such Loan, accompanied by a duly executed Assignment and Acceptance, and thereupon one or more new Notes

shall be issued to the designated Assignee. The Funding Agent will promptly send a copy of the Register to the Borrower upon request.

(e) Upon its receipt of an Assignment and Acceptance executed by an Assignor, an Assignee and any other Person whose consent is required by Section 10.6(c), together with payment to the Funding Agent of a registration and processing fee of $3,500, the Funding Agent shall (i) promptly accept such Assignment and Acceptance and (ii) record the information contained therein in the Register on the effective date determined pursuant thereto.

(f) For avoidance of doubt, the parties to this Agreement acknowledge that the provisions of this Section 10.6 concerning assignments relate only to absolute assignments and that such provisions do not prohibit assignments creating security interests, including any pledge or assignment by a Lender of any Loan to any Federal Reserve Bank in accordance with applicable law.

10.7 Adjustments; Set-off. (a) Except to the extent that this Agreement expressly provides for payments to be allocated to a particular Lender or to the Lenders under a particular Facility, if any Lender (a "Benefitted Lender") shall receive any payment of all or part of the amounts owing to it hereunder, or receive any collateral in respect thereof (whether voluntarily or involuntarily, by set-off, pursuant to events or proceedings of the nature referred to in Section 8(f), or otherwise), in a greater proportion than any such payment to or collateral received by any other Lender, if any, in respect of the amounts owing to such other Lender hereunder, such Benefitted Lender shall purchase for cash from the other Lenders a participating interest in such portion of the amounts owing to each such other Lender hereunder, or shall provide such other Lenders with the benefits of any such collateral, as shall be necessary to cause such Benefitted Lender to share the excess payment or benefits of such collateral ratably with each of the Lenders; provided, however, that if all or any portion of such excess payment or benefits is thereafter recovered from such Benefitted Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest.

(b) In addition to any rights and remedies of the Lenders provided by law, each Lender shall have the right, without prior notice to Holdings or the Borrower, any such notice being expressly waived by Holdings and the Borrower to the extent permitted by applicable law, upon any amount becoming due and payable by Holdings or the Borrower hereunder (whether at the stated maturity, by acceleration or otherwise), to set off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Lender or any branch or agency thereof to or for the credit or the account of Holdings or the Borrower, as the case may be. Each Lender agrees promptly to notify the Borrower and the Funding Agent after any such setoff and application made by such Lender, provided that the failure to give such notice shall not affect the validity of such setoff and application.

10.8 Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Agreement by facsimile transmission shall be effective as delivery of a manually executed counterpart hereof. A set of the copies of this Agreement signed by all the parties shall be lodged with the Borrower and the Administrative Agents.

10.9 Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or

unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

10.10 Integration. This Agreement and the other Loan Documents represent the agreement of Holdings, the Borrower, the Agents and the Lenders with respect to the subject matter hereof, and there are no promises, undertakings, representations or warranties by the any Agent or any Lender relative to subject matter hereof not expressly set forth or referred to herein or in the other Loan Documents.

10.11 GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

10.12 Submission To Jurisdiction; Waivers. Each of Holdings and the Borrower hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Loan Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the courts of the State of New York, the courts of the United States for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to Holdings or the Borrower, as the case may be at its address set forth in Section 10.2 or at such other address of which the Funding Agent shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section any special, exemplary, punitive or consequential damages.

10.13 Acknowledgments. Each of Holdings and the Borrower hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Loan Documents;

(b) neither any Agent nor any Lender has any fiduciary relationship with or duty to Holdings or the Borrower arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between the Agents and Lenders, on one hand, and

Holdings and the Borrower, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby among the Agents and the Lenders or among Holdings, the Borrower and the Agents and the Lenders.

10.14 Releases of Guarantees and Liens. (a) Notwithstanding anything to the contrary contained herein or in any other Loan Document, the Funding Agent is hereby irrevocably authorized by each Lender (without requirement of notice to or consent of any Lender except as expressly required by Section 10.1) to take any action requested by the Borrower having the effect of releasing any Collateral or Guarantee Obligations (i) to the extent necessary to permit consummation of any transaction not prohibited by any Loan Document or that has been approved in accordance with Section 10.1 or (ii) under the circumstances described in paragraph (b) below.

(b) At such time as the Loans, the Reimbursement Obligations and the other obligations under the Loan Documents (other than obligations under or in respect of Hedge Agreements or letters of credit obtained other than pursuant to this Agreement) shall have been paid in full, the Commitments have been terminated and no Letters of Credit shall be outstanding, the Collateral shall be released from the Liens created by the Guarantee and Collateral Agreement, and the Guarantee and Collateral Agreement and all obligations (other than those expressly stated to survive such termination) of the Funding Agent and each Loan Party under the Guarantee and Collateral Agreement shall terminate, all without delivery of any instrument or performance of any act by any Person.

10.15 Confidentiality. Each Agent and each Lender agrees to keep confidential all non-public information provided to it by any Loan Party pursuant to this Agreement that is designated by such Loan Party as confidential; provided that nothing herein shall prevent any Agent or any Lender from disclosing any such information (a) to any Agent, any Lender or any affiliate of any Lender or any Approved Fund, (b) to any Transferee or prospective Transferee that agrees to comply with the provisions of this Section, (c) to its employees, directors, agents, attorneys, accountants and other professional advisors or those of any of its affiliates who have a need to know, (d) upon the request or demand of any Governmental Authority, (e) in response to any order of any court or other Governmental Authority or as may otherwise be required pursuant to any Requirement of Law, (f) if requested or required to do so in connection with any litigation or similar proceeding, (g) that has been publicly disclosed, (h) any nationally recognized rating agency that requires access to information about a Lender's investment portfolio in connection with ratings issued with respect to such Lender, or (i) in connection with the exercise of any remedy hereunder or under any other Loan Document.

10.16 WAIVERS OF JURY TRIAL. HOLDINGS, THE BORROWER, THE AGENTS AND THE LENDERS HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

CHARTER COMMUNICATIONS HOLDINGS LLC

By: /s/ Eloise A. Engman
____
Name: Eloise A. Engman
Title: Vice President

CHARTER COMMUNICATIONS OPERATING, LLC

By: /s/ Eloise A. Engman
____
Name: Eloise A. Engman
Title: Vice President

MARCUS CABLE COMPANY, L.L.C.

By: Marcus Cable Properties, L.L.C.
Its: Manager

By: Marcus Cable Properties, Inc.
Its: Manager

By: /s/ Marcy Lifton
____
Name: Marcy Lifton
Title: Senior Vice President

MARCUS CABLE OPERATING COMPANY, L.L.C.

By: Marcus Cable Company, L.L.C.
Its: Member

By: Marcus Cable Properties, L.L.C.
Its: Manager

By: Marcus Cable Properties, Inc.
Its: Manager

By: /s/ Marcy Lifton
____
Name: Marcy Lifton
Title: Senior Vice President

The Administrative Agents:

NATIONSBANK, N.A.

By: /s/ Jennifer F. Zydney
____
Name: Jennifer F. Zydney
Title: Vice President

THE CHASE MANHATTAN BANK

By: /s/ Laurie P. Perper
____
Name: Laurie P. Perper
Title: Vice President

The Syndication Agents:

CHASE SECURITIES INC.

By: /s/ Peter Hooker
____
Name: Peter Hooker
Title: Vice President

NATIONSBANC MONTGOMERY SECURITIES LLC

By: /s/ Barbara P. Jorgensen
____
Name: Barbara P. Jorgensen
Title: Principal

TD SECURITIES (USA) INC.

By: /s/ Amy G. Josephson
____
Name: Amy G. Josephson
Title: Vice President and Director

The Documentation Agents:

TORONTO DOMINION (TEXAS), INC.

By: /s/ Lynn Chasin

Name: Lynn Chasin
Title: Vice President

FLEET BANK, N.A.

By: /s/ Tanya M. Crossley

Name: Tanya M. Crossley
Title: Vice President

CREDIT LYONNAIS NEW YORK BRANCH

By: /s/ Mark D. Thorsheim

Name: Mark D. Thorsheim
Title: Vice President

The Funding Agent:

NATIONSBANK, N.A.

By: /s/ Jennifer F. Zydney

Name: Jennifer F. Zydney
Title: Vice President

Annex A

PRICING GRID

Consolidated Leverage Ratio	Applicable Margin for Eurodollar Loans		Applicable Margin for ABR Loans		Commitment Fee Rate
	A/RC	B	A/RC	B	
Greater than 4.50 to 1.0	2.25%	2.75%	1.25%	1.75%	0.375%
Greater than 4.00 to 1.0 but less than or equal to 4.50 to 1.0	2.00%	2.50%	1.00%	1.50%	0.375%
Greater than 3.00 to 1.0 but less than or equal to 4.00 to 1.0	1.75%	2.50%	0.75%	1.50%	0.375%
Greater than 2.50 to 1.0 but less than or equal to 3.00 to 1.0	1.625%	2.50%	0.625%	1.50%	0.375%
Less than or equal to 2.50 to 1.0	1.50%	2.25%	0.50%	1.25%	0.250%

As used above, (a) "A/RC" refers to Tranche A Term Loans, Revolving Loans and Swingline Loans and (b) "B" refers to Tranche B Term Loans.

Until December 31, 2000 (the "Full Grid Date"), rates corresponding to a Consolidated Leverage Ratio of less than or equal to 3.00 to 1.0 will not be available. From and after the Full Grid Date, each of the Applicable Margins referred to in the Pricing Grid (but not the Commitment Fee Rate) will be reduced by 0.25% per annum if the Consolidated Interest Coverage Ratio (determined from time to time as provided in the next paragraph) is greater than or equal to 2.15 to 1.0, provided that, in the case of Tranche B Term Loans, in no event shall the Applicable Margin be less than 2.25% (in the case of Eurodollar Loans) and 1.25% (in the case of ABR Loans), respectively.

Changes in the Applicable Margin or in the Commitment Fee Rate resulting from changes in the Consolidated Leverage Ratio and the Consolidated Interest Coverage Ratio shall become effective on the date (the "Adjustment Date") on which financial statements are delivered to the Lenders pursuant to Section 6.1 (but in any event not later than the 45th day after the end of each of the first three quarterly periods of each fiscal year or the 90th day after the end of each fiscal year, as the case may be) and shall remain in effect until the next change to be effected pursuant to this paragraph. If applicable, effective on the Full Grid Date, the rates in the Pricing Grid shall be reset based on the financial statements for the fiscal quarter ending September 30, 2000 delivered pursuant to Section 6.1. Until financial statements are first delivered pursuant to Section 6.1 after the Stage One Closing Date, the Consolidated Leverage Ratio for the purposes of the Pricing Grid shall be the Consolidated Leverage Ratio set forth in the certificate of the Borrower delivered pursuant to Section 5.1(h). If any financial statements referred to above are not delivered within the time periods specified above, then, until such financial statements are delivered, the highest rates referred to in the Pricing Grid shall be applicable. In addition, the highest rates referred to in the Pricing Grid shall be applicable at all times while an Event of Default shall have occurred and be continuing. Each determination of the Consolidated Leverage Ratio and the Consolidated Interest Coverage Ratio pursuant to the Pricing Grid shall be made in the manner contemplated by Section 7.1.

Schedule 4.1

CERTAIN FINANCIAL STATEMENTS

CHARTER COMMUNICATIONS HOLDINGS, LLC:

Report of Arthur Andersen LLP

Combined Balance Sheets as of December 31, 1998 and 1997

Combined Statements of Operations for the Period From December 24, 1998 Through December 31, 1998* and January 1, 1998 Through December 23, 1998 and for the Years Ended December 31, 1997 and 1996

Combined Statements of Cash Flows for the Period From December 24, 1998 Through December 31, 1998* and January 1, 1998 through December 23, 1998 and for the Years Ended December 31, 1997 and 1996

Notes to Combined Financial Statements

* For the period from December 24, 1998 through December 31, 1998, Charter Holdings consolidates the operations of the successors-in-interest to the CCA Group and to CharterComm Holdings, L.P.

CCA GROUP (consisting of CCA Holdings Corp., CCT Holdings Corp. and Charter Communications Long Beach, Inc.):

Report of Arthur Andersen LLP

Combined Balance Sheets as of December 31, 1997

Combined Statements of Operations for the Period From January 1, 1998 Through December 23, 1998 and for the Years Ended December 31, 1997 and 1996

Combined Statements of Operations for the Period From January 1, 1998 Through December 23, 1998 and for the Years Ended December 31, 1997 and 1996

Notes to Combined Financial Statements

CHARTERCOMM HOLDINGS, L.P.:

Report of Arthur Andersen LLP

Consolidated Balance Sheet as of December 31, 1997

Consolidated Statements of Operations for the Period From January 1, 1998 Through December 23, 1998 and for the Years Ended December 31, 1997 and 1996

Consolidated Statements of Cash Flows for the Period From January 1, 1998 Through December 23, 1998 and for the Years Ended December 31, 1997 and 1996

Notes to Consolidated Financial Statements

MARCUS CABLE COMPANY, L.L.C. AND SUBSIDIARIES:

Report of KPMG LLP

Consolidated Balance Sheets as of December 31, 1998, 1997 and 1996

Consolidated Statements of Operations for the Periods From April 23 to December 31, 1998 and January 1 to April 22, 1998 and for the Years in the Two-Year Period Ended December 31, 1997

Consolidated Statements of Cash Flows for Periods from April 23, 1998 to December 31, 1998 and January 1, 1998 Through to April 22, 1998 and for the Years Ended December 31, 1997 and 1996

Exhibit 12.1

PREDECESSOR OF CHARTER COMMUNICATIONS HOLDINGS, LLC
RATIO OF EARNINGS TO FIXED CHARGES CALCULATION
(In Thousands, Except Ratios)

Earnings	1994	1/1/95 through 9/30/95
Income from Continuing Operations Before Income Taxes	$ 749	$ 420
Fixed Charges	17	13
Earnings	$ 766	$ 433
Fixed Charges		
Interest Expense	$ --	$ --
Amortization of Debt Costs	--	--
Interest Element of Rentals	17	13
Total Fixed Charges	$ 17	$ 13
Ratio of Earnings to Fixed Charges	45.14	34.00

Exhibit 12.2

CHARTER COMMUNICATIONS HOLDINGS, LLC
RATIO OF EARNINGS TO FIXED CHARGES CALCULATION
(In Thousands, Except Ratios)

Earnings	10/1/95 through 12/31/95	1996	1997	1/1/98 through 12/23/98	12/24/98 through 12/31/98
Loss from Continuing Operations Before Income Taxes	$ (531)	$ (2,723)	$ (4,623)	$(17,222)	$ (8,724)
Fixed Charges	698	4,442	5,283	17,614	5,088
Earnings	$ 167	$ 1,719	$ 660	$ 392	$ (3,636)
Fixed Charges					
Interest Expense	$ 691	$ 4,415	$ 5,120	$ 17,277	$ 5,051
Amortization of Debt Costs	--	--	123	267	--
Interest Element of Rentals	7	27	40	70	37
Total Fixed Charges	$ 698	$ 4,442	$ 5,283	$ 17,614	$ 5,088
Ratio of Earnings to Fixed Charges (1)	--	--	--	--	--

(1) Earnings for the period from October 1, 1995 through December 31, 1995 and the years ended December 31, 1996 and 1997, were insufficient to cover fixed charges by $531, $2,723, and $4,623, respectively. Earnings for the periods from January 1, 1998 through December 23, 1998, and the period from December 24, 1998 through December 31, 1998, were insufficient to cover fixed charges by $17,222 and $8,724. As a result of such deficiencies, the ratios are not presented above.

EXHIBIT 21.1

SUBSIDIARIES

Charter Communications Holdings, LLC:

Charter Communications Holdings Capital Corporation
Charter Communications Operating, LLC
Charter Communications Properties LLC
Cencom Cable Entertainment, LLC
Charter Communications Entertainment, LLC
Charter Communications Entertainment II, LLC
American Cable Entertainment Company, LLC
Charter Communications Entertainment I, LLC
Cable Advertising of St. Louis, L.L.C.
Long Beach, LLC
Charter Communications Services, LLC
Charter Cable Operating Company, LLC
Marcus Cable Partners, L.L.C.
Marcus Cable, Inc.
Marcus Cable Associates, L.L.C.
Marcus Cable of Alabama, L.L.C.
Marcus Fiberlink, L.L.C.
Charter Communications, LLC
Peachtree Cable TV, LLC
Peachtree Cable TV, L.P.
CF Finance LaGrange, Inc.
Charter-LaGrange, L.L.C.
Charter RMG, LLC
Renaissance Media Group, LLC
Renaissance Media Capital Corporation
Renaissance Media (Tennessee), LLC
Renaissance Media (Louisiana), LLC
Renaissance Media, LLC
Charter-Helicon, LLC

Charter Communications Holdings Capital Corporation:

None

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

JUNE 18, 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.

/s/ KPMG LLP

Dallas, Texas

June 18, 1999

Exhibit 23.4

CONSENT OF INDEPENDENT AUDITORS

We consent 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. 2 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

June 18, 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

June 18, 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 Prospectus.

/s/ PRICEWATERHOUSECOOPERS LLP

San Francisco, California

June 18, 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, LLLP, and Rifkin Cable Income Partners LP for the year ended December, 31, 1998.

/s/ PRICEWATERHOUSECOOPERS LLP

Denver, Colorado

June 18, 1999

Exhibit 23.8

CONSENT OF INDEPENDENT AUDITORS

We consent 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. 2 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

June 18, 1999

Exhibit 23.9

CONSENT OF INDEPENDENT AUDITORS

We consent 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. 2 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

June 18, 1999

Exhibit 23.10

CONSENT OF INDEPENDENT AUDITORS

We consent 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. 2 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

June 18, 1999

Exhibit 25.1

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM T-1

Statement of Eligibility
Under the Trust Indenture Act of 1939
of a Corporation Designated to Act as Trustee

Check if an Application to Determine Eligibility
of a Trustee Pursuant to Section 305(b)(2) ______

HARRIS TRUST AND SAVINGS BANK
(Name of Trustee)

Illinois	36-1194448
(State of Incorporation)	(I.R.S. Employer Identification No.)

111 West Monroe Street, Chicago, Illinois 60603 (Address of
principal executive offices)

Judith Bartolini, Harris Trust and Savings Bank,
311 West Monroe Street, Chicago, Illinois, 60606
312-461-2527 phone 312-461-3525 facsimile
(Name, address and telephone number for agent for service)

CHARTER COMMUNICATIONS HOLDINGS LLC
CHARTER COMMUNICATIONS HOLDINGS CAPITAL CORPORATION
(Obligors)

Delaware	43-1843179
Delaware	43-1843177
(State of Incorporation)	(I.R.S. Employer Identification No.)

12444 Powerscourt Drive Suite 400
St Louis MO 63131
(Address of principal executive offices)

8.25% Senior Notes due 2007
8.625% Senior Notes due 2009
9.92% Senior Discount Notes due 2011

(Title of indenture securities)

1. GENERAL INFORMATION. Furnish the following information as to the Trustee:

(a) Name and address of each examining or supervising authority to which it is subject.

Commissioner of Banks and Trust Companies, State of Illinois, Springfield, Illinois; Chicago Clearing House Association, 164 West Jackson Boulevard, Chicago, Illinois; Federal Deposit Insurance Corporation, Washington, D.C.; The Board of Governors of the Federal Reserve System, Washington, D.C.

(b) Whether it is authorized to exercise corporate trust powers.

Harris Trust and Savings Bank is authorized to exercise corporate trust powers.

2. AFFILIATIONS WITH OBLIGOR. If the Obligor is an affiliate of the Trustee, describe each such affiliation.

The Obligor is not an affiliate of the Trustee.

3. through 15.

NO RESPONSE NECESSARY

16. LIST OF EXHIBITS.

1. A copy of the articles of association of the Trustee as now in effect which includes the authority of the trustee to commence business and to exercise corporate trust powers.

   A copy of the Certificate of Merger dated April 1, 1972 between Harris Trust and Savings Bank, HTS Bank and Harris Bankcorp, Inc. which constitutes the articles of association of the Trustee as now in effect and includes the authority of the Trustee to commence business and to exercise corporate trust powers was filed in connection with the Registration Statement of Louisville Gas and Electric Company, File No. 2-44295, and is incorporated herein by reference.

2. A copy of the existing by-laws of the Trustee.

   A copy of the existing by-laws of the Trustee was filed in connection with the Registration Statement of Commercial Federal Corporation, File No. 333-20711, and is incorporated herein by reference.

3. The consents of the Trustee required by Section 321(b) of the Act.

   (included as Exhibit A on page 2 of this statement)

4. A copy of the latest report of condition of the Trustee published pursuant to law or the requirements of its supervising or examining authority.

   (included as Exhibit B on page 3 of this statement)

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939, the Trustee, HARRIS TRUST AND SAVINGS BANK, a corporation organized and existing under the laws of the State of Illinois, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of Chicago, and State of Illinois, on the 28th day of April, 1999.

HARRIS TRUST AND SAVINGS BANK

By: /s/ Judith Bartolini

J. Bartolini
Vice President

EXHIBIT A

The consents of the trustee required by Section 321(b) of the Act.

Harris Trust and Savings Bank, as the Trustee herein named, hereby consents that reports of examinations of said trustee by Federal and State authorities may be furnished by such authorities to the Securities and Exchange Commission upon request therefor.

HARRIS TRUST AND SAVINGS BANK

By: /s/ Judith Bartolini

J. Bartolini
Vice President

EXHIBIT B

Attached is a true and correct copy of the statement of condition of Harris Trust and Savings Bank as of December 31, 1998, as published in accordance with a call made by the State Banking Authority and by the Federal Reserve Bank of the Seventh Reserve District.

[LOGO] HARRIS BANK

Harris Trust and Savings Bank
111 West Monroe Street
Chicago, Illinois 60603

of Chicago, Illinois, And Foreign and Domestic Subsidiaries, at the close of business on December 31, 1998, a state banking institution organized and operating under the banking laws of this State and a member of the Federal Reserve System. Published in accordance with a call made by the Commissioner of Banks and Trust Companies of the State of Illinois and by the Federal Reserve Bank of this District.

Bank's Transit Number 71000288

ASSETS		THOUSANDS OF DOLLARS
Cash and balances due from depository institutions:		
Non-interest bearing balances and currency and coin		$1,435,233
Interest bearing balances		$98,929
Securities:		
a. Held-to-maturity securities		$0
b. Available-for-sale securities		$5,295,498
Federal funds sold and securities purchased under agreements to resell		$151,575
Loans and lease financing receivables:		
Loans and leases, net of unearned income	$9,320,939	
LESS: Allowance for loan and lease losses	$108,280	

Loans and leases, net of unearned income, allowance, and reserve (item 4.a minus 4.b)		$9,212,659
Assets held in trading accounts		$252,881
Premises and fixed assets (including capitalized leases)		$271,540
Other real estate owned		$366
Investments in unconsolidated subsidiaries and associated companies		$57
Customer's liability to this bank on acceptances outstanding		$30,829
Intangible assets		$257,627
Other assets		$1,093,599

TOTAL ASSETS		$18,100,793
		===========

LIABILITIES

Deposits:		
In domestic offices		$10,270,499
Non-interest bearing	$3,410,568	
Interest bearing	$6,859,931	
In foreign offices, Edge and Agreement subsidiaries, and IBF's		$935,609
Non-interest bearing	$69,215	
Interest bearing	$866,394	
Federal funds purchased and securities sold under agreements to repurchase in domestic offices of the bank and of its Edge and Agreement subsidiaries, and in IBF's:		
Federal funds purchased & securities sold under agreements to repurchase		$3,642,049
Trading Liabilities		131,909
Other borrowed money:		
a. With remaining maturity of one year or less		$1,107,125
b. With remaining maturity of more than one year		$0
Bank's liability on acceptances executed and outstanding		$30,829
Subordinated notes and debentures		$225,000
Other liabilities		$424,376
TOTAL LIABILITIES		$16,767,396

EQUITY CAPITAL

Common stock	$100,000
Surplus	$608,116
a. Undivided profits and capital reserves	$593,973
b. Net unrealized holding gains (losses) on available-for-sale securities	$31,308
TOTAL EQUITY CAPITAL	$1,333,397
Total liabilities, limited-life preferred stock, and equity capital	$18,100,793

I, Pamela Piarowski, Vice President of the above-named bank, do hereby declare that this Report of Condition has been prepared in conformance with the instructions issued by the Board of Governors of the Federal Reserve System and is true to the best of my knowledge and belief.

PAMELA PIAROWSKI
1/27/99

We, the undersigned directors, attest to the correctness of this Report of Condition and declare that it has been examined by us and, to the best of our knowledge and belief, has been prepared in conformance with the instructions issued by the Board of Governors of the Federal Reserve System and the Commissioner of Banks and Trust Companies of the State of Illinois and is true and correct.

EDWARD W. LYMAN,
ALAN G. McNALLY,
RICHARD E. TERRY

Directors.