

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)
 QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2011

or

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

For the transition period from _____ to _____

Commission file number: 001-33664



Charter Communications, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or
organization)

43-1857213

(I.R.S. Employer Identification
Number)

12405 Powerscourt Drive

St. Louis, Missouri 63131

(Address of principal executive offices including zip code)

(314) 965-0555

(Registrant's telephone number, including area code)

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

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

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

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

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

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

Number of shares of Class A common stock outstanding as of June 30, 2011: 110,023,072



Charter Communications, Inc.
Quarterly Report on Form 10-Q for the Period ended June 30, 2011

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This quarterly report on Form 10-Q is for the three and six months ended June 30, 2011. The Securities and Exchange Commission ("SEC") allows us to "incorporate by reference" information that we file with the SEC, which means that we can disclose important information to you by referring you directly to those documents. In this quarterly report, "we," "us" and "our" refer to Charter Communications, Inc. and its subsidiaries.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS:

This quarterly report includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), regarding, among other things, our plans, strategies and prospects, both business and financial including, without limitation, the forward-looking statements set forth in the “Results of Operations” and “Liquidity and Capital Resources” sections under Part I, Item 2. “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in this quarterly report. Although we believe that our plans, intentions and expectations reflected in or suggested by these forward-looking statements are reasonable, we cannot assure you that we will achieve or realize these plans, intentions or expectations. Forward-looking statements are inherently subject to risks, uncertainties and assumptions including, without limitation, the factors described under “Risk Factors” under Part II, Item 1A and the factors described under “Risk Factors” under Part I, Item 1A of our most recent Form 10-K filed with the SEC. Many of the forward-looking statements contained in this quarterly report may be identified by the use of forward-looking words such as “believe,” “expect,” “anticipate,” “should,” “planned,” “will,” “may,” “intend,” “estimated,” “aim,” “on track,” “target,” “opportunity,” “tentative,” “positioning” and “potential,” among others. Important factors that could cause actual results to differ materially from the forward-looking statements we make in this quarterly report are set forth in this quarterly report and in other reports or documents that we file from time to time with the SEC, and include, but are not limited to:

- our ability to sustain and grow revenues and free cash flow by offering video, Internet, telephone, advertising and other services to residential and commercial customers, to adequately meet the customer experience demands in our markets and to maintain and grow our customer base, particularly in the face of increasingly aggressive competition, the need for innovation and the related capital expenditures and the difficult economic conditions in the United States;
- the impact of competition from other market participants, including but not limited to incumbent telephone companies, direct broadcast satellite operators, wireless broadband and telephone providers, and digital subscriber line (“DSL”) providers and competition from video provided over the Internet;
- general business conditions, economic uncertainty or downturn, high unemployment levels and the level of activity in the housing sector;
- our ability to obtain programming at reasonable prices or to raise prices to offset, in whole or in part, the effects of higher programming costs (including retransmission consents);
- the effects of governmental regulation on our business;
- the availability and access, in general, of funds to meet our debt obligations, prior to or when they become due, and to fund our operations and necessary capital expenditures, either through (i) cash on hand, (ii) free cash flow, or (iii) access to the capital or credit markets; and
- our ability to comply with all covenants in our indentures and credit facilities, any violation of which, if not cured in a timely manner, could trigger a default of our other obligations under cross-default provisions.

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

PART I. FINANCIAL INFORMATION.

Item 1. Financial Statements.

**CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(DOLLARS IN MILLIONS, EXCEPT PER SHARE DATA)**

	June 30, 2011 (Unaudited)	December 31, 2010
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 166	\$ 4
Restricted cash and cash equivalents	28	28
Accounts receivable, less allowance for doubtful accounts of \$18 and \$17, respectively	243	247
Prepaid expenses and other current assets	53	47
Total current assets	<u>490</u>	<u>326</u>
INVESTMENT IN CABLE PROPERTIES:		
Property, plant and equipment, net of accumulated depreciation	6,879	6,819
Franchises	5,257	5,257
Customer relationships, net	1,846	2,000
Goodwill	951	951
Total investment in cable properties	<u>14,933</u>	<u>15,027</u>
OTHER NONCURRENT ASSETS		
	<u>386</u>	<u>354</u>
Total assets	<u>\$ 15,809</u>	<u>\$ 15,707</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 1,087	\$ 1,049
Total current liabilities	<u>1,087</u>	<u>1,049</u>
LONG-TERM DEBT		
	<u>12,620</u>	<u>12,306</u>
OTHER LONG-TERM LIABILITIES		
	<u>1,038</u>	<u>874</u>
SHAREHOLDERS' EQUITY:		
Class A common stock; \$.001 par value; 900 million shares authorized; 114,699,547 and 112,494,166 shares issued, respectively	--	--
Class B common stock; \$.001 par value; 25 million shares authorized; no shares and 2,241,299 shares issued and outstanding, respectively	--	--
Preferred stock; \$.001 par value; 250 million shares authorized; no non-redeemable shares issued and outstanding	--	--
Additional paid-in capital	1,795	1,776
Accumulated deficit	(452)	(235)
Treasury stock at cost; 4,676,475 and 176,475 shares, respectively	(213)	(6)
Accumulated other comprehensive loss	(66)	(57)
Total shareholders' equity	<u>1,064</u>	<u>1,478</u>
Total liabilities and shareholders' equity	<u>\$ 15,809</u>	<u>\$ 15,707</u>

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

CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(DOLLARS IN MILLIONS, EXCEPT PER SHARE DATA)
Unaudited

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
REVENUES	\$ 1,791	\$ 1,771	\$ 3,561	\$ 3,506
COSTS AND EXPENSES:				
Operating (excluding depreciation and amortization)	784	773	1,552	1,529
Selling, general and administrative	343	357	688	704
Depreciation and amortization	393	380	776	749
Other operating expenses, net	1	7	6	19
	<u>1,521</u>	<u>1,517</u>	<u>3,022</u>	<u>3,001</u>
Income from operations	<u>270</u>	<u>254</u>	<u>539</u>	<u>505</u>
OTHER INCOME (EXPENSES):				
Interest expense, net	(241)	(219)	(474)	(423)
Loss on extinguishment of debt	(53)	(34)	(120)	(35)
Other income (expenses), net	(2)	1	(2)	(2)
	<u>(296)</u>	<u>(252)</u>	<u>(596)</u>	<u>(460)</u>
Income (loss) before income taxes	(26)	2	(57)	45
INCOME TAX EXPENSE	<u>(81)</u>	<u>(83)</u>	<u>(160)</u>	<u>(102)</u>
Net loss	<u>\$ (107)</u>	<u>\$ (81)</u>	<u>\$ (217)</u>	<u>\$ (57)</u>
LOSS PER COMMON SHARE, BASIC AND DILUTED:	<u>\$ (0.98)</u>	<u>\$ (0.72)</u>	<u>\$ (1.95)</u>	<u>\$ (0.51)</u>
Weighted average common shares outstanding, basic and diluted	<u>109,265,876</u>	<u>113,110,882</u>	<u>111,234,155</u>	<u>113,066,173</u>

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

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

	Six Months Ended June 30,	
	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (217)	\$ (57)
Adjustments to reconcile net loss to net cash flows from operating activities:		
Depreciation and amortization	776	749
Noncash interest expense	20	36
Loss on extinguishment of debt	120	32
Deferred income taxes	155	98
Other, net	16	11
Changes in operating assets and liabilities, net of effects from dispositions:		
Accounts receivable	5	(1)
Prepaid expenses and other assets	(6)	12
Accounts payable, accrued expenses and other	38	101
Net cash flows from operating activities	<u>907</u>	<u>981</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property, plant and equipment	(680)	(649)
Other, net	(14)	(4)
Net cash flows from investing activities	<u>(694)</u>	<u>(653)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings of long-term debt	3,561	1,625
Repayments of long-term debt	(3,366)	(2,440)
Repayment of preferred stock	--	(138)
Payments for debt issuance costs	(43)	(59)
Purchase of treasury stock	(207)	--
Other, net	4	(3)
Net cash flows from financing activities	<u>(51)</u>	<u>(1,015)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	162	(687)
CASH AND CASH EQUIVALENTS, beginning of period	32	754
CASH AND CASH EQUIVALENTS, end of period	<u>\$ 194</u>	<u>\$ 67</u>
CASH PAID FOR INTEREST	<u>\$ 402</u>	<u>\$ 337</u>

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

1. Organization and Basis of Presentation

Organization

Charter Communications, Inc. (“Charter”) is a holding company whose principal asset is a 100% common equity interest in Charter Communications Holding Company, LLC (“Charter Holdco”). Charter owns cable systems through its subsidiaries, which are collectively, with Charter, referred to herein as the “Company.” All significant intercompany accounts and transactions among consolidated entities have been eliminated.

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

On November 17, 2009, the Company’s Joint Plan of Reorganization (the “Plan”) was confirmed by order of the Bankruptcy Court, and became effective on November 30, 2009 (the “Effective Date”), the date on which the Company emerged from protection under Chapter 11 of the Bankruptcy Code. Upon the Company’s emergence from bankruptcy, the Company adopted fresh start accounting. This resulted in the Company becoming a new entity on December 1, 2009, with a new capital structure, a new accounting basis in the identifiable assets and liabilities assumed and no retained earnings or accumulated losses.

Basis of Presentation

The accompanying condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”) for interim financial information and the rules and regulations of the Securities and Exchange Commission (the “SEC”). Accordingly, certain information and footnote disclosures typically included in Charter’s Annual Report on Form 10-K have been condensed or omitted for this quarterly report. The accompanying condensed consolidated financial statements are unaudited and are subject to review by regulatory authorities. However, in the opinion of management, such financial statements include all adjustments, which consist of only normal recurring adjustments, necessary for a fair presentation of the results for the periods presented. Interim results are not necessarily indicative of results for a full year.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Areas involving significant judgments and estimates include capitalization of labor and overhead costs; depreciation and amortization costs; impairments of property, plant and equipment, intangibles and goodwill; income taxes; contingencies; and programming expense. Actual results could differ from those estimates.

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

Restricted cash on the accompanying condensed consolidated balance sheet as of June 30, 2011 and December 31, 2010 of \$28 million represents amounts held in escrow accounts pending final resolution from the Bankruptcy Court. Restricted cash is included in cash and cash equivalents on the accompanying condensed consolidated statements of cash flows. Approximately \$18 million of restricted cash held in an escrow account established in bankruptcy proceedings was used to pay for professional services for the six months ended June 30, 2010.

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

(dollars in millions, except per share amounts and where indicated)

2. Franchises, Goodwill and Other Intangible Assets

As of June 30, 2011 and December 31, 2010, indefinite-lived and finite-lived intangible assets are presented in the following table:

	June 30, 2011			December 31, 2010		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Indefinite-lived intangible assets:						
Franchises	\$ 5,257	\$ --	\$ 5,257	\$ 5,257	\$ --	\$ 5,257
Goodwill	951	--	951	951	--	951
Trademarks	158	--	158	158	--	158
	<u>\$ 6,366</u>	<u>\$ --</u>	<u>\$ 6,366</u>	<u>\$ 6,366</u>	<u>\$ --</u>	<u>\$ 6,366</u>
Finite-lived intangible assets:						
Customer relationships	\$ 2,358	\$ 512	\$ 1,846	\$ 2,358	\$ 358	\$ 2,000
Other intangible assets	68	12	56	53	7	46
	<u>\$ 2,426</u>	<u>\$ 524</u>	<u>\$ 1,902</u>	<u>\$ 2,411</u>	<u>\$ 365</u>	<u>\$ 2,046</u>

Amortization expense related to customer relationships and other intangible assets for the three months ended June 30, 2011 and 2010 was approximately \$80 million and \$84 million, respectively, and for the six months ended June 30, 2011 and 2010 was approximately \$159 million and \$170 million, respectively.

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

6 months ending December 31, 2011	\$ 156
2012	289
2013	262
2014	236
2015	210
2016	183
Thereafter	<u>566</u>
	<u>\$ 1,902</u>

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

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

(dollars in millions, except per share amounts and where indicated)

3. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist of the following as of June 30, 2011 and December 31, 2010:

	<u>June 30, 2011</u>	<u>December 31, 2010</u>
Accounts payable – trade	\$ 155	\$ 168
Accrued capital expenditures	54	54
Accrued expenses:		
Interest	214	162
Programming costs	294	282
Compensation	115	124
Franchise-related fees	50	53
Other	205	206
	<u>\$ 1,087</u>	<u>\$ 1,049</u>

4. Long-Term Debt

Long-term debt consists of the following as of June 30, 2011 and December 31, 2010:

	<u>June 30, 2011</u>		<u>December 31, 2010</u>	
	<u>Principal Amount</u>	<u>Accreted Value</u>	<u>Principal Amount</u>	<u>Accreted Value</u>
CCH II, LLC:				
13.500% senior notes due November 30, 2016	\$ 1,766	\$ 2,038	\$ 1,766	\$ 2,057
CCO Holdings, LLC:				
7.25% senior notes due October 30, 2017	1,000	1,000	1,000	1,000
7.875% senior notes due April 30, 2018	900	900	900	900
7.00% senior notes due January 15, 2019	1,400	1,391	--	--
8.125% senior notes due April 30, 2020	700	700	700	700
6.50% senior notes due April 30, 2021	1,500	1,500	--	--
Credit facility due September 6, 2014	350	320	350	314
Charter Communications Operating, LLC:				
8.00% senior second-lien notes due April 30, 2012	1,100	1,107	1,100	1,112
10.875% senior second-lien notes due September 15, 2014	546	586	546	591
Credit facilities	3,259	3,078	5,954	5,632
Long-Term Debt	<u>\$ 12,521</u>	<u>\$ 12,620</u>	<u>\$ 12,316</u>	<u>\$ 12,306</u>

The accreted values presented above represent the fair value of the notes as of the Effective Date or the principal amount of the notes less the original issue discount at the time of sale, plus accretion to the balance sheet dates. However, the amount that is currently payable if the debt becomes immediately due is equal to the principal amount of the debt. The Company has availability under the revolving portion of its credit facility of approximately \$1.2 billion as of June 30, 2011, and as such, debt maturing in the next twelve months is classified as long-term.

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

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

(dollars in millions, except per share amounts and where indicated)

three and six months ended June 30, 2011 related to these transactions.

The 2021 Notes are guaranteed by Charter. They are senior debt obligations of CCO Holdings and CCO Holdings Capital Corp and rank equally with all other current and future unsecured, unsubordinated obligations of CCO Holdings and CCO Holdings Capital Corp. The 2021 Notes are structurally subordinated to all obligations of subsidiaries of CCO Holdings, including the Charter Operating notes and Charter Operating credit facilities.

CCO Holdings may redeem some or all of the 2021 Notes at any time at a premium. The optional redemption price declines to 100% of the respective series' principal amount, plus accrued and unpaid interest, if any, on or after varying dates in 2015 through 2018.

In addition, at any time prior to April 30, 2014, CCO Holdings may redeem up to 35% of the aggregate principal amount of the notes at a redemption price at a premium plus accrued and unpaid interest to the redemption date, with the net cash proceeds of one or more equity offerings (as defined in the indenture); provided that certain conditions are met.

In the event of specified change of control events, CCO Holdings must offer to purchase the outstanding 2021 Notes from the holders at a purchase price equal to 101% of the total principal amount of the notes, plus any accrued and unpaid interest.

In January 2011, CCO Holdings and CCO Holdings Capital Corp. closed on transactions in which they issued \$1.4 billion aggregate principal amount of 7.00% senior notes due 2019. Such notes are guaranteed by Charter. The net proceeds of the issuances were contributed by CCO Holdings to Charter Operating as a capital contribution and were used to repay indebtedness under the Charter Operating credit facilities. The Company recorded a loss on extinguishment of debt of approximately \$67 million for the six months ended June 30, 2011 related to these transactions.

In April 2010, CCO Holdings and CCO Holdings Capital Corp. closed on transactions in which they issued \$900 million aggregate principal amount of 7.875% Senior Notes due 2018 and \$700 million aggregate principal amount of 8.125% Senior Notes due 2020. Such notes are guaranteed by Charter. The net proceeds were used to finance the tender offers and redemptions in which \$800 million principal amount of CCO Holdings' outstanding 8.75% Senior Notes due 2013 and \$770 million principal amount of Charter Operating's outstanding 8.375% Senior Second Lien Notes due 2014 were repurchased. These transactions resulted in a loss on extinguishment of debt for the three and six months ended June 30, 2010 of approximately \$34 million.

On March 31, 2010, Charter Operating entered into an amended and restated credit agreement. The refinancing resulted in a loss on extinguishment of debt for the six months ended June 30, 2010 of approximately \$1 million.

5. Preferred Stock

On the Effective Date, Charter issued approximately 5.5 million shares of 15% Pay-In-Kind Preferred Stock having an aggregate liquidation preference of \$138 million to holders of Charter convertible notes (the "Preferred Stock"). Pursuant to the terms of the Preferred Stock, the Company was required to pay a dividend at an annual rate equal to 15% on the liquidation preference of the Preferred Stock. The liquidation preference of the Preferred Stock was \$25 per share. On April 16, 2010, Charter redeemed all of the shares of the Preferred Stock for a redemption payment of \$25.948 per share or a total redemption payment for all shares of approximately \$143 million.

6. Treasury Stock

On March 22, 2011, the Company purchased in a private transaction, 4.5 million shares of Charter's Class A common stock from funds advised by Franklin Advisers, Inc. The price paid was \$46.10 per share for a total of \$207 million. The transaction was funded from existing cash on hand and available liquidity. The Company accounts for treasury stock using the cost method and the treasury shares are reflected on the Company's condensed consolidated balance sheets as a component of total shareholders' equity.

7. Comprehensive Loss

The Company reports changes in the fair value of interest rate swap agreements designated as hedging the variability of cash flows associated with floating-rate debt obligations that meet the effectiveness criteria in other comprehensive loss. Comprehensive loss was \$127 million and \$226 million for the three and six months ended June 30, 2011, respectively. Comprehensive loss for the three and six months ended June 30, 2011 included a \$20 million and \$9 million loss on the change in the fair value of interest rate swap agreements designated as cash flow hedges, respectively. Comprehensive loss was \$131 million and \$107 million for the three and six months ended June 30, 2010, respectively. Comprehensive loss for each of the three and six months ended June 30, 2010 included a \$50 million loss on the change in the fair value of interest rate swap agreements designated as cash flow hedges.

8. Accounting for Derivative Instruments and Hedging Activities

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

The Company does not hold or issue derivative instruments for speculative trading purposes. The Company has certain interest rate derivative instruments that have been designated as cash flow hedging instruments. Such instruments effectively convert variable interest payments on certain debt instruments into fixed payments. For qualifying hedges, realized derivative gains and losses offset related results on hedged items in the consolidated statements of operations. The Company has formally documented, designated and assessed the effectiveness of transactions that receive hedge accounting. For the three and six months ended June 30, 2011 and 2010, there was no cash flow hedge ineffectiveness on interest rate swap agreements.

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

	<u>June 30, 2011</u>	<u>December 31, 2010</u>
Other long-term liabilities:		
Fair value of interest rate derivatives designated as hedges	\$ 66	\$ 57
Accumulated other comprehensive loss:		
Interest rate derivatives designated as hedges	\$ (66)	\$ (57)

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

CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
(dollars in millions, except per share amounts and where indicated)

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

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Other comprehensive loss:				
Loss on interest rate derivatives designated as hedges (effective portion)	\$ (20)	\$ (50)	\$ (9)	\$ (50)
Amount of loss reclassified from accumulated other comprehensive loss into interest expense	\$ (10)	\$ (8)	\$ (20)	\$ (8)

As of June 30, 2011 and December 31, 2010, the Company had \$2.0 billion in notional amounts of interest rate swap agreements outstanding. The notional amounts of interest rate instruments do not represent amounts exchanged by the parties and, thus, are not a measure of exposure to credit loss. The amounts exchanged were determined by reference to the notional amount and the other terms of the contracts.

9. Fair Value Measurements

Financial Assets and Liabilities

The Company has estimated the fair value of its financial instruments as of June 30, 2011 and December 31, 2010 using available market information or other appropriate valuation methodologies. Considerable judgment, however, is required in interpreting market data to develop the estimates of fair value. Accordingly, the estimates presented in the accompanying condensed consolidated financial statements are not necessarily indicative of the amounts the Company would realize in a current market exchange.

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

The estimated fair value of the Company's long-term debt at June 30, 2011 and December 31, 2010 are based on quoted market prices and is classified within Level 1 (defined below) of the valuation hierarchy.

A summary of the carrying value and fair value of the Company's long-term debt at June 30, 2011 and December 31, 2010 is as follows:

	<u>June 30, 2011</u>		<u>December 31, 2010</u>	
	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Carrying Value</u>	<u>Fair Value</u>
Debt				
CCH II, LLC notes	\$ 2,038	\$ 2,091	\$ 2,057	\$ 2,113
CCO Holdings notes	5,491	5,633	2,600	2,709
Charter Operating notes	1,693	1,744	1,703	1,774
Credit facilities	3,398	3,584	5,946	6,252

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

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

The interest rate derivatives designated as hedges were valued as \$66 million and \$57 million liabilities as of June 30, 2011 and December 31, 2010, respectively, using a present value calculation based on an implied forward LIBOR curve (adjusted for Charter Operating's or counterparties' credit risk) and were classified within Level 2 of the valuation hierarchy. The weighted average pay rate for the Company's interest rate swap agreements was 2.25% (exclusive of applicable spread) at June 30, 2011 and December 31, 2010.

Nonfinancial Assets and Liabilities

The Company's nonfinancial assets such as franchises, property, plant, and equipment, and other intangible assets are not measured at fair value on a recurring basis; however they are subject to fair value adjustments in certain circumstances, such as when there is evidence that an impairment may exist. No impairments were recorded in the three and six months ended June 30, 2011 and 2010.

10. Other Operating Expenses, Net

Other operating expenses, net consist of the following for the three and six months ended June 30, 2011 and 2010:

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Loss on sale of assets, net	\$ --	\$ 2	\$ --	\$ 3
Special charges, net	1	5	6	16
	<u>\$ 1</u>	<u>\$ 7</u>	<u>\$ 6</u>	<u>\$ 19</u>

Loss on sales of assets, net

Loss on sales of assets, net represents the loss recognized on the sale of fixed assets and cable systems.

Special charges, net

Special charges, net for the three and six months ended June 30, 2011 primarily includes severance charges. For the three and six months ended June 30, 2010, special charges, net primarily includes severance charges as well as net amounts of litigation settlements.

11. Income Taxes

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

For the three and six months ended June 30, 2011, the Company recorded \$81 million and \$160 million of income tax expense, respectively, including \$8 million of expense related to a state tax law change. For the three and six months ended June 30, 2010, the Company recorded \$83 million and \$102 million of income tax expense, respectively. Income tax expense was recognized through increases in deferred tax liabilities related to Charter's investment in Charter Holdco, and certain of Charter's indirect subsidiaries, in addition to current federal and state income tax expense. Income tax expense for the six months ended June 30, 2010 was reduced by \$69 million related to the reduction of the valuation allowance in connection with Mr. Allen's exchange of his 0.19% Charter Holdco interest for 212,923 shares of Charter's Class A common stock in a non-taxable transaction in February 2010.

As of June 30, 2011 and December 31, 2010, the Company had net deferred income tax liabilities of approximately \$917 million and \$762 million, respectively. Included in these net deferred tax liabilities is approximately \$221 million and \$225 million of net deferred tax liabilities at June 30, 2011 and December 31, 2010, respectively, relating to certain indirect subsidiaries of Charter Holdco that file separate income tax returns. The remainder of the Company's net deferred tax liability arose from Charter's investment in Charter Holdco, and was largely attributable to the characterization of franchises for financial reporting purposes as indefinite-lived.

No tax years for Charter or Charter Holdco are currently under examination by the Internal Revenue Service. Tax years ending 2007 through 2010 remain subject to examination and assessment. Years prior to 2007 remain open solely for purposes of examination of Charter's net operating loss and credit carryforwards.

12. Related Party Transactions

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

Allen Agreement

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

Franklin Stock Repurchase

See “Note 6. Treasury Stock” for the description of Charter’s purchase of 4.5 million shares of its Class A common stock from Franklin Advisers, Inc. At the time of the purchase, funds advised by Franklin Advisers, Inc. beneficially held more than 10% of Charter’s Class A common stock.

13. Contingencies

On August 28, 2008, a lawsuit was filed against Charter and Charter Communications, LLC (“Charter LLC”) in the United States District Court for the Western District of Wisconsin (now entitled, *Marc Goodell et al. v. Charter Communications, LLC and Charter Communications, Inc.*). The plaintiffs sought to represent a class of current and former broadband, system and other types of technicians who are or were employed by Charter or Charter LLC in the states of Michigan, Minnesota, Missouri or California. Plaintiffs alleged that Charter and Charter LLC violated certain wage and hour statutes of those four states by failing to pay technicians for all hours worked. In May 2010, the parties entered into a settlement agreement disposing of all claims, including those potential wage and hour claims for potential class members in additional states beyond the four identified above. On September 24, 2010, the court granted final approval of the settlement. The Company had accrued and subsequently paid the settlement costs associated with this case. The Company has been subjected, in the normal course of business, to the assertion of other wage and hour claims and could be subjected to additional such claims in the future. The Company cannot predict the outcome of any such claims nor can they estimate a reasonable range of loss.

On March 27, 2009, Charter filed its Chapter 11 petition in the United States Bankruptcy Court for the Southern District of New York. On the same day, JPMorgan Chase Bank, N.A., (“JPMorgan”), for itself and as Administrative Agent under the Charter Operating Credit Agreement, filed an adversary proceeding (the “JPMorgan Adversary Proceeding”) in Bankruptcy Court against Charter Operating and CCO Holdings seeking a declaration that there were events of default under the Charter Operating Credit Agreement. JPMorgan, as well as other parties, objected to the Plan. The Bankruptcy Court jointly held 19 days of trial in the JPMorgan Adversary Proceeding and on the objections to the Plan.

On November 17, 2009, the Bankruptcy Court issued its Order and Opinion confirming the Plan over the objections of JPMorgan and various other objectors. The Court also entered an order ruling in favor of Charter in the JPMorgan Adversary Proceeding. Several objectors attempted to stay the consummation of the Plan, but those motions were denied by the Bankruptcy Court and the U.S. District Court for the Southern District of New York. Charter consummated the Plan on November 30, 2009 and reinstated the Charter Operating Credit Agreement and certain other debt of its subsidiaries.

Six appeals were filed relating to confirmation of the Plan. The parties initially pursuing appeals were: (i) JPMorgan; (ii) Wilmington Trust Company (“Wilmington Trust”) (as indenture trustee for the holders of the 8% senior second lien notes due 2012 and 8.375% senior second lien notes due 2014 issued by and among Charter Operating and Charter Communications Operating Capital Corp. and the 10.875% senior second lien notes due 2014 issued by and among Charter Operating and Charter Communications Operating Capital Corp.); (iii) Wells Fargo Bank, N.A. (“Wells Fargo”) (in its capacities as successor Administrative Agent and successor Collateral Agent for the third lien prepetition secured lenders to CCO Holdings under the CCO Holdings credit facility); (iv) Law Debenture Trust Company of New York (“Law Debenture Trust”) (as the Trustee with respect to the \$479 million in aggregate principal amount of 6.50% convertible senior notes due 2027 issued by Charter which are no longer outstanding following consummation of the Plan); (v) R2 Investments, LDC (“R2 Investments”) (an equity interest holder in Charter); and (vi) certain plaintiffs representing a putative class in a securities action against three former Charter officers or directors filed in the United States District Court for the Eastern District of Arkansas (Iron Workers Local No. 25 Pension Fund, Indiana Laborers Pension Fund, and Iron Workers District Council of Western New York and Vicinity Pension Fund, in the action styled *Iron Workers Local No. 25 Pension Fund v. Allen, et al.*, Case No. 4:09-cv-00405-JLH (E.D. Ark.)).

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Charter Operating amended its senior secured credit facilities effective March 31, 2010. In connection with the closing of these amendments, each of Bank of America, N.A. and JPMorgan, for itself and on behalf of the lenders under the Charter Operating senior secured credit facilities, agreed to dismiss the appeal of the Company's Confirmation Order pending before the District Court for the Southern District of New York and to waive any objections to the Company's Confirmation Order issued by the United States Bankruptcy Court for the Southern District of New York. The lenders filed their stipulation of that dismissal and waiver of objections and in April 2010, the case was dismissed. On December 3, 2009, Wilmington Trust withdrew its notice of appeal. In April 2010, Wells Fargo filed its Stipulation of Dismissal of their appeal on behalf of the lenders under the CCO Holdings credit facility and in April 2010, the case was dismissed. The appeals by Law Debenture Trust and R2 Investments were denied by the District Court for the Southern District of New York in March 2011. A Notice of Appeal of that denial has been filed by both Law Debenture Trust and R2. The appeals of the securities plaintiffs were denied by the District Court for the Southern District of New York in July 2011. The Company cannot predict the ultimate outcome of the appeals nor can they estimate a reasonable range of loss.

The Company is party to lawsuits and claims that arise in the ordinary course of conducting its business. The ultimate outcome of these other legal matters pending against the Company cannot be predicted, and although such lawsuits and claims are not expected individually to have a material adverse effect on the Company's consolidated financial condition, results of operations or liquidity, such lawsuits could have, in the aggregate, a material adverse effect on the Company's consolidated financial condition, results of operations or liquidity.

14. Stock Compensation Plans

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

During the three and six months ended June 30, 2011, the Company granted 17,600 and 30,100 shares of restricted stock, respectively. During the three and six months ended June 30, 2010, the Company granted 2,100 and 42,000 shares of restricted stock, respectively. Restricted stock vests annually over a one to three-year period beginning from the date of grant. During the three and six months ended June 30, 2011, the Company granted 2 million stock options. A portion of the stock options vest annually over four years from either the grant date or delayed vesting commencement dates. The remaining stock options vest based on achievement of stock price hurdles over a delayed vesting schedule. All stock options expire ten years from the grant date. During the three and six months ended June 30, 2011, the Company granted 230,500 restricted stock units. Restricted stock units have no voting rights and vest ratably over four years from either the grant date or delayed vesting commencement dates. As of June 30, 2011, total unrecognized compensation remaining to be recognized in future periods totaled \$25 million for restricted stock, \$61 million for stock options and \$12 million for restricted stock units and the weighted average period over which it is expected to be recognized is 2 years for restricted stock, 3 years for stock options and 5 years for restricted stock units.

The Company recorded \$9 million and \$15 million of stock compensation expense for the three and six months ended June 30, 2011, respectively, and \$5 million and \$10 million of stock compensation expense for the three and six months ended June 30, 2010, respectively, which is included in selling, general, and administrative expense.

15. Consolidating Schedules

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

The accompanying condensed consolidating financial information has been prepared and presented pursuant to SEC Regulation S-X Rule 3-10, *Financial Statements of Guarantors and Affiliates Whose Securities Collateralize an Issue*

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Registered or Being Registered. This information is not intended to present the financial position, results of operations and cash flows of the individual companies or groups of companies in accordance with generally accepted accounting principles.

Condensed consolidating financial statements as of June 30, 2011 and December 31, 2010 and for the six months ended June 30, 2011 and 2010 follow.

CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES
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Charter Communications, Inc.
Condensed Consolidating Balance Sheet
As of June 30, 2011

ASSETS	Charter	Intermediate Holding Companies	CCH II	CCO Holdings	Charter Operating and Subsidiaries	Eliminations	Charter Consolidated
CURRENT ASSETS:							
Cash and cash equivalents	\$ 3	\$ 8	\$ --	\$ 2	\$ 153	\$ --	\$ 166
Restricted cash and cash equivalents	--	--	--	--	28	--	28
Accounts receivable, net	--	--	--	--	243	--	243
Receivables from related party	69	151	4	3	--	(227)	--
Prepaid expenses and other current assets	2	22	--	--	29	--	53
Total current assets	<u>74</u>	<u>181</u>	<u>4</u>	<u>5</u>	<u>453</u>	<u>(227)</u>	<u>490</u>
INVESTMENT IN CABLE PROPERTIES:							
Property, plant and equipment, net	--	34	--	--	6,845	--	6,879
Franchises	--	--	--	--	5,257	--	5,257
Customer relationships, net	--	--	--	--	1,846	--	1,846
Goodwill	--	--	--	--	951	--	951
Total investment in cable properties	<u>--</u>	<u>34</u>	<u>--</u>	<u>--</u>	<u>14,899</u>	<u>--</u>	<u>14,933</u>
CC VIII PREFERRED INTEREST	85	199	--	--	--	(284)	--
INVESTMENT IN SUBSIDIARIES	1,611	1,114	2,981	8,539	--	(14,245)	--
LOANS RECEIVABLE – RELATED PARTY	--	43	256	261	--	(560)	--
OTHER NONCURRENT ASSETS	--	160	--	82	146	(2)	386
Total assets	<u>\$ 1,770</u>	<u>\$ 1,731</u>	<u>\$ 3,241</u>	<u>\$ 8,887</u>	<u>\$ 15,498</u>	<u>\$ (15,318)</u>	<u>\$ 15,809</u>
LIABILITIES AND SHAREHOLDERS'/MEMBER'S EQUITY							
CURRENT LIABILITIES:							
Accounts payable and accrued expenses	\$ 8	\$ 116	\$ 89	\$ 95	\$ 779	\$ --	\$ 1,087
Payables to related party	--	--	--	--	227	(227)	--
Total current liabilities	<u>8</u>	<u>116</u>	<u>89</u>	<u>95</u>	<u>1,006</u>	<u>(227)</u>	<u>1,087</u>
LONG-TERM DEBT	--	--	2,038	5,811	4,771	--	12,620
LOANS PAYABLE – RELATED PARTY	--	--	--	--	560	(560)	--
OTHER LONG-TERM LIABILITIES	696	4	--	--	338	--	1,038
Shareholders'/Member's equity	1,066	1,611	1,114	2,981	8,539	(14,247)	1,064
Noncontrolling interest	--	--	--	--	284	(284)	--
Total shareholders'/member's equity	<u>1,066</u>	<u>1,611</u>	<u>1,114</u>	<u>2,981</u>	<u>8,823</u>	<u>(14,531)</u>	<u>1,064</u>
Total liabilities and shareholders'/member's equity	<u>\$ 1,770</u>	<u>\$ 1,731</u>	<u>\$ 3,241</u>	<u>\$ 8,887</u>	<u>\$ 15,498</u>	<u>\$ (15,318)</u>	<u>\$ 15,809</u>

CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES
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Charter Communications, Inc.
Condensed Consolidating Balance Sheet
As of December 31, 2010

ASSETS	<u>Charter</u>	<u>Intermediate Holding Companies</u>	<u>CCH II</u>	<u>CCO Holdings</u>	<u>Charter Operating and Subsidiaries</u>	<u>Eliminations</u>	<u>Charter Consolidated</u>
CURRENT ASSETS:							
Cash and cash equivalents	\$ --	\$ --	\$ 3	\$ 1	\$ --	\$ --	\$ 4
Restricted cash and cash equivalents	--	--	--	--	28	--	28
Accounts receivable, net	--	1	--	--	246	--	247
Receivables from related party	57	182	8	8	--	(255)	--
Prepaid expenses and other current assets	2	20	--	--	25	--	47
Total current assets	<u>59</u>	<u>203</u>	<u>11</u>	<u>9</u>	<u>299</u>	<u>(255)</u>	<u>326</u>
INVESTMENT IN CABLE PROPERTIES:							
Property, plant and equipment, net	--	34	--	--	6,785	--	6,819
Franchises	--	--	--	--	5,257	--	5,257
Customer relationships, net	--	--	--	--	2,000	--	2,000
Goodwill	--	--	--	--	951	--	951
Total investment in cable properties	<u>--</u>	<u>34</u>	<u>--</u>	<u>--</u>	<u>14,993</u>	<u>--</u>	<u>15,027</u>
CC VIII PREFERRED INTEREST	79	183	--	--	--	(262)	--
INVESTMENT IN SUBSIDIARIES	1,889	1,409	3,296	5,946	--	(12,540)	--
LOANS RECEIVABLE – RELATED PARTY	--	42	248	252	--	(542)	--
OTHER NONCURRENT ASSETS	--	160	--	43	153	(2)	354
Total assets	<u>\$ 2,027</u>	<u>\$ 2,031</u>	<u>\$ 3,555</u>	<u>\$ 6,250</u>	<u>\$ 15,445</u>	<u>\$ (13,601)</u>	<u>\$ 15,707</u>
LIABILITIES AND SHAREHOLDERS'/MEMBER'S EQUITY							
CURRENT LIABILITIES:							
Accounts payable and accrued expenses	\$ 11	\$ 138	\$ 89	\$ 40	\$ 771	\$ --	\$ 1,049
Payables to related party	--	--	--	--	255	(255)	--
Total current liabilities	<u>11</u>	<u>138</u>	<u>89</u>	<u>40</u>	<u>1,026</u>	<u>(255)</u>	<u>1,049</u>
LONG-TERM DEBT	--	--	2,057	2,914	7,335	--	12,306
LOANS PAYABLE – RELATED PARTY	--	--	--	--	542	(542)	--
OTHER LONG-TERM LIABILITIES	536	4	--	--	334	--	874
Shareholders'/Member's equity	1,480	1,889	1,409	3,296	5,946	(12,542)	1,478
Noncontrolling interest	--	--	--	--	262	(262)	--
Total shareholders'/member's equity	<u>1,480</u>	<u>1,889</u>	<u>1,409</u>	<u>3,296</u>	<u>6,208</u>	<u>(12,804)</u>	<u>1,478</u>
Total liabilities and shareholders'/member's equity	<u>\$ 2,027</u>	<u>\$ 2,031</u>	<u>\$ 3,555</u>	<u>\$ 6,250</u>	<u>\$ 15,445</u>	<u>\$ (13,601)</u>	<u>\$ 15,707</u>

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

(dollars in millions, except per share amounts and where indicated)

Charter Communications, Inc.
Condensed Consolidating Statement of Operations
For the six months ended June 30, 2011

	<u>Charter</u>	<u>Intermediate Holding Companies</u>	<u>CCH II</u>	<u>CCO Holdings</u>	<u>Charter Operating and Subsidiaries</u>	<u>Eliminations</u>	<u>Charter Consolidated</u>
REVENUES	\$ 16	\$ 59	\$ --	\$ --	\$ 3,561	\$ (75)	\$ 3,561
COSTS AND EXPENSES:							
Operating (excluding depreciation and amortization)	--	--	--	--	1,552	--	1,552
Selling, general and administrative	16	59	--	--	688	(75)	688
Depreciation and amortization	--	--	--	--	776	--	776
Other operating expenses, net	--	--	--	--	6	--	6
	<u>16</u>	<u>59</u>	<u>--</u>	<u>--</u>	<u>3,022</u>	<u>(75)</u>	<u>3,022</u>
Income from operations	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>539</u>	<u>--</u>	<u>539</u>
OTHER INCOME (EXPENSES):							
Interest expense, net	--	--	(96)	(169)	(209)	--	(474)
Loss on extinguishment of debt	--	--	--	--	(120)	--	(120)
Other expenses, net	--	--	--	--	(2)	--	(2)
Equity in income (losses) of subsidiaries	(63)	(79)	17	186	--	(61)	--
	<u>(63)</u>	<u>(79)</u>	<u>(79)</u>	<u>17</u>	<u>(331)</u>	<u>(61)</u>	<u>(596)</u>
Income (loss) before income taxes	(63)	(79)	(79)	17	208	(61)	(57)
INCOME TAX EXPENSE	(160)	--	--	--	--	--	(160)
Consolidated net income (loss)	(223)	(79)	(79)	17	208	(61)	(217)
Less: Net (income) loss – noncontrolling interest	6	16	--	--	(22)	--	--
Net income (loss)	<u>\$ (217)</u>	<u>\$ (63)</u>	<u>\$ (79)</u>	<u>\$ 17</u>	<u>\$ 186</u>	<u>\$ (61)</u>	<u>\$ (217)</u>

CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES
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(dollars in millions, except per share amounts and where indicated)

Charter Communications, Inc.
Condensed Consolidating Statement of Operations
For the six months ended June 30, 2010

	<u>Charter</u>	<u>Intermediate Holding Companies</u>	<u>CCH II</u>	<u>CCO Holdings</u>	<u>Charter Operating and Subsidiaries</u>	<u>Eliminations</u>	<u>Charter Consolidated</u>
REVENUES	\$ 19	\$ 56	\$ --	\$ --	\$ 3,506	\$ (75)	\$ 3,506
COSTS AND EXPENSES:							
Operating (excluding depreciation and amortization)	--	--	--	--	1,529	--	1,529
Selling, general and administrative	19	56	--	--	704	(75)	704
Depreciation and amortization	--	--	--	--	749	--	749
Other operating expenses, net	--	--	--	--	19	--	19
	<u>19</u>	<u>56</u>	<u>--</u>	<u>--</u>	<u>3,001</u>	<u>(75)</u>	<u>3,001</u>
Income from operations	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>505</u>	<u>--</u>	<u>505</u>
OTHER INCOME (EXPENSES):							
Interest expense, net	--	--	(98)	(50)	(275)	--	(423)
Loss on extinguishment of debt	--	--	--	(17)	(18)	--	(35)
Other income (expenses), net	3	--	--	--	(5)	--	(2)
Equity in income of subsidiaries	<u>31</u>	<u>18</u>	<u>116</u>	<u>183</u>	<u>--</u>	<u>(348)</u>	<u>--</u>
	<u>34</u>	<u>18</u>	<u>18</u>	<u>116</u>	<u>(298)</u>	<u>(348)</u>	<u>(460)</u>
Income before income taxes	34	18	18	116	207	(348)	45
INCOME TAX EXPENSE	<u>(96)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(6)</u>	<u>--</u>	<u>(102)</u>
Consolidated net income (loss)	(62)	18	18	116	201	(348)	(57)
Less: Net (income) loss – noncontrolling interest	<u>5</u>	<u>13</u>	<u>--</u>	<u>--</u>	<u>(18)</u>	<u>--</u>	<u>--</u>
Net income (loss)	<u>\$ (57)</u>	<u>\$ 31</u>	<u>\$ 18</u>	<u>\$ 116</u>	<u>\$ 183</u>	<u>\$ (348)</u>	<u>\$ (57)</u>

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

(dollars in millions, except per share amounts and where indicated)

Charter Communications, Inc.
Condensed Consolidating Statement of Cash Flows
For the six months ended June 30, 2011

	<u>Charter</u>	<u>Intermediate Holding Companies</u>	<u>CCH II</u>	<u>CCO Holdings</u>	<u>Charter Operating and Subsidiaries</u>	<u>Eliminations</u>	<u>Charter Consolidated</u>
CASH FLOWS FROM OPERATING ACTIVITIES:							
Consolidated net income (loss)	\$ (223)	\$ (79)	\$ (79)	\$ 17	\$ 208	\$ (61)	\$ (217)
Adjustments to reconcile net income (loss) to cash flows from operating activities:							
Depreciation and amortization	--	--	--	--	776	--	776
Noncash interest expense	--	--	(19)	10	29	--	20
Loss on extinguishment of debt	--	--	--	--	120	--	120
Deferred income taxes	159	--	--	--	(4)	--	155
Equity in (income) losses of subsidiaries	63	79	(17)	(186)	--	61	--
Other, net	--	1	--	--	15	--	16
Changes in operating assets and liabilities:							
Accounts receivable	--	1	--	--	4	--	5
Prepaid expenses and other assets	--	(2)	--	--	(4)	--	(6)
Accounts payable, accrued expenses and other	(3)	(22)	--	55	8	--	38
Receivables from and payables to related party	4	30	(4)	(4)	(26)	--	--
Net cash flows from operating activities	<u>--</u>	<u>8</u>	<u>(119)</u>	<u>(108)</u>	<u>1,126</u>	<u>--</u>	<u>907</u>
CASH FLOWS FROM INVESTING ACTIVITIES:							
Purchases of property, plant and equipment	--	--	--	--	(680)	--	(680)
Contribution to subsidiary	--	--	--	(2,647)	--	2,647	--
Distributions from subsidiary	206	1,030	322	231	--	(1,789)	--
Other, net	--	--	--	--	(14)	--	(14)
Net cash flows from investing activities	<u>206</u>	<u>1,030</u>	<u>322</u>	<u>(2,416)</u>	<u>(694)</u>	<u>858</u>	<u>(694)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:							
Borrowings of long-term debt	--	--	--	2,890	671	--	3,561
Repayments of long-term debt	--	--	--	--	(3,366)	--	(3,366)
Payments for debt issuance costs	--	--	--	(43)	--	--	(43)
Purchase of treasury stock	(207)	--	--	--	--	--	(207)
Contribution from parent	--	--	--	--	2,647	(2,647)	--
Distributions to parent	--	(1,030)	(206)	(322)	(231)	1,789	--
Other, net	4	--	--	--	--	--	4
Net cash flows from financing activities	<u>(203)</u>	<u>(1,030)</u>	<u>(206)</u>	<u>2,525</u>	<u>(279)</u>	<u>(858)</u>	<u>(51)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS							
CASH AND CASH EQUIVALENTS, beginning of period	<u>--</u>	<u>--</u>	<u>3</u>	<u>1</u>	<u>28</u>	<u>--</u>	<u>32</u>
CASH AND CASH EQUIVALENTS, end of period	<u>\$ 3</u>	<u>\$ 8</u>	<u>\$ --</u>	<u>\$ 2</u>	<u>\$ 181</u>	<u>\$ --</u>	<u>\$ 194</u>

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

(dollars in millions, except per share amounts and where indicated)

Charter Communications, Inc.
Condensed Consolidating Statement of Cash Flows
For the six months ended June 30, 2010

	<u>Charter</u>	<u>Intermediate Holding Companies</u>	<u>CCH II</u>	<u>CCO Holdings</u>	<u>Charter Operating and Subsidiaries</u>	<u>Eliminations</u>	<u>Charter Consolidated</u>
CASH FLOWS FROM OPERATING ACTIVITIES:							
Consolidated net income (loss)	\$ (62)	\$ 18	\$ 18	\$ 116	\$ 201	\$ (348)	\$ (57)
Adjustments to reconcile net income (loss) to net cash flows from operating activities:							
Depreciation and amortization	--	--	--	--	749	--	749
Noncash interest expense	--	--	(17)	5	48	--	36
Loss on extinguishment of debt	--	--	--	15	17	--	32
Deferred income taxes	96	--	--	--	2	--	98
Equity in income of subsidiaries	(31)	(18)	(116)	(183)	--	348	--
Other, net	(2)	--	--	--	13	--	11
Changes in operating assets and liabilities:							
Accounts receivable	--	--	--	--	(1)	--	(1)
Prepaid expenses and other assets	(2)	4	--	--	10	--	12
Accounts payable, accrued expenses and other	2	(27)	69	14	43	--	101
Receivables from and payables to related party	(21)	9	(12)	(8)	32	--	--
Net cash flows from operating activities	<u>(20)</u>	<u>(14)</u>	<u>(58)</u>	<u>(41)</u>	<u>1,114</u>	<u>--</u>	<u>981</u>
CASH FLOWS FROM INVESTING ACTIVITIES:							
Purchases of property, plant and equipment	--	--	--	--	(649)	--	(649)
Contribution to subsidiary	(45)	(77)	(5)	(714)	--	841	--
Distributions from subsidiary	--	--	47	54	--	(101)	--
Loans to subsidiaries	--	(30)	--	--	--	30	--
Other, net	--	--	--	--	(4)	--	(4)
Net cash flows from investing activities	<u>(45)</u>	<u>(107)</u>	<u>42</u>	<u>(660)</u>	<u>(653)</u>	<u>770</u>	<u>(653)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:							
Borrowings of long-term debt	--	--	--	1,600	25	--	1,625
Borrowings from parent companies	--	--	--	--	30	(30)	--
Repayments of long-term debt	--	--	--	(826)	(1,614)	--	(2,440)
Repayment of preferred stock	(138)	--	--	--	--	--	(138)
Payments for debt issuance costs	--	--	--	(28)	(31)	--	(59)
Contribution from parent	--	109	13	5	714	(841)	--
Distributions to parent	--	--	--	(47)	(54)	101	--
Other, net	--	--	--	--	(3)	--	(3)
Net cash flows from financing activities	<u>(138)</u>	<u>109</u>	<u>13</u>	<u>704</u>	<u>(933)</u>	<u>(770)</u>	<u>(1,015)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS							
CASH AND CASH EQUIVALENTS, beginning of period	203	12	6	--	533	--	754
CASH AND CASH EQUIVALENTS, end of period	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 3</u>	<u>\$ 3</u>	<u>\$ 61</u>	<u>\$ --</u>	<u>\$ 67</u>

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

General

Charter Communications, Inc. (“Charter”) is a holding company whose principal asset is a 100% common equity interest in Charter Communications Holding Company, LLC (“Charter Holdco”). Charter owns cable systems through its subsidiaries.

We are a cable operator providing services in the United States with approximately 5.2 million residential and commercial customers at June 30, 2011. We offer our customers traditional cable video programming (basic and digital video), Internet services, and telephone services, as well as advanced video services such as Charter OnDemand™ (“OnDemand”), high-definition television and digital video recorder (“DVR”) service. We also sell local advertising on cable networks and provide fiber connectivity to cellular towers.

Overview

For the three and six months ended June 30, 2011, adjusted earnings before interest expense, income taxes, depreciation and amortization (“Adjusted EBITDA”) was \$673 million and \$1.3 billion, respectively. For the three and six months ended June 30, 2010, Adjusted EBITDA was \$646 million and \$1.3 billion, respectively. See “—Use of Adjusted EBITDA and Free Cash Flow” for further information on Adjusted EBITDA and free cash flow. Adjusted EBITDA increased as a result of continued growth in our commercial services along with growth in our Internet and telephone customers, combined with lower selling, general and administrative costs. For the three and six months ended June 30, 2011, our income from operations was \$270 million and \$539 million, respectively. For the three and six months ended June 30, 2010, our income from operations was \$254 million and \$505 million, respectively. The increase in income from operations is primarily due to increases in revenues offset by increases in operating expenses and depreciation and amortization.

For the six months ended June 30, 2011, we had a decrease in total customers of approximately 12,100 and lost approximately 107,500 basic video customers. We believe that continued competition and the weakened economic conditions in the United States, including the housing market and relatively high unemployment levels, have adversely affected consumer demand for our services. These conditions combined with seasonality and disciplined customer acquisition contributed to video revenues declining 3% for each of the three and six months ended June 30, 2011 compared to the corresponding periods in 2010. Total revenue growth was 1% and 2% for the three and six months ended June 30, 2011, respectively, compared to the corresponding periods in 2010 as we continued to grow our commercial, Internet and telephone businesses. However, we believe competition from wireless and economic factors have contributed to an increase in the number of homes that replace their traditional telephone service with wireless service thereby impacting the growth of our telephone business. If these conditions do not improve, we believe the growth of our business and results of operations will be further adversely affected which may contribute to future impairments of our franchises and goodwill.

The following table summarizes our customer statistics for basic video, digital video, Internet, and telephone as of June 30, 2011 and 2010:

	Approximate as of	
	June 30, 2011 (a)	June 30, 2010 (a)
Video (b)	4,173,400	4,466,600
Internet (c)	3,352,500	3,187,900
Telephone (d)	1,747,600	1,658,100
Residential PSUs (e)	9,273,500	9,312,600
Video (b)(f)	239,500	249,900
Internet (c)(g)	149,100	129,400
Telephone (d)	68,500	50,000
Commercial PSUs (e)	457,100	429,300
Digital video RGUs (h)	3,386,700	3,337,500
Total RGUs (i)	13,117,300	13,079,400

After giving effect to sales of cable systems in 2010, residential basic video customers, residential Internet customers and residential telephone customers would have been approximately 4,407,000, 3,163,700, and 1,656,300, respectively, as of June 30, 2010. After giving effect to sales of cable systems in 2010, commercial basic video customers, commercial Internet customers, commercial telephone customers and digital revenue generating units would have been approximately 243,800, 128,300, 49,900 and 3,302,000, respectively, as of June 30, 2010.

- (a) We calculate the aging of customer accounts based on the monthly billing cycle for each account. On that basis, at June 30, 2011 and 2010, customers include approximately 16,100 and 20,800 persons, respectively, whose accounts were over 60 days past due in payment, approximately 2,200 and 2,500 persons, respectively, whose accounts were over 90 days past due in payment, and approximately 1,000 and 1,300 persons, respectively, whose accounts were over 120 days past due in payment.
- (b) “Video customers” represent those customers who subscribe to our video cable services.
- (c) “Internet customers” represent those customers who subscribe to our Internet service.
- (d) “Telephone customers” represent those customers who subscribe to our telephone service.
- (e) “Primary Service Units” or “PSUs” represent the total of video, Internet and telephone customers.
- (f) Included within commercial video customers are those in commercial and multi-dwelling structures, which are calculated on an equivalent bulk unit (“EBU”) basis. We calculate EBUs by dividing the bulk price charged to accounts in an area by the published rate charged to non-bulk residential customers in that market for the comparable tier of service rather than the most prevalent price charged. This EBU method of estimating basic video customers is consistent with the methodology used in determining costs paid to programmers and is consistent with the methodology used by other multiple system operators (“MSOs”). As we increase our published video rates to residential customers without a corresponding increase in the prices charged to commercial service or multi-dwelling customers, our EBU count will decline even if there is no real loss in commercial service or multi-dwelling customers.
- (g) Prior year commercial Internet customers were adjusted to reflect current year presentation.
- (h) “Digital video RGUs” include all video customers that rent one or more digital set-top boxes or cable cards.
- (i) “Revenue Generating Units” or “RGUs” represent the total of all basic video, digital video, Internet and telephone customers, not counting additional outlets within one household. For example, a customer who receives two types of service (such as basic video and digital video) would be treated as two RGUs and, if that

customer added on Internet service, the customer would be treated as three RGUs. This statistic is computed in accordance with the guidelines of the National Cable & Telecommunications Association ("NCTA").

We have a history of net losses. Our net losses are principally attributable to insufficient revenue to cover the combination of operating expenses, interest expenses that we incur because of our debt, depreciation expenses resulting from the capital investments we have made and continue to make in our cable properties, and amortization expenses of customer relationships.

Critical Accounting Policies and Estimates

For a discussion of our critical accounting policies and the means by which we develop estimates therefore, see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in our 2010 Annual Report on Form 10-K.

RESULTS OF OPERATIONS

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

	Three Months Ended June 30,				Six Months Ended June 30,			
	2011		2010		2011		2010	
REVENUES	\$ 1,791	100%	\$ 1,771	100%	\$ 3,561	100%	\$ 3,506	100%
COSTS AND EXPENSES:								
Operating (excluding depreciation and amortization)	784	44%	773	44%	1,552	44%	1,529	44%
Selling, general and administrative	343	19%	357	20%	688	19%	704	20%
Depreciation and amortization	393	22%	380	22%	776	22%	749	21%
Other operating expenses, net	1	--	7	--	6	--	19	1%
	1,521	85%	1,517	86%	3,022	85%	3,001	86%
Income from operations	270	15%	254	14%	539	15%	505	14%
OTHER INCOME (EXPENSES):								
Interest expense, net	(241)		(219)		(474)		(423)	
Loss on extinguishment of debt	(53)		(34)		(120)		(35)	
Other income (expenses), net	(2)		1		(2)		(2)	
	(296)		(252)		(596)		(460)	
Income (loss) before income taxes	(26)		2		(57)		45	
INCOME TAX EXPENSE	(81)		(83)		(160)		(102)	
Net loss	\$ (107)		\$ (81)		\$ (217)		\$ (57)	
LOSS PER COMMON SHARE, BASIC AND DILUTED	\$ (0.98)		\$ (0.72)		\$ (1.95)		\$ (0.51)	
Weighted average common shares outstanding, basic and diluted	109,265,876		113,110,882		111,234,155		113,066,173	

Revenues. Average monthly revenue per basic video customer increased to \$134 for the three months ended June 30, 2011 from \$124 for the three months ended June 30, 2010 and increased to \$132 for the six months ended June 30, 2011 from \$122 for the six months ended June 30, 2010. Average monthly revenue per basic video customer represents total revenue, divided by the number of respective months, divided by the average number of basic video customers during the respective period. Revenue growth primarily reflects increases in the number of residential telephone, commercial services, Internet customers, price increases, and incremental video revenues from DVR and

high-definition television services, offset by a decrease in basic video customers. Asset sales reduced the increase in revenues for the three and six months ended June 30, 2011 as compared to the three and six months ended June 30, 2010 by approximately \$18 million and \$36 million, respectively.

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

	Three Months Ended June 30, 2011		Three Months Ended June 30, 2010		2011 over 2010	
	Revenues	% of Revenues	Revenues	% of Revenues	Change	% Change
Video	\$ 903	51%	\$ 932	52%	\$ (29)	(3%)
Internet	419	23%	402	23%	17	4%
Telephone	213	12%	206	12%	7	3%
Commercial	141	8%	121	7%	20	17%
Advertising sales	76	4%	72	4%	4	6%
Other	39	2%	38	2%	1	3%
	<u>\$ 1,791</u>	<u>100%</u>	<u>\$ 1,771</u>	<u>100%</u>	<u>\$ 20</u>	<u>1%</u>

	Six Months Ended June 30, 2011		Six Months Ended June 30, 2010		2011 over 2010	
	Revenues	% of Revenues	Revenues	% of Revenues	Change	% Change
Video	\$ 1,811	51%	\$ 1,858	53%	\$ (47)	(3%)
Internet	831	23%	797	23%	34	4%
Telephone	425	12%	404	11%	21	5%
Commercial	278	8%	239	7%	39	16%
Advertising sales	138	4%	131	4%	7	5%
Other	78	2%	77	2%	1	1%
	<u>\$ 3,561</u>	<u>100%</u>	<u>\$ 3,506</u>	<u>100%</u>	<u>\$ 55</u>	<u>2%</u>

Video revenues consist primarily of revenues from basic and digital video services provided to our non-commercial customers, as well as franchise fees, equipment rental and video installation revenue. Residential basic video customers decreased by 293,200 customers from June 30, 2010 compared to June 30, 2011, 59,600 of which were related to asset sales. Digital video customers increased by 49,200 during the same period, offset by asset sales of 35,500 customers. The decrease in video revenues is attributable to the following (dollars in millions):

	Three months ended June 30, 2011 compared to three months ended June 30, 2010 Increase / (Decrease)	Six months ended June 30, 2011 compared to six months ended June 30, 2010 Increase / (Decrease)
Incremental video services and rate adjustments	\$ 2	\$ 9
Increase in digital video customers	9	23
Decrease in basic video customers	(29)	(56)
Asset sales	(11)	(23)
	<u>\$ (29)</u>	<u>\$ (47)</u>

Residential Internet customers grew by 164,600 customers from June 30, 2010 to June 30, 2011. The increase was reduced by asset sales of 24,200 residential Internet customers. The increase in Internet revenues from our residential customers is attributable to the following (dollars in millions):

	Three months ended June 30, 2011 compared to three months ended June 30, 2010 Increase / (Decrease)	Six months ended June 30, 2011 compared to six months ended June 30, 2010 Increase / (Decrease)
Increase in residential Internet customers	\$ 23	\$ 47
Rate adjustments and service level changes	(3)	(7)
Asset sales	(3)	(6)
	<u>\$ 17</u>	<u>\$ 34</u>

Average monthly revenue per residential Internet customer decreased during the three and six months ended June 30, 2011 compared to the corresponding periods in 2010 due to an increase in customers taking entry level products as a result of our speed upgrades offset by an increase in home networking customers.

Residential telephone customers grew by 89,500 customers from June 30, 2010 to June 30, 2011, offset by asset sales of 1,800 residential telephone customers. The increase in telephone revenues from our residential customers is attributable to the following (dollars in millions):

	Three months ended June 30, 2011 compared to three months ended June 30, 2010 Increase / (Decrease)	Six months ended June 30, 2011 compared to six months ended June 30, 2010 Increase / (Decrease)
Increase in residential telephone customers	\$ 14	\$ 31
Rate adjustments and service upgrades	(6)	(9)
Asset sales	(1)	(1)
	<u>\$ 7</u>	<u>\$ 21</u>

Average monthly revenue per residential telephone customer decreased during the three and six months ended June 30, 2011 compared to the corresponding period in 2010 due to promotional activity to increase sales of The Charter Bundle®.

The increase in commercial revenues is attributable to the following (dollars in millions):

	Three months ended June 30, 2011 compared to three months ended June 30, 2010 Increase / (Decrease)	Six months ended June 30, 2011 compared to six months ended June 30, 2010 Increase / (Decrease)
Sales to small-to-medium sized business customers	\$ 13	\$ 24
Carrier site customers	3	10
Other	5	7
Asset sales	(1)	(2)
	<u>\$ 20</u>	<u>\$ 39</u>

Increases in commercial revenues were the result of improved sales productivity and our strategic investments, such as DOCSIS 3.0. Commercial customers increased 27,800 from June 30, 2010 compared to June 30, 2011. The increase was reduced by asset sales of 7,300 commercial customers.

Advertising sales revenues consist primarily of revenues from commercial advertising customers, programmers, and other vendors. Advertising sales revenues for the three and six months ended June 30, 2011 increased primarily as a result of an increase in revenue from the automotive and retail sectors combined with a \$3 million change to account for revenues received from selling advertising for third parties on a gross basis rather than a net basis. For the three months ended June 30, 2011 and 2010, we received \$13 million and \$11 million, respectively, and for the six months ended June 30, 2011 and 2010, we received \$23 million and \$21 million, respectively, in advertising sales revenues from vendors. Asset sales reduced the increase in advertising sales revenues for the three and six months ended June 30, 2011 as compared to the three and six months ended June 30, 2010 by approximately \$1 million and \$2 million, respectively.

Other revenues consist of home shopping, late payment fees, wire maintenance fees and other miscellaneous revenues. The increase in other revenues for the three and six months ended June 30, 2011 was primarily the result of increases in wire maintenance fees. Asset sales reduced the increase in other revenues for the three and six months ended June 30, 2011 as compared to the three and six months ended June 30, 2010 by approximately \$1 million and \$2 million, respectively.

Operating expenses. The increase in operating expenses is attributable to the following (dollars in millions):

	Three months ended June 30, 2011 compared to three months ended June 30, 2010 Increase / (Decrease)	Six months ended June 30, 2011 compared to six months ended June 30, 2010 Increase / (Decrease)
Programming costs	\$ 16	\$ 30
Service labor costs	5	11
Commercial services	(1)	1
Asset sales	(9)	(19)
	<u>\$ 11</u>	<u>\$ 23</u>

Programming costs were approximately \$469 million and \$459 million, representing 60% of total operating expenses, for the three months ended June 30, 2011 and 2010, respectively, and were approximately \$935 million and \$916 million, representing 60% of total operating expenses, for the six months ended June 30, 2011 and 2010, respectively. Programming costs consist primarily of costs paid to programmers for basic, premium, digital, OnDemand, and pay-per-view programming. The increase in programming costs is primarily a result of annual contractual rate adjustments, offset in part by asset sales and customer losses. Programming costs were also offset by the amortization of payments received from programmers of \$2 million and \$4 million for the three months ended June 30, 2011 and 2010, respectively, and \$4 million and \$8 million for the six months ended June 30, 2011 and 2010, respectively. We expect programming expenses to continue to increase, and at a higher rate than in 2010, due to a variety of factors, including amounts paid for retransmission consent, annual increases imposed by programmers, and additional programming, including high-definition, OnDemand, and pay-per-view programming, being provided to our customers.

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

	Three months ended June 30, 2011 compared to three months ended June 30, 2010 Increase / (Decrease)	Six months ended June 30, 2011 compared to six months ended June 30, 2010 Increase / (Decrease)
Stock compensation	\$ 4	\$ 5
Commercial services	2	5
Other, net	3	1
Marketing costs	(6)	3
Bad debt and collection costs	(6)	(13)
Customer care	(6)	(8)
Asset sales	(5)	(9)
	<u>\$ (14)</u>	<u>\$ (16)</u>

The decrease in marketing costs for the three months ended June 30, 2011 and the increase for the six months ended June 30, 2011 includes approximately \$7 million of favorable adjustments related to expenses previously accrued on 2010 marketing campaigns.

Depreciation and amortization. Depreciation and amortization expense increased by \$13 million and \$27 million for the three and six months ended June 30, 2011 compared to the corresponding periods in 2010, respectively, primarily representing depreciation on capital expenditures, offset by certain assets becoming fully depreciated.

Other operating expenses, net. The change in other operating expense, net is attributable to the following (dollars in millions):

	Three months ended June 30, 2011 compared to three months ended June 30, 2010 Increase / (Decrease)	Six months ended June 30, 2011 compared to six months ended June 30, 2010 Increase / (Decrease)
Special charges, net	\$ (4)	\$ (10)
Loss on sales of assets, net	(2)	(3)
	<u>\$ (6)</u>	<u>\$ (13)</u>

The change in special charges in the three and six months ended June 30, 2011 as compared to the prior periods is the result of litigation settlements plus severance charges. For more information, see Note 10 to the accompanying condensed consolidated financial statements contained in "Item 1. Financial Statements."

Interest expense, net. For the three and six months ended June 30, 2011 compared to June 30, 2010, net interest expense increased by \$22 million and \$51 million, respectively, which was primarily a result of an increase in our weighted average interest rate from 6.3% and 6.0% for the three and six months ended June 30, 2010 to 7.4% and 7.3% for the three and six months ended June 30, 2011 offset by a decrease in our weighted average debt outstanding from \$12.8 billion and \$13.0 billion for the three and six months ended June 30, 2010 to \$12.6 billion and \$12.5 billion for the three and six months ended June 30, 2011.

Loss on extinguishment of debt. Loss on extinguishment of debt consists of the following for the periods presented:

	Three months ended June 30,		Six months ended June 30,	
	2011	2010	2011	2010
Charter Operating credit facility prepayments	\$ (53)	\$ --	\$ (120)	\$ --
CCO Holdings and Charter Operating notes repurchases	--	(34)	--	(34)
Charter Operating credit facility amendment	--	--	--	(1)
	<u>\$ (53)</u>	<u>\$ (34)</u>	<u>\$ (120)</u>	<u>\$ (35)</u>

For more information, see Note 4 to the accompanying condensed consolidated financial statements contained in “Item 1. Financial Statements.”

Income tax expense. Income tax expense was recognized for the three and six months ended June 30, 2011 and 2010, through increases in deferred tax liabilities related to our investment in Charter Holdco and certain of our indirect subsidiaries, in addition to current federal and state income tax expense. Income tax expense for the three and six months ended June 30, 2011 included an \$8 million expense for a state tax law change. Income tax expense for the six months ended June 30, 2010 included a \$69 million benefit related to the February 8, 2010 Charter Holdco partnership interest exchange.

Net loss. Net loss increased by \$26 million for the three months ended June 30, 2011 compared to the three months ended June 30, 2010, and by \$160 million for the six months ended June 30, 2011 compared to the six months ended June 30, 2010, primarily a result of an increase in loss on extinguishment of debt and higher interest expense.

Loss per common share. During the three months ended June 30, 2011 compared to the three months ended June 30, 2010, net loss per common share increased by \$0.26 and during the six months ended June 30, 2011 compared to the six months ended June 30, 2010 net loss per common share increased by \$1.44 as a result of the factors described above.

Use of Adjusted EBITDA and Free Cash Flow

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

Adjusted EBITDA is defined as net loss plus net interest expense, income taxes, depreciation and amortization, stock compensation expense, loss on extinguishment of debt, and other expenses, such as special charges, loss on sale or retirement of assets and reorganization items. As such, it eliminates the significant non-cash depreciation and amortization expense that results from the capital-intensive nature of our businesses as well as other non-cash or special items, and is unaffected by our capital structure or investment activities. Adjusted EBITDA is used by management and Charter’s board of directors to evaluate the performance of our business. For this reason, it is a significant component of Charter’s annual incentive compensation program. However, this measure is limited in that it does not reflect the periodic costs of certain capitalized tangible and intangible assets used in generating revenues and our cash cost of financing. Management evaluates these costs through other financial measures.

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

We believe that Adjusted EBITDA and free cash flow provide information useful to investors in assessing our performance and our ability to service our debt, fund operations and make additional investments with internally generated funds. In addition, Adjusted EBITDA generally correlates to the leverage ratio calculation under our credit facilities or outstanding notes to determine compliance with the covenants contained in the facilities and notes (all such documents have been previously filed with the United States Securities and Exchange Commission).

Adjusted EBITDA includes management fee expenses in the amount of \$35 million and \$36 million for the three months ended June 30, 2011 and 2010, respectively, and \$70 million and \$71 million for the six months ended June 30, 2011 and 2010, respectively, which expense amounts are excluded for the purposes of calculating compliance with leverage covenants.

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Net loss	\$ (107)	\$ (81)	\$ (217)	\$ (57)
Plus: Interest expense, net	241	219	474	423
Income tax expense	81	83	160	102
Depreciation and amortization	393	380	776	749
Stock compensation expense	9	5	15	10
Loss on extinguishment of debt	53	34	120	35
Other, net	3	6	8	21
Adjusted EBITDA	\$ 673	\$ 646	\$ 1,336	\$ 1,283
Net cash flows from operating activities	\$ 460	\$ 451	\$ 907	\$ 981
Less: Purchases of property, plant and equipment	(324)	(339)	(680)	(649)
Change in accrued expenses related to capital expenditures	19	15	--	--
Free cash flow	\$ 155	\$ 127	\$ 227	\$ 332

Liquidity and Capital Resources

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

Overview of Our Contractual Obligations and Liquidity

We have significant amounts of debt. The accreted value of our debt as of June 30, 2011 was \$12.6 billion, consisting of \$3.4 billion of credit facility debt and \$9.2 billion of notes. Our business requires significant cash to fund principal and interest payments on our debt. For the remainder of 2011, \$16 million of our debt matures. As of June 30, 2011, \$1.1 billion of our debt matures in 2012, \$230 million in 2013, \$1.0 billion in 2014, \$30 million in 2015, \$4.6 billion in 2016 and \$5.5 billion thereafter. As of December 31, 2010, as shown in our annual report on Form 10-K, we had other contractual obligations totaling \$646 million. We also expect to incur capital expenditures of approximately \$1.3 billion to \$1.4 billion for 2011.

Our projected cash needs and projected sources of liquidity depend upon, among other things, our actual results, and the timing and amount of our expenditures. Free cash flow was \$155 million and \$227 million for the three months and six months ended June 30, 2011, respectively. We expect to continue to generate free cash flow. As of June 30, 2011, the amount available under our revolving credit facility was approximately \$1.2 billion. We expect to utilize free cash flow and availability under our revolving credit facilities as well as future refinancing transactions to further extend or reduce the maturities of our principal obligations. The timing and terms of any refinancing transactions will be subject to market conditions. Additionally, we may, from time to time, depending on market conditions and other factors, use cash on hand and the proceeds from securities offerings or other borrowings, to retire our debt through open market purchases, privately negotiated purchases, tender offers, or redemption provisions. We believe we have sufficient liquidity from cash on hand, free cash flow and Charter Communications Operating, LLC's ("Charter Operating") revolving credit facility as well as access to the capital markets to fund our projected operating cash needs.

We continue to evaluate the deployment of our anticipated future free cash flow including to reduce our leverage, to invest in our business growth and other strategic opportunities, including mergers and acquisitions as well as stock repurchases and dividends. As possible acquisitions, swaps or dispositions arise in our industry, we actively review them against our objectives including, among other considerations, improving the operational efficiency and

clustering of our business and achieving appropriate return targets, and we may participate to the extent we believe these possibilities present attractive opportunities. Although we are actively analyzing and considering several such possibilities, we do not believe any of these are both probable and material, and there can be no assurance that we will actually complete any acquisition, disposition or system swap or that any such transactions will be material to our operations or results.

Free Cash Flow

Free cash flow was \$155 million and \$127 million for the three months ended June 30, 2011 and 2010, respectively, and \$227 million and \$332 million for the six months ended June 30, 2011 and 2010, respectively. The decrease in free cash flow for the six months ended June 30, 2011 compared to the corresponding period in 2010 is primarily due to changes in operating assets and liabilities, excluding the change in accrued interest, that provided \$72 million less cash during the same period of 2011, an increase of \$65 million in cash paid for interest primarily related to higher interest rates as part of refinancings, net of timing of interest payments, and an increase of \$31 million in capital expenditures. The \$72 million reduction in cash provided by changes in operating assets and liabilities is driven by one-time benefits in the first half of 2010 post emergence from bankruptcy along with timing of payments in 2011.

Limitations on Distributions

Distributions by Charter's subsidiaries to a parent company for payment of principal on parent company notes are restricted under indentures and credit facilities governing our indebtedness, unless there is no default under the applicable indenture and credit facilities, and unless each applicable subsidiary's leverage ratio test is met at the time of such distribution. For the quarter ended June 30, 2011, there was no default under any of these indentures or credit facilities and each subsidiary met its applicable leverage ratio tests based on June 30, 2011 financial results. Such distributions would be restricted, however, if any such subsidiary fails to meet these tests at the time of the contemplated distribution. In the past, certain subsidiaries have from time to time failed to meet their leverage ratio test. There can be no assurance that they will satisfy these tests at the time of the contemplated distribution. Distributions by Charter Operating for payment of principal on parent company notes are further restricted by the covenants in its credit facilities.

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

In addition to the limitation on distributions under the various indentures discussed above, distributions by our subsidiaries may be limited by applicable law, including the Delaware Limited Liability Company Act, under which our subsidiaries may only make distributions if they have "surplus" as defined in the act.

Historical Operating, Investing and Financing Activities

Cash and Cash Equivalents. We held \$194 million in cash and cash equivalents, including restricted cash of \$28 million, as of June 30, 2011 compared to \$32 million as of December 31, 2010.

Operating Activities. Net cash provided by operating activities decreased \$74 million from \$981 million for the six months ended June 30, 2010 to \$907 million for the six months ended June 30, 2011, primarily as a result of changes in operating assets and liabilities, excluding the change in accrued interest, that provided \$72 million less cash during the same period driven by one-time benefits in the first half of 2010 post emergence from bankruptcy along with timing of payments in 2011 and an increase of \$65 million in cash paid for interest primarily related to higher interest rates as part of refinancings, net of timing of interest payments, offset by revenues increasing at a faster rate than cash expenses.

Investing Activities. Net cash used in investing activities was \$694 million and \$653 million for the six months ended June 30, 2011 and 2010, respectively. The increase is primarily due to an increase of \$31 million in purchases of property, plant, and equipment as a result of capital investments to enhance our residential and commercial products and services capabilities.

Financing Activities. Net cash used in financing activities was \$51 million and \$1.0 billion for the six months ended June 30, 2011 and 2010, respectively. The decrease in cash used during the six months

ended June 30, 2011 as compared to the corresponding period in 2010, was primarily the result of increased borrowings of long-term debt, offset by increased repayments of long-term debt and purchase of treasury stock.

Capital Expenditures

We have significant ongoing capital expenditure requirements. Capital expenditures were \$680 million and \$649 million for the six months ended June 30, 2011 and 2010, respectively, and increased as a result of investments made to move into new commercial segments, incremental capital for storm-related damage, and bandwidth reclamation projects such as switched-digital video launches.

During 2011, we expect capital expenditures to be between \$1.3 billion and \$1.4 billion. We expect the nature of these expenditures will continue to be composed primarily of purchases of customer premise equipment related to advanced video services, scalable infrastructure and support capital. The actual amount of our capital expenditures depends in part on the deployment of advanced video services and offerings. Capital expenditures will increase if there is accelerated growth in Internet, telephone, commercial business or digital customers or there is an increased need to respond to competitive pressures by expanding the delivery of other advanced video services.

Our capital expenditures are funded primarily from free cash flow and borrowings on our credit facility.

The following table presents our major capital expenditures categories in accordance with NCTA disclosure guidelines for the three and six months ended June 30, 2011 and 2010. The disclosure is intended to provide more consistency in the reporting of capital expenditures among peer companies in the cable industry. These disclosure guidelines are not required disclosures under GAAP, nor do they impact our accounting for capital expenditures under GAAP (dollars in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Customer premise equipment (a)	\$ 130	\$ 140	\$ 287	\$ 296
Scalable infrastructure (b)	85	108	207	195
Line extensions (c)	29	22	49	38
Upgrade/Rebuild (d)	7	7	12	16
Support capital (e)	73	62	125	104
Total capital expenditures (f)	\$ 324	\$ 339	\$ 680	\$ 649

(a) Customer premise equipment includes costs incurred at the customer residence to secure new customers, revenue units and additional bandwidth revenues. It also includes customer installation costs and customer premise equipment (e.g., set-top boxes and cable modems, etc.).

(b) Scalable infrastructure includes costs not related to customer premise equipment or our network, to secure growth of new customers, revenue units, and additional bandwidth revenues, or provide service enhancements (e.g., headend equipment).

(c) Line extensions include network costs associated with entering new service areas (e.g., fiber/coaxial cable, amplifiers, electronic equipment, make-ready and design engineering).

(d) Upgrade/rebuild includes costs to modify or replace existing fiber/coaxial cable networks, including betterments.

(e) Support capital includes costs associated with the replacement or enhancement of non-network assets due to technological and physical obsolescence (e.g., non-network equipment, land, buildings and vehicles).

(f) Total capital expenditures includes \$45 million and \$34 million of capital expenditures related to commercial services for the three months ended June 30, 2011 and 2010, respectively, and \$72 million and \$52 million for the six months ended June 30, 2011 and 2010, respectively.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

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

As of June 30, 2011 and December 31, 2010, the accreted value of our debt was approximately \$12.6 billion and \$12.3 billion, respectively. As of June 30, 2011 and December 31, 2010, the weighted average interest rate on the credit facility debt, including the effects of our interest rate swap agreements, was approximately 4.4% and 3.8%, respectively, and the weighted average interest rate on the notes was approximately 8.8% and 9.7%, respectively, resulting in a blended weighted average interest rate of 7.5% and 6.7%, respectively. The interest rate on approximately 87% and 65% of the total principal amount of our debt was effectively fixed, including the effects of our interest rate swap agreements, as of June 30, 2011 and December 31, 2010, respectively.

We do not hold or issue derivative instruments for speculative trading purposes. We have interest rate derivative instruments that have been designated as cash flow hedging instruments. Such instruments effectively convert variable interest payments on certain debt instruments into fixed payments. For qualifying hedges, derivative gains and losses offset related results on hedged items in the consolidated statements of operations. We have formally documented, designated and assessed the effectiveness of transactions that receive hedge accounting. For the three and six months ended June 30, 2011 and 2010, there was no cash flow hedge ineffectiveness on interest rate swap agreements.

Changes in the fair value of interest rate agreements that are designated as hedging instruments of the variability of cash flows associated with floating-rate debt obligations, and that meet effectiveness criteria are reported in other comprehensive loss. For the three and six months ended June 30, 2011, losses of \$20 million and \$9 million, respectively, and for each of the three and six months ended June 30, 2010, losses of \$50 million related to derivative instruments designated as cash flow hedges, were recorded in other comprehensive loss. The amounts are subsequently reclassified as an increase or decrease to interest expense in the same periods in which the related interest on the floating-rate debt obligations affects earnings (losses).

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 June 30, 2011 (dollars in millions):

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>Thereafter</u>	<u>Total</u>	<u>Fair Value at June 30, 2011</u>
Debt:									
Fixed Rate	\$ --	\$ 1,100	\$ --	\$ 546	\$ --	\$ 1,766	\$ 5,500	\$ 8,912	\$ 9,468
Average Interest Rate	--	8.00%	--	10.88%	--	13.50%	7.20%	8.77%	
Variable Rate	\$ 16	\$ 31	\$ 230	\$ 467	\$ 30	\$ 2,835	\$ --	\$ 3,609	\$ 3,584
Average Interest Rate	3.57%	3.94%	3.47%	5.02%	6.60%	7.26%	--	6.68%	
Interest Rate Instruments:									
Variable to Fixed Rate	\$ --	\$ --	\$ 900	\$ 800	\$ 300	\$ --	\$ --	\$ 2,000	\$ 66
Average Pay Rate	--	--	5.21%	5.65%	5.99%	--	--	5.50%	
Average Receive Rate	--	--	4.68%	5.55%	6.30%	--	--	5.27%	

At June 30, 2011, we had \$2.0 billion in notional amounts of interest rate swaps outstanding. The notional amounts of interest rate instruments do not represent amounts exchanged by the parties and, thus, are not a measure of our exposure to credit loss. The amounts exchanged are determined by reference to the notional amount and the other terms of the contracts. The estimated fair value is determined using a present value calculation based on an implied forward LIBOR curve (adjusted for Charter Operating's or counterparties' credit risk). Interest rates on variable debt are estimated using the average implied forward LIBOR for the year of maturity based on the yield curve in effect at June 30, 2011 including applicable bank spread.

Item 4. Controls and Procedures.

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

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

There was no change in our internal control over financial reporting during the quarter ended June 30, 2011 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION.

Item 1. Legal Proceedings.

Bankruptcy Proceedings

On March 27, 2009, Charter filed its Chapter 11 petition in the United States Bankruptcy Court for the Southern District of New York. On the same day, JPMorgan Chase Bank, N.A., (“JPMorgan”), for itself and as Administrative Agent under the Charter Operating Credit Agreement, filed an adversary proceeding (the “JPMorgan Adversary Proceeding”) in Bankruptcy Court against Charter Operating and CCO Holdings seeking a declaration that there were events of default under the Charter Operating Credit Agreement. JPMorgan, as well as other parties, objected to the Plan. The Bankruptcy Court jointly held 19 days of trial in the JPMorgan Adversary Proceeding and on the objections to the Plan.

On November 17, 2009, the Bankruptcy Court issued its Order and Opinion confirming the Plan over the objections of JPMorgan and various other objectors. The Court also entered an order ruling in favor of Charter in the JPMorgan Adversary Proceeding. Several objectors attempted to stay the consummation of the Plan, but those motions were denied by the Bankruptcy Court and the U.S. District Court for the Southern District of New York. Charter consummated the Plan on November 30, 2009 and reinstated the Charter Operating Credit Agreement and certain other debt of its subsidiaries.

Six appeals were filed relating to confirmation of the Plan. The parties initially pursuing appeals were: (i) JPMorgan; (ii) Wilmington Trust Company (“Wilmington Trust”) (as indenture trustee for the holders of the 8% Senior Second Lien Notes due 2012 and 8.375% senior second lien notes due 2014 issued by and among Charter Operating and Charter Communications Operating Capital Corp. and the 10.875% senior second lien notes due 2014 issued by and among Charter Operating and Charter Communications Operating Capital Corp.); (iii) Wells Fargo Bank, N.A. (“Wells Fargo”) (in its capacities as successor Administrative Agent and successor Collateral Agent for the third lien prepetition secured lenders to CCO Holdings under the CCO Holdings credit facility); (iv) Law Debenture Trust Company of New York (“Law Debenture Trust”) (as the Trustee with respect to the \$479 million in aggregate principal amount of 6.50% convertible senior notes due 2027 issued by Charter which are no longer outstanding following consummation of the Plan); (v) R2 Investments, LDC (“R2 Investments”) (an equity interest holder in Charter); and (vi) certain plaintiffs representing a putative class in a securities action against three former Charter officers or directors filed in the United States District Court for the Eastern District of Arkansas (Iron Workers Local No. 25 Pension Fund, Indiana Laborers Pension Fund, and Iron Workers District Council of Western New York and Vicinity Pension Fund, in the action styled *Iron Workers Local No. 25 Pension Fund v. Allen, et al.*, Case No. 4:09-cv-00405-JLH (E.D. Ark.)).

Charter Operating amended its senior secured credit facilities effective March 31, 2010. In connection with the closing of these amendments, each of Bank of America, N.A. and JPMorgan, for itself and on behalf of the lenders under the Charter Operating senior secured credit facilities, agreed to dismiss the appeal of our Confirmation Order pending before the District Court for the Southern District of New York and to waive any objections to our Confirmation Order issued by the United States Bankruptcy Court for the Southern District of New York. The lenders filed their stipulation of that dismissal and waiver of objections and in April 2010, the case was dismissed. On December 3, 2009, Wilmington Trust withdrew its notice of appeal. In April 2010, Wells Fargo filed its Stipulation of Dismissal of their appeal on behalf of the lenders under the CCO Holdings credit facility and in April 2010, the case was dismissed. The appeals by Law Debenture Trust and R2 Investments were denied by the District Court for the Southern District of New York in March 2011. A Notice of Appeal of that denial has been filed by both Law Debenture Trust and R2. The appeals of the securities plaintiffs were denied by the District Court for the Southern District of New York in July 2011. We cannot predict the ultimate outcome of the appeals.

Other Proceedings

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

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

Item 1A. Risk Factors.

Our Annual Report on Form 10-K for the year ended December 31, 2010 includes “Risk Factors” under Item 1A of Part I. Except for the updated risk factors described below, there have been no material changes from the risk factors described in our Form 10-K. The information below updates, and should be read in conjunction with, the risk factors and information disclosed in our Form 10-K.

Risks Related to Regulatory and Legislative Matters

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

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

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

Additionally, many aspects of these regulations are currently the subject of judicial proceedings and administrative or legislative proposals. In March 2010, the FCC submitted its National Broadband Plan to Congress and announced its intention to initiate approximately 40 rulemakings addressing a host of issues related to the delivery of broadband services, including video, data, VoIP and other services. The broad reach of these rulemakings could ultimately impact the environment in which we operate. On December 21, 2010, the FCC enacted new “net neutrality” rules, regulating the provision of broadband Internet access. There are also ongoing efforts to amend or expand the federal, state, and local regulation of some of our cable systems, which may compound the regulatory risks we already face, and proposals that might make it easier for our employees to unionize. For example, Congress and various federal agencies are now considering adoption of significant new privacy restrictions, including new restrictions on the use of personal and profiling information for behavioral advertising. In response to recent global data breaches, malicious activity and cyber threats, as well as the general increasing concerns regarding the protection of consumers’ personal information, Congress is considering the adoption of new data security and cybersecurity legislation that could result in additional network and information security requirements for our business. In the event of a data breach or cyber attack, these new laws, as well as existing legal and regulatory obligations, could require significant expenditures to remedy any such breach or attack. In addition, the Twenty-First Century Communications and Video Accessibility Act of 2010, which the FCC is now in the process of implementing, includes various provisions intended to ensure communications services are accessible to people

with disabilities. Certain states and localities are considering new cable and telecommunications taxes that could increase operating expenses.

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

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

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

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

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

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

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

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

Pole attachments are cable wires that are attached to utility poles. Cable system attachments to investor-owned public utility poles historically have been regulated at the federal or state level, generally resulting in favorable pole attachment rates for attachments used to provide cable service. In contrast, utility poles owned by municipalities or cooperatives are not subject to federal regulation and are generally exempt from state regulation. On April 7, 2011, the FCC amended its pole attachment rules to promote broadband deployment. The new order (the "Order") maintains the basic rate formula applicable to "cable" attachments in the 30 states directly subject to FCC regulation, but reduces the rate formula previously applicable to "telecommunications" attachments to make it roughly equivalent to the cable attachment rate. Although the Order maintains the status quo treatment of cable-provided VoIP service as an unclassified service eligible for the favorable cable rate, there is still some uncertainty in this

area. The Order also allows for new penalties in certain cases involving unauthorized attachments that could result in additional costs for cable operators. The new Order overall strengthens the cable industry's ability to access investor-owned utility poles on reasonable rates, terms and conditions. Electric utilities, however, have filed Petitions for Reconsideration at the FCC and Petitions for Review in the D.C. Circuit Court of Appeals seeking to modify or overturn the FCC's Order. Charter and other cable operators have intervened in the court proceeding.

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

In August 2005, the FCC issued a nonbinding policy statement identifying four principles it deemed necessary to ensure continuation of an "open" Internet that is not unduly restricted by network "gatekeepers." In August 2008, the FCC issued an order concerning one Internet network management practice in use by another cable operator, effectively treating the four principles as rules and ordering a change in that operator's network management practices. On April 6, 2010, the United States Court of Appeals for the D.C. Circuit concluded that the FCC lacked jurisdictional authority and vacated the FCC's 2008 order. On December 21, 2010, the FCC responded by enacting new "net neutrality" rules based on three core principles of: (1) transparency, (2) no blocking, and (3) no unreasonable discrimination. The "transparency" rule requires broadband Internet access providers to disclose applicable terms, performance, and network management practices to consumers and third party users. The "no blocking" rule restricts Internet access providers from blocking lawful content, applications, services, or devices. The "no unreasonable discrimination" rule prohibits Internet access providers from engaging in unreasonable discrimination in transmitting lawful traffic. The new rules will permit broadband service providers to exercise "reasonable network management" for legitimate management purposes, such as management of congestion, harmful traffic, and network security. The rules will also permit usage-based billing, and permit broadband service providers to offer additional specialized services such as facilities-based IP voice services, without being subject to restrictions on discrimination. These rules do not become effective until 60 days following the announcement in the Federal Register of the Office of Management and Budget's decision regarding the information collection requirements associated with the new rules. The Office of Management and Budget did not commence its proceeding regarding the proposed requirements until early July 2011. Assuming they become effective, the FCC will enforce these rules based on case-by-case complaints. Although the new rules encompass both wireline providers (like us) and wireless providers, the rules are less stringent with regard to wireless providers. The FCC premised the new "net neutrality" rules on its Title I and ancillary jurisdiction. An initial appeal filed by Verizon was rejected by the court on procedural grounds, but it is expected that Verizon will refile in due course. A legislative review is also possible. The FCC's new rules, if they withstand such challenges, as well as any additional legislation or regulation, could impose new obligations and restraints on high-speed Internet providers. Any such rules or statutes could limit our ability to manage our cable systems to obtain value for use of our cable systems and respond to operational and competitive challenges.

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

Cable operators also face significant regulation of their channel carriage. We can be required to devote substantial capacity to the carriage of programming that we might not carry voluntarily, including certain local broadcast signals; local public, educational and government access ("PEG") programming; and unaffiliated, commercial leased access programming (required channel capacity for use by persons unaffiliated with the cable operator who desire to distribute programming over a cable system). Under FCC regulations, most cable systems are currently required to offer both an analog and digital version of local broadcast signals. This burden could increase further if we are required to carry multiple programming streams included within a single digital broadcast transmission (multicast carriage) or if our broadcast carriage obligations are otherwise expanded. Pursuant to recent copyright legislation, the Copyright Office and the General Accounting Office are now conducting proceedings exploring the feasibility of phasing out the compulsory copyright license through which cable systems have retransmitted broadcast programming since 1976. At the same time, the cost that cable operators face to secure retransmission consent (separate from copyright authority) for the carriage of popular broadcast stations is increasing significantly. The FCC also adopted new commercial leased access rules (currently stayed while under appeal) which dramatically reduce the rate we can charge for leasing this capacity and dramatically increase our associated administrative burdens. The FCC recently adopted amendments, and is currently considering additional amendments, to its program carriage rules that provide additional rights to programmers dissatisfied with their carriage arrangements with cable and satellite companies to pursue complaints against these companies at the FCC. These regulatory changes could disrupt existing programming commitments, interfere with our preferred use of limited channel capacity, increase our programming costs, and limit our ability to offer services that would maximize our revenue

potential. It is possible that other legal restraints will be adopted limiting our discretion over programming decisions.

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

We offer voice communications services over our broadband network and continue to develop and deploy VoIP services. The FCC has declared that certain VoIP services are not subject to traditional state public utility regulation. The full extent of the FCC preemption of state and local regulation of VoIP services is not yet clear. Expanding our offering of these services may require us to obtain certain additional authorizations. We may not be able to obtain such authorizations in a timely manner, or conditions could be imposed upon such licenses or authorizations that may not be favorable to us. The FCC has extended certain traditional telecommunications carrier requirements, such as E911, Universal Service fund collection, CALEA, Customer Proprietary Network Information, number porting and telephone relay requirements to many VoIP providers such as us. There is a pending FCC proposal that might extend new inter-carrier compensation rules to VoIP traffic. Within the next year, the FCC is likely to change the rules that govern intercarrier compensation payments that Charter pays to other carriers to have calls terminated to their local telephone subscribers, and that Charter receives from other carriers to terminate calls made to Charter telephone subscribers. It is expected that intercarrier compensation revenues and expenses would both decline as a result of reform, but we cannot predict with certainty the details of these new rules and the extent to which it could affect Charter's revenues and expenses for its telephone services. Telecommunications companies generally are subject to other significant regulation which could also be extended to VoIP providers. If additional telecommunications regulations are applied to our VoIP service, it could cause us to incur additional costs.

Item 6. Exhibits.

The index to the exhibits begins on page E-1 of this quarterly report.

SIGNATURES

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

CHARTER COMMUNICATIONS, INC.,
Registrant

Dated: August 2, 2011

By: /s/ Kevin D. Howard

Name: Kevin D. Howard

Title: *Senior Vice President - Finance, Controller and Chief Accounting Officer*

EXHIBIT INDEX

Exhibit	Description
10.1+*	Form of Non-Qualified Price Vesting Stock Option Agreement for Chief Executive Officer dated April 26, 2011.
10.2+*	Form of Non-Qualified Price Vesting Stock Option Agreement dated April 26, 2011.
10.3+*	Form of Non-Qualified Time Vesting Stock Option Agreement dated April 26, 2011.
10.4+*	Form of Restricted Stock Unit Agreement dated April 26, 2011.
10.5+*	Amended and Restated 2009 Stock Incentive Plan dated as of July 26, 2011.
12.1*	Computation of Ratio of Earnings to Fixed Charges.
31.1*	Certificate of Chief Executive Officer pursuant to Rule 13a-14(a)/Rule 15d-14(a) under the under the Securities Exchange Act of 1934.
31.2*	Certificate of Chief Financial Officer pursuant to Rule 13a-14(a)/Rule 15d-14(a) under the Securities Exchange Act of 1934.
32.1*	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Chief Executive Officer).
32.2*	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Chief Financial Officer).
101	The following financial statements from Charter Communications, Inc.'s Quarterly Report on Form 10-Q for the three and six months ended June 30, 2011, filed with the Securities and Exchange Commission on August 2, 2011, formatted in XBRL (eXtensible Business Reporting Language): (i) the Consolidated Balance Sheets; (ii) the Consolidated Statements of Operations; (iii) the Consolidated Statements of Cash Flows and (iv) the Notes to Consolidated Financial Statements.

* Document attached

+ Management compensatory plan or arrangement

NONQUALIFIED TIME-VESTING STOCK OPTION AGREEMENT (CEO)

THIS AGREEMENT, made as of April 26, 2011 (the "Grant Date"), between Charter Communications, Inc., a Delaware corporation (the "Company"), and Michael J. Lovett (the "Optionee").

Unless otherwise defined herein, terms defined in the Charter Communications, Inc. 2009 Stock Incentive Plan (the "Plan") shall have the same defined meanings in this Nonqualified Stock Option Agreement (the "Agreement").

The undersigned Optionee has been granted an Option to purchase Shares of Class A common stock of the Company ("Shares"), subject to the terms and conditions of the Plan and this Agreement, as follows:

Vesting Schedule:	As provided in Section 4 of the Agreement and on <u>Exhibit A</u> attached hereto.
Exercise Price per share:	\$55.12
Total Number of Shares under Option	645,833
Exercise Expiration Date:	April 26, 2021

(Such information as to exercise price, total number of options and exercise expiration date are also shown on the Optionee's Merrill Lynch on-line grant account.)

Charter Communications, Inc.

Abigail T. Pfeiffer, SVP - Human Resources

I, the undersigned, agree to this grant of an Option to purchase Shares of the Company, acknowledge that this grant is subject to the terms and conditions of the Plan and this Agreement, and have read and understand the terms and conditions set forth in Sections 1 through 23 of this Agreement.

Optionee

1. Grant of Option.

1.1 The Company hereby grants to the Optionee the right and option (the "Option") to purchase all or any part of the Total Number of Shares under Option set forth above, subject to, and in accordance with, the terms and conditions set forth in this Agreement.

1.2 The Option is not intended to qualify as an incentive stock option within the meaning of Section 422 of the Code.

1.3 This Agreement shall be construed in accordance and consistent with, and subject to, the provisions of the Plan (the provisions of which are incorporated herein by reference) and, except as otherwise expressly set forth herein, the capitalized terms used in this Agreement shall have the same definitions as set forth in the Plan.

2. Purchase Price.

The price at which the Optionee shall be entitled to purchase Shares upon the exercise of the Option shall be the Exercise Price per Share set forth above.

3. Duration of Option.

The Option shall be exercisable to the extent and in the manner provided herein for a period of ten (10) years from the Grant Date (the "Exercise Term") and shall expire as of the tenth (10th) anniversary of the Grant Date ("Exercise Expiration Date"); provided, however, that the Option may be earlier or later terminated as provided under the terms of the Plan and this Agreement.

4. Vesting of Option.

4.1 Time-Vesting Options.

(a) Normal Vesting. Unless otherwise provided in this Agreement or the Plan, thirty percent (30%) of the Option granted hereunder (the "Time-Vesting Options") shall vest as follows, subject to the Optionee's continued employment with the Company or its Subsidiaries on each such vesting date:

(i) Tranche I Service Options. One-third (1/3) of the Time-Vesting Options (the "Tranche I Service Options") shall become vested and exercisable in four (4) pro rata equal installments on each of the first four (4) anniversaries of the applicable Vesting Commencement Date. The Vesting Commencement Date for the Tranche I Service Options shall be the Grant Date.

(ii) Tranche II Service Options. One-third (1/3) of the Time-Vesting Options (the "Tranche II Service Options") shall become vested and exercisable in four (4) pro rata equal installments on each of the first four (4) anniversaries of the applicable Vesting Commencement Date. The applicable Vesting Commencement Date for the Tranche II Service Options shall be December 31, 2011.

(iii) Tranche III Service Options. One-third (1/3) of the Time-Vesting Options (the "Tranche III Service Options") shall become vested and exercisable in four (4) pro rata equal installments on each of the first four (4) anniversaries of the applicable Vesting Commencement Date. The applicable Vesting Commencement Date for the Tranche III Service Options shall be December 31, 2012.

Each right of purchase shall be cumulative and shall continue, unless sooner exercised or terminated as herein provided, during the remaining period of the Exercise Term. Notwithstanding any fractional number of Shares resulting from the application of the foregoing percentages or vesting provisions below, the Option shall only be exercisable with respect to a whole number of Shares.

(b) Certain Terminations. Notwithstanding anything to the contrary set forth in any employment agreement between the Optionee and the Company, the Plan or this Agreement, upon the termination of employment of the Optionee (i) by the Company, or any of its Subsidiaries, for Cause, by the Optionee without Good Reason or as a result of the Optionee's Retirement, all unvested Time-Vesting Options shall be canceled and forfeited, or (ii) as a result of the Optionee's death or Disability or by the Company, or any of its Subsidiaries, without Cause or by the Optionee for Good Reason, subject to Section 4.1(c) hereof: (A) all Non-Eligible Time-Vesting Options shall immediately be canceled and forfeited; (B) all unvested Eligible Time-Vesting Options that do not vest pursuant to Section 4.1(b)(ii)(C) hereof shall be canceled and forfeited; and (C) a pro-rata portion of the Eligible Time-Vesting Options that would otherwise vest on the next regularly scheduled vesting date (based on the portion of the vesting year that has elapsed as of such termination) shall vest and become exercisable as of the date of such termination.

(c) Change in Control. (i) In the event of a Change in Control, subject to the Optionee's continued employment with the Company or its Subsidiaries on the date of such Change in Control, or (ii) if, within thirty (30) days prior to the completion of a Change in Control or at any time prior to a Change in Control at the request of a prospective purchaser whose proposed purchase would constitute a Change in Control upon its completion, the Company, or any of its Subsidiaries, terminates the Optionee's employment without Cause or the Optionee terminates his employment for Good Reason, notwithstanding anything set forth in Section 4.1(b) hereof, any employment agreement between the Optionee and the Company to the contrary, all unvested Eligible Time-Vesting Options shall immediately vest and become exercisable. Unless otherwise determined by the Committee at the time of such Change in Control, all Non-Eligible Time-Vesting Options shall be canceled and forfeited upon a Change in Control.

(d) Examples. By way of example, if Employee A is granted an aggregate of 560 Options on April 30, 2011, 168 Options (30% of 560) will be Time-Vesting Options and 392 Options (70% of 560) will be Performance-Vesting Options.

(i) Termination Example. If Employee A is terminated by the Company without Cause or terminates his employment for Good Reason on June 30, 2013, Employee A will have (A) 56 Eligible Tranche I Service Options of which 28 options will have

time-vested and 2 options will vest and become exercisable on the date of such termination based upon Employee A's two months of service in 2013 following the first anniversary of the Grant Date (14 options vesting on the next regularly scheduled vesting date with two-twelfths (2/12) of the year of service), (B) 56 Eligible Tranche II Service Options of which 14 options will have time-vested and 7 options will vest and become exercisable on the date of such termination based upon Employee A's six months of service in 2013, and (C) 56 Eligible Tranche III Service Options of which 0 options will have vested and 7 options will vest and become exercisable on the date of such termination.

(ii) Change in Control Example. If Employee A is terminated by the Company without Cause or terminates his employment for Good Reason on the date of a Change in Control that is completed on January 31, 2012, Employee A will have (A) 56 Eligible Tranche I Service Options, all of which will vest and become exercisable, (B) 56 Eligible Tranche II Service Options, all of which will vest and become exercisable, and (C) 56 Tranche III Service Options, none of which will be Eligible Tranche III Service Options because the Vesting Commencement Date for the Tranche III Service Options will not have commenced as of January 31, 2012, and all of which will be canceled and forfeited as of the date of such termination.

4.2 Performance-Vesting Options.

(a) Normal Vesting. Unless otherwise provided in this Agreement or the Plan, seventy percent (70%) of the Option granted hereunder (the "Performance-Vesting Options") shall vest as follows, subject to the Optionee's continued service with the Company or its Subsidiaries as of the date on which the applicable stock price thresholds stated below are achieved:

(i) Tranche I Performance Options. One-third (1/3) of the Performance-Vesting Options shall vest and become exercisable, subject to the Optionee's continued service with the Company or its Subsidiaries as of the date on which the applicable stock price thresholds stated below are achieved (determined in accordance with the "Tranche I Measurement Standard" (as defined below)) (the "Tranche I Performance Options"): (A) one-third (1/3) of the Tranche I Performance Options shall vest and become exercisable upon the first occurrence of the Shares achieving a stock price threshold of \$60 per Share; (B) one-third (1/3) of the Tranche I Performance Options shall vest and become exercisable upon the first occurrence of the Shares achieving a stock price threshold of \$80 per Share; and (C) one-third (1/3) of the Tranche I Performance Options shall vest and become exercisable upon the first occurrence of the Shares achieving a stock price threshold of \$100 per Share. For purposes of this Section 4.2(a)(i), achievement of the applicable stock price thresholds will be measured based on the average of the per share closing price of a Share as reported on the principal exchange on which the Shares are listed for trading for any sixty (60) consecutive trading days commencing on or after January 26, 2012 (the "Tranche I Measurement Standard"). The applicable Vesting Commencement Date for the Tranche I Performance Options shall be the Grant Date.

(ii) Tranche II Performance Options. One-third (1/3) of the Performance-Vesting Options shall vest and become exercisable, subject to the Optionee's continued service with the Company or its Subsidiaries as of the date on which the applicable stock price thresholds stated below are achieved (determined in accordance with the "Tranche II Measurement Standard" (as defined below)) (the "Tranche II Performance Options"): (A) one-third (1/3) of the Tranche II Performance Options shall vest and become exercisable upon the first occurrence of the Shares achieving a stock price threshold of \$60 per Share; (B) one-third (1/3) of the Tranche II Performance Options shall vest and become exercisable upon the first occurrence of the Shares achieving a stock price threshold of \$80 per Share; and (C) one-third (1/3) of the Tranche II Performance Options shall vest and become exercisable upon the first occurrence of the Shares achieving a stock price threshold of \$100 per Share. For purposes of this Section 4.2(a)(ii), achievement of the applicable stock price thresholds will be measured based on the average of the per share closing price of a Share as reported on the principal exchange on which the Shares are listed for trading for any sixty (60) consecutive trading days commencing on or after September 30, 2012 (the "Tranche II Measurement Standard"). The applicable Vesting Commencement Date for the Tranche II Performance Options shall be December 31, 2011.

(iii) Tranche III Performance Options. One-third (1/3) of the Performance-Vesting Options shall vest and become exercisable, subject to the Optionee's continued service with the Company or its Subsidiaries as of the date on which the applicable stock price thresholds stated below are achieved (determined in accordance with the "Tranche III Measurement Standard" (as defined below)) (the "Tranche III Performance Options"): (A) one-third (1/3) of the Tranche III Performance Options shall vest and become exercisable upon the first occurrence of the Shares achieving a stock price threshold of \$60 per Share; (B) one-third (1/3) of the Tranche III Performance Options shall vest and become exercisable upon the first occurrence of the Shares achieving a stock price threshold of \$80 per Share; and (C) one-third (1/3) of the Tranche III Performance Options shall vest and become exercisable upon the first occurrence of the Shares achieving a stock price threshold of \$100 per Share. For purposes of this Section 4.2(a)(iii), achievement of the applicable stock price thresholds will be measured based on the average of the per share closing price of a Share as reported on the principal exchange on which the Shares are listed for trading for any sixty (60) consecutive trading days commencing on or after September 30, 2013 (the "Tranche III Measurement Standard"). The applicable Vesting Commencement Date for the Tranche III Performance Options shall be December 31, 2012.

In addition, there shall be no proportionate or partial vesting in the periods prior to the applicable stock price thresholds being achieved as provided above, and all vesting shall occur only at such time as the applicable stock price thresholds have been achieved in accordance with the foregoing. Each right of purchase shall be cumulative and shall continue, unless sooner exercised or terminated as herein provided, during the remaining period of the Exercise Term. Notwithstanding any fractional number of Shares resulting from the application of the foregoing percentages or vesting provisions below, the Option shall only be exercisable with respect to a whole number of Shares.

(b) Certain Terminations. Notwithstanding anything to the contrary set forth in any employment agreement between the Optionee and the Company, the Plan or this Agreement, upon the termination of employment of the Optionee (i) as a result of the Optionee's death or Disability, by the Company, or any of its Subsidiaries, for Cause, by the Optionee without Good Reason or as a result of the Optionee's Retirement, all unvested Performance-Vesting Options shall be cancelled and forfeited, or (ii) by the Company, or any of its Subsidiaries, without Cause or by the Optionee for Good Reason: (A) all Non-Eligible Performance-Vesting Options shall immediately be canceled and forfeited; (B) all unvested Eligible Performance-Vesting Options that do not remain outstanding and eligible to vest pursuant to Section 4.2(b)(ii)(C) hereof shall be canceled and forfeited; and (C) the Applicable Percentage of each of the Eligible Tranche I Performance Options, Eligible Tranche II Performance Options, and Eligible Tranche III Performance Options, respectively, shall remain outstanding and be eligible to vest in accordance with the applicable measurement standard set forth in Section 4.2(a), where one-third (1/3) of such Eligible Performance-Vesting Options that remain outstanding and eligible to vest pursuant to the foregoing provision shall be subject to the stock price threshold of \$60 per Share, one-third (1/3) of such Eligible Performance-Vesting Options shall be subject to the stock price threshold of \$80 per Share, and one-third (1/3) of such Eligible Performance-Vesting Options shall be subject to the stock price threshold of \$100 per Share, respectively. Notwithstanding anything set forth in Section 7 to the contrary, the number of Performance-Vesting Options that vest pursuant to this Section 4.2(b) following the date of the Optionee's termination of employment shall continue to be exercisable in whole or in part at any time for six (6) months following the date that such options become vested and exercisable in accordance with this Section 4.2(b), but in no event after the Exercise Expiration Date.

(c) Change in Control. Notwithstanding anything to the contrary set forth in any employment agreement between the Optionee and the Company, the Plan or this Agreement, in the event of a Change in Control, (i) all Eligible Performance-Vesting Options will vest and become exercisable if the highest price per Share paid for the Shares (the "Per Share Consideration") in such Change in Control equals or exceeds \$100 per Share, (ii) an aggregate of two-thirds (2/3) of the Eligible Performance-Vesting Options (reduced by any portion that previously vested) shall vest and become exercisable if the Per Share Consideration is less than \$100 per Share but equals or exceeds \$80 per Share, (iii) an aggregate of one-third (1/3) of the Eligible Performance-Vesting Options (reduced by any portion that previously vested) shall vest and become exercisable if the Per Share Consideration is less than \$80 per Share but equals or exceeds \$60 per Share, and (iv) all unvested Eligible Performance-Vesting Options, unless otherwise assumed, shall be canceled and forfeited if the Per Share Consideration is less than \$60 per Share. Unless otherwise determined by the Committee at the time of such Change in Control, all Non-Eligible Performance-Vesting Options and all unvested Eligible Performance-Vesting Options that do not vest in accordance with this Section 4.2(c) in connection with a Change in Control shall be canceled and forfeited upon a Change in Control.

(d) Examples. Assume the same facts under Section 0 where Employee A is granted an aggregate of 560 Options on April 30, 2011, with 168 Time-Vesting Options and 392 Performance-Vesting Options.

(i) Termination Example. If Employee A is terminated by the Company without Cause or terminates his employment for Good Reason on June 30, 2013, Employee A will have (A) 131 Eligible Tranche I Performance Options of which 70 options will remain outstanding and be eligible to vest based upon the Applicable Percentage (30 Tranche I Service Options will have vested or will vest in connection with Employee A's termination and 30/56 equals 53.5%), (B) 131 Eligible Tranche II Performance Options of which 49 options will remain outstanding and be eligible to vest based upon the Applicable Percentage (21 Tranche II Service Options will have vested or will vest in connection with Employee A's termination and 21/56 equals 37.5%), and (C) 130 Eligible Tranche III Performance Options of which 16 options will remain outstanding and be eligible to vest based upon the Applicable Percentage (7 Tranche III Service Options will have vested or will vest in connection with Employee A's termination and 7/56 equals 12.5%).

(ii) Change in Control Example. In the event a Change in Control is completed on January 31, 2012 where the Per Share Consideration is equal to \$85, Employee A will have (A) 131 Eligible Tranche I Performance Options of which 87 options (2/3 of the Eligible Tranche I Performance Options) will vest and become exercisable because the Per Share Consideration was greater than \$80 per Share but less than \$100 per Share, (B) 131 Eligible Tranche II Performance Options of which 87 options (2/3 of the Eligible Tranche II Performance Options) will vest and become exercisable, and (C) 130 Tranche III Performance Options, none of which will be Eligible Tranche III Performance Options, and all of which will be canceled and forfeited.

4.3 Committee Discretion to Accelerate Vesting. Notwithstanding the foregoing, the Committee may, in its sole discretion, provide for accelerated vesting of all or any portion the Option at any time and for any reason.

5. Definitions. For purposes of this Agreement, the following terms shall have the following definitions.

5.1 "Applicable Percentage" shall mean (a) in the case of the Tranche I Performance Options, the percentage of the Tranche I Service Options that vested on or before the date of the Optionee's termination of employment, after giving effect to any accelerated vesting pursuant to Sections 4.1(b) or 4.1(c) hereof; (b) in the case of the Tranche II Performance Options, the percentage of the Tranche II Service Options that vested on or before the date of the Optionee's termination of employment, after giving effect to any accelerated vesting pursuant to Sections 4.1(b) or 4.1(c) hereof; or (c) in the case of the Tranche III Performance Options, the percentage of the Tranche III Service Options that vested on or before the date of the Optionee's termination of employment, after giving effect to any accelerated vesting pursuant to Sections 4.1(b) or 4.1(c) hereof.

5.2 "Change in Control" shall mean (a) in the case where there is an employment agreement in effect between the Company and the Optionee on the Grant Date that defines "change in control" (or words of like import), "change in control" as defined under such agreement or (b) in the case where there is no employment agreement in effect between the

Company and the Optionee on the Grant Date that defines “change in control” (or words of like import), “change in control” as defined in the Plan.

5.3 “Eligible Options” shall mean the Tranche I Service Options, Tranche II Service Options, Tranche III Service Options, Tranche I Performance Options, Tranche II Performance Options and Tranche III Performance Options with respect to which the Vesting Commencement Date has occurred as of the relevant date.

5.4 “Eligible Performance-Vesting Options” shall mean Performance-Vesting Options that are Eligible Options.

5.5 “Eligible Time-Vesting Options” shall mean Time-Vesting Options that are Eligible Options.

5.6 “Eligible Tranche I Performance Options” shall mean the Tranche I Performance Options with respect to which the Vesting Commencement Date has occurred as of the relevant date.

5.7 “Eligible Tranche II Performance Options” shall mean the Tranche II Performance Options with respect to which the Vesting Commencement Date has occurred as of the relevant date.

5.8 “Eligible Tranche III Performance Options” shall mean the Tranche III Performance Options with respect to which the Vesting Commencement Date has occurred as of the relevant date.

5.9 “Eligible Tranche I Service Options” shall mean the Tranche I Service Options with respect to which the Vesting Commencement Date has occurred as of the relevant date.

5.10 “Eligible Tranche II Service Options” shall mean the Tranche II Service Options with respect to which the Vesting Commencement Date has occurred as of the relevant date.

5.11 “Eligible Tranche III Service Options” shall mean the Tranche III Service Options with respect to which the Vesting Commencement Date has occurred as of the relevant date.

5.12 “Non-Eligible Options” shall mean the Tranche I Service Options, Tranche II Service Options, Tranche III Service Options, Tranche I Performance Options, Tranche II Performance Options and Tranche III Performance Options with respect to which the Vesting Commencement Date has not occurred as of the relevant date.

5.13 “Non-Eligible Performance-Vesting Options” shall mean Performance-Vesting Options that are not Eligible Options.

5.14 “Non-Eligible Time-Vesting Options” shall mean Time-Vesting Options that are not Eligible Options.

5.15 “Vesting Commencement Date” shall mean the date on which a specified tranche of this Option first becomes eligible to vest as specified in Sections 4.1(a)(i), 4.1(a)(ii), 4.1(a)(iii), 4.2(a)(i), 4.2(a)(ii), and 4.2(a)(iii), respectively.

6. Manner of Exercise and Payment.

6.1 Subject to the terms and conditions of this Agreement and the Plan, the vested portion of the Option may be exercised by delivery of written notice in person, electronically or by mail to the Plan Administrator (or his or her designee). Such notice shall state that the Optionee is electing to exercise the Option and the number of Shares in respect of which the Option is being exercised and shall be signed by the person or persons exercising the Option. If requested by the Committee, such person or persons shall (i) deliver this Agreement to the Plan Administrator (or his or her designee) who shall endorse thereon a notation of such exercise and (ii) provide satisfactory proof as to the right of such person or persons to exercise the Option.

6.2 The notice of exercise described in Section 6.1 hereof shall be accompanied by (a) the full purchase price for the Shares in respect of which the Option is being exercised, in cash, by check, by transferring Shares to the Company having a Fair Market Value on the date of exercise equal to the cash amount for which such Shares are substituted, or in such other manner as may be permitted by the Committee in its discretion, and (b) payment of the Withholding Taxes as provided by Section 12 of this Agreement, and in the manner as may be permitted by the Committee its discretion pursuant to Section 12 of this Agreement.

6.3 Upon receipt of notice of exercise and full payment for the Shares in respect of which the Option is being exercised, the Company shall, subject to the terms of the Plan, take such action as may be necessary to effect the transfer to the Optionee of the number of Shares as to which such exercise was effective.

6.4 Except as otherwise provided in Section 10, the Optionee shall not be deemed to be the holder of, or to have any of the rights of a holder with respect to any Shares subject to the Option until (i) the Option shall have been exercised pursuant to the terms of this Agreement and the Optionee shall have paid the full purchase price for the number of Shares in respect of which the Option was exercised, (ii) the Company shall have issued and delivered the Shares to the Optionee, and (iii) the Optionee’s name shall have been entered as a stockholder of record on the books of the Company, whereupon the Optionee shall have full voting and other ownership rights with respect to such Shares.

7. Exercisability upon Termination of Employment.

If the employment of the Optionee is terminated as a result of death, Disability or Retirement, the vested portion of the Option shall continue to be exercisable in whole or in part at any time, but in no event after the Exercise Expiration Date, for six (6) months after the date of such termination. If the employment of the Optionee is terminated for Cause, the entire

Option (whether or not vested) shall terminate effective immediately prior to the Optionee's termination of employment. If the employment of the Optionee is terminated for any reason other than death, Disability or Retirement or for Cause (including, without limitation, the Optionee's ceasing to be employed by a Subsidiary or Division as a result of the sale of such Subsidiary or Division or an interest in such Subsidiary or Division or a termination of employment by the Optionee with or without Good Reason), then the vested portion of the Option shall continue to be exercisable in whole or in part at any time, but in no event after the Exercise Expiration Date, (x) with respect to an Optionee who upon termination of employment as an employee remains an Eligible Individual, for six (6) months following such date as the Optionee is no longer an Eligible Individual or (y) with respect to an Optionee who is receiving severance payments, for six (6) months following the date of the cessation of such payments, provided, however, in no event shall the Option remain outstanding following the thirty (30) month anniversary of the date of termination of employment.

8. Nontransferability.

Unless otherwise agreed to by the Committee, the Option shall not be transferable other than by will or by the laws of descent and distribution, and during the lifetime of the Optionee, the Option shall be exercisable only by the Optionee.

9. No Right to Continued Employment.

Nothing in this Agreement or the Plan shall be interpreted or construed to confer upon the Optionee any right with respect to continuance of employment by the Company, or any Subsidiary or Affiliate of the Company, nor shall this Agreement or the Plan interfere in any way with the right of the Company to terminate the Optionee's employment or service at any time.

10. Adjustments.

10.1 Change in Capitalization. In the event of a Change in Capitalization, the Committee shall make appropriate adjustments to (i) the number and class of Shares or other stock or securities subject to the Option, (ii) the purchase price for such Shares or other stock or securities, or (iii) with respect to the Performance-Vesting Options, the applicable Share price performance metrics. The Committee's adjustment shall be made in accordance with the provisions of the Plan and shall be effective and final, binding and conclusive for all purposes of the Plan and this Agreement.

10.2 Dividends and Other Distributions. If the Company (i) makes distributions (by dividend or otherwise), (ii) grants rights to purchase securities to existing shareholders as a group, or (iii) issues securities to existing shareholders as a group (other than pursuant to (a) any equity awards granted under the Company's equity incentive compensation plans or (b) warrants issued with an exercise price equal to the Fair Market Value on the date of grant), in the case of clauses (ii) and (iii) at a price below Fair Market Value, and in each case of clauses (i), (ii) and (iii), (an "Extraordinary Distribution"), then to reflect such Extraordinary Distribution, this Option shall be adjusted to retain the pre-Extraordinary Distribution spread by decreasing the Exercise Price, in a manner consistent with Section 409A of the Code; provided that with respect to any vested portion of this Option, the Committee, in its sole discretion, may

provide that, in lieu of such adjustment, the Optionee shall be entitled to receive the amount of, and the benefits and rights associated with, such Extraordinary Distribution in the same form and on the same terms as the Extraordinary Distribution paid or provided to the Company's shareholders based upon the number of Shares underlying such vested portion of the Option. Any adjustment described in this Section 10.2 shall be implemented in accordance with, and to the extent permitted by, Treasury Regulation § 1.409A-1(b)(5)(v)(D).

11. Effect of a Merger, Consolidation or Liquidation.

Subject to the terms of the Plan and this Agreement, in the event of (a) the liquidation or dissolution of the Company or (b) a merger or consolidation of the Company (a "Transaction") that does not constitute a Change in Control, the Options shall continue in effect in accordance with their respective terms, except that the Committee may, in its discretion, do one or more of the following: (i) shorten the period during which the Options are exercisable (provided they remain exercisable for at least thirty (30) days after the date on which notice of such shortening is given to the Optionee); (ii) accelerate the vesting schedule with respect to the Options, (iii) arrange to have the surviving or successor entity assume the Options or grant replacement Options with appropriate adjustments in the exercise prices, and adjustments in the number and kind of securities issuable upon exercise or adjustments so that the Options or their replacements represent the right to purchase or receive the stock, securities or other property (including cash) as may be issuable or payable as a result of such Transaction with respect to or in exchange for the number of Shares purchasable and receivable upon the exercise of the Options had such exercise occurred in full prior to the Transaction, or (iv) cancel the Options upon the payment to the Optionee in cash of an amount that is equal to the Fair Market Value of the Shares subject to the Option or portion thereof over the aggregate exercise price for such Shares under the Option or portion thereof surrendered at the effective time of the Transaction. The treatment of any Option as provided in this Section 11 shall be conclusively presumed to be appropriate for purposes of Section 10 of the Plan.

12. Withholding of Taxes.

At such times as the Optionee recognizes taxable income in connection with the receipt of Shares hereunder (a "Taxable Event"), the Optionee shall pay to the Company an amount equal to the federal, state and local income taxes and other amounts as may be required by law to be withheld by the Company in connection with the Taxable Event (the "Withholding Taxes") prior to the issuance, or release from escrow, of such Shares. The Company shall have the right to deduct from any payment to an Optionee an amount equal to the Withholding Taxes in satisfaction of the obligation to pay Withholding Taxes. In satisfaction of the obligation to pay Withholding Taxes to the Company, the Optionee may make a written election (the "Tax Election"), which may be accepted or rejected in the discretion of the Committee, to have withheld a portion of the Shares then issuable to him or her having an aggregate Fair Market Value equal to the Withholding Taxes. Notwithstanding the foregoing, the Committee may, in its discretion, provide that an Optionee shall not be entitled to exercise his or her Options for which cash has not been provided by the Optionee with respect to the applicable Withholding Taxes.

13. Excise Tax Limitation.

13.1 Notwithstanding anything contained in this Agreement to the contrary, to the extent that any payment, distribution or acceleration of vesting to or for the benefit of the Optionee by the Company (within the meaning of Section 280G of the Code and the regulations thereunder), whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (the "Total Payments") is or will be subject to the excise tax imposed under Section 4999 of the Code (the "Excise Tax"), then the Total Payments shall be reduced (but not below zero) if and to the extent that a reduction in the Total Payments would result in the Optionee retaining a larger amount, on an after-tax basis (taking into account federal, state and local income taxes and the Excise Tax), than if the Optionee received the entire amount of such Total Payments. Unless the Optionee shall have given prior written notice specifying a different order to the Company to effectuate the foregoing in accordance with Code Section 409A, the Company shall reduce or eliminate the Total Payments, by first reducing or eliminating the portion of the Total Payments which are payable in cash and then by reducing or eliminating non-cash payments, in each case in reverse order beginning with payments or benefits which are to be paid the farthest in time from the Determination (as hereinafter defined). Any notice given by the Optionee pursuant to the preceding sentence shall take precedence over the provisions of any other plan, arrangement or agreement governing the Optionee's rights and entitlements to any benefits or compensation.

13.2 The determination of whether the Total Payments shall be reduced as provided in Section 12.2(a) of the Plan and the amount of such reduction shall be made at the Company's expense by an accounting firm selected by the Company from among the four largest accounting firms in the United States or at the Company's expense by an attorney selected by the Company. Such accounting firm or attorney (the "Determining Party") shall provide its determination (the "Determination"), together with detailed supporting calculations and documentation to the Company and the Optionee within thirty (30) days of the termination of Optionee's employment. If the Determining Party determines that no Excise Tax is payable by the Optionee with respect to the Total Payments, it shall furnish the Optionee with an opinion reasonably acceptable to the Optionee that no Excise Tax will be imposed with respect to any such payments and, absent manifest error, such Determination shall be binding, final and conclusive upon the Company and the Optionee. If the Determining Party determines that an Excise Tax would be payable, the Optionee shall have the right to accept the Determination of the Determining Party as to the extent of the reduction, if any, pursuant to Section 12.2(a) of the Plan, or to have such Determination reviewed by an accounting firm selected by the Optionee, at the Optionee's expense. If the Optionee's accounting firm and the Determining Party do not agree, a third accounting firm shall be jointly chosen by the Determining Party and the Optionee, in which case the determination of such third accounting firm shall be binding, final and conclusive upon the Company and the Optionee.

14. Optionee Bound by the Plan.

The Optionee hereby acknowledges that the Optionee may receive a copy of the Plan upon request to the Plan Administrator and agrees to be bound by all the terms and provisions of the Plan.

15. Entire Agreement; Modification of Agreement.

This Agreement, together with the Plan, contains the entire agreement between the parties hereto with respect to the subject matter contained herein, and, except as otherwise specifically provided herein, supersedes all prior agreements or prior understandings, whether written or oral, between the parties relating to such subject matter. For the avoidance of doubt, the Optionee acknowledges and agrees that, notwithstanding anything to the contrary set forth in any employment agreement between the Optionee and the Company, the vesting of the Option, including, without limitation, upon a termination of the Optionee's employment and upon a Change in Control, shall be governed by the terms of this Agreement. This Agreement may be modified, amended, suspended or terminated by the Committee in its discretion at any time, and any terms or conditions may be waived by the Committee in its discretion at any time; provided, however, that all such modifications, amendments, suspensions, terminations or waivers that shall adversely effect an Optionee shall only be effective pursuant to a written instrument executed by the parties hereto.

16. Severability.

Should any provision of this Agreement be held by a court of competent jurisdiction to be unenforceable or invalid for any reason, the remaining provisions of this Agreement shall not be affected by such holding and shall continue in full force in accordance with their terms.

17. Governing Law.

The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Delaware without giving effect to the conflicts of laws principles thereof.

18. Successors in Interest.

This Agreement shall inure to the benefit of and be binding upon any successor to the Company. This Agreement shall inure to the benefit of the Optionee's legal representatives. All obligations imposed upon the Optionee and all rights granted to the Company under this Agreement shall be final, binding and conclusive upon the Optionee's heirs, executors, administrators, successors.

19. Resolution of Disputes.

Any dispute or disagreement which may arise under, or as a result of, or in any way relate to, the interpretation, construction or application of this Agreement shall be determined by the Committee. Any determination made hereunder shall be final, binding and conclusive on the Optionee and Company for all purposes.

20. Acquired Rights.

The Optionee acknowledges and agrees that: (a) the Company may terminate or amend the Plan at any time; (b) the award of the Option made under this Agreement is completely independent of any other award or grant and is made at the sole discretion of the Company; (c) no past grants or awards (including, without limitation, the Option awarded hereunder) give the Optionee any right to any grants or awards in the future whatsoever; and (d) any benefits granted under this Agreement are not part of the Optionee's ordinary salary, and shall not be considered as part of such salary in the event of severance, redundancy or resignation.

21. Counterparts.

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument.

22. Compliance with Laws.

The issuance of the Option (and the Shares acquired upon exercise of the Option) pursuant to this Agreement shall be subject to, and shall comply with, any applicable requirements of any foreign and U.S. federal and state securities laws, rules and regulations (including, without limitation, the provisions of any Securities Laws and in each case any respective rules and regulations promulgated thereunder) and any other law or regulation applicable thereto. The Company shall not be obligated to issue the Option or any of the Shares pursuant to this Agreement if any such issuance would violate any such requirements.

23. Company Recoupment.

The Optionee's right to the Option granted hereunder and the Shares acquired upon exercise of the Option shall in all events be subject to any right or obligation that the Company may have regarding the clawback of "incentive-based compensation" under Section 10D of the Exchange Act and any applicable rules and regulations promulgated thereunder from time to time by the U.S. Securities and Exchange Commission.

EXHIBIT A

Grant Award:

Time-Vesting Options	193,750
Performance-Vesting Options	<u>452,083</u>
Total Grant	645,833

Vesting: Pursuant to Section 4 of this Agreement

NONQUALIFIED PRICE-VESTING STOCK OPTION AGREEMENT

THIS AGREEMENT, made as of April 26, 2011 (the "Grant Date"), between Charter Communications, Inc., a Delaware corporation (the "Company"), and _____ (the "Optionee").

Unless otherwise defined herein, terms defined in the Charter Communications, Inc. 2009 Stock Incentive Plan (the "Plan") shall have the same defined meanings in this Nonqualified Stock Option Agreement (the "Agreement").

The undersigned Optionee has been granted an Option to purchase Shares of Class A common stock of the Company ("Shares"), subject to the terms and conditions of the Plan and this Agreement, as follows:

Vesting Schedule: As provided in Section 4 of the Agreement and on Exhibit A attached hereto.

Exercise Price per Share: \$

Total Number of Shares under Option:

Exercise Expiration Date:

(Such information as to exercise price, total number of options and exercise expiration date are also shown on the Optionee's Merrill Lynch on-line grant account.)

Charter Communications, Inc.

Abigail T. Pfeiffer, SVP - Human Resources

I, the undersigned, agree to this grant of an Option to purchase Shares of the Company, acknowledge that this grant is subject to the terms and conditions of the Plan and this Agreement, and have read and understand the terms and conditions set forth in Sections 1 through 23 of this Agreement.

Optionee

1. Grant of Option.

1.1 The Company hereby grants to the Optionee the right and option (the "Option") to purchase all or any part of the Total Number of Shares under Option set forth above, subject to, and in accordance with, the terms and conditions set forth in this Agreement.

1.2 The Option is not intended to qualify as an incentive stock option within the meaning of Section 422 of the Code.

1.3 This Agreement shall be construed in accordance and consistent with, and subject to, the provisions of the Plan (the provisions of which are incorporated herein by reference) and, except as otherwise expressly set forth herein, the capitalized terms used in this Agreement shall have the same definitions as set forth in the Plan.

2. Purchase Price.

The price at which the Optionee shall be entitled to purchase Shares upon the exercise of the Option shall be the Exercise Price per Share set forth above.

3. Duration of Option.

The Option shall be exercisable to the extent and in the manner provided herein for a period of ten (10) years from the Grant Date (the "Exercise Term") and shall expire as of the tenth (10th) anniversary of the Grant Date ("Exercise Expiration Date"); provided, however, that the Option may be earlier or later terminated as provided under the terms of the Plan and this Agreement.

4. Vesting of Option.

4.1 Time-Vesting Options.

(a) Normal Vesting. Unless otherwise provided in this Agreement or the Plan, thirty percent (30%) of the Option granted hereunder (the "Time-Vesting Options") shall vest as follows, subject to the Optionee's continued employment with the Company or its Subsidiaries on each such vesting date:

(i) Tranche I Service Options. One-third (1/3) of the Time-Vesting Options (the "Tranche I Service Options") shall become vested and exercisable in four (4) pro rata equal installments on each of the first four (4) anniversaries of the applicable Vesting Commencement Date. The Vesting Commencement Date for the Tranche I Service Options shall be the Grant Date.

(ii) Tranche II Service Options. One-third (1/3) of the Time-Vesting Options (the "Tranche II Service Options") shall become vested and exercisable in four (4) pro rata equal installments on each of the first four (4) anniversaries of the applicable Vesting Commencement Date. The applicable Vesting Commencement Date for the Tranche II Service Options shall be December 31, 2011.

(iii) Tranche III Service Options. One-third (1/3) of the Time-Vesting Options (the "Tranche III Service Options") shall become vested and exercisable in four (4) pro rata equal installments on each of the first four (4) anniversaries of the applicable Vesting Commencement Date. The applicable Vesting Commencement Date for the Tranche III Service Options shall be December 31, 2012.

Each right of purchase shall be cumulative and shall continue, unless sooner exercised or terminated as herein provided, during the remaining period of the Exercise Term. Notwithstanding any fractional number of Shares resulting from the application of the foregoing percentages or vesting provisions below, the Option shall only be exercisable with respect to a whole number of Shares.

(b) Certain Terminations. Notwithstanding anything to the contrary set forth in any employment agreement between the Optionee and the Company, the Plan or this Agreement, upon the termination of employment of the Optionee (i) by the Company, or any of its Subsidiaries, for Cause, by the Optionee without Good Reason or as a result of the Optionee's Retirement, all unvested Time-Vesting Options shall be canceled and forfeited, or (ii) as a result of the Optionee's death or Disability or by the Company, or any of its Subsidiaries, without Cause or by the Optionee for Good Reason, subject to Section 4.1(c) hereof: (A) all Non-Eligible Time-Vesting Options shall immediately be canceled and forfeited; (B) all unvested Eligible Time-Vesting Options that do not vest pursuant to Section 4.1(b)(ii)(C) hereof shall be canceled and forfeited; and (C) a pro-rata portion of the Eligible Time-Vesting Options that would otherwise vest on the next regularly scheduled vesting date (based on the portion of the vesting year that has elapsed as of such termination) shall vest and become exercisable as of the date of such termination.

(c) Change in Control. Notwithstanding anything to the contrary set forth in Section 4.1(b) hereof, any employment agreement between the Optionee and the Company, the Plan or this Agreement, if, within thirty (30) days prior to or twelve (12) months following the completion of a Change in Control or at any time prior to a Change in Control at the request of a prospective purchaser whose proposed purchase would constitute a Change in Control upon its completion, the Company, or any of its Subsidiaries, terminates the Optionee's employment without Cause or the Optionee terminates his or her employment for Good Reason, all unvested Eligible Time-Vesting Options shall immediately vest and become exercisable. All Non-Eligible Time-Vesting Options shall be canceled and forfeited upon a Change in Control.

(d) Examples. By way of example, if Employee A is granted an aggregate of 560 Options on April 30, 2011, 168 Options (30% of 560) will be Time-Vesting Options and 392 Options (70% of 560) will be Performance-Vesting Options.

(i) Termination Example. If Employee A is terminated by the Company without Cause or terminates his employment for Good Reason on June 30, 2013, Employee A will have (A) 56 Eligible Tranche I Service Options of which 28 options will have time-vested and 28 options will vest and become exercisable on the date of such termination based upon Employee A's two months of service in 2013 following the first anniversary of the Grant Date (14 options vesting on the next regularly scheduled vesting date with two-twelfths (2/12) of

the year of service), (B) 56 Eligible Tranche II Service Options of which 14 options will have time-vested and 7 options will vest and become exercisable on the date of such termination based upon Employee A's six months of service in 2013, and (C) 56 Eligible Tranche III Service Options of which 0 options will have vested and 7 options will vest and become exercisable on the date of such termination.

(ii) Change in Control Example. If Employee A is terminated by the Company without Cause or terminates his employment for Good Reason on the date of a Change in Control that is completed on January 31, 2012, Employee A will have (A) 56 Eligible Tranche I Service Options, all of which will vest and become exercisable, (B) 56 Eligible Tranche II Service Options, all of which will vest and become exercisable, and (C) 56 Tranche III Service Options, none of which will be Eligible Tranche III Service Options because the Vesting Commencement Date for the Tranche III Service Options will not have commenced as of January 31, 2012, and all of which will be canceled and forfeited as of the date of such termination.

4.2 Performance-Vesting Options.

(a) Normal Vesting. Unless otherwise provided in this Agreement or the Plan, seventy percent (70%) of the Option granted hereunder (the "Performance-Vesting Options") shall vest as follows, subject to the Optionee's continued service with the Company or its Subsidiaries as of the date on which the applicable stock price thresholds stated below are achieved:

(i) Tranche I Performance Options. One-third (1/3) of the Performance-Vesting Options shall vest and become exercisable, subject to the Optionee's continued service with the Company or its Subsidiaries as of the date on which the applicable stock price thresholds stated below are achieved (determined in accordance with the "Tranche I Measurement Standard" (as defined below)) (the "Tranche I Performance Options"): (A) one-third (1/3) of the Tranche I Performance Options shall vest and become exercisable upon the first occurrence of the Shares achieving a stock price threshold of \$60 per Share; (B) one-third (1/3) of the Tranche I Performance Options shall vest and become exercisable upon the first occurrence of the Shares achieving a stock price threshold of \$80 per Share; and (C) one-third (1/3) of the Tranche I Performance Options shall vest and become exercisable upon the first occurrence of the Shares achieving a stock price threshold of \$100 per Share. For purposes of this Section 4.2(a)(i), achievement of the applicable stock price thresholds will be measured based on the average of the per share closing price of a Share as reported on the principal exchange on which the Shares are listed for trading for any sixty (60) consecutive trading days commencing on or after January 26, 2012 (the "Tranche I Measurement Standard"). The applicable Vesting Commencement Date for the Tranche I Performance Options shall be the Grant Date.

(ii) Tranche II Performance Options. One-third (1/3) of the Performance-Vesting Options shall vest and become exercisable, subject to the Optionee's continued service with the Company or its Subsidiaries as of the date on which the applicable stock price thresholds stated below are achieved (determined in accordance with the "Tranche II

Measurement Standard” (as defined below)) (the “Tranche II Performance Options”): (A) one-third (1/3) of the Tranche II Performance Options shall vest and become exercisable upon the first occurrence of the Shares achieving a stock price threshold of \$60 per Share; (B) one-third (1/3) of the Tranche II Performance Options shall vest and become exercisable upon the first occurrence of the Shares achieving a stock price threshold of \$80 per Share; and (C) one-third (1/3) of the Tranche II Performance Options shall vest and become exercisable upon the first occurrence of the Shares achieving a stock price threshold of \$100 per Share. For purposes of this Section 4.2(a)(ii), achievement of the applicable stock price thresholds will be measured based on the average of the per share closing price of a Share as reported on the principal exchange on which the Shares are listed for trading for any sixty (60) consecutive trading days commencing on or after September 30, 2012 (the “Tranche II Measurement Standard”). The applicable Vesting Commencement Date for the Tranche II Performance Options shall be December 31, 2011.

(iii) Tranche III Performance Options. One-third (1/3) of the Performance-Vesting Options shall vest and become exercisable, subject to the Optionee’s continued service with the Company or its Subsidiaries as of the date on which the applicable stock price thresholds stated below are achieved (determined in accordance with the “Tranche III Measurement Standard” (as defined below)) (the “Tranche III Performance Options”): (A) one-third (1/3) of the Tranche III Performance Options shall vest and become exercisable upon the first occurrence of the Shares achieving a stock price threshold of \$60 per Share; (B) one-third (1/3) of the Tranche III Performance Options shall vest and become exercisable upon the first occurrence of the Shares achieving a stock price threshold of \$80 per Share; and (C) one-third (1/3) of the Tranche III Performance Options shall vest and become exercisable upon the first occurrence of the Shares achieving a stock price threshold of \$100 per Share. For purposes of this Section 4.2(a)(iii), achievement of the applicable stock price thresholds will be measured based on the average of the per share closing price of a Share as reported on the principal exchange on which the Shares are listed for trading for any sixty (60) consecutive trading days commencing on or after September 30, 2013 (the “Tranche III Measurement Standard”). The applicable Vesting Commencement Date for the Tranche III Performance Options shall be December 31, 2012.

In addition, there shall be no proportionate or partial vesting in the periods prior to the applicable stock price thresholds being achieved as provided above, and all vesting shall occur only at such time as the applicable stock price thresholds have been achieved in accordance with the foregoing. Each right of purchase shall be cumulative and shall continue, unless sooner exercised or terminated as herein provided, during the remaining period of the Exercise Term. Notwithstanding any fractional number of Shares resulting from the application of the foregoing percentages or vesting provisions below, the Option shall only be exercisable with respect to a whole number of Shares.

(b) Certain Terminations. Notwithstanding anything to the contrary set forth in any employment agreement between the Optionee and the Company, the Plan or this Agreement, upon the termination of employment of the Optionee (i) as a result of the Optionee’s death or Disability, by the Company, or any of its Subsidiaries, for Cause, by the Optionee without Good Reason or as a result of the Optionee’s Retirement, all unvested Performance-

Vesting Options shall be cancelled and forfeited, or (ii) by the Company, or any of its Subsidiaries, without Cause or by the Optionee for Good Reason: (A) all Non-Eligible Performance-Vesting Options shall immediately be canceled and forfeited; (B) all unvested Eligible Performance-Vesting Options that do not remain outstanding and eligible to vest pursuant to Section 4.2(b)(ii)(C) hereof shall be canceled and forfeited; and (C) the Applicable Percentage of each of the Eligible Tranche I Performance Options, Eligible Tranche II Performance Options, and Eligible Tranche III Performance Options, respectively, shall remain outstanding and be eligible to vest in accordance with the applicable measurement standard set forth in Section 4.2(a), where one-third (1/3) of such Eligible Performance-Vesting Options that remain outstanding and eligible to vest pursuant to the foregoing provision shall be subject to the stock price threshold of \$60 per Share, one-third (1/3) of such Eligible Performance-Vesting Options shall be subject to the stock price threshold of \$80 per Share, and one-third (1/3) of such Eligible Performance-Vesting Options shall be subject to the stock price threshold of \$100 per Share, respectively. Notwithstanding anything set forth in Section 7 to the contrary, the number of Performance-Vesting Options that vest pursuant to this Section 4.2(b) following the date of the Optionee's termination of employment shall continue to be exercisable in whole or in part at any time for six (6) months following the date that such options become vested and exercisable in accordance with this Section 4.2(b), but in no event after the Exercise Expiration Date.

(c) Change in Control. Notwithstanding anything to the contrary set forth in any employment agreement between the Optionee and the Company, the Plan or this Agreement, in the event of a Change in Control, (i) all Eligible Performance-Vesting Options will vest and become exercisable if the highest price per Share paid for the Shares (the "Per Share Consideration") in such Change in Control equals or exceeds \$100 per Share, (ii) an aggregate of two-thirds (2/3) of the Eligible Performance-Vesting Options (reduced by any portion that previously vested) shall vest and become exercisable if the Per Share Consideration is less than \$100 per Share but equals or exceeds \$80 per Share, (iii) an aggregate of one-third (1/3) of the Eligible Performance-Vesting Options (reduced by any portion that previously vested) shall vest and become exercisable if the Per Share Consideration is less than \$80 per Share but equals or exceeds \$60 per Share, and (iv) all unvested Eligible Performance-Vesting Options, unless otherwise assumed, shall be canceled and forfeited if the Per Share Consideration is less than \$60 per Share. Unless otherwise determined by the Committee at the time of such Change in Control, all Non-Eligible Performance-Vesting Options and all unvested Eligible Performance-Vesting Options that do not vest in accordance with this Section 4.2(c) in connection with a Change in Control shall be canceled and forfeited upon a Change in Control.

(d) Examples. Assume the same facts under Section 4.1(d) where Employee A is granted an aggregate of 560 Options on April 30, 2011, with 168 Time-Vesting Options and 392 Performance-Vesting Options.

(i) Termination Example. If Employee A is terminated by the Company without Cause or terminates his employment for Good Reason on June 30, 2013, Employee A will have (A) 131 Eligible Tranche I Performance Options of which 70 options will remain outstanding and be eligible to vest based upon the Applicable Percentage (30 Tranche I Service Options will have vested or will vest in connection with Employee A's termination and 30/56 equals 53.5%), (B) 131 Eligible Tranche II Performance Options of which 49 options will

remain outstanding and be eligible to vest based upon the Applicable Percentage (21 Tranche II Service Options will have vested or will vest in connection with Employee A's termination and 21/56 equals 37.5%), and (C) 130 Eligible Tranche III Performance Options of which 16 options will remain outstanding and be eligible to vest based upon the Applicable Percentage (7 Tranche III Service Options will have vested or will vest in connection with Employee A's termination and 7/56 equals 12.5%).

(ii) Change in Control Example. In the event a Change in Control is completed on January 31, 2012 where the Per Share Consideration is equal to \$85, Employee A will have (A) 131 Eligible Tranche I Performance Options of which 87 options (2/3 of the Eligible Tranche I Performance Options) will vest and become exercisable because the Per Share Consideration was greater than \$80 per Share but less than \$100 per Share, (B) 131 Eligible Tranche II Performance Options of which 87 options (2/3 of the Eligible Tranche II Performance Options) will vest and become exercisable, and (C) 130 Tranche III Performance Options, none of which will be Eligible Tranche III Performance Options, and all of which will be canceled and forfeited.

4.3 Committee Discretion to Accelerate Vesting. Notwithstanding the foregoing, the Committee may, in its sole discretion, provide for accelerated vesting of all or any portion the Option at any time and for any reason.

5. Definitions. For purposes of this Agreement, the following terms shall have the following definitions.

5.1 "Applicable Percentage" shall mean (a) in the case of the Tranche I Performance Options, the percentage of the Tranche I Service Options that vested on or before the date of the Optionee's termination of employment, after giving effect to any accelerated vesting pursuant to Sections 4.1(b) or 4.1(c) hereof; (b) in the case of the Tranche II Performance Options, the percentage of the Tranche II Service Options that vested on or before the date of the Optionee's termination of employment, after giving effect to any accelerated vesting pursuant to Sections 4.1(b) or 4.1(c) hereof; or (c) in the case of the Tranche III Performance Options, the percentage of the Tranche III Service Options that vested on or before the date of the Optionee's termination of employment, after giving effect to any accelerated vesting pursuant to Sections 4.1(b) or 4.1(c) hereof.

5.2 "Change in Control" shall mean (a) in the case where there is an employment agreement in effect between the Company and the Optionee on the Grant Date that defines "change in control" (or words of like import), "change in control" as defined under such agreement or (b) in the case where there is no employment agreement in effect between the Company and the Optionee on the Grant Date that defines "change in control" (or words of like import), "change in control" as defined in the Plan.

5.3 "Eligible Options" shall mean the Tranche I Service Options, Tranche II Service Options, Tranche III Service Options, Tranche I Performance Options, Tranche II Performance Options and Tranche III Performance Options with respect to which the Vesting Commencement Date has occurred as of the relevant date.

5.4 “Eligible Performance-Vesting Options” shall mean Performance-Vesting Options that are Eligible Options.

5.5 “Eligible Time-Vesting Options” shall mean Time-Vesting Options that are Eligible Options.

5.6 “Eligible Tranche I Performance Options” shall mean the Tranche I Performance Options with respect to which the Vesting Commencement Date has occurred as of the relevant date.

5.7 “Eligible Tranche II Performance Options” shall mean the Tranche II Performance Options with respect to which the Vesting Commencement Date has occurred as of the relevant date.

5.8 “Eligible Tranche III Performance Options” shall mean the Tranche III Performance Options with respect to which the Vesting Commencement Date has occurred as of the relevant date.

5.9 “Eligible Tranche I Service Options” shall mean the Tranche I Service Options with respect to which the Vesting Commencement Date has occurred as of the relevant date.

5.10 “Eligible Tranche II Service Options” shall mean the Tranche II Service Options with respect to which the Vesting Commencement Date has occurred as of the relevant date.

5.11 “Eligible Tranche III Service Options” shall mean the Tranche III Service Options with respect to which the Vesting Commencement Date has occurred as of the relevant date.

5.12 “Non-Eligible Options” shall mean the Tranche I Service Options, Tranche II Service Options, Tranche III Service Options, Tranche I Performance Options, Tranche II Performance Options and Tranche III Performance Options with respect to which the Vesting Commencement Date has not occurred as of the relevant date.

5.13 “Non-Eligible Performance-Vesting Options” shall mean Performance-Vesting Options that are not Eligible Options.

5.14 “Non-Eligible Time-Vesting Options” shall mean Time-Vesting Options that are not Eligible Options.

5.15 “Vesting Commencement Date” shall mean the date on which a specified tranche of this Option first becomes eligible to vest as specified in Sections 4.1(a)(i), 4.1(a)(ii), 4.1(a)(iii), 4.2(a)(i), 4.2(a)(ii), and 4.2(a)(iii), respectively.

6. Manner of Exercise and Payment.

6.1 Subject to the terms and conditions of this Agreement and the Plan, the vested portion of the Option may be exercised by delivery of written notice in person, electronically or by mail to the Plan Administrator (or his or her designee). Such notice shall state that the Optionee is electing to exercise the Option and the number of Shares in respect of which the Option is being exercised and shall be signed by the person or persons exercising the Option. If requested by the Committee, such person or persons shall (i) deliver this Agreement to the Plan Administrator (or his or her designee) who shall endorse thereon a notation of such exercise and (ii) provide satisfactory proof as to the right of such person or persons to exercise the Option.

6.2 The notice of exercise described in Section 6.1 hereof shall be accompanied by (a) the full purchase price for the Shares in respect of which the Option is being exercised, in cash, by check, by transferring Shares to the Company having a Fair Market Value on the date of exercise equal to the cash amount for which such Shares are substituted, or in such other manner as may be permitted by the Committee in its discretion, and (b) payment of the Withholding Taxes as provided by Section 12 of this Agreement, and in the manner as may be permitted by the Committee its discretion pursuant to Section 12 of this Agreement.

6.3 Upon receipt of notice of exercise and full payment for the Shares in respect of which the Option is being exercised, the Company shall, subject to the terms of the Plan, take such action as may be necessary to effect the transfer to the Optionee of the number of Shares as to which such exercise was effective.

6.4 Except as otherwise provided in Section 10, the Optionee shall not be deemed to be the holder of, or to have any of the rights of a holder with respect to any Shares subject to the Option until (i) the Option shall have been exercised pursuant to the terms of this Agreement and the Optionee shall have paid the full purchase price for the number of Shares in respect of which the Option was exercised, (ii) the Company shall have issued and delivered the Shares to the Optionee, and (iii) the Optionee's name shall have been entered as a stockholder of record on the books of the Company, whereupon the Optionee shall have full voting and other ownership rights with respect to such Shares.

7. Exercisability upon Termination of Employment.

If the employment of the Optionee is terminated as a result of death, Disability or Retirement, the vested portion of the Option shall continue to be exercisable in whole or in part at any time, but in no event after the Exercise Expiration Date, for six (6) months after the date of such termination. If the employment of the Optionee is terminated for Cause, the entire Option (whether or not vested) shall terminate effective immediately prior to the Optionee's termination of employment. If the employment of the Optionee is terminated for any reason other than death, Disability or Retirement or for Cause (including, without limitation, the Optionee's ceasing to be employed by a Subsidiary or Division as a result of the sale of such Subsidiary or Division or an interest in such Subsidiary or Division or a termination of employment by the Optionee with or without Good Reason), then the vested portion of the Option shall continue to be exercisable in whole or in part at any time, but in no event after the

Exercise Expiration Date, (x) with respect to an Optionee who upon termination of employment as an employee remains an Eligible Individual, for six (6) months following such date as the Optionee is no longer an Eligible Individual or (y) with respect to an Optionee who is receiving severance payments, for six (6) months following the date of the cessation of such payments, provided, however, in no event shall the Option remain outstanding following the eighteen (18) month anniversary of the date of termination of employment.

8. Nontransferability.

Unless otherwise agreed to by the Committee, the Option shall not be transferable other than by will or by the laws of descent and distribution, and during the lifetime of the Optionee, the Option shall be exercisable only by the Optionee.

9. No Right to Continued Employment.

Nothing in this Agreement or the Plan shall be interpreted or construed to confer upon the Optionee any right with respect to continuance of employment by the Company, or any Subsidiary or Affiliate of the Company, nor shall this Agreement or the Plan interfere in any way with the right of the Company to terminate the Optionee's employment or service at any time.

10. Adjustments.

10.1 Change in Capitalization. In the event of a Change in Capitalization, the Committee shall make appropriate adjustments to (i) the number and class of Shares or other stock or securities subject to the Option, (ii) the purchase price for such Shares or other stock or securities, or (iii) with respect to the Performance-Vesting Options, the applicable Share price performance metrics. The Committee's adjustment shall be made in accordance with the provisions of the Plan and shall be effective and final, binding and conclusive for all purposes of the Plan and this Agreement.

10.2 Dividends and Other Distributions. If the Company (i) makes distributions (by dividend or otherwise), (ii) grants rights to purchase securities to existing shareholders as a group, or (iii) issues securities to existing shareholders as a group (other than pursuant to (a) any equity awards granted under the Company's equity incentive compensation plans or (b) warrants issued with an exercise price equal to the Fair Market Value on the date of grant), in the case of clauses (ii) and (iii) at a price below Fair Market Value, and in each case of clauses (i), (ii) and (iii), (an "Extraordinary Distribution"), then to reflect such Extraordinary Distribution, this Option shall be adjusted to retain the pre-Extraordinary Distribution spread by decreasing the Exercise Price, in a manner consistent with Section 409A of the Code; provided that with respect to any vested portion of this Option, the Committee, in its sole discretion, may provide that, in lieu of such adjustment, the Optionee shall be entitled to receive the amount of, and the benefits and rights associated with, such Extraordinary Distribution in the same form and on the same terms as the Extraordinary Distribution paid or provided to the Company's shareholders based upon the number of Shares underlying such vested portion of the Option. Any adjustment described in this Section 10.2 shall be implemented in accordance with, and to the extent permitted by, Treasury Regulation § 1.409A-1(b)(5)(v)(D).

11. Effect of a Merger, Consolidation or Liquidation.

Subject to the terms of the Plan and this Agreement, in the event of (a) the liquidation or dissolution of the Company or (b) a merger or consolidation of the Company (a "Transaction") that does not constitute a Change in Control, the Options shall continue in effect in accordance with their respective terms, except that the Committee may, in its discretion, do one or more of the following: (i) shorten the period during which the Options are exercisable (provided they remain exercisable for at least thirty (30) days after the date on which notice of such shortening is given to the Optionee); (ii) accelerate the vesting schedule with respect to the Options, (iii) arrange to have the surviving or successor entity assume the Options or grant replacement Options with appropriate adjustments in the exercise prices, and adjustments in the number and kind of securities issuable upon exercise or adjustments so that the Options or their replacements represent the right to purchase or receive the stock, securities or other property (including cash) as may be issuable or payable as a result of such Transaction with respect to or in exchange for the number of Shares purchasable and receivable upon the exercise of the Options had such exercise occurred in full prior to the Transaction, or (iv) cancel the Options upon the payment to the Optionee in cash of an amount that is equal to the Fair Market Value of the Shares subject to the Option or portion thereof over the aggregate exercise price for such Shares under the Option or portion thereof surrendered at the effective time of the Transaction. The treatment of any Option as provided in this Section 11 shall be conclusively presumed to be appropriate for purposes of Section 10 of the Plan.

12. Withholding of Taxes.

At such times as the Optionee recognizes taxable income in connection with the receipt of Shares hereunder (a "Taxable Event"), the Optionee shall pay to the Company an amount equal to the federal, state and local income taxes and other amounts as may be required by law to be withheld by the Company in connection with the Taxable Event (the "Withholding Taxes") prior to the issuance, or release from escrow, of such Shares. The Company shall have the right to deduct from any payment to an Optionee an amount equal to the Withholding Taxes in satisfaction of the obligation to pay Withholding Taxes. In satisfaction of the obligation to pay Withholding Taxes to the Company, the Optionee may make a written election (the "Tax Election"), which may be accepted or rejected in the discretion of the Committee, to have withheld a portion of the Shares then issuable to him or her having an aggregate Fair Market Value equal to the Withholding Taxes. Notwithstanding the foregoing, the Committee may, in its discretion, provide that an Optionee shall not be entitled to exercise his or her Options for which cash has not been provided by the Optionee with respect to the applicable Withholding Taxes.

13. Excise Tax Limitation.

13.1 Notwithstanding anything contained in this Agreement to the contrary, to the extent that any payment, distribution or acceleration of vesting to or for the benefit of the Optionee by the Company (within the meaning of Section 280G of the Code and the regulations thereunder), whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (the "Total Payments") is or will be subject to the excise tax imposed

under Section 4999 of the Code (the "Excise Tax"), then the Total Payments shall be reduced (but not below zero) if and to the extent that a reduction in the Total Payments would result in the Optionee retaining a larger amount, on an after-tax basis (taking into account federal, state and local income taxes and the Excise Tax), than if the Optionee received the entire amount of such Total Payments. Unless the Optionee shall have given prior written notice specifying a different order to the Company to effectuate the foregoing in accordance with Code Section 409A, the Company shall reduce or eliminate the Total Payments, by first reducing or eliminating the portion of the Total Payments which are payable in cash and then by reducing or eliminating non-cash payments, in each case in reverse order beginning with payments or benefits which are to be paid the farthest in time from the Determination (as hereinafter defined). Any notice given by the Optionee pursuant to the preceding sentence shall take precedence over the provisions of any other plan, arrangement or agreement governing the Optionee's rights and entitlements to any benefits or compensation.

13.2 The determination of whether the Total Payments shall be reduced as provided in Section 12.2(a) of the Plan and the amount of such reduction shall be made at the Company's expense by an accounting firm selected by the Company from among the four largest accounting firms in the United States or at the Company's expense by an attorney selected by the Company. Such accounting firm or attorney (the "Determining Party") shall provide its determination (the "Determination"), together with detailed supporting calculations and documentation to the Company and the Optionee within thirty (30) days of the termination of Optionee's employment. If the Determining Party determines that no Excise Tax is payable by the Optionee with respect to the Total Payments, it shall furnish the Optionee with an opinion reasonably acceptable to the Optionee that no Excise Tax will be imposed with respect to any such payments and, absent manifest error, such Determination shall be binding, final and conclusive upon the Company and the Optionee. If the Determining Party determines that an Excise Tax would be payable, the Optionee shall have the right to accept the Determination of the Determining Party as to the extent of the reduction, if any, pursuant to Section 12.2(a) of the Plan, or to have such Determination reviewed by an accounting firm selected by the Optionee, at the Optionee's expense. If the Optionee's accounting firm and the Determining Party do not agree, a third accounting firm shall be jointly chosen by the Determining Party and the Optionee, in which case the determination of such third accounting firm shall be binding, final and conclusive upon the Company and the Optionee.

14. Optionee Bound by the Plan.

The Optionee hereby acknowledges that the Optionee may receive a copy of the Plan upon request to the Plan Administrator and agrees to be bound by all the terms and provisions of the Plan.

15. Entire Agreement; Modification of Agreement.

This Agreement, together with the Plan, contains the entire agreement between the parties hereto with respect to the subject matter contained herein, and, except as otherwise specifically provided herein, supersedes all prior agreements or prior understandings, whether written or oral, between the parties relating to such subject matter. For the avoidance of doubt,

the Optionee acknowledges and agrees that, notwithstanding anything to the contrary set forth in any employment agreement between the Optionee and the Company, the vesting of the Option, including, without limitation, upon a termination of the Optionee's employment and upon a Change in Control, shall be governed by the terms of this Agreement. This Agreement may be modified, amended, suspended or terminated by the Committee in its discretion at any time, and any terms or conditions may be waived by the Committee in its discretion at any time; provided, however, that all such modifications, amendments, suspensions, terminations or waivers that shall adversely effect an Optionee shall only be effective pursuant to a written instrument executed by the parties hereto.

16. Severability.

Should any provision of this Agreement be held by a court of competent jurisdiction to be unenforceable or invalid for any reason, the remaining provisions of this Agreement shall not be affected by such holding and shall continue in full force in accordance with their terms.

17. Governing Law.

The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Delaware without giving effect to the conflicts of laws principles thereof.

18. Successors in Interest.

This Agreement shall inure to the benefit of and be binding upon any successor to the Company. This Agreement shall inure to the benefit of the Optionee's legal representatives. All obligations imposed upon the Optionee and all rights granted to the Company under this Agreement shall be final, binding and conclusive upon the Optionee's heirs, executors, administrators, successors.

19. Resolution of Disputes.

Any dispute or disagreement which may arise under, or as a result of, or in any way relate to, the interpretation, construction or application of this Agreement shall be determined by the Committee. Any determination made hereunder shall be final, binding and conclusive on the Optionee and Company for all purposes.

20. Acquired Rights.

The Optionee acknowledges and agrees that: (a) the Company may terminate or amend the Plan at any time; (b) the award of the Option made under this Agreement is completely independent of any other award or grant and is made at the sole discretion of the Company; (c) no past grants or awards (including, without limitation, the Option awarded hereunder) give the Optionee any right to any grants or awards in the future whatsoever; and (d) any benefits granted under this Agreement are not part of the Optionee's ordinary salary, and

shall not be considered as part of such salary in the event of severance, redundancy or resignation.

21. Counterparts.

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument.

22. Compliance with Laws.

The issuance of the Option (and the Shares acquired upon exercise of the Option) pursuant to this Agreement shall be subject to, and shall comply with, any applicable requirements of any foreign and U.S. federal and state securities laws, rules and regulations (including, without limitation, the provisions of any Securities Laws and in each case any respective rules and regulations promulgated thereunder) and any other law or regulation applicable thereto. The Company shall not be obligated to issue the Option or any of the Shares pursuant to this Agreement if any such issuance would violate any such requirements.

23. Company Recoupment.

The Optionee's right to the Option granted hereunder and the Shares acquired upon exercise of the Option shall in all events be subject to any right or obligation that the Company may have regarding the clawback of "incentive-based compensation" under Section 10D of the Exchange Act and any applicable rules and regulations promulgated thereunder from time to time by the U.S. Securities and Exchange Commission.

EXHIBIT A

NONQUALIFIED TIME-VESTING STOCK OPTION AGREEMENT

THIS AGREEMENT, made as of April 26, 2011 (the "Grant Date"), between Charter Communications, Inc., a Delaware corporation (the "Company"), and _____ (the "Optionee").

Unless otherwise defined herein, terms defined in the Charter Communications, Inc. 2009 Stock Incentive Plan (the "Plan") shall have the same defined meanings in this Nonqualified Stock Option Agreement (the "Agreement").

The undersigned Optionee has been granted an Option to purchase Shares of Class A common stock of the Company ("Shares"), subject to the terms and conditions of the Plan and this Agreement, as follows:

- Vesting Schedule: As provided in Section 4 of the Agreement.
- Exercise Price per Share: \$55.12
- Total Number of Shares under Option: As shown in the Participant's Merrill Lynch on-line grant account
- Exercise Expiration Date: April 26, 2021

(Such information as to exercise price, total number of options and exercise expiration date are shown on the Optionee's Merrill Lynch on-line grant account.)

Charter Communications, Inc.

Abigail T. Pfeiffer, SVP - Human Resources

I, the undersigned, agree to this grant of an Option to purchase Shares of the Company, acknowledge that this grant is subject to the terms and conditions of the Plan and this Agreement, and have read and understand the terms and conditions set forth in Sections 1 through 22 of this Agreement.

Optionee



1. Grant of Option.

1.1 The Company hereby grants to the Optionee the right and option (the “Option”) to purchase all or any part of the Total Number of Shares under Option set forth above, subject to, and in accordance with, the terms and conditions set forth in this Agreement.

1.2 The Option is not intended to qualify as an incentive stock option within the meaning of Section 422 of the Code.

1.3 This Agreement shall be construed in accordance and consistent with, and subject to, the provisions of the Plan (the provisions of which are incorporated herein by reference) and, except as otherwise expressly set forth herein, the capitalized terms used in this Agreement shall have the same definitions as set forth in the Plan.

2. Purchase Price.

The price at which the Optionee shall be entitled to purchase Shares upon the exercise of the Option shall be the Exercise Price per Share set forth above.

3. Duration of Option.

The Option shall be exercisable to the extent and in the manner provided herein for a period of ten (10) years from the Grant Date (the “Exercise Term”) and shall expire as of the tenth (10th) anniversary of the Grant Date (“Exercise Expiration Date”); provided, however, that the Option may be earlier or later terminated as provided under the terms of the Plan and this Agreement.

4. Vesting of Option.

4.1 Time-Vesting Options.

(a) Normal Vesting. Unless otherwise provided in this Agreement or the Plan, the Option granted hereunder shall vest as follows, subject to the Optionee’s continued employment with the Company or its Subsidiaries on each such vesting date:

(i) Tranche I Options. One-third (1/3) of the Option (the “Tranche I Options”) shall become vested and exercisable in four (4) pro rata equal installments on each of the first four (4) anniversaries of the applicable Vesting Commencement Date. The Vesting Commencement Date for the Tranche I Options shall be the Grant Date.

(ii) Tranche II Options. One-third (1/3) of the Option (the “Tranche II Options”) shall become vested and exercisable in four (4) pro rata equal installments on each of the first four (4) anniversaries of the applicable Vesting Commencement Date. The applicable Vesting Commencement Date for the Tranche II Options shall be December 31, 2011.

(iii) Tranche III Options. One-third (1/3) of the Option (the “Tranche III Options”) shall become vested and exercisable in four (4) pro rata equal installments on each

of the first four (4) anniversaries of the applicable Vesting Commencement Date. The applicable Vesting Commencement Date for the Tranche III Options shall be December 31, 2012.

Each right of purchase shall be cumulative and shall continue, unless sooner exercised or terminated as herein provided, during the remaining period of the Exercise Term. Notwithstanding any fractional number of Shares resulting from the application of the foregoing percentages or vesting provisions below, the Option shall only be exercisable with respect to a whole number of Shares.

(b) Certain Terminations. Notwithstanding anything to the contrary set forth in any employment agreement between the Optionee and the Company, the Plan or this Agreement, upon the termination of employment of the Optionee (i) by the Company, or any of its Subsidiaries, for Cause, by the Optionee without Good Reason or as a result of the Optionee's Retirement, any unvested portion of this Option shall be cancelled and forfeited, or (ii) as a result of the Optionee's death or Disability or by the Company, or any of its Subsidiaries, without Cause or by the Optionee for Good Reason, subject to Section 4.1(c) hereof: (A) all Non-Eligible Options shall immediately be canceled and forfeited; (B) all unvested Eligible Options that do not vest pursuant to Section 4.1(b)(ii)(C) hereof shall be canceled and forfeited; and (C) a pro-rata portion of the Eligible Options that would otherwise vest on the next regularly scheduled vesting date (based on the portion of the vesting year that has elapsed as of such termination) shall vest and become exercisable as of the date of such termination.

(c) Change in Control. Notwithstanding anything to the contrary set forth in Section 4.1(b) hereof, any employment agreement between the Optionee and the Company, the Plan or this Agreement, if, within thirty (30) days prior or twelve (12) months following the completion of a Change in Control or at any time prior to a Change in Control at the request of a prospective purchaser whose proposed purchase would constitute a Change in Control upon its completion, the Company, or any of its Subsidiaries, terminates the Optionee's employment without Cause or the Optionee terminates his or her employment for Good Reason, all unvested Eligible Options shall immediately vest and become exercisable. All Non-Eligible Options shall be canceled and forfeited upon a Change in Control.

(d) Examples. By way of example, assume Employee A is granted an aggregate of 168 Options on April 30, 2011.

(i) Termination Example. If Employee A is terminated by the Company without Cause or terminates his employment for Good Reason on June 30, 2013, Employee A will have (A) 56 Eligible Tranche I Options of which 28 options will have time-vested and 2 options will vest and become exercisable on the date of such termination based upon Employee A's two months of service in 2013 following the first anniversary of the Grant Date (14 options vesting on the next regularly scheduled vesting date with two-twelfths (2/12) of the year of service), (B) 56 Eligible Tranche II Options of which 14 options will have time-vested and 7 options will vest and become exercisable on the date of such termination based upon Employee A's six months of service in 2013, and (C) 56 Eligible Tranche III Options of which 0 options will have vested and 7 options will vest and become exercisable on the date of such termination.

(ii) Change in Control Example. If Employee A is terminated by the Company without Cause or terminates his employment for Good Reason on the date of a Change in Control that is completed on January 31, 2012, Employee A will have (A) 56 Eligible Tranche I Options, all of which will vest and become exercisable, (B) 56 Eligible Tranche II Options, all of which will vest and become exercisable, and (C) 56 Tranche III Options, none of which will be Eligible Tranche III Options because the Vesting Commencement Date for the Tranche III Options will not have commenced as of January 31, 2012, and all of which will be canceled and forfeited as of the date of such termination.

4.2 Committee Discretion to Accelerate Vesting. Notwithstanding the foregoing, the Committee may, in its sole discretion, provide for accelerated vesting of all or any portion the Option at any time and for any reason.

5. Definitions. For purposes of this Agreement, the following terms shall have the following definitions.

5.1 "Change in Control" shall mean (a) in the case where there is an employment agreement in effect between the Company and the Optionee on the Grant Date that defines "change in control" (or words of like import), "change in control" as defined under such agreement or (b) in the case where there is no employment agreement in effect between the Company and the Optionee on the Grant Date that defines "change in control" (or words of like import), "change in control" as defined in the Plan.

5.2 "Eligible Options" shall mean the Tranche I Options, Tranche II Options, and Tranche III Options with respect to which the Vesting Commencement Date has occurred as of the relevant date.

5.3 "Eligible Tranche I Options" shall mean the Tranche I Options with respect to which the Vesting Commencement Date has occurred as of the relevant date.

5.4 "Eligible Tranche II Options" shall mean the Tranche II Options with respect to which the Vesting Commencement Date has occurred as of the relevant date.

5.5 "Eligible Tranche III Options" shall mean the Tranche III Options with respect to which the Vesting Commencement Date has occurred as of the relevant date.

5.6 "Non-Eligible Options" shall mean the Tranche I Options, Tranche II Options, and Tranche III Options with respect to which the Vesting Commencement Date has not occurred as of the relevant date.

5.7 "Vesting Commencement Date" shall mean the date on which a specified tranche of this Option first becomes eligible to vest as specified in Sections 4.1(a)(i), 4.1(a)(ii), 4.1(a)(iii), respectively.

6. Manner of Exercise and Payment.

6.1 Subject to the terms and conditions of this Agreement and the Plan, the vested portion of the Option may be exercised by delivery of written notice in person, electronically or by mail to the Plan Administrator (or his or her designee). Such notice shall state that the Optionee is electing to exercise the Option and the number of Shares in respect of which the Option is being exercised and shall be signed by the person or persons exercising the Option. If requested by the Committee, such person or persons shall (i) deliver this Agreement to the Plan Administrator (or his or her designee) who shall endorse thereon a notation of such exercise and (ii) provide satisfactory proof as to the right of such person or persons to exercise the Option.

6.2 The notice of exercise described in Section 6.1 hereof shall be accompanied by (a) the full purchase price for the Shares in respect of which the Option is being exercised, in cash, by check, by transferring Shares to the Company having a Fair Market Value on the date of exercise equal to the cash amount for which such Shares are substituted, or in such other manner as may be permitted by the Committee in its discretion, and (b) payment of the Withholding Taxes as provided by Section 12 of this Agreement, and in the manner as may be permitted by the Committee its discretion pursuant to Section 12 of this Agreement.

6.3 Upon receipt of notice of exercise and full payment for the Shares in respect of which the Option is being exercised, the Company shall, subject to the terms of the Plan, take such action as may be necessary to effect the transfer to the Optionee of the number of Shares as to which such exercise was effective.

6.4 Except as otherwise provided in Section 10, the Optionee shall not be deemed to be the holder of, or to have any of the rights of a holder with respect to any Shares subject to the Option until (i) the Option shall have been exercised pursuant to the terms of this Agreement and the Optionee shall have paid the full purchase price for the number of Shares in respect of which the Option was exercised, (ii) the Company shall have issued and delivered the Shares to the Optionee, and (iii) the Optionee's name shall have been entered as a stockholder of record on the books of the Company, whereupon the Optionee shall have full voting and other ownership rights with respect to such Shares.

7. Exercisability upon Termination of Employment.

If the employment of the Optionee is terminated as a result of death, Disability or Retirement, the vested portion of the Option shall continue to be exercisable in whole or in part at any time, but in no event after the Exercise Expiration Date, for six (6) months after the date of such termination. If the employment of the Optionee is terminated for Cause, the entire Option (whether or not vested) shall terminate effective immediately prior to the Optionee's termination of employment. If the employment of the Optionee is terminated for any reason other than death, Disability or Retirement or for Cause (including, without limitation, the Optionee's ceasing to be employed by a Subsidiary or Division as a result of the sale of such Subsidiary or Division or an interest in such Subsidiary or Division or a termination of employment by the Optionee with or without Good Reason), then the vested portion of the Option shall continue to be exercisable in whole or in part at any time, but in no event after the

Exercise Expiration Date, (x) with respect to an Optionee who upon termination of employment as an employee remains an Eligible Individual, for six (6) months following such date as the Optionee is no longer an Eligible Individual or (y) with respect to an Optionee who is receiving severance payments, for six (6) months following the date of the cessation of such payments, provided, however, in no event shall the Option remain outstanding following the eighteen (18) month anniversary of the date of termination of employment.

8. Nontransferability.

The Option shall not be transferable other than by will or by the laws of descent and distribution. During the lifetime of the Optionee, the Option shall be exercisable only by the Optionee.

9. No Right to Continued Employment.

Nothing in this Agreement or the Plan shall be interpreted or construed to confer upon the Optionee any right with respect to continuance of employment by the Company, or any Subsidiary or Affiliate of the Company, nor shall this Agreement or the Plan interfere in any way with the right of the Company to terminate the Optionee's employment or service at any time.

10. Adjustments.

10.1 Change in Capitalization. In the event of a Change in Capitalization, the Committee shall make appropriate adjustments to (i) the number and class of Shares or other stock or securities subject to the Option, or (ii) the purchase price for such Shares or other stock or securities. The Committee's adjustment shall be made in accordance with the provisions of the Plan and shall be effective and final, binding and conclusive for all purposes of the Plan and this Agreement.

10.2 Dividends and Other Distributions. If the Company (i) makes distributions (by dividend or otherwise), (ii) grants rights to purchase securities to existing shareholders as a group, or (iii) issues securities to existing shareholders as a group (other than pursuant to (a) any equity awards granted under the Company's equity incentive compensation plans or (b) warrants issued with an exercise price equal to the Fair Market Value on the date of grant), in the case of clauses (ii) and (iii) at a price below Fair Market Value, and in each case of clauses (i), (ii) and (iii), (an "Extraordinary Distribution"), then to reflect such Extraordinary Distribution, this Option shall be adjusted to retain the pre-Extraordinary Distribution spread by decreasing the Exercise Price, in a manner consistent with Section 409A of the Code; provided that with respect to any vested portion of this Option, the Committee, in its sole discretion, may provide that, in lieu of such adjustment, the Optionee shall be entitled to receive the amount of, and the benefits and rights associated with, such Extraordinary Distribution in the same form and on the same terms as the Extraordinary Distribution paid or provided to the Company's shareholders based upon the number of Shares underlying such vested portion of the Option. Any adjustment described in this Section 10.2 shall be implemented in accordance with, and to the extent permitted by, Treasury Regulation § 1.409A-1(b)(5)(v)(D).

11. Effect of a Merger, Consolidation or Liquidation.

Subject to the terms of the Plan and this Agreement, in the event of (a) the liquidation or dissolution of the Company or (b) a merger or consolidation of the Company (a "Transaction") that does not constitute a Change in Control, the Options shall continue in effect in accordance with their respective terms, except that the Committee may, in its discretion, do one or more of the following: (i) shorten the period during which the Options are exercisable (provided they remain exercisable for at least thirty (30) days after the date on which notice of such shortening is given to the Optionee); (ii) accelerate the vesting schedule with respect to the Options, (iii) arrange to have the surviving or successor entity assume the Options or grant replacement Options with appropriate adjustments in the exercise prices, and adjustments in the number and kind of securities issuable upon exercise or adjustments so that the Options or their replacements represent the right to purchase or receive the stock, securities or other property (including cash) as may be issuable or payable as a result of such Transaction with respect to or in exchange for the number of Shares purchasable and receivable upon the exercise of the Options had such exercise occurred in full prior to the Transaction, or (iv) cancel the Options upon the payment to the Optionee in cash of an amount that is equal to the Fair Market Value of the Shares subject to the Option or portion thereof over the aggregate exercise price for such Shares under the Option or portion thereof surrendered at the effective time of the Transaction. The treatment of any Option as provided in this Section 11 shall be conclusively presumed to be appropriate for purposes of Section 10 of the Plan.

12. Withholding of Taxes.

At such times as the Optionee recognizes taxable income in connection with the receipt of Shares hereunder (a "Taxable Event"), the Optionee shall pay to the Company an amount equal to the federal, state and local income taxes and other amounts as may be required by law to be withheld by the Company in connection with the Taxable Event (the "Withholding Taxes") prior to the issuance, or release from escrow, of such Shares. The Company shall have the right to deduct from any payment to an Optionee an amount equal to the Withholding Taxes in satisfaction of the obligation to pay Withholding Taxes. In satisfaction of the obligation to pay Withholding Taxes to the Company, the Optionee may make a written election (the "Tax Election"), which may be accepted or rejected in the discretion of the Committee, to have withheld a portion of the Shares then issuable to him or her having an aggregate Fair Market Value equal to the Withholding Taxes. Notwithstanding the foregoing, the Committee may, in its discretion, provide that an Optionee shall not be entitled to exercise his or her Options for which cash has not been provided by the Optionee with respect to the applicable Withholding Taxes.

13. Excise Tax Limitation.

13.1 Notwithstanding anything contained in this Agreement to the contrary, to the extent that any payment, distribution or acceleration of vesting to or for the benefit of the Optionee by the Company (within the meaning of Section 280G of the Code and the regulations thereunder), whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (the "Total Payments") is or will be subject to the excise tax imposed

under Section 4999 of the Code (the "Excise Tax"), then the Total Payments shall be reduced (but not below zero) if and to the extent that a reduction in the Total Payments would result in the Optionee retaining a larger amount, on an after-tax basis (taking into account federal, state and local income taxes and the Excise Tax), than if the Optionee received the entire amount of such Total Payments. Unless the Optionee shall have given prior written notice specifying a different order to the Company to effectuate the foregoing in accordance with Code Section 409A, the Company shall reduce or eliminate the Total Payments, by first reducing or eliminating the portion of the Total Payments which are payable in cash and then by reducing or eliminating non-cash payments, in each case in reverse order beginning with payments or benefits which are to be paid the farthest in time from the Determination (as hereinafter defined). Any notice given by the Optionee pursuant to the preceding sentence shall take precedence over the provisions of any other plan, arrangement or agreement governing the Optionee's rights and entitlements to any benefits or compensation.

13.2 The determination of whether the Total Payments shall be reduced as provided in Section 12.2(a) of the Plan and the amount of such reduction shall be made at the Company's expense by an accounting firm selected by the Company from among the four largest accounting firms in the United States or at the Company's expense by an attorney selected by the Company. Such accounting firm or attorney (the "Determining Party") shall provide its determination (the "Determination"), together with detailed supporting calculations and documentation to the Company and the Optionee within thirty (30) days of the termination of Optionee's employment. If the Determining Party determines that no Excise Tax is payable by the Optionee with respect to the Total Payments, it shall furnish the Optionee with an opinion reasonably acceptable to the Optionee that no Excise Tax will be imposed with respect to any such payments and, absent manifest error, such Determination shall be binding, final and conclusive upon the Company and the Optionee. If the Determining Party determines that an Excise Tax would be payable, the Optionee shall have the right to accept the Determination of the Determining Party as to the extent of the reduction, if any, pursuant to Section 12.2(a) of the Plan, or to have such Determination reviewed by an accounting firm selected by the Optionee, at the Optionee's expense. If the Optionee's accounting firm and the Determining Party do not agree, a third accounting firm shall be jointly chosen by the Determining Party and the Optionee, in which case the determination of such third accounting firm shall be binding, final and conclusive upon the Company and the Optionee.

14. Optionee Bound by the Plan.

The Optionee hereby acknowledges that the Optionee may receive a copy of the Plan upon request to the Plan Administrator and agrees to be bound by all the terms and provisions of the Plan.

15. Entire Agreement; Modification of Agreement.

This Agreement, together with the Plan, contains the entire agreement between the parties hereto with respect to the subject matter contained herein, and, except as otherwise specifically provided herein, supersedes all prior agreements or prior understandings, whether written or oral, between the parties relating to such subject matter. For the avoidance of doubt,

the Optionee acknowledges and agrees that, notwithstanding anything to the contrary set forth in any employment agreement between the Optionee and the Company, the vesting of the Option, including, without limitation, upon a termination of the Optionee's employment and upon a Change in Control, shall be governed by the terms of this Agreement. This Agreement may be modified, amended, suspended or terminated by the Committee in its discretion at any time, and any terms or conditions may be waived by the Committee in its discretion at any time; provided, however, that all such modifications, amendments, suspensions, terminations or waivers that shall adversely effect an Optionee shall only be effective pursuant to a written instrument executed by the parties hereto.

16. Severability.

Should any provision of this Agreement be held by a court of competent jurisdiction to be unenforceable or invalid for any reason, the remaining provisions of this Agreement shall not be affected by such holding and shall continue in full force in accordance with their terms.

17. Governing Law.

The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Delaware without giving effect to the conflicts of laws principles thereof.

18. Successors in Interest.

This Agreement shall inure to the benefit of and be binding upon any successor to the Company. This Agreement shall inure to the benefit of the Optionee's legal representatives. All obligations imposed upon the Optionee and all rights granted to the Company under this Agreement shall be final, binding and conclusive upon the Optionee's heirs, executors, administrators, successors.

19. Resolution of Disputes.

Any dispute or disagreement which may arise under, or as a result of, or in any way relate to, the interpretation, construction or application of this Agreement shall be determined by the Committee. Any determination made hereunder shall be final, binding and conclusive on the Optionee and Company for all purposes.

20. Acquired Rights.

The Optionee acknowledges and agrees that: (a) the Company may terminate or amend the Plan at any time; (b) the award of the Option made under this Agreement is completely independent of any other award or grant and is made at the sole discretion of the Company; (c) no past grants or awards (including, without limitation, the Option awarded hereunder) give the Optionee any right to any grants or awards in the future whatsoever; and (d) any benefits granted under this Agreement are not part of the Optionee's ordinary salary, and

shall not be considered as part of such salary in the event of severance, redundancy or resignation.

21. Counterparts.

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument.

22. Compliance with Laws.

The issuance of the Option (and the Shares acquired upon exercise of the Option) pursuant to this Agreement shall be subject to, and shall comply with, any applicable requirements of any foreign and U.S. federal and state securities laws, rules and regulations (including, without limitation, the provisions of any Securities Laws and in each case any respective rules and regulations promulgated thereunder) and any other law or regulation applicable thereto. The Company shall not be obligated to issue the Option or any of the Shares pursuant to this Agreement if any such issuance would violate any such requirements.

23. Company Recoupment.

The Optionee's right to the Option granted hereunder and the Shares acquired upon exercise of the Option shall in all events be subject to any right or obligation that the Company may have regarding the clawback of "incentive-based compensation" under Section 10D of the Exchange Act and any applicable rules and regulations promulgated thereunder from time to time by the U.S. Securities and Exchange Commission.

RESTRICTED STOCK UNIT AGREEMENT

THIS AGREEMENT, made as of April 26, 2011 (the "Grant Date"), between Charter Communications, Inc., a Delaware corporation (the "Company"), and _____ (the "Participant").

Unless otherwise defined herein, terms defined in the Charter Communications, Inc. 2009 Stock Incentive Plan (the "Plan") shall have the same defined meanings in this Restricted Stock Unit Agreement (the "Agreement").

The undersigned Participant has been granted the number of restricted stock units ("RSUs") set forth below, subject to the terms and conditions of the Plan and this Agreement, as follows:

Vesting Schedule:	As provided in Section 3 of the Agreement
Number of Restricted Stock Units Granted:	As shown in Participant's Merrill Lynch on-line grant account

Charter Communications, Inc.

Abigail T. Pfeiffer, SVP - Human Resources

I, the undersigned, agree to this grant of RSUs, acknowledge that this grant is subject to the terms and conditions of the Plan and this Agreement, and have read and understand the terms and conditions set forth in Sections 1 through 22 of this Agreement.

Participant



1. Incorporation By Reference; Plan Document Receipt.

This Agreement is subject in all respects to the terms and provisions of the Plan (including, without limitation, any amendments thereto adopted at any time and from time to time unless such amendments are expressly intended not to apply to the Award provided hereunder), all of which terms and provisions are made a part of and incorporated in this Agreement as if they were each expressly set forth herein. Any capitalized term not defined in this Agreement shall have the same meaning as is ascribed thereto in the Plan. The Participant hereby acknowledges receipt of a true copy of the Plan and that the Participant has read the Plan carefully and fully understands its content. In the event of any conflict between the terms of this Agreement and the terms of the Plan, the terms of the Plan shall control.

2. Grant of Restricted Stock Unit Award.

The Company hereby grants to the Participant, as of the Grant Date specified above, the number of RSUs specified above. Except as otherwise provided by the Plan, the Participant agrees and understands that nothing contained in this Agreement provides, or is intended to provide, the Participant with any protection against potential future dilution of the Participant's interest in the Company for any reason, and no adjustments shall be made for dividends in cash or other property, distributions or other rights in respect of the Shares underlying the RSUs, except as otherwise specifically provided for in the Plan or this Agreement.

3. Vesting.

3.1 Time Vesting RSUs.

(a) Normal Vesting. Unless otherwise provided in this Agreement or the Plan, the RSUs granted hereunder shall vest as follows, subject to the Participant's continued employment with the Company or its Subsidiaries on each such vesting date:

(i) Tranche I RSUs. One-third (1/3) of the RSUs granted hereunder (the "Tranche I RSUs") shall become vested in four (4) pro rata equal installments on each of the first four (4) anniversaries of the applicable Vesting Commencement Date. The Vesting Commencement Date for the Tranche I RSUs shall be the Grant Date.

(ii) Tranche II RSUs. One-third (1/3) of the RSUs granted hereunder (the "Tranche II RSUs") shall become vested in four (4) pro rata equal installments on each of the first four (4) anniversaries of the applicable Vesting Commencement Date. The applicable Vesting Commencement Date for the Tranche II RSUs shall be December 31, 2011.

(iii) Tranche III RSUs. One-third (1/3) of the RSUs granted hereunder (the "Tranche III RSUs") shall become vested in four (4) pro rata equal installments on each of the first four (4) anniversaries of the applicable Vesting Commencement Date. The applicable Vesting Commencement Date for the Tranche III RSUs shall be December 31, 2012.

Notwithstanding any fractional number of RSUs resulting from the application of the foregoing percentages or vesting provisions below, only a whole number of Shares shall be deliverable in

accordance with Section 5, and such fractional number of RSUs that are not distributable in accordance with the foregoing provision shall be applied towards the RSUs that subsequently vest.

(b) Certain Terminations. Notwithstanding anything to the contrary set forth in any employment agreement between the Participant and the Company, the Plan or this Agreement, upon the termination of employment of the Participant (i) by the Company, or any of its Subsidiaries, for Cause, by the Participant without Good Reason or as a result of the Participant's Retirement, any unvested RSUs shall be cancelled and forfeited, or (ii) as a result of the Participant's death or Disability or by the Company, or any of its Subsidiaries, without Cause or by the Participant for Good Reason, subject to Section 3.1(c) hereof: (A) all Non-Eligible RSUs shall immediately be canceled and forfeited; (B) all unvested Eligible RSUs that do not vest pursuant to Section 3.1(b)(ii) (C) hereof shall be canceled and forfeited; and (C) a pro-rata portion of the Eligible RSUs that would otherwise vest on the next regularly scheduled vesting date (based on the portion of the vesting year that has elapsed as of such termination) shall vest as of the date of such termination.

(c) Change in Control. Notwithstanding anything to the contrary set forth in Section 3.1(b) hereof, any employment agreement between the Participant and the Company, the Plan or this Agreement, if, within thirty (30) days prior or twelve (12) months following the completion of a Change in Control or at any time prior to a Change in Control at the request of a prospective purchaser whose proposed purchase would constitute a Change in Control upon its completion, the Company, or any of its Subsidiaries, terminates the Participant's employment without Cause or the Participant terminates his or her employment for Good Reason, all unvested Eligible RSUs shall immediately vest. All Non-Eligible RSUs shall be canceled and forfeited upon a Change in Control.

(d) Examples. By way of example, assume Employee A is granted an aggregate of 168 RSUs on April 30, 2011.

(i) Termination Example. If Employee A is terminated by the Company without Cause or terminates his employment for Good Reason on June 30, 2013, Employee A will have (A) 56 Eligible Tranche I RSUs of which 28 RSUs will have time-vested and 28 RSUs will vest on the date of such termination based upon Employee A's two months of service in 2013 following the first anniversary of the Grant Date (14 RSUs vesting on the next regularly scheduled vesting date with two-twelfths (2/12) of the year of service), (B) 56 Eligible Tranche II RSUs of which 14 RSUs will have time-vested and 42 RSUs will vest on the date of such termination based upon Employee A's six months of service in 2013, and (C) 56 Eligible Tranche III RSUs of which 0 RSUs will have vested and 56 RSUs will vest on the date of such termination.

(ii) Change in Control Example. If Employee A is terminated by the Company without Cause or terminates his employment for Good Reason on the date of a Change in Control that is completed on January 31, 2012, Employee A will have (A) 56 Eligible Tranche I RSUs, all of which will vest, (B) 56 Eligible Tranche II RSUs, all of which will vest, and (C) 56 Tranche III RSUs, none of which will be Eligible Tranche III RSUs because the Vesting

Commencement Date for the Tranche III RSUs will not have commenced as of January 31, 2012, and all of which will be canceled and forfeited as of the date of such termination.

3.2 Committee Discretion to Accelerate Vesting. Notwithstanding the foregoing, the Committee may, in its sole discretion, provide for accelerated vesting of the RSUs at any time and for any reason.

4. Definitions. For purposes of this Agreement, the following terms shall have the following definitions.

4.1 "Change in Control" shall mean (a) in the case where there is an employment agreement in effect between the Company and the Participant on the Grant Date that defines "change in control" (or words of like import), "change in control" as defined under such agreement or (b) in the case where there is no employment agreement in effect between the Company and the Participant on the Grant Date that defines "change in control" (or words of like import), "change in control" as defined in the Plan.

4.2 "Eligible RSUs" shall mean the Tranche I RSUs, Tranche II RSUs, and Tranche III RSUs with respect to which the Vesting Commencement Date has occurred as of the relevant date.

4.3 "Eligible Tranche I RSUs" shall mean the Tranche I RSUs with respect to which the Vesting Commencement Date has occurred as of the relevant date.

4.4 "Eligible Tranche II RSUs" shall mean the Tranche II RSUs with respect to which the Vesting Commencement Date has occurred as of the relevant date.

4.5 "Eligible Tranche III RSUs" shall mean the Tranche III RSUs with respect to which the Vesting Commencement Date has occurred as of the relevant date.

4.6 "Non-Eligible RSUs" shall mean the Tranche I RSUs, Tranche II RSUs, and Tranche III RSUs with respect to which the Vesting Commencement Date has not occurred as of the relevant date.

4.7 "Vesting Commencement Date" shall mean the date on which a specified tranche of this RSU award first becomes eligible to vest as specified in Sections 3.1(a)(i), 3.1(a)(ii), 3.1(a)(iii), respectively.

5. Delivery of Shares.

5.1 General. Subject to the provisions of Sections 5.2 and 5.3 hereof, within thirty (30) days following the vesting of the RSUs, the Participant shall receive the number of Shares that correspond to the number of RSUs that have become vested on the applicable vesting date; provided that the Participant shall be obligated to pay to the Company the aggregate par value of the Shares to be issued within ten (10) days following the issuance of such Shares unless such Shares have been issued by the Company from the Company's treasury.

5.2 Blackout Periods. If the Participant is subject to any Company “blackout” policy or other trading restriction imposed by the Company on the date such distribution would otherwise be made pursuant to Section 5.1 hereof, such distribution shall be instead made on the earlier of (i) the date that the Participant is not subject to any such policy or restriction and (ii) the later of (A) the end of the calendar year in which such distribution would otherwise have been made and (B) a date that is immediately prior to the expiration of two and one-half months following the date such distribution would otherwise have been made hereunder.

5.3 Deferrals. If permitted by the Company, the Participant may elect, subject to the terms and conditions of the Plan and any other applicable written plan or procedure adopted by the Company from time to time for purposes of such election, to defer the distribution of all or any portion of the Shares that would otherwise be distributed to the Participant hereunder (the “Deferred Shares”), consistent with the requirements of Section 409A of the Code. Upon the vesting of RSUs that have been so deferred, the applicable number of Deferred Shares shall be credited to a bookkeeping account established on the Participant’s behalf (the “Account”). Subject to Section 6 hereof, the number of Shares equal to the number of Deferred Shares credited to the Participant’s Account shall be distributed to the Participant in accordance with the terms and conditions of the Plan and the other applicable written plans or procedures of the Company, consistent with the requirements of Section 409A of the Code.

6. Dividends; Rights as Stockholder.

Cash dividends on Shares issuable hereunder shall be credited to a dividend book entry account on behalf of the Participant with respect to each RSU granted to the Participant, provided that such cash dividends shall not be deemed to be reinvested in Shares and shall be held uninvested and without interest and paid in cash at the same time that the Shares underlying the RSUs are delivered to the Participant in accordance with the provisions hereof. Stock dividends on Shares shall be credited to a dividend book entry account on behalf of the Participant with respect to each RSU granted to the Participant, provided that such stock dividends shall be paid in Shares at the same time that the Shares underlying the RSUs are delivered to the Participant in accordance with the provisions hereof. Except as otherwise provided herein, the Participant shall have no rights as a stockholder with respect to any Shares covered by any RSU unless and until the Participant has become the holder of record of such Shares.

7. Non-Transferability.

No portion of the RSUs may be sold, assigned, transferred, encumbered, hypothecated or pledged by the Participant, other than to the Company as a result of forfeiture of the RSUs as provided herein, unless and until payment is made in respect of vested RSUs in accordance with the provisions hereof and the Participant has become the holder of record of the vested Shares issuable hereunder.

8. Governing Law.

All questions concerning the construction, validity and interpretation of this Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without regard to the choice of law principles thereof.

9. Withholding of Tax.

The Company shall have the power and the right to deduct or withhold, or require the Participant to remit to the Company, an amount sufficient to satisfy any federal, state, local and foreign taxes of any kind (including, but not limited to, the Participant's FICA and SDI obligations) which the Company, in its sole discretion, deems necessary to be withheld or remitted to comply with the Code and/or any other applicable law, rule or regulation with respect to the RSUs and, if the Participant fails to do so, the Company may otherwise refuse to issue or transfer any Shares otherwise required to be issued pursuant to this Agreement. Any statutorily required withholding obligation with regard to the Participant may be satisfied by reducing the amount of cash or Shares otherwise deliverable to the Participant hereunder.

10. Legend.

The Company may at any time place legends referencing any applicable federal, state or foreign securities law restrictions on all certificates representing Shares issued pursuant to this Agreement. The Participant shall, at the request of the Company, promptly present to the Company any and all certificates representing Shares acquired pursuant to this Agreement in the possession of the Participant in order to carry out the provisions of this Section 10.

11. Securities Representations.

This Agreement is being entered into by the Company in reliance upon the following express representations and warranties of the Participant. The Participant hereby acknowledges, represents and warrants that:

11.1 The Participant has been advised that the Participant may be an "affiliate" within the meaning of Rule 144 under the Securities Act and in this connection the Company is relying in part on the Participant's representations set forth in this Section 11.

11.2 If the Participant is deemed an affiliate within the meaning of Rule 144 of the Securities Act, the Shares issuable hereunder must be held indefinitely unless an exemption from any applicable resale restrictions is available or the Company files an additional registration statement (or a "re-offer prospectus") with regard to such Shares and the Company is under no obligation to register such Shares (or to file a "re-offer prospectus").

11.3 If the Participant is deemed an affiliate within the meaning of Rule 144 of the Securities Act, the Participant understands that (i) the exemption from registration under Rule 144 will not be available unless (A) a public trading market then exists for the Shares, (B) adequate information concerning the Company is then available to the public, and (C) other terms and conditions of Rule 144 or any exemption therefrom are complied with, and (ii) any

sale of the Shares issuable hereunder may be made only in limited amounts in accordance with the terms and conditions of Rule 144 or any exemption therefrom.

12. Entire Agreement; Amendment.

This Agreement, together with the Plan, contains the entire agreement between the parties hereto with respect to the subject matter contained herein, and supersedes all prior agreements or prior understandings, whether written or oral, between the parties relating to such subject matter. The Committee shall have the right, in its sole discretion, to modify or amend this Agreement from time to time in accordance with and as provided in the Plan. This Agreement may also be modified or amended by a writing signed by both the Company and the Participant. The Company shall give written notice to the Participant of any such modification or amendment of this Agreement as soon as practicable after the adoption thereof.

13. Notices.

Any notice hereunder by the Participant shall be given to the Company in writing and such notice shall be deemed duly given only upon receipt thereof by the General Counsel of the Company. Any notice hereunder by the Company shall be given to the Participant in writing and such notice shall be deemed duly given only upon receipt thereof at such address as the Participant may have on file with the Company.

14. No Right to Employment.

Any questions as to whether and when there has been a termination of employment and the cause of such termination of employment shall be determined in the sole discretion of the Committee. Nothing in this Agreement shall interfere with or limit in any way the right of the Company, its Subsidiaries or its Affiliates to terminate the Participant's employment or service at any time, for any reason and with or without Cause.

15. Transfer of Personal Data.

The Participant authorizes, agrees and unambiguously consents to the transmission by the Company (or any Subsidiary) of any personal data information related to the RSUs awarded under this Agreement for legitimate business purposes (including, without limitation, the administration of the Plan). This authorization and consent is freely given by the Participant.

16. Compliance with Laws.

The grant of RSUs and the issuance of Shares hereunder shall be subject to, and shall comply with, any applicable requirements of any foreign and U.S. federal and state securities laws, rules and regulations (including, without limitation, the provisions of the Securities Act, the Exchange Act and in each case any respective rules and regulations promulgated thereunder) and any other law, rule regulation or exchange requirement applicable thereto. The Company shall not be obligated to issue the RSUs or any Shares pursuant to this Agreement if any such issuance would violate any such requirements. As a condition to the settlement of the RSUs, the Company may require the Participant to satisfy any qualifications

that may be necessary or appropriate to evidence compliance with any applicable law or regulation.

17. Binding Agreement; Assignment.

This Agreement shall inure to the benefit of, be binding upon, and be enforceable by the Company and its successors and assigns. The Participant shall not assign (except in accordance with Section 7 hereof) any part of this Agreement without the prior express written consent of the Company.

18. Headings.

The titles and headings of the various sections of this Agreement have been inserted for convenience of reference only and shall not be deemed to be a part of this Agreement.

19. Counterparts.

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument.

20. Further Assurances.

Each party hereto shall do and perform (or shall cause to be done and performed) all such further acts and shall execute and deliver all such other agreements, certificates, instruments and documents as either party hereto reasonably may request in order to carry out the intent and accomplish the purposes of this Agreement and the Plan and the consummation of the transactions contemplated thereunder.

21. Severability.

The invalidity or unenforceability of any provisions of this Agreement in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of this Agreement in such jurisdiction or the validity, legality or enforceability of any provision of this Agreement in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by law.

22. Acquired Rights.

The Participant acknowledges and agrees that: (a) the Company may terminate or amend the Plan at any time; (b) the Award of RSUs made under this Agreement is completely independent of any other award or grant and is made at the sole discretion of the Company; (c) no past grants or awards (including, without limitation, the RSUs awarded hereunder) give the Participant any right to any grants or awards in the future whatsoever; and (d) any benefits granted under this Agreement are not part of the Participant's ordinary salary, and shall not be considered as part of such salary in the event of severance, redundancy or resignation.

23. Company Recoupment.

The Participant's right to the RSUs granted hereunder and the Shares deliverable upon settlement of the RSUs shall in all events be subject to any right or obligation that the Company may have regarding the clawback of "incentive-based compensation" under Section 10D of the Exchange Act and any applicable rules and regulations promulgated thereunder from time to time by the U.S. Securities and Exchange Commission.

CHARTER COMMUNICATIONS, INC.

AMENDED AND RESTATED 2009 STOCK INCENTIVE PLAN

CHARTER COMMUNICATIONS, INC.
AMENDED AND RESTATED 2009 STOCK INCENTIVE PLAN

1. Purpose.

The purpose of this Plan is to strengthen Charter Communications, Inc., a Delaware corporation (the "Company"), by providing an incentive to the employees, officers, consultants and directors of the Company, its Subsidiaries and Affiliates and thereby encouraging them to devote their abilities and industry to the success of the Company's business enterprise. It is intended that this purpose be achieved by extending to employees (including future employees who have received a written offer of employment), officers, consultants and directors of the Company, its Subsidiaries and Affiliates an added long-term incentive for high levels of performance and unusual efforts through the grant of Nonqualified Stock Options, Incentive Stock Options, Stock Appreciation Rights, Dividend Equivalent Rights, Performance Units and Performance Shares, Share Awards, Phantom Stock, Restricted Stock Units and Restricted Stock (as each term is herein defined).

2. Definitions.

For purposes of the Plan:

"Affiliate" means, with respect to any person or entity, any entity, directly or indirectly, controlled by, controlling or under common control with such person or entity.

"Agreement" means the written agreement or other instrument evidencing the grant of an Option or Award and setting forth the terms and conditions thereof. An Agreement may be in the form of an agreement to be agreed to by both the Optionee or Grantee and the Company (or an authorized representative of the Company) or certificates, notices or similar instruments as approved by the Committee.

"Award" means a grant of Restricted Stock, a Restricted Stock Unit, Phantom Stock, a Stock Appreciation Right, a Performance Award, a Dividend Equivalent Right, a Share Award or any or all of them.

"Board" means the Board of Directors of the Company.

"Cause" means:

(a) in the case of a Participant whose employment with the Company or a Subsidiary is subject to the terms of an employment agreement between such Participant and the Company or Subsidiary, which employment agreement includes a definition of "Cause" (or similar term), the term "Cause" as used in this Plan or any Agreement shall have the meaning set forth in such employment agreement during the period that such employment agreement remains in effect; and

(b) in all other cases, the Participant (i) has committed any crime; (ii) has committed any act of fraud knowing material misrepresentation or concealment, embezzlement or gross dishonesty; (iii) has committed any act of sex discrimination or sexual harassment under

the provisions of any Federal, state or local law, resulting in any of the above cases in a material financial loss to the Company or damage to the reputation of the Company; (iv) has refused to comply with the lawful directives of the Board or of the Participant's supervisors; (v) has breached any fiduciary duty to the Company or has engaged in conduct which constitutes gross negligence or willful misconduct; (vi) fails to adhere in any material respect to (x) the Company's Code of Conduct in effect from time to time or (y) any written Company policy, if such policy is material to the effective performance by Participant of Participant's duties; (vii) Participant's conviction of, the entering of a guilty plea or plea or nolo contendere or no contest (or the equivalent), or entering into any pretrial diversion program or agreement or suspended imposition of sentence, with respect to either a felony or a crime that adversely affects or could reasonably be expected to adversely affect the Company or its business reputation; or the institution of criminal charges against Participant which are not dismissed within sixty (60) days after institution, for fraud, embezzlement, any felony offense involving dishonesty or constituting a breach of trust, or any felony (including without limitation a crime in any jurisdiction other than the United States or any state thereof in which Company does business which would constitute such a felony under the laws of the United States or any state thereof); (viii) Participant's admission of liability of, or finding of liability, for a knowing and deliberate violation of any "Securities Laws" (as used herein, the term "Securities Laws" means any federal or state law, rule or regulation governing generally the issuance or exchange of securities, including without limitation the Securities Act of 1933, the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder); or (ix) Participant's illegal possession or use of any controlled substance, or excessive use of alcohol at a work function, in connection with Participant's duties, or on Company premises; "excessive" meaning either repeated unprofessional use or any single event of consumption giving rise to significant intoxication or unprofessional behavior.

"Change in Capitalization" means any increase or reduction in the number of Shares, or any change (including, but not limited to, in the case of a spin-off, dividend or other distribution in respect of Shares, a change in value) in the Shares or exchange of Shares for a different number or kind of shares or other securities of the Company or another corporation, by reason of a reclassification, recapitalization, merger, consolidation, reorganization, spin-off, split-up, issuance of warrants or rights or debentures, stock dividend, stock split or reverse stock split, property dividend, cash dividend (other than regular, quarterly dividends), combination or exchange of Shares, repurchase of Shares, change in corporate structure or otherwise.

A "Change in Control" means:

(a) in the case of a Participant whose employment with the Company or a Subsidiary is subject to the terms of an employment agreement between such Participant and the Company or a Subsidiary, which employment agreement includes a definition of "Change in Control" (or similar term), the term "Change in Control" as used in this Plan or any Agreement shall have the meaning set forth in such employment agreement during the period that such employment agreement remains in effect; and

(b) in all other cases, the occurrence of any of the following:

(i) an acquisition of any voting securities of the Company by any "Person" or "Group" (as those terms are used for purposes of Section 13(d) or 14(d) of the Exchange Act), immediately after which such Person has "Beneficial Ownership" (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of fifty percent (50%) or more of the combined voting power of the Company's then outstanding voting securities; provided, however, in determining whether a Change in Control has occurred pursuant to this definition, Shares or voting securities which are acquired in a "Non-Control Acquisition" (as hereinafter defined) shall not constitute an acquisition which would cause a Change in Control. A "Non-Control Acquisition" shall mean an acquisition by (i) an employee benefit plan (or a trust forming a part thereof) maintained by (A) the Company or (B) any Subsidiary or Affiliate of the Company, (ii) the Company or any Subsidiary of the Company, (iii) an underwriter acquiring such voting securities in connection with a public offering of such securities; or (iv) any Person in connection with a "Non-Control Transaction" (as hereinafter defined);

(ii) The individuals who, as of June 30, 2009 are members of the Board (the "Incumbent Board"), cease for any reason to constitute at least one half of the members of the Board or, following a Merger which results in a Parent Corporation (as defined in paragraph (iii)(A) (l) below), the board of directors of the Parent Corporation; provided, however, that if the election, or nomination for election by the Company's common stockholders, of any new director was approved by a vote of at least one half of the Incumbent Board, such new director shall, for purposes of this Plan, be considered as a member of the Incumbent Board; provided further, however, that no individual shall be considered a member of the Incumbent Board if such individual initially assumed office as a result of either an actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board (a "Proxy Contest") including by reason of any agreement intended to avoid or settle any Proxy Contest; or

(iii) The consummation of:

(A) A merger, consolidation, reorganization or similar transaction involving the Company or in which securities of the Company are issued (a "Merger"), unless such Merger is a "Non-Control Transaction." A "Non-Control Transaction" shall mean a Merger where:

(1) the stockholders of the Company, immediately before such Merger own directly or indirectly immediately following such Merger more than fifty percent (50%) of the combined voting power of the outstanding voting securities of (x) the corporation resulting from such Merger (the "Surviving Corporation"), or (y) if any Person or Group, directly or indirectly, owns fifty percent (50%) or more of the combined voting power of the then outstanding voting securities of the Surviving Corporation (such Person or Group shall be defined as a "Parent Corporation"), the Parent Corporation;

(2) the individuals who were members of the Incumbent Board immediately prior to the execution of the agreement

providing for such Merger constitute at least a majority of the members of the board of directors of (x) the Surviving Corporation, or (y) the Parent Corporation, if the Parent Corporation, directly or indirectly, owns fifty percent (50%) or more of the combined voting power of the then outstanding voting securities of the Surviving Corporation; and

(3) no Person other than (a) the Company, (b) any Subsidiary of the Company, (c) any employee benefit plan (or any trust forming a part thereof) that, immediately prior to such Merger was maintained by the Company or any Subsidiary or Affiliate of the Company, or (d) any Person who, immediately prior to such Merger had Beneficial Ownership of fifty percent (50%) or more of the then outstanding voting securities or Shares, has Beneficial Ownership of fifty percent (50%) or more of the combined voting power of the outstanding voting securities or common stock of (x) the Surviving Corporation, or (y) the Parent Corporation, if the Parent Corporation, directly or indirectly, owns fifty percent (50%) or more of the combined voting power of the then outstanding voting securities of the Surviving Corporation.

(B) A complete liquidation or dissolution of the Company (other than where assets of the Company are transferred to or remain with Subsidiaries of the Company); or

(C) The sale or other disposition of all or substantially all of the assets of the Company, directly or indirectly, to any Person (other than a transfer to a Subsidiary of the Company, including, without limitation, the Allen Entities, if and only if the Allen Entities are Affiliates (individually or collectively) of the Company immediately prior to such sale or other disposition, or under conditions that would constitute a Non-Control Transaction with the disposition of assets being regarded as a Merger for this purpose or the distribution to the Company's stockholders of the stock of a Subsidiary or Affiliate of the Company or any other assets).

Notwithstanding the foregoing, for 409A Awards that are settled or distributed upon a "Change in Control," the foregoing definition shall only apply to the extent the applicable event otherwise constituting a "Change in Control" would also constitute a "change in control event" under Code Section 409A.

Unless otherwise provided in an employment agreement between a Participant and the Company, notwithstanding the foregoing a Change in Control shall not be deemed to occur solely because any Person (the "Subject Person") acquired Beneficial Ownership of more than the permitted amount of the then outstanding Shares or voting securities as a result of the acquisition of Shares or voting securities by the Company which, by reducing the number of Shares or voting securities then outstanding, increases the proportional number of Shares Beneficially Owned by the Subject Persons, provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of Shares or voting securities by the Company, and after such share acquisition by the Company, the Subject Person becomes

the Beneficial Owner of any additional Shares or voting securities which increases the percentage of the then outstanding Shares or voting securities Beneficially Owned by the Subject Person, then a Change in Control shall occur.

Unless otherwise provided in an employment agreement between the Participants and the Company, if a Participant's employment is terminated (A) by the Company without Cause within the thirty (30) day period immediately preceding a Change in Control or (B) by the Company without Cause preceding a Change in Control at the written request of a third party (or such third party's agent) who has indicated an intention or taken steps reasonably calculated to effect a Change in Control, such termination shall be deemed to have occurred after a Change in Control for purposes of this Plan provided a Change in Control shall actually have occurred.

"Code" means the Internal Revenue Code of 1986, as amended. Reference to a specific section of the Code or regulation thereunder shall include such section or regulation, any valid regulation or other guidance promulgated under such section, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.

"Committee" means at least one committee, as described in Section 3.1, appointed by the Board from time to time to administer the Plan and to perform the functions set forth herein.

"Company" means Charter Communications, Inc., a Delaware Corporation.

"Director" means a director of the Company.

"Disability" means:

(a) in the case of a Participant whose employment with the Company or a Subsidiary is subject to the terms of an employment agreement between such Participant and the Company or Subsidiary, which employment agreement includes a definition of "Disability" (or similar term), the term "Disability" as used in this Plan or any Agreement shall have the meaning set forth in such employment agreement during the period that such employment agreement remains in effect; or

(b) in all other cases, the term "Disability" as used in this Plan or any Agreement shall mean a physical or mental infirmity which impairs the Participant's ability to perform substantially his or her duties, and for which the Participant is also receiving benefits under the Company's long-term disability plan, if any, then in effect.

Notwithstanding the foregoing, for 409A Awards that are settled or distributed upon a "Disability," "Disability" shall mean that a Participant is disabled under Treasury Regulation Section 1.409A-3(i)(4)(i).

"Division" means any of the operating units or divisions of the Company or Subsidiary designated as a Division by the Committee in its discretion.

“Dividend Equivalent Right” means a right to receive all or some portion of the dividends that are or would be payable with respect to Shares, payable in either cash or Shares.

“Eligible Individual” means any of the following individuals who is designated by the Committee in its discretion as eligible to receive Options or Awards subject to the conditions set forth herein: (a) any director, officer or employee of the Company or a Subsidiary or Affiliate of the Company, (b) any individual to whom the Company, or a Subsidiary or an Affiliate of the Company, has extended a formal offer of employment, so long as the grant of any Option or Award shall not become effective until the individual commences employment or (c) any consultant or advisor of the Company or a Subsidiary. Notwithstanding the foregoing, the eligibility and/or participation of those employees represented by a collective bargaining representative shall be governed solely by the results of good faith negotiations between the Company and such employees’ representative and/or by the express terms of any collective bargaining agreement resulting therefrom.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Fair Market Value” on any date means the average of the high and low sales prices of the Shares on such date on the principal national securities exchange on which such Shares are listed or admitted to trading, or if there were no reported transaction for such date, the opening transaction price as reported by such exchange for the first trading date following the date by which such value is being determined on the next preceding date, or if such Shares are not so listed or admitted to trading, the average of the high and low sales price per Share on such date as quoted on the National Association of Securities Dealers Automated Quotation System or such other market in which such prices are regularly quoted or, if there have been no regularly quoted or reported high and low sales prices with respect to Shares on such date, the Fair Market Value shall be the value established by the Board or the Committee in good faith. Notwithstanding the foregoing, Fair Market Value relating to the exercise price or base price of any Non-409A Option or SAR may be determined in any manner permitted by Code Section 409A.

“Good Reason”, in the case of a Participant whose employment with the Company or a Subsidiary is subject to the terms of an employment agreement between such Participant and the Company or Subsidiary, which employment agreement includes a definition of “Good Reason”, as used in this Plan or any Agreement, shall have the meaning set forth in such employment agreement during the period that such employment agreement remains in effect; otherwise, “Good Reason” means the occurrence after a Change in Control of any of the events or conditions described in subsections (1) through (7) hereof; so long as the Participant provides notice of the existence of such breach within ninety (90) days of the Participant’s knowledge of such breach, and the Company does not remedy such breach within ninety (90) days of receipt of such notice:

- (1) a change in the Participant’s status, title, position or responsibilities (including reporting responsibilities) which represents an adverse change from his status, title, position or responsibilities as in effect at any time within ninety (90) days preceding the date of a Change in Control or at any time thereafter; the assignment to the Participant of any duties or responsibilities which are inconsistent with his status,

title, position or responsibilities as in effect at any time within ninety (90) days preceding the date of a Change in Control or at any time thereafter; or any removal of the Participant from or failure to reappoint or reelect him to any of such offices or positions, except in connection with the termination of his employment for Disability, Cause, as a result of his death or by the Participant other than for Good Reason;

(2) a reduction in the Participant's base salary or any failure to pay the Participant any compensation or benefits to which he is entitled within five (5) days of notice by the Participant to the Company of such failure;

(3) the Company's or any Subsidiary's requiring the Participant to be based at any place more than fifty (50) miles from the Participant's principal place of employment, except for reasonably required travel on the Company's business which is not materially greater than such travel requirements prior to the Change in Control or relocation pursuant to a voluntary change in position;

(4) the failure by the Company, any Subsidiary or an Affiliate to provide the Participant with compensation and benefits, in the aggregate, at least equal (in terms of benefit levels and/or reward opportunities) to those provided for under each other employee benefit plan, program and practice in which the Participant was participating at any time within ninety (90) days preceding the date of a Change in Control or at any time thereafter;

(5) the insolvency or the filing (by any party, including the Company) of a petition for bankruptcy of the Company or Subsidiary, which petition is not dismissed within sixty (60) days;

(6) any purported termination of the Participant's employment for Cause by the Company which does not comply with the terms of such definition; or

(7) the failure of the Company or Successor to obtain an agreement from any Successors and Assigns to assume and agree to perform this Plan, as contemplated in Section 16 hereof.

Any event or condition described in subsections (1) through (7) hereof which occurs prior to a Change in Control but which the Participant reasonably demonstrates (A) was at the request of a third party, or (B) otherwise arose in connection with, or in anticipation of, a Change in Control which actually occurs, shall constitute Good Reason for purposes of the Plan notwithstanding that it occurred prior to the Change in Control.

"Grantee" means a person to whom an Award has been granted under the Plan.

"Incentive Stock Option" or "ISO" means any Option designated as an incentive stock option within the meaning of Code Section 422 and qualifying thereunder.

"Nonemployee Director" means a director of the Company who is a "non-employee director" under Rule 16b-3 of the Exchange Act.

“Nonqualified Stock Option” means an Option which is not an incentive stock option as defined under Code Section 422.

“Option” means a Nonqualified Stock Option or an ISO.

“Optionee” means a person to whom an Option has been granted under the Plan.

“Outside Director” means a director of the Company who is an “outside director” within the meaning of Code Section 162(m) and the regulations promulgated thereunder.

“Participant” means any Eligible Individual to whom Options and/or Awards have been granted from time to time by the Committee and any authorized transferee of such individual.

“Performance Awards” means Performance Units, Performance Shares or either or both of them.

“Performance-Based Compensation” means any Option or Award that is intended to constitute “performance based compensation” within the meaning of Code Section 162(m)(4)(C) and the regulations promulgated thereunder.

“Performance Cycle” means the time period specified by the Committee in its discretion at the time Performance Awards are granted during which the performance of the Company, a Subsidiary or a Division will be measured.

“Performance Objectives” has the meaning set forth in Section 10.

“Performance Shares” means Shares issued or transferred to an Eligible Individual under Section 10.

“Performance Units” means Performance Units granted to an Eligible Individual under Section 10.

“Phantom Stock” means a right granted to an Eligible Individual under Section 11 representing a number of hypothetical Shares.

“Plan” means this Charter Communications, Inc. 2009 Stock Incentive Plan, as amended from time to time.

“Restricted Stock” means Shares issued or transferred to an Eligible Individual pursuant to Section 9.

“Restricted Stock Unit” means an Award granted to an Eligible Individual pursuant to Section 9 pursuant to which Shares or cash in lieu thereof may be issued in the future.

“Retirement” means a termination of employment with the Company or a Subsidiary (i) after age 55, (ii) with the sum of the employee’s age and years of service equaling

70 or more, and (iii) following one or more years of service from the date of grant. For the purposes of this definition, “years of service” shall include years of service with the Company, as well as any years of service with an Affiliate or Subsidiary but only during such time as those entities are Affiliates or Subsidiaries.

“Share Award” means an Award of Shares granted pursuant to Section 11.

“Shares” means the Class A Common Stock, par value \$.01 per share, of the Company and any other securities into which such shares are changed or for which such shares are exchanged.

“Stock Appreciation Right” or “SAR” means a right to receive all or some portion of the increase in the value of the Shares as provided in Section 7 hereof.

“Subsidiary” means any entity, whether or not incorporated, in which the Company, directly or indirectly, (i) owns thirty-five percent (35%) or more of the outstanding equity or other ownership interests, (ii) owns thirty-five percent (35%) or more of the outstanding voting power, or (iii) has sole management responsibility. With respect to the grant and administration of Incentive Stock Options, “Subsidiary” shall have the meaning set forth in Code Section 424(f).

“Successors and Assigns” for purposes of the Plan, shall mean a corporation or other entity acquiring all or substantially all the assets and business of the Company or a Subsidiary whether by operation of law or otherwise, and any affiliate of such Successors and Assigns.

“Ten Percent Holder” means an employee (together with persons whose stock ownership is attributed to the employee pursuant to Code Section 424(d)) who, at the time an Option is granted, owns stock representing more than ten percent of the voting power of all classes of stock of the Company.

“409A Awards” means Awards that constitute a deferral of compensation under Code Section 409A and regulations thereunder. “Non-409A Awards” means Awards other than 409A Awards. Although the Committee retains authority under the Plan to grant Options, SARs and Restricted Stock units on terms that will qualify those Awards as 409A Awards, Options, SARs exercisable for Stock, and Restricted Stock units are intended to be designed to qualify as Non-409A Awards unless otherwise expressly specified by the Committee.

3. Administration.

3.1. The Plan shall be administered by the Committee, which shall hold meetings at such times as may be necessary for the proper administration of the Plan. The Committee shall keep minutes of its meetings. If the Committee consists of more than one (1) member, a quorum shall consist of not fewer than two (2) members of the Committee and a majority of a quorum may authorize any action. Any decision or determination reduced to writing and signed by all of the members of the Committee shall be as fully effective as if made by a majority vote at a meeting duly called and held. The Committee shall consist of one (1) or more Directors and may consist of the entire Board; provided, however, (A) if the Committee

consists of less than the entire Board, then with respect to any Option or Award to an Eligible Individual who is subject to Section 16 of the Exchange Act, the Committee shall consist of at least two (2) Directors, each of whom shall be a Nonemployee Director and (B) to the extent necessary for any Option or Award intended to qualify as Performance-Based Compensation to so qualify, the Committee shall consist of at least two (2) Directors, each of whom shall be an Outside Director. For purposes of the preceding sentence, if one or more members of the Committee is not a Nonemployee Director and an Outside Director but recuses himself or herself or abstains from voting with respect to a particular action taken by the Committee, then the Committee, with respect to that action, shall be deemed to consist only of the members of the Committee who have not recused themselves or abstained from voting.

3.2. Subject to applicable law, the Committee may delegate its authority under the Plan to any other person or persons, including but not limited to, a subcommittee comprised of one or more member(s) of the Committee, pursuant to such conditions or limitations as the Committee may establish, and may grant authority to officers or subcommittee members to grant Awards and/or execute agreements or other documents on behalf of the Committee; provided that (i) the Committee may not authorize any such officer or subcommittee member to designate himself or herself as a recipient of any Option or Award and (ii) the resolution authorizing any officer or subcommittee member to grant Options or Awards shall specify the total number of Options or Awards such officer may grant. In the event that the Committee's authority is delegated to officers or subcommittee members in accordance with the foregoing, all provisions of the Plan relating to the Committee shall be interpreted in a manner consistent with the foregoing by treating any such reference as a reference to such individual for such purpose. Any action undertaken in accordance with the Committee's delegation of authority hereunder shall have the same force and effect as if such action was undertaken directly by the Committee and shall be deemed for all purposes of the Plan to have been taken by the Committee.

3.3. No member of the Committee or the Board or any person designated pursuant to Section 3.2 shall be liable for any action, failure to act, determination or interpretation made in good faith with respect to this Plan or any transaction hereunder. The Company hereby agrees to indemnify each member of the Committee for all costs and expenses and, to the extent permitted by applicable law, any liability incurred in connection with defending against, responding to, negotiating for the settlement of or otherwise dealing with any claim, cause of action or dispute of any kind arising in connection with any actions in administering this Plan or in authorizing or denying authorization to any transaction hereunder.

3.4. Subject to the express terms and conditions set forth herein, the Committee shall have the power and the discretion from time to time to:

(a) determine those Eligible Individuals to whom Options shall be granted under the Plan and the number of such Options to be granted and to prescribe the terms and conditions (which need not be identical) of each such Option, (including, but not limited to, the exercise or purchase price (if any), the duration of each Option, any restriction or limitation, any vesting schedule or acceleration thereof, or any forfeiture restrictions or waiver thereof, regarding any Option and the Shares relating thereto, based on such factors, if any, as the Committee shall determine, in its sole discretion), and make any amendment or modification to any Option Agreement consistent with the terms of the Plan;

(b) select those Eligible Individuals to whom Awards shall be granted under the Plan and to determine the number of Shares in respect of which each Award is granted, the terms and conditions (which need not be identical) of each such Award (including, but not limited to, the exercise or purchase price (if any), the duration of each Award, any restriction or limitation, any vesting schedule or acceleration thereof, or any forfeiture restrictions or waiver thereof, regarding any Award and the Shares relating thereto, based on such factors, if any, as the Committee shall determine, in its sole discretion), and make any amendment or modification to any Agreement consistent with the terms of the Plan;

(c) to construe and interpret the Plan and the Options and Awards granted hereunder and to establish, amend and revoke rules and regulations for the administration of the Plan, including, but not limited to, correcting any defect or supplying any omission, or reconciling any inconsistency in the Plan or in any Agreement, in the manner and to the extent it shall deem necessary or advisable, including so that the Plan and the operation of the Plan complies with Rule 16b-3 under the Exchange Act, the Code to the extent applicable and other applicable law, and otherwise to make the Plan fully effective. All decisions and determinations by the Committee in the exercise of this power shall be final, binding and conclusive upon the Company, its Subsidiaries, the Optionees and Grantees, and all other persons having any interest therein;

(d) to determine the duration and purposes for leaves of absence which may be granted to an Optionee or Grantee on an individual basis without constituting a termination of employment or service for purposes of the Plan;

(e) to exercise its discretion with respect to the powers and rights granted to it as set forth in the Plan;

(f) generally, to exercise such powers and to perform such acts as are deemed necessary or advisable to promote the best interests of the Company with respect to the Plan;

(g) engage an agent to (i) maintain records of Participants and holdings under the Plan, (ii) execute sales transactions in Shares at the direction of an Optionee or Grantee, (iii) deliver sales proceeds as directed by an Optionee or Grantee, (iv) hold Shares owned without restriction at the direction of the Optionee or Grantee and (v) engage in such other activities as the Committee determines from time to time necessary to administer the Plan; and

(h) generally, to exercise such powers and to perform such acts as are deemed necessary or advisable to promote the best interests of the Company with respect to the Plan.

Notwithstanding the foregoing, the participation of an Eligible Individual represented by a collective-bargaining representative shall also be governed by the results of good-faith collective bargaining and/or any collective bargaining agreement resulting therefrom.

4. Stock Subject to the Plan; Grant Limitations.

4.1. Awards under the Plan may be in the form of Nonqualified Stock Options, Incentive Stock Options, Stock Appreciation Rights, Dividend Equivalent Rights, Performance Units and Performance Shares, Share Awards, Phantom Stock, Restricted Stock Units and

Restricted Stock, cash payments and such other forms as the Committee in its discretion deems appropriate, including any combination of the above. Unless otherwise determined by the Committee, no fractional Shares shall be issued under the Plan nor shall any right be exercised under the Plan with respect to a fractional Share.

4.2. Subject to adjustment pursuant to Section 13, the maximum number of Shares that may be made the subject of Options and Awards granted under the Plan is 7,696,786. The Company shall reserve for the purposes of the Plan, out of its authorized but unissued Shares or out of Shares held in the Company's treasury, or partly out of each, such number of Shares as shall be determined by the Board in its discretion. The aggregate number of Shares subject to Options and/or Stock Appreciation Rights granted under this Plan during any calendar year to any one Participant shall not exceed 1,000,000 which number shall be calculated and adjusted pursuant to Section 13 only to the extent that such calculation or adjustment will not affect the status of any Option and/or Award intended to qualify as "performance-based compensation" under Code Section 162(m). The maximum number of Shares that may be granted under this Plan during any calendar year to any one Participant as Performance Shares or Performance Units (in either case, denominated in Shares) shall not exceed 1,000,000, which number shall be calculated and adjusted pursuant to Section 13 only to the extent that such calculation or adjustment will not affect the status of any such Performance Shares or Performance Units intended to qualify as "performance-based compensation" under Code Section 162(m). The aggregate number of Shares that may be issued pursuant to the exercise of Incentive Stock Options granted under this Plan shall not exceed 7,696,786 which number shall be calculated and adjusted pursuant to Section 13 only to the extent that such calculation or adjustment will not affect the status of any Option intended to qualify as an Incentive Stock Option under Code Section 422. The maximum cash amount payable pursuant to an Award denominated in cash and granted in any calendar year to any Participant under this Plan that is intended to satisfy the requirements for "performance-based compensation" under Code Section 162(m) shall not exceed \$6,000,000.

4.3. Upon the granting of an Option or an Award, the number of Shares available under Section 4.2 for the granting of further Options and Awards shall be reduced as follows: in connection with the granting of an Option or an Award (other than the granting of a Performance Unit denominated in dollars), the number of Shares shall be reduced by the number of Shares in respect of which the Option or Award is granted or denominated; provided, however, that (i) if any Option is exercised by tendering Shares, either actually or by attestation, to the Company as full or partial payment of the exercise price, the maximum number of Shares available under Section 4.2 shall be increased by the number of Shares so tendered and (ii) upon settlement of Stock Appreciation Rights, the maximum number of Shares available under Section 4.2 shall be increased by the excess of (x) the number of Shares covered by portion of the Stock Appreciation Right exercised, over (y) the number of Shares delivered in connection with the settlement of the Stock Appreciation Right.

4.4. Whenever any outstanding Option or Award or portion thereof expires, is canceled, is settled in cash (including the settlement of tax withholding obligations using Shares) or is otherwise terminated for any reason without having been exercised or payment having been made by issuance of Shares in respect of the Option or Award, the Shares allocable to the

expired, canceled, settled or otherwise terminated portion of the Option or Award may again be the subject of Options or Awards granted hereunder.

5. Option Grants for Eligible Individuals.

5.1. Authority of Committee. Subject to the provisions of the Plan, the Committee shall have full and final authority to select those Eligible Individuals who will receive Options, and the terms and conditions of the grant to such Eligible Individuals shall be set forth in an Agreement. An Award of Options may include Incentive Stock Options, Non-Qualified Stock Options, or a combination thereof; provided, however, that an Incentive Stock Option may only be granted to an employee of the Company or a Subsidiary and no Incentive Stock Option shall be granted more than ten years after the earlier of (i) the date this Plan is adopted by the Board or (ii) the date this Plan is approved by the Company's shareholders.

5.2. Exercise Price. Subject to Section 6.5, the purchase price or the manner in which the exercise price is to be determined for Shares under each Option shall be determined by the Committee in its discretion and set forth in the Agreement; provided, however, unless otherwise determined by the Committee, the exercise price per Share under each Option shall not be less than one hundred percent (100%) of the Fair Market Value of a Share on the date the Option is granted unless the Options are substituted for options issued by another company where the Company or a Subsidiary acquires (whether by purchase, merger, or otherwise) all or substantially all of outstanding capital stock or assets of another company or in the event of any reorganization or other transaction qualifying under Code Section 424.

5.3. Maximum Duration. Options granted hereunder shall be for such term as the Committee shall determine in its discretion, provided that an Option shall not be exercisable after the expiration of ten (10) years from the date it is granted. Unless the Committee provides otherwise in the Agreement or in an employment agreement between the Optionee and the Company, subject to the preceding sentence in this Section 5.3, an Option (i) may, upon the death, Disability or Retirement of the Optionee prior to the expiration of the Option, be exercised for up to two (2) years following the date of the Optionee's death, Disability or Retirement, as applicable, but in any event no later than the original expiration date, (ii) may, following the voluntary termination of service by the Optionee or a termination other than for Cause, be exercised for up to sixty (60) days following the date of termination, but in any event no later than the original expiration date, and (iii) shall, in the event of a termination of service for Cause, be terminated effective immediately prior to such termination, whether or not such Option was then exercisable and, provided further, that termination for this purpose is the later of (x) with respect to an Optionee who upon termination of employment as an employee remains an Eligible Individual shall occur only when the Optionee is no longer an Eligible Individual and (y) with respect to an Optionee who is receiving severance payments shall occur when such payments cease, provided Optionee enters into a release in the form acceptable to the Company. The Committee may, in its discretion, subsequent to the granting of any Option, extend the term thereof, but in no event shall the term as so extended exceed the maximum term provided for in the first sentence hereof.

5.4. Vesting. Subject to Section 6.4 addressing the effect of a Change in Control, each Option shall entitle the Eligible Individual to purchase, in whole at any time or in

part from time to time, twenty-five percent (25%) of the total number of Shares covered by the Option as of the first anniversary of the date of grant and an additional twenty-five percent (25%) of the total number of Shares covered by the Option after the expiration of each of the second, third and fourth anniversaries of the date of grant while the Optionee is an Eligible Individual; provided however, that Options (i) may become exercisable in such other installments (which need not be equal) and at such times as may be designated by the Committee in its discretion and set forth in the Agreement and (ii) unless the Committee provides otherwise in the Agreement or in an employment agreement between the Optionee and the Company, shall continue to vest only while the Optionee is an Eligible Individual. Notwithstanding the foregoing, the vesting of any Option shall continue during the period the Optionee is receiving severance payments provided Optionee enters into a release in the form acceptable to the Company. To the extent not exercised, installments shall accumulate and be exercisable, in whole or in part, at any time after becoming exercisable, but not later than the date the Option expires. The Committee may, in its discretion permit the continued vesting or, accelerate the exercisability of any Option or portion thereof at any time.

5.5. Option Repricing. Notwithstanding anything contained in this Plan to the contrary, the Committee may, in its sole discretion, approve an Option repricing without stockholder approval. For the purposes of the preceding sentence, an “Option repricing” shall include reducing the exercise price per share of any outstanding Option, permitting the cancellation, forfeiture or tender of outstanding Options in exchange for other Awards or for new Options with a lower exercise price per Share, by any other method repricing or replacing any outstanding Option, or taking any other action deemed to be a “repricing” under the rules of the national securities exchange or other market on which the Shares are listed or admitted to trading.

6. Terms and Conditions Applicable to All Options.

6.1. Non-Transferability.

(a) No Option shall be transferable by the Optionee otherwise than by will or by the laws of descent and distribution or pursuant to a domestic relations order (within the meaning of Rule 16a-12 promulgated under the Exchange Act), and an Option shall be exercisable during the lifetime of such Optionee only by the Optionee or his or her guardian or legal representative. Notwithstanding the foregoing, the Committee may, in its discretion, set forth in the Agreement evidencing an Option at the time of grant or thereafter, that the Option may be transferred to members of the Optionee’s immediate family, to trusts solely for the benefit of such immediate family members and to partnerships in which such family members and/or trusts are the only partners, and for purposes of this Plan, a transferee of an Option shall be deemed to be the Optionee. For this purpose, immediate family means the Optionee’s spouse, parents, children, stepchildren and grandchildren and the spouses of such parents, children, stepchildren and grandchildren. The terms of an Option shall be final, binding and conclusive upon the beneficiaries, executors, administrators, heirs and successors of the Optionee.

(b) Notwithstanding anything to the contrary herein, including, without limitation, the provisions of Section 5.3, if an Option has been transferred in accordance with this Section 6.1, the Option shall be exercisable solely by the transferee. The Option shall remain

subject to the provisions of the Plan, including that it shall be exercisable only to the extent that the Optionee or Optionee's estate would have been entitled to exercise it if the Optionee had not transferred the Option. Unless otherwise provided in the Optionee's Agreement, in the event of the death of the Optionee prior to the expiration of the right to exercise the transferred Option, the period during which the Option shall be exercisable shall terminate on the date one (1) year following the date of the Optionee's death. In the event of the death of the transferee prior to the expiration of the right to exercise the Option, the period during which the Option shall be exercisable by the executors, administrators, legatees and distributees of the transferee's estate, as the case may be, shall terminate on the date one (1) year following the date of the transferee's death. In no event, however, shall the Option be exercisable after the expiration of the Option period set forth in the terms and conditions of the Agreement. The Option shall be subject to such other rules as the Committee shall determine in its discretion.

6.2. Method of Exercise. The exercise of an Option shall be made only by a written notice delivered in person, electronically or by mail to the Company (or its designee) specifying the number of Shares to be exercised and, to the extent applicable, accompanied by payment therefor and otherwise in accordance with the Agreement pursuant to which the Option was granted; provided, however, that Options may not be exercised by an Optionee for six (6) months following a hardship distribution to the Optionee, to the extent such exercise is prohibited under Treasury Regulation § 1.401(k)-1(d)(3)(B)(2)(iv)(E)(2). The exercise price for any Shares purchased pursuant to the exercise of an Option shall be paid, in any of the following forms (or any combination thereof): (a) cash, (b) the transfer of Shares, either actually or by attestation, to the Company, such transfer to be upon such terms and conditions as determined by the Committee in its discretion, (c) withholding of Shares deliverable upon exercise or (d) a combination of any of the foregoing or such other methods as determined by the Committee in its discretion; provided, however, that the Committee may determine at any time in its discretion that the exercise price shall be paid only in cash. In addition, if Shares are regularly traded on an established securities market at the time of exercise, Options may be exercised through a registered broker-dealer pursuant to such "same day sale" procedures which are, from time to time, deemed acceptable by the Committee in its discretion. Any Shares transferred to or withheld by the Company as payment of the exercise price under an Option shall be valued at their Fair Market Value on the date of exercise of such Option. If requested by the Committee in its discretion, the Optionee shall deliver the Agreement evidencing the Option to the Company (or its designee) who shall endorse thereon a notation of such exercise and return such Agreement to the Optionee. Unless otherwise determined by the Committee in its discretion, no fractional Shares (or cash in lieu thereof) shall be issued upon exercise of an Option and the number of Shares that may be purchased upon exercise shall be rounded to the nearest number of whole Shares.

6.3. Rights of Optionees. No Optionee shall be deemed for any purpose to be the owner of any Shares subject to any Option unless and until (a) the Option shall have been exercised pursuant to the terms thereof, (b) the Company shall have issued and delivered Shares to the Optionee, and (c) the Optionee's name shall have been entered as a stockholder of record on the books of the Company. Thereupon, the Optionee shall have full voting, dividend and other ownership rights with respect to such Shares, subject to such terms and conditions as may be set forth in the applicable Agreement.

6.4. Effect of Change in Control. Notwithstanding any other provision contained in this Plan, except as otherwise provided in an Agreement or employment agreement between the Optionee and the Company, in the event of a Change in Control, any unvested Options issued under this Plan to any Optionee shall vest and become fully exercisable, subject to the provisions of Section 12.2, upon (i) the termination by the Company, Subsidiary, or Affiliate of the Optionee's employment other than for Cause during the thirteen (13) month period following the Change in Control (taking into account the deemed termination provisions of the last paragraph of such definition) or (ii) the termination of the Optionee's employment for Good Reason, during the thirteen (13) month period following the Change in Control (taking into account the deemed termination provisions of the last paragraph of such definition). Except as otherwise provided in an employment agreement between the Optionee and the Company, in the event of a Change in Control, the Committee may, in its discretion, do one or more of the following: (i) shorten the period during which Options are exercisable (provided they remain exercisable for at least thirty (30) days after the date on which notice of such shortening is given to the Optionees); (ii) arrange to have the surviving or successor entity assume the Options or grant replacement options with appropriate adjustments in the Option prices and adjustments in the number and kind of securities issuable upon exercise so that the options or their replacements either (A) represent the right to purchase the shares of stock, securities or other property (including cash) as may be issuable or payable as a result of a Change in Control with respect to or in exchange for the number of Shares purchasable and receivable upon the exercise of the Options had such exercise occurred in full prior to such Change in Control, or (B) represent the right to purchase equity securities of such surviving or successor entity, but only if such equity securities are actively traded on an established securities market or (iii) cancel the Options upon the payment to the Optionee in cash and/or securities of the surviving or successor entity (but only if such securities are actively traded on an established securities market) with respect to each Option to the extent then exercisable (including any Options as to which the exercise has been accelerated in accordance with this Section 6.4), of an amount that is equal to the Fair Market Value of the Shares subject to the Option or portion thereof over the aggregate exercise price for such Shares under the Option or portion thereof surrendered at the effective time of the Change in Control. The Committee may, in its discretion, also provide for one or more of the foregoing alternatives in any particular Option Agreement.

6.5. ISOs. Notwithstanding anything to the contrary in Section 5 and this Section 6, in the case of the grant of an Option intending to qualify as an ISO: (i) if the Optionee is a Ten Percent Holder, the purchase price of such Option must be at least one hundred and ten percent (110%) of the Fair Market Value of the Shares on the date of grant and the Option must expire within a period of not more than five (5) years from the date of grant, and (ii) termination of employment will occur when the person to whom an ISO was granted ceases to be an employee (as determined in accordance with Code Section 3401(c) and the regulations promulgated thereunder) of the Company and its Subsidiaries. Notwithstanding anything in Section 5 and this Section 6 to the contrary, Options designated as ISOs shall not be eligible for treatment under the Code as ISOs to the extent that either (a) the aggregate Fair Market Value of Shares (determined as of the time of grant) with respect to which such Options are exercisable for the first time by the Participant during any calendar year (under all plans of the Company and any Subsidiary) exceeds \$100,000, taking Options into account in the order in which they were granted, or (b) such Options otherwise remain exercisable but are not exercised within three (3) months of termination of employment (or such other period of time provided in Code Section

422). Should any Option granted under this Plan be designated an "Incentive Stock Option," but fail, for any reason, to meet the requirements of the Code for such a designation, then such Option shall be deemed to be a Non-Qualified Stock Option and shall be valid as such according to its terms.

7. Stock Appreciation Rights.

The Committee may, in its discretion, either alone or in connection with the grant of an Option, grant Stock Appreciation Rights in accordance with the Plan, the terms and conditions of which shall be set forth in an Agreement. If granted in connection with an Option, a Stock Appreciation Right shall cover the same Shares covered by the Option (or such lesser number of Shares as the Committee may determine in its discretion) and shall, except as provided in this Section 7, be subject to the same terms and conditions as the related Option.

7.1. Time of Grant. A Stock Appreciation Right may be granted (a) at any time if unrelated to an Option, or (b) if related to an Option, either at the time of grant or at any time thereafter during the term of the Option.

7.2. Stock Appreciation Right Related to an Option.

(a) Exercise. A Stock Appreciation Right granted in connection with an Option shall be exercisable at such time or times and only to the extent that the related Options are exercisable, and will not be transferable except to the extent the related Option may be transferable.

(b) Amount Payable. Upon the exercise of a Stock Appreciation Right related to an Option, the Grantee shall be entitled to receive an amount determined by multiplying (i) the excess of the Fair Market Value of a Share on the date preceding the date of exercise of such Stock Appreciation Right over the per Share exercise price under the related Option, by (ii) the number of Shares as to which such Stock Appreciation Right is being exercised. Notwithstanding the foregoing, the Committee may, in its discretion, limit in any manner the amount payable with respect to any Stock Appreciation Right by including such a limit in the Agreement evidencing the Stock Appreciation Right at the time it is granted.

(c) Treatment of Related Options and Stock Appreciation Rights Upon Exercise. Upon the exercise of a Stock Appreciation Right granted in connection with an Option, the Option shall be canceled to the extent of the number of Shares as to which the Stock Appreciation Right is exercised, and upon the exercise of an Option granted in connection with a Stock Appreciation Right, the Stock Appreciation Right shall be canceled to the extent of the number of Shares as to which the Option is exercised or surrendered.

7.3. Stock Appreciation Right Unrelated to an Option. The Committee may, in its discretion, grant to Eligible Individuals Stock Appreciation Rights unrelated to Options. Stock Appreciation Rights unrelated to Options shall contain such terms and conditions as to exercisability (subject to Section 7.7), vesting and duration as the Committee shall determine in its discretion, but in no event shall they have a term of greater than ten (10) years. Unless the Committee provides otherwise in the Agreement or in an employment agreement between the Grantee and the Company, subject to the preceding sentence in this Section 7.3, a Stock

Appreciation Right (i) may, upon the death, Disability or Retirement of the Grantee prior to the expiration of the Stock Appreciation Right, be exercised for up to two (2) years following the date of the Grantee's death, Disability or Retirement, but in any event no later than the expiration date, as applicable, (ii) may, following the voluntary termination of service by the Grantee or a termination other than for Cause, be exercised for up to sixty (60) days following the date of termination, but in any event no later than the expiration date, and (iii) shall, in the event of a termination of service for Cause, be terminated effective immediately prior to such termination, whether or not such Stock Appreciation Right was then exercisable. Upon exercise of a Stock Appreciation Right unrelated to an Option, the Grantee shall be entitled to receive an amount determined by multiplying (a) the excess of the Fair Market Value of a Share on the date preceding the date of exercise of such Stock Appreciation Right over the Fair Market Value of a Share on the date the Stock Appreciation Right was granted, by (b) the number of Shares as to which the Stock Appreciation Right is being exercised.

7.4. Non-Transferability. No Stock Appreciation Right shall be transferable by the Grantee otherwise than by will or by the laws of descent and distribution or pursuant to a domestic relations order (within the meaning of Rule 16a-12 promulgated under the Exchange Act), and such Stock Appreciation Right shall be exercisable during the lifetime of such Grantee only by the Grantee or his or her guardian or legal representative. The terms of such Stock Appreciation Right shall be final, binding and conclusive upon the beneficiaries, executors, administrators, heirs and successors of the Grantee.

7.5. Method of Exercise. Stock Appreciation Rights shall be exercised by a Grantee only by a written notice delivered in person, electronically or by mail to the Company (or its designee) specifying the number of Shares with respect to which the Stock Appreciation Right is being exercised. If requested by the Committee in its discretion, the Grantee shall deliver the Agreement evidencing the Stock Appreciation Right being exercised and the Agreement evidencing any related Option to the Company (or its designee) who shall endorse thereon a notation of such exercise and return such Agreement to the Grantee.

7.6. Form of Payment. Payment of the amount determined under Sections 7.2(b) or 7.3 may be made in the discretion of the Committee solely in whole Shares in a number determined at their Fair Market Value on the date preceding the date of exercise of the Stock Appreciation Right, or solely in cash, or in a combination of cash and Shares. If the Committee, in its discretion, decides to make full payment in Shares and the amount payable results in a fractional Share, payment for the fractional Share will be made in cash.

7.7. Effect of Change in Control. Notwithstanding any other provision contained in this Plan, except as otherwise provided in an Agreement or employment agreement between the Grantee and the Company, in the event of a Change in Control, any unvested Stock Appreciation Rights issued under this Plan to any Grantee shall vest and become fully exercisable, subject to the provisions of Section 12.2, upon (i) the termination by the Company, Subsidiary, or Affiliate of the Grantee's employment other than for Cause, during the thirteen (13) month period following the Change in Control (taking into account the deemed termination provisions of the last paragraph of such definition) or (ii) the termination of the Grantee's employment for Good Reason, during the thirteen (13) month period following the Change in Control (taking into account the deemed termination provisions of the last paragraph of such

definition). Except as otherwise provided in an employment agreement between the Grantee and the Company, in the event of a Change in Control, the Committee may, in its discretion, do one or more of the following: (i) shorten the period during which Stock Appreciate Rights are exercisable (provided they remain exercisable for at least thirty (30) days after the date on which notice of such shortening is given to the Grantees); (ii) arrange to have the surviving or successor entity assume the Stock Appreciation Rights or grant replacement Stock Appreciation Rights with appropriate adjustments so that the Stock Appreciation Rights or their replacements represent the right to receive cash as may be payable as a result of a Change in Control with respect to the amount of cash receivable upon the exercise of the Stock Appreciation Rights had such exercise occurred in full prior to such Change in Control, or (iii) cancel Stock Appreciation Rights upon the payment to the Grantees in cash and/or securities of the surviving or successor entity (but only if such securities are actively traded on an established securities market) with respect to each Stock Appreciation Rights to the extent then exercisable (including any Stock Appreciation Rights as to which the exercise has been accelerated in accordance with this Section 7.7), of an amount that is equal to the Fair Market Value of the Shares subject to the Stock Appreciation Right or portion thereof over the aggregate exercise price for such Shares under the Stock Appreciation Right or portion thereof surrendered at the effective time of the Change in Control. The Committee may, in its discretion, also provide for one or more of the foregoing alternatives in any particular Agreement.

8. Dividend Equivalent Rights.

Dividend Equivalent Rights may be granted to Eligible Individuals in tandem with an Option or Award or as a separate Award. The terms and conditions applicable to each Dividend Equivalent Right shall be specified in the Agreement under which the Dividend Equivalent Right is granted. Amounts payable in respect of Dividend Equivalent Rights may be payable currently or deferred until the lapsing of restrictions on such Dividend Equivalent Rights or until the vesting, exercise, payment, settlement or other lapse of restrictions on the Option or Award to which the Dividend Equivalent Rights relate. In the event that the amount payable in respect of Dividend Equivalent Rights is to be deferred, the Committee shall, in its discretion, determine whether such amount is to be held in cash or reinvested in Shares or deemed (notionally) to be reinvested in Shares. If amounts payable in respect of Dividend Equivalent Rights are to be held in cash, there may be credited at the end of each year (or portion thereof) interest on the amount of the account at the beginning of the year at a rate per annum as the Committee may, in its discretion, determine. Dividend Equivalent Rights may be settled in cash or Shares or a combination thereof, in a single installment or multiple installments as the Committee, in its discretion, determines.

9. Restricted Stock and Restricted Stock Units.

9.1. Grant. The Committee may, in its discretion, grant Awards to Eligible Individuals of Restricted Stock and/or Restricted Stock Units, which shall be evidenced by an Agreement. Restricted Stock is a grant or issuance of Shares the retention, vesting and/or transferability of which is subject during specified periods of time to such conditions (including continued employment or performance conditions) and terms as the Committee deems appropriate. Restricted Stock Units are Awards denominated in units of Shares under which the issuance of Shares is subject to such conditions (including continued employment or

performance conditions) and terms as the Committee deems appropriate. Each Agreement shall contain such restrictions, terms and conditions as the Committee may, in its discretion, determine and (without limiting the generality of the foregoing) such Agreements may require that an appropriate legend be placed on Share certificates of Restricted Stock. For example, the Committee may determine that some or all certificates representing Shares of Restricted Stock shall bear the following legend: "THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO VESTING CONDITIONS AND CERTAIN RESTRICTIONS ON TRANSFER, SALE AND HYPOTHECATION AND CERTAIN REPURCHASE RIGHTS. A COMPLETE STATEMENT OF THE TERMS AND CONDITIONS GOVERNING SUCH RESTRICTIONS IS SET FORTH IN THE CHARTER COMMUNICATIONS, INC. 2009 STOCK INCENTIVE PLAN AND IN A RESTRICTED STOCK AWARD AGREEMENT. A COPY OF THE PLAN AND AWARD AGREEMENT ARE ON FILE AT THE CORPORATION'S PRINCIPAL OFFICE." Awards of Restricted Stock and Restricted Stock Units shall be subject to the terms and provisions set forth below in this Section 9.

9.2. Rights of Grantee. Shares of Restricted Stock granted pursuant to an Award hereunder shall be issued in the name of the Grantee as soon as reasonably practicable after the Award is granted provided that the Grantee, to the extent required by the Committee and in the manner specified by the Committee, has executed an Agreement evidencing the Award, the appropriate blank stock powers and, in the discretion of the Committee, an escrow agreement and any other documents which the Committee may, in its discretion, require as a condition to the issuance of such Shares. If a Grantee shall fail, to the extent required by the Committee, to execute the Agreement evidencing a Restricted Stock Award, or any documents which the Committee may, in its discretion, require within the time period prescribed by the Committee at the time the Award is granted, the Award shall be null and void. At the discretion of the Committee, Shares issued in connection with a Restricted Stock Award shall be deposited together with the stock powers with an escrow agent (which may be the Company) designated by the Committee. Unless the Committee in its discretion determines otherwise and as set forth in the Agreement, upon delivery of the Shares to the escrow agent, the Grantee shall have all of the rights of a stockholder with respect to such Shares, including the right to vote the Shares and to receive all dividends or other distributions paid or made with respect to the Shares. Participants shall have no rights as a stockholder with respect to Shares underlying Restricted Stock Units unless and until such Shares are reflected as issued and outstanding Shares on the Company's stock ledger.

9.3. Non-Transferability. Until all restrictions upon the Shares of Restricted Stock awarded to a Grantee shall have lapsed in the manner set forth in Section 9.4, such Shares shall not be sold, transferred or otherwise disposed of and shall not be pledged or otherwise hypothecated. No Restricted Stock Unit shall be transferable by the Optionee otherwise than by will or by the laws of descent and distribution or pursuant to a domestic relations order (within the meaning of Rule 16a-12 promulgated under the Exchange Act).

9.4. Lapse of Restrictions.

(a) Generally. Restrictions upon Shares of Restricted Stock awarded hereunder shall lapse, and Restricted Stock Units shall vest, at such time or times and on such

terms and conditions as the Committee may determine in its discretion. The Agreement evidencing the Award shall set forth any such restrictions.

(b) Effect of Change in Control. Notwithstanding any other provision contained in this Plan, except as otherwise provided in an Agreement or employment agreement between the Grantee and the Company, in the event of a Change in Control, any restrictions with respect to Restricted Stock issued under this Plan to any Grantee shall lapse and Restricted Stock Units issued under this Plan to any Grantee shall vest, subject to the provisions of Section 12.2, upon (i) the termination by the Company, Subsidiary, or Affiliate of the Optionee's employment other than for Cause, during the thirteen (13) month period following the Change in Control (taking into account the deemed termination provisions of the last paragraph of such definition) or (ii) the termination of the Optionee's employment for Good Reason, during the thirteen (13) month period following the Change in Control (taking into account the deemed termination provisions of the last paragraph of such definition). Except as otherwise provided in an employment agreement between the Grantee and the Company, in the event of a Change in Control, the Committee may, in its discretion, do one or more of the following: (i) arrange to have the surviving or successor entity assume the Restricted Stock or Restricted Stock Units or grant replacement Restricted Stock or Restricted Stock Units with appropriate adjustments in the number and kind of securities so that the Restricted Stock or Restricted Stock Unit Award or its replacement either (x) represents the right to receive cash or Shares as may be payable as a result of a Change in Control with respect to the amount of cash or Shares receivable upon the lapse of the restrictions on the Restricted Stock or Restricted Stock Units had such lapse occurred prior to such Change in Control, or (y) represents the right to the equity securities of the surviving or successor entity, but only if such equity securities are actively traded on an established securities market, or (ii) cancel the Restricted Stock or Restricted Stock Unit Award upon the payment to the Grantees in cash and/or securities of the surviving or successor entity (but only if such securities are actively traded on an established securities market), with respect to each Restricted Stock and Restricted Stock Unit Award to the extent then lapsed (including any Restricted Stock and Restricted Stock Units as to which the lapse of restrictions has been accelerated in accordance with this Section 9.4(b)), of an amount that is equal to the Fair Market Value of the Shares subject to the Restricted Stock or Restricted Stock Unit Award surrendered at the effective time of the Change in Control. The Committee may, in its discretion, also provide for one or more of the foregoing alternatives in any particular Agreement.

9.5. Treatment of Dividends. At the time an Award of Shares of Restricted Stock is granted, the Committee may, in its discretion, determine that the payment to the Grantee of dividends, or a specified portion thereof, declared or paid on such Shares by the Company shall be (a) deferred until the lapsing of the restrictions imposed upon such Shares and (b) held by the Company for the account of the Grantee until such time. In the event that dividends are to be deferred, the Committee shall, in its discretion, determine whether such dividends are to be reinvested in Shares (which shall be held as additional Shares of Restricted Stock) or held in cash, or, if such dividends are paid in Shares, whether the Shares shall be deposited with the Company and subject to the same restrictions on transferability and forfeitability as the Shares of Restricted Stock with respect to which they were paid. If deferred dividends are to be held in cash, there may be credited at the end of each year (or portion thereof) interest on the amount of the account at the beginning of the year at a rate per annum as the Committee may, in its discretion, determine. Payment of deferred dividends in respect of Shares of Restricted Stock

(whether held in cash or as additional Shares of Restricted Stock), together with interest accrued thereon, if any, shall be made upon the lapsing of restrictions imposed on the Shares in respect of which the deferred dividends were paid, and any dividends deferred (together with any interest accrued thereon) in respect of any Shares of Restricted Stock shall be forfeited upon the forfeiture of such Shares. Shares underlying Restricted Stock Units shall be entitled to dividends or dividend equivalents only to the extent and under the terms provided by the Committee.

9.6. Delivery of Shares. Upon the lapse of the restrictions on Shares of Restricted Stock and upon the vesting of Restricted Stock Units, the Committee shall cause a stock certificate to be promptly delivered to the Grantee with respect to such Shares, free of the restrictions set forth in this Section 9. Notwithstanding the foregoing, the Committee may impose such additional restrictions as it may deem advisable, including, but not limited to, restrictions related to applicable federal securities laws, the requirements of any national securities exchange or system upon which Shares are then listed or traded, or any blue sky or state securities laws.

10. Performance Awards.

10.1. Performance Units. The Committee may, in its discretion, grant Awards of Performance Units to Eligible Individuals, the terms and conditions of which shall be set forth in an Agreement. Performance Units may be denominated in Shares or a specified dollar amount and, contingent upon the attainment of specified Performance Objectives within the Performance Cycle, represent the right to receive payment as provided in Section 10.3(c) of (i) in the case of Share-denominated Performance Units, the Fair Market Value of a Share on the date the Performance Unit was granted, the date the Performance Unit became vested or any other date specified by the Committee in its discretion, (ii) in the case of dollar-denominated Performance Units, the specified dollar amount or (iii) a percentage (which may be more than one hundred percent (100%)) of the amount described in clause (i) or (ii) depending on the level of Performance Objective attainment; provided, however, that, the Committee may, in its discretion, at the time a Performance Unit is granted specify a maximum amount payable in respect of a vested Performance Unit. Each Agreement shall specify the number of Performance Units to which it relates, the Performance Objectives which must be satisfied in order for the Performance Units to vest and the Performance Cycle within which such Performance Objectives must be satisfied.

(a) Vesting and Forfeiture. Subject to Sections 10.3(c) and 10.4, a Grantee shall become vested with respect to the Performance Units to the extent that the Performance Objectives set forth in the Agreement are satisfied for the Performance Cycle.

(b) Payment of Awards. Subject to Section 10.3(c), payment to Grantees in respect of vested Performance Units shall be made as soon as practicable after the last day of the Performance Cycle to which such Award relates unless the Agreement evidencing the Award provides for the deferral of payment, in which event the terms and conditions of the deferral shall be set forth in the Agreement. Subject to Section 10.4, such payments may be made entirely in Shares valued at their Fair Market Value, entirely in cash, or in such combination of Shares and cash as the Committee shall, in its discretion, determine at any time prior to such payment; provided, however, that if the Committee in its discretion determines to make such payment

entirely or partially in Shares of Restricted Stock, the Committee must determine the extent to which such payment will be in Shares of Restricted Stock and the terms of such Restricted Stock at the time the Award is granted.

10.2. Performance Shares. The Committee may, in its discretion, grant Awards of Performance Shares to Eligible Individuals, the terms and conditions of which shall be set forth in an Agreement. Each Agreement may require that an appropriate legend be placed on Share certificates. Awards of Performance Shares shall be subject to the following terms and provisions:

(a) Rights of Grantee. The Committee shall provide at the time an Award of Performance Shares is made the time or times at which the actual Shares represented by such Award shall be issued in the name of the Grantee; provided, however, that no Performance Shares shall be issued until the Grantee has, to the extent required by the Committee and in the manner specified by the Committee, executed an Agreement evidencing the Award, the appropriate blank stock powers and, in the discretion of the Committee, an escrow agreement and any other documents which the Committee may require as a condition to the issuance of such Performance Shares. If a Grantee shall fail, to the extent required by the Committee, to execute the Agreement evidencing an Award of Performance Shares, the appropriate blank stock powers and, in the discretion of the Committee, an escrow agreement and any other documents which the Committee may require within the time period prescribed by the Committee at the time the Award is granted, the Award shall be null and void. At the discretion of the Committee, Shares issued in connection with an Award of Performance Shares shall be deposited together with the stock powers with an escrow agent (which may be the Company) designated by the Committee. Except as restricted by the terms of the Agreement, upon delivery of the Shares to the escrow agent, the Grantee shall have, in the discretion of the Committee, all of the rights of a stockholder with respect to such Shares, including the right to vote the Shares and to receive all dividends or other distributions paid or made with respect to the Shares.

(b) Non-Transferability. Until any restrictions upon the Performance Shares awarded to a Grantee shall have lapsed in the manner set forth in Sections 10.2(c) or 10.4, such Performance Shares shall not be sold, transferred or otherwise disposed of and shall not be pledged or otherwise hypothecated, nor shall they be delivered to the Grantee. The Committee may, in its discretion, also impose such other restrictions and conditions on the Performance Shares, if any, as it deems appropriate.

(c) Lapse of Restrictions. Subject to Sections 10.3(c) and 10.4, restrictions upon Performance Shares awarded hereunder shall lapse and such Performance Shares shall become vested at such time or times and on such terms, conditions and satisfaction of Performance Objectives as the Committee may, in its discretion, determine at the time an Award is granted.

(d) Treatment of Dividends. At the time the Award of Performance Shares is granted, the Committee may, in its discretion, determine that the payment to the Grantee of dividends, or a specified portion thereof, declared or paid on Shares represented by such Award which have been issued by the Company to the Grantee shall be (i) deferred until the lapsing of the restrictions imposed upon such Performance Shares and (ii) held by the Company for the

account of the Grantee until such time. In the event that dividends are to be deferred, the Committee shall determine whether such dividends are to be reinvested in Shares (which shall be held as additional Performance Shares) or held in cash or, if such dividends are paid in Shares, whether the Shares shall be deposited with the Company and subject to the same restrictions on transferability and forfeitability as the Performance Shares with respect to which they were paid. If deferred dividends are to be held in cash, there may be credited at the end of each year (or portion thereof) interest on the amount of the account at the beginning of the year at a rate per annum as the Committee may, in its discretion, determine. Payment of deferred dividends in respect of Performance Shares (whether held in cash or in additional Performance Shares), together with interest accrued thereon, if any, shall be made upon the lapsing of restrictions imposed on the Performance Shares in respect of which the deferred dividends were paid, and any dividends deferred (together with any interest accrued thereon) in respect of any Performance Shares shall be forfeited upon the forfeiture of such Performance Shares.

(e) Delivery of Shares. Upon the lapse of the restrictions on Performance Shares awarded hereunder, the Committee shall cause a stock certificate to be delivered to the Grantee with respect to such Shares, free of all restrictions hereunder.

10.3. Performance Objectives.

(a) Establishment. Performance Objectives for Performance Awards may be based on and expressed in terms of one or more of the following business criteria: (i) revenue, (ii) net income, (iii) operating income, (iv) earnings, (v) net earnings, (vi) Share price, (vii) cash flow, (viii) EBITDA, (ix) total shareholder return, (x) total shareholder return relative to peers, (xi) financial returns (including, without limitation, return on assets, return on equity and return on investment), (xii) cost reduction targets, (xiii) customer satisfaction, (xiv) customer growth, (xv) employee satisfaction, (xvi) pre-tax profits, (xvii) net earnings, or (xviii) any combination of the foregoing. Performance Objectives (and underlying business criteria, as applicable) may be in respect of: (i) the performance of the Company, (ii) the performance of any of its Subsidiaries, (iii) the performance of any of its Divisions, (iv) a per Share basis, (v) a per subscriber basis, or (vi) any combination of the foregoing. Performance Objectives may be absolute or relative (to prior performance of the Company or to the performance of one or more other entities or external indices) and may be expressed in terms of a progression within a specified range. The formula for determining Performance Objectives may include or exclude items to measure specific objectives, such as losses from discontinued operations, extraordinary, unusual or nonrecurring gains and losses, the cumulative effect of accounting changes, acquisitions or divestitures, core process redesigns, structural changes/outsourcing, and foreign exchange impacts. The Performance Objectives with respect to a Performance Cycle shall be established in writing by the Committee by the earlier of (x) the date on which a quarter of the Performance Cycle has elapsed or (y) the date which is ninety (90) days after the commencement of the Performance Cycle, and in any event while the performance relating to the Performance Objectives remain substantially uncertain.

(b) Effect of Certain Events. At the time of the granting of a Performance Award, or at any time thereafter, in either case to the extent permitted under Code Section 162(m) and the regulations thereunder without adversely affecting the treatment of the Performance Award as Performance-Based Compensation, the Committee may, in its discretion,

provide for the manner in which performance will be measured against the Performance Objectives (or may adjust the Performance Objectives) to reflect the impact of specified corporate transactions, accounting or tax law changes and other extraordinary or nonrecurring events.

(c) Determination of Performance. Prior to the vesting, payment, settlement or lapsing of any restrictions with respect to any Performance Award that is intended to constitute Performance-Based Compensation made to a Grantee who is subject to Code Section 162(m), the Committee shall certify in writing that the applicable Performance Objectives have been satisfied to the extent necessary for such Award to qualify as Performance Based Compensation.

10.4. Effect of Change in Control. In the event of a Change in Control, unless otherwise determined by the Committee in its discretion and set forth in the Agreement evidencing the Award or in an employment agreement between the Grantee and the Company, and subject to the provisions of Section 12.2, upon (i) the termination by the Company, Subsidiary, or Affiliate of the Optionee's employment other than for Cause, during the thirteen (13) month period following the Change in Control (taking into account the deemed termination provisions of the last paragraph of such definition) or (ii) the termination of the Optionee's employment for Good Reason, during the thirteen (13) month period following the Change in Control (taking into account the deemed termination provisions of the last paragraph of such definition).

(a) With respect to Performance Units, the Grantee shall (i) become vested in all outstanding Performance Units as if all Performance Objectives had been satisfied at the maximum level and (ii) be entitled to receive in respect of all Performance Units which become vested as a result of a Change in Control a cash payment within ten (10) days after termination of employment.

(b) With respect to Performance Shares, all restrictions shall lapse immediately on all outstanding Performance Shares as if all Performance Objectives had been satisfied at the maximum level.

(c) The Agreements evidencing Performance Shares and Performance Units shall provide for the treatment of such Awards (or portions thereof), if any, which do not become vested as the result of a Change in Control, including, but not limited to, provisions for the adjustment of applicable Performance Objectives.

(d) Notwithstanding the above, except as otherwise provided in an Agreement or employment agreement between the Grantee and the Company, the Committee may, in its discretion, do one or more of the following: (i) arrange to have the surviving or successor entity assume the Performance Units or Performance Shares or grant replacement Performance Units or Performance Shares, as applicable, with appropriate adjustments so that such Awards or their replacements either (x) represent the right to receive cash or Shares as may be payable as a result of a Change in Control with respect to the amount of cash or Shares receivable upon the vesting of the Performance Units or Performance Shares had such vesting occurred in full prior to such Change in Control, or (y) represent the right to receive equity securities of the surviving or

successor entity, but only if such equity securities are actively traded on an established securities market, or (ii) cancel the Performance Units or Performance Shares upon the payment to the Grantees in cash with respect to each such Award to the extent then otherwise payable in cash and/or securities of the surviving or successor entity (but only if such securities are actively traded on an established securities market) or in Shares (including any Awards as to which vesting or lapse of restrictions has taken place in accordance with (a) and (b) of this Section 10), of an amount, with respect to Performance Units, that is equal to the amount of cash payable as if all Performance Objectives had been satisfied at the maximum level, and, with respect to Performance Shares, that is equal to the Fair Market Value of the Shares payable as if all Performance Objectives had been satisfied at the maximum level.

10.5. Non-Transferability. Until the vesting of Performance Units or the lapsing of any restrictions on Performance Shares, as the case may be, such Performance Units or Performance Shares shall not be sold, transferred or otherwise disposed of and shall not be pledged or otherwise hypothecated.

11. Other Share Based Awards.

11.1. Share Awards. The Committee may, in its discretion, grant a Share Award to any Eligible Individual on such terms and conditions as the Committee may determine in its sole discretion. Share Awards may be made as additional compensation for services rendered by the Eligible Individual or may be in lieu of cash or other compensation to which the Eligible Individual is entitled from the Company.

11.2. Phantom Stock Awards.

(a) Grant. The Committee may, in its discretion, grant shares of Phantom Stock to any Eligible Individual. Such Phantom Stock shall be subject to the terms and conditions established by the Committee in its discretion and set forth in the applicable Agreement.

(b) Payment of Awards. Upon the vesting of a Phantom Stock Award, the Grantee shall be entitled to receive a cash payment in respect of each share of Phantom Stock which shall be equal to the Fair Market Value of a Share as of the date the Phantom Stock Award was granted, or such other date as determined by the Committee in its discretion at the time the Phantom Stock Award was granted. The Committee may, in its discretion, at the time a Phantom Stock Award is granted, provide a limitation on the amount payable in respect of each share of Phantom Stock. In lieu of a cash payment, the Committee may, in its discretion, settle Phantom Stock Awards with Shares having a Fair Market Value equal to the cash payment to which the Grantee has become entitled.

12. Effect of a Termination of Employment.

12.1. The Agreement evidencing the grant of each Option and each Award shall set forth the terms and conditions applicable to such Option or Award upon a termination or change in the status of the employment of the Optionee or Grantee by the Company, a Subsidiary or a Division (including a termination or change by reason of the sale of a Subsidiary or a Division), which shall be as the Committee may, in its discretion, determine at the time the

Option or Award is granted or thereafter. In addition, such terms and conditions may be set forth in an employment agreement between the Eligible Individual and the Company.

12.2. Excise Tax Limitation.

(a) Notwithstanding anything contained in this Plan to the contrary, except as otherwise provided in an employment agreement between the Eligible Individual and the Company, to the extent that any payment, distribution or acceleration of vesting to or for the benefit of the Optionee or Grantee by the Company (within the meaning of Code Section 280G and the regulations thereunder), whether paid or payable or distributed or distributable pursuant to the terms of this Plan or otherwise (the "Total Payments") is or will be subject to the excise tax imposed under Code Section 4999 (the "Excise Tax"), then the Total Payments shall be reduced (but not below zero) if and to the extent that a reduction in the Total Payments would result in the Optionee or Grantee retaining a larger amount, on an after-tax basis (taking into account federal, state and local income taxes and the Excise Tax), than if the Optionee or Grantee received the entire amount of such Total Payments. Unless the Optionee or Grantee shall have given prior written notice specifying a different order to the Company to effectuate the foregoing, the Company shall reduce or eliminate the Total Payments, by first reducing or eliminating the portion of the Total Payments which are payable in cash and then by reducing or eliminating non-cash payments, in each case in reverse order beginning with payments or benefits which are to be paid the farthest in time from the Determination (as hereinafter defined). Any notice given by the Optionee or Grantee pursuant to the preceding sentence shall take precedence over the provisions of any other plan, arrangement or agreement governing the Executive's rights and entitlements to any benefits or compensation.

(b) The determination of whether the Total Payments shall be reduced as provided in Section 12.2(a) and the amount of such reduction shall be made at the Company's expense by an accounting firm selected by the Optionee or Grantee from among the four largest accounting firms in the United States or at the Optionee's or Grantee's expense by an attorney selected by the Optionee or Grantee. Such accounting firm or attorney (the "Determining Party") shall provide its determination (the "Determination"), together with detailed supporting calculations and documentation to the Company and the Optionee or Grantee within ten (10) days of the termination of Optionee's or Grantee's employment. If the Determining Party determines that no Excise Tax is payable by the Optionee or Grantee with respect to the Total Payments, it shall furnish the Optionee or Grantee with an opinion reasonably acceptable to the Optionee or Grantee that no Excise Tax will be imposed with respect to any such payments and, absent manifest error, such Determination shall be binding, final and conclusive upon the Company and the Optionee or Grantee. If the Determining Party determines that an Excise Tax would be payable, the Company shall have the right to accept the Determination of the Determining Party as to the extent of the reduction, if any, pursuant to Section 12.2(a), or to have such Determination reviewed by an accounting firm selected by the Company, at the Company's expense. If the Company's accounting firm and the Determining Party do not agree, a third accounting firm shall be jointly chosen by the Determining Party and the Company, at the Company's expense, in which case the determination of such third accounting firm shall be binding, final and conclusive upon the Company and the Optionee or Grantee.

13. Adjustment Upon Changes in Capitalization.

(a) In the event of a Change in Capitalization, the Committee shall conclusively determine the appropriate proportional adjustments to (i) the maximum number and class of Shares or other stock or securities with respect to which Options or Awards may be granted under the Plan, (ii) the maximum number and class of Shares or other stock or securities with respect to which Options or Awards may be granted to any Eligible Individual in any one calendar year period, (iii) the number and class of Shares or other stock or securities or other property (including cash) which are subject to outstanding Options or Awards granted under the Plan and the exercise price therefor, if applicable, (iv) for Stock Appreciation Rights unrelated to an Option, the Fair Market Value of a Share on the date the Stock Appreciation Right was granted, and (v) the Performance Objectives.

(b) Any such adjustment in the Shares or other stock or securities subject to outstanding Options or Awards that are intended to qualify as Performance-Based Compensation shall be made in such a manner as not to adversely affect the treatment of the Options or Awards as Performance-Based Compensation.

(c) Any adjustment pursuant to this Section 13 in respect of Options or Stock Appreciation Rights that are Non-409A Awards shall be made only to the extent consistent with Treasury Regulation Section 1.409A-1(b)(5)(v) or a successor provision.

(d) If, by reason of a Change in Capitalization, a Grantee of an Award shall be entitled to, or an Optionee shall be entitled to exercise an Option with respect to, new, additional or different shares of stock or securities of the Company or any other corporation, such new, additional or different shares shall thereupon be subject to all of the conditions, restrictions and performance criteria which were applicable to the Shares subject to the Award or Option, as the case may be, prior to such Change in Capitalization.

14. Effect of Certain Transactions.

Subject to Sections 6.4, 7.7, 9.4(b), and 10.4 or as otherwise provided in an Agreement or employment agreement between the Eligible Individual and the Company, in the event of (a) the liquidation or dissolution of the Company or (b) a merger or consolidation of the Company (a "Transaction") that does not constitute a Change in Control, the Plan and each Option and Award issued hereunder shall continue in effect in accordance with their respective terms, except that the Committee may, in its discretion, do one or more of the following: (i) shorten the period during which Options and Awards are exercisable (provided they remain exercisable for at least thirty (30) days after the date on which notice of such shortening is given to the Optionees or Grantees); (ii) accelerate the vesting schedule or the lapse of any restrictions with respect to Options and Awards, (iii) arrange to have the surviving or successor entity assume the Options and Awards or grant replacement Options and Awards with appropriate adjustments in the exercise prices, and adjustments in the number and kind of securities issuable upon exercise or lapse of restrictions or adjustments so that the Options and Awards or their replacements represent the right to purchase or receive the stock, securities or other property

(including cash) as may be issuable or payable as a result of such Transaction with respect to or in exchange for the number of Shares purchasable and receivable upon the exercise of the Options and Awards had such exercise occurred in full prior to the Transaction, or (iv) with the prior written consent of the Optionee or Grantee (unless otherwise stated in the Agreement), cancel the Options and Awards upon the payment to the Grantees in cash (A) with respect to each Option and Award to the extent exercisable for or payable in Shares, of an amount that is equal to the Fair Market Value of the Shares subject to the Award or portion thereof over the aggregate exercise price for such Shares under the Award or portion thereof surrendered at the effective time of the Transaction, or (B) with respect to each Award to the extent not exercisable for or payable in Shares, of an amount that is equal to the cash value of the Award or portion thereof surrendered at the effective time of the Transaction. The Committee may, in its discretion, also provide for one or more of the following alternatives in any particular Agreement. The treatment of any Option or Award as provided in this Section 14 shall be conclusively presumed to be appropriate for purposes of Section 10.

15. Interpretation.

Following the required registration of any equity security of the Company pursuant to Section 12 of the Exchange Act:

(a) The Plan is intended to comply with Rule 16b-3 promulgated under the Exchange Act and the Committee shall interpret and administer the provisions of the Plan or any Agreement in a manner consistent therewith. Any provisions inconsistent with such Rule shall be inoperative and shall not affect the validity of the Plan.

(b) Unless otherwise expressly stated in the relevant Agreement, each Option, Stock Appreciation Right and Performance Award granted under the Plan is intended to be Performance-Based Compensation. The Committee shall not be entitled to exercise any discretion otherwise authorized hereunder with respect to such Options or Awards if the ability to exercise such discretion or the exercise of such discretion itself would cause the compensation attributable to such Options or Awards to fail to qualify as Performance-Based Compensation.

16. Successors; Binding Agreement.

This Plan shall be binding upon and shall inure to the benefit of the Company, its Successors and Assigns, and the Company shall require any Successors and Assigns to expressly assume and agree to comply with the terms of the Plan in the same manner and to the same extent that the Company would be required to perform it if no such succession or assignment had taken place.

17. Termination and Amendment of the Plan or Modification of Options and Awards.

17.1. Plan Amendment or Termination. The Plan shall terminate as of the tenth (10th) anniversary of the date of its adoption by the Board and no Option or Award may be granted thereafter. The Board may sooner terminate the Plan and the Board may at any time and from time to time amend, modify or suspend the Plan; provided, however, that:

(a) no such amendment, modification, suspension or termination shall impair or adversely alter in any material respect any Options or Awards theretofore granted under the Plan, except with the consent of the Optionee or Grantee, nor shall any amendment, modification, suspension or termination deprive any Optionee or Grantee of any Shares which he or she may have acquired through or as a result of the Plan; and

(b) to the extent necessary under any applicable law, regulation or exchange requirement, no amendment shall be effective unless approved by the stockholders of the Company in accordance with applicable law, regulation or exchange requirement.

17.2. Modification of Options and Awards. Subject to the provisions of the Plan, no modification of an Option or Award shall adversely alter or impair in any material respect any of the Participant's rights or the Company's obligations under the Option or Award without the consent of the Optionee or Grantee, as the case may be.

18. Non-Exclusivity of the Plan.

The adoption of the Plan by the Board shall not be construed as amending, modifying or rescinding any previously approved incentive arrangement or as creating any limitations on the power of the Board to adopt such other incentive arrangements as it may deem desirable, including, without limitation, the granting of stock options otherwise than under the Plan, and such arrangements may be either applicable generally or only in specific cases.

19. Regulations and Other Approvals; Governing Law; Jury Trial Waiver.

19.1. Except as to matters of federal law, the Plan and the rights of all persons claiming hereunder shall be construed and determined in accordance with the laws of the State of Delaware without giving effect to conflicts of laws principles thereof.

19.2. Unless otherwise specified in an applicable Agreement, any suit, action or proceeding with respect to this Plan or any Award Agreement, or any judgment entered by any court of competent jurisdiction in respect of any thereof, shall be brought in any Court in St. Louis County, Missouri, and the Company and each Participant shall submit to the exclusive jurisdiction of such courts for the purpose of any such suit, action, proceeding or judgment. The Company and each Participant shall irrevocably waive any objections which he, she or it may have to the laying of the venue of any suit, action or proceeding arising out of or relating to this Plan or any Award Agreement brought in any Court in St. Louis County, Missouri, and shall further irrevocably waive any claim that any such suit, action or proceeding brought in any such court has been brought in any inconvenient forum. The Company and each Participant shall waive any right he, she or it may have to trial by jury in respect of any litigation based on, arising out of, under or in connection with this Plan or any Award Agreement or any course of conduct, course of dealing, verbal or written statement or action of any party to any Award Agreement or relating to this Plan in any way.

19.3. The obligation of the Company to sell or deliver Shares with respect to Options and Awards granted under the Plan shall be subject to all applicable laws, rules and regulations, including all applicable federal and state securities laws, and the obtaining of all

such approvals by governmental agencies as may be deemed necessary or appropriate by the Committee in its discretion.

19.4. The Board may make such changes as may be necessary or appropriate to comply with the rules and regulations of any government authority.

19.5. Each Option and Award is subject to the requirement that, if at any time the Committee determines, in its discretion, that the listing, registration or qualification of Shares issuable pursuant to the Plan is required by any securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory body is necessary or desirable as a condition of, or in connection with, the grant of an Option or Award or the issuance of Shares, no Options or Awards shall be granted or payment made or Shares issued, in whole or in part, unless listing, registration, qualification, consent or approval has been effected or obtained free of any conditions as acceptable to the Committee in its discretion.

19.6. Notwithstanding anything contained in the Plan or any Agreement to the contrary, in the event that the disposition of Shares acquired pursuant to the Plan is not covered by a then current registration statement under the Securities Act of 1933, as amended (the "Securities Act"), and is not otherwise exempt from such registration, such Shares shall be restricted against transfer to the extent required by the Securities Act and Rule 144 or other regulations thereunder. The Committee may, in its discretion, require any individual receiving Shares pursuant to an Option or Award granted under the Plan, as a condition precedent to receipt of such Shares, to represent and warrant to the Company in writing that the Shares acquired by such individual are acquired without a view to any distribution thereof and will not be sold or transferred other than pursuant to an effective registration thereof under said Act or pursuant to an exemption applicable under the Securities Act or the rules and regulations promulgated thereunder. The certificates evidencing any of such Shares shall be appropriately amended or have an appropriate legend placed thereon to reflect their status as restricted securities as aforesaid.

20. Miscellaneous.

20.1. Multiple Agreements. The terms of each Option or Award may differ from other Options or Awards granted under the Plan at the same time, or at some other time. The Committee may, in its discretion, also grant more than one Option or Award to a given Eligible Individual during the term of the Plan, either in addition to, or in substitution for, one or more Options or Awards previously granted to that Eligible Individual.

20.2. Withholding of Taxes.

(a) At such times as an Optionee or Grantee recognizes taxable income in connection with the receipt of Shares or cash hereunder (a "Taxable Event"), the Optionee or Grantee shall pay to the Company an amount equal to the federal, state and local income taxes and other amounts as may be required by law to be withheld by the Company in connection with the Taxable Event (the "Withholding Taxes") prior to the issuance, or release from escrow, of such Shares or the payment of such cash. The Company shall have the right to deduct from any payment of cash to an Optionee or Grantee an amount equal to the Withholding Taxes in

satisfaction of the obligation to pay Withholding Taxes. In satisfaction of the obligation to pay Withholding Taxes to the Company, the Optionee or Grantee may make a written election (the "Tax Election"), which may be accepted or rejected in the discretion of the Committee, to have withheld a portion of the Shares then issuable to him or her having an aggregate Fair Market Value equal to the Withholding Taxes. Notwithstanding the foregoing, the Committee may, in its discretion, provide that an Optionee or Grantee shall not be entitled to exercise or receive an Award, as applicable, for which cash has not been provided by the Optionee or Grantee with respect to the Withholding Taxes applicable to such Award.

(b) Notwithstanding the foregoing, if Options have been transferred pursuant to the provisions of Section 6.1 the Optionee shall provide the Company with funds sufficient to pay such tax withholding when such withholding is due. Furthermore, if such Optionee does not satisfy the applicable tax withholding obligation, the transferee may provide the funds sufficient to enable the Company to pay the tax withholding. However, if Options have been transferred, the Company shall have no right to retain or sell without notice, or to demand surrender from the transferee of, Shares in order to pay such tax withholding.

(c) Required Consent to and Notification of Code Section 83(b) Election. No election under Code Section 83(b) (to include in gross income in the year of transfer the amounts specified in Code Section 83(b) or under a similar provision of the laws of a jurisdiction outside the United States may be made unless expressly permitted by the terms of the Award document or by action of the Committee in writing prior to the making of such election. In any case in which a Participant is permitted to make such an election in connection with an Award, the Participant shall notify the Company of such election within ten (10) days of filing notice of the election with the Internal Revenue Service or other governmental authority, in addition to any filing and notification required pursuant to regulations issued under Code Section 83(b) or other applicable provision.

(d) Requirement of Notification Upon Disqualifying Disposition Under Code Section 421(b). If any Participant shall make any disposition of Shares delivered pursuant to the exercise of an ISO under the circumstances described in Code Section 421(b) (i.e., a disqualifying disposition), such Participant shall notify the Company of such disposition within ten (10) days thereof.

20.3. Effective Date. The effective date of this Plan shall be as determined by the Board in its discretion, subject only to the approval by the affirmative vote of the holders of a majority of the securities of the Company (i) pursuant to a written consent or (ii) present, or represented, and entitled to vote at a meeting of stockholders duly held, in either case in accordance with the applicable laws of the State of Delaware within twelve (12) months of the adoption of the Plan by the Board. If any Awards are granted under the Plan before the date of such shareholder approval, such Awards automatically shall be granted subject to such approval.

20.4. Compliance with Code Section 162(m). It is the intent of the Company that Options and SARs granted to "covered employees" (within the meaning of Code Section 162(m)) and other Awards designated as awards of Performance-Based Compensation are intended to constitute qualified "performance-based compensation" within the meaning of Code Section 162(m) and the regulations thereunder. Accordingly, the terms of Sections 4.1, 5.2, 7

and 10 shall be interpreted in a manner consistent with Code Section 162(m) and the regulations thereunder. The foregoing notwithstanding, because the Committee cannot determine with certainty whether a given Participant will be in a covered employee with respect to a fiscal year that has not yet been completed, the term covered employee as used herein shall mean only a person designated by the Committee as likely to be a covered employee with respect to a specified fiscal year. If any provision of the Plan or any Agreement relating to an Award that is designated as intended to comply with Code Section 162(m) does not comply or is inconsistent with the requirements of Code Section 162(m) or regulations thereunder, such provision shall be construed or deemed amended to the extent necessary to conform to such requirements, and no provision shall be construed or deemed amended to the extent necessary to conform to such requirements, and no provision shall be deemed to confer upon the Committee or any other person discretion to increase the amount of compensation otherwise payable in connection with any such Award upon attainment of the applicable performance objectives.

20.5. Certain Limitations on Awards to Ensure Compliance with Code Section 409A. For purposes of this Plan, references to an Option or Award term or event (including any authority or right of the Company or a Participant) being “permitted” under Code Section 409A mean, for a 409A Award, that the term or event will not cause the Participant to be liable for payment of interest or a tax penalty under Code Section 409A and, for a Non-409A Award, that the term or event will not cause the Award to be treated as subject to Code Section 490A. Other provisions of the Plan notwithstanding, the terms of any 409A Award and any Non-409A Award, including any authority of the Company and rights of the Participant with respect to the Award, shall be limited to those terms permitted under Code Section 409A, and any terms not permitted under Code Section 409A shall be automatically modified and limited to the extent necessary to conform with Code Section 409A. For this purpose, other provisions of the Plan notwithstanding, the Company shall have no authority to accelerate distributions relating to 409A Awards in excess of authority permitted under Code Section 409A, and any distribution subject to Code Section 409A(a)(2)(A)(i)(separation from service) to a “specified employee” as defined under Code Section 409A(a)(2)(B)(i), shall not occur earlier than the earliest time permitted under Code Section 409A(a)(2)(B)(i). The Company shall have no liability to a Participant, or any other party, if an Award that is intended to be exempt from, or compliant with, Code Section 409A is not so exempt or compliant or for any action taken by the Committee or the Company and, in the event that any amount or benefit under the Plan becomes subject to penalties under Section 409A, responsibility for payment of such penalties shall rest solely with the affected Participant(s) and not with the Company.

20.6. Certain Limitations Relating to Accounting Treatment of Awards. Other provisions of the Plan notwithstanding, the Committee’s authority under the Plan is limited to the extent necessary to ensure that any Option or other Award of a type that the Committee has intended to be subject to fixed accounting with a measurement date at the date of grant or the date performance conditions are satisfied under FAS 123(R) shall not become subject to “variable” accounting solely due to the existence of such authority.

20.7. Awards to Participants Outside the United States. The Committee may modify the terms of any Award under the Plan made to or held by a Participant who is then resident or primarily employed outside of the United States in any manner deemed by the Committee to be necessary or appropriate in order that such Award shall conform to laws,

regulations, and customs of the country in which the Participant is then resident or primarily employed, or so that the value and other benefits of the Award to the Participant, as affected by foreign tax laws and other restrictions applicable as a result of the Participant's residence or employment abroad shall be comparable to the value of such an Award to a Participant who is resident or primarily employed in the United States. An Award may be modified under this Section 20.7 in a manner that is inconsistent with the express terms of the Plan, so long as such modifications will not contravene any applicable law or regulation or result in actual liability under Section 16(b) for the Participant whose Award is modified.

20.8. Payments in the Event of Forfeitures; Fractional Shares. No fractional Shares shall be issued or delivered pursuant to the Plan or any Award. The Committee shall determine whether cash, other Awards or other property shall be issued or paid in lieu of such fractional Shares or whether such fractional Shares or any rights thereto shall be forfeited or otherwise eliminated.

20.9. Right of Setoff. The Company or any Subsidiary or Affiliate may, to the extent permitted by applicable law, deduct from and set off against any amounts the Company or a Subsidiary or Affiliate may owe to the Participant from time to time (including amounts payable in connection with any Award that are owed as wages, fringe benefits, or other compensation owed to the Participant), such amounts as may be owed by the Participant to the Company, although the Participant shall remain liable for any part of the Participant's payment obligation not satisfied through such deduction and setoff; provided, however, that no such setoff may be made if such setoff would result in the imposition of penalties under Code Section 409A. By accepting any Award granted hereunder, the Participant agrees to any deduction or setoff under this Section 20.9.

20.10. Unfunded Status of Awards; Creation of Trusts. To the extent that any Award is deferred compensation, the Plan is intended to constitute an "unfunded" plan for deferred compensation with respect to such Award. With respect to any payments not yet made to a Participant or obligation to deliver Stock pursuant to an Award, nothing contained in the Plan or any Agreement shall give any Participant the right to any specific assets or securities of the Company or any Subsidiary or Affiliate.

20.11. Conditions and Restrictions Upon Securities Subject to Awards. Each Participant to whom an Award is made under the Plan shall (i) enter into an Agreement with the Company that shall contain such provisions consistent with the provisions of the Plan, as may be approved by the Committee and (ii) to the extent the Award is made at a time prior to the date Shares are not listed for trading on an established securities exchange, enter into a "Stockholder's Agreement" that is substantially similar in all material respect to any stockholder's agreement entered into by any other employee of the Company or its Subsidiaries in connection with the Award of any equity-based compensation. The Committee may provide that the Shares issued upon exercise of an Option or Stock Appreciation Right or otherwise subject to or issued under an Award shall be subject to such further agreements, restrictions, conditions or limitations as the Committee in its discretion may specify prior to the exercise of such Option or Stock Appreciation Right or the grant, vesting or settlement of

such Award, including without limitation, conditions on vesting or transferability, forfeiture or repurchase provisions and method of payment for the Shares issued upon exercise, vesting or settlement of such Award (including the actual or constructive surrender of Shares already owned by the Participant) or payment of taxes arising in connection with an Award. Without limiting the foregoing, such restrictions may address the timing and manner of any resales by the Participant or other subsequent transfers by the Participant of any Shares issued under an Award, including without limitation (i) restrictions under an insider trading policy or pursuant to applicable law, (ii) restrictions designed to delay and/or coordinate the timing and manner of sales by Participant and holders of other Company equity compensation arrangements, (iii) restrictions as to the use of a specified brokerage firm for such resales or other transfers and (iv) provisions requiring Shares to be sold on the open market or to the Company in order to satisfy tax withholding or other obligations.

20.12. Compliance with Laws and Regulations. This Plan, the grant, issuance, vesting, exercise and settlement of Options and Awards thereunder, and the obligation of the Company to sell, issue or deliver Shares under such Options and Awards, shall be subject to all applicable foreign, federal, state and local laws, rules and regulations, stock exchange rules and regulations, and to such approvals by any governmental or regulatory agency as may be required. The Company shall not be required to register in a Participant's name or deliver any Shares prior to the completion of any registration or qualification of such Shares under any foreign, federal, state or local law or any ruling or regulation of any government body which the Committee shall determine to be necessary or advisable. To the extent the Company is unable to or the Committee deems it infeasible to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, the Company and its Affiliates shall be relieved of any liability with respect to the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained. No Option shall be exercisable and no Shares shall be issued and/or transferable under any Option or Award unless a registration statement with respect to the Shares underlying such Option or Award is effective and current or the Company has determined that such registration is unnecessary. References in this Plan to a particular law, rule or regulation shall be deemed to include all subsequent amendments, modifications and interpretations as well as any successor provision thereto.

20.13. Deferral of Gains. The Committee may, in an Agreement or otherwise, provide for the deferred delivery of Shares upon settlement, vesting or other events with respect to an Award (other than an Option or Stock Appreciation Right). Notwithstanding anything herein to the contrary, in no event will any deferral of the delivery of Shares or any other payment with respect to any Award be allowed if the Committee determines, in its sole discretion, that the deferral would result in the imposition of the additional tax under Code Section 409A(a)(1)(B).

20.14. No Effect on Employment or Service. Nothing in the Plan shall interfere with or limit in any way the right of the Company to terminate any Participant's employment or service at any time, for any reason and with or without cause.

20.15. Participation. No person shall have the right to be selected to receive an Award under this Plan, or, having been so selected, to be selected to receive a future Award. The Committee's determination under the Plan (including, without limitation, determination of the Eligible Employees who shall be granted Awards, the form, amount and timing of such Awards,

the terms and provisions of Awards and the Agreements and the establishment of Performance Objectives) need not be uniform and may be made by it selectively among Eligible Employees who receive or are eligible to receive Awards under the Plan, either or not such Eligible Employees are similarly situated.

20.16. No Rights as Stockholder. No Participant (nor any beneficiary) shall have any of the rights or privileges of a stockholder of the Company with respect to any Shares issuable pursuant to an Award (or exercise thereof), unless and until certificates representing such Shares shall have been issued, recorded on the records of the Company or its transfer agents or registrars, and delivered to the Participant (or beneficiary).

20.17. Gender and Number. Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine; the plural shall include the singular and the singular shall include the plural.

20.18. Severability. In the event any provision of the Plan or of any Award Agreement shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan or the Award Agreement, and the Plan and/or the Award Agreement shall be construed and enforced as if the illegal or invalid provision had not been included.

20.19. Captions. Captions are provided herein for convenience only, and shall not serve as a basis for interpretation or construction of the Plan.

20.20. Other Benefits. No Award granted or paid out under this Plan shall be deemed compensation for purposes of computing benefits under any retirement plan of the Company or its Affiliates nor affect any benefits under any other benefit plan now or subsequently in effect under which the availability or amount of benefits is related to the level of compensation.

20.21. Costs. The Company shall bear all expenses associated with administering this Plan, including expenses of issuing Shares pursuant to any Awards hereunder.

[End of Document]

CHARTER COMMUNICATIONS, INC AND SUBSIDIARIES
RATIO OF EARNINGS TO FIXED CHARGES CALCULATION
(In millions)

	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	<u>June 30, 2011</u>	<u>June 30, 2010</u>	<u>June 30, 2011</u>	<u>June 30, 2010</u>
Earnings				
Income (Loss) before Income Taxes	\$ (26)	\$ 2	\$ (57)	\$ 45
Fixed Charges	<u>243</u>	<u>221</u>	<u>478</u>	<u>427</u>
Total Earnings	<u>\$ 217</u>	<u>\$ 223</u>	<u>\$ 421</u>	<u>\$ 472</u>
Fixed Charges				
Interest Expense	\$ 232	\$ 212	\$ 456	\$ 416
Amortization of Debt Costs	9	7	18	7
Interest Element of Rentals	<u>2</u>	<u>2</u>	<u>4</u>	<u>4</u>
Total Fixed Charges	<u>\$ 243</u>	<u>\$ 221</u>	<u>\$ 478</u>	<u>\$ 427</u>
Ratio of Earnings to Fixed Charges (1)	<u>-</u>	<u>1.01</u>	<u>-</u>	<u>1.11</u>

(1) Earnings for the three and six months ended June 30, 2011 were insufficient to cover fixed charges by \$26 million and \$57 million, respectively. As a result of such deficiencies, the ratios are not presented above.

I, Michael J. Lovett, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Charter Communications, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 2, 2011

/s/ Michael J. Lovett

Michael J. Lovett

President and Chief Executive Officer

I, Christopher L. Winfrey, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Charter Communications, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 2, 2011

/s/ Christopher L. Winfrey

Christopher L. Winfrey
Chief Financial Officer
(Principal Financial Officer)

**CERTIFICATION OF CHIEF EXECUTIVE
OFFICER REGARDING PERIODIC REPORT CONTAINING
FINANCIAL STATEMENTS**

I, Michael J. Lovett, the President and Chief Executive Officer of Charter Communications, Inc. (the "Company") in compliance with 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, hereby certify that, the Company's Quarterly Report on Form 10-Q for the period ended June 30, 2011 (the "Report") filed with the Securities and Exchange Commission:

- fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and
- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Michael J. Lovett
Michael J. Lovett
President and Chief Executive Officer
August 2, 2011

**CERTIFICATION OF CHIEF FINANCIAL
OFFICER REGARDING PERIODIC REPORT CONTAINING
FINANCIAL STATEMENTS**

I, Christopher L. Winfrey, the Chief Financial Officer of Charter Communications, Inc. (the "Company"), in compliance with 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, hereby certify that, the Company's Quarterly Report on Form 10-Q for the period ended June 30, 2011 (the "Report") filed with the Securities and Exchange Commission:

- fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and
- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Christopher L. Winfrey
Christopher L. Winfrey
Chief Financial Officer
(Principal Financial Officer)
August 2, 2011