

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

FORM 10-Q

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

For the Quarterly Period Ended September 30, 2000.

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: 000-27927

[Charter Communications Logo]

CHARTER COMMUNICATIONS, INC.

(Exact name of registrant as specified in its charter)

Delaware

43-1857213

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification No.)

12444 Powerscourt Drive - Suite 100
St. Louis, Missouri

63131

(Address of principal executive offices)

(Zip Code)

(314) 965-0555

(Registrant's telephone number, including area code)

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

Number of shares of Class A common stock outstanding as of November 13, 2000: 233,685,768
Number of shares of Class B common stock outstanding as of November 13, 2000: 50,000

CHARTER COMMUNICATIONS, INC.

FORM 10-Q -- FOR THE QUARTER ENDED SEPTEMBER 30, 2000
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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS:

This Report includes forward-looking statements regarding, among other things, our plans, strategies and prospects, both business and financial. Although we believe that our plans, intentions and expectations reflected in or suggested by these forward-looking statements are reasonable, we cannot assure you that we will achieve or realize these plans, intentions or expectations. Forward-looking statements are inherently subject to risks, uncertainties and assumptions. Many of the forward-looking statements contained in this Quarterly Report may be identified by the use of forward-looking words such as "believe," "expect," "anticipate," "should," "planned," "estimated" and "potential," among others. Important factors that could cause actual results to differ materially from the forward-looking statements we make in this Quarterly Report are set forth in this Quarterly Report and in other reports or documents that we file from time to time with the Securities and Exchange Commission and include, but are not limited to:

- our plans to achieve growth by offering new products and services;
- our anticipated capital expenditures for our planned upgrades and the ability to fund these expenditures;
- our beliefs regarding the effects of governmental regulation on our business; and
- our ability to effectively compete in a highly competitive environment.

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

PART I. FINANCIAL INFORMATION.
ITEM 1. FINANCIAL STATEMENTS.

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

	SEPTEMBER 30, 2000	DECEMBER 31, 1999*
	----- (UNAUDITED) -----	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 44,467	\$ 133,706
Accounts receivable, less allowance for doubtful accounts of \$10,184 and \$11,471, respectively	162,346	93,743
Receivables from related party	4,599	--
Prepaid expenses and other	43,755	35,142
	-----	-----
Total current assets	255,167	262,591
	-----	-----
INVESTMENT IN CABLE PROPERTIES:		
Property, plant and equipment, net of accumulated depreciation of \$909,147 and \$317,079, respectively	4,681,483	3,490,573
Franchises, net of accumulated amortization of \$1,562,235 and \$650,478, respectively	17,273,858	14,985,793
	-----	-----
	21,955,341	18,476,366
	-----	-----
OTHER ASSETS	229,935	227,550
	-----	-----
	\$ 22,440,443	\$ 18,966,507
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 1,184,476	\$ 706,775
Payables to related party	--	13,183
	-----	-----
Total current liabilities	1,184,476	719,958
	-----	-----
LONG-TERM DEBT	12,167,729	8,936,455
	-----	-----
DEFERRED MANAGEMENT FEES -- RELATED PARTY	13,751	21,623
	-----	-----
OTHER LONG-TERM LIABILITIES	173,232	145,124
	-----	-----
MINORITY INTEREST	4,385,448	5,381,331
	-----	-----
REDEEMABLE SECURITIES	1,846,176	750,937
	-----	-----
SHAREHOLDERS' EQUITY:		
Class A common stock; \$.001 par value; 1.75 billion and 1.5 billion shares authorized, respectively; 233,685,768 and 221,740,584 shares issued and outstanding, respectively	207	195
Class B common stock; \$.001 par value; 750 million shares authorized; 50,000 shares issued and outstanding	--	--
Preferred stock; \$.001 par value; 250 million shares authorized; no shares issued and outstanding	--	--
Additional paid-in capital	3,322,261	3,075,694
Accumulated deficit	(653,784)	(66,231)
Accumulated other comprehensive income	947	1,421
	-----	-----
Total shareholders' equity	2,669,631	3,011,079
	-----	-----
	\$ 22,440,443	\$ 18,966,507
	=====	=====

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

* Agrees with audited consolidated balance sheet included in the Company's Annual Report on Form 10-K for the year ended December 31, 1999.

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

	THREE MONTHS ENDED SEPTEMBER 30, 2000	THREE MONTHS ENDED SEPTEMBER 30, 1999
	(UNAUDITED)	
REVENUES	\$ 838,961	\$ 376,189
OPERATING EXPENSES:		
Operating, general and administrative	426,021	194,716
Depreciation	312,884	71,898
Amortization	315,222	119,541
Option compensation expense	8,116	21,094
Corporate expense charges -- related party	14,055	7,236
	-----	-----
	1,076,298	414,485
	-----	-----
Loss from operations	(237,337)	(38,296)
OTHER INCOME (EXPENSE):		
Interest expense	(283,300)	(131,081)
Interest income	624	8,241
Other, net	(3,451)	(3,017)
	-----	-----
	(286,127)	(125,857)
	-----	-----
Loss before minority interest	(523,464)	(164,153)
MINORITY INTEREST IN LOSS OF SUBSIDIARY	313,446	164,118
	-----	-----
Net loss	\$ (210,018)	\$ (35)
	=====	=====
LOSS PER COMMON SHARE, basic and diluted	\$ (0.93)	\$ (0.70)
	=====	=====
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING, basic and diluted	224,965,289	50,000
	=====	=====

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

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

	NINE MONTHS ENDED SEPTEMBER 30, 2000	NINE MONTHS ENDED SEPTEMBER 30, 1999
	----- (UNAUDITED) -----	
REVENUES	\$ 2,355,345	\$ 845,182
	-----	-----
OPERATING EXPENSES:		
Operating, general and administrative	1,204,334	436,057
Depreciation	862,672	150,626
Amortization	915,221	290,765
Option compensation expense	34,205	59,288
Corporate expense charges -- related party	41,570	18,309
	-----	-----
	3,058,002	955,045
	-----	-----
Loss from operations	(702,657)	(109,863)
OTHER INCOME (EXPENSE):		
Interest expense	(765,342)	(288,750)
Interest income	6,734	18,326
Other, net	(5,955)	(7,971)
	-----	-----
	(764,563)	(278,395)
	-----	-----
Loss before minority interest	(1,467,220)	(388,258)
MINORITY INTEREST IN LOSS OF SUBSIDIARY	879,667	388,161
	-----	-----
Net loss	\$ (587,553)	\$ (97)
	=====	=====
LOSS PER COMMON SHARE, basic and diluted	\$ (2.63)	\$ (1.94)
	=====	=====
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING, basic and diluted	222,997,913	50,000
	=====	=====

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

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

	NINE MONTHS ENDED SEPTEMBER 30, 2000	NINE MONTHS ENDED SEPTEMBER 30, 2000
	----- (UNAUDITED)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (587,553)	\$ (97)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Minority interest in loss of subsidiary	(879,667)	(388,161)
Depreciation and amortization	1,777,893	441,391
Option compensation expense	34,205	59,288
Non-cash interest expense	126,478	73,822
Changes in assets and liabilities, net of effects from acquisitions:		
Accounts receivable	(85,249)	(2,358)
Prepaid expenses and other	14,159	(11,665)
Accounts payable and accrued expenses	495,810	74,556
Receivables from/payables to related party, including deferred management fees	(42,003)	19,922
Other operating activities	2,324	(1,087)
Net cash provided by operating activities	----- 856,397	----- 265,611
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property, plant and equipment	(1,854,105)	(385,301)
Payments for acquisitions, net of cash acquired	(1,132,509)	(2,710,842)
Loan to Marcus Cable Holdings, LLC	--	(1,680,142)
Investments	(14,888)	--
Other investing activities	(7,176)	(11,106)
Net cash used in investing activities	----- (3,008,678)	----- (4,787,391)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings of long-term debt, including proceeds from Charter Holdings Notes	5,551,303	6,464,188
Repayments of long-term debt	(3,437,008)	(2,519,340)
Payments for debt issuance costs	(62,848)	(107,562)
Capital lease obligations	11,595	--
Capital contributed to subsidiary	--	1,144,290
Distributions to Charter Investment	--	(14,786)
Payment to related party	--	(20,000)
Other financing activities	--	(400)
Net cash provided by financing activities	----- 2,063,042	----- 4,946,390
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(89,239)	424,610
CASH AND CASH EQUIVALENTS, beginning of period	133,706	9,573
	-----	-----
CASH AND CASH EQUIVALENTS, end of period	\$ 44,467 =====	\$ 434,183 =====
CASH PAID FOR INTEREST	\$ 453,742 =====	\$ 136,626 =====
NON-CASH TRANSACTIONS:		
Transfer of net assets of Marcus Cable Holdings, LLC to the Company	\$ -- =====	\$ 1,252,370 =====
Issuances of equity as payment for acquisitions	\$ 1,184,698 =====	\$ 314,022 =====

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

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

1. ORGANIZATION AND BASIS OF PRESENTATION

CHARTER COMMUNICATIONS, INC.

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

On November 12, 1999, Charter sold 195.5 million shares of Class A common stock in an initial public offering and 50,000 shares of high vote Class B common stock to Mr. Allen. Charter used the net proceeds to purchase a 100% voting interest and, at that time, an approximate 40.6% economic interest in Charter Communications Holding Company, LLC (Charter Holdco). Charter Holdco is an indirect owner of cable systems.

Prior to November 12, 1999, Charter Holdco was owned 100% by Charter Investment and Vulcan Cable III Inc., both entities controlled by Mr. Allen. Since November 12, 1999, Mr. Allen has controlled Charter through his ownership of all of the high vote Class B common stock, and Charter has controlled Charter Holdco through its ownership of all the voting interests and its role as the sole manager of Charter Holdco. Charter's purchase on November 12, 1999 of 50,000 membership units of Charter Holdco, representing an economic interest of less than 1%, was accounted for as a reorganization of entities under common control similar to a pooling of interests. For financial reporting purposes, these membership units are considered held by Charter effective December 23, 1998, the date Mr. Allen was first deemed to control Charter Holdco. Accordingly, Charter Holdco's results of operations for the three months and nine months ended September 30, 1999, are included in the accompanying consolidated statements of operations.

Charter is a holding company whose primary asset at September 30, 2000 is a 40.8% controlling equity interest in Charter Holdco. Charter, Charter Holdco and its subsidiaries are collectively referred to as the "Company" herein. All material intercompany transactions and balances have been eliminated in consolidation.

The Company owns and operates cable systems serving approximately 6.3 million customers. The Company currently offers customers a full array of traditional cable television services and advanced bandwidth services such as digital television, interactive video programming, Internet access through television-based service, dial-up telephone modems and high-speed cable modems, and video-on-demand.

LOSS PER COMMON SHARE

For purposes of the loss per common share calculation for the three months and nine months ended September 30, 1999, Mr. Allen's 50,000 shares of high vote Class B common stock are considered to be outstanding for the entire periods. Basic loss per common share is computed by dividing the net loss by 50,000 shares for the three months and nine months ended September 30, 1999, and by 224,965,289 and 222,997,913 shares for the three months and nine months ended September 30, 2000, respectively, which represent the weighted-average common shares outstanding during those periods. Diluted loss per common share equals basic loss per common share for the periods presented, as the effect of stock options is anti-dilutive because the Company generated net losses. All membership units of Charter Holdco are exchangeable on a one-for-one basis into common stock of Charter at the option of the holders. Should the holders exchange their units for shares, the effect would be anti-dilutive on the loss per common share calculation.

2. RESPONSIBILITY FOR INTERIM FINANCIAL STATEMENTS

The accompanying consolidated financial statements of the Company have been prepared in accordance with generally accepted accounting principles for interim financial information and the rules and regulations of the Securities and Exchange Commission. Accordingly, certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted.

The accompanying consolidated financial statements are unaudited; however, in the opinion of management, such 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. For further information, see the Company's Annual Report on Form 10-K for the year ended December 31, 1999.

3. ACQUISITIONS

On February 14, 2000, Charter Holdco and Charter Communications Holdings, LLC (Charter Holdings), a wholly owned subsidiary of Charter Holdco, completed the acquisition of Bresnan Communications Company Limited Partnership (Bresnan). The acquired Bresnan cable systems are primarily located in Michigan, Minnesota, Wisconsin and Nebraska.

The purchase price for Bresnan was \$3.1 billion and was comprised of \$1.1 billion in cash, \$384.6 million of equity (14.8 million Class C common membership units) in Charter Holdco and \$629.5 million of equity (24.2 million Class A preferred membership units) in CC VIII, LLC (CC VIII), a subsidiary of Charter Holdings, and \$963.3 million in assumed debt. All of the membership units received by the sellers are exchangeable on a one-for-one basis for shares of Class A common stock of Charter. The holders of the Class A preferred membership units are entitled to a 2% annual return. The Bresnan sellers who acquired Class C common membership units of Charter Holdco and Class A preferred membership units in CC VIII may have rescission rights against Charter Holdco and Charter arising out of possible violations of Section 5 of the Securities Act of 1933, as amended, in connection with the offers and sales of these equity interests (see Note 6). The purchase price was allocated to assets acquired and liabilities assumed based on their relative fair values, including amounts assigned to franchises of \$2.8 billion.

On April 1, 2000, one of Charter's subsidiaries purchased a cable system from Falcon/Capital Cable Partners, L.P. (Capital Cable) and another cable system from Farmington Cablevision Company (Farmington). These cable systems are primarily located in Illinois, Indiana and Missouri. The aggregate purchase price for these acquisitions was \$75.0 million in cash and was funded with borrowings from the Charter Operating Credit Facilities (see Note 4).

On September 7, 2000, Charter completed a stock-for-stock merger with Cablevision of Michigan, Inc., the owner of a cable system in Kalamazoo, Michigan. In the merger, Charter acquired all of the outstanding stock of Cablevision of Michigan in exchange for 11,173,376 shares of Charter's Class A common stock valued at approximately \$170.6 million. After the merger, Charter contributed 100% of the equity interests acquired to Charter Holdco in exchange for membership units. The Kalamazoo cable system has approximately 50,700 customers at September 30, 2000.

All of the above transactions were accounted for using the purchase method of accounting, and, accordingly, the results of operations of acquired assets have been included in the financial statements from their respective dates of acquisition. The allocation of the purchase price for the Bresnan and Kalamazoo acquisitions are based, in part, on preliminary information, which is subject to adjustment upon obtaining complete valuation information. Management believes that finalization of the purchase prices and allocation will not have a material impact on the consolidated results of operations or financial position of the Company.

Summarized pro forma operating results of the Company as though all acquisitions closed since January 1, 1999, the issuance and sale of the January 2000 Charter Holdings Notes (see Note 4), drawdown of the Charter Holdings Senior Bridge Loan Facility (see Note 4) had occurred on January 1, 1999, with adjustments to give effect to amortization of franchises, interest expense, minority interest, and certain other adjustments, follows.

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2000	1999	2000	1999
	(in thousands, except per share amounts)			
Revenues	\$ 842,881	\$ 740,090	\$2,406,986	\$2,187,785
Loss from operations	(238,047)	(104,302)	(732,474)	(351,716)
Loss before minority interest	(540,592)	(359,417)	(1,562,299)	(1,098,424)
Net loss	(221,574)	(147,745)	(640,484)	(451,455)
Loss per common share, basic and diluted	(0.95)	(0.63)	(2.75)	(1.94)

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

4. LONG-TERM DEBT

JANUARY 2000 CHARTER HOLDINGS NOTES. On January 12, 2000, Charter Holdings and Charter Communications Holdings Capital Corporation issued notes with a principal amount of \$1.5 billion. The January 2000 Charter Holdings Notes consist of \$675.0 million 10.00% Senior Notes due 2009, \$325.0 million 10.25% Senior Notes due 2010, and \$532.0 million in aggregate principal amount at maturity of 11.75% Senior Discount Notes due 2010. The net proceeds were approximately \$1.3 billion, after giving effect to discounts, commissions and expenses. The proceeds from the January 2000 Charter Holdings Notes were used to finance the repurchases of debt assumed in certain transactions, as described below.

In June 2000, Charter Holdings and Charter Communications Holdings Capital Corporation exchanged these notes for new January 2000 Charter Holdings Notes, with substantially similar terms, except that the new January 2000 Charter Holdings Notes are registered under the Securities Act of 1933, as amended, and, therefore, do not bear legends restricting their transfer.

CC V HOLDINGS, LLC AND ITS SUBSIDIARIES (COLLECTIVELY, "AVALON") NOTES. In January 2000, through change of control offers and purchases in the open market, all of the Avalon 9.375% Senior Subordinated Notes due 2008 with a principal amount of \$150.0 million were repurchased for \$153.7 million. In addition, also through change of control offers, \$16.3 million in aggregate principal amount at maturity of the Avalon 11.875% Senior Discount Notes due 2008 was repurchased for \$10.5 million. As of September 30, 2000, Avalon 11.875% notes with an aggregate principal amount of \$179.8 million at maturity and an accreted value of \$124.8 million remain outstanding.

CC VII HOLDINGS, LLC AND ITS SUBSIDIARIES (COLLECTIVELY, "FALCON") DEBENTURES. In February 2000, through change of control offers and purchases in the open market, all of the Falcon 8.375% Senior Debentures due 2010 with a principal amount of \$375.0 million were repurchased for \$388.0 million, and all of the Falcon 9.285% Senior Discount Debentures due 2010 with an aggregate principal amount at maturity of \$435.3 million were repurchased for \$328.1 million.

CC VIII, LLC AND ITS SUBSIDIARIES (COLLECTIVELY, "BRESNAN") CREDIT FACILITIES. Upon the closing of the Bresnan acquisition on February 14, 2000, the then-existing Bresnan credit facilities were amended and assumed. The Bresnan credit facilities provide for borrowings of up to \$900.0 million, consisting of: two term facilities, one with a principal amount of \$403.0 million (Term A) and the other with a principal amount of \$297.0 million (Term B), and a reducing revolving loan facility in the amount of \$200.0 million. The Bresnan credit facilities provide for the amortization of the principal amount of the Term A loan facility and the reduction of the revolving loan facility beginning March 31, 2002 with a final maturity date of June 30,

2007. The amortization of the Term B loan facility is substantially "back-ended" with more than ninety percent of the principal balance due on the final maturity date of February 2, 2008. The Bresnan credit facilities also provide for an incremental facility of up to \$200.0 million that is conditioned upon receipt of additional commitments from lenders. Amounts under the Bresnan credit facilities bear interest at the Base Rate or the Eurodollar Rate, as defined, plus a margin of up to 2.75%. A quarterly commitment fee of between 0.250% and 0.375% is payable on the unborrowed balance of Term A and the revolving loan facility. At the closing of the Bresnan acquisition, \$599.9 million was borrowed to replace the borrowings outstanding under the previous credit facilities, and an additional \$31.3 million was borrowed to fund a portion of the Bresnan purchase price. As of September 30, 2000, \$668.0 million was outstanding, and \$232.0 million was available for borrowing.

BRESNAN NOTES. Upon the closing of the Bresnan acquisition, Charter Holdco and Charter assumed Bresnan's \$170.0 million in principal amount of 8% Senior Notes due 2009 and \$275.0 million in principal amount at maturity of 9.25% Senior Discount Notes due 2009. In March 2000, all of the outstanding Bresnan notes were repurchased at 101% of the outstanding principal amounts plus accrued and unpaid interest or accreted value, as applicable, for a total of \$369.7 million using proceeds from the sale of the January 2000 Charter Holdings Notes.

CHARTER COMMUNICATIONS OPERATING, LLC CREDIT FACILITIES. In March 2000, the Charter Operating Credit Facilities were amended to increase the amount of the supplemental credit facility to \$1.0 billion. In connection with this amendment, \$600.0 million of the supplemental credit facility was exercised, thereby increasing the total borrowing capacity to \$4.7 billion. The remaining \$400.0 million of the supplemental credit facility is subject to the Company's ability to obtain additional commitments from the lenders. As of September 30, 2000, outstanding borrowings were \$3.6 billion, and the unused availability was \$1.1 billion.

CHARTER HOLDINGS SENIOR BRIDGE LOAN FACILITY. On August 4, 2000, Morgan Stanley Senior Funding, Inc. and others, and Charter Holdings and Charter Communications Holdings Capital Corporation entered into a senior bridge loan agreement providing for senior increasing rate bridge loans in an aggregate principal amount of up to \$1.0 billion.

On August 14, 2000, the Company borrowed \$1.0 billion under the senior bridge loan facility and used substantially all of the proceeds to repay a portion of the amounts outstanding under the Charter Operating and Falcon revolving credit facilities. The bridge loan initially bears interest at an annual rate of 10.21%. If this loan is not repaid within 90 days following August 14, 2000, the interest rate will increase by 1.25% at the end of such 90-day period and will increase by an additional 0.50% at the end of each additional 90-day period. Unless additional special interest is assessed, the interest rate on the bridge loan will not exceed 15% annually. If the bridge loan has not been repaid in full by August 14, 2001, then it will be converted to a term loan. The bridge loan matures one year from August 14, 2000 and upon payment of any accrued and unpaid interest shall convert to a term loan that matures on the tenth anniversary of the initial bridge loan borrowing. The term loan will bear interest at a fixed rate equal to the greater of the applicable rate of the bridge loan on the date on the conversion plus 0.50%, and the yield corresponding to the bid price on Charter Holdings 10.25% notes as of the date immediately prior to the conversion. If the term loan is not repaid within 90 days after the conversion from the bridge loan, the interest rate thereon will increase by 0.50% at the end of each 90-day period. Unless additional special interest is assessed, the interest rate on the term loan will not exceed 15% annually. The term loan will mature on the tenth anniversary of the initial senior bridge loan borrowing.

5. MINORITY INTEREST

As of September 30, 2000, minority interest consists primarily of total members' equity of Charter Holdco (\$8.3 billion) multiplied by 59.2%, the ownership percentage of Charter Holdco not owned by Charter, plus preferred equity in CC VIII held by certain Bresnan sellers, less a portion of redeemable securities (see Note 6). Gains (losses) arising from the issuance by Charter Holdco of its membership units are recorded as capital transactions, thereby increasing (decreasing) shareholders' equity and (decreasing) increasing minority interest on the accompanying consolidated balance sheets.

Changes to minority interest consist of the following (dollars in thousands):

Balance, December 31, 1999	\$ 5,381,331
Minority interest in loss of subsidiary	(879,667)
Equity issued to Bresnan sellers	1,014,110
Equity classified as redeemable securities (26,539,746 shares of Class A common stock)	(1,095,239)
Loss on issuance of equity by Charter Holdco	(54,951)
Option compensation expense	20,563
Unrealized loss on marketable securities available for sale	(699)

Balance, September 30, 2000	\$ 4,385,448
	=====

6. REDEEMABLE SECURITIES

The Company acquired Helicon I, L.P. and affiliates (Helicon) in July 1999, acquired Rifkin Acquisition Partners L.L.L.P. and InterLink Communications Partners, L.L.P. (collectively, "Rifkin") in September 1999, acquired Falcon Communications, L.P. (Falcon) in November 1999 and acquired Bresnan in February 2000. In connection with these acquisitions, the Rifkin, Falcon and Bresnan sellers who acquired Charter Holdco membership units or, in the case of Bresnan, additional equity interests in a subsidiary of Charter Holdings, and the Helicon sellers who acquired shares of Class A common stock in Charter's initial public offering may have rescission rights against Charter and Charter Holdco arising out of possible violations of Section 5 of the Securities Act of 1933, as amended, in connection with the offers and sales of these equity interests.

If all of these equity holders successfully exercised their possible rescission rights, Charter or Charter Holdco would become obligated to repurchase all such equity interests, and the total repurchase obligation could be as much as \$1.8 billion as of September 30, 2000 (see Note 11). For financial reporting purposes, the maximum potential obligation has been excluded from shareholders' equity and minority interest and has been classified as redeemable securities (temporary equity). After one year from the dates of issuance or purchase of these equity securities (when these possible rescission rights will have expired), the Company will reclassify the respective amounts to shareholders' equity and minority interest. There is no assurance that the Company will be able to obtain capital sufficient to fund any required repurchases. This could adversely affect the Company's consolidated financial condition and results of operations.

7. REVENUES

Revenues consist of the following (in thousands):

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2000	1999	2000	1999
Basic	\$ 574,348	\$ 264,886	\$1,668,092	\$ 593,076
Premium	57,465	33,260	171,432	76,036
Pay-per-view	5,848	8,389	21,875	18,750
Digital	25,581	1,372	49,843	2,081
Advertising sales	53,060	19,255	128,132	42,577
Data services	15,455	2,100	42,676	4,275
Other	107,204	46,927	273,295	108,387
	-----	-----	-----	-----
	\$ 838,961	\$ 376,189	\$2,355,345	\$ 845,182
	=====	=====	=====	=====

8. OPERATING, GENERAL AND ADMINISTRATIVE EXPENSES

Operating, general and administrative expenses consist of the following (in thousands):

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2000	1999	2000	1999
Programming	\$ 180,919	\$ 85,905	\$ 527,379	\$ 193,852
General and administrative	144,969	64,068	404,478	145,124
Service	49,900	26,373	143,585	55,989
Marketing	16,356	11,298	45,693	24,421
Other	33,877	7,072	83,199	16,671
	-----	-----	-----	-----
	\$ 426,021	\$ 194,716	\$1,204,334	\$ 436,057
	=====	=====	=====	=====

9. COMPREHENSIVE LOSS (in thousands)

Comprehensive loss was \$210,032 and \$35 for the three months ended September 30, 2000 and 1999, respectively; and \$588,027 and \$97 for the nine months ended September 30, 2000 and 1999, respectively. The Company owns common stock of WorldGate Communications, Inc. and of Motorola, Inc. that is classified as "available for sale" and reported at market value, with unrealized gains and losses recorded as accumulated other comprehensive income in the accompanying consolidated balance sheets.

10. RELATED PARTY TRANSACTIONS

In September 2000, Charter Communications Ventures, LLC, a subsidiary of Charter Holdco, entered into a joint venture with General Instrument Corporation (doing business as the Broadband Communications Sector of Motorola, Inc.), Replay TV, Inc. and Interval Research Corporation, an entity controlled by Mr. Allen, to develop and integrate digital video recording capabilities in advanced digital set-top boxes.

11. SUBSEQUENT EVENTS

On October 19, 2000, our subsidiary, Charter Communications Ventures, LLC, entered into a stock purchase agreement pursuant to which Vulcan Ventures Inc., an entity controlled by Mr. Allen, and Charter Ventures will invest \$38.0 million and \$37.0 million, respectively, in exchange for 38,000 shares and 37,000 shares, respectively, of senior convertible preferred stock of High Speed Access Corp. The preferred stock will have a liquidation preference of \$1,000 per share, will in general share in dividends on High Speed Access common stock on an "as converted to common stock" basis and would be convertible into common stock of High Speed Access at a conversion rate of \$5.01875 per share of High Speed Access common stock, subject to certain adjustments. Vulcan Ventures and Charter Ventures will be granted certain preemptive, first refusal, registration and significant board representation rights as part of the transaction. The stock purchase agreement is subject to approval by High Speed Access shareholders. It is anticipated that the transaction will close in the fourth quarter 2000.

In October 2000, Charter completed a convertible debt offering for \$650.0 million in Convertible Senior Notes due in 2005 plus an additional \$100.0 million pursuant to an option granted to the initial purchasers. The Convertible Senior Notes have an annual interest rate of 5.75% and are convertible into shares of Charter's Class A common stock at \$21.56 per share. The issuance and sale was made in a private placement pursuant to Rule 144A under the Securities Act. The net proceeds of this issuance were used to repay a portion of amounts outstanding under the Charter Holdings Senior Bridge Loan Facility.

In November 2000, Rifkin's, Helicon's and a portion of Falcon's possible rescission rights with a maximum potential obligation of \$741.8 million expired without these parties requesting repurchase of their securities (see Note 6).

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

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

INTRODUCTION

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

- (1) the merger of Marcus Cable Holdings, LLC (Marcus Holdings) with and into Charter Communications Holdings, LLC (Charter Holdings) in March 1999;
- (2) the acquisitions of Charter Communications Holdings Company, LLC (Charter Holdco) and its direct and indirect subsidiaries since January 1, 1999, including the Kalamazoo acquisition;
- (3) the refinancing or replacement of previous credit facilities;
- (4) the purchase of publicly held notes that had been issued by several of our direct and indirect subsidiaries; and
- (5) the allocation of losses to minority interest.

ORGANIZATIONAL HISTORY

In July 1999, Charter Communications, Inc. (Charter) was formed as a wholly owned subsidiary of Charter Investment, Inc. (Charter Investment). On November 12, 1999, we sold some of our equity interests to the public in an initial offering, and on that same date, we sold less than 1% of our equity interests to Paul G. Allen. We contributed substantially all of the proceeds of our initial public offering and sale to Mr. Allen to Charter Holdco, which issued membership units to us.

GENERAL

Charter owns and operates cable systems serving approximately 6.3 million customers. We currently offer our customers a full array of traditional cable television services and advanced bandwidth services such as digital television, interactive video programming, Internet access through television-based service, dial-up telephone modems and high-speed cable modems. We plan to continually enhance and upgrade these services, including adding new programming and other telecommunications services such as interactive programming and telephony service.

We are beginning to offer video-on-demand (VOD) service to some of our customers. With VOD service, customers can access hundreds of movies and other programming at any time, with digital picture quality. VOD allows customers to pause, rewind and fast-forward programs. They can also stop a program and resume watching it several hours later during the rental period. VOD service requires the use of a digital set-top converter and is offered as a standard feature of our digital service packages. Generally, customers pay for VOD on a per-selection basis.

We have entered into an agreement to offer VOD to the Los Angeles and Atlanta areas and other future markets with DIVA Systems Corporation, a company providing interactive VOD products and services to the cable industry. DIVA will provide us with hardware, software, programming and operational support as part of this agreement. We worked with DIVA for over a year on a VOD trial with 7,000 customers in our Gwinnett County, Georgia cable system. VOD has now been launched in this North Atlanta system, and every digital customer there can receive VOD service. In addition, we completed a launch of VOD technology to about 167,000 homes in the Pasadena area of the Los Angeles area in October 2000 with a planned rollout to 275,000 homes by year-end. We plan on launching VOD service to additional markets in 2001.

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

The following statistics for September 30, 2000 and September 30, 1999, are actual; the statistics for December 31, 1999, are pro forma for acquisitions completed since that date, including the Bresnan and Kalamazoo acquisitions.

	ACTUAL SEPTEMBER 30, 2000 -----	PRO FORMA DECEMBER 31, 1999 -----	ACTUAL SEPTEMBER 30, 1999 -----
CABLE TELEVISION			
Homes Passed	10,160,200	9,970,000	5,540,700
Basic Customers	6,318,300	6,193,700	3,425,700
Basic Penetration	62.2%	62.1%	61.8%
Premium Subscriptions	4,426,200	3,144,500	2,039,000
Premium Penetration	70.1%	50.8%	59.5%
Average Monthly Revenue per Basic Customer (quarter)	\$44.26	\$41.13	\$36.60
DIGITAL VIDEO			
Homes Passed	7,568,000	4,675,000	897,600
Digital Customers	653,800	155,400	28,600
Penetration	8.6%	3.3%	3.2%
Digital Converters Deployed	807,900	176,600	35,300
DATA SERVICES			
Homes Passed	4,580,400	4,422,000	2,589,000
Data Customers	184,600	84,400	21,900
Penetration	4.0%	1.9%	0.8%
TELEVISION-BASED INTERNET ACCESS			
Homes Passed	463,700	429,000	429,000
Customers	10,100	7,100	6,200
Penetration	2.2%	1.7%	1.4%

ACQUISITIONS

The following table sets forth information on our acquisitions in 1999:

	ACQUISITION DATE ----	PURCHASE PRICE, INCLUDING DEBT ASSUMED (IN MILLIONS) -----	CUSTOMERS AS OF SEPTEMBER 30, 2000 -----
Renaissance Media Group LLC	4/99	\$ 459	135,100
American Cable Entertainment, LLC	5/99	240	68,700
Cable systems of Greater Media Cablevision, Inc.	6/99	500	176,800
Helicon Partners I, L.P. and affiliates	7/99	550	173,200
Vista Broadband Communications, L.L.C.	7/99	126	26,700
Cable system of Cable Satellite of South Miami, Inc.	8/99	22	8,000
Rifkin Acquisition Partners, L.L.L.P. and InterLink Communications Partners, LLLP	9/99	1,460	463,000
Cable systems of InterMedia Capital Partners IV, L.P.		873+	415,300
InterMedia Partners and affiliates (InterMedia)	10/99	systems swap	(142,000)(a)

			273,300
Cable systems of Fanch Cablevision L.P. and affiliates	11/99	2,400	535,600
Falcon Communications, L.P.	11/99	3,481	977,200
Avalon Cable of Michigan Holdings, Inc. (Avalon)	11/99	832	270,800
		-----	-----
Total		\$ 10,943	3,108,400
		=====	=====

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

In addition, in April 1999, Marcus Holdings was merged into Charter Holdings, and the operating subsidiaries of Marcus Holdings and all of the cable systems they owned came under the ownership of Charter Holdings. As of September 30, 2000, Marcus Holdings had 1,006,000 customers.

The following table sets forth information on acquisitions since January 1, 2000:

	ACQUISITION DATE ----	PURCHASE PRICE, INCLUDING DEBT ASSUMED (IN MILLIONS) -----	CUSTOMERS AS OF SEPTEMBER 30, 2000 -----
Cable system of Interlake Cablevision Enterprises, LLC (ICE)	1/00	\$ 13	6,000
Bresnan	2/00	3,100	695,100
Cable systems of Falcon/Capital Cable Partners, L.P. (Capital Cable)	4/00	60	23,200
Cable system of Farmington Cablevision Company (Farmington)	4/00	15	5,700
Cablevision of Michigan, Inc. (Kalamazoo)	9/00	173	50,700
		-----	-----
Total		\$ 3,361	780,700
		=====	=====

Effective January 31, 2000, Charter Holdings acquired the ICE cable system from former affiliates of Avalon using available cash.

On February 14, 2000, Charter Holdco and Charter Holdings completed the acquisition of Bresnan Communications Company Limited Partnership (Bresnan). The Bresnan cable systems acquired are primarily located in Michigan, Minnesota, Wisconsin and Nebraska. The purchase price for Bresnan was \$3.1 billion, subject to adjustment, and was comprised of \$1.1 billion in cash, \$384.6 million and \$629.5 million in equity in Charter Holdco and CC VIII, LLC (CC VIII), respectively, and approximately \$963.3 million in assumed debt. The holders of the CC VIII equity are entitled to a 2% annual return. All of the membership units received by the sellers are exchangeable on a one-for-one basis for Class A common stock of Charter.

The \$75.0 million aggregate purchase price for the acquisitions of cable systems from Capital Cable and Farmington was funded with borrowings from the Charter Operating Credit Facilities (as defined herein).

On September 7, 2000, Charter completed a stock-for-stock merger with Cablevision of Michigan, Inc., the owner of a cable system in Kalamazoo, Michigan. In the merger, Charter acquired all of the outstanding stock of Cablevision of Michigan in exchange for 11,173,376 shares of Charter's Class A common stock valued at approximately \$170.6 million. For financial reporting purposes, the Kalamazoo transaction was accounted for using the purchase method of accounting. After the merger, Charter contributed 100% of the equity interest acquired to Charter Holdco in exchange for membership units.

OVERVIEW OF OPERATIONS

Approximately 85% and 87% of our historical revenues for the three months and nine months ended September 30, 2000, respectively, are attributable to monthly subscription fees charged to customers for our basic, expanded basic, premium and digital cable television programming services, Internet access through television-based service, dial-up telephone modems and high-speed cable modem service, equipment rental and ancillary services provided by our cable systems. In addition, we derive other revenues from installation and reconnection fees charged to customers to commence or reinstate service, pay-per-view programming, where users are charged a fee for individual programs requested, advertising revenues and commissions related to the sale of merchandise by home shopping services.

We have generated increased revenues in each of the past three years, primarily through internal customer growth, basic and expanded tier rate increases, customer growth from acquisitions, and revenues from new services and products. These new services and products are expected to significantly contribute to our future revenues provided that the necessary equipment is available from our vendors.

One of these services is digital cable, which provides customers with additional programming options. During the first nine months of 2000, we added an average of 12,800 digital customers per week compared to our original estimate of 10,000 customers per week throughout the year. During the third quarter of 2000, we added approximately 21,400 digital customers per week and we anticipate similar results for the remaining quarter. This success was largely due to an innovative promotion conducted in July and August.

We are also offering high-speed Internet access to the World Wide Web via cable modems. The number of customers signing up for our high-speed Internet access service also continues to increase. As of the end of the third quarter of 2000, we served approximately 184,600 data customers compared to approximately 65,000 at the end of last year. Throughout the first three quarters of the year we have added an average of 2,570 customers per week, ahead of our original goal of averaging 2,500 new customers each week throughout the year.

In addition, we are launching VOD service in certain systems. Our television-based Internet access allows us to offer users TV-based e-mail and other Internet service. Finally, we continue to work together with several companies in a field trial of telephony.

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

expenses related to customer billings. Programming costs accounted for approximately 42% and 44% of our operating, general and administrative expenses for the three months and nine months ended September 30, 2000, respectively. Programming costs have increased in recent years and are expected to continue to increase due to additional programming being provided to customers and increased cost to purchase cable programming due to inflation and other factors affecting the cable television industry. As we continue to upgrade and rebuild our cable systems, additional channel capacity will be available resulting in increased programming costs. In each year we have operated, our costs to acquire programming have exceeded customary inflationary increases. Significant factors with respect to increased programming costs are the rate increases and surcharges imposed by national and regional sports networks directly tied to escalating costs to acquire programming for professional sports packages in a competitive market. We benefited in the past from our membership in an industry cooperative that provided members with volume discounts from programming networks. This industry cooperative no longer exists. However, our increased size is believed to give us substantially equivalent buying power. Also, we have been able to negotiate favorable terms with premium networks in conjunction with the premium packages we offer, which has minimized the impact on margins and provided substantial volume incentives to grow the premium category. Although we believe that we will be able to pass future increases in programming costs through to customers, there can be no assurance that we will be able to do so.

General and administrative expenses primarily include system level management and administrative personnel, and expenditures primarily related to professional fees, copyright licensing fees and property taxes. Depreciation and amortization expense primarily relates to the depreciation of our tangible assets and the amortization of our franchise costs both of which increase after the closing of acquisitions. Corporate expense charges are fees paid or charges for management services. Pursuant to a mutual services agreement between Charter and Charter Investment, each entity leases the necessary personnel and provides services to the other in order to manage Charter Holdco and to manage and operate the cable systems owned by its subsidiaries. We record actual expenses incurred by Charter Investment on our behalf. All expenses and costs incurred by Charter Investment with respect to the services provided are paid by us. Our credit facilities limit the amount of such reimbursements.

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

RESULTS OF OPERATIONS

The following discusses the results of operations for:

- (1) Charter, comprised of the Charter companies (Charter Communications Properties Holdings, LLC, CCA Group, and CharterComm Holdings, LLC) and the following for the three months and nine months ended September 30, 1999:
- Marcus Holdings for the period from March 31, 1999, the date Mr. Allen acquired voting control, through September 30, 1999;
 - Renaissance Media Group LLC for the period from April 30, 1999, the acquisition date, through September 30, 1999;
 - American Cable Entertainment, LLC for the period from May 7, 1999, the acquisition date, through September 30, 1999;
 - Cable systems of Greater Media Cablevision, Inc. for the period from June 30, 1999, the acquisition date, through September 30, 1999;
 - Helicon Partners I, LP and affiliates for the period from July 30, 1999, the acquisition date, through September 30, 1999;
 - Vista Broadband Communications, LLC for the period from July 30, 1999, the acquisition date, through September 30, 1999;
 - Cable system of Cable Satellite of South Miami, Inc. for the period from August 4, 1999, the acquisition date, through September 30, 1999; and
 - Rifkin Acquisition Partners, LLLP and InterLink Communications Partners, LLLP for the period from September 13, 1999, the acquisition date, through September 30, 1999.
- (2) Charter, comprised of the Charter companies, all acquisitions closed during 1999 and the following for the three months and nine months ended September 30, 2000:
- ICE from January 31, 2000, the acquisition date, through September 30, 2000;
 - Bresnan from February 14, 2000, the acquisition date, through September 30, 2000;
 - Cable system of Farmington from April 1, 2000, the acquisition date, through September 30, 2000;
 - Cable system of Capital Cable from April 1, 2000, the acquisition date, through September 30, 2000; and
 - Kalamazoo from September 7, 2000, the acquisition date, through September 30, 2000.

Since January 1, 1999, Charter, Charter Holdco and Charter Holdings have closed numerous acquisitions. In addition, Charter Holdings merged with Marcus Holdings effective in April 1999. As of September 30, 2000, our cable systems served approximately 400% more customers than we served as of December 31, 1998. Thus, amounts for the three months and nine months ended September 30, 2000 are not comparable to those for the three months and nine months ended September 30, 1999.

THREE MONTHS ENDED SEPTEMBER 30, 2000 COMPARED TO THREE MONTHS ENDED SEPTEMBER 30, 1999

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

	THREE MONTHS ENDED SEPTEMBER 30, 2000		THREE MONTHS ENDED SEPTEMBER 30, 1999	
	AMOUNT	%	AMOUNT	%
STATEMENTS OF OPERATIONS:				
Revenues	\$ 838,961	100.0%	\$ 376,189	100.0%
Operating expenses:				
Operating	281,052	33.5%	130,648	34.7%
General and administrative	144,969	17.3%	64,068	17.0%
Depreciation	312,884	37.3%	71,898	19.1%
Amortization	315,222	37.6%	119,541	31.9%
Option compensation expense	8,116	1.0%	21,094	5.6%
Corporate expense charges	14,055	1.7%	7,236	1.9%
Total operating expenses	1,076,298	128.3%	414,485	110.2%
Loss from operations	(237,337)	(28.3%)	(38,296)	(10.2%)
Interest expense	(283,300)	(33.8%)	(131,081)	(34.8%)
Interest income	624	0.1%	8,241	2.2%
Other income (expense).....	(3,451)	(0.4%)	(3,017)	(0.8%)
Loss before minority interest	(523,464)	(62.4%)	(164,153)	(43.6%)
Minority interest in loss of subsidiary	313,446	37.4%	164,118	43.6%
Net loss	\$ (210,018)	(25.0%)	\$ (35)	--
Loss per common share, basic and diluted	\$ (0.93)		\$ (0.70)	

REVENUES. Revenues increased by \$462.8 million, from \$376.2 million for the three months ended September 30, 1999, to \$839.0 million for the three months ended September 30, 2000. The increase in revenues primarily resulted from acquisitions.

OPERATING COSTS. Operating costs increased by \$150.4 million, from \$130.6 million for the three months ended September 30, 1999, to \$281.1 million for the three months ended September 30, 2000. This increase was due primarily to acquisitions.

GENERAL AND ADMINISTRATIVE COSTS. General and administrative costs increased by \$80.9 million, from \$64.1 million for the three months ended September 30, 1999, to \$145.0 million for the three months ended September 30, 2000. This increase was due primarily to acquisitions.

DEPRECIATION. Depreciation expense increased by \$241.0 million, from \$71.9 million for the three months ended September 30, 1999, to \$312.9 million for the three months ended September 30, 2000. This increase was due primarily to acquisitions. In addition, capital expenditures for system upgrades have increased, resulting in greater property, plant and equipment balances and a corresponding increase in depreciation expense.

AMORTIZATION. Amortization expense increased by \$195.7 million, from \$119.5 million for the three months ended September 30, 1999, to \$315.2 million for the three months ended September 30, 2000. This increase was due primarily to franchises acquired.

OPTION COMPENSATION EXPENSE. Option compensation expense decreased by \$13.0 million, from \$21.1 million for the three months ended September 30, 1999, to \$8.1 million for the three months ended September 30, 2000. This expense results from granting options to employees prior to Charter's initial public offering at exercise prices less than the estimated fair values of the underlying membership units at time of grant, resulting in compensation expense being accrued over the vesting period of each grant.

CORPORATE EXPENSE CHARGES. Corporate expense charges increased by \$6.8 million, from \$7.2 million for the three months ended September 30, 1999, to \$14.1 million for the three months ended September 30, 2000. The increase was primarily the result of increased costs incurred by the manager due to the Company's growth from acquisitions.

INTEREST EXPENSE. Interest expense increased by \$152.2 million, from \$131.1 million for the three months ended September 30, 1999, to \$283.3 million for the three months ended September 30, 2000. This increase resulted primarily from interest on debt used to finance acquisitions.

INTEREST INCOME. Interest income decreased by \$7.6 million, from \$8.2 million for the three months ended September 30, 1999, to \$0.6 million for the three months ended September 30, 2000. This decrease is attributed to the fact that we had more excess cash for investment in 1999 (resulting from required credit facilities drawdowns and the issuance and sale of the March 1999 Charter Holdings notes) as compared to the amount available in 2000 (resulting from the issuance and sale of the January 2000 Charter Holdings notes prior to completing the change of control offers described herein).

OTHER INCOME (EXPENSE). Other expense increased by \$0.4 million, from \$3.0 million of expense for the three months ended September 30, 1999, to \$3.5 million of expense for the three months ended September 30, 2000.

MINORITY INTEREST. Minority interest is \$164.1 million for the three months ended September 30, 1999, and \$313.4 million for the three months ended September 30, 2000. The minority interest represents the ownership in Charter Holdco by entities other than Charter. For financial reporting purposes, 50,000 of the membership units Charter Holdco previously issued to companies controlled by Mr. Allen are considered held by Charter since December 24, 1998.

NET LOSS. Net loss increased by \$210.0 million for the three months ended September 30, 2000 compared to the three months ended September 30, 1999. The increase in revenues that resulted from acquisitions was not sufficient to offset the increased expenses (including depreciation and amortization) associated with the acquired systems.

LOSS PER COMMON SHARE. The loss per common share increased by \$0.23, from \$0.70 per common share for the three months ended September 30, 1999, to \$0.93 per common share for the three months ended September 30, 2000.

NINE MONTHS ENDED SEPTEMBER 30, 2000 COMPARED TO NINE MONTHS ENDED SEPTEMBER 30, 1999

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

	NINE MONTHS ENDED SEPTEMBER 30, 2000		NINE MONTHS ENDED SEPTEMBER 30, 1999	
	AMOUNT	%	AMOUNT	%
STATEMENTS OF OPERATIONS:				
Revenues	\$ 2,355,345	100.0%	\$ 845,182	100.0%
Operating expenses:				
Operating	799,856	34.0%	290,933	34.4%
General and administrative	404,478	17.2%	145,124	17.2%
Depreciation	862,672	36.6%	150,626	17.8%
Amortization	915,221	38.9%	290,765	34.4%
Option compensation expense	34,205	1.5%	59,288	7.0%
Corporate expense charges	41,570	1.8%	18,309	2.2%
Total operating expenses	3,058,002	129.8%	955,045	113.0%
Loss from operations	(702,657)	(29.8%)	(109,863)	(13.0%)
Interest expense	(765,342)	(32.5%)	(288,750)	(34.2%)
Interest income	6,734	0.3%	18,326	2.2%
Other income (expense)	(5,955)	(0.3%)	(7,971)	(0.9%)
Loss before minority interest	(1,467,220)	(62.3%)	(388,258)	(45.9%)
Minority interest in loss of subsidiary	879,667	37.3%	388,161	45.9%
Net loss	\$ (587,553)	(24.9%)	\$ (97)	--
Loss per common share, basic and diluted	\$ (2.63)		\$ (1.94)	

REVENUES. Revenues increased by \$1,510.1 million, from \$845.2 million for the nine months ended September 30, 1999, to \$2,355.3 million for the nine months ended September 30, 2000. The increase in revenues primarily resulted from acquisitions.

OPERATING COSTS. Operating costs increased by \$508.9 million, from \$290.9 million for the nine months ended September 30, 1999, to \$799.9 million for the nine months ended September 30, 2000. This increase was due primarily to acquisitions.

GENERAL AND ADMINISTRATIVE COSTS. General and administrative costs increased by \$259.4 million, from 145.1 million for the nine months ended September 30, 1999, to \$404.5 million for the nine months ended September 30, 2000. This increase was due primarily to acquisitions.

DEPRECIATION. Depreciation expense increased by \$712.0 million, from \$150.6 million for the nine months ended September 30, 1999, to \$862.7 million for the nine months ended September 30, 2000. This increase was due primarily to acquisitions. In addition, capital expenditures for system upgrades have increased, resulting in greater property, plant and equipment balances and a corresponding increase in depreciation expense.

AMORTIZATION. Amortization expense increased by \$624.5 million, from \$290.8 million for the nine months ended September 30, 1999, to \$915.2 million for the nine months ended September 30, 2000. This increase was due primarily to franchises acquired.

OPTION COMPENSATION EXPENSE. Option compensation expense decreased by \$25.1 million, from \$59.3 million for the nine months ended September 30, 1999, to \$34.2 million for the nine months ended September 30, 2000. This expense results from granting options to employees prior to Charter's initial public offering at exercise prices less than the estimated fair values of the underlying membership units at time of grant, resulting in compensation expense being accrued over the vesting period of each grant.

CORPORATE EXPENSE CHARGES. Corporate expense charges increased by \$23.3 million, from \$18.3 million for the nine months ended September 30, 1999, to \$41.6 million for the nine months ended September 30, 2000. The increase was primarily the result of increased costs incurred by the manager due to the Company's growth from acquisitions.

INTEREST EXPENSE. Interest expense increased by \$476.6 million, from \$288.8 million for the nine months ended September 30, 1999, to \$765.3 million for the nine months ended September 30, 2000. This increase resulted primarily from interest on debt used to finance acquisitions.

INTEREST INCOME. Interest income decreased by \$11.6 million, from \$18.3 million for the nine months ended September 30, 1999, to \$6.7 million for the nine months ended September 30, 2000. This decrease is attributed to the fact that we had more excess cash for investment in 1999 (resulting from required credit facilities drawdowns and the issuance and sale of the March 1999 Charter Holdings notes) as compared to the amount available in 2000 (resulting from the issuance and sale of the January 2000 Charter Holdings notes prior to completing the change of control offers described herein).

OTHER INCOME (EXPENSE). Other expense decreased by \$2.0 million, from \$8.0 million for the nine months ended September 30, 1999, to \$6.0 million for the nine months ended September 30, 2000. In March 1999, the Company extinguished all then-existing long-term debt, excluding borrowings of the Company under its then-existing credit facilities, and refinanced substantially all then-existing credit facilities at various subsidiaries with a new credit facility. The excess of the amount paid over the carrying value, net of deferred financing costs, of the then-existing long-term debt was recorded in other income (expense).

MINORITY INTEREST. Minority interest is \$388.3 million for the nine months ended September 30, 1999, and \$879.7 million for the nine months ended September 30, 2000. The minority interest represents the ownership in Charter Holdco by entities other than Charter. For financial reporting purposes, 50,000 of the membership units Charter Holdco previously issued to companies controlled by Mr. Allen are considered held by Charter since December 24, 1998.

NET LOSS. Net loss increased by \$587.5 million for the nine months ended September 30, 2000 compared to the nine months ended September 30, 1999. The increase in revenues that resulted from acquisitions was not sufficient to offset the increased expenses (including depreciation and amortization) associated with the acquired systems.

LOSS PER COMMON SHARE. The loss per common share increased by \$0.69, from \$1.94 per common share for the nine months ended September 30, 1999, to \$2.63 per common share for the nine months ended September 30, 2000.

LIQUIDITY AND CAPITAL RESOURCES

Our business requires significant cash to fund acquisitions, capital expenditures, debt service costs and ongoing operations. We have historically funded and expect to fund future liquidity and capital requirements through cash flows from operations, equity contributions, borrowings under our credit facilities, and debt and equity financings.

Our historical cash flows from operating activities were \$856.4 million and \$265.6 million for the nine months ended September 30, 2000 and 1999, respectively.

INVESTING ACTIVITIES

CAPITAL EXPENDITURES. We have substantial ongoing capital expenditure requirements. We make capital expenditures primarily to upgrade, rebuild and expand our cable systems, as well as for system maintenance, the development of new products and services, and digital converters. Converters are set-top devices added to a customer's television to change the frequency of the cable television signals to a viewable channel. The television is then able to tune and to allow access to premium service.

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

We made capital expenditures, excluding acquisitions of cable systems, of \$1.9 billion and \$385.3 million for the nine months ended September 30, 2000 and 1999, respectively. The majority of these capital expenditures in 2000 relate to our accelerated rebuild and upgrade program and converters, and were funded from cash flows from operations and borrowings under credit facilities.

For the period from January 1, 2000 to December 31, 2002, we plan to spend approximately \$6.4 billion for capital expenditures, approximately \$3.5 billion of which will be used to upgrade and rebuild our systems to a bandwidth capacity of 550 megahertz or greater and add two-way capability, so that we may offer advanced services. The remaining \$2.9 billion will be used for extensions of systems, roll-out of new products and services, converters and system maintenance. Capital expenditures for 2000 are expected to be approximately \$2.7 billion, and aggregate capital expenditures for 2001 and 2002 are expected to be approximately \$3.7 billion. We currently expect to finance the anticipated capital expenditures with cash generated from operations and additional borrowings under credit facilities, including a bridge loan entered into on August 4, 2000, and other debt financings. Currently, a projected \$1.75 billion funding shortfall exists through late 2002, when we expect to become cash flow positive. We expect to satisfy the funding shortfall with a combination of a new high-yield debt offering and additional bank debt. We cannot be assured that these amounts will be sufficient to accomplish our planned system upgrades, expansion and maintenance, or that we can acquire necessary plant and equipment from vendors to complete these as scheduled. If we are not able to obtain amounts sufficient for our planned upgrades and other capital expenditures, it could adversely affect our ability to offer new products and services and compete effectively, and could adversely affect our growth, financial condition and results of operations. See "-- Certain Trends and Uncertainties" for further information.

JOINT VENTURE FOR DEVELOPMENT OF DIGITAL VIDEO RECORDER SET-TOP BOX. In September 2000, Charter Communications Ventures, LLC, a subsidiary of Charter Communications Holding Company, entered into a joint venture with General Instrument Corporation (doing business as Broadband Communications Sector of Motorola, Inc.), Replay TV Inc. and Interval Research Corporation, an entity controlled by Mr. Allen, to develop and integrate digital video recording capabilities in advanced digital set-top boxes. The joint venture will focus on creating a set-top based digital video recording platform that will be designed for storing video, audio and Internet content. In connection with the formation of this joint venture, Charter Ventures contributed \$3.2 million in October 2000.

HIGH SPEED ACCESS CORP. PENDING INVESTMENT. On October 19, 2000, our subsidiary, Charter Ventures entered into a stock purchase agreement pursuant to which Vulcan Ventures Inc., an entity controlled by Mr. Allen, and Charter Ventures will invest \$38.0 million and \$37.0 million, respectively, in exchange for 38,000 shares and 37,000 shares, respectively, of senior convertible preferred stock of High Speed Access. The preferred stock will have a liquidation preference of \$1,000 per share, will in general share in dividends on High Speed Access common stock on an "as converted to common stock" basis and would be convertible into common stock of High Speed Access at a conversion rate of \$5.01875 per share of High Speed Access common stock, subject to certain adjustments. Vulcan Ventures and Charter Ventures will be granted certain preemptive, first refusal, registration and significant board representation rights as part of the transaction. The stock purchase agreement is subject to approval by High Speed Access shareholders. It is anticipated that the transaction will close in the fourth quarter 2000.

FINANCING ACTIVITIES

As of September 30, 2000, our total debt was approximately \$12.2 billion. Our significant amount of debt may adversely affect our ability to obtain financing in the future and react to changes in our business. Our credit facilities and other debt instruments contain various financial and operating covenants that could adversely impact our ability to operate our business, including restrictions on the ability of our operating

subsidiaries to distribute cash to their parents. See "-- Certain Trends and Uncertainties -- Restrictive Covenants," for further information.

JANUARY 2000 CHARTER HOLDINGS NOTES. On January 12, 2000, Charter Holdings and Charter Communications Holdings Capital Corporation issued notes with a principal amount of \$1.5 billion. The January 2000 Charter Holdings Notes consist of \$675.0 million 10.00% Senior Notes due 2009, \$325.0 million 10.25% Senior Notes due 2010, and \$532.0 million 11.75% Senior Discount Notes due 2010. The net proceeds were approximately \$1.3 billion, after giving effect to discounts, commissions and expenses. The proceeds from the January 2000 Charter Holdings Notes were used to finance the repurchases of debt assumed in certain transactions, as described below.

In June 2000, Charter Holdings and Charter Communications Holdings Capital Corporation exchanged these notes for new January 2000 Charter Holdings Notes, with substantially similar terms, except that the new January 2000 Charter Holdings Notes are registered under the Securities Act of 1933, as amended, and, therefore, do not bear legends restricting their transfer.

CC V HOLDINGS, LLC AND ITS SUBSIDIARIES (COLLECTIVELY, "AVALON") NOTES. In January 2000, through change of control offers and purchases in the open market, all of the Avalon 9.375% Senior Subordinated Notes due 2008 with a principal amount of \$150.0 million were repurchased for \$153.7 million. In addition, also through change of control offers, \$16.3 million in aggregate principal amount at maturity of the Avalon 11.875% Senior Discount Notes due 2008 was repurchased for \$10.5 million. As of September 30, 2000, Avalon 11.875% notes with an aggregate principal amount of \$179.8 million at maturity and an accreted value of \$124.8 million remain outstanding.

CC VII HOLDINGS, LLC AND ITS SUBSIDIARIES (COLLECTIVELY, "FALCON") DEBENTURES. In February 2000, through change of control offers and purchases in the open market, all of the Falcon 8.375% Senior Debentures due 2010 with a principal amount of \$375.0 million were repurchased for \$388.0 million, and all of the Falcon 9.285% Senior Discount Debentures due 2010 with an aggregate principal amount at maturity of \$435.3 million were repurchased for \$328.1 million.

CC VIII, LLC AND ITS SUBSIDIARIES (COLLECTIVELY, "BRESNAN") CREDIT FACILITIES. Upon the closing of the Bresnan acquisition on February 14, 2000, the then-existing Bresnan credit facilities were amended and assumed. The Bresnan credit facilities provide for borrowings of up to \$900.0 million, consisting of: two term facilities, one with a principal amount of \$403.0 million (Term A) and the other with a principal amount of \$297.0 million (Term B), and a reducing revolving loan facility in the amount of \$200.0 million. The Bresnan credit facilities provide for the amortization of the principal amount of the Term A loan facility and the reduction of the revolving loan facility beginning March 31, 2002 with a final maturity date of June 30, 2007. The amortization of the Term B loan facility is substantially "back-ended" with more than ninety percent of the principal balance due on the final maturity date of February 2, 2008. The Bresnan credit facilities also provide for an incremental facility of up to \$200.0 million that is conditioned upon receipt of additional commitments from lenders. Amounts under the Bresnan credit facilities bear interest at the Base Rate or the Eurodollar Rate, as defined, plus a margin of up to 2.75%. A quarterly commitment fee of between 0.250% and 0.375% is payable on the unborrowed balance of Term A and the revolving loan facility. At the closing of the Bresnan acquisition, \$599.9 million was borrowed to replace the borrowings outstanding under the previous credit facilities, and an additional \$31.3 million was borrowed to fund a portion of the Bresnan purchase price. As of September 30, 2000, \$668.0 million was outstanding, and \$232.0 million was available for borrowing.

BRESNAN NOTES. Upon the closing of the Bresnan acquisition, Charter Holdco and Charter assumed Bresnan's \$170.0 million in principal amount of 8% Senior Notes due 2009 and \$275.0 million in principal amount at maturity of 9.25% Senior Discount Notes due 2009. In March 2000, all of the outstanding Bresnan notes were repurchased at 101% of the outstanding principal amounts plus accrued and unpaid interest or accreted value, as applicable, for a total of \$369.7 million using proceeds from the sale of the January 2000 Charter Holdings Notes.

CHARTER COMMUNICATIONS OPERATING, LLC CREDIT FACILITIES. In March 2000, the Charter Operating Credit Facilities were amended to increase the amount of the supplemental credit facility to \$1.0 billion. In connection with this amendment, \$600.0 million of the supplemental credit facility was exercised, thereby increasing the total borrowing capacity to \$4.7 billion. The remaining \$400.0 million of the supplemental credit facility is subject to the Company's ability to obtain additional commitments from the lenders. As of September 30, 2000, outstanding borrowings were \$3.6 billion, and the unused availability was \$1.1 billion.

CHARTER HOLDINGS SENIOR BRIDGE LOAN FACILITY. On August 4, 2000, Morgan Stanley Senior Funding, Inc. and other lenders, and Charter Holdings and Charter Communications Holdings Capital Corporation entered into a senior bridge loan agreement providing for senior increasing rate bridge loans in an aggregate principal amount of up to \$1.0 billion.

On August 14, 2000, the Company borrowed \$1.0 billion under the senior bridge loan facility and used substantially all of the proceeds to repay a portion of the amounts outstanding under the Charter Operating and Falcon revolving credit facilities. The bridge loan initially bears interest at an annual rate of 10.21%. If this loan is not repaid within 90 days following August 14, 2000, the interest rate will increase by 1.25% at the end of such 90-day period and will increase by an additional 0.50% at the end of each additional 90-day period. Unless additional special interest is assessed, the interest rate on the bridge loan will not exceed 15% annually. If the bridge loan has not been repaid in full by August 14, 2001, then it will be converted to a term loan. The bridge loan matures one year from August 14, 2000 and upon payment of any accrued and unpaid interest shall convert to a term loan that matures on the tenth anniversary of the initial bridge loan borrowing. The term loan will bear interest at a fixed rate equal to the greater of the applicable rate of the bridge loan on the date on the conversion plus 0.50%, and the yield corresponding to the bid price on Charter Holdings 10.25% notes as of the date immediately prior to the conversion. If the term loan is not repaid within 90 days after the conversion from the bridge loan, the interest rate thereon will increase by 0.50% at the end of each 90-day period. Unless additional special interest is assessed, the interest rate on the term loan will not exceed 15% annually. The term loan will mature on the tenth anniversary of the initial senior bridge loan borrowing.

As discussed below, a portion of the bridge loan facility was refinanced and we expect to refinance the remaining portion of the amounts outstanding with permanent financing.

CHARTER CONVERTIBLE SENIOR NOTES. On October 25, 2000, Charter issued convertible senior notes due 2005 with a principal amount of \$650.0 million. An additional \$100.0 million pursuant to the underwriter's over-allotment option were issued on November 3, 2000. The Convertible Senior Notes have an annual interest rate of 5.75%, payable semi-annually, and are convertible into shares of Charter Communications, Inc.'s Class A common stock at \$21.56 per share. The issuance was made in a private placement pursuant to Rule 144A of the Securities Act. The net proceeds of approximately \$720.5 million were used to repay a portion of amounts outstanding under the Charter Holdings Senior Bridge Loan Facility.

CERTAIN TRENDS AND UNCERTAINTIES

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

SUBSTANTIAL LEVERAGE. As of September 30, 2000, our total debt was approximately \$12.2 billion. We anticipate incurring significant additional debt in the future to fund the expansion, maintenance and upgrade of our cable systems.

Our ability to make payments on our debt and to fund our planned capital expenditures for upgrading our cable systems and our ongoing operations will depend on our ability to generate cash and secure financing in the future. This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors beyond our control. We cannot assure you that our business will generate sufficient cash flow from operations, or that future borrowings will be available to us under our existing

credit facilities, new facilities or from other sources of financing at acceptable rates or in an amount sufficient to enable us to repay our debt, to grow our business or to fund our other liquidity and capital needs.

VARIABLE INTEREST RATES. At September 30, 2000, approximately 40% of our debt bears interest at variable rates that are linked to short-term interest rates. In addition, a significant portion of debt we might arrange in the future will bear interest at variable rates. If interest rates rise, our costs relative to those obligations will also rise. At September 30, 2000, our weighted average rate on outstanding bank commitments, including the impact of interest rate hedge agreements is approximately 8.6% and approximately 9.6% on high-yield debt resulting in a blended weighted average rate of 9.1%. See discussion in Item 3.

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

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

Furthermore, in accordance with our credit facilities we are required to maintain specified financial ratios and meet financial tests. The ability to comply with these provisions may be affected by events beyond our control. The breach of any of these covenants will result in a default under the applicable debt agreement or instrument, which could trigger acceleration of the debt. Any default under our credit facilities or the indentures governing our outstanding debt may adversely affect our growth, our financial condition and our results of operations.

NEW SERVICES AND PRODUCTS GROWTH STRATEGY. We expect that a substantial portion of any of our future growth will be achieved through revenues from additional services. We cannot assure you that we will be able to offer new advanced services successfully to our customers or that those new advanced services will generate revenues. The amount of our capital expenditures and related roll-out of advanced services may be limited by the availability of certain equipment (in particular, digital converter boxes, cable modems and fiber optic cable) due to production capacity constraints of certain vendors and materials shortages. We continue to work with our primary vendors to address such problems and have been assured that we will have an adequate supply to meet our demand. If we are unable to grow our cash flow sufficiently, we may be unable to fulfill our obligations or obtain alternative financing.

MANAGEMENT OF GROWTH. We have experienced rapid growth that has placed and is expected to continue to place a significant strain on our management, operations and other resources. Our future success will depend in part on our ability to continue to successfully integrate the operations acquired and to attract and retain qualified personnel. No significant severance cost was incurred in conjunction with acquisitions in 1999 and 2000. The failure to retain or obtain needed personnel or to implement management, operating or financial systems necessary to successfully integrate acquired operations or otherwise manage growth when and as needed could have a material adverse effect on our business, results of operations and financial condition.

REGULATION AND LEGISLATION. Cable systems are extensively regulated at the federal, state, and local level. Effective March 31, 1999, the scope of rate regulation was reduced so that it continues to impact only the lowest level of basic cable service and associated equipment. This change affords cable operators much greater pricing flexibility, although Congress could revisit this issue if confronted with substantial rate increases.

Cable operators also face significant regulation of their channel capacity. They currently can be required to devote substantial capacity to the carriage of programming that they would not carry voluntarily, including certain local broadcast signals, local public, educational and government access users, and unaffiliated commercial leased access programmers. This carriage burden could increase in the future, particularly if the Federal Communications Commission (FCC) were to require cable systems to carry both the analog and digital versions of local broadcast signals. The FCC is currently conducting a proceeding in which it is considering this channel usage possibility.

There is also uncertainty whether local franchising authorities, state regulators, the FCC, or the U.S. Congress will impose obligations on cable operators to provide unaffiliated Internet service providers with access to cable plant on non-discriminatory terms. If they were to do so, and the obligations were found to be lawful, it could complicate our operations in general, and our Internet operations in particular, from a technical and marketing standpoint. These access obligations could adversely impact our profitability and discourage system upgrades and the introduction of new products and services. Recently, a federal district court in Virginia and a federal circuit court in California struck down as unlawful open access requirements imposed by two different franchising authorities. The federal circuit court ruling reversed an earlier district court decision that had upheld an open access requirement. There are other instances where "open access" requirements have been imposed and judicial challenges are pending. The FCC has initiated a new proceeding to categorize cable-delivered Internet service and perhaps establish an appropriate regulatory scheme.

POSSIBLE RESCISSION LIABILITY RIGHTS. The Rifkin and Falcon sellers who acquired Charter Holdco membership units in connection with these respective acquisitions and the Helicon sellers who acquired shares of Class A common stock in our initial public offering may have had rescission rights against Charter Holdco and us arising out of possible violations of Section 5 of the Securities Act in connection with the offers and sales of these equity interests. Any such rights expired on November 12, 2000, the one year anniversary of our initial public offering. As a result, we will reclassify such amounts, totaling \$741.8 million, from redeemable securities (temporary equity) to shareholders' equity and minority interest.

The Falcon and Bresnan sellers who acquired, upon the closing of the Bresnan acquisition in February 2000, Charter Holdco membership units, or in the case of the Bresnan sellers, additional equity interests in one of our subsidiaries, may have rescission rights against Charter Holdco and us arising out of possible violations of Section 5 of the Securities Act in connections with the offers and sales of these equity interests. If all of these equity holders successfully exercised their possible rescission rights, we or Charter Holdco would become obligated to repurchase all such equity interests, and the total repurchase obligation could be as much as approximately \$1.1 billion as of November 14, 2000. For financial reporting purposes, this maximum potential obligation has been excluded from shareholders' equity and minority interest and has been classified as redeemable securities (temporary equity). After one year from the date of issuance or purchase of these equity securities (when these possible rescission rights will have expired), we will reclassify the respective amounts to shareholders' equity and minority interest. We cannot assure you that we would be able to obtain capital sufficient to fund any required repurchases. This could adversely affect our financial condition and results of operations.

ACCOUNTING STANDARDS RECENTLY IMPLEMENTED

In December 1999, the SEC issued Staff Accounting Bulletin No. 101 (SAB 101), Revenue Recognition in Financial Statements, which summarizes certain of the SEC staff's views on applying generally accepted accounting principles to revenue recognition in financial statements. Charter adopted the accounting provisions of SAB 101 effective April 1, 2000. Management believes that the implementation of SAB 101 has not had a significant effect on Charter's financial condition or results of operations.

LOOKING FORWARD

Our operating cash flow growth for the fourth quarter of 2000 is expected to exceed the third quarter 2000 growth rate of 20.2%. We expect to have digital service available to approximately 90% of our customers and have 900,000 digital customers by the end of this year. We expect to end the year with approximately 225,000 data customers.

SUPPLEMENTAL UNAUDITED PRO FORMA DATA

The following Supplemental Unaudited Pro Forma Data is based on the historical financial data of Charter. Our financial data, on a consolidated basis, is adjusted on a pro forma basis to illustrate the estimated effects of the following transactions as if they had occurred on January 1, 2000:

- the acquisitions by Charter Communications, Inc. and its subsidiaries completed since January 1, 2000, including the Bresnan and Kalamazoo acquisitions;
- borrowings under the Charter Holdings Senior Bridge Loan Facility and the application of a portion of such borrowings to repay a portion of the amounts outstanding under the Charter Operating and CC VIII revolving credit facilities; and
- the repayment of a portion of the Charter Holdings Senior Bridge Loan Facility with net proceeds from the issuance and sale of the Senior Convertible Notes.

The pro forma impact of the issuance and sale of the January 2000 Charter Holdings Notes and the impact of the Chat TV transaction (See Part II - Other Information - Item 2. Changes in Securities and Use of Proceeds for more information) are not significant and are therefore not taken into account below.

The Supplemental Unaudited Pro Forma Data reflects the application of the principles of purchase accounting to the ICE, Bresnan, Capital Cable, Farmington and Kalamazoo acquisitions completed since January 1, 2000. The allocation of the Bresnan and Kalamazoo purchase prices is based, in part, on preliminary information, which is subject to adjustment upon obtaining complete valuation information of intangible assets and is subject to post-closing purchase price adjustments. We believe that finalization of the purchase price allocation will not have a material impact on our results of operations or financial position.

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

SUPPLEMENTAL UNAUDITED PRO FORMA DATA
AS OF AND FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2000

CHARTER COMMUNICATIONS, INC.	PRO FORMA ADJUSTMENTS (A)	TOTAL
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)		
STATEMENT OF OPERATIONS DATA:		
REVENUES:		
Basic.....	\$ 1,668,092	\$ 38,186
Premium.....	171,432	5,202
Pay-per-view.....	21,875	480
Digital.....	49,843	754
Advertising.....	128,132	2,989
Data services.....	42,676	1,643
Other.....	273,295	2,387
	-----	-----
Total revenues.....	2,355,345	51,641
OPERATING EXPENSES:		
Programming.....	527,379	13,767
General and administrative.....	404,478	7,837
Service.....	143,585	7,208
Marketing.....	45,693	572
Other.....	83,199	4,027
Depreciation.....	862,672	16,025
Amortization.....	915,221	31,305
Option compensation expense.....	34,205	--
Corporate expense charges.....	41,570	717
	-----	-----
Total operating expenses.....	3,058,002	81,458
Loss from operations.....	(702,657)	(29,817)
Interest expense.....	(765,342)	(22,445)
Interest income.....	6,734	(49)
Other income (expense).....	(5,955)	(137)
	-----	-----
Loss before minority interest.....	(1,467,220)	(52,448)
Minority interest in loss of subsidiary (b).....	879,667	16,889
	-----	-----
Net loss.....	\$ (587,553)	\$ (35,559)
	=====	=====
Loss per common share, basic and diluted (c).....		\$ (2.67)
		=====
Weighted-average common shares outstanding, basic and diluted (d)...		233,263,122
		=====
Converted loss per common share (e)...		\$ (2.55)
		=====
Weighted-average common shares outstanding-- converted (f).....		596,575,345
		=====
OTHER FINANCIAL DATA:		
EBITDA (g).....	\$ 1,069,281	\$ 17,376
EBITDA margin (h).....	43.9%	33.6%
Adjusted EBITDA (i).....	\$ 1,151,011	\$ 18,230
		\$ 1,086,657
		43.7%
		\$ 1,169,241
OPERATING DATA (at end of period, except for average):		
Homes passed (j).....		10,160,200
Basic customers (k).....	5,537,600	780,700
Basic penetration (l).....		62.2%
Premium units (m).....	3,970,600	463,800
Premium penetration (n).....	71.6%	59.4%
Average monthly revenue per basic customer (o).....		\$ 42.33

- (a) Comprised of: (1) ICE's results of operations through January 31, 2000, the date of acquisition, Bresnan's results of operations through February 14, 2000, the date of acquisition, the results of operations of cable systems acquired by Bresnan through the respective dates of acquisition, Capital Cable's and Farmington's results of operations through April 1, 2000, the date of acquisition as well as Kalamazoo's results of operations through September 7, 2000, the date of acquisition; (2) borrowings under the Charter Holdings Senior Bridge Loan Facility and the application of a portion of such borrowings to repay a portion of the amounts outstanding under the Charter Operating and CC VIII revolving credit facilities; and (3) repayment of a portion of the Charter Holdings Senior Bridge Loan Facility with net proceeds from the issuance and sale of the Senior Convertible Notes.
- (b) Represents the allocation of 59.2% of the net loss of Charter Holdco to the minority interest. The net loss of Charter Holdco has been increased by the accretion of dividends on the preferred membership units in a subsidiary of Charter Holdings held by certain Bresnan sellers.
- (c) Basic and diluted loss per common share equals net loss divided by weighted-average common shares outstanding. Basic and diluted loss per common share assumes none of the membership units of Charter Holdco or preferred membership units in a subsidiary of Charter Holdings held by certain Bresnan sellers as of September 30, 2000, are exchanged for shares of Charter's Class A common stock, none of the Convertible Senior Notes are converted into shares of Charter's Class A common stock and none of the outstanding options to purchase membership units of Charter Holdco that are automatically exchanged for shares of Charter's Class A common stock are exercised. If the membership units were exchanged, notes converted or options exercised, the effects would be antidilutive.
- (d) Represents all shares outstanding as of January 1, 2000 (195,550,000 shares), plus shares issued to the Rifkin, Falcon and Kalamazoo sellers through September 30, 2000 (37,713,122 shares).
- (e) Converted loss per common share assumes all common membership units of Charter Holdco and preferred membership units in a subsidiary of Charter Holdings held by certain Bresnan sellers as of September 30, 2000, are exchanged for shares of Charter's Class A common stock. If all these shares are converted, minority interest would equal zero. Converted loss per common share is calculated by dividing loss before minority interest by the weighted-average common shares outstanding -- converted.
- (f) Weighted-average common shares outstanding -- converted assumes the total common membership units in Charter Holdco totaling 339,096,474 held by Charter Investment and Vulcan Cable III Inc., both entities controlled by Mr. Allen, and 24,215,749 preferred membership units in a subsidiary of Charter Holdings held by certain Bresnan sellers are exchanged on a one-for-one basis for shares of Charter's Class A common stock. Converted loss per common share assumes no conversion of the Convertible Senior Notes and no exercise of any options.
- (g) EBITDA represents earnings (loss) before interest, income taxes, depreciation and amortization, and minority interest. EBITDA is presented because it is a widely accepted financial indicator of a cable company's ability to service indebtedness. However, EBITDA should not be considered as an alternative to income from operations or to cash flows from operating, investing or financing activities, as determined in accordance with generally accepted accounting principles. EBITDA should also not be construed as an indication of a company's operating performance or as a measure of liquidity. In addition, because EBITDA is not calculated identically by all companies, the presentation here may not be comparable to other similarly titled measures of other companies. Management's discretionary use of funds depicted by EBITDA may be limited by working capital, debt service and capital expenditure requirements and by restrictions related to legal requirements, commitments and uncertainties.
- (h) EBITDA margin represents EBITDA as a percentage of revenues.
- (i) Adjusted EBITDA means EBITDA before option compensation expense, corporate expense charges, management fees and other income (expense). Adjusted EBITDA is presented because it is a widely

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

- (j) Homes passed are the number of living units, such as single residence homes, apartments and condominium units, passed by the cable distribution network in a given cable system service area.
- (k) Basic customers are customers who receive basic cable service.
- (l) Basic penetration represents basic customers as a percentage of homes passed.
- (m) Premium units represent the total number of subscriptions to premium channels.
- (n) Premium penetration represents premium units as a percentage of basic customers.
- (o) Average monthly revenue per basic customer represents revenues divided by the number of months in the period divided by the number of basic customers at period end.

The following information presents operating results and data for the three months ended September 30, 2000, as compared to the three months ended September 30, 1999, for the cable systems owned by us as of July 1, 1999.

	FOR THE THREE MONTHS ENDED SEPTEMBER 30,		PERCENT VARIANCE
	2000	1999	
(Dollar amounts in thousands, except average monthly revenue per basic customer)			
STATEMENTS OF OPERATIONS (Unaudited)			
Revenues:			
Basic	\$ 248,690	\$ 231,135	
Premium	28,162	29,765	
Pay-per-view	3,356	7,697	
Digital	14,018	1,134	
Advertising sales	19,773	15,096	
Data services	7,215	1,814	
Other	51,338	43,522	
Total revenues	372,552	330,163	12.8%
Operating Expenses:			
Programming	78,284	75,855	
General and administrative	64,378	56,687	
Service	20,216	22,076	
Marketing	5,338	8,623	
Other operating expenses	14,092	7,728	
Total operating expenses	182,308	170,969	6.6%
Adjusted EBITDA	\$ 190,244	\$ 159,194	19.5%
OPERATING DATA (Unaudited)			
	SEPTEMBER 30, 2000	SEPTEMBER 30, 1999	PERCENT VARIANCE
Homes passed	4,538,500	4,514,400	
Basic customers	2,671,000	2,611,400	2.3%
Basic penetration	58.9%	57.8%	
Premium units	2,125,100	1,653,100	28.6%
Digital video customers	332,600	28,600	
Data customers	54,100	21,400	
Average monthly revenue per basic customer...	\$ 46.49	\$ 42.14	10.3%

Revenues increased by \$42.4 million, or 12.8%, when comparing the revenues for the three months ended September 30, 2000, to the results for the comparable systems for the three months ended September 30, 1999. This increase is primarily due to: rate increases for basic customers and organic growth of basic customers, both digital and data revenues rising due to the roll-out of these services, advertising revenues increasing as a result of launching advertising in new markets and increasing the number of cable channels on which advertising is sold and beginning to sell more of our ad avails inventory internally as opposed to using third parties.

Total operating expenses increased approximately \$11.3 million, or 6.6%, when comparing the operating expenses for the three months ended September 30, 2000, to the results for the same systems for the three months ended September 30, 1999. This increase is primarily due to increases in franchise fees, copyright fees and salary expenses associated with the growth of the business. Additionally, digital and data expenses increased due to the roll-out of these services and advertising expenses increased as we began to sell more of our ad avails inventory internally as opposed to using third parties.

We experienced growth in adjusted EBITDA of approximately \$31.1 million, or 19.5%, when comparing adjusted EBITDA for the three months ended September 30, 2000, to the results for the same systems for the three months ended September 30, 1999. Adjusted EBITDA margin increased from 48.2% to 51.1% when comparing the similar periods.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

INTEREST RATE RISK

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

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

At September 30, 2000, we had outstanding \$2.0 billion, \$15.0 million and \$725.0 million in notional amounts of interest rate swaps, caps and collars, respectively. The notional amounts of interest rate instruments do not represent amounts exchanged by the parties and, thus, are not a measure of the Company's exposure to credit loss. While swaps, caps and collars represent an integral part of our interest rate risk management program, their incremental effect on interest expense for the three months and nine months ended September 30, 2000 and 1999, was not significant.

The fair value of fixed-rate debt at September 30, 2000 was \$4.2 billion. The fair value of fixed-rate debt is based on quoted market prices. The fair value of variable-rate debt approximates the carrying value of \$7.5 billion at September 30, 2000, since this debt bears interest at current market rates.

PART II. OTHER INFORMATION.

ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS.

On September 7, 2000, the seller in the Kalamazoo transaction received 11,173,376 shares of Class A common stock of Charter valued at approximately \$170.6 million. These shares are subject to unlimited "piggyback" registration rights and up to two "demand" registration rights. The demand registration rights must be exercised with respect to tranches of Class A common stock worth at least \$25.0 million at the time of the notice of demand. The above securities were offered and sold by Charter in reliance upon the exemption from registration pursuant to Section 4(2) of the Securities Act.

On September 14, 2000, Interactive Broadcaster Services Corporation (doing business as Chat TV) received as merger consideration 472,646 shares of Class A common stock of Charter valued at approximately \$7.4 million. These shares are not subject to registration rights. The above securities were offered and sold by Charter in reliance upon the exemption from registration pursuant to Section 4(2) of the Securities Act.

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

The owner of Charter's outstanding high vote Class B common stock voted to amend Charter's Restated Certificate of Incorporation as follows:

- on August 31, 2000 to allow ownership and operation of the business of Chat TV;
- on September 29, 2000 to allow membership and subscription to a joint venture for the development of a licensable reference design, development and integration of digital video recording capabilities in advanced digital set-top boxes; and
- on October 24, 2000 to become a member of Cable Sports Southeast, LLC and a shareholder of High Speed Access.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

(a) EXHIBITS

- 3.1 Certificate of Amendment of Restated Certificate of Incorporation of Charter Communications, Inc., dated as of October 24, 2000.*
- 10.34 Senior Bridge Loan Agreement, dated as of August 4, 2000, by and among Charter Communications Holdings, LLC and Charter Communications Holdings Capital Corporation as borrowers and the initial lenders named therein and Morgan Stanley Senior Funding, Inc. as sole arranger, syndication agent and administrative agent. (1)
- 10.35 Indenture relating to 5.75% Convertible Senior Notes due 2005, dated as of October 25, 2000, among Charter Communications, Inc. and BNY Midwest Trust Company, as trustee.*
- 10.36 Registration Rights Agreement relating to 5.75% Convertible Senior Notes due 2005, dated as of October 30, 2000, among Charter Communications, Inc., Goldman, Sachs & Co., Morgan Stanley & Co. Incorporated, Bear, Stearns & Co., and Merrill Lynch, Pierce, Fenner & Smith Incorporated.*
- 27.1 Financial Data Schedule (supplied for the information of the Commission).*

* Filed herewith.

(1) Incorporated by reference to the quarterly report on Form 10-Q filed by Charter Communications Holdings, LLC and Charter Communications Holdings Capital Corporation on August 14, 2000 (File No. 333-77499).

(b) REPORTS ON FORM 8-K

- On August 3, 2000, an 8-K dated August 2, 2000 was filed reporting the announcement of second quarter 2000 financial results under Item 5 and the filing of the related press release under Item 7.
- On September 6, 2000, an 8-K dated September 6, 2000 was filed reporting the completion of the merger of Cablevision of Michigan, Inc. with Charter under Item 5 and the filing of the related press release under Item 7.
- On October 25, 2000, an 8-K dated October 24, 2000 was filed reporting the announcement of Charter's intent to issue Convertible Senior Notes due 2005 and the offering of \$650 million of Convertible Senior Notes due 2005 in a private placement under Rule 144A under Item 5 and the filing of the related press release under Item 7.
- On November 2, 2000, an 8-K dated November 1, 2000 was filed reporting the announcement of third quarter 2000 financial results under Item 5 and the filing of the related press release under Item 7.

SIGNATURES

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

CHARTER COMMUNICATIONS, INC.,
registrant

Dated November 13, 2000

By: /s/ Kent D. Kalkwarf

Name: Kent D. Kalkwarf
Title: Executive Vice President and Chief
Financial Officer (Principal
Financial Officer and Principal
Accounting Officer)

CERTIFICATE OF AMENDMENT
OF
RESTATED CERTIFICATE OF INCORPORATION
OF
CHARTER COMMUNICATIONS, INC.,
a Delaware corporation

Charter Communications, Inc., a corporation organized and existing under the laws of the State of Delaware, hereby certifies as follows:

That Paragraph (a) of Article THIRD of the Restated Certificate of Incorporation of this corporation is amended to read in full as follows:

"(a) CORPORATE PURPOSE. The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of the State of Delaware (the "GCL"); (i) provided, however, that until all outstanding shares of Class B Common Stock of the Corporation (as hereinafter defined) have been converted into shares of Class A Common Stock of the Corporation (as hereinafter defined) in accordance with Clause (b)(viii) of Article Fourth of this Certificate of Incorporation, the Corporation shall not engage directly or indirectly, including without limitation through any Subsidiary, in any business other than (A) the cable transmission business, (B) as a member or shareholder of, and subscriber to, the portal joint venture with Broadband Partners, (C) as an owner and operator of the business of Interactive Broadcaster Services Corporation, a California corporation ("IBSC"), which shall include solely the ownership of its assets and continuation of its business substantially as owned and conducted at the effective time of the merger of this Corporation with IBSC, (D) as a member of and service provider to the joint venture for the development of a licensable reference design for a cable set-top box with functionalities of a video cassette recorder and a personal video recorder, (E) as a member of Cable Sports Southeast, LLC, a Delaware limited liability company ("Cable Sports"), so long as Cable Sports continues to conduct substantially the same business conducted by it on October 24, 2000, and (F) as a shareholder of High Speed Access Corp., a Delaware corporation ("HSA"), so long as HSA continues to conduct substantially the same business as conducted by it at the time of the consummation of the transactions contemplated by the Stock Purchase Agreement dated as of October 19, 2000 among the Corporation, HSA and Vulcan Ventures Incorporated, as it may be amended from time to time; and (ii) provided further, that to the extent that, as of the date of the closing of the initial registered public offering of shares of Class A Common Stock on Form S-1 (the "IPO Date"), the Corporation was directly or indirectly engaged in or had agreed to acquire directly or indirectly any business other than a cable transmission business or as a member of, and subscriber to, the portal joint venture with Broadband Partners (any such other business, an "Incidental Business," and collectively, "Incidental Businesses") so long as (A) such Incidental Businesses so engaged in by the Corporation on the IPO Date in the aggregate on such date accounted for less than ten percent (10%) of the consolidated revenues of the total business engaged in by the Corporation or (B) such Incidental Businesses which on the IPO Date the Corporation had agreed to acquire in the aggregate on such date accounted for less than ten percent (10%) of the

consolidated revenues of the total businesses to be acquired, as applicable, the Corporation may, directly or indirectly, including through any Subsidiary, continue to conduct any such Incidental Business and the foregoing limitation on the business and purpose of the Corporation shall not require that any such Incidental Business be divested by the Corporation, but the Corporation shall not, directly or indirectly, expand any such Incidental Business by means of any acquisition or any commitment of the Corporation's or any Subsidiary's resources or financial support. "Cable transmission business" means the transmission of video, audio (including telephony) and data over cable television systems owned, operated or managed by the Corporation or any Subsidiary; provided, that, the businesses of RCN Corporation and its subsidiaries shall not be deemed to be a cable transmission business. "Subsidiary" means any corporation, limited liability company, partnership, association, joint venture or other business entity of which (i) if a corporation, ten percent (10%) or more of the total voting power of shares of stock entitled to vote in the election of directors thereof or ten percent (10%) or more of the value of the equity interests is at the time owned or controlled, directly or indirectly, by the Corporation or one or more of its Subsidiaries, or (ii) if a limited liability company, partnership, association or other business entity, ten percent (10%) or more of the partnership or other similar ownership interests thereof is at the time owned or controlled, directly or indirectly, by the Corporation or one or more of its Subsidiaries. The Corporation shall be deemed to have a ten percent (10%) or greater ownership interest in a limited liability company, partnership, association or other business entity gains or losses or shall be or control the person managing such limited liability company, partnership, association or other business entity."

Said Amendment has been duly adopted in accordance with the provisions of Section 242 of the Delaware General Corporation Law, by approval of the Board of Directors of the corporation and by the affirmative vote of the holders of at least a majority of the outstanding Class B Common Stock entitled to vote thereon.

IN WITNESS WHEREOF, CHARTER COMMUNICATIONS, INC. has caused this Certificate of Amendment of Certificate of Incorporation to be signed by its Senior Vice President this 24th day of October, 2000.

CHARTER COMMUNICATIONS, INC.

By: /s/ Curtis S. Shaw

Name: Curtis Shaw

Title: Senior Vice President

EXECUTION COPY

CHARTER COMMUNICATIONS, INC.

and

BNY MIDWEST TRUST COMPANY,

as Trustee

INDENTURE

Dated as of October 30, 2000

5.75% Convertible Senior Notes due 2005

EXECUTION COPY

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Annex A -- Form of Restricted Notes Certificate

Annex B -- Form of Unrestricted Notes Certificate

Annex C -- Form of Surrender Certificate

INDENTURE dated as of October 30, 2000 among Charter Communications, Inc., a Delaware corporation (as further defined below, the "Company"), and BNY Midwest Trust Company, as trustee (the "Trustee").

The Company and the Trustee agree as follows for the benefit of each other and for the equal and ratable benefit of the Holders of the Notes:

ARTICLE 1

DEFINITIONS AND INCORPORATION BY REFERENCE

Section 1.01. Definitions.

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control," as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise; provided that beneficial ownership of 10% or more of the Voting Stock of a Person shall be deemed to be control. For purposes of this definition, the terms "controlling," "controlled by" and "under common control with" shall have correlative meanings.

"Agent" means any Registrar, Paying Agent or Conversion Agent.

"Agent Member" means any member of, or participant in, the Depository.

"Applicable Procedures" means, with respect to any transfer or transaction involving a Global Note or beneficial interest therein, the rules and procedures of DTC, in each case to the extent applicable to such transaction and as in effect from time to time.

"Bankruptcy Law" means Title 11, U.S. Code or any similar Federal or state law of any jurisdiction relating to bankruptcy, insolvency, winding up, liquidation, reorganization or relief of debtors.

"Beneficial Owner" has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular "person" (as such term is used in Section 13(d)(3) of the Exchange Act), such "person" shall be deemed to have beneficial ownership of all securities that such "person" has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition.

"Board of Directors" means the Board of Directors of the Company or any authorized committee of the Board of Directors of the Company.

"Board Resolution" means a copy of a resolution certified by the Secretary or an Assistant Secretary of the Company to have been duly adopted by the Board of Directors of the Company and to be in full force and effect on the date of such certification and delivered to the Trustee.

"Business Day" means any day other than a Legal Holiday.

"Capital Stock" means:

(1) in the case of a corporation, corporate stock;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(3) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and

(4) any other interest (other than any debt obligation) or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

"Change of Control" means the occurrence of any of the following:

(1) the sale, transfer, conveyance, lease or other disposition (including by way of liquidation or dissolution, but excluding by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the assets of the Company and its Subsidiaries, taken as a whole, to any "person" (as such term is used in Section 13(d)(3) of the Exchange Act);

(2) the adoption of a plan relating to the liquidation or dissolution of the Company;

(3) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any "person" (as defined above), other than the Principal and Related Parties, becomes the Beneficial Owner, directly or indirectly, of more than 35% of the Voting Stock of the Company, measured by voting power rather than number of shares, unless the Principal or a Related Party Beneficially Owns, directly or indirectly, a greater percentage of Voting Stock of the Company, measured by voting power rather than number of shares, than such person;

(4) after the Issue Date, the first day on which a majority of the members of the Board of Directors of the Company are not Continuing Directors;

(5) the Company consolidates with, or merges with or into, any Person, or any Person consolidates with, or merges with or into, the Company, in any such event pursuant to a transaction in which any of the outstanding Voting Stock of the Company or such Parent is converted into or exchanged for cash, securities or other property, other than any such transaction where the Voting Stock of the Company outstanding immediately prior to such transaction is converted into or exchanged for Voting Stock (other than Disqualified Stock) of the surviving or transferee Person constituting a majority of the outstanding shares of such Voting Stock of such surviving or transferee Person immediately after giving effect to such issuance; or

(6) at any time, (i) the Principal or any Allen Affiliates (as defined below) purchases, in a transaction or series of transactions, shares of Common Stock and, solely as a result of such purchases, the aggregate number of shares of Common Stock held by the Principal and the Allen Affiliates exceeds 70% of the total number of shares of Common Stock issued and outstanding at such time and (ii) the Closing Price Per Share of the Common Stock for any five Trading Days within the period of the 10 consecutive Trading Days immediately after the later of (x) the last date of such purchases or (y) the public announcement of such purchases, is less than 100% of the Conversion Price of the Notes in effect on each of those Trading Days (for purposes of this clause (6), a purchase will not include any transaction whereby shares of Common Stock are acquired by the Principal or any Allen Affiliate as a result of the exchange and conversion of membership units of Charter Communications Holding Company, LLC for and into shares of Common Stock or the conversion of shares of the Company's Class B Common Stock, par value \$.001 per share, into shares of Common Stock; the calculation of the number of shares of Common Stock held by the Principal and the Allen Affiliates will not include securities exchangeable or convertible into shares of Common Stock; and an "Allen Affiliate" means any person in which the Principal, directly or indirectly, owns at least 50.1% of the Capital Stock thereof, provided that none of the Company, Charter Communications Holding Company, LLC or any of the Company's Subsidiaries shall constitute an Allen Affiliate).

Notwithstanding the foregoing, a Change of Control shall not be deemed to have occurred if (i) the Closing Price Per Share of the Common Stock for any five Trading Days within the period of 10 consecutive Trading Days ending immediately after the later of the Change of Control or the public announcement of the Change of Control (in the case of a Change of Control under clause (3) above) or the period of 10 consecutive Trading Days ending immediately before the Change of Control (in the case of a Change of Control under clauses (1) or (5) above) shall equal or exceed 105% of the Conversion Price of the Notes in effect on each such Trading Day or (ii) all of the consideration

(excluding cash payments for fractional shares and cash payments made pursuant to dissenters' appraisal rights) in a merger or consolidation otherwise constituting a Change of Control under clause (3) and/or clause (5) above issuable to holders of Common Stock consists of shares of common stock traded on a national securities exchange or quoted on the Nasdaq National Market (or will be so traded or quoted immediately following such merger or consolidation) and as a result of such merger or consolidation the Notes become convertible into such common stock.

"Closing Price Per Share" means, with respect to the Common Stock, for any day, (i) the last reported bid price regular way on the Nasdaq National Market or, (ii) if the Common Stock is not quoted on the Nasdaq National Market, the last reported sale price regular way per share or, in case no such reported sale takes place on such day, the average of the reported closing bid and asked prices regular way, in either case, on the principal national securities exchange on which the Common Stock is listed or admitted to trading, or (iii) if the Common Stock is not quoted on the Nasdaq National Market or listed or admitted to trading on any national securities exchange, the average of the closing bid prices in the over-the-counter market as furnished by any New York Stock Exchange member firm selected from time to time by the Company for that purpose.

"Commission" or "SEC" means the Securities and Exchange Commission.

"common stock" includes any stock of any class of capital stock which has no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation, dissolution or winding up of the issuer thereof and which is not subject to redemption by the issuer thereof.

"Common Stock" means the Class A Common Stock, par value \$.001 per share, of the Company authorized at the date of this instrument as originally executed. Subject to the provisions of Section 10.11, shares issuable on conversion or repurchase of Notes shall include only shares of Common Stock or shares of any class or classes of common stock resulting from any reclassification or reclassifications thereof; provided, however, that if at any time there shall be more than one such resulting class, the shares so issuable on conversion of Notes shall include shares of all such classes, and the shares of each such class then so issuable shall be substantially in the proportion which the total number of shares of such class resulting from all such reclassifications bears to the total number of shares of all such classes resulting from all such reclassifications.

"Company" means the Person named as the "Company" in the first paragraph of this instrument until a successor Person shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Company" shall mean such successor Person.

"Continuing Directors" means, as of any date of determination, any member of the Board of Directors of the Company who:

(1) was a member of the Board of Directors on the Issue Date; or

(2) was nominated for election or elected to the Board of Directors with the approval of a majority of the Continuing Directors who were members of such board of directors at the time of such nomination or election or whose election or appointment was previously so approved.

"Conversion Agent" means any Person authorized by the Company to convert Notes in accordance with Article 10. The Company has initially appointed the Trustee as its Conversion Agent pursuant to Section 2.03 hereof.

"Conversion Price" shall equal U.S.\$1,000 divided by the Conversion Rate (rounded to the nearest cent).

"Corporate Trust Office of the Trustee" shall be at the address of the Trustee specified in Section 12.02 or such other address as to which the Trustee may give notice to the Company.

"Default" means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

"Depository" means, with respect to any Notes (including any Global Notes), a clearing agency that is registered under the Exchange Act and is designated by the Company to act as Depository for such Notes (or any successor securities clearing agency so registered).

"Disqualified Stock" means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case at the option of the holder thereof), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder thereof, in whole or in part, on or prior to the date that is 91 days after the date on which the Notes mature.

"DTC" means The Depository Trust Company, a New York corporation.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Global Note" means a Note that is registered in the Note Register for the Notes in the name of a Depository or a nominee thereof.

"Guarantee" or "guarantee" means a guarantee other than by endorsement of negotiable instruments for collection in the ordinary course of business, direct or indirect, in any manner including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness, measured as the lesser of the aggregate outstanding amount of the Indebtedness so guaranteed and the face amount of the Guarantee.

"Holder" means the Person in whose name the Note is registered in the Note Register.

"Indebtedness" means, with respect to any specified Person, any indebtedness of such Person, whether or not contingent:

- (1) in respect of borrowed money;
- (2) evidenced by bonds, notes, debentures or similar instruments; or
- (3) representing capital lease obligations.

The amount of any Indebtedness outstanding as of any date shall be (i) the accreted value thereof, in the case of any Indebtedness issued with original issue discount; and (ii) the principal amount (or portion of the discounted rental stream attributable to principal in the case of capitalized leases) thereof, together with any interest thereon that is more than 30 days past due, in the case of any other Indebtedness.

"Indenture" means this Indenture, as amended or supplemented from time to time.

"Interest Payment Date" means the Stated Maturity of an installment of interest on the Notes.

"Issue Date" means October 30, 2000.

"Legal Holiday", when used with respect to any place of payment or Place of Conversion, as the case may be, means a Saturday, a Sunday or a day on which banking institutions in The City of New York, at such place of payment or Place of Conversion, as the case may be, are authorized by law, regulation or executive order to remain closed. If a payment date is a Legal Holiday at a place of payment, payment may be made at that place on the next succeeding day that is not a Legal Holiday, and no interest shall accrue on such payment for the intervening period.

"Liquidated Damages" has the meaning specified in Section 4.12, and is incorporated by reference to the Registration Rights Agreement.

"Maturity", when used with respect to any Notes, means the date on which the principal of such Notes becomes due and payable as therein or herein provided, whether at the Stated Maturity or by declaration of acceleration, call for redemption, exercise of the repurchase right set forth in Article 11 or otherwise.

"Non-global Note" means a Note that is in definitive, full registered form, without interest coupons, and that is not a Global Note.

"Notes" means the Company's 5.75% Convertible Senior Notes due 2005 and more particularly means any Notes authenticated and delivered under this Indenture.

"Officer" means, with respect to any Person, the Chairman of the Board, the Chief Executive Officer, the President, the Chief Operating Officer, the Chief Financial Officer, the Treasurer, any Assistant Treasurer, the Controller, the Secretary or any Vice-President of such Person.

"Officers' Certificate" means a certificate signed on behalf of the Company by two Officers of the Company, one of whom must be the principal executive officer, the chief financial officer or the treasurer of the Company that meets the requirements of Section 12.05.

"Opinion of Counsel" means an opinion from legal counsel who is reasonably acceptable to the Trustee, that meets the requirements of Section 12.05. The counsel may be an employee of or counsel to the Company or any Subsidiary of the Company.

"Person" means any individual, corporation, partnership, joint venture, association, limited liability company, joint stock company, trust, unincorporated organization, government or agency or political subdivision thereof or any other entity.

"Place of Conversion" means any city in which any Conversion Agent is located.

"Predecessor Note" of any particular Note means every previous Note evidencing all or a portion of the same debt as that evidenced by such particular Note; and, for the purposes of this definition, any Note authenticated and delivered under Section 2.08 in exchange for or in lieu of a mutilated, destroyed, lost or stolen Note shall be deemed to evidence the same debt as the mutilated, destroyed, lost or stolen Note.

"Principal" means Paul G. Allen.

"Purchase Agreement" means the Purchase Agreement, dated as of October 25, 2000, among the Company, Charter Communications Holding Company, LLC and the Purchasers, as such agreement may be amended from time to time.

"Purchasers" means Goldman, Sachs & Co., Morgan Stanley & Co. Incorporated, Bear, Stearns & Co. Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated.

"Qualified Institutional Buyer" shall mean a "qualified institutional buyer" as defined in Rule 144A.

"Record Date Period" means the period from the close of business of any Regular Record Date next preceding any Interest Payment Date to the opening of business on such Interest Payment Date.

"Redemption Date", when used with respect to any Note to be redeemed, means the date fixed for redemption by or pursuant to this Indenture.

"Redemption Price", when used with respect to any Note to be redeemed, means the price at which it is to be redeemed pursuant to this Indenture.

"Registration Rights Agreement" means the Registration Rights Agreement, dated as of October 30, 2000, between the Company and the Purchasers, as such agreement may be amended from time to time.

"Regular Record Date" for interest payable in respect of any Note on any Interest Payment Date means the April 1 or October 1 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date.

"Related Party" means:

(1) the spouse or an immediate family member, estate or heir of the Principal; or

(2) any trust, corporation, partnership or other entity, the beneficiaries, stockholders, partners, owners or Persons beneficially holding an 80% or more controlling interest of which consist of the Principal and/or such other Persons referred to in the immediately preceding clause (1).

"Responsible Officer" when used with respect to the Trustee, means any officer within the Corporate Trust Administration of the Trustee (or any successor group of the Trustee) with direct responsibility for the administration of this Indenture and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

"Restricted Non-global Note" means a Restricted Note other than a Global Note.

"Restricted Notes" means all Notes required pursuant to Section 2.07(3) to bear any Restricted Notes Legend. Such term includes the Restricted Global Note.

"Restricted Notes Certificate" means a certificate substantially in the form set forth in Annex A.

"Restricted Notes Legend" means, collectively, the legends substantially in the forms of the legends required in the form of Note set forth in Exhibit A to be placed upon each Restricted Note.

"Rule 144" means Rule 144 promulgated under the Securities Act.

"Rule 144A" means Rule 144A promulgated under the Securities Act.

"Securities Act" means the Securities Act of 1933, as amended.

"Significant Subsidiary" means any Subsidiary of the Company which is a "Significant Subsidiary" as defined in Rule 1-02(w) of Regulation S-X under the Exchange Act.

"Stated Maturity", when used with respect to the principal amount of any Note or such payment of interest thereon, means the date specified in such Note as the fixed date on which the principal of such Note or such installment of interest is due and payable.

"Subsidiary" means, with respect to any Person:

(1) any corporation, association or other business entity of which at least 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person (or a combination thereof) and, in the case of any such entity of which 50% of the total voting power of shares of Capital Stock is so owned or controlled by such Person or one or more of the other Subsidiaries of such Person, such Person and its Subsidiaries also has the right to control the management of such entity pursuant to contract or otherwise; and

(2) any partnership (a) the sole general partner or the managing general partner of which is such Person or a Subsidiary of such Person or (b) the only general partners of which are such Person or of one or more Subsidiaries of such Person (or any combination thereof).

"Successor Note" of any particular Note means every Note issued after, and evidencing all or a portion of the same debt as that evidenced by, such particular Note; and, for the purposes of this definition, any Note authenticated and delivered under Section 2.08 in exchange for or in lieu of a mutilated, destroyed, lost or stolen Note shall be deemed to evidence the same debt as the mutilated, destroyed, lost or stolen Note.

"Surrender Certificate" means a certificate substantially in the form set forth in Annex C.

"TIA" means the Trust Indenture Act of 1939 (15 U.S.C. ss. 77aaa-77bbb) as in effect on the date on which this Indenture is qualified under the TIA; provided, however, that in the event the Trust Indenture Act of 1939 is amended after such date, then "TIA" means, to the extent required by such amendment, the Trust Indenture Act of 1939 as so amended.

"Trading Day" means (i) if the Common Stock is quoted on the Nasdaq National Market or any other system of automated dissemination of quotations of securities prices, days on which trades may be effected through such system, or (ii) if the Common Stock is listed or admitted for trading on the New York Stock Exchange or any other national or regional securities exchange, days on which such national or regional securities exchange is open for business, or (iii) if the Common Stock is not listed on a national or regional securities exchange or quoted on the Nasdaq National Market or any other system of automated dissemination of quotation of securities prices, days on which the Common Stock is traded regular way in the over-the-counter market and for which a closing bid and a closing asked price for the Common Stock are available.

"Trustee" means BNY Midwest Trust Company until a successor replaces BNY Midwest Trust Company in accordance with the applicable provisions of this Indenture and thereafter means the successor serving hereunder.

"Unrestricted Notes Certificate" means a certificate substantially in the form set forth in Annex B.

"Voting Stock" of any Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the board of directors of such Person.

Section 1.02. Other Definitions.

Term - - - -	Defined in Section -----
"Arrangement Purchaser".....	3.08
"Authentication Order".....	2.02
"Change of Control Offer".....	11.01
"Constituent Person".....	10.11

Term - - - - -	Defined in Section -----
"Conversion Rate".....	10.01
"Event of Default".....	6.01
"Non-Electing Share".....	10.11
"Note Register".....	2.03
"Paying Agent".....	2.03
"Payment Default".....	6.01
"Registrable Securities".....	4.12
"Registrar".....	2.03
"Repurchase Date".....	11.03
"Repurchase Price".....	11.01
"Restricted Global Note".....	2.01
"Rule 144A Information".....	4.10
"Shelf Registration Statement".....	4.12

Section 1.03. Incorporation by Reference of Trust Indenture Act.

Whenever this Indenture refers to a provision of the TIA, the provision is incorporated by reference in and made a part of this Indenture.

The following TIA terms used in this Indenture have the following meanings:

"indenture securities" means the Notes;

"indenture security Holder" means a Holder of a Note;

"indenture to be qualified" means this Indenture;

"indenture trustee" or "institutional trustee" means the Trustee; and

"obligor" on the Notes means the Company and any successor obligor upon the Notes.

All other terms used in this Indenture that are defined by the TIA, defined by TIA reference to another statute or defined by SEC rule under the TIA have the meanings so assigned to them.

Section 1.04. Rules of Construction.

Unless the context otherwise requires:

(a) a term has the meaning assigned to it;

(b) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;

(c) "or" is not exclusive;

(d) words in the singular include the plural, and in the plural include the singular;

(e) provisions apply to successive events and transactions;

(f) references to sections of or rules under the Securities Act shall be deemed to include substitute, replacement of successor sections or rules adopted by the Commission from time to time;

(g) references to any statute, law, rule or regulation shall be deemed to refer to the same as from time to time amended and in effect and to any successor statute, law, rule or regulation; and

(h) references to any contract, agreement or instrument shall mean the same as amended, modified, supplemented or amended and restated from time to time, in each case, in accordance with any applicable restrictions contained in this Indenture.

ARTICLE 2

THE NOTES

Section 2.01. Form and Dating.

The Notes, the Trustee's certificate of authentication and the conversion notices shall be substantially in the form of Exhibit A hereto. The Notes may have notations, legends or endorsements required by law, stock exchange rule or usage. Each Note shall

be dated the date of its authentication. The Notes shall be in denominations of \$1,000 and integral multiples thereof.

The terms and provisions contained in the Notes shall constitute, and are hereby expressly made, a part of this Indenture and the Company and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby. However, to the extent any provision of any Note conflicts with the express provisions of this Indenture, the provisions of this Indenture shall govern and be controlling.

Upon their original issuance, Notes issued as contemplated by the Purchase Agreement to Qualified Institutional Buyers in reliance on Rule 144A shall be issued in the form of one or more Global Notes in definitive, fully registered form without interest coupons and bearing the Restricted Note Legend. Such Global Note shall be registered in the name of DTC, as Depositary, or its nominee and deposited with the Trustee, as custodian for DTC, for credit by DTC to the respective accounts of beneficial owners of the Notes represented thereby (or such other accounts as they may direct). Such Global Note, together with its Successor Notes which are Global Notes, are collectively herein called the "Restricted Global Note".

Section 2.02. Execution and Authentication.

Two Officers shall sign the Notes for the Company by manual or facsimile signature.

If an Officer whose signature is on a Note no longer holds that office at the time a Note is authenticated, the Note shall nevertheless be valid.

A Note shall not be valid until authenticated by the manual signature (which may be by facsimile) of the Trustee. The signature shall be conclusive evidence that the Note has been authenticated under this Indenture.

At any time and from time to time after the execution and delivery of this Indenture, the Company may deliver Notes executed by the Company to the Trustee for authentication; and the Trustee shall authenticate and deliver such Notes upon a written order of the Company signed by an Officer of the Company (an "Authentication Order"). Such Authentication Order shall specify the amount of Notes to be authenticated and the date on which the Notes are to be authenticated and whether the Notes are to be issued as one or more Global Notes and such other information as the Company may include or the Trustee may reasonably request. The aggregate principal amount of Notes that may be outstanding under this Indenture at any time may not exceed \$650,000,000 (or \$750,000,000 if the Purchasers exercise in full their over-allotment option pursuant to the Purchase Agreement), except as provided in Section 2.08.

The Trustee may appoint an authenticating agent acceptable to the Company to authenticate Notes. An authenticating agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An authenticating agent has the same rights as an Agent to deal with Holders or an Affiliate of the Company.

Section 2.03. Registrar; Conversion Agent; and Paying Agent.

The Company shall maintain an office or agency where Notes may be presented for registration of transfer or for exchange or conversion ("Registrar" and with respect to conversion, "Conversion Agent") and an office or agency where Notes may be presented for payment ("Paying Agent"). The Registrar shall keep a register of the Notes and of their transfer, exchange and conversion (the register maintained in such office, the "Note Register"). The Company may appoint one or more co-registrars or conversion agents and one or more additional paying agents. The term "Registrar" includes any co-registrar, the term "Conversion Agent" includes any co-conversion agent and the term "Paying Agent" includes any additional paying agent. The Company may change any Paying Agent, Registrar or Conversion Agent without notice to any Holder. The Company shall promptly notify the Trustee in writing of the name and address of any Agent not a party to this Indenture. If the Company fails to appoint or maintain another entity as Registrar, Paying Agent or Conversion Agent, the Trustee shall act as such. The Company or any of its Subsidiaries may act as Paying Agent, Registrar or Conversion Agent.

The Company initially appoints DTC to act as Depositary with respect to the Global Notes.

The Company initially appoints the Trustee to act as the Registrar, Paying Agent and Conversion Agent and to act as custodian with respect to the Global Notes.

Section 2.04. Paying Agent to Hold Money in Trust.

The Company shall require each Paying Agent other than the Trustee to agree in writing that the Paying Agent shall hold in trust for the benefit of Holders or the Trustee all money held by the Paying Agent for the payment of principal, premium, if any, or interest on the Notes, and shall notify the Trustee of any default by the Company in making any such payment. While any such default continues, the Trustee may require a Paying Agent to pay all money held by it to the Trustee. The Company at any time may require a Paying Agent to pay all money held by it to the Trustee. Upon payment over to the Trustee, the Paying Agent (if other than the Company or a Subsidiary) shall have no further liability for the money. If the Company or a Subsidiary acts as Paying Agent, it shall segregate and hold in a separate trust fund for the benefit of the Holders all money held by it as Paying Agent. Upon any bankruptcy or reorganization proceedings relating to the Company, the Trustee shall serve as Paying Agent for the Notes.

Section 2.05. Holder Lists.

The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of all Holders and shall otherwise comply with TIA ss. 312(a). If the Trustee is not the Registrar, the Company shall furnish to the Trustee at least seven Business Days before each interest payment date and at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of the Holders of Notes and the Company shall otherwise comply with TIA ss. 312(a).

Section 2.06. Global Notes; Non-global Notes; Book-entry Provisions.

(1) Global Notes

(i) Each Global Note authenticated under this Indenture shall be registered in the name of the Depository designated by the Company for such Global Note or a nominee thereof and delivered to such Depository or a nominee thereof or custodian therefor, and each such Global Note shall constitute a single Note for all purposes of this Indenture.

(ii) Except for exchanges of Global Notes for definitive, Non-global Notes at the sole discretion of the Company, no Global Note may be exchanged in whole or in part for Notes registered, and no transfer of a Global Note in whole or in part may be registered, in the name of any Person other than the Depository for such Global Note or a nominee thereof unless (A) such Depository (i) has notified the Company that it is unwilling or unable to continue as Depository for such Global Note or (ii) has ceased to be a clearing agency registered as such under the Exchange Act or announces an intention permanently to cease business or does in fact do so or (B) there shall have occurred and be continuing an Event of Default with respect to such Global Note. In case of an event under clause (A) of the preceding sentence, if a successor Depository for such Global Note is not appointed by the Company within 90 days after the Company receives such notice or becomes aware of such ineligibility, the Company will execute, and the Trustee, upon receipt of an Officers' Certificate directing the authentication and delivery of Notes, will authenticate and deliver, Notes, in any authorized denominations in an aggregate principal amount equal to the principal amount of such Global Note in exchange for such Global Note.

(iii) If any Global Note is to be exchanged for other Notes or canceled in whole, it shall be surrendered by or on behalf of the Depository or its nominee to the Trustee, as Note Registrar, for exchange or cancellation, as provided in this Article 2. If any Global Note is to be exchanged for other Notes or canceled in part, or if another Note is to be exchanged in whole or in part for a beneficial interest in any Global Note, in each case, as provided in Section 2.07, then either (A) such Global

Note shall be so surrendered for exchange or cancellation, as provided in this Article 2, or (B) the principal amount thereof shall be reduced or increased by an amount equal to the portion thereof to be so exchanged or canceled, or equal to the principal amount of such other Note to be so exchanged for a beneficial interest therein, as the case may be, by means of an appropriate adjustment made on the records of the Trustee, as Registrar, whereupon the Trustee, in accordance with the Applicable Procedures, shall instruct the Depositary or its authorized representative to make a corresponding adjustment to its records. Upon any such surrender or adjustment of a Global Note, the Trustee shall, subject to Section 2.07(3) and as otherwise provided in this Article 2, authenticate and deliver any Notes issuable in exchange for such Global Note (or any portion thereof) to or upon the order of, and registered in such names as may be directed by, the Depositary or its authorized representative. Upon the request of the Trustee in connection with the occurrence of any of the events specified in the preceding paragraph, the Company shall promptly make available to the Trustee a reasonable supply of Notes that are not in the form of Global Notes. The Trustee shall be entitled to rely upon any order, direction or request of the Depositary or its authorized representative which is given or made pursuant to this Article 2 if such order, direction or request is given or made in accordance with the Applicable Procedures.

(iv) Every Note authenticated and delivered upon registration of transfer of, or in exchange for or in lieu of, a Global Note or any portion thereof, whether pursuant to this Article 2 or otherwise, shall be authenticated and delivered in the form of, and shall be, a registered Global Note, unless such Note is registered in the name of a Person other than the Depositary for such Global Note or a nominee thereof, in which case such Note shall be authenticated and delivered in definitive, fully registered form, without interest coupons.

(v) The Depositary or its nominee, as registered owner of a Global Note, shall be the Holder of such Global Note for all purposes under the Indenture and the Notes, and owners of beneficial interests in a Global Note shall hold such interests pursuant to the Applicable Procedures. Accordingly, any such owner's beneficial interest in a Global Note will be shown only on, and the transfer of such interest shall be effected only through, records maintained by the Depositary or its nominee or its Agent Members and such owners of beneficial interests in a Global Note will not be considered the owners or holders thereof.

(2) Non-global Notes. Notes issued upon the events described in Section 2.06(1)(ii) shall be in definitive, fully registered form, without interest coupons, and shall bear the Restricted Notes Legend if and as required by this Indenture.

Section 2.07. Registration; Registration of Transfer and Exchange; Restrictions on Transfer.

(1) Upon surrender for registration of transfer of any Note at an office or agency of the Company designated pursuant to Section 2.03 for such purpose, the Company shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Notes of any authorized denominations and of a like aggregate principal amount and bearing such restrictive legends as may be required by this Indenture.

At the option of the Holder, and subject to the other provisions of this Section 2.07, Notes may be exchanged for other Notes of any authorized denomination and of a like aggregate principal amount, upon surrender of the Notes to be exchanged at any such office or agency. Whenever any Notes are so surrendered for exchange, and subject to the other provisions of this Section 2.07, the Company shall execute, and the Trustee shall authenticate and deliver, the Notes which the Holder making the exchange is entitled to receive. Every Note presented or surrendered for registration of transfer or for exchange shall (if so required by the Company or the Registrar) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Company, the Trustee and the Registrar duly executed, by the Holder thereof or his attorney duly authorized in writing.

All Notes issued upon any registration of transfer or exchange of Notes shall be the legal, valid and binding obligations of the Company, evidencing the same debt and entitled to the same benefits under this Indenture as the Notes surrendered upon such registration of transfer or exchange.

No service charge shall be made to a Holder for any registration of transfer or exchange of Notes except as provided in Section 2.08, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Notes, other than exchanges pursuant to Section 2.06, 9.05, 10.02 or 11.03 (other than where the shares of Common Stock are to be issued or delivered in a name other than that of the Holder of the Note) not involving any transfer and other than any stamp and other duties, if any, which may be imposed in connection with any such transfer or exchange by the United States or any political subdivision thereof or therein, which shall be paid by the Company.

In the event of a redemption of the Notes, neither the Company nor the Registrar will be required (a) to register the transfer of or exchange Notes for a period of 15 days immediately preceding the date notice is given identifying the serial numbers of the Notes called for such redemption or (b) to register the transfer of or exchange any Note, or portion thereof, called for redemption.

(2) Certain Transfers and Exchanges. Notwithstanding any other provision of this Indenture or the Notes, transfers and exchanges of Notes and beneficial interests in a Global Note of the kinds specified in this Section 2.07(2) shall be made only in accordance with this Section 2.07(2).

(i) Restricted Global Note to Restricted Non-global Note. In the event that Non-global Notes are to be issued pursuant to Section 2.06(1)(ii) in connection with any transfer of Notes, such transfer may be effected only in accordance with the provisions of this Clause (2)(i) and subject to the Applicable Procedures. Upon receipt by the Trustee, as Registrar, of (A) an Authentication Order from the Company directing the Trustee, as Registrar, to (x) authenticate and deliver one or more Notes of the same aggregate principal amount as the beneficial interest in the Restricted Global Note to be transferred, such instructions to contain the name or names of the designated transferee or transferees, the authorized denomination or denominations of the Notes to be so issued and appropriate delivery instructions and (y) decrease the beneficial interest of a specified Agent Member's account in a Restricted Global Note by a specified principal amount not greater than the principal amount of such Restricted Global Note, and (B) such other certifications, legal opinions or other information as the Company or the Trustee may reasonably require to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, then the Trustee, as Registrar, shall decrease the principal amount of the Restricted Global Note by the specified amount and authenticate and deliver Notes in accordance with such instructions from the Company as provided in Section 2.06(1)(iii).

(ii) Restricted Non-global Note to Restricted Global Note. If the Holder of a Restricted Non-global Note wishes at any time to transfer all or any portion of such Restricted Non-global Note to a Person who wishes to take delivery thereof in the form of a beneficial interest in the Restricted Global Note, such transfer may be effected only in accordance with the provisions of this Clause (2)(ii) and subject to the Applicable Procedures. Upon receipt by the Trustee, as Registrar, of (A) such Restricted Non-global Note as provided in Section 2.07(1) and written instructions from the Company directing that a beneficial interest in the Restricted Global Note in a specified principal amount not greater than the principal amount of such Restricted Non-global Note be credited to a specified Agent Member's account and (B) a Restricted Notes Certificate, satisfactory to the Trustee and duly executed by such Holder or his attorney duly authorized in writing, then the Trustee, as Registrar, shall cancel such Restricted Non-global Note (and issue a new Restricted Non-global Note in respect of any untransferred portion thereof) as provided in Section 2.07(1) and increase the principal amount of the Restricted Global Note by the specified principal amount as provided in Section 2.06(1)(iii).

(iii) Exchanges Between Global Note and Non-global Note. A beneficial interest in a Global Note may be exchanged for a Non-global Note only as provided in Section 2.07 or only if such exchange occurs in connection with a transfer effected in accordance with Clause 2(i) above, provided that, if such interest is a beneficial interest in the Restricted Global Note, then such interest shall be exchanged for a Restricted Non-global Note (subject in each case to Section 2.07(3)). A Restricted Non-global Note may be exchanged for a beneficial interest in a Global Note only if such exchange occurs in connection with a transfer effected in accordance with Clause (2)(ii) above.

(3) Securities Act Legends. All Notes issued pursuant to this Indenture, and all Successor Notes, shall bear the Restricted Notes Legend, subject to the following:

(i) subject to the following Clauses of this Section 2.07(3), a Note or any portion thereof which is exchanged, upon transfer or otherwise, for a Global Note or any portion thereof shall bear the Restricted Notes Legend borne by such Global Note for which the Note was exchanged;

(ii) subject to the following Clauses of this Section 2.07(3), a new Note which is not a Global Note and is issued in exchange for another Note (including a Global Note) or any portion thereof, upon transfer or otherwise, shall bear the Restricted Notes Legend borne by the Note for which the new Note was exchanged;

(iii) any Notes which are sold or otherwise disposed of pursuant to an effective registration statement under the Securities Act (including the Shelf Registration Statement), together with their Successor Notes shall not bear a Restricted Notes Legend; the Company shall inform the Trustee in writing of the effective date of any such registration statement registering the Notes under the Securities Act and shall notify the Trustee at any time when prospectuses must be delivered with respect to Notes to be sold pursuant to such registration statement. The Trustee shall not be liable for any action taken or omitted to be taken by it in good faith in accordance with the aforementioned registration statement;

(iv) at any time after the Notes may be freely transferred without registration under the Securities Act or without being subject to transfer restrictions pursuant to the Securities Act, a new Note which does not bear a Restricted Notes Legend may be issued in exchange for or in lieu of a Note (other than a Global Note) or any portion thereof which bears such a legend if the Trustee has received an Unrestricted Notes Certificate, satisfactory to the Trustee and duly executed by the Holder of such Note bearing a Restricted Notes Legend or his attorney duly authorized in writing, and after such date and receipt of such certificate, the Trustee shall authenticate and deliver such new Note in exchange for or in lieu of such other Note as provided in this Article 2;

(v) a new Note which does not bear a Restricted Notes Legend may be issued in exchange for or in lieu of a Note or any portion thereof which bears such a legend if, in the Company's judgment, placing such a legend upon such new Note is not necessary to ensure compliance with the registration requirements of the Securities Act, and the Trustee, at the direction of the Company, shall authenticate and deliver such a new Note as provided in this Article 2; and

(vi) notwithstanding the foregoing provisions of this Section 2.07(3), a Successor Note of a Note that does not bear a Restricted Notes Legend shall not bear such legend unless the Company has reasonable cause to believe that such Successor Note is a "restricted security" within the meaning of Rule 144, in which case the Trustee, at the direction of the Company, shall authenticate and deliver a new Note bearing a Restricted Notes Legend in exchange for such Successor Note as provided in this Article 2.

(4) Any stock certificate representing shares of Common Stock issued upon conversion of the Notes shall bear a legend substantially in the form of the Restricted Notes Legend borne by such Notes, to the extent required by this Indenture, unless such shares of Common Stock have been sold pursuant to a registration statement that has been declared effective under the Securities Act (and which continues to be effective at the time of such transfer) or sold pursuant to Rule 144(k) of the Securities Act, or unless otherwise agreed by the Company in writing with written notice thereof to the transfer agent for the Common Stock. With respect to the transfer of shares of Common Stock issued upon conversion of the Notes that are restricted hereunder, any deliveries of certificates, legal opinions or other instruments that would be required to be made to the Registrar in the case of a transfer of Notes, as described above, shall instead be made to the transfer agent for the Common Stock.

(5) Neither the Trustee, the Paying Agent nor any of their agents shall (i) have any duty to monitor compliance with or with respect to any federal or state or other securities or tax laws or (ii) have any duty to obtain documentation on any transfers or exchanges other than as specifically required hereunder.

Section 2.08. Replacement Notes.

If any mutilated Note is surrendered to the Trustee or the Company and the Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Note, the Company shall issue and the Trustee, upon receipt of an Authentication Order, shall authenticate a replacement Note if the Trustee's requirements are met. If required by the Trustee or the Company, an indemnity bond must be supplied by the Holder that is sufficient in the judgment of the Trustee and the Company to protect the Company, the Trustee, any Agent and any authenticating agent from any loss that any of them may

suffer if a Note is replaced. The Company and the Trustee may charge for their expenses in replacing a Note.

Every replacement Note is an additional legally binding obligation of the Company and shall be entitled to all of the benefits of this Indenture equally and proportionately with all other Notes duly issued hereunder.

Section 2.09. Outstanding Notes.

The Notes outstanding at any time are all the Notes authenticated by the Trustee except for those canceled by it, those delivered to it for cancellation, those reductions in the interest in a Global Note effected by the Trustee in accordance with the provisions of this Indenture, and those described in this Section as not outstanding. Except as set forth in Section 2.10, a Note does not cease to be outstanding because either of the Company or an Affiliate of the Company holds the Note.

If a Note is replaced pursuant to Section 2.08, it ceases to be outstanding unless the Trustee receives proof satisfactory to it that the replaced Note is held by a bona fide purchaser.

If the principal amount of any Note is considered paid under Section 4.01, it ceases to be outstanding and interest on it ceases to accrue.

If the Paying Agent (other than the Company, a Subsidiary or an Affiliate of any thereof) holds, on a Redemption Date, Repurchase Date or maturity date, money, or in the case of a repurchase and subject to the conditions set forth in Article 11, shares of Common Stock, sufficient to pay Notes payable on that date, then on and after that date such Notes shall be deemed to be no longer outstanding and shall cease to accrue interest.

If a Note is converted into Common Stock pursuant to Article 10, it ceases to be outstanding and interest on it ceases to accrue on the day of surrender of such Note or Conversion.

Section 2.10. Treasury Notes.

In determining whether the Holders of the required principal amount of Notes have concurred in any direction, waiver or consent, or whether the Holders of the requisite principal amount of outstanding Notes are present at a meeting of Holders of Notes for quorum purposes, Notes owned by the Company, or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company, shall be considered as though not outstanding, except that for the purposes of determining whether the Trustee shall be protected in relying on any such direction, waiver or consent, or any such determination as to the presence of a quorum, only Notes that a Responsible Officer of the Trustee knows are so owned shall be so disregarded.

Section 2.11. Temporary Notes.

Until certificates representing Notes are ready for delivery, the Company may prepare and the Trustee, upon receipt of an Authentication Order, shall authenticate temporary Notes. Temporary Notes shall be substantially in the form of certificated Notes but may have variations that the Company considers appropriate for temporary Notes and as shall be reasonably acceptable to the Trustee. Without unreasonable delay, the Company shall prepare and the Trustee shall authenticate definitive Notes in exchange for temporary Notes.

Holders of temporary Notes shall be entitled to all of the benefits of this Indenture.

Section 2.12. Cancellation.

The Company at any time may deliver Notes to the Trustee for cancellation. The Registrar, Conversion Agent and Paying Agent shall forward to the Trustee any Notes surrendered to them for registration of transfer, exchange, conversion or payment. The Trustee and no one else shall cancel all Notes surrendered for registration of transfer, exchange, conversion, payment, replacement or cancellation and shall dispose of such canceled Notes in its customary manner. The Company may not issue new Notes to replace Notes that they have paid or that have been delivered to the Trustee for cancellation.

Section 2.13. Defaulted Interest.

If the Company defaults in a payment of interest on the Notes, it shall pay the defaulted interest in any lawful manner plus, to the extent lawful, interest payable on the defaulted interest, to the Persons who are Holders on a subsequent special record date, in each case at the rate provided in the Notes and in Section 4.01. The Company shall notify the Trustee in writing of the amount of defaulted interest proposed to be paid on each Note and the date of the proposed payment. The Company shall fix or cause to be fixed each such special record date and payment date; provided that no such special record date shall be less than 10 days prior to the related payment date for such defaulted interest. At least 15 days before the special record date, the Company (or, upon the written request of the Company, the Trustee in the name and at the expense of the Company) shall mail or cause to be mailed to Holders a notice that states the special record date, the related payment date and the amount of such interest to be paid.

Section 2.14. Computation of Interest.

Interest on the Notes (including any Liquidated Damages) shall be computed on the basis of a 360-day year of twelve 30-day months.

Section 2.15. CUSIP Numbers.

The Company in issuing the Notes may use "CUSIP" numbers (if then generally in use), and, if so, the Trustee shall use "CUSIP" numbers in notices of redemption as a convenience to Holders; provided that any such notice may state that no representation is made as to the correctness of such numbers either as printed in the Notes or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Notes, and any such redemption shall not be affected by any defect in or omission of such numbers. The Company will promptly notify the Trustee of any change in the "CUSIP" numbers.

ARTICLE 3

REDEMPTION AND PREPAYMENT

Section 3.01. Notices to Trustee.

If the Company elects to redeem Notes pursuant to the optional redemption provisions of Section 3.07, it shall furnish to the Trustee, at least 30 days but not more than 60 days before a Redemption Date, an Officers' Certificate setting forth (i) the clause of this Indenture pursuant to which the redemption shall occur, (ii) the Redemption Date, (iii) the principal amount of Notes to be redeemed and (iv) the Redemption Price.

Section 3.02. Selection of Notes to Be Redeemed.

If less than all of the Notes are to be redeemed or purchased in an offer to purchase at any time, the Trustee shall select the Notes to be redeemed or purchased among the Holders of the Notes in compliance with the requirements of the principal national securities exchange, if any, on which the Notes are listed or, if the Notes are not so listed, on a pro rata basis, by lot or in accordance with any other method the Trustee considers fair and appropriate. In the event of partial redemption by lot, the particular Notes to be redeemed shall be selected, unless otherwise provided herein, not less than 30 nor more than 60 days prior to the Redemption Date by the Trustee from the outstanding Notes not previously called for redemption. If any Note selected for partial redemption is converted in part before termination of the conversion right with respect to the portion of the Note so selected, the converted portion of such Note shall be deemed (so far as may be) to be the portion selected for redemption. Notes which have been converted during a selection of Notes to be redeemed may be treated by the Trustee as outstanding for the purpose of such selection.

The Trustee shall promptly notify the Company in writing of the Notes selected for redemption and, in the case of any Note selected for partial redemption, the principal

amount thereof to be redeemed. Notes and portions of Notes selected shall be in amounts of \$1,000 or whole multiples of \$1,000; except that if all of the Notes of a Holder are to be redeemed, the entire outstanding amount of Notes held by such Holder, even if not a multiple of \$1,000, shall be redeemed. Except as provided in the preceding sentence, provisions of this Indenture that apply to Notes called for redemption also apply to portions of Notes called for redemption.

Section 3.03. Notice of Redemption.

At least 30 days but not more than 60 days before a Redemption Date, the Company shall mail or cause to be mailed, by first class mail, a notice of redemption to each Holder whose Notes are to be redeemed at its registered address.

The notice shall identify the Notes (including applicable CUSIP numbers) to be redeemed and shall state:

(a) the Redemption Date;

(b) the Redemption Price;

(c) if any Note is being redeemed in part, the portion of the principal amount of such Note to be redeemed and that, after the Redemption Date upon surrender of such Note, a new Note or Notes in principal amount equal to the unredeemed portion shall be issued upon cancellation of the original Note;

(d) the name and address of the Paying Agent;

(e) that Notes called for redemption must be surrendered to the Paying Agent to collect the Redemption Price;

(f) that, unless the Company defaults in making such redemption payment, interest on Notes called for redemption ceases to accrue on and after the Redemption Date;

(g) the paragraph of the Notes and/or Section of this Indenture pursuant to which the Notes called for redemption are being redeemed;

(h) that no representation is made as to the correctness or accuracy of the CUSIP number, if any, listed in such notice or printed on the Notes; and

(i) the Conversion Rate, the date on which the right to convert the Notes to be redeemed will terminate and the places where Notes may be surrendered for conversion or the procedures for surrendering Notes.

At the Company's request, the Trustee shall give the notice of redemption in the Company's name and at its expense; provided, however, that the Company shall have delivered to the Trustee, at least 45 days prior to the Redemption Date, an Officers' Certificate requesting that the Trustee give such notice and setting forth the information to be stated in such notice as provided in the preceding paragraph.

Section 3.04. Effect of Notice of Redemption.

Once notice of redemption is mailed in accordance with Section 3.03, Notes called for redemption become irrevocably due and payable on the Redemption Date at the Redemption Price. A notice of redemption may not be conditional.

Section 3.05. Deposit of Redemption Price.

At or prior to 10:00 a.m., New York City time, on the Redemption Date, the Company shall deposit with the Trustee or with the Paying Agent money sufficient to pay the Redemption Price of and accrued interest on all Notes to be redeemed on that date. The Trustee or the Paying Agent shall promptly return to the Company any money deposited with the Trustee or the Paying Agent by the Company in excess of the amounts, including but not limited to any amounts in respect of Notes that are converted (subject to Section 10.02), necessary to pay the Redemption Price of, and accrued interest on, all Notes to be redeemed.

If the Company complies with the provisions of the preceding paragraph, on and after the Redemption Date, interest shall cease to accrue on the Notes or the portions of Notes called for redemption. If a Note is redeemed on or after a Regular Record Date but on or prior to the related Interest Payment Date, then any accrued and unpaid interest shall be paid to the Person in whose name such Note was registered at the close of business on such Regular Record Date. If any Note called for redemption shall not be so paid upon surrender for redemption because of the failure of the Company to comply with the preceding paragraph, interest shall be paid on the unpaid principal, from the Redemption Date and such Note shall remain convertible until such principal is paid, and to the extent lawful on any interest not paid on such unpaid principal, in each case at the rate provided in the Notes and in Section 4.01.

Section 3.06. Notes Redeemed in Part.

Upon surrender of a Note that is redeemed in part, the Company shall issue and, upon the Company's written request, the Trustee shall authenticate for the Holder at the expense of the Company a new Note equal in principal amount to the unredeemed portion of the Note surrendered.

Section 3.07. Optional Redemption.

(a) The Company shall not have the option to redeem the Notes pursuant to this Section 3.07 prior to October 15, 2003. Thereafter, the Company shall have the option to redeem the Notes, in whole or in part, in cash upon not less than 30 nor more than 60 days' notice, at the Redemption Prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest thereon, if any, to the applicable Redemption Date, if redeemed during the twelve-month period beginning on October 15 of the years indicated below:

Year ----	Percentage -----
2003	102.30%
2004	101.15%
2005 and thereafter	100.00%

(b) Any redemption pursuant to this Section 3.07 shall be made pursuant to the provisions of Section 3.01 through 3.06.

Section 3.08. Conversion Arrangement on Call for Redemption.

In connection with any redemption of Notes, the Company may arrange for the purchase and conversion of any Notes by an agreement with one or more investment bank or other purchasers (the "Arrangement Purchasers") to purchase such securities by paying to the Trustee in trust for the Holders, on or before the Redemption Date an amount not less than the applicable Redemption Price, together with interest accrued to the Redemption Date of such Notes. Notwithstanding anything to the contrary contained in this Article 3, the obligation of the Company to pay the Redemption Price, together with the interest accrued to the Redemption Date, shall be deemed to be satisfied and discharged to the extent such amount is so paid by such Arrangement Purchasers. If such an agreement is entered into (a copy of which shall be filed with the Trustee prior to the close of business on the Business Day immediately prior to the Redemption Date), any Notes called for redemption that are not duly surrendered for conversion by the Holders thereof may, at the option of the Company, be deemed, to the fullest extent permitted by law and consistent with any agreement or agreements with such Arrangement Purchasers, to be acquired by such Arrangement Purchasers from such Holders and (notwithstanding anything to the contrary contained in Article 10) surrendered by such Arrangement Purchasers for conversion, all as of immediately prior to the close of business on the Redemption Date (and the right to convert any such Notes shall be extended through such time), subject to payment of the above amount as aforesaid. At the direction of the Company, the Trustee shall hold and dispose of any such amount paid to it by the Arrangement Purchasers to the Holders in the same manner as it would monies deposited

with it by the Company for the redemption of Notes. Without the Trustee's prior written consent, no arrangement between the Company and such Arrangement Purchasers for the purchase and conversion of any Notes shall increase or otherwise affect any of the powers, duties, responsibilities or obligations of the Trustee as set forth in this Indenture, and the Company agrees to indemnify the Trustee from, and hold it harmless against, any loss, liability or expense arising out of or in connection with any such arrangement for the purchase and conversion of any Notes between the Company and such Arrangement Purchasers, including the costs and expenses, including reasonable legal fees, incurred by the Trustee in the defense of any claim or liability arising out of or in connection with the exercise or performance of any of its powers, duties, responsibilities or obligations under this Indenture.

Section 3.09. Mandatory Redemption.

Except as otherwise provided in Article 11, the Company shall not be required to make mandatory redemption payments with respect to the Notes.

ARTICLE 4

COVENANTS

Section 4.01. Payment of Notes.

The Company shall pay or cause to be paid the principal, premium, if any, and interest on the Notes on the dates and in the manner provided in the Notes. Principal, premium, if any, and interest shall be considered paid on the date due if the Paying Agent, if other than the Company or a Subsidiary thereof, holds as of 10:00 a.m. New York City time on the due date money deposited by the Company in immediately available funds and designated for and sufficient to pay all principal, premium, if any, and interest then due. The Company shall pay all Liquidated Damages, if any, in the same manner on the dates and in the amounts set forth in the Registration Rights Agreement.

The Company shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal at the rate equal to 1% per annum in excess of the then applicable interest rate on the Notes to the extent lawful; the Company shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest (without regard to any applicable grace period) at the same rate to the extent lawful.

Section 4.02. Maintenance of Office or Agency.

The Company shall maintain in the Borough of Manhattan, The City of New York, an office or agency (which may be an office of the Trustee or an affiliate of the Trustee, Registrar or co-registrar) where Notes may be surrendered for conversion, redemption, repurchase, registration of transfer or for exchange and where notices and demands to or upon the Company in respect of the Notes and this Indenture may be served. The Company shall give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee.

The Company may also from time to time designate one or more other offices or agencies where the Notes may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; provided, however, that no such designation or rescission shall in any manner relieve The Company of their obligation to maintain an office or agency in the Borough of Manhattan, The City of New York for such purposes. The Company shall give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

The Company hereby designates The Bank of New York, an affiliate of the Trustee, as one such office or agency of the Company in accordance with Section 2.03.

Section 4.03. Reports.

After this Indenture has been qualified under the TIA, the Company shall file with the Trustee and the Commission, and transmit to Holders, such information, documents and other reports, and such summaries thereof, as may be required pursuant to the TIA at the times and in the manner provided pursuant to the TIA; provided that any such information, documents or reports required to be filed with the Commission pursuant to Section 13 or 15(d) of the Exchange Act shall be filed with the trustee within 15 days after the same is so required to be filed with the Commission.

Delivery of such reports, information and documents to the Trustee is for informational purposes only and the Trustee's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Company's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officers' Certificates).

Section 4.04. Compliance Certificate.

(a) The Company shall deliver to the Trustee, within 90 days after the end of each fiscal year, an Officers' Certificate stating that a review of the activities of the Company and its Subsidiaries during the preceding fiscal year have been made under the supervision of the signing Officers with a view to determining whether the Company has kept, observed, performed and fulfilled its obligations under this Indenture, and further stating, as to each such Officer signing such certificate, that to the best of his or her knowledge the Company has kept, observed, performed and fulfilled each and every covenant contained in this Indenture and is not in default in the performance or observance of any of the terms, provisions and conditions of this Indenture (or, if a Default or Event of Default shall have occurred, describing all such Defaults or Events of Default of which he or she may have knowledge and what action the Company is taking or proposes to take with respect thereto) and that to the best of his or her knowledge no event has occurred and remains in existence by reason of which payments on account of the principal of or interest, if any, on the Notes is prohibited or if such event has occurred, a description of the event and what action the Company is taking or proposes to take with respect thereto.

(b) The Company shall, so long as any of the Notes are outstanding, deliver to the Trustee, forthwith upon any Officer becoming aware of any Default or Event of Default, an Officers' Certificate specifying such Default or Event of Default and what action the Company is taking or proposes to take with respect thereto.

Section 4.05. Taxes.

The Company shall pay, and shall cause each of its Subsidiaries to pay, prior to delinquency, all material taxes, assessments, and governmental levies except such as are contested in good faith and by appropriate proceedings or where the failure to effect such payment is not adverse in any material respect to the Holders of the Notes.

Section 4.06. Stay, Extension and Usury Laws.

The Company covenants (to the extent that it may lawfully do so) that it shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Indenture; and the Company (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it shall not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Trustee, but shall suffer and permit the execution of every such power as though no such law has been enacted.

Section 4.07. Corporate Existence.

Subject to Article 5, the Company shall do or cause to be done all things necessary to preserve and keep in full force and effect (i) its corporate existence, and the corporate, partnership or other existence of each of its Significant Subsidiaries, in accordance with the respective organizational documents (as the same may be amended from time to time) of the Company or any such Significant Subsidiary and (ii) the rights (charter and statutory), licenses and franchises of the Company and its Significant Subsidiaries; provided, however, that the Company shall not be required to preserve any such right, license or franchise, or the corporate, partnership or other existence of any of its Significant Subsidiaries, if the Board of Directors of the Company shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Company and its Significant Subsidiaries, taken as a whole, and that the loss thereof is not adverse in any material respect to the Holders of the Notes.

Section 4.08. Payments for Consent.

The Company shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Holder of Notes for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of this Indenture or the Notes unless such consideration is offered to be paid and is paid to all Holders of the Notes that consent, waive or agree to amend in the time frame set forth in the solicitation documents relating to such consent, waiver or agreement.

Section 4.09. Registration and Listing.

The Company (i) will effect all registrations with, and obtain all approvals by, all governmental authorities that may be necessary under any United States Federal or state law (including the Securities Act, the Exchange Act and state securities and Blue Sky laws) before the shares of Common Stock issuable upon conversion of Notes are issued and delivered, and qualified or listed as contemplated by clause (ii); and (ii) will qualify the shares of Common Stock required to be issued and delivered upon conversion of Notes, prior to such issuance or delivery, for quotation on the Nasdaq National Market or, if the Common Stock is not then quoted on the Nasdaq National Market, list the Common Stock on each national securities exchange or quotation system on which outstanding Common Stock is listed or quoted at the time of such delivery (it being understood that the Company shall not be required to register the Notes under the Securities Act or qualify for quotation or list the shares of Common Stock, except pursuant to the Registration Rights Agreement referred to in Section 4.12).

Nothing in this Section will limit the application of Section 4.12.

Section 4.10. Delivery of Certain Information.

At any time when the Company is not subject to Section 13 or 15(d) of the Exchange Act, upon the request of a Holder of a Restricted Note or the holder of shares of Common Stock issued upon conversion thereof, the Company will promptly furnish or cause to be furnished Rule 144A Information (as defined below) to such Holder of Restricted Notes or such holder of shares of Common Stock issued upon conversion of Restricted Notes, or to a prospective purchaser of any such security designated by any such Holder or holder, as the case may be, to the extent required to permit compliance by such Holder or holder with Rule 144A under the Securities Act (or any successor provision thereto) in connection with the resale of any such security; provided, however, that the Company shall not be required to furnish such information in connection with any request made on or after the date which is two years from the later of (i) the date such a security (or any such predecessor security) was last acquired from the Company or (ii) the date such a security (or any such predecessor security) was last acquired from an "affiliate" of the Company within the meaning of Rule 144 under the Securities Act (or any successor provision thereto). "Rule 144A Information" shall be such information as is specified pursuant to Rule 144A(d)(4) under the Securities Act (or any successor provision thereto).

Section 4.11. Resale of Certain Notes.

During the period beginning on the last date of original issuance of the Notes and ending on the date that is two years from such date (or such shortened period under Rule 144(k) under the Securities Act or any successor rule), the Company will not, and will not permit any of its Subsidiaries or other "affiliates" (as defined under Rule 144 under the Securities Act or any successor provision thereto) to, resell (i) any Notes which constitute "restricted securities" under Rule 144 or (ii) any securities into which the Notes have been converted under this Indenture which constitute "restricted securities" under Rule 144, that in either case have been reacquired by any of them. The Trustee shall have no responsibility in respect of the Company's performance of its agreement in the preceding sentence.

Section 4.12. Registration Rights.

The Company agrees that the Holders from time to time of Registrable Securities (as defined below) are entitled to the benefits of the Registration Rights Agreement. The provisions of Section 7 of the Registration Rights Agreement are incorporated herein by reference.

Whenever in this Indenture there is mentioned, in any context, the payment of the principal of, premium, if any, or interest on, or in respect of, any Note, such mention shall be deemed to include mention of the payment of "Liquidated Damages" (which is

defined herein as defined in the Registration Rights Agreement) provided for in this Section to the extent that, in such context, Liquidated Damages are, were or would be payable in respect thereof pursuant to the provisions of this Section and express mention of the payment of Liquidated Damages (if applicable) in any provisions hereof shall not be construed as excluding Liquidated Damages in those provisions hereof where such express mention is not made.

If a Note, or the shares of Common Stock issuable upon conversion of a Note, constitutes Registrable Securities (which is defined herein as defined in the Registration Rights Agreement), and the Holder thereof elects to sell such Registrable Securities pursuant to the Shelf Registration Statement (which is defined herein as defined in the Registration Right Agreement) then, by its acceptance thereof, the Holder of such Registrable Securities will have agreed to be bound by the terms of the Registration Rights Agreement relating to the Registrable Securities which are the subject of such election.

For the purposes of the Registration Rights Agreement, the term "Holder" includes any Person that has a beneficial interest in any Restricted Global Note or any beneficial interest in a global security representing shares of Common Stock issuable upon conversion of a Note.

If Liquidated Damages are payable under the Registration Rights Agreement, the Company shall deliver to the Trustee a certificate to that effect stating (i) the amount of Liquidated Damages that is payable and (ii) the date on which Liquidated Damages are payable. Unless and until a Responsible Officer of the Trustee receives at the Corporate Trust Office such a certificate, the Trustee may assume without inquiry that no Liquidated Damages are payable. If Liquidated Damages have been paid by the Company directly to the persons entitled to them, the Company shall deliver to the Trustee a certificate setting forth the particulars of such payment.

The provisions of this Section 4.12 shall survive any conversion of Notes into shares of Common Stock pursuant to Article 10 hereof until such time as the Company has satisfied its obligations under the Registration Rights Agreement, and may be enforced by the holder of shares of Common Stock issued upon conversion of the Notes.

Section 4.13. Waiver of Certain Covenants.

The Company may omit in any particular instance to comply with any covenant or condition set forth in Sections 4.05 and 4.07 (other than with respect to the existence of the Company (subject to Article 5)) (other than a covenant or condition which under Article 9 cannot be modified or amended without the consent of the Holder of each outstanding Note affected), if before the time for such compliance the Holders shall either (i) through the written consent (or as otherwise in accordance with the Applicable

Procedures) of the Holders of at least a majority in aggregate principal amount of the Notes then outstanding or (ii) by the adoption of a resolution, at a meeting of Holders of the outstanding Notes at which a quorum is present, by the Holders of at least 66 2/3% in principal amount of the outstanding Notes represented at such meeting or, if less, by the Holders of at least a majority in aggregate principal amount of all outstanding Notes, either waive such compliance in such instance or generally waive compliance with such covenant or condition, but no such waiver shall extend to or affect such covenant or condition except to the extent so expressly waived and, until such waiver shall become effective, the obligations of the Company and the duties of the Trustee or any Paying or Conversion Agent in respect of any such covenant or condition shall remain in full force and effect.

ARTICLE 5

SUCCESSORS

Section 5.01. Merger, Consolidation, or Sale of Assets.

The Company may not, directly or indirectly: (1) consolidate or merge with or into another Person (whether or not the Company is the surviving corporation); or (2) sell, assign, transfer, convey or otherwise dispose of all or substantially all of its properties or assets, in one or more related transactions, to another Person; unless:

(1) either: (a) the Company is the surviving corporation; or (b) the Person formed by or surviving any such consolidation or merger (if other than the Company) or to which such sale, assignment, transfer, conveyance or other disposition shall have been made is a Person organized or existing under the laws of the United States, any state thereof or the District of Columbia (provided that if the Person formed by or surviving any such consolidation or merger with the Company is not a corporation, a corporate co-issuer shall also be an obligor with respect to the Notes);

(2) the Person formed by or surviving any such consolidation or merger (if other than the Company) or the Person to which such sale, assignment, transfer, conveyance or other disposition shall have been made assumes all the obligations of the Company under the Notes and this Indenture pursuant to agreements reasonably satisfactory to the Trustee; and

(3) immediately after such transaction, no Default or Event of Default exists.

In addition, the Company may not, directly or indirectly, lease all or substantially all of its properties or assets, in one or more related transactions, to any other Person.

This Section 5.01 shall not apply to a sale, assignment, transfer, conveyance or other disposition of assets between or among (i) the Company and Charter Communications Holding Company, LLC or (ii) the Company and any wholly-owned Subsidiary of Charter Communications Holding Company, LLC.

Section 5.02. Successor Corporation Substituted.

Upon any consolidation or merger, or any sale, assignment, transfer, lease, conveyance or other disposition of all or substantially all of the assets of the Company in accordance with Section 5.01, the successor Person formed by such consolidation or into which the Company is merged or to which such transfer is made shall succeed to and (except in the case of a lease) be substituted for, and may exercise every right and power of, the Company under this Indenture with the same effect as if such successor Person had been named therein as the Company, and (except in the case of a lease) the Company shall be released from the obligations under the Notes and this Indenture, except with respect to any obligations that arise from, or are related to, such transaction.

ARTICLE 6

DEFAULTS AND REMEDIES

Section 6.01. Events of Default.

An "Event of Default" occurs if:

(a) the Company defaults in the payment when due of interest, including any Liquidated Damages, on the Notes and such default continues for a period of 30 days;

(b) the Company defaults in payment when due of the principal of or premium, if any, on the Notes;

(c) the Company fails to comply with any of the notice or repurchase provisions of Article 11;

(d) the Company fails to comply with any of its other covenants or agreements in this Indenture for 30 days after written notice thereof has been given to the Company by the Trustee or to the Company and the Trustee by Holders of at least 25% of the aggregate principal amount of the Notes outstanding;

(e) the Company or any of its Significant Subsidiaries defaults under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed (or the payment of

which is guaranteed by the Company or any of its Significant Subsidiaries) whether such Indebtedness or guarantee now exists or is created after the Issue Date, if that default:

(1) is caused by a failure to pay at final stated maturity the principal amount on such Indebtedness prior to the expiration of the grace period provided in such Indebtedness on the date of such default (a "Payment Default"); or

(2) results in the acceleration of such Indebtedness prior to its express maturity,

and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates \$100 million or more;

(f) the Company or any of its Significant Subsidiaries pursuant to or within the meaning of Bankruptcy Law:

(i) commences a voluntary case,

(ii) consents to the entry of an order for relief against it in an involuntary case,

(iii) consents to the appointment of a custodian of it or for all or substantially all of its property, or

(iv) makes a general assignment for the benefit of its creditors; or

(g) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(i) is for relief against the Company or any of its Significant Subsidiaries in an involuntary case;

(ii) appoints a custodian of the Company or any of its Significant Subsidiaries or for all or substantially all of the property of the Company or any of its Significant Subsidiaries; or

(iii) orders the liquidation of the Company or any of its Significant Subsidiaries;

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

Section 6.02. Acceleration.

In the case of an Event of Default arising from clause (f) or (g) of Section 6.01 with respect to the Company, all outstanding Notes shall become due and payable immediately without further action or notice. If any other Event of Default occurs and is continuing, the Trustee by notice to the Company or the Holders of at least 25% in principal amount of the then outstanding Notes by notice to the Company and the Trustee may declare all the Notes to be due and payable immediately. The Holders of a majority in aggregate principal amount of the Notes then outstanding by written notice to the Trustee may on behalf of all of the Holders rescind an acceleration and its consequences if the rescission would not conflict with any judgment or decree and if all existing Events of Default (except nonpayment of principal, interest or premium that has become due solely because of the acceleration) have been cured or waived.

Section 6.03. Other Remedies.

If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy to collect the payment of principal, premium, if any, and interest on the Notes or to enforce the performance of any provision of the Notes or this Indenture.

The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Holder of a Note in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. All remedies are cumulative to the extent permitted by law.

Section 6.04. Waiver of Existing Defaults.

Holders, either (i) through the written consent (or as otherwise in accordance with the Applicable Procedures) of the Holders of at least a majority in aggregate principal amount of the then outstanding Notes by notice to the Trustee or (ii) by the adoption of a resolution, at a meeting of Holders of the outstanding Notes at which a quorum is present, by the Holders of at least 66 2/3% in principal amount of the outstanding Notes represented at such meeting or, if less, by the Holders of at least a majority in aggregate principal amount of all outstanding Notes by notice to the Trustee, may on behalf of the Holders of all of the Notes waive an existing Default or Event of Default and its consequences hereunder, except (x) a continuing Default or Event of Default in the payment of the principal of, premium, if any, or interest on, the Notes (including in connection with an offer to purchase) or (y) in respect of a covenant or provision hereof which under Article 9 cannot be modified or amended without the consent of each Holder of each outstanding Note affected (provided, however, that the Holders of a majority in aggregate principal amount of the then outstanding Notes may rescind an acceleration

and its consequences, including any related payment default that resulted from such acceleration). Upon any such waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereon.

Section 6.05. Control by Majority.

Holders of a majority in principal amount of the then outstanding Notes may direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee or exercising any trust or power conferred on it. However, the Trustee may refuse to follow any direction that conflicts with law or this Indenture, that the Trustee determines may be prejudicial to the rights of other Holders of Notes or that may involve the Trustee in personal liability. The Trustee may take any other action which it deems proper that is not inconsistent with any such directive.

Section 6.06. Limitation on Suits.

A Holder of a Note may pursue a remedy with respect to this Indenture or the Notes only if:

(a) the Holder of a Note gives to the Trustee written notice of a continuing Event of Default;

(b) the Holders of at least 25% in principal amount of the then outstanding Notes make a written request to the Trustee to pursue the remedy;

(c) such Holder of a Note or Holders of Notes offer and, if requested, provide to the Trustee indemnity satisfactory to the Trustee against any loss, liability or expense;

(d) the Trustee does not comply with the request within 60 days after receipt of the request and the offer and, if requested, the provision of indemnity; and

(e) during such 60-day period the Holders of a majority in principal amount of the then outstanding Notes do not give the Trustee a direction inconsistent with the request.

A Holder of a Note may not use this Indenture to prejudice the rights of another Holder of a Note or to obtain a preference or priority over another Holder of a Note.

Section 6.07. Rights of Holders of Notes to Receive Payment and to Convert.

Notwithstanding any other provision of this Indenture, the right of any Holder of a Note to receive payment of principal, premium, if any, and interest (including Liquidated

Damages, if any) on the Note, on or after the Stated Maturity dates (including in connection with a redemption and/or an offer to purchase), or to convert such Note in accordance with Article 10, or to bring suit for the enforcement of any such payment on or after such respective dates or of such right to convert, shall be absolute and unconditional and shall not be impaired or affected without the consent of such Holder.

Section 6.08. Collection Suit by Trustee.

If an Event of Default specified in Section 6.01(a) or (b) occurs and is continuing, the Trustee is authorized to recover judgment in its own name and as trustee of an express trust against the Company for the whole amount of principal of, premium, if any, and interest remaining unpaid on the Notes and interest on overdue principal and, to the extent lawful, interest and such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

Section 6.09. Trustee May File Proofs of Claim.

The Trustee is authorized to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and the Holders of the Notes allowed in any judicial proceedings relative to the Company (or any other obligor upon the Notes), their creditors or their property and shall be entitled and empowered to collect, receive and distribute any money or other property payable or deliverable on any such claims and any custodian in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee, and in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.07. To the extent that the payment of any such compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.07 out of the estate in any such proceeding, shall be denied for any reason, payment of the same shall be secured by a lien on, and shall be paid out of, any and all distributions, dividends, money, securities and other properties that the Holders may be entitled to receive in such proceeding whether in liquidation or under any plan of reorganization or arrangement or otherwise. Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

Section 6.10. Priorities.

If the Trustee collects any money pursuant to this Article, it shall pay out the money in the following order:

First: to the Trustee, its agents and attorneys for amounts due under Section 7.07, including payment of all compensation, expense and liabilities incurred, and all advances made, by the Trustee and the costs and expenses of collection;

Second: to Holders of Notes for amounts due and unpaid on the Notes for principal, premium, if any, and interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for principal, premium, if any and interest, respectively; and

Third: to the Company or to such party as a court of competent jurisdiction shall direct.

The Trustee may fix a record date and payment date for any payment to Holders of Notes pursuant to this Section 6.10.

Section 6.11. Undertaking for Costs.

In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as a Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section does not apply to a suit by the Trustee, a suit by a Holder of a Note pursuant to Section 6.07, or a suit by Holders of more than 10% in principal amount of the then outstanding Notes.

ARTICLE 7

TRUSTEE

Section 7.01. Duties of Trustee.

(a) If an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in its exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) Except during the continuance of an Event of Default:

(i) the duties of the Trustee shall be determined solely by the express provisions of this Indenture and the Trustee need perform only those duties that are specifically set forth in this Indenture and no others, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions required to be furnished to the Trustee hereunder and conforming to the requirements of this Indenture. However, the Trustee shall examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture (but need not confirm or investigate the accuracy of any mathematical calculations or other facts stated therein).

(c) The Trustee may not be relieved from liabilities for its own gross negligent action, its own gross negligent failure to act, or its own willful misconduct, except that:

(i) this paragraph does not limit the effect of paragraph (b) of this Section;

(ii) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it is proved that the Trustee was grossly negligent in ascertaining the pertinent facts; and

(iii) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.05.

(d) Whether or not therein expressly so provided, every provision of this Indenture that in any way relates to the Trustee is subject to paragraphs (a), (b), and (c) of this Section 7.01.

(e) No provision of this Indenture shall require the Trustee to expend or risk its own funds or incur any liability. The Trustee shall be under no obligation to exercise any of its rights and powers under this Indenture at the request of any Holders, unless such Holder shall have offered to the Trustee security and indemnity satisfactory to it against any loss, liability, claim, damage or expense.

(f) The Trustee shall not be liable for interest on any money received by it except as the Trustee may agree in writing with the Company. Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

(g) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture or other paper or documents.

Section 7.02. Rights of Trustee.

(a) The Trustee may conclusively rely upon any document (whether in its original or facsimile form) believed by it to be genuine and to have been signed or presented by the proper Person. The Trustee need not investigate any fact or matter stated in the document.

(b) Before the Trustee acts or refrains from acting, it may require an Officers' Certificate or an Opinion of Counsel or both. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on such Officers' Certificate or Opinion of Counsel. The Trustee may consult with counsel of its own selection and the written advice or opinion of such counsel or any Opinion of Counsel shall be full and complete authorization and protection from liability in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

(c) The Trustee may act through its attorneys and agents and shall not be responsible for the misconduct or negligence of any agent appointed with due care.

(d) The Trustee shall not be liable for any action it takes or omits to take in good faith that it believes to be authorized or within the rights or powers conferred upon it by this Indenture.

(e) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from the Company shall be sufficient if signed by an Officer of the Company.

(f) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders unless such Holders shall have offered to the Trustee reasonable security or indemnity satisfactory to it against the costs, expenses and liabilities that might be incurred by it in compliance with such request or direction.

(g) The Trustee shall not be charged with knowledge of any Default or Event of Default unless either (i) a Responsible Officer of the Trustee shall have actual knowledge of such Default or Event of Default or (ii) written notice of such Default or Event of Default shall have been given to and received by a Responsible Officer of the Trustee by the Company or any Holder.

Section 7.03. Individual Rights of Trustee.

The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Company or any Affiliate of the Company with the same rights it would have if it were not Trustee. However, in the event that the Trustee acquires any conflicting interest it must eliminate such conflict within 90 days, apply to the Commission for permission to continue as trustee or resign. Any Agent may do the same with like rights and duties. The Trustee is also subject to Sections 7.10 and 7.11.

Section 7.04. Trustee's Disclaimer.

The Trustee shall not be responsible for and makes no representation as to the validity or adequacy of this Indenture or the Notes, it shall not be accountable for the Company's use of the proceeds from the Notes or any money paid to the Company or upon the Company's direction under any provision of this Indenture, it shall not be responsible for the use or application of any money received by any Paying Agent other than the Trustee, and it shall not be responsible for any statement or recital herein or any statement in the Notes or any other document in connection with the sale of the Notes or pursuant to this Indenture other than its certificate of authentication.

Section 7.05. Notice of Defaults.

If a Default or Event of Default occurs and is continuing and if it is known to a Responsible Officer of the Trustee, the Trustee shall mail to Holders of Notes a notice of the Default or Event of Default within 90 days after the Trustee acquires knowledge thereof. Except in the case of a Default or Event of Default in payment of principal of, premium, if any, or interest on any Note, the Trustee may withhold the notice if and so long as a committee of its Responsible Officers in good faith determines that withholding the notice is in the interests of the Holders of the Notes.

Section 7.06. Reports by Trustee to Holders of the Notes.

Within 60 days after each May 15 beginning with the May 15 following the date of this Indenture, and for so long as Notes remain outstanding, the Trustee shall mail to the Holders of the Notes a brief report dated as of such reporting date that complies with TIA ss. 313(a) (but if no event described in TIA ss. 313(a) has occurred within the twelve months preceding the reporting date, no report need be transmitted). The Trustee also shall comply with TIA ss. 313(b)(2). The Trustee shall also transmit by mail all reports as required by TIA ss. 313(c).

A copy of each report at the time of its mailing to the Holders of Notes shall be mailed to the Company and filed with the Commission and each stock exchange on which the Notes are listed in accordance with TIA ss. 313(d). The Company shall

promptly notify the Trustee when the Notes are listed on any stock exchange or delisted therefrom.

Section 7.07. Compensation and Indemnity.

The Company shall pay to the Trustee from time to time reasonable compensation for its acceptance of this Indenture and services hereunder. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Company shall reimburse the Trustee promptly upon request for all reasonable disbursements, advances and expenses incurred or made by it in addition to the compensation for its services. Such expenses shall include the reasonable compensation, disbursements and expenses of the Trustee's agents and counsel.

The Company shall fully indemnify the Trustee against any and all losses, liabilities, claims, damages or expenses (including reasonable legal fees and expenses) incurred by it arising out of or in connection with the acceptance or administration of its duties under this Indenture, including the costs and expenses of enforcing this Indenture against the Company (including this Section 7.07) and defending itself against any claim (whether asserted by the Company or any Holder or any other person) or liability in connection with the exercise or performance of any of its powers or duties hereunder, except to the extent any such loss, liability or expense may be attributable to its gross negligence or willful misconduct. The Trustee shall notify the Company promptly of any claim for which it may seek indemnity. Failure by the Trustee to so notify the Company shall not relieve the Company of its obligations hereunder. The Company shall defend the claim and the Trustee shall cooperate in the defense. The Trustee may have separate counsel and the Company shall pay the reasonable fees and expenses of such counsel. The Company need not pay for any settlement made without their consent, which consent shall not be unreasonably withheld.

The obligations of the Company in this Section 7.07 shall survive resignation or removal of the Trustee and the satisfaction and discharge of this Indenture.

To secure the Company's payment obligations in this Section, the Trustee shall have a lien prior to the Notes on all money or property held or collected by the Trustee, except that held in trust to pay principal and interest on particular Notes. Such lien shall survive the resignation or removal of the Trustee and the satisfaction and discharge of this Indenture.

When the Trustee incurs expenses or renders services after an Event of Default specified in Section 6.01(f) or (g) occurs, the expenses and the compensation for the services (including the fees and expenses of its agents and counsel) are intended to constitute expenses of administration under any Bankruptcy Law.

The Trustee shall comply with the provisions of TIA ss. 313(b)(2) to the extent applicable.

Section 7.08. Replacement of Trustee.

A resignation or removal of the Trustee and appointment of a successor Trustee shall become effective only upon the successor Trustee's acceptance of appointment as provided in this Section.

The Trustee may resign in writing at any time and be discharged from the trust hereby created by so notifying the Company. The Holders of a majority in principal amount of the then outstanding Notes may remove the Trustee by so notifying the Trustee and the Company in writing. The Company may remove the Trustee if:

(a) the Trustee fails to comply with Section 7.10;

(b) the Trustee is adjudged a bankrupt or an insolvent or an order for relief is entered with respect to the Trustee under any Bankruptcy Law;

(c) a custodian or public officer takes charge of the Trustee or its property; or

(d) the Trustee becomes incapable of acting.

If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason, the Company shall promptly appoint a successor Trustee. Within one year after the successor Trustee takes office, the Holders of a majority in principal amount of the then outstanding Notes may appoint a successor Trustee to replace the successor Trustee appointed by the Company.

If a successor Trustee does not take office within 60 days after the retiring Trustee resigns or is removed, the retiring Trustee, the Company, or the Holders of at least 10% in principal amount of the then outstanding Notes may petition at the expense of the Company any court of competent jurisdiction for the appointment of a successor Trustee.

If the Trustee, after written request by any Holder who has been a Holder for at least six months, fails to comply with Section 7.10, such Holder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Company. Thereupon, the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee shall mail a notice of its succession to Holders. The retiring Trustee shall promptly transfer all

property held by it as Trustee to the successor Trustee; provided all sums owing to the Trustee hereunder have been paid and subject to the lien provided for in Section 7.07. Notwithstanding replacement of the Trustee pursuant to this Section 7.08, the Company's obligations under Section 7.07 shall continue for the benefit of the retiring Trustee.

Section 7.09. Successor Trustee by Merger, etc.

If the Trustee consolidates, merges or converts into, or transfers all or substantially all of its corporate trust business to, another corporation, the successor corporation without any further act shall be the successor Trustee.

Section 7.10. Eligibility; Disqualification.

There shall at all times be a Trustee hereunder that is a corporation organized and doing business under the laws of the United States of America or of any state thereof that is authorized under such laws to exercise corporate trustee power, that is subject to supervision or examination by federal or state authorities and that has a combined capital and surplus of at least \$50 million as set forth in its most recent published annual report of condition.

This Indenture shall always have a Trustee who satisfies the requirements of TIA ss. 310(a)(1), (2) and (5). The Trustee is subject to TIA ss. 310(b).

Section 7.11. Preferential Collection of Claims Against the Company.

The Trustee is subject to TIA ss. 311(a), excluding any creditor relationship listed in TIA ss. 311(b). A Trustee who has resigned or been removed shall be subject to TIA ss. 311(a) to the extent indicated therein.

ARTICLE 8

MEETINGS OF HOLDERS OF NOTES

Section 8.01. Purposes for Which Meetings May Be Called.

A meeting of Holders of Notes may be called at any time and from time to time pursuant to this Article to make, give or take any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be made, given or taken by Holders of Notes.

Section 8.02. Call, Notice and Place of Meetings.

(1) The Trustee may at any time call a meeting of Holders of Notes for any purpose specified in Section 8.01, to be held at such time and at such place in the Borough of Manhattan, The City of New York, as the Trustee shall determine. Notice of every meeting of Holders of Notes, setting forth the time and the place of such meeting and in general terms the action proposed to be taken at such meeting, shall be given, in the manner provided in Section 12.02, not less than 21 nor more than 180 days prior to the date fixed for the meeting.

(2) In case at any time the Company, pursuant to a Board Resolution, or the Holders of at least 10% in principal amount of the outstanding Notes shall have requested the Trustee to call a meeting of the Holders of Notes for any purpose specified in Section 8.01, by written request setting forth in reasonable detail the action proposed to be taken at the meeting, and the Trustee shall not have mailed the notice of such meeting within 21 days after receipt of such request or shall not thereafter proceed to cause the meeting to be held as provided herein, then the Company or the Holders of Notes in the amount specified, as the case may be, may determine the time and the place in the Borough of Manhattan, The City of New York, for such meeting and may call such meeting for such purposes by giving notice thereof as provided in paragraph (1) of this Section.

Section 8.03. Persons Entitled to Vote at Meetings.

To be entitled to vote at any meeting of Holders of Notes, a Person shall be (i) a Holder of one or more outstanding Notes, or (ii) a Person appointed by an instrument in writing as proxy for a Holder or Holders of one or more outstanding Notes by such Holder or Holders. The only Persons who shall be entitled to be present or to speak at any meeting of Holders shall be the Persons entitled to vote at such meeting and their counsel, any representatives of the Trustee and its counsel and any representatives of the Company and its counsel.

Section 8.04. Quorum; Action.

The Persons entitled to vote a majority in principal amount of the outstanding Notes shall constitute a quorum. In the absence of a quorum within 30 minutes of the time appointed for any such meeting, the meeting shall, if convened at the request of Holders of Notes, be dissolved. In any other case, the meeting may be adjourned for a period of not less than 10 days as determined by the chairman of the meeting prior to the adjournment of such meeting. In the absence of a quorum at any such adjourned meeting, such adjourned meeting may be further adjourned for a period not less than 10 days as determined by the chairman of the meeting prior to the adjournment of such adjourned meeting (subject to repeated applications of this sentence). Notice of the reconvening of any adjourned meeting shall be given as provided in Section 8.02(1), except that such

notice need be given only once not less than five days prior to the date on which the meeting is scheduled to be reconvened. Notice of the reconvening of an adjourned meeting shall state expressly the percentage of the principal amount of the outstanding Notes which shall constitute a quorum.

Subject to the foregoing, at the reconvening of any meeting adjourned for a lack of a quorum, the Persons entitled to vote 25% in principal amount of the outstanding Notes at the time shall constitute a quorum for the taking of any action set forth in the notice of the original meeting.

At a meeting or an adjourned meeting duly reconvened and at which a quorum is present as aforesaid, any resolution and all matters (other than a covenant or condition which under Section 9.02 cannot be modified or amended without the consent of the Holder of each outstanding Note affected) shall be effectively passed and decided if passed or decided by the lesser of (i) the Holders of not less than a majority in principal amount of outstanding Notes and (ii) the Persons entitled to vote not less than 66-2/3% in principal amount of outstanding Notes represented and entitled to vote at such meeting.

Any resolution passed or decisions taken at any meeting of Holders of Notes duly held in accordance with this Section shall be binding on all the Holders of Notes whether or not present or represented at the meeting. The Trustee shall, in the name and at the expense of the Company, notify all the Holders of Notes of any such resolutions or decisions pursuant to Section 12.02.

Section 2.09 shall determine which Notes are considered to be "outstanding" for purposes of this Section 8.04.

Section 8.05. Determination of Voting Rights; Conduct and Adjournment of Meetings.

(1) Notwithstanding any other provisions of this Indenture, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of Holders of Notes in regard to proof of the holding of Notes and of the appointment of proxies and in regard to the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidence of the right to vote, and such other matters concerning the conduct of the meeting as it shall deem appropriate.

(2) The Trustee shall, by an instrument in writing, appoint a temporary chairman (which may be the Trustee) of the meeting, unless the meeting shall have been called by the Company or by Holders of Notes as provided in Section 8.02(2), in which case the Company or the Holders of Notes calling the meeting, as the case may be, shall in like manner appoint a temporary chairman. A permanent chairman and a permanent secretary of the meeting shall be elected by vote of the Persons entitled to vote a majority in principal amount of the outstanding Notes represented at the meeting.

(3) At any meeting, each Holder of a Note or proxy shall be entitled to one vote for each U.S. \$1,000 principal amount of Notes held or represented by him; provided, however, that no vote shall be cast or counted at any meeting in respect of any Note challenged as not outstanding and ruled by the chairman of the meeting to be not outstanding. The chairman of the meeting shall have no right to vote, except as a Holder of a Note or proxy.

(4) Any meeting of Holders of Notes duly called pursuant to Section 8.02 at which a quorum is present may be adjourned from time to time by Persons entitled to vote a majority in principal amount of the outstanding Notes represented at the meeting, and the meeting may be held as so adjourned without further notice.

Section 8.06. Counting Votes and Recording Action of Meetings.

The vote upon any resolution submitted to any meeting of Holders of Notes shall be by written ballots on which shall be subscribed the signatures of the Holders of Notes or of their representatives by proxy and the principal amounts at Stated Maturity and serial numbers of the outstanding Notes held or represented by them. The permanent chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports in duplicate of all votes cast at the meeting. A record, at least in duplicate, of the proceedings of each meeting of Holders of Notes shall be prepared by the secretary of the meeting and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits by one or more Persons having knowledge of the facts setting forth a copy of the notice of the meeting and showing that said notice was given as provided in Section 8.02 and, if applicable, Section 8.04. Each copy shall be signed and verified by the affidavits of the permanent chairman and secretary of the meeting and one such copy shall be delivered to the Company and another to the Trustee to be preserved by the Trustee, the latter to have attached thereto the ballots voted at the meeting. Any record so signed and verified shall be conclusive evidence of the matters therein stated.

ARTICLE 9

AMENDMENT, SUPPLEMENT AND WAIVER

Section 9.01. Without Consent of Holders of Notes.

Notwithstanding Section 9.02 of this Indenture, the Company and the Trustee may amend or supplement this Indenture or the Notes without the consent of any Holder of a Note:

(a) to cure any ambiguity, defect or inconsistency;

(b) to provide for uncertificated Notes in addition to or in place of certificated Notes;

(c) to provide for the assumption of the Company's obligations to Holders of Notes in the case of a merger or consolidation or sale of all or substantially all of the assets of the Company pursuant to Article 5;

(d) to make any change that would provide any additional rights or benefits to the Holders of Notes or that does not adversely affect the legal rights under this Indenture of any such Holder;

(e) to comply with requirements of the Commission in order to effect or maintain the qualification of this Indenture under the TIA or otherwise as necessary to comply with applicable law;

(f) to make provision with respect to the conversion rights of Holders of Notes pursuant to Section 10.11 or to make provision with respect to the repurchase rights of Holders of Notes pursuant to Section 11.04;

(g) to make any changes or modifications to this Indenture necessary in connection with the registration of any Registrable Securities under the Securities Act as contemplated by Section 4.12, provided such action pursuant to this clause (g) shall not adversely affect the interests of the Holders of Notes; or

(h) to evidence and provide for the acceptance of appointment hereunder by a successor Trustee.

Upon the request of the Company accompanied by a resolution of its Board of Directors authorizing the execution of any such amended or supplemental Indenture, and upon receipt by the Trustee of the documents described in Section 7.02, the Trustee shall join with the Company in the execution of any amended or supplemental Indenture authorized or permitted by the terms of this Indenture and to make any further appropriate agreements and stipulations that may be therein contained, but the Trustee shall not be obligated to enter into such amended or supplemental Indenture that affects its own rights, duties or immunities under this Indenture or otherwise.

Section 9.02. With Consent of Holders of Notes.

Except as provided below in this Section 9.02, this Indenture or the Notes may be amended or supplemented with either (i) the written consent (or as otherwise in accordance with the Applicable Procedures) of the Holders of at least a majority in aggregate principal amount of the Notes then outstanding (including, without limitation,

consents obtained in connection with a purchase of, or a tender offer or exchange offer for, Notes), or (ii) by the adoption of a resolution, at a meeting of Holders of the outstanding Notes at which a quorum is present, by the Holders of at least 66 2/3% in principal amount of the outstanding Notes represented at such meeting or, if less, by the Holders of at least a majority in aggregate principal amount of all outstanding Notes. Section 2.09 shall determine which Notes are considered to be "outstanding" for purposes of this Section 9.02.

Upon the request of the Company accompanied by a resolution of its Board of Directors authorizing the execution of any such amended or supplemental Indenture, and upon the filing with the Trustee of evidence satisfactory to the Trustee of the consent of the Holders of Notes as aforesaid, and upon receipt by the Trustee of the documents described in Section 7.02, the Trustee shall join with the Company in the execution of such amended or supplemental Indenture unless such amended or supplemental Indenture directly affects the Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, enter into such amended or supplemental Indenture.

It shall not be necessary for the consent of the Holders of Notes under this Section 9.02 to approve the particular form of any proposed amendment or supplement, but it shall be sufficient if such consent approves the substance thereof.

After an amendment or supplement under this Section 9.02 becomes effective, the Company shall mail to the Holders of Notes affected thereby a notice briefly describing the amendment or supplement. Any failure of the Company to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such amended or supplemental Indenture.

However, without the consent or affirmative vote of each Holder affected, an amendment or supplement under this Section 9.02 may not (with respect to any Notes held by a non-consenting Holder):

(a) change the Stated Maturity of the principal of, or any installment of interest on, any Note, or reduce the principal amount of, or the premium, if any, or the rate of interest payable thereon, or reduce the amount payable upon a redemption or Change of Control, or change the place or currency of payment of the principal of, premium, if any, or interest on any Note (including any payment of Liquidated Damages or Redemption Price or Repurchase Price in respect of such Note) or impair the right to institute suit for the enforcement of any payment in respect of any Note on or after the Stated Maturity thereof (or, in the case of redemption or any repurchase, on or after the Redemption Date or Repurchase Date, as the case may be) or, except as permitted by Section 10.11 or adversely affect the right of Holders to convert any Note as provided in Article 10; or

(b) reduce the requirements of Section 8.04 for quorum or voting, or reduce the percentage in principal amount of the outstanding Notes the consent of whose Holders is required for any such supplemental indenture or the consent of whose Holders is required for any waiver of compliance with certain provisions of this Indenture or certain defaults hereunder and their consequences provided for in this Indenture; or

(c) modify the obligation of the Company to maintain an office or agency in the Borough of Manhattan, The City of New York, pursuant to Section 4.02; or

(d) modify any of the provisions of this Section or Section 4.13 or 6.04, except to increase any percentage contained herein or therein or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each outstanding Note affected thereby; or

(e) modify the provisions of Article 11 relating to notice and repurchase (including, without limitation, those relating to the Repurchase Date and the Repurchase Price (whether payable in cash or shares of Common Stock)) in a manner adverse to the Holders; or

(f) modify any of the provisions of Section 4.10.

Section 9.03. Compliance with Trust Indenture Act.

Every amendment or supplement to this Indenture or the Notes shall be set forth in an amended or supplemental Indenture that complies with the TIA as then in effect.

Section 9.04. Revocation and Effect of Consents.

Until an amendment or supplement becomes effective, a consent to it by a Holder of a Note is a continuing consent by the Holder of a Note and every subsequent Holder of a Note or portion of a Note that evidences the same debt as the consenting Holder's Note, even if notation of the consent is not made on any Note. However, any such Holder of a Note or subsequent Holder of a Note may revoke the consent as to its Note if the Trustee receives written notice of revocation before the date the supplement or amendment becomes effective. An amendment or supplement becomes effective in accordance with its terms and thereafter binds every Holder.

Section 9.05. Notation on or Exchange of Notes.

The Trustee may place an appropriate notation about an amendment or supplement on any Note thereafter authenticated. The Company in exchange for all Notes may issue and the Trustee shall, upon receipt of an Authentication Order, authenticate new Notes that reflect the amendment or supplement.

Failure to make the appropriate notation or issue a new Note shall not affect the validity and effect of such amendment or supplement.

Section 9.06. Trustee to Sign Amendments, etc.

The Trustee shall sign any amended or supplemental Indenture authorized pursuant to this Article 9 if the amendment or supplement does not adversely affect the rights, duties, liabilities or immunities of the Trustee. The Company may not sign an amendment or supplemental Indenture until the Board of Directors approves it. In executing any amended or supplemental indenture, the Trustee shall be entitled to receive and (subject to Section 7.01) shall be fully protected in relying upon, in addition to the documents required by Section 10.04, an Officer's Certificate and an Opinion of Counsel stating that the execution of such amended or supplemental indenture is authorized or permitted by this Indenture.

ARTICLE 10

CONVERSION OF NOTES

Section 10.01. Conversion Privilege and Conversion Rate.

Subject to and upon compliance with the provisions of this Article, at the option of the Holder thereof, any Note may be converted into fully paid and nonassessable shares (calculated as to each conversion to the nearest 1/100th of a share) of Common Stock of the Company at the Conversion Rate, determined as hereinafter provided, in effect at the time of conversion. Such conversion right shall commence on the initial issuance date of the Notes and expire at the close of business on the Business Day prior to the date of Maturity of the Notes, subject, in the case of conversion of any Global Note, to any Applicable Procedures. In case a Note or portion thereof is called for redemption at the election of the Company or the Holder thereof exercises his right to require the Company to repurchase the Note, such conversion right in respect of the Note, or portion thereof so called, shall expire at the close of business on the Business Day prior to the Redemption Date or the Repurchase Date, as the case may be, unless the Company defaults in making the payment due upon redemption or repurchase, as the case may be (in each case subject as aforesaid to any Applicable Procedures with respect to any Global Note).

The rate at which shares of Common Stock shall be delivered upon conversion (herein called the "Conversion Rate") shall be initially 46.3822 shares of Common Stock for each U.S.\$1,000 principal amount of Notes. The Conversion Rate shall be adjusted in certain instances as provided in this Article 10.

Section 10.02. Exercise of Conversion Privilege.

In order to exercise the conversion privilege, the Holder of any Note to be converted shall surrender such Note, duly endorsed in blank, at any office or agency of the Company maintained for that purpose pursuant to Section 4.02, accompanied by a duly signed conversion notice substantially in the form set forth in Exhibit A stating that the Holder elects to convert such Note or, if less than the entire principal amount thereof is to be converted, the portion thereof to be converted. Each Note surrendered for conversion (in whole or in part) during the Record Date Period shall (except in the case of any Note or portion thereof which has been called for redemption on a Redemption Date occurring within such Record Date Period and, as a result, the right to convert would terminate in such period) be accompanied by payment in New York Clearing House funds or other funds acceptable to the Company of an amount equal to the interest payable on such Interest Payment Date on the principal amount of such Note (or part thereof, as the case may be) being surrendered for conversion, provided that if any Note (or portion thereof) has been called for redemption on a Redemption Date occurring during the Record Date Period, and is surrendered for conversion during such period, the Holder of such Note on the related Regular Record Date will be entitled to receive the interest accruing on such Note from the Interest Payment Date next preceding the date of such conversion to such succeeding Interest Payment Date and the Holder of such Note who converts such Note or portion thereof during such period shall not be required to pay such interest upon surrender of such Note for conversion. The interest so payable on such Interest Payment Date with respect to any Note (or portion thereof, if applicable) which is surrendered for conversion during the Record Date Period shall be paid to the Holder of such Note as of such Regular Record Date in an amount equal to the interest that would have been payable on such Note if such Note had been converted as of the close of business on such Interest Payment Date. Except as provided in this paragraph, no cash payment or adjustment shall be made upon any conversion on account of any interest accrued from the Interest Payment Date next preceding the conversion date, in respect of any Note (or part thereof, as the case may be) surrendered for conversion, or on account of any dividends on the Common Stock issued upon conversion. The Company's delivery to the Holder of the number of shares of Common Stock (and cash in lieu of fractions thereof, as provided in this Indenture) into which a Note is convertible will be deemed to satisfy the Company's obligation to pay the principal amount of the Note.

Notes shall be deemed to have been converted immediately prior to the close of business on the day of surrender of such Notes for conversion in accordance with the foregoing provisions, and at such time the rights of the Holders of such Notes as Holders shall cease, and the Person or Persons entitled to receive the Common Stock issuable upon conversion shall be treated for all purposes as the record holder or holders of such Common Stock at such time. As promptly as practicable on or after the conversion date, the Company shall issue and deliver to the Trustee, for delivery to the Holder, a certificate or certificates for the number of full shares of Common Stock issuable upon

conversion, together with payment in lieu of any fraction of a share, as provided in Section 10.03.

All shares of Common Stock delivered upon such conversion of Restricted Notes shall bear restrictive legends substantially in the form of the legends required to be set forth on the Restricted Notes pursuant to Section 2.07 and shall be subject to the restrictions on transfer provided in such legends. Neither the Trustee nor any agent maintained for the purpose of such conversion shall have any responsibility for the inclusion or content of any such restrictive legends on such Common Stock; provided, however, that the Trustee or any agent maintained for the purpose of such conversion shall have provided, to the Company or to the Company's transfer agent for such Common Stock, prior to or concurrently with a request to the Company to deliver such Common Stock, written notice that the Notes delivered for conversion are Restricted Notes.

In the case of any Note which is converted in part only, upon such conversion the Company shall execute and the Trustee shall authenticate and deliver to the Holder thereof, at the expense of the Company, a new Note or Notes of authorized denominations in an aggregate principal amount equal to the unconverted portion of the principal amount of such Note. A Note may be converted in part, but only if the principal amount of such Note to be converted is any integral multiple of U.S. \$1,000 and the principal amount of such Note to remain outstanding after such conversion is equal to U.S. \$1,000 or any integral multiple of \$1,000 in excess thereof.

If shares of Common Stock to be issued upon conversion of a Restricted Note, or Notes to be issued upon conversion of a Restricted Note in part only, are to be registered in a name other than that of the Beneficial Owner of such Restricted Note, then such Holder must deliver to the Conversion Agent a Surrender Certificate, dated the date of surrender of such Restricted Note and signed by such Beneficial Owner, as to compliance with the restrictions on transfer applicable to such Restricted Note. Neither the Trustee nor any Conversion Agent, Registrar or Transfer Agent shall be required to register in a name other than that of the Beneficial Owner, shares of Common Stock or Notes issued upon conversion of any such Restricted Note not so accompanied by a properly completed Surrender Certificate.

Section 10.03. Fractions of Shares.

No fractional shares of Common Stock shall be issued upon conversion of any Note or Notes. If more than one Note shall be surrendered for conversion at one time by the same Holder, the number of full shares which shall be issuable upon conversion thereof shall be computed on the basis of the aggregate principal amount of the Notes (or specified portions thereof) so surrendered. Instead of any fractional share of Common Stock which would otherwise be issuable upon conversion of any Note or Notes (or

specified portions thereof), the Company shall calculate and pay a cash adjustment in respect of such fraction (calculated to the nearest 1/100th of a share) in an amount equal to the same fraction of the Closing Price Per Share at the close of business on the day of conversion (or round up the number of shares of Common Stock issuable upon conversion of any Note or Notes to the nearest whole share).

Section 10.04. Adjustment of Conversion Rate.

The Conversion Rate shall be subject to adjustments from time to time as follows:

(1) In case the Company shall pay or make a dividend or other distribution on shares of any class of capital stock payable in shares of Common Stock, the Conversion Rate in effect at the opening of business on the day following the date fixed for the determination of shareholders entitled to receive such dividend or other distribution shall be increased by dividing such Conversion Rate by a fraction of which the numerator shall be the number of shares of Common Stock outstanding at the close of business on the date fixed for such determination and the denominator shall be the sum of such number of shares and the total number of shares constituting such dividend or other distribution, such increase to become effective immediately after the opening of business on the day following the date fixed for such determination. If, after any such date fixed for determination, any dividend or distribution is not in fact paid, the Conversion Rate shall be immediately readjusted, effective as of the date the Board of Directors determines not to pay such dividend or distribution, to the Conversion Rate that would have been in effect if such determination date had not been fixed. For the purposes of this paragraph (1), the number of shares of Common Stock at any time outstanding shall not include shares held in the treasury of the Company but shall include shares issuable in respect of scrip certificates issued in lieu of fractions of shares of Common Stock. The Company will not pay any dividend or make any distribution on shares of Common Stock held in the treasury of the Company.

(2) In case the Company shall issue rights, options or warrants to all holders of its Common Stock entitling them to subscribe for or purchase shares of Common Stock at a price per share less than the current market price per share (determined as provided in paragraph (8) of this Section 10.04) of the Common Stock on the date fixed for the determination of stockholders entitled to receive such rights, options or warrants (other than any rights, options or warrants that by their terms will also be issued to any Holder upon conversion of a Note into shares of Common Stock without any action required by the Company or any other Person), the Conversion Rate in effect at the opening of business on the day following the date fixed for such determination shall be increased by dividing such Conversion Rate by a fraction of which the numerator shall be the number of shares of Common Stock outstanding at the close of business on the date fixed for such determination plus the number of shares of Common Stock which the aggregate of the offering price of the total number of shares of Common Stock so offered for subscription

or purchase would purchase at such current market price and the denominator shall be the number of shares of Common Stock outstanding at the close of business on the date fixed for such determination plus the number of shares of Common Stock so offered for subscription or purchase, such increase to become effective immediately after the opening of business on the day following the date fixed for such determination. If, after any such date fixed for determination, any such rights, options or warrants are not in fact issued, or are not exercised prior to the expiration thereof, the Conversion Rate shall be immediately readjusted, effective as of the date such rights, options or warrants expire, or the date the Board of Directors determines not to issue such rights, options or warrants, to the Conversion Rate that would have been in effect if the unexercised rights, options or warrants had never been granted or such determination date had not been fixed, as the case may be. For the purposes of this paragraph (2), the number of shares of Common Stock at any time outstanding shall not include shares held in the treasury of the Company but shall include shares issuable in respect of scrip certificates issued in lieu of fractions of shares of Common Stock. The Company will not issue any rights, options or warrants in respect of shares of Common Stock held in the treasury of the Company.

(3) In case outstanding shares of Common Stock shall be subdivided into a greater number of shares of Common Stock, the Conversion Rate in effect at the opening of business on the day following the day upon which such subdivision becomes effective shall be proportionately increased, and, conversely, in case outstanding shares of Common Stock shall be combined into a smaller number of shares of Common Stock, the Conversion Rate in effect at the opening of business on the day following the day upon which such subdivision or combination becomes effective shall be proportionately reduced, such increase or reduction, as the case may be, to become effective immediately after the opening of business on the day following the day upon which such subdivision or combination becomes effective.

(4) In case the Company shall, by dividend or otherwise, distribute to all holders of its Common Stock evidences of its indebtedness, shares of any class of capital stock or other property (including cash or assets or securities, but excluding (i) any rights, options or warrants referred to in paragraph (2) of this Section and any other rights, options or warrants that by their terms will also be issued to any Holder upon conversion of a Note into shares of Common Stock without any action required by the Company or any other Person, (ii) any dividend or distribution paid exclusively in cash, (iii) any dividend or distribution referred to in paragraph (1) of this Section and (iv) mergers or consolidations to which Section 10.11 applies), the Conversion Rate shall be adjusted so that the same shall equal the rate determined by dividing the Conversion Rate in effect immediately prior to the close of business on the date fixed for the determination of stockholders entitled to receive such distribution by a fraction of which the numerator shall be the current market price per share (determined as provided in paragraph (8) of this Section 10.04) of the Common Stock on the date fixed for such determination less the then fair market value (as determined by the Board of Directors, whose determination shall be

conclusive and described in a Board Resolution filed with the Trustee) of the portion of the assets, shares or evidences of indebtedness so distributed applicable to one share of Common Stock and the denominator shall be such current market price per share of the Common Stock, such adjustment to become effective immediately prior to the opening of business on the day following the date fixed for the determination of stockholders entitled to receive such distribution. If after any such date fixed for determination, any such distribution is not in fact made, the Conversion Rate shall be immediately readjusted, effective as of the date of the Board of Directors determines not to make such distribution, to the Conversion Rate that would have been in effect if such determination date had not been fixed.

(5) In case the Company shall, by dividend or otherwise, distribute to all holders of its Common Stock cash (excluding any cash that is distributed as part of a distribution referred to in paragraph (4) of this Section or cash distributed upon a merger or consolidation to which Section 10.11 applies) in an aggregate amount that, combined together with (i) the aggregate amount of any other all-cash distributions to all holders of its Common Stock made exclusively in cash within the 365-day period preceding the date of payment of such distribution and in respect of which no adjustment pursuant to paragraphs (5) and (6) has been made and (ii) the aggregate of any cash plus the fair market value (as determined by the Board of Directors, whose determination shall be conclusive and described in a Board Resolution) of consideration payable in respect of any tender offer by the Company or any of its Subsidiaries for all or any portion of the Common Stock concluded within the 365-day period preceding the date of payment of such distribution and in respect of which no adjustment pursuant to paragraphs (5) and (6) of this Section 12.4 has been made (the "combined cash and tender amount") exceeds 12.5% of the product of the current market price per share (determined as provided in paragraph (8) of this Section 10.04) of the Common Stock on the date for the determination of holders of shares of Common Stock entitled to receive such distribution times the number of shares of Common Stock outstanding on such date (the "aggregate current market price"), then, and in each such case, immediately after the close of business on such date for determination, the Conversion Rate shall be adjusted so that the same shall equal the rate determined by dividing the Conversion Rate in effect immediately prior to the close of business on the date fixed for determination of the stockholders entitled to receive such distribution by a fraction (i) the numerator of which shall be equal to the current market price per share (determined as provided in paragraph (8) of this Section) of the Common Stock on the date fixed for such determination less an amount equal to the quotient of (x) the excess of such combined cash and tender amount over such aggregate current market price divided by (y) the number of shares of Common Stock outstanding on such date for determination and (ii) the denominator of which shall be equal to the current market price per share (determined as provided in paragraph (8) of this Section 10.04) of the Common Stock on such date fixed for determination.

(6) In case a tender offer made by the Company or any Subsidiary for all or any portion of the Common Stock shall expire and such tender offer (as amended upon the expiration thereof) shall require the payment to stockholders (based on the acceptance (up to any maximum specified in the terms of the tender offer) of Purchased Shares (as defined below)) of an aggregate consideration having a fair market value (as determined by the Board of Directors, whose determination shall be conclusive and described in a Board Resolution) that combined together with (i) the aggregate of the cash plus the fair market value (as determined by the Board of Directors, whose determination shall be conclusive and described in a Board Resolution), as of the expiration of such tender offer, of consideration payable in respect of any other tender offer by the Company or any Subsidiary for all or any portion of the Common Stock expiring within the 365-day period preceding the expiration of such tender offer and in respect of which no adjustment pursuant to paragraphs (5) and (6) has been made and (ii) the aggregate amount of any cash distributions to all holders of the Common Stock within 365-day period preceding the expiration of such tender offer and in respect of which no adjustment pursuant to paragraphs (5) and (6) of this Section has been made (the "combined tender and cash amount") exceeds 12.5% of the product of the current market price per share of the Common Stock (determined as provided in paragraph (8) of this Section 10.04) as of the last time (the "Expiration Time") tenders could have been made pursuant to such tender offer (as it may be amended) times the number of shares of Common Stock outstanding (including any tendered shares) as of the Expiration Time, then, and in each such case immediately prior to the opening of business on the day after the date of the Expiration Time, the Conversion Rate shall be adjusted so that the same shall equal the rate determined by dividing the Conversion Rate immediately prior to close of business on the date of the Expiration Time by a fraction (i) the numerator of which shall be equal to (A) the product of (I) the current market price per share of the Common Stock (determined as provided in paragraph (8) of this Section 10.04) on the date of the Expiration Time multiplied by (II) the number of shares of Common Stock outstanding (including any tendered shares) on the Expiration Time less (B) the combined tender and cash amount, and (ii) the denominator of which shall be equal to the product of (A) the current market price per share of the Common Stock (determined as provided in paragraph (8) of this Section 10.04) as of the Expiration Time multiplied by (B) the number of shares of Common Stock outstanding (including any tendered shares) as of the Expiration Time less the number of all shares validly tendered and not withdrawn as of the Expiration Time (the shares deemed so accepted up to any such maximum, being referred to as the "Purchased Shares").

(7) The reclassification of Common Stock into securities other than Common Stock (other than any reclassification upon a consolidation or merger to which Section 10.11 applies) shall be deemed to involve (a) a distribution of such securities other than Common Stock to all holders of Common Stock (and the effective date of such reclassification shall be deemed to be "the date fixed for the determination of stockholders entitled to receive such distribution" and "the date fixed for such

determination" within the meaning of paragraph (4) of this Section), and (b) a subdivision or combination, as the case may be, of the number of shares of Common Stock outstanding immediately prior to such reclassification into the number of shares of Common Stock outstanding immediately thereafter (and the effective date of such reclassification shall be deemed to be "the day upon which such subdivision becomes effective" or "the day upon which such combination becomes effective", as the case may be, and "the day upon which such subdivision or combination becomes effective" within the meaning of paragraph (3) of this Section 10.04).

(8) For the purpose of any computation under paragraph (2), (4), (5) or (6) of this Section 10.04, the current market price per share of Common Stock on any date shall be calculated by the Company and be the average of the daily Closing Price Per Share for the five consecutive Trading Days selected by the Company commencing not more than 10 Trading Days before, and ending not later than the earlier of the day in question and the day before the "ex" date with respect to the issuance or distribution requiring such computation. For purposes of this paragraph, the term "ex" date, when used with respect to any issuance or distribution, means the first date on which the Common Stock trades the regular way in the applicable securities market or on the applicable securities exchange without the right to receive such issuance or distribution.

(9) No adjustment in the Conversion Rate shall be required unless such adjustment (plus any adjustments not previously made by reason of this paragraph (9)) would require an increase or decrease of at least one percent in such rate; provided, however, that any adjustments which by reason of this paragraph (9) are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All calculations under this Article shall be made to the nearest cent or to the nearest one-hundredth of a share, as the case may be.

(10) The Company may make such increases in the Conversion Rate, for the remaining term of the Notes or any shorter term, in addition to those required by paragraphs (1), (2), (3), (4), (5) and (6) of this Section 10.04, as it considers to be advisable in order to avoid or diminish any income tax to any holders of shares of Common Stock resulting from any dividend or distribution of stock or issuance of rights or warrants to purchase or subscribe for stock or from any event treated as such for income tax purposes. The Company shall have the power to resolve any ambiguity or correct any error in this paragraph (10) and its actions in so doing shall, absent manifest error, be final and conclusive.

(11) Notwithstanding the foregoing provisions of this Section, no adjustment of the Conversion Rate shall be required to be made (a) upon the issuance of shares of Common Stock pursuant to any present or future plan for the reinvestment of dividends or (b) because of a tender or exchange offer of the character described in Rule 13e-4(h)(5) under the Exchange Act or any successor rule thereto.

(12) To the extent permitted by applicable law, the Company from time to time may increase the Conversion Rate by any amount for any period of time if the period is at least twenty (20) days, the increase is irrevocable during such period, and the Board of Directors shall have made a determination that such increase would be in the best interests of the Company, which determination shall be conclusive; provided, however, that no such increase shall be taken into account for purposes of determining whether the Closing Price Per Share of the Common Stock equals or exceeds 105% of the Conversion Price in connection with an event which would otherwise be a Change of Control. Whenever the Conversion Rate is increased pursuant to the preceding sentence, the Company shall give notice of the increase to the Holders in the manner provided in Section 12.02 at least fifteen (15) days prior to the date the increased Conversion Rate takes effect, and such notice shall state the increased Conversion Rate and the period during which it will be in effect.

Section 10.05. Notice of Adjustments of Conversion Rate.

Whenever the Conversion Rate is adjusted as herein provided:

(1) the Company shall compute the adjusted Conversion Rate in accordance with Section 10.04 and shall prepare a certificate signed by the Chief Financial Officer of the Company setting forth the adjusted Conversion Rate and showing in reasonable detail the facts upon which such adjustment is based, and such certificate shall promptly be filed with the Trustee and with each Conversion Agent; and

(2) upon each such adjustment, a notice stating that the Conversion Rate has been adjusted and setting forth the adjusted Conversion Rate shall be required, and as soon as practicable after it is required, such notice shall be provided by the Company to all Holders in accordance with Section 12.02.

Neither the Trustee nor any Conversion Agent shall be under any duty or responsibility with respect to any such certificate or the information and calculations contained therein, except to exhibit the same to any Holder of Notes desiring inspection thereof at its office during normal business hours, and shall not be deemed to have knowledge of any adjustment in the Conversion Rate unless and until a Responsible Officer of the Trustee shall have received such a certificate. Until a Responsible Officer of the Trustee receives such a certificate, the Trustee and each Conversion Agent may assume without inquiry that the last Conversion Rate of which the Trustee has knowledge of remains in effect.

Section 10.06. Notice of Certain Corporate Action.

In case:

(1) the Company shall declare a dividend (or any other distribution) on its Common Stock payable (i) otherwise than exclusively in cash or (ii) exclusively in cash in an amount that would require any adjustment pursuant to Section 10.04; or

(2) the Company shall authorize the granting to all or substantially all of the holders of its Common Stock of rights, options or warrants to subscribe for or purchase any shares of capital stock of any class or of any other rights; or

(3) of any reclassification of the Common Stock, or of any consolidation, merger or share exchange to which the Company is a party and for which approval of any stockholders of the Company is required, or of the conveyance, sale, transfer or lease of all or substantially all of the assets of the Company; or

(4) of the voluntary or involuntary dissolution, liquidation or winding up of the Company;

then the Company shall cause to be filed at each office or agency maintained for the purpose of conversion of Notes pursuant to Section 4.02, and shall cause to be provided to all Holders in accordance with Section 12.02, at least 20 days (or 10 days in any case specified in clause (1) or (2) above) prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, rights, options or warrants, or, if a record is not to be taken, the date as of which the holders of Common Stock of record to be entitled to such dividend, distribution, rights, options or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, conveyance, transfer, sale, lease, dissolution, liquidation or winding up is expected to become effective, and the date as of which it is expected that holders of Common Stock of record shall be entitled to exchange their shares of Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, conveyance, transfer, sale, lease, dissolution, liquidation or winding up. Neither the failure to give such notice or the notice referred to in the following paragraph nor any defect therein shall affect the legality or validity of the proceedings described in clauses (1) through (4) of this Section 10.06. If at the time the Trustee shall not be the conversion agent, a copy of such notice shall also forthwith be filed by the Company with the Trustee.

The Company shall cause to be filed at the Corporate Trust Office and each office or agency maintained for the purpose of conversion of Notes pursuant to Section 4.02, and shall cause to be provided to all Holders in accordance with Section 12.02, notice of any tender offer by the Company or any Subsidiary for all or any portion of the Common Stock at or about the time that such notice of tender offer is provided to the public generally.

Section 10.07. Company to Reserve Common Stock.

The Company shall at all times reserve and keep available, free from preemptive rights, out of its authorized but unissued Common Stock, for the purpose of effecting the conversion of Notes, the full number of shares of Common Stock then issuable upon the conversion of all outstanding Notes.

Section 10.08. Taxes on Conversions.

Except as provided in the next sentence, the Company will pay any and all taxes and duties that may be payable in respect of the issue or delivery of shares of Common Stock on conversion of Notes pursuant hereto. The Company shall not, however, be required to pay any tax or duty which may be payable in respect of any transfer involved in the issue and delivery of shares of Common Stock in a name other than that of the Holder of the Note or Notes to be converted, and no such issue or delivery shall be made unless and until the Person requesting such issue has paid to the Company the amount of any such tax or duty, or has established to the satisfaction of the Company that such tax or duty has been paid.

Section 10.09. Covenant as to Common Stock.

The Company agrees that all shares of Common Stock which may be delivered upon conversion of Notes, upon such delivery, will have been duly authorized and validly issued and will be fully paid and nonassessable and, except as provided in Section 10.08, the Company will pay all taxes, liens and charges with respect to the issue thereof.

Section 10.10. Cancellation of Converted Notes.

All Notes delivered for conversion shall be delivered to the Trustee or its agent to be canceled by or at the direction of the Trustee, which shall dispose of the same as provided in Section 2.12.

Section 10.11. Provision in Case of Consolidation, Merger or Sale of Assets.

In case of any consolidation or merger of the Company with or into any other Person, any merger of another Person with or into the Company (other than a merger which does not result in any reclassification, conversion, exchange or cancellation of outstanding shares of Common Stock of the Company) or any conveyance, sale, transfer or lease of all or substantially all of the assets of the Company, the Person formed by such consolidation or resulting from such merger or which acquires such assets, as the case may be, shall execute and deliver to the Trustee a supplemental indenture providing that the Holder of each Note then outstanding shall have the right thereafter, during the period such Note shall be convertible as specified in Section 10.01, to convert such Note only into the kind and amount of securities, cash and other property receivable upon such

consolidation, merger, conveyance, sale, transfer or lease by a holder of the number of shares of Common Stock of the Company into which such Note might have been converted immediately prior to such consolidation, merger, conveyance, sale, transfer or lease, assuming such holder of Common Stock of the Company (i) is not (A) a Person with which the Company consolidated or merged with or into or which merged into or with the Company or to which such conveyance, sale, transfer or lease was made, as the case may be (a "Constituent Person"), or (B) an Affiliate of a Constituent Person and (ii) failed to exercise his rights of election, if any, as to the kind or amount of securities, cash and other property receivable upon such consolidation, merger, conveyance, sale, transfer or lease (provided that if the kind or amount of securities, cash and other property receivable upon such consolidation, merger, conveyance, sale, transfer, or lease is not the same for each share of Common Stock of the Company held immediately prior to such consolidation, merger, conveyance, sale, transfer or lease by others than a Constituent Person or an Affiliate thereof and in respect of which such rights of election shall not have been exercised ("Non-electing Share"), then for the purpose of this Section 10.11 the kind and amount of securities, cash and other property receivable upon such consolidation, merger, conveyance, sale, transfer or lease by the holders of each Non-electing Share shall be deemed to be the kind and amount so receivable per share by a plurality of the Non-electing Shares). Such supplemental indenture shall provide for adjustments which, for events subsequent to the effective date of such supplemental indenture, shall be as nearly equivalent as may be practicable to the adjustments provided for in this Article. The above provisions of this Section 10.11 shall similarly apply to successive consolidations, mergers, conveyances, sales, transfers or leases. Notice of the execution of such a supplemental indenture shall be given by the Company to the Holder of each Note as provided in Section 12.02 promptly upon such execution.

Neither the Trustee nor any Conversion Agent shall be under any responsibility to determine the correctness of any provisions contained in any such supplemental indenture relating either to the kind or amount of shares of stock or other securities or property or cash receivable by Holders of Notes upon the conversion of their Notes after any such consolidation, merger, conveyance, transfer, sale or lease or to any such adjustment, but may accept as conclusive evidence of the correctness of any such provisions, and shall be protected in relying upon, an Opinion of Counsel with respect thereto, which the Company shall cause to be furnished to the Trustee.

Section 10.12. Rights Issued in Respect of Common Stock.

Rights or warrants distributed by the Company to all holders of Common Stock entitling the holders thereof to subscribe for or purchase shares of the Company's capital stock (either initially or under certain circumstances), which rights or warrants, until the occurrence of a specified event or events ("Trigger Event"):

(i) are deemed to be transferred with such shares of Common Stock,

(ii) are not exercisable, and

(iii) are also issued in respect of future issuances of Common Stock

shall not be deemed distributed for purposes of Sections 10.04(2) and 10.04(4) until the occurrence of the earliest Trigger Event. In addition, in the event of any distribution of rights or warrants, or any Trigger Event with respect thereto, that shall have resulted in an adjustment to the Conversion Rate under Section 10.04(2), (1) in the case of any such rights or warrants which shall all have been redeemed or repurchased without exercise by any holders thereof, the Conversion Rate shall be readjusted upon such final redemption or repurchase to give effect to such distribution or Trigger Event, as the case may be, as though it were a cash distribution, equal to the per share redemption or repurchase price received by a holder of Common Stock with respect to such rights or warrants (assuming such holder had retained such rights or warrants), made to all holders of Common Stock as of the date of such redemption or repurchase, and (2) in the case of any such rights or warrants all of which shall have expired without exercise by any holder thereof, the Conversion Price shall be readjusted as if such issuance had not occurred.

Section 10.13. Responsibility of Trustee for Conversion Provisions.

The Trustee, subject to the provisions of Section 7.01, and any Conversion Agent shall not at any time be under any duty or responsibility to any Holder of Notes to determine whether any facts exist which may require any adjustment of the Conversion Rate, or with respect to the nature or extent of any such adjustment when made, or with respect to the method employed, herein or in any supplemental indenture provided to be employed, in making the same, or whether a supplemental indenture need be entered into. Neither the Trustee, subject to the provisions of Section 7.01, nor any Conversion Agent shall be accountable with respect to the validity or value (or the kind or amount) of any Common Stock, or of any other Notes or property or cash, which may at any time be issued or delivered upon the conversion of any Note; and it or they do not make any representation with respect thereto. Neither the Trustee, subject to the provisions of Section 7.01, nor any Conversion Agent shall be responsible for any failure of the Company to make or calculate any cash payment or to issue, transfer or deliver any shares of Common Stock or share certificates or other Notes or property or cash upon the surrender of any Note for the purpose of conversion; and the Trustee, subject to the provisions of Section 7.01, and any Conversion Agent shall not be responsible for any failure of the Company to comply with any of the covenants of the Company contained in this Article.

ARTICLE 11

REPURCHASE OF NOTES AT THE OPTION OF THE HOLDER UPON A
CHANGE OF CONTROL

Section 11.01. Right to Require Repurchase.

If a Change of Control occurs, each Holder shall have the right, at the Holder's option, but subject to the provisions of Section 11.02, to require the Company to repurchase, and upon the exercise of such right the Company shall repurchase, all of such Holder's Notes not theretofore called for redemption, or any portion of the principal amount thereof that is equal to U.S. \$1,000 or any integral multiple of U.S. \$1,000 in excess thereof (provided that no single Note may be repurchased in part unless the portion of the principal amount of such Note to be outstanding after such repurchase is equal to U.S. \$1,000 or integral multiples of U.S. \$1,000 in excess thereof), pursuant to a Change of Control Offer. In the Change of Control Offer, the Company shall offer (a "Change of Control Offer") a payment equal to 100% of the aggregate principal amount of the Notes to be repurchased plus interest accrued to but excluding the Repurchase Date (the "Repurchase Price"); provided, however, that installments of interest on Notes whose Stated Maturity is on or prior to the Repurchase Date shall be payable to the Holders of such Notes, or one or more Predecessor Notes, registered as such on the relevant Record Date according to their terms. At the option of the Company, the Repurchase Price may be paid in cash or, subject to the fulfillment by the Company of the conditions set forth Section 11.02, by delivery of shares of Common Stock having a fair market value equal to the Repurchase Price. Whenever in this Indenture there is a reference, in any context, to the principal of any Note as of any time, such reference shall be deemed to include reference to the Repurchase Price payable in respect of such Note to the extent that such Repurchase Price is, was or would be so payable at such time, and express mention of the Repurchase Price in any provision of this Indenture shall not be construed as excluding the Repurchase Price in those provisions of this Indenture when such express mention is not made.

Section 11.02. Conditions to the Company's Election to Pay the Repurchase Price
in Common Stock.

Except as provided in the last paragraph of this Section 11.02, the Company may elect to pay the Repurchase Price by delivery of shares of Common Stock pursuant to Section 11.01 if and only if the following conditions shall have been satisfied:

(1) The shares of Common Stock deliverable in payment of the Repurchase Price shall have a fair market value as of the Repurchase Date of not less than the Repurchase Price. For purposes of Section 11.01 and this Section 11.02, the fair market value of shares of Common Stock shall be determined by the Company and shall be equal to 95%

of the average of the Closing Prices Per Share of the Common Stock for the five consecutive Trading Days immediately preceding and including the fifth Trading Day prior to the Repurchase Date;

(2) The Repurchase Price shall be paid only in cash in the event any shares of Common Stock to be issued upon repurchase of Notes hereunder (i) require registration under any federal securities law before such shares may be freely transferable without being subject to any transfer restrictions under the Securities Act upon repurchase and if such registration is not completed or does not become effective prior to the Repurchase Date, and/or (ii) require registration with or approval of any governmental authority under any state law or any other federal law before such shares may be validly issued or delivered upon repurchase and if such registration is not completed or does not become effective or such approval is not obtained prior to the Repurchase Date (it being understood that, in the case of this clause (ii) only, if (with respect to any particular Holder) (x) the Company has been unable so to effect such registration or obtain such approval after having used its reasonable best efforts to do so and, as a result, such Holder would be unable to receive shares of Common Stock or would receive shares of Common Stock that are not free from restrictions on transfer and (y) the Company pays the full amount of the Repurchase Price to such Holder in cash as provided in Section 11.01, the condition set forth in this clause (ii) will be deemed to be satisfied);

(3) Payment of the Repurchase Price may not be made in shares of Common Stock unless such Common Stock is, or shall have been, approved for quotation on the Nasdaq National Market or listed on a national securities exchange, in either case, prior to the Repurchase Date; and

(4) All shares of Common Stock which may be issued upon repurchase of Notes will be issued out of the Company's authorized but unissued Common Stock and, upon issuance, will be duly and validly issued and fully paid and non-assessable and free of any preemptive or similar rights.

If all of the conditions set forth in this Section 11.02 are not satisfied in accordance with the terms thereof, the Repurchase Price shall be paid by the Company only in cash. Moreover, and notwithstanding anything in this Article 11 to the contrary, the Repurchase Price shall not be payable in shares of Common Stock in the case of a Change of Control under clause (6) of the definition of "Change of Control".

Section 11.03. Notices; Method of Exercising Repurchase Right, Etc.

(1) Within ten days following any Change of Control, the Company shall mail a notice to each Holder (with a copy to the Trustee) describing the transaction or transactions that constitute the Change of Control and stating:

(i) the Repurchase Date, which shall not exceed 30 Business Days from the date such notice is mailed (the "Repurchase Date");

(ii) the date by which the repurchase right must be exercised;

(iii) the Repurchase Price, and whether the Repurchase Price shall be paid by the Company in cash or by delivery of shares of Common Stock;

(iv) a description of the procedure which a Holder must follow to exercise a repurchase right, and the place or places where, or procedures by which, such Notes are to be surrendered for payment of the Repurchase Price and accrued interest (including Liquidated Damages, if any), if any to the Repurchase Date;

(v) that on the Repurchase Date the Repurchase Price, and accrued interest (including Liquidated Damages, if any), if any to the Repurchase Date, will become due and payable upon each such Note designated by the Holder to be repurchased, and that interest thereon shall cease to accrue on and after said date;

(vi) the Conversion Rate then in effect, the date on which the right to convert the principal amount of the Notes to be repurchased will terminate and the place or places where, or procedures by which, such Notes may be surrendered for conversion;

(vii) the place or places that the Note with the "Option of Holder to Purchase" as specified on the reverse of the Note shall be delivered, and if the Note is a Restricted Notes Certificate the place or places that the Surrender Certificate required by Section 11.03(9) shall be delivered;

(viii) that any Note not tendered shall continue to accrue interest;

(ix) that Holders shall be entitled to withdraw their election if the Paying Agent receives, not later than the close of business on the second Business Day preceding the Repurchase Date, a telegram, telex, facsimile transmission or letter setting forth the name of the Holder, the principal amount of Notes delivered for purchase, and a statement that such Holder is withdrawing his election to have the Notes purchased; and

(x) that Holders whose Notes are being purchased only in part shall be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered, which unpurchased portion must be equal to \$1,000 in principal amount or an integral multiple thereof.

No failure of the Company to give the foregoing notices or defect therein shall limit any Holder's right to exercise a repurchase right or affect the validity of the proceedings for the repurchase of Notes.

If any of the foregoing provisions or other provisions of this Article 11 are inconsistent with applicable law, such law shall govern.

(2) To exercise a repurchase right, a Holder shall deliver to the Trustee on or before the date specified in the repurchase notice (i) written notice of the Holder's exercise of such right, which notice shall set forth the name of the Holder, the principal amount of the Notes to be repurchased (and, if any Note is to be repurchased in part, the serial number thereof, the portion of the principal amount thereof to be repurchased and the name of the Person in which the portion thereof to remain outstanding after such repurchase is to be registered) and a statement that an election to exercise the repurchase right is being made thereby, and, in the event that the Repurchase Price shall be paid in shares of Common Stock, the name or names (with addresses) in which the certificate or certificates for shares of Common Stock shall be issued, and (ii) the Notes with respect to which the repurchase right is being exercised. The right of the Holder to convert the Notes with respect to which the repurchase right is being exercised shall continue until the close of business on the Business Day prior to the Repurchase Date.

(3) In the event a repurchase right shall be exercised in accordance with the terms hereof, on the Repurchase Date, the Company shall accept for payment all Notes or portions thereof properly tendered pursuant to the Change of Control Offer, deposit with or pay or cause to be paid to the Trustee the Repurchase Price in cash or shares of Common Stock, as provided above, for payment by the Trustee to the Holder on the Repurchase Date or, if shares of Common Stock are to be paid, as promptly after the Repurchase Date as practicable; provided, however, that installments of interest that mature on or prior to the Repurchase Date shall be payable in cash to the Holders of such Notes, or one or more Predecessor Notes, registered as such at the close of business on the relevant Regular Record Date; and deliver or cause to be delivered to the Trustee the Notes so accepted together with an Officers' Certificate stating the aggregate principal amount of Notes or portions thereof being purchased by the Company.

(4) If any Note (or portion thereof) surrendered for repurchase shall not be so paid on the Repurchase Date, the principal amount of such Note (or portion thereof, as the case may be) shall, until paid, bear interest to the extent permitted by applicable law from the Repurchase Date at the rate specified therein, and each Note shall remain convertible into Common Stock until the principal of such Note (or portion thereof, as the case may be) shall have been paid or duly provided for.

(5) Any Note which is to be repurchased only in part shall be surrendered to the Trustee (with, if the Company or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by, the Holder thereof or his attorney duly authorized in writing), and the Company shall execute, and the Trustee shall authenticate and mail (or cause to be transferred by book entry) to the Holder of such Note without service charge, a new Note

or Notes, containing identical terms and conditions, each in an authorized denomination in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Note so surrendered; provided that each such new Note shall be in principal amount of \$1,000 or an integral multiple thereof.

(6) Any issuance of shares of Common Stock in respect of the Repurchase Price shall be deemed to have been effected immediately prior to the close of business on the Repurchase Date and the Person or Persons in whose name or names any certificate or certificates for shares of Common Stock shall be issuable upon such repurchase shall be deemed to have become on the Repurchase Date the holder or holders of record of the shares represented thereby; provided, however, that any surrender for repurchase on a date when the stock transfer books of the Company shall be closed shall constitute the Person or Persons in whose name or names the certificate or certificates for such shares are to be issued as the record holder or holders thereof for all purposes at the opening of business on the next succeeding day on which such stock transfer books are open. No payment or adjustment shall be made for dividends or distributions on any Common Stock issued upon repurchase of any Note declared prior to the Repurchase Date.

(7) No fractions of shares shall be issued upon repurchase of Notes. If more than one Note shall be repurchased from the same Holder and the Repurchase Price shall be payable in shares of Common Stock, the number of full shares which shall be issuable upon such repurchase shall be computed on the basis of the aggregate principal amount of the Notes so repurchased. Instead of any fractional share of Common Stock which would otherwise be issuable on the repurchase of any Note or Notes, the Company will deliver to the applicable Holder its check for the current market value of such fractional share or round up the number of shares of Common Stock issuable upon conversion to the nearest whole share). The current market value of a fraction of a share is determined by multiplying the current market price of a full share by the fraction, and rounding the result to the nearest cent. For purposes of this Section, the current market price of a share of Common Stock is the Closing Price Per Share of the Common Stock on the Trading Day immediately preceding the Repurchase Date.

(8) Any issuance and delivery of certificates for shares of Common Stock on repurchase of Notes shall be made without charge to the Holder of Notes being repurchased for such certificates or for any tax or duty in respect of the issuance or delivery of such certificates or the Notes represented thereby; provided, however, that the Company shall not be required to pay any tax or duty which may be payable in respect of (i) income of the Holder or (ii) any transfer involved in the issuance or delivery of certificates for shares of Common Stock in a name other than that of the Holder of the Notes being repurchased, and no such issuance or delivery shall be made unless and until the Person requesting such issuance or delivery has paid to the Company the amount of any such tax or duty or has established, to the satisfaction of the Company, that such tax or duty has been paid.

(9) If shares of Common Stock to be delivered upon repurchase of a Note are to be registered in a name other than that of the beneficial owner of such Note, then such Holder must deliver to the Trustee a Surrender Certificate, dated the date of surrender of such Restricted Note and signed by such beneficial owner, as to compliance with the restrictions on transfer applicable to such Restricted Note. Neither the Trustee nor any Registrar or Transfer Agent or other agents shall be required to register in a name other than that of the beneficial owner shares of Common Stock issued upon repurchase of any such Restricted Note not so accompanied by a properly completed Surrender Certificate.

(10) All Notes delivered for repurchase shall be delivered to the Trustee to be canceled at the direction of the Trustee, which shall dispose of the same as provided in Section 2.12.

(11) The provisions described above that require the Company to make a Change of Control Offer following a Change of Control shall be applicable regardless of whether or not any other provisions in this Indenture are applicable. Notwithstanding any other provision of this Article 11, the Company shall not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in this Indenture applicable to a Change of Control Offer made by the Company and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

Section 11.04. Consolidation, Merger, Etc.

In the case of any merger, consolidation, conveyance, sale, transfer or lease of all or substantially all of the assets of the Company to which Section 10.11 applies, in which the Common Stock of the Company is changed or exchanged as a result into the right to receive shares of stock and other Notes or property or assets (including cash) which includes shares of Common Stock of the Company or common stock of another Person that are, or upon issuance will be, traded on a United States national securities exchange or approved for trading on an established automated over-the-counter trading market in the United States and such shares constitute at the time such change or exchange becomes effective in excess of 50% of the aggregate fair market value of such shares of stock and other securities, property and assets (including cash) (as determined by the Company, which determination shall be conclusive and binding), then the Person formed by such consolidation or resulting from such merger or combination or which acquires the properties or assets (including cash) of the Company, as the case may be, shall execute and deliver to the Trustee a supplemental indenture (which shall comply with the Trust Indenture Act as in force at the date of execution of such supplemental indenture) modifying the provisions of this Indenture relating to the right of Holders to cause the Company to repurchase the Notes following a Change of Control, including without limitation the applicable provisions of this Article 11 and the definitions of the Common

Stock and Change of Control, as appropriate, and such other related definitions set forth herein as determined in good faith by the Company (which determination shall be conclusive and binding), to make such provisions apply in the event of a subsequent Change of Control to the common stock and the issuer thereof if different from the Company and Common Stock of the Company (in lieu of the Company and the Common Stock of the Company).

ARTICLE 12

MISCELLANEOUS

Section 12.01. Trust Indenture Act Controls.

If any provision of this Indenture limits, qualifies or conflicts with the duties imposed by TIA ss. 318(c), the imposed duties shall control.

Section 12.02. Notices.

Any notice or communication by the Company or the Trustee to the others is duly given if in writing and delivered in Person or mailed by first class mail (registered or certified, return receipt requested), telex, telecopier or overnight air courier guaranteeing next day delivery, to the others' address:

If to the Company:

c/o Charter Communications, Inc.
12444 Powerscourt Drive, Suite 100
St. Louis, Missouri 63131
Telecopier No.: (314) 965-8793
Attention: Secretary

With a copy to:

Paul, Hastings, Janofsky & Walker LLP
399 Park Avenue
31st Floor
New York, New York 10022
Telecopier No.: (212) 319-4090
Attention: Leigh P. Ryan, Esq.

Irell & Manella
1800 Avenue of the Stars
Suite 900
Los Angeles, California 90067
Telecopier No.: (310) 203-7199
Attention: Meredith Jackson, Esq.

If to the Trustee:

BNY Midwest Trust Company
2 N. LaSalle, Suite 1020
Chicago, Illinois 60602
Telecopier No.: (312) 827-8542
Attention: Corporate Trust Department

The Company or the Trustee, by notice to the others may designate additional or different addresses for subsequent notices or communications.

All notices and communications (other than those sent to Holders) shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; five Business Days after being deposited in the mail, postage prepaid, if mailed; when answered back, if telexed; when receipt acknowledged, if telecopied; and the next Business Day after timely delivery to the courier, if sent by overnight air courier guaranteeing next day delivery.

Any notice or communication to a Holder shall be mailed by first class mail, certified or registered, return receipt requested, or by overnight air courier guaranteeing next day delivery to its address shown on the register kept by the Registrar. Any notice or communication shall also be so mailed to any Person described in TIA ss. 313(c), to the extent required by the TIA. Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders.

If a notice or communication is mailed in the manner provided above within the time prescribed, it is duly given, whether or not the addressee receives it.

If the Company mail a notice or communication to Holders, it shall mail a copy to the Trustee and each Agent at the same time.

Section 12.03. Communication by Holders of Notes with Other Holders of Notes.

Holders may communicate pursuant to TIA ss. 312(b) with other Holders with respect to their rights under this Indenture or the Notes. The Company, the Trustee, the Registrar and anyone else shall have the protection of TIA ss. 312(c).

Section 12.04. Certificate and Opinion as to Conditions Precedent.

Upon any request or application by the Company to the Trustee to take any action under this Indenture, the Company shall furnish to the Trustee:

(a) an Officers' Certificate in form and substance reasonably satisfactory to the Trustee (which shall include the statements set forth in Section 12.05) stating that, in the

opinion of the signers, all conditions precedent and covenants, if any, provided for in this Indenture relating to the proposed action have been satisfied; and

(b) an Opinion of Counsel in form and substance reasonably satisfactory to the Trustee (which shall include the statements set forth in Section 12.05) stating that, in the opinion of such counsel, all such conditions precedent and covenants have been satisfied.

Section 12.05. Statements Required in Certificate or Opinion.

Each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture (other than a certificate provided pursuant to TIA ss. 314(a)(4)) shall comply with the provisions of TIA ss. 314(e) and shall include:

(a) a statement that the Person making such certificate or opinion has read such covenant or condition;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of such Person, he or she has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been satisfied; and

(d) a statement as to whether or not, in the opinion of such Person, such condition or covenant has been satisfied.

Section 12.06. Rules by Trustee and Agents.

The Trustee may make reasonable rules for action by or at a meeting of Holders. The Registrar or Paying Agent may make reasonable rules and set reasonable requirements for its functions.

Section 12.07. No Personal Liability of Directors, Officers, Employees, Members and Stockholders.

No director, officer, employee, incorporator, member or stockholder of the Company, as such, shall have any liability for any obligations of the Company under the Notes, this Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

Section 12.08. Governing Law.

THE INTERNAL LAW OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUE THIS INDENTURE AND THE NOTES WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY. EACH OF THE PARTIES HERETO AGREES TO SUBMIT TO THE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS INDENTURE OR THE NOTES.

Section 12.09. No Adverse Interpretation of Other Agreements.

This Indenture may not be used to interpret any other indenture, loan or debt agreement of the Company or its Subsidiaries or of any other Person. Any such indenture, loan or debt agreement may not be used to interpret this Indenture.

Section 12.10. Successors.

All agreements of the Company in this Indenture and the Notes, as the case may be, shall bind its successors. All agreements of the Trustee in this Indenture shall bind its successors.

Section 12.11. Severability.

In case any provision in this Indenture or the Notes, as the case may be, shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 12.12. Counterpart Originals.

The parties may sign any number of copies of this Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

Section 12.13. Table of Contents, Headings, etc.

The Table of Contents, Cross-Reference Table and Headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part of this Indenture and shall in no way modify or restrict any of the terms or provisions.

ARTICLE 13

SATISFACTION AND DISCHARGE

Section 13.01. Satisfaction and Discharge of Indenture.

This Indenture shall cease to be of further effect (except as to any surviving rights of registration of transfer or exchange or conversion of Notes herein expressly provided for), and the Trustee, on demand of and at the expense of the Company, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture, when

(1) either

(A) all Notes theretofore authenticated and delivered (other than (i) Notes which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 2.08 and (ii) Notes for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Company and thereafter repaid to the Company or discharged from such trust,) have been delivered to the Trustee for cancellation; or

(B) all such Notes not theretofore delivered to the Trustee for cancellation

(i) have become due and payable, or

(ii) will become due and payable at their Stated Maturity within one year, or

(iii) are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Company,

and the Company, in the case of (i), (ii) or (iii) above, has deposited or caused to be deposited with the Trustee as trust funds in trust for the purpose an amount sufficient to pay and discharge the entire indebtedness on such Notes not theretofore delivered to the Trustee for cancellation, for principal (and premium, if any) and interest to the date of such deposit (in the case of Notes which have become due and payable) or to the maturity or redemption thereof, as the case may be;

(2) the Company has paid or caused to be paid all other sums payable hereunder by the Company; and

(3) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture have been complied with.

Notwithstanding the satisfaction and discharge of this Indenture pursuant to this Article 11, the obligations of the Company to the Trustee under Section 7.07, and, if money shall have been deposited with the Trustee pursuant to subclause (B) of clause (1) of this Section, the obligations of the Trustee under Section 13.02 shall survive such satisfaction and discharge.

Section 13.02. Application of Trust Money.

All money deposited with the Trustee pursuant to Section 13.01 shall be held in trust and applied by it, in accordance with the provisions of the Notes and this Indenture, to the payment, either directly or through any Paying Agent as the Trustee may determine, to the Persons entitled thereto, of the principal (and premium, if any) and interest for whose payment such money has been deposited with the Trustee.

All moneys deposited with the Trustee pursuant to Section 13.01 (and held by it or any Paying Agent) for the payment of Notes subsequently converted shall be returned to the Company upon a written request signed in the name of the Company by an Officer.

[Signatures on following page]

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed as of the day and year first above written.

CHARTER COMMUNICATIONS, INC.

By /s/ Ralph G. Kelly

Name: Ralph G. Kelly
Title: Senior vice President and Treasurer

BNY MIDWEST TRUST COMPANY,
as Trustee

By /s/ Judy Bartolini

Name: Judy Bartolini
Title: Vice President

[FACE OF NOTE]

[THE FOLLOWING LEGEND SHALL APPEAR ON THE FACE OF EACH RESTRICTED NOTE:

THIS NOTE AND ANY CLASS A COMMON STOCK ISSUABLE UPON THE CONVERSION OF THIS NOTE HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND MAY NOT BE SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

THIS NOTE AND ANY CLASS A COMMON STOCK ISSUABLE UPON CONVERSION OF THIS NOTE MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) (I) TO A PERSON WHO THE TRANSFEROR REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT ACQUIRING FOR ITS OWN ACCOUNT OR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (II) PURSUANT TO THE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), (III) TO AN INSTITUTION THAT IS AN "ACCREDITED INVESTOR" WITHIN THE MEANING OF RULE 501(A)(1), (2), (3) OR (7) OF REGULATION D UNDER THE SECURITIES ACT PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT (IF AVAILABLE) OR (IV) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND OTHER JURISDICTIONS.

THIS NOTE, ANY SHARES OF COMMON STOCK ISSUABLE UPON ITS CONVERSION AND ANY RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON REALES AND OTHER TRANSFERS OF THIS NOTE AND ANY SUCH SHARES TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO THE RESALE OR TRANSFER OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS NOTE AND ANY SUCH SHARES SHALL BE DEEMED BY THE ACCEPTANCE OF THIS NOTE AND

ANY SUCH SHARES TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT.]

[THE FOLLOWING LEGEND SHALL APPEAR ON THE FACE OF EACH GLOBAL NOTE:

THIS NOTE IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF THE DEPOSITARY OR A NOMINEE OF THE DEPOSITARY, WHICH MAY BE TREATED BY THE COMPANY, THE TRUSTEE AND ANY AGENT THEREOF AS OWNER AND HOLDER OF THIS NOTE FOR ALL PURPOSES.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR SECURITIES IN DEFINITIVE REGISTERED FORM IN THE LIMITED CIRCUMSTANCES REFERRED TO IN THE INDENTURE, THIS GLOBAL NOTE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY.]

CUSIP NO. 16117MAA5

5.75% Convertible Senior Notes due 2005

No. R-

\$()

CHARTER COMMUNICATIONS, INC.

promises to pay to

or registered assigns,

the principal amount of Dollars

(\$)(1) on October 15, 2005.

Interest Payment Dates: April 15 and October 15

Regular Record Dates: April 1 and October 1

Subject to Restrictions set forth in this Note.

- - - - -

(1) If this Note is a Global Note, then insert: "(which principal amount may from time to time be increased or decreased to such other principal amount by adjustments made on the records of the Trustee hereinafter referred to in accordance with the Indenture)".

Dated:

CHARTER COMMUNICATIONS, INC.

By -----

Name:
Title:

By -----

Name:
Title:

This is one of the Notes referred to in the within-mentioned Indenture:

BNY MIDWEST TRUST COMPANY,
as Trustee

By: -----

Authorized Signatory

[BACK OF NOTE]

5.75% Convertible Senior Notes due 2005

Capitalized terms used herein shall have the meanings assigned to them in the Indenture referred to below unless otherwise indicated.

1. INTEREST. Charter Communications, Inc., a Delaware corporation (as further defined in the Indenture, the "Company"), promises to pay interest on the principal amount of this Note at the rate of 5.75% per annum from October 30, 2000 until Maturity. The interest rate on the Notes is subject to increase pursuant to the provisions of the Registration Rights Agreement. The Company will pay interest semi-annually in arrears on April 15 and October 15 of each year (each an "Interest Payment Date"), or if any such day is not a Business Day, on the next succeeding Business Day. Interest on the Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of issuance; provided that if there is no existing Default in the payment of interest, and if this Note is authenticated between a Regular Record Date referred to on the face and the next succeeding Interest Payment Date, interest shall accrue from such next succeeding Interest Payment Date. The first Interest Payment Date shall be April 15, 2001. The Company shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal and premium, if any, from time to time on demand at a rate that is 1% per annum in excess of the rate then in effect; and it shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest (without regard to any applicable grace periods) from time to time on demand at the same rate to the extent lawful. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

2. METHOD OF PAYMENT. The Company shall pay interest on the Notes (except defaulted interest) to the Persons who are registered Holders of Notes at the close of business on the April 1 or October 1 next preceding the Interest Payment Date, even if such Notes are canceled after such record date and on or before such Interest Payment Date, except as provided in Section 2.13 of the Indenture with respect to defaulted interest. The Notes will be payable as to principal, premium, if any, and interest at the office or agency of the Company maintained for such purpose within or without the City and State of New York, or, at the option of the Company, payment of interest may be made by check mailed to the Holders at their addresses set forth in the Note Register, and provided that payment by wire transfer of immediately available funds will be required with respect to principal of and interest and premium on all Global Notes and all other Notes the Holders of which shall have provided wire transfer instructions to the Company or the Paying Agent. Such payment shall be in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

3. PAYING AGENT, REGISTRAR AND CONVERSION AGENT. Initially, BNY Midwest Trust Company, the Trustee under the Indenture, will act as Paying Agent, Registrar and Conversion Agent. The Company may change any Paying Agent, Registrar or Conversion Agent without notice to any Holder. The Company or any of its Subsidiaries may act in any such capacity.

4. INDENTURE. The Company issued the Notes under an Indenture dated as of October 30, 2000 (the "Indenture") between the Company and the Trustee. The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the TIA. The Notes are subject to all such terms, and Holders are referred to the Indenture and the TIA Act for a statement of such terms. To the extent any provision of this Note conflicts with the express provisions of the Indenture, the provisions of the Indenture shall govern and be controlling. The Notes are obligations of the Company limited to \$650,000,000 million in principal amount (or \$750,000,000 if the Purchasers exercise in full their over-allotment option pursuant to the Purchase Agreement) except as provided in Section 2.08 of the Indenture.

5. OPTIONAL REDEMPTION. The Company shall not have the option to redeem the Notes prior to October 15, 2003. Thereafter, the Company shall have the option to redeem the Notes, in whole or in part, in cash upon not less than 30 nor more than 60 days' notice, at the Redemption Prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest thereon, if any, to the applicable Redemption Date, if redeemed during the twelve-month period beginning on October 15 of the years indicated below:

Year ----	Percentage -----
2003	102.30%
2004	101.15%
2005 and thereafter	100.00%

6. NOTICE OF REDEMPTION. Notice of redemption will be mailed by first class mail at least 30 days but not more than 60 days before the Redemption Date to each Holder whose Notes are to be redeemed at its registered address. Notices of redemption may not be conditional. No Notes of \$1,000 or less may be redeemed in part. Notes in denominations larger than \$1,000 may be redeemed in part but only in whole multiples of \$1,000, unless all of the Notes held by a Holder are to be redeemed. On and after the Redemption Date, interest ceases to accrue on Notes or portions thereof called for redemption.

7. MANDATORY REDEMPTION. Except as otherwise provided in Paragraph 8 below, the Company shall not be required to make mandatory redemption payments with respect to the Notes.

8. REPURCHASE AT OPTION OF HOLDER. If a Change of Control occurs, the Company shall make a Change of Control Offer to repurchase all or any part (equal to \$1,000 or an integral multiple thereof) of each Holder's Notes at a purchase price equal to 100% of the principal amount thereof plus interest accrued to the date of purchase. At the option of the Company, the Repurchase Price may be paid in cash or, subject to the provisions of the Indenture, by delivery of shares of Common Stock having a fair market value equal to the Repurchase Price. For purposes of this paragraph, the fair market value of shares of Common Stock shall be determined by the Company and shall be equal to 95% of the average of the Closing Prices Per Share for the five consecutive Trading Days immediately preceding and including the fifth Trading Day prior to the Repurchase Date. Within 10 days following any Change of Control, the Company shall mail a notice to each Holder describing the transaction or transactions that constitute the Change of Control and offering to repurchase Notes on the Repurchase Date specified in such notice, pursuant to the procedures required by the Indenture and described in such notice.

9. DENOMINATIONS, TRANSFER, EXCHANGE. The Notes are in registered form without coupons in denominations of \$1,000 and integral multiples of \$1,000. The transfer of Notes may be registered and Notes may be exchanged as provided in the Indenture. The Registrar and the Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and the Company may require a Holder to pay any taxes and fees required by law or permitted by the Indenture. The Company need not exchange or register the transfer of any Note or portion of a Note selected for redemption, except for the unredeemed portion of any Note being redeemed in part. Also, the Company need not exchange or register the transfer of any Notes for a period of 15 days before a selection of Notes to be redeemed or during the period between a Regular Record Date and the corresponding Interest Payment Date.

10. PERSONS DEEMED OWNERS. The registered Holder of a Note may be treated as its owner for all purposes.

11. AMENDMENT AND SUPPLEMENT. Subject to certain exceptions, the Indenture or the Notes may be amended or supplemented with either (i) the written consent (or as otherwise in accordance with the Applicable Procedures) of the Holders of at least a majority in aggregate principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes), or (ii) by the adoption of a resolution, at a meeting of Holders of the outstanding Notes at which a quorum is present, by the Holders of at least 66 2/3% in principal amount of the outstanding Notes represented at such meeting or, if less, by the Holders of at least a majority in aggregate principal amount of all outstanding Notes. Without the consent of any Holder of a Note, the Company and the Trustee may amend or supplement the Indenture or the Notes to cure any ambiguity, defect or inconsistency, to provide for uncertificated Notes in addition to or in place of certificated Notes, to provide for the assumption of the Company's obligations to Holders of Notes in the case

of a merger or consolidation or sale of all or substantially all of the assets of the Company, to make any change that would provide any additional rights or benefits to the Holders of Notes or that does not adversely affect the legal rights under the Indenture of any such Holder, or to comply with the requirements of the Commission in order to effect or maintain the qualification of the Indenture under the TIA or otherwise as necessary to comply with applicable law.

12. DEFAULTS AND REMEDIES. Each of the following is an Event of Default: (i) default for 30 days in the payment when due of interest on the Notes, (ii) default in payment when due of the principal of or premium, if any, on the Notes, (iii) failure by the Company to comply with the notice or repurchase provisions of Article 11 of the Indenture, (iv) failure by the Company for 30 days after written notice thereof has been given to the Company by the Trustee or to the Company and the Trustee by the Holders of at least 25% of the aggregate principal amount of the Notes outstanding to comply with any of its other covenants or agreements in the Indenture, (v) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company or any of its Significant Subsidiaries (or the payment of which is guaranteed by the Company or any of its Significant Subsidiaries), whether such Indebtedness or guarantee now exists or is created after the Issue Date, if that default: (a) is caused by a failure to pay at final stated maturity the principal amount of such Indebtedness prior to the expiration of the grace period provided in such Indebtedness on the date of such default (a "Payment Default"); or (b) results in the acceleration of such Indebtedness prior to its express maturity, and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates \$100 million or more, or (vi) certain events of bankruptcy or insolvency with respect to the Company or any of its Significant Subsidiaries. In the case of an Event of Default arising from certain events of bankruptcy or insolvency with respect to the Company, all outstanding Notes will become due and payable without further action or notice. If any other Event of Default occurs and is continuing, the Trustee by notice to the Company or the Holders of at least 25% in principal amount of the then outstanding Notes by notice to the Company and the Trustee may declare all the Notes to be due and payable immediately. Holders may not enforce the Indenture or the Notes except as provided in the Indenture. Subject to certain limitations, Holders of a majority in aggregate principal amount of the then outstanding Notes may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Holders of the Notes notice of any continuing Default or Event of Default (except a Default or Event of Default relating to the payment of principal or interest) if it determines that withholding notice is in their interest. Holders, either (i) through the written consent (or as otherwise in accordance with the Applicable Procedures) of the Holders of at least a majority in aggregate principal amount of the then outstanding Notes by notice to the Trustee or (ii) by the adoption of a resolution, at a meeting of Holders of the outstanding Notes at

which a quorum is present, by the Holders of at least 66 2/3% in the principal amount of outstanding Notes represented at such meeting or, if less, by the Holders of at least a majority in aggregate principal amount of all outstanding Notes by notice to the Trustee, may on behalf of the Holders of all of the Notes waive any existing Default or Event of Default and its consequences under the Indenture, except a continuing Default or Event of Default in the payment of the principal of, premium, if any, or interest on the Notes or in respect of a covenant or provision of the Indenture under Article 9 thereof which cannot be modified or amended without the consent of each outstanding Note affected. The Company is required to deliver to the Trustee annually a statement regarding compliance with the Indenture. Upon becoming aware of any Default or Event of Default, the Company is required to deliver to the Trustee a statement specifying such Default or Event of Default.

13. Conversion. Subject to and upon compliance with the provisions of the Indenture, the Holder of this Note is entitled, at his option, at any time on or before the close of business on the Business Day prior to the date of Maturity, or in case this Note or a portion hereof is called for redemption or the Holder hereof has exercised his right to require the Company to repurchase this Note or such portion hereof, then in respect of this Note until and including, but (unless the Company defaults in making the payment due upon redemption or repurchase, as the case may be) not after, the close of business on the Business Day prior to the Redemption Date or the Repurchase Date, as the case may be, to convert this Security (or any portion of the principal amount hereof that is an integral multiple of U.S.\$1,000, provided that the unconverted portion of such principal amount is U.S.\$1,000 or any integral multiple of U.S.\$1,000 in excess thereof) into fully paid and nonassessable shares of Common Stock of the Company at an initial Conversion Rate of 46.3822 shares of Common Stock for each U.S.\$1,000 principal amount of Notes (or at the current adjusted Conversion Rate if an adjustment has been made as provided in the Indenture) by surrender of this Note, duly endorsed or assigned to the Company or in blank and, in case such surrender shall be made during the Record Date Period (except if this Note or portion thereof has been called for redemption on a Redemption Date occurring within such Record Date Period and, as a result, the right to convert would terminate in such period), also accompanied by payment in New York Clearing House funds or other funds acceptable to the Company of an amount equal to the interest payable on such Interest Payment Date on the principal amount of this Note then being converted, and also the conversion notice hereon duly executed, to the Company at the Corporate Trust Office of the Trustee, or at such other office or agency of the Company, subject to any laws or regulations applicable thereto and subject to the right of the Company to terminate the appointment of any Conversion Agent (as defined below) as may be designated by it pursuant to the Indenture; provided, further, that if this Note or portion hereof has been called for redemption on a Redemption Date occurring during the Record Date Period, and is surrendered for conversion during such period, then the Holder of this Note on the related Regular Record Date will be entitled to receive the interest accruing hereon from the Interest Payment Date next preceding the date of such

conversion to such succeeding Interest Payment Date and the Holder of this Note who converts this Note or a portion hereof during such period shall not be required to pay such interest upon surrender of this Note for conversion. Subject to the provisions of the preceding sentence, no cash payment or adjustment is to be made on conversion for interest accrued hereon from the Interest Payment Date next preceding the day of conversion, or for dividends on the Common Stock issued on conversion hereof. The Company shall thereafter deliver to the Holder the fixed number of shares of Common Stock (together with any cash adjustment, as provided in the Indenture) into which this Note is convertible and such delivery will be deemed to satisfy the Company's obligation to pay the principal amount of this Note. No fractions of shares or scrip representing fractions of shares will be issued on conversion, but instead of any fractional interest (calculated to the nearest 1/100th of a share) the Company shall pay a cash adjustment as provided in the Indenture (or round up the number of shares of Common Stock issuable upon conversion to the nearest whole share).

The Conversion Rate is subject to adjustment as provided in the Indenture.

In addition, the Indenture provides that in case of certain consolidations or mergers to which the Company is a party (other than a consolidation or merger that does not result in any reclassification, conversion, exchange or cancellation of outstanding shares of Common Stock) or any conveyance, transfer, sale or lease of all or substantially all of the property and assets of the Company, the Indenture shall be amended, without the consent of any Holders of Notes, so that this Note, if then outstanding, will be convertible thereafter, during the period this Note shall be convertible as specified above, only into the kind and amount of securities, cash and other property receivable upon such consolidation, merger, conveyance, transfer, sale or lease by a holder of the number of shares of Common Stock of the Company into which this Note could have been converted immediately prior to such consolidation, merger, conveyance, transfer, sale or lease (assuming such holder of Common Stock is not a Constituent Person or an Affiliate of a Constituent Person, failed to exercise any rights of election and received per share the kind and amount received per share by a plurality of Non-electing Shares). No adjustment in the Conversion Rate will be made until such adjustment would require an increase or decrease of at least one percent of such rate, provided that any adjustment that would otherwise be made will be carried forward and taken into account in the computation of any subsequent adjustment.

14. REGISTRATION RIGHTS AGREEMENT AND LIQUIDATED DAMAGES. If this Note is a Registrable Security (as defined in this Indenture), then the Holder of this Note [if this security is a global security, then insert -- (including any Person that has a beneficial interest in this Security)] and the shares of Common Stock of the Company issuable upon conversion hereof is entitled to the benefits of the Registration Rights Agreement. Pursuant to the Registration Rights Agreement, the Company has agreed for the benefit of the Holders from time to time of the Registrable

Securities that it will, at its expense, (a) within 90 days after the Issue Date file a shelf registration statement (the "Shelf Registration Statement") with the Commission with respect to resales of the Registrable Securities, (b) use its reasonable efforts to cause such Shelf Registration Statement to be declared effective by the Commission within 180 days after the Issue Date of the Notes, provided, however, that the Company may, upon written notice to all the Holders, postpone having the Shelf Registration Statement declared effective for a reasonable period not to exceed 90 days, as provided in the Registration Rights Agreement, and (c) use its reasonable efforts to maintain such Shelf Registration Statement effective under the Securities Act of 1933, as amended, for the period specified in the Registration Rights Agreement (the "Effectiveness Period"). The Company will be permitted to suspend the use of the prospectus which is part of the Shelf Registration Statement during certain periods of time as provided in the Registration Rights Agreement.

If (i) on or prior to 90 days following the Issue Date, a Shelf Registration Statement has not been filed with the Commission, or (ii) on or prior to the 180th day following the Issue Date, such Shelf Registration Statement is not declared effective (each, a "Registration Default"), additional interest ("Liquidated Damages") will accrue on this Registrable Security from and including the day following such Registration Default to but excluding the date on which such Shelf Registration Statement is either so filed or so declared effective, as applicable. Liquidated Damages will be paid semi-annually in arrears, with the first semi-annual payment due on the first Interest Payment Date, as applicable, in respect of this Registrable Security following the date on which such Liquidated Damages begin to accrue, and will accrue at a rate per annum equal to an additional one-quarter of one percent (0.25%) of the principal amount of this Registrable Security to and including the 90th day following such Registration Default and at a rate per annum equal to one-half of one percent (0.50%) thereof from and after the 91st day following such Registration Default. Pursuant to the Registration Rights Agreement, in the event that the Shelf Registration Statement ceases to be effective (or the Holders of Registrable Securities are otherwise prevented or restricted by the Company from effecting sales pursuant thereto) (an "Effective Failure") during the Effectiveness Period for more than 45 days, whether or not consecutive, during any 90-day period or for more than 90 days, whether or not consecutive, during any 12-month period, then the interest rate borne by this Registrable Security shall increase by an additional one-half of one percent (0.50%) per annum from the 46th day of the applicable 90-day period or the 91st day of the applicable 12-month period to but excluding the earlier of (A) such day as the Effective Failure is cured or (B) the day the Effectiveness Period expires. In no event shall the Company be required to pay Liquidated Damages after the Effectiveness Period expires.

[If this Note is a Registrable Security and the Holder of this Note [if this security is a global security, then insert -- (including any Person that has a beneficial interest in this Security)] elects to sell this Note pursuant to the Shelf Registration Statement then,

by its acceptance hereof, such Holder of this Note agrees to be bound by the terms of the Registration Rights Agreement relating to the Registrable Securities which are the subject of such election.]

15. TRUSTEE DEALINGS WITH COMPANY. The Trustee, in its individual or any other capacity, may make loans to, accept deposits from, and perform services for the Company or its Affiliates, and may otherwise deal with the Company or its Affiliates, as if it were not the Trustee.

16. NO RECOURSE AGAINST OTHERS. A director, officer, employee, incorporator or stockholder of the Company, as such, shall not have any liability for any obligations of the Company under the Notes or the Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Notes.

17. GOVERNING LAW. THE INTERNAL LAW OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUE THIS NOTE AND THE INDENTURE WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

18. AUTHENTICATION. This Note shall not be valid until authenticated by the manual signature (which may be by facsimile) of the Trustee or an authenticating agent.

19. ABBREVIATIONS. Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TENENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A (= Uniform Gifts to Minors Act).

20. CUSIP NUMBERS. No representation is made as to the accuracy of any CUSIP numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

The Company will furnish to any Holder upon written request and without charge a copy of the Indenture and/or the Registration Rights Agreement. Requests may be made to:

Charter Communications, Inc.
12444 Powerscourt Drive
Suite 100
St. Louis, Missouri 63131
Attention: Secretary
Telecopier No.: (314) 965-0555

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ASSIGNMENT FORM

To assign this Note, fill in the form below:

(I) or (we) assign and transfer this Note to:

(Insert assignee's legal name)

(Insert assignee's soc. sec. or tax I.D. no.)

(Print or type assignee's name, address and zip code)

and irrevocably appoint _____ to transfer this Note on the books of the Company. The agent may substitute another to act for him.

Date: -----

Your Signature: -----
(Sign exactly as your name appears on the face of this Note)

Signature Guarantee(*): -----

(*) Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note purchased by the Company pursuant to Article 11 of the Indenture, check below:

| Purchase pursuant to Article 11

If you want to elect to have only part of the Note purchased by the Company pursuant to Article 11 of the Indenture, state the amount you elect to have purchased:

\$ -----

Date: -----

Your Signature: -----
(Sign exactly as your name appears on the face of this Note)

Tax Identification No.: -----

Signature Guarantee(*): -----

(*) Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

CONVERSION NOTICE

The undersigned Holder of this Note hereby irrevocably exercises the option to convert this Note, or any portion of the principal amount hereof (which is U.S.\$1,000 or an integral multiple of U.S.\$1,000 in excess thereof, provided that the unconverted portion of such principal amount is U.S. \$1,000 or any integral multiple of U.S. \$1,000 in excess thereof) below designated, into shares of Common Stock in accordance with the terms of the Indenture referred to in this Note, and directs that such shares, together with a check in payment for any fractional share and any Notes representing any unconverted principal amount hereof, be delivered to and be registered in the name of the undersigned unless a different name has been indicated below. If shares of Common Stock or Notes are to be registered in the name of a Person other than the undersigned, (a) the undersigned will pay all transfer taxes payable with respect thereto and (b) signature(s) must be guaranteed by an Eligible Guarantor Institution with membership in an approved signature guarantee program pursuant to Rule 17Ad-15 under the Notes Exchange Act of 1934. Any amount required to be paid by the undersigned on account of interest accompanies this Note.

Dated: _____
Signature(s)

If shares or Notes are to be registered in the name of a Person other than the Holder, please print such Person's name and address:

(Name)

(Address)

Social Security or other Identification Number, if any

[Signature Guaranteed]

If only a portion of the Notes is to be converted, please indicate:

- 1. Principal amount to be converted: U.S. \$ _____
- 2. Principal amount and denomination of Notes representing unconverted principal amount to be issued:
Amount: U.S. \$ _____ Denominations: U.S. \$ _____

(U.S.\$1,000 or any integral multiple of U.S.\$1,000 in excess thereof, provided that the unconverted portion of such principal amount is U.S. \$1,000 or any integral multiple of U.S. \$1,000 in excess thereof)

ANNEX A -- FORM OF RESTRICTED NOTES CERTIFICATE

RESTRICTED NOTES CERTIFICATE

(For transfers pursuant to Section 2.07(2)(ii) and (iii) of the Indenture)

BNY Midwest Trust Company
2 N. LaSalle, Suite 1020
Chicago, IL 60602

Re: 5.75% CONVERTIBLE SENIOR NOTES DUE 2005 OF CHARTER
COMMUNICATIONS, INC. (THE "NOTES")

Reference is made to the Indenture, dated as of October 30, 2000 (the "Indenture"), from Charter Communications, Inc. (the "Company") to BNY Midwest Trust Company, as Trustee. Terms used herein and defined in the Indenture or Rule 144 under the U.S. Securities Act of 1933 (the "Securities Act") are used herein as so defined.

This certificate relates to U.S. \$ principal amount of Notes, which are evidenced by the following certificate(s) (the "Specified Notes"):

CUSIP No. 16117MAA5

CERTIFICATE No(s). -----

The person in whose name this certificate is executed below (the "Undersigned") hereby certifies that either (i) it is the sole beneficial owner of the Specified Notes or (ii) it is acting on behalf of all the beneficial owners of the Specified Notes and is duly authorized by them to do so. Such beneficial owner or owners are referred to herein collectively as the "Owner". If the Specified Notes are represented by a Global Note, they are held through the Depository or an Agent Member in the name of the Undersigned, as or on behalf of the Owner. If the Specified Notes are not represented by a Global Note, they are registered in the name of the Undersigned, as or on behalf of the Owner.

The Owner has requested that the Specified Notes be transferred to a person (the "Transferee") who will take delivery in the form of a Restricted Note. In connection with such transfer, the Owner hereby certifies that, unless such transfer is being effected pursuant to an effective registration statement under the Securities Act, it is being effected in accordance with Rule 144A, to a institutional "accredited investor" within the meaning of Rule 501(A)(1), (2), (3) or (7), or pursuant to another exemption from registration under the Securities Act (if available) or Rule 144 under the Securities Act

and all applicable Notes laws of the states of the United States and other jurisdictions. Accordingly, the Owner hereby further certifies as:

(1) RULE 144A TRANSFERS. If the transfer is being effected in accordance with Rule 144A:

(A) the Specified Notes are being transferred to a person that the Owner and any person acting on its behalf reasonably believe is a "qualified institutional buyer" within the meaning of Rule 144A, acquiring for its own account or for the account of a qualified institutional buyer; and

(B) the Owner and any person acting on its behalf have taken reasonable steps to ensure that the Transferee is aware that the Owner may be relying on Rule 144A in connection with the transfer; and

(2) RULE 144 TRANSFERS. If the transfer is being effected pursuant to Rule 144:

(A) the transfer is occurring after a holding period of at least one year (computed in accordance with paragraph (d) of Rule 144) has elapsed since the date the Specified Notes were acquired from the Company or from an affiliate (as such term is defined in Rule 144) of the Company, whichever is later, and is being effected in accordance with the applicable amount, manner of sale and notice requirements of paragraphs (e), (f) and (h) of Rule 144; or

(B) the transfer is occurring after a period of at least two years has elapsed since the date the Specified Notes were acquired from the Company or from an affiliate (as such term is defined in Rule 144) of the Company, whichever is later, and the Owner is not, and during the preceding three months has not been, an affiliate of the Company.

(3) INSTITUTIONAL ACCREDITED INVESTORS. If the transfer is to an institutional investor that is an accredited investor within the meaning of Rule 501(A)(1), (2), (3) or (7) of Regulation D under the Securities Act, a signed letter containing certain representations and agreements relating to the restrictions on transfer of the Notes and, if such transfer is for less than an aggregate principal amount of \$250,000, an opinion of counsel acceptable to the Company if requested by the Company, that the transfer is exempt from registration, must be supplied to the Trustee prior to such transfer.

(4) TRANSFERS PURSUANT TO OTHER SECURITIES ACT EXEMPTIONS. If the transfer is being effected pursuant to a Securities Act exemption

other than ones set forth in (1) through (3) above, there shall be delivered to the Company an opinion of counsel with respect to such holders.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company and the Purchasers.

Dated: -----

Print the name of the Undersigned, as such term is defined in the second paragraph of this certificate.)

By: -----
Name: -----
Title: -----

(If the Undersigned is a corporation, partnership or fiduciary, the title of the person signing on behalf of the Undersigned must be stated.)

UNRESTRICTED NOTES CERTIFICATE

(For removal of Restricted Notes Legend pursuant to Section 2.07(3))

BNY Midwest Trust Company
2 N. LaSalle, Suite 1020
Chicago, IL 60602

RE: 5.75% CONVERTIBLE SENIOR NOTES DUE 2005 OF CHARTER
COMMUNICATIONS, INC. (THE "NOTES")

Reference is made to the Indenture, dated as of October 30, 2000 (the "Indenture"), from Charter Communications, Inc. (the "Company") to BNY Midwest Trust Company, as Trustee. Terms used herein and defined in the Indenture or in Rule 144 under the U.S. Securities Act of 1933 (the "Securities Act") are used herein as so defined.

This certificate relates to U.S.\$ principal amount of Notes, which are evidenced by the following certificate(s) (the "Specified Notes"):

CUSIP No. 16117MAA5

CERTIFICATE No(s).

The person in whose name this certificate is executed below (the "Undersigned") hereby certifies that either (i) it is the sole beneficial owner of the Specified Notes or (ii) it is acting on behalf of all the beneficial owners of the Specified Notes and is duly authorized by them to do so. Such beneficial owner or owners are referred to herein collectively as the "Owner". If the Specified Notes are represented by a Global Note, they are held through the Depository or an Agent Member in the name of the Undersigned, as or on behalf of the Owner. If the Specified Notes are not represented by a Global Note, they are registered in the name of the Undersigned, as or on behalf of the Owner.

The Owner has requested that the Specified Notes be exchanged for Notes bearing no Restricted Notes Legend pursuant to Section 2.07(3) of the Indenture. In connection with such exchange, the Owner hereby certifies that the exchange is occurring after a period of at least two years has elapsed since the date the Specified Notes were acquired from the Company or from an "affiliate" (as such term is defined in Rule 144) of the Company, whichever is later, and the Owner is not, and during the preceding three

months has not been, an affiliate of the Company. The Owner also acknowledges that any future transfers of the Specified Notes must comply with all applicable Notes laws of the states of the United States and other jurisdictions.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company and the Purchasers.

Dated: -----

(Print the name of the Undersigned, as such term is defined in the second paragraph of this certificate.)

By: -----

Name: -----

Title: -----

(If the Undersigned is a corporation, partnership or fiduciary, the title of the person signing on behalf of the Undersigned must be stated.)

ANNEX C -- FORM OF SURRENDER CERTIFICATE

In connection with the certification contemplated by Section 10.02 or 11.03(9) relating to compliance with certain restrictions relating to transfers of Restricted Notes, such certification shall be provided substantially in the form of the following certificate, with only such changes thereto as shall be approved by the Company and Goldman, Sachs & Co.:

CERTIFICATE

CHARTER COMMUNICATIONS, INC.

5.75% CONVERTIBLE SENIOR NOTES DUE 2005

This is to certify that as of the date hereof with respect to U.S. \$ principal amount of the above-captioned Notes surrendered on the date hereof (the "Surrendered Notes") for registration of transfer, or for conversion or repurchase where the Notes issuable upon such conversion or repurchase are to be registered in a name other than that of the undersigned Holder (each such transaction being a "transfer"), the undersigned Holder (as defined in the Indenture) certifies that the transfer of Surrendered Notes associated with such transfer complies with the restrictive legend set forth on the face of the Surrendered Notes for the reason checked below:

- ----- The transfer of the Surrendered Notes complies with Rule 144A under the Securities Act; or

- ----- The transfer of the Surrendered Notes complies with Rule 144 under the United States Securities Act of 1933, as amended (the "Securities Act"); or

- ----- The transfer of the Surrendered Notes has been made to an institution that is an "accredited investor" within the meaning of Rule 501(a)(1), (2), (3) or (7) under the Securities Act in a transaction exempt from the registration requirements of the Securities Act and a signed letter containing certain representations and agreements relating to restrictions on transfer of the Notes (and if such transfer is for an aggregate principal amount less than \$250,000, an opinion of counsel acceptable to the Company if requested by the Company, that such transfer is exempt from registration; or

- -----
The transfer of the Surrendered Notes has been made pursuant to an exemption from registration under the Securities Act and an opinion of counsel has been delivered to the Company with respect to such transfer.

[Name of Holder]

Dated: -----

*To be dated the date of surrender

CHARTER COMMUNICATIONS, INC.

5.75% CONVERTIBLE SENIOR NOTES DUE 2005

REGISTRATION RIGHTS AGREEMENT

October 30, 2000

Goldman, Sachs & Co.
Morgan Stanley & Co. Incorporated
Bear, Stearns & Co. Inc.
Merrill Lynch, Pierce, Fenner & Smith Incorporated
c/o Goldman, Sachs & Co.
85 Broad Street
New York, New York 10004

Ladies and Gentlemen:

Charter Communications, Inc., a Delaware corporation (the "Company"), proposes to issue and sell to the Purchasers (as defined herein) upon the terms set forth in the Purchase Agreement (as defined herein) its 5.75% Convertible Senior Notes due 2005 (the "Securities"). As an inducement to the Purchasers to enter into the Purchase Agreement and in satisfaction of a condition to the obligations of the Purchasers thereunder, the Company agrees with the Purchasers for the benefit of the Holders (as defined herein) from time to time of the Registrable Securities (as defined herein) as follows:

1. Definitions.

(a) Capitalized terms used herein without definition shall have the meanings ascribed to them in the Purchase Agreement. As used in this Agreement, the following defined terms shall have the following meanings:

"Act" or "Securities Act" means the United States Securities Act of 1933, as amended.

"Affiliate" of any specified person means any other person which, directly or indirectly, is in control of, is controlled by, or is under common control with such specified person. For purposes of this definition, control of a person means the power, direct or indirect, to direct or cause the direction of the management and policies of such person whether by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Closing Date" means the First Time of Delivery as defined in the Purchase Agreement.

"Commission" means the United States Securities and Exchange Commission, or any other federal agency at the time administering the Exchange Act or the Securities Act, whichever is the relevant statute for the particular purpose.

"Common Stock" means the Company's Class A common stock, par value \$.001 per share.

"DTC" means The Depository Trust Company.

"Effective Failure" has the meaning assigned thereto in Section 7(b) hereof.

"Effective Time" means the date on which the Commission declares the Shelf Registration Statement effective or on which the Shelf Registration Statement otherwise becomes effective.

"Effectiveness Period" has the meaning assigned thereto in Section 2(b)(i) hereof.

"Electing Holder" has the meaning assigned thereto in Section 3(a)(iii) hereof.

"Exchange Act" means the United States Securities Exchange Act of 1934, as amended.

"Holder" means any person that is the record owner of Registrable Securities (and includes any person that has a beneficial interest in any Registrable Security in book-entry form).

"Indemnified Electing Holder" has the meaning assigned thereto in Section 5(a).

"Indemnified Person" has the meaning assigned thereto in Section 5(a).

"Indenture" means the Indenture, dated as of October 30, 2000, between the Company and BNY Midwest Trust Company, as amended and supplemented from time to time in accordance with its terms.

"Liquidated Damages" has the meaning assigned thereto in Section 7(a) hereof.

"Managing Underwriters" means the investment banker or investment bankers and manager or managers that shall administer an underwritten offering, if any, conducted pursuant to Section 6 hereof.

"NASD Rules" means the Rules of the National Association of Securities Dealers, Inc., as amended from time to time.

"Notice and Questionnaire" means a Notice of Registration Statement and Selling Securityholder Questionnaire substantially in the form of Exhibit A hereto.

"person" means an individual, partnership, corporation, trust or unincorporated organization, or a government or agency or political subdivision thereof.

"Prospectus" means the prospectus (including, without limitation, any preliminary prospectus, any final prospectus and any prospectus that discloses information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A under the Act) included in the Shelf Registration Statement, as amended or

supplemented by any prospectus supplement with respect to the terms of the offering of any portion of the Registrable Securities covered by the Shelf Registration Statement and by all other amendments and supplements to such prospectus, including all material incorporated by reference in such prospectus and all documents filed after the date of such prospectus by the Company under the Exchange Act and incorporated by reference therein.

"Purchase Agreement" means the purchase agreement, dated as of October 25, 2000, between the Purchasers, the Company and Charter Communications Holding Company, LLC relating to the Securities.

"Purchasers" means the Purchasers named in Schedule I to the Purchase Agreement.

"Registration Default" has the meaning assigned thereto in Section 7(a).

"Registrable Securities" means all or any portion of the Securities issued from time to time under the Indenture and the shares of Common Stock issuable upon conversion of such Securities; provided, however, that a security ceases to be a Registrable Security when it is no longer a Restricted Security.

"Restricted Security" means any Security or share of Common Stock issuable upon conversion thereof except any such Security or share of Common Stock which (i) has been effectively registered under the Securities Act and sold in a manner contemplated by the Shelf Registration Statement, (ii) has been transferred in compliance with Rule 144 under the Securities Act (or any successor provision thereto) or is transferable pursuant to paragraph (k) of such Rule 144 (or any successor provision thereto), or (iii) has otherwise been transferred and a new Security or share of Common Stock not subject to transfer restrictions under the Securities Act has been delivered by or on behalf of the Company in accordance with Section 2.07 of the Indenture.

"Rules and Regulations" means the published rules and regulations of the Commission promulgated under the Securities Act or the Exchange Act, as in effect at any relevant time.

"Shelf Registration" means a registration effected pursuant to Section 2 hereof.

"Shelf Registration Statement" means a "shelf" registration statement filed under the Securities Act providing for the registration of, and the sale on a continuous or delayed basis by the Holders of, all of the Registrable Securities pursuant to Rule 415 under the Securities Act and/or any similar rule that may be adopted by the Commission, filed by the Company pursuant to the provisions of Section 2 of this Agreement, including the Prospectus contained therein, any amendments and supplements to such registration statement, including post-effective amendments, and all exhibits and all material incorporated by reference in such registration statement.

"Trust Indenture Act" means the Trust Indenture Act of 1939, or any successor thereto, and the rules, regulations and forms promulgated thereunder, as the same shall be amended from time to time.

"underwriter" means any underwriter of Registrable Securities in connection with an offering thereof under a Shelf Registration Statement.

(b) Wherever there is a reference in this Agreement to a percentage of the "principal amount" of Registrable Securities or to a percentage of Registrable Securities, any Common Stock constituting Registrable Securities shall be treated as representing the principal amount of Securities which was surrendered for conversion or exchange in order to receive such number of shares of Common Stock.

2. Shelf Registration.

(a) The Company shall, no later than 90 calendar days following the Closing Date, file with the Commission a Shelf Registration Statement relating to the offer and sale of the Registrable Securities by the Holders from time to time in accordance with the methods of distribution elected by such Holders and set forth in such Shelf Registration Statement and, thereafter, shall use its reasonable efforts to cause such Shelf Registration Statement to be declared effective under the Act no later than 180 calendar days following the Closing Date; provided, however, that the Company may, upon written notice to all Holders, postpone filing the Shelf Registration Statement or having the Shelf Registration Statement declared effective, in each case, for a reasonable period not to exceed 90 days if the Company possesses material non-public information, the disclosure of which would, in the Company's reasonable judgment, have a material adverse effect on the Company and its subsidiaries taken as a whole or if any financial statements or other financial information required to be included in the Shelf Registration Statement are not yet available and the Company is not at the time otherwise required to file such financial statements or financial information under the Exchange Act; provided further, however, that no Holder shall be entitled to be named as a selling securityholder in the Shelf Registration Statement or to use the Prospectus forming a part thereof for resales of Registrable Securities unless such Holder is an Electing Holder.

(b) The Company shall use its reasonable efforts:

(i) To keep the Shelf Registration Statement continuously effective in order to permit the Prospectus forming part thereof to be usable by Holders until the earliest of (1) the sale of all Registrable Securities registered under the Shelf Registration Statement; (2) the expiration of the period referred to in Rule 144(k) of the Act with respect to all Registrable Securities held by Persons that are not Affiliates of the Company; and (3) such time as there are no longer any Registrable Securities outstanding (such period being referred to herein as the "Effectiveness Period");

(ii) After the Effective Time of the Shelf Registration Statement, as promptly as reasonably practicable upon the request of any Holder of Registrable Securities that is not then an Electing Holder, to take any action reasonably necessary to enable such Holder to use the Prospectus forming a part thereof for resales of Registrable Securities, including, without limitation, any action reasonably necessary to identify such Holder as a selling securityholder in the Shelf Registration Statement (subject to the provisions of Section 3(a)(ii) and Section 3(c) hereof); provided, however, that nothing in this

subparagraph shall relieve such Holder of the obligation to return a completed and signed Notice and Questionnaire to the Company in accordance with Section 3(a)(ii) hereof; and

(iii) If at any time the Securities, pursuant to Article 10 of the Indenture, are convertible into securities other than shares of Common Stock, the Company shall, or shall cause any successor under the Indenture to, cause such securities to be included in the Shelf Registration Statement no later than the date on which the Securities may then be convertible into such securities.

The Company shall be deemed not to have used its reasonable efforts to keep the Shelf Registration Statement effective during the requisite period if the Company voluntarily takes any action that would result in Electing Holders not being able to offer and sell any of such Registrable Securities during that period, unless such action is (i) required by applicable law or regulation and the Company thereafter promptly complies with the requirements of paragraph 3(j) below or (ii) permitted pursuant to Section 2(c).

(c) The Company may suspend the use of the Prospectus for a period not to exceed 45 days in any 90-day period or an aggregate of 90 days in any 12-month period if the Board of Directors of the Company shall have determined in good faith that because of valid business reasons (not including avoidance of the Company's obligations hereunder), including the acquisition or divestiture of assets, pending corporate developments, public filings with the Commission and similar events, it is in the best interests of the Company to suspend such use, and prior to suspending such use the Company provides the Electing Holders with written notice of such suspension, which notice need not specify the nature of the event giving rise to such suspension.

3. Registration Procedures. In connection with the Shelf Registration Statement, the following provisions shall apply:

(a) (i) Not less than 30 calendar days prior to the time at which the Company in good faith intends to cause the Shelf Registration Statement to be declared effective, the Company shall mail the Notice and Questionnaire and a copy of this Agreement to the Holders of Registrable Securities. No Holder shall be entitled to be named as a selling securityholder in the Shelf Registration Statement as of the Effective Time, and no Holder shall be entitled to use the Prospectus forming a part thereof for resales of Registrable Securities at any time, unless such Holder has returned a completed and signed Notice and Questionnaire to the Company by the deadline for response set forth therein; provided, however, that Holders of Registrable Securities shall have at least 28 calendar days from the date on which the Notice and Questionnaire is first mailed to such Holders to return a completed and signed Notice and Questionnaire to the Company.

(ii) After the Effective Time of the Shelf Registration Statement, the Company shall, upon the request of any Holder of Registrable Securities that is not then an Electing Holder, as promptly as reasonably practicable send a Notice and Questionnaire

to such Holder. The Company shall not be required to take any action to name such Holder as a selling securityholder in the Shelf Registration Statement or to enable such Holder to use the Prospectus forming a part thereof for resales of Registrable Securities until such Holder has returned a completed and signed Notice and Questionnaire to the Company and subject to the provisions of Section 3(c) hereof. Notwithstanding anything to the contrary in this Agreement, commencing six months after the date the Shelf Registration Statement is declared effective, the Company shall not be required to prepare and file amendments to the Shelf Registration Statement or supplements to the Prospectus that are necessary to add Electing Holders and/or Registrable Securities to the Shelf Registration Statement more frequently than once within any three-month period, the timing of such filings to be within the reasonable discretion of the Company, except that this limitation shall not apply to the Purchasers and except that if Goldman, Sachs & Co. advises the Company that this limitation would materially impair the liquidity of the Registrable Securities for any Electing Holder or group of Electing Holders, then the Company and Goldman, Sachs & Co. shall jointly agree in good faith on a more frequent schedule for these filings taking into account the then relevant circumstances.

(iii) The term "Electing Holder" shall mean any Holder of Registrable Securities that has returned a completed and signed Notice and Questionnaire to the Company in accordance with Section 3(a)(i) or 3(a)(ii) hereof.

(b) The Company shall furnish to each Electing Holder, prior to the Effective Time, a copy of the Shelf Registration Statement initially filed with the Commission, and shall furnish to such Holders, prior to the filing thereof with the Commission, copies of each amendment thereto and each amendment or supplement, if any, to the Prospectus included therein (provided that the Company shall not be required to provide copies of the documents filed as exhibits to the Shelf Registration Statement or documents incorporated by reference therein unless it receives a written request from an Electing Holder for such documents), and shall use its reasonable efforts to reflect in each such document, at the Effective Time or when so filed with the Commission, as the case may be, such comments as such Holders and their respective counsel reasonably may propose.

(c) The Company shall as promptly as reasonably practicable take such action as may be necessary so that (i) each of the Shelf Registration Statement and any amendment thereto and the Prospectus forming part thereof and any amendment or supplement thereto (and each report or other document incorporated therein by reference in each case) complies in all material respects with the Securities Act and the Exchange Act and the Rules and Regulations, (ii) each of the Shelf Registration Statement and any amendment thereto does not, when it becomes effective, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading and (iii) each of the Prospectus forming part of the Shelf Registration Statement, and any amendment or supplement to such Prospectus, does not at any time during the Effectiveness Period include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the Company is not required to prepare an amendment or supplement to the Prospectus forming part of the Shelf Registration

Statement pursuant to this Section 3(c)(iii) during any period from time to time during which the use of the Prospectus may be suspended by the Company for the reasons set forth in Section 2(c), after giving written notice of such suspension to the Holders in accordance with Section 3(d)(v).

(d) The Company shall as promptly as reasonably practicable advise each Electing Holder, and shall confirm such advice in writing if so requested by any Holder:

(i) when a Shelf Registration Statement and any amendment thereto has been filed with the Commission and when a Shelf Registration Statement or any post-effective amendment thereto has become effective, in each case making a public announcement thereof by release made to Reuters Economic Services, Bloomberg Business News or such other newswire service acceptable to the Company;

(ii) of any request by the Commission for amendments or supplements to the Shelf Registration Statement or the Prospectus included therein or for additional information;

(iii) of the issuance by the Commission of any stop order suspending the effectiveness of the Shelf Registration Statement or the initiation of any proceedings for such purpose;

(iv) of the receipt by the Company of any notification with respect to the suspension of the qualification of the securities included in the Shelf Registration Statement for sale in any jurisdiction or the initiation of any proceeding for such purpose; and

(v) of the happening of any event or the existence of any state of facts that requires the making of any changes in the Shelf Registration Statement or the Prospectus included therein so that, as of such date, such Shelf Registration Statement and Prospectus do not contain an untrue statement of a material fact and do not omit to state a material fact required to be stated therein or necessary to make the statements therein (in the case of the Prospectus, in light of the circumstances under which they were made) not misleading (which advice shall be accompanied by an instruction to such Electing Holders to suspend the use of the Prospectus until the requisite changes have been made).

(e) The Company shall use its reasonable best efforts to prevent the issuance, and if issued to obtain the withdrawal, of any order suspending the effectiveness of the Shelf Registration Statement at the earliest possible time.

(f) The Company shall furnish to each Electing Holder, without charge, at least one copy of the Shelf Registration Statement and all post-effective amendments thereto, including financial statements and schedules, and, if such Electing Holder so requests in writing, all reports, other documents and exhibits that are filed with or incorporated by reference in the Shelf Registration Statement.

(g) The Company shall, during the Effectiveness Period, deliver to each Electing Holder, without charge, as many copies of the Prospectus (including each preliminary Prospectus) included in the Shelf Registration Statement and any amendment or supplement thereto as such Electing Holder may reasonably request; and the Company consents (except during the continuance of any event described in Section 3(d)(v) above) to the use of the Prospectus and any amendment or supplement thereto by each of the Electing Holders in connection with the offering and sale of the Registrable Securities covered by the Prospectus and any amendment or supplement thereto during the Effectiveness Period.

(h) Prior to any offering of Registrable Securities pursuant to the Shelf Registration Statement, the Company shall (i) register or qualify or cooperate with the Electing Holders and their respective counsel in connection with the registration or qualification of such Registrable Securities for offer and sale under the securities or "blue sky" laws of such jurisdictions within the United States as any Electing Holder may reasonably request, (ii) keep such registrations or qualifications in effect and comply with such laws so as to permit the continuance of offers and sales in such jurisdictions for so long as may be necessary to enable any Electing Holder or underwriter, if any, to complete its distribution of Registrable Securities pursuant to the Shelf Registration Statement, and (iii) take any and all other actions necessary or advisable to enable the disposition in such jurisdictions of such Registrable Securities; provided, however, that in no event shall the Company be obligated to (A) qualify as a foreign corporation or as a dealer in securities in any jurisdiction where it would not otherwise be required to so qualify but for this Section 3(h), (B) file any general consent to service of process in any jurisdiction where it is not as of the date so subject or (C) subject itself to taxation in any jurisdiction where it is not as of the date hereof so subject.

(i) Unless any Registrable Securities shall be in book-entry only form, the Company shall cooperate with the Electing Holders to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be sold pursuant to the Shelf Registration Statement, which certificates, if so required by any securities exchange upon which any Registrable Securities are listed, shall be printed, lithographed or engraved, or produced by any combination of such methods, on steel engraved borders, and which certificates shall be free of any restrictive legends and in such permitted denominations and registered in such names as Electing Holders may request in connection with the sale of Registrable Securities pursuant to the Shelf Registration Statement.

(j) Subject to Section 2(c) hereof, upon the occurrence of any fact or event contemplated by Section 3(d)(v) above, the Company shall as promptly as reasonably practicable prepare a post-effective amendment to any Shelf Registration Statement or an amendment or supplement to the related Prospectus or file any other required document so that, as thereafter delivered to purchasers of the Registrable Securities included therein, the Prospectus will not include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that if the Company determines based upon the advice of counsel that it is advisable to disclose in the Shelf Registration Statement a financing, acquisition or other corporate transaction or other material event affecting the Company or its securities, and the Board of Directors of the Company shall have determined in

good faith that such disclosure would not be in the best interests of the Company and its stockholders, the Company shall not be required to prepare and file such amendment, supplement or document for such period as the Board of Directors of the Company shall have determined in good faith is in the best interests of the Company. If the Company notifies the Electing Holders of the occurrence of any event contemplated by Section 3(d)(v) above, the Electing Holder shall suspend the use of the Prospectus until the requisite changes to the Prospectus have been made.

(k) Not later than the Effective Time of the Shelf Registration Statement, the Company shall provide a CUSIP number for the Registrable Securities that are debt securities.

(l) The Company shall use its reasonable best efforts to comply with all applicable Rules and Regulations, and to make generally available to its securityholders as soon as practicable, but in any event not later than eighteen months after (i) the effective date (as defined in Rule 158(c) under the Securities Act) of the Shelf Registration Statement, (ii) the effective date of each post-effective amendment to the Shelf Registration Statement, and (iii) the date of each filing by the Company with the Commission of an Annual Report on Form 10-K that is incorporated by reference in the Shelf Registration Statement, an earning statement of the Company and its subsidiaries complying with Section 11(a) of the Securities Act and the Rules and Regulations (including, at the option of the Company, Rule 158).

(m) Not later than the Effective Time of the Shelf Registration Statement, the Company shall cause the Indenture to be qualified under the Trust Indenture Act; in connection with such qualification, the Company shall cooperate with the Trustee under the Indenture and the Holders (as defined in the Indenture) to effect such changes to the Indenture as may be required for such Indenture to be so qualified in accordance with the terms of the Trust Indenture Act; and the Company shall execute, and shall use all reasonable efforts to cause the Trustee to execute, all documents that may be required to effect such changes and all other forms and documents required to be filed with the Commission to enable such Indenture to be so qualified in a timely manner. In the event that any such amendment or modification referred to in this Section 3(m) involves the appointment of a new trustee under the Indenture, the Company shall appoint a new trustee thereunder pursuant to the applicable provisions of the Indenture.

(n) In the event of an underwritten offering conducted pursuant to Section 6 hereof, the Company shall, if requested, as promptly as reasonably practicable include or incorporate in a Prospectus supplement or post-effective amendment to the Shelf Registration Statement such information as the Managing Underwriters reasonably agree should be included therein and to which the Company does not reasonably object and shall make all required filings of such Prospectus supplement or post-effective amendment as promptly as reasonably practicable after it is notified of the matters to be included or incorporated in such Prospectus supplement or post-effective amendment.

(o) The Company shall enter into such customary agreements (including an underwriting agreement in customary form in the event of an underwritten offering conducted pursuant to Section 6 hereof) and take all other appropriate action in order to expedite and

facilitate the registration and disposition of the Registrable Securities, and in connection therewith, if an underwriting agreement is entered into, cause the same to contain indemnification provisions and procedures substantially identical to those set forth in Section 5 hereof with respect to all parties to be indemnified pursuant to Section 5 hereof.

(p) The Company shall:

(i) upon request by any Electing Holder (A) make reasonably available for inspection by Electing Holders, any underwriter participating in any disposition pursuant to the Shelf Registration Statement, and any attorney, accountant or other agent retained by such Electing Holders or any such underwriter all relevant financial and other records, pertinent corporate documents and properties of the Company and its subsidiaries, and (B) cause the Company's officers, directors and employees to supply all information reasonably requested by such Electing Holders or any such underwriter, attorney, accountant or agent in connection with the Shelf Registration Statement, in each case, as is customary for similar due diligence examinations; provided, however, that all records, information and documents that are designated in writing by the Company, in good faith, as confidential shall be kept confidential by such Electing Holders and any such underwriter, attorney, accountant or agent, unless such disclosure is made in connection with a court proceeding or required by law (only after such person shall have given the Company prompt prior notice of such disclosure and to the extent reasonably practicable, such Holder, underwriter, attorney, accountant or agent will cooperate with the Company to limit such disclosure), or such records, information or documents become available to the public generally or through a third party without an accompanying obligation of confidentiality; and provided further that, if the foregoing inspection and information gathering would otherwise disrupt the Company's conduct of its business, such inspection and information gathering shall, to the greatest extent possible, be coordinated on behalf of the Electing Holders and the other parties entitled thereto by one counsel designated by and on behalf of Electing Holders and the other parties;

(ii) in connection with any underwritten offering conducted pursuant to Section 6 hereof, make such representations and warranties to the Holders participating in such underwritten offering and to the Managing Underwriters, in form, substance and scope as are customarily made by the Company to underwriters in primary underwritten offerings of equity and convertible debt securities and covering matters including, but not limited to, those set forth in the Purchase Agreement;

(iii) in connection with any underwritten offering conducted pursuant to Section 6 hereof, obtain opinions of counsel to the Company (which counsel and opinions (in form, scope and substance) shall be reasonably satisfactory to the Managing Underwriters) addressed to the underwriters, covering such matters as are customarily covered in opinions requested in primary underwritten offerings of equity and convertible debt securities and such other matters as may be reasonably requested by such underwriters (it being agreed that the matters to be covered by such opinions shall include, without limitation, as of the date of the opinion and as of the Effective Time of

the Shelf Registration Statement or most recent post-effective amendment thereto, as the case may be, such counsel's belief as to the absence from the Shelf Registration Statement and the Prospectus, including the documents incorporated by reference therein, of an untrue statement of a material fact or the omission of a material fact required to be stated therein or necessary to make the statements therein not misleading);

(iv) in connection with any underwritten offering conducted pursuant to Section 6 hereof, obtain "cold comfort" letters and updates thereof from the independent public accountants of the Company (and, if necessary, from the independent public accountants of any subsidiary of the Company or of any business acquired by the Company for which financial statements and financial data are, or are required to be, included in the Shelf Registration Statement), addressed to each Holder participating in such underwritten offering (if such Holder has provided such letter, representations or documentation, if any, required for such "cold comfort" letter to be so addressed) and the underwriters, in customary form and covering matters of the type customarily covered in "cold comfort" letters in connection with primary underwritten offerings;

(v) in connection with any underwritten offering conducted pursuant to Section 6 hereof, deliver such documents and certificates as may be reasonably requested by any Holders participating in such underwritten offering and the Managing Underwriters, if any, including, without limitation, certificates to evidence compliance with Section 3(j) hereof and with any customary conditions contained in the underwriting agreement or other agreements entered into by the Company.

(q) The Company will use its reasonable efforts to cause the Common Stock issuable upon conversion of the Securities to be accepted for quotation on the Nasdaq National Market or other stock exchange or trading system on which the Common Stock primarily trades on or prior to the Effective Time of the Shelf Registration Statement hereunder.

(r) In the event that any broker-dealer registered under the Exchange Act shall be an "affiliate" (as defined in Rule 2720(b)(1) of the NASD Rules (or any successor provision thereto)) of the Company or has a "conflict of interest" (as defined in Rule 2720(b)(7) of the NASD Rules (or any successor provision thereto)) and such broker-dealer shall underwrite, participate as a member of an underwriting syndicate or selling group or assist in the distribution of any Registrable Securities covered by the Shelf Registration Statement, whether as a Holder of such Registrable Securities or as an underwriter, a placement or sales agent or a broker or dealer in respect thereof, or otherwise, the Company shall assist such broker-dealer in complying with the requirements of the NASD Rules, including, without limitation, by (A) engaging a "qualified independent underwriter" (as defined in Rule 2720(b)(15) of the NASD Rules (or any successor provision thereto)) to participate in the preparation of the registration statement relating to such Registrable Securities, to exercise usual standards of due diligence in respect thereto and to recommend the public offering price of such Registrable Securities, (B) indemnifying such qualified independent underwriter to the extent of the indemnification of underwriters provided in Section 5 hereof, and (C) providing such information to such

broker-dealer as may be required in order for such broker-dealer to comply with the requirements of the NASD Rules.

(s) The Company shall use its reasonable efforts to take all other steps necessary to effect the registration, offering and sale of the Registrable Securities covered by the Shelf Registration Statement contemplated hereby.

4. Registration Expenses. Except as otherwise provided in Section 3, the Company shall bear all fees and expenses incurred in connection with the performance of its obligations under Sections 2 and 3 hereof and shall bear or reimburse the Electing Holders for the reasonable fees and disbursements of Debevoise & Plimpton, or such other counsel as may be selected by a majority in interest of Electing Holders (which counsel shall be reasonably satisfactory to the Company), to act as counsel therefor in connection therewith. Each Electing Holder shall pay all underwriting discounts and commissions and transfer taxes, if any, relating to the sale or disposition of such Electing Holder's Registrable Securities pursuant to the Shelf Registration Statement.

5. Indemnification and Contribution.

(a) Indemnification by the Company. Upon the registration of the Registrable Securities pursuant to Section 2 hereof, the Company shall indemnify and hold harmless each Electing Holder and each underwriter, selling agent or other securities professional (that may be deemed an underwriter within the meaning of Section 2(11) of the Securities Act), if any, that facilitates the disposition of Registrable Securities, and each of their respective officers and directors and each person who controls such Electing Holder, underwriter, selling agent or other securities professional within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act (each such person being sometimes referred to as an "Indemnified Person") against any losses, claims, damages or liabilities, joint or several, to which such Indemnified Person may become subject under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any Shelf Registration Statement under which such Registrable Securities are to be registered under the Securities Act, or any Prospectus contained therein or furnished by the Company to any Indemnified Person, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and the Company hereby agrees to reimburse such Indemnified Person for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such action or claim as such expenses are incurred; provided, however, that the Company shall not be liable to any such Indemnified Person in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in such Shelf Registration Statement or Prospectus, or amendment or supplement, in reliance upon and in conformity with written information furnished to the Company by such Indemnified Person expressly for use therein; provided further that in a disposition of Registrable Securities that does not involve (in whole or in part) an underwritten offering conducted pursuant to Section 6 hereof, the Company shall not be liable to any Electing

Holder or any officer and director and each person who controls such Electing Holder (an "Indemnified Electing Holder") pursuant to the foregoing to the extent that any such loss, claim, damage or liability of such Indemnified Electing Holder results from the fact that such Indemnified Electing Holder sold Registrable Securities to a person as to whom it shall be established by conclusive evidence that there was not sent or given, at or prior to the written confirmation of such a sale, a copy of the Prospectus (excluding documents incorporated by reference) or the Prospectus as then amended or supplemented (excluding documents incorporated by reference) in any case where such delivery is required by the Act, if the Company has previously furnished copies thereof upon request therefor in sufficient quantity to such Indemnified Electing Holder and the loss, claim, damage or liability of such Indemnified Electing Holder results from an untrue statement or omission of a material fact contained in the preliminary Prospectus which was identified in writing at such time to such Indemnified Electing Holder and corrected in the Prospectus (excluding any document incorporated by reference) or in the Prospectus as then amended or supplemented (excluding documents incorporated by reference) and such correction would have cured the defect giving rise to such loss, claim, damage or liability.

(b) Indemnification by the Holders and any Agents and Underwriters.

Each Electing Holder agrees, as a consequence of the inclusion of any of such Electing Holder's Registrable Securities in such Shelf Registration Statement, and each underwriter, selling agent or other securities professional, if any, that facilitates the disposition of Registrable Securities shall agree, as a consequence of facilitating such disposition of Registrable Securities, severally and not jointly, to (i) indemnify and hold harmless the Company, its directors and officers who sign any Shelf Registration Statement and each person, if any, who controls the Company within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act, against any losses, claims, damages or liabilities to which the Company or such other persons may become subject, under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in such Shelf Registration Statement or Prospectus, or any amendment or supplement, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company by such Electing Holder, underwriter, selling agent or other securities professional expressly for use therein, and (ii) reimburse the Company for any legal or other expenses reasonably incurred by the Company in connection with investigating or defending any such action or claim as such expenses are incurred.

(c) Notices of Claims, Etc. Promptly after receipt by an indemnified party under subsection (a) or (b) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against an indemnifying party under this Section 5, notify such indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party shall not relieve it from any liability which it may have to any indemnified party otherwise than under this Section 5. In case any such action shall be brought against any indemnified party and it shall notify an indemnifying party of the

commencement thereof, such indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, such indemnifying party shall not be liable to such indemnified party under this Section 5 for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the written consent of the indemnified party, effect the settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified party is an actual or potential party to such action or claim) unless such settlement, compromise or judgment (i) includes an unconditional release of the indemnified party from all liability arising out of such action or claim and (ii) does not include a statement as to, or an admission of, fault, culpability or a failure to act, by or on behalf of any indemnified party. No indemnifying party shall be required to indemnify an indemnified party for any amount paid or payable in the settlement of any action, proceeding or investigation without the prior written consent of such indemnifying party, which consent shall not be unreasonably withheld.

(d) Contribution. If the indemnification provided for in this Section 5 is unavailable to or insufficient to hold harmless an indemnified party under subsection (a) or (b) above in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative fault of the indemnifying party and the indemnified party in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative fault of such indemnifying party and indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by such indemnifying party or by such indemnified party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 5(d) were determined by pro rata allocation (even if the Electing Holders or any underwriters, selling agents or other securities professionals or all of them were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in this Section 5(d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above shall be deemed to include any legal or other fees or expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The obligations of the Electing Holders and any underwriters, selling agents or other securities professionals in this Section 5(d) to contribute shall be several in proportion to the percentage of

principal amount of Registrable Securities registered or underwritten, as the case may be, by them and not joint.

(e) **Limitation of Liability.** Notwithstanding any other provision of this Section 5, in no event will any (i) Electing Holder be required to undertake liability to any person under this Section 5 for any amounts in excess of the dollar amount of the proceeds to be received by such Electing Holder from the sale of such Holder's Registrable Securities (after deducting any fees, discounts and commissions applicable thereto) pursuant to any Shelf Registration Statement under which such Registrable Securities are to be registered under the Securities Act and (ii) underwriter, selling agent or other securities professional be required to undertake liability to any person hereunder for any amounts in excess of the discount, commission or other compensation payable to such underwriter, selling agent or other securities professional with respect to the Registrable Securities underwritten by it and distributed to the public.

(f) **Remedy not Exclusive.** The obligations of the Company under this Section 5 shall be in addition to any liability which the Company may otherwise have to any Indemnified Person and the obligations of any Indemnified Person under this Section 5 shall be in addition to any liability which such Indemnified Person may otherwise have to the Company. The remedies provided in this Section 5 are not exclusive and shall not limit any rights or remedies which may otherwise be available to an indemnified party at law or in equity.

6. **Underwritten Offering.** Any Holder of Registrable Securities who desires to do so may sell Registrable Securities (in whole or in part) in an underwritten offering; provided that (i) the Electing Holders of at least 33-1/3% in aggregate principal amount of the Registrable Securities then covered by the Shelf Registration Statement shall request such an offering and (ii) at least such aggregate principal amount of such Registrable Securities shall be included in such offering; and provided further that the Company shall not be obligated to cooperate with more than one underwritten offering during the Effectiveness Period. Upon receipt of such a request, the Company shall provide all Holders of Registrable Securities written notice of the request, which notice shall inform such Holders that they have the opportunity to participate in the offering. In any such underwritten offering, the investment banker or bankers and manager or managers that will administer the offering will be selected by, and the underwriting arrangements with respect thereto (including the size of the offering) will be approved by, the holders of a majority of the Registrable Securities to be included in such offering; provided, however, that such investment bankers and managers and underwriting arrangements must be reasonably satisfactory to the Company. No Holder may participate in any underwritten offering contemplated hereby unless (a) such Holder agrees to sell such Holder's Registrable Securities to be included in the underwritten offering in accordance with any approved underwriting arrangements, (b) such Holder completes and executes all reasonable questionnaires, powers of attorney, indemnities, underwriting agreements, lock-up letters and other documents required under the terms of such approved underwriting arrangements, and (c) if such Holder is not then an Electing Holder, such Holder returns a completed and signed Notice and Questionnaire to the Company in accordance with Section 3(a)(ii) hereof within a reasonable amount of time before such underwritten offering. The Holders participating in any underwritten offering shall be responsible for any underwriting discounts and commissions and fees and, subject to Section 4 hereof, expenses of their own counsel. The Company shall pay all expenses

customarily borne by issuers, including but not limited to filing fees, the fees and disbursements of its counsel and independent public accountants and any printing expenses incurred in connection with such underwritten offering. Notwithstanding the foregoing or the provisions of Section 3(n) hereof, upon receipt of a request from the Managing Underwriter or a representative of Holders of a majority of the Registrable Securities to be included in an underwritten offering to prepare and file an amendment or supplement to the Shelf Registration Statement and Prospectus in connection with an underwritten offering, the Company may delay the filing of any such amendment or supplement for up to 90 days if the Board of Directors of the Company or if the chief executive officer and chief financial officer jointly shall have determined in good faith that the Company has a bona fide business reason for such delay.

7. Liquidated Damages.

(a) Notwithstanding any postponement permitted by Section 2(a) hereof, if (i) on or prior to the 90th day following the Closing Date, a Shelf Registration Statement has not been filed with the Commission or (ii) on or prior to the 180th day following the Closing Date, such Shelf Registration Statement is not declared effective by the Commission (each, a "Registration Default"), the Company shall be required to pay liquidated damages ("Liquidated Damages"), from and including the day following such Registration Default to but excluding the date on which such Shelf Registration Statement is either so filed or so declared effective, as applicable, at a rate per annum equal to an additional one-quarter of one percent (0.25%) of the principal amount of Registrable Securities, to and including the 90th day following such Registration Default, and an additional one-half of one percent (0.50%) thereof from and after the 91st day following such Registration Default.

(b) In the event that the Shelf Registration Statement ceases to be effective (or the Holders of Registrable Securities are otherwise prevented or restricted by the Company from effecting sales pursuant thereto, including, without limitation, for the reasons set forth in Section 2(c) or Section 3(j), notwithstanding the fact that such reasons are not deemed a failure by the Company to keep the Registration Statement effective under Section 2(b)) (an "Effective Failure") for more than 45 days, whether or not consecutive, in any 90-day period, or more than 90 days, whether or not consecutive, during any 12-month period, then the Company shall pay Liquidated Damages at a rate per annum equal to an additional one-half of one percent (0.50%) of the principal amount of Registrable Securities from the 46th day of the applicable 90-day period or the 91st day of the applicable 12-month period, as the case may be, that such Shelf Registration Statement ceases to be effective (or the Holders of Registrable Securities are otherwise prevented or restricted by the Company from effecting sales pursuant thereto) to but excluding the earlier of (i) the day the Shelf Registration Statement again becomes effective or the Holders of Registrable Securities are again able to make sales under the Shelf Registration Statement or (ii) the day the Effectiveness Period expires. For the purpose of determining an Effective Failure, days on which the Company has been obligated to pay Liquidated Damages in accordance with the foregoing in respect of a prior Effective Failure within the applicable 90-day or 12-month period, as the case may be, shall not be included.

(c) Any amounts to be paid as Liquidated Damages pursuant to paragraphs (a) or (b) of this Section 7 shall be paid semi-annually in arrears, with the first semi-annual payment

due on the first interest payment date (as specified in the Indenture) in respect of the Securities following the date of such Registration Default or Effective Failure, as applicable. Such Liquidated Damages will accrue in respect of the Securities at the rates set forth in paragraphs (a) or (b) of this Section 7, as applicable, on the principal amount of the Securities. If any of the Registrable Securities shall have been converted into Common Stock, then the amount of Liquidated Damages payable under this Section 7 per share of Common Stock so converted shall be determined by dividing (x) the amount that would have been payable hereunder on the aggregate principal amount so converted by (y) the number of shares of Common Stock issued upon such conversion.

(d) The Liquidated Damages as set forth in this Section 7 shall be the exclusive monetary remedy available to the Holders of Registrable Securities for such Registration Default or Effective Failure. In no event shall the Company be required to pay Liquidated Damages (x) in excess of the applicable maximum amount of one-half of one percent (0.50%) set forth above, regardless of whether one or multiple Registration Defaults or Effective Failures exist, or (y) at any time after the Effectiveness Period expires.

8. Miscellaneous.

(a) Other Registration Rights. The Company may grant registration rights that would permit any Person that is a third party the right to piggy-back on any Shelf Registration Statement, provided that if the Managing Underwriter of any underwritten offering conducted pursuant to Section 6 hereof notifies the Company and the Electing Holders that the total amount of securities which the Electing Holders and the holders of such piggy-back rights intend to include in any Shelf Registration Statement is so large as to materially threaten the success of such offering (including the price at which such securities can be sold), then the amount, number or kind of securities to be offered for the account of holders of such piggy-back rights will be reduced to the extent necessary to reduce the total amount of securities to be included in such offering to the amount, number and kind recommended by the Managing Underwriter prior to any reduction in the amount of Registrable Securities to be included in such Shelf Registration Statement.

(b) Specific Performance. The parties hereto acknowledge that there would be no adequate remedy at law if the Company fails to perform any of its obligations hereunder and that the Purchasers and the Holders from time to time may be irreparably harmed by any such failure, and accordingly agree that the Purchasers and such Holders, in addition to any other remedy to which they may be entitled at law or in equity and without limiting the remedies available to the Electing Holders under Section 7 hereof, shall be entitled to compel specific performance of the obligations of the Company under this Agreement in accordance with the terms and conditions of this Agreement, in any court of the United States or any State thereof having jurisdiction.

(c) Amendments and Waivers. This Agreement, including this Section 8(c), may be amended, and waivers or consents to departures from the provisions hereof may be given, only by a written instrument duly executed by the Company and the Holders of a majority in aggregate principal amount of Registrable Securities then outstanding. Each Holder of

Registrable Securities outstanding at the time of any such amendment, waiver or consent or thereafter shall be bound by any amendment, waiver or consent effected pursuant to this Section 8(c), whether or not any notice, writing or marking indicating such amendment, waiver or consent appears on the Registrable Securities or is delivered to such Holder.

(d) Notices. All notices and other communications provided for or permitted hereunder shall be given as provided in the Indenture.

(e) Parties in Interest. The parties to this Agreement intend that all Holders of Registrable Securities shall be entitled to receive the benefits of this Agreement and that any Electing Holder shall be bound by the terms and provisions of this Agreement by reason of such election with respect to the Registrable Securities which are included in a Shelf Registration Statement. All the terms and provisions of this Agreement shall be binding upon, shall inure to the benefit of and shall be enforceable by the respective successors and assigns of the parties hereto and any Holder from time to time of the Registrable Securities to the aforesaid extent. In the event that any transferee of any Holder of Registrable Securities shall acquire Registrable Securities, in any manner, whether by gift, bequest, purchase, operation of law or otherwise, such transferee shall, without any further writing or action of any kind, be entitled to receive the benefits of and, if an Electing Holder, be conclusively deemed to have agreed to be bound by and to perform all of the terms and provisions of this Agreement to the aforesaid extent.

(f) Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(g) Headings. The headings in this agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(H) GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

(i) Severability. In the event that any one or more of the provisions contained herein, or the application thereof in any circumstances, is held invalid, illegal or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions hereof shall not be in any way impaired or affected thereby, it being intended that all of the rights and privileges of the parties hereto shall be enforceable to the fullest extent permitted by law.

(j) Survival. The respective indemnities, agreements, representations, warranties and other provisions set forth in this Agreement or made pursuant hereto shall remain in full force and effect, regardless of any investigation (or any statement as to the results thereof) made by or on behalf of any Electing Holder, any director, officer or partner of such Electing Holder, any agent or underwriter, any director, officer or partner of such agent or underwriter, or any controlling person of any of the foregoing, and shall survive the transfer and registration of the Registrable Securities of such Electing Holder.

Please confirm that the foregoing correctly sets forth the agreement between the Company and you.

Very truly yours,

Charter Communications, Inc.

By: /s/ Ralph G. Kelly

Name: Ralph G. Kelly

Title: Senior Vice President -
Treasurer

Accepted as of the date hereof:
Goldman, Sachs & Co.,
Morgan Stanley & Co. Incorporated
Bear, Stearns & Co. Inc.
Merrill Lynch, Pierce, Fenner &
Smith Incorporated

By: /s/ Goldman, Sachs & Co.

Goldman, Sachs & Co.

CHARTER COMMUNICATIONS, INC.

INSTRUCTION TO DTC PARTICIPANTS

(Date of Mailing)

URGENT - IMMEDIATE ATTENTION REQUESTED

DEADLINE FOR RESPONSE: [DATE]

The Depository Trust Company ("DTC") has identified you as a DTC Participant through which beneficial interests in the Charter Communications, Inc. (the "Company") 5.75% Convertible Senior Notes due 2005 and the shares of Common Stock issuable upon conversion of such securities (collectively, the "Securities") are held.

The Company is in the process of registering the Securities under the Securities Act of 1933 for resale by the beneficial owners thereof. In order to have their Securities included in the registration statement, beneficial owners must complete and return the enclosed Notice of Registration Statement and Selling Securityholder Questionnaire.

It is important that beneficial owners of the Securities receive a copy of the enclosed materials as soon as possible as their rights to have the Securities included in the registration statement depend upon their returning the Notice and Questionnaire by [DEADLINE FOR RESPONSE]. Please forward a copy of the enclosed documents to each beneficial owner that holds interests in the Securities through you. If you require more copies of the enclosed materials or have any questions pertaining to this matter, please contact:

Charter Communications, Inc.
12444 Powerscourt Drive
St. Louis, Missouri 63131
Attention: General Counsel

CHARTER COMMUNICATIONS, INC.

NOTICE OF REGISTRATION STATEMENT
AND
SELLING SECURITYHOLDER QUESTIONNAIRE
(DATE)

Charter Communications, Inc. (the "Company") has filed or intends shortly to file with the United States Securities and Exchange Commission (the "Commission") a preliminary registration statement on Form S-3 (the "Shelf Registration Statement") for the registration and resale under the United States Securities Act of 1933, as amended (the "Securities Act"), of the Company's 5.75% Convertible Senior Notes due 2005 (CUSIP No. 16117MAA5) (the "Notes"), and Common Stock issuable upon conversion thereof, in accordance with the terms of the Registration Rights Agreement, dated as of October 30, 2000 (the "Registration Rights Agreement") between the Company and the purchasers named therein (the "Purchasers"). A copy of the Registration Rights Agreement is attached hereto. All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Registration Rights Agreement.

In order to have Registrable Securities included in the Shelf Registration Statement (or a supplement or amendment thereto), this Notice of Registration Statement and Selling Securityholder Questionnaire ("Notice and Questionnaire") must be completed, executed and delivered to the Company at the address set forth herein for receipt ON OR BEFORE [insert date] (the "Questionnaire Deadline"). Unless the Company otherwise consents, beneficial owners of Registrable Securities who do not complete, execute and return this Notice and Questionnaire by such date (i) will not be named as selling securityholders in the Shelf Registration Statement (or a supplement or amendment thereto) and related Prospectus and (ii) may not sell their Registrable Securities pursuant thereto. Beneficial owners of Registrable Securities not having returned a Notice and Questionnaire by the Questionnaire Deadline may, however, receive another Notice and Questionnaire from the Company upon request.

Certain legal consequences arise from being named as a selling securityholder in the Shelf Registration Statement and related Prospectus. Accordingly, holders and beneficial owners of Registrable Securities are advised to consult their own securities law counsel regarding the consequences of being named or not being named as a selling securityholder in the Shelf Registration Statement and related Prospectus.

The term "Registrable Securities" is defined in the Registration Rights Agreement to mean all or any portion of the Notes issued under the Indenture and the shares of Common Stock issuable upon conversion of such Notes, provided, however, that a security ceases to be a Registrable Security when it is no longer a Restricted Security.

The term "Restricted Security" is defined in the Registration Rights Agreement to mean any Note or share of Common Stock issuable upon conversion thereof except any such Note or share of Common Stock which (i) has been registered pursuant to an effective registration statement under the Securities Act and sold in a manner contemplated by the Shelf Registration Statement, (ii) has been transferred in compliance with Rule 144 under the Securities Act (or any successor provision thereto) or is transferable pursuant to paragraph (k) of such Rule 144 (or any successor provision thereto) or (iii) has otherwise been transferred and a new Note or share of Common Stock not subject to transfer restrictions under the Securities Act has been

delivered by or on behalf of the Company in accordance with the Indenture.

ELECTION

The undersigned holder (the "Selling Securityholder") of Registrable Securities hereby elects to include in the Shelf Registration Statement the Registrable Securities beneficially owned by it and listed below in Item (3) (unless otherwise specified under Item 3). The undersigned, by signing and returning this Notice and Questionnaire, agrees to be bound with respect to such Registrable Securities by the terms and conditions of this Notice and Questionnaire and the Registration Rights Agreement, including, without limitation, Section 5 of the Registration Rights Agreement, as if the undersigned Selling Securityholder were an original party thereto.

Upon any sale of Registrable Securities pursuant to the Shelf Registration Statement, the Selling Securityholder will be required to deliver to the Company and the Trustee the Notice of Transfer (completed and signed) set forth in Exhibit 1 attached to this Notice and Questionnaire and hereby undertakes to do so.

The Selling Securityholder hereby provides the following information to the Company and represents and warrants that such information is accurate and complete:

QUESTIONNAIRE

- (1) (a) Full Legal Name of Selling Securityholder:
- (b) Full Legal Name of Registered Holder (if not the same as in (a) above) of Registrable Securities Listed in Item (3) below:
- (c) Full Legal Name of DTC Participant (if applicable and if not the same as (b) above) Through Which Registrable Securities Listed in Item (3) below are held:

- (2) Address for Notices to Selling Securityholder:

Telephone:
 Fax:
 Contact:

- (3) Beneficial Ownership of Registrable Securities:

Except as set forth below, the undersigned Selling Securityholder does not beneficially own any Notes or shares of Common Stock previously issued upon conversion, repurchase or redemption of any Note.

Principal amount of Notes beneficially owned:

Number of shares of Common Stock beneficially owned and issued to date upon conversion, repurchase or redemption of Notes (if any):

Principal amount of Notes which the undersigned wishes to be included in the Shelf Registration Statement:

Number of shares of Common Stock (if any) issued upon conversion, repurchase or redemption of Registrable Securities which are to be included in the Shelf Registration Statement:

- (4) Other shares of Common Stock or other Notes of the Company owned by the Selling Securityholder:

Except as set forth below, and under Item (3) above, the undersigned Selling Securityholder is not the beneficial or registered owner of any shares of Common Stock or any other securities of the Company.

State any exceptions here:

- (5) Relationships with the Company:

Except as set forth below, neither the Selling Securityholder nor any of its affiliates, officers, directors or principal equity holders (5% or more) has held any position or office or has had any other material relationship with the Company (or its predecessors or affiliates) during the past three years.

State any exceptions here:

- (6) Plan of Distribution:

Except as set forth below, the undersigned Selling Securityholder intends to distribute the Registrable Securities listed above in Item (3) only as follows (if at all): Such Registrable Securities may be sold from time to time directly by the undersigned Selling Securityholder or, alternatively, through underwriters, broker-dealers or agents. Such Registrable Securities may be sold in one or more transactions at fixed prices, at prevailing market prices at the time of sale, at varying prices determined at the time of sale, or at negotiated prices. Such sales may be effected in transactions (which may involve crosses or block transactions) (i) on any national securities exchanges or U.S. inter-dealer quotation system of a registered national securities association on which the Registrable Securities may be listed or quoted at the time of sale, (ii) in the over-the-counter market, (iii) in transactions otherwise than on such exchanges or services or in the over-the-counter market, or (iv) through the writing of options. In connection with sales of the Registrable Securities or otherwise, the Selling Securityholder may enter into hedging transactions with broker-dealers, which may in turn engage in short sales of the Registrable Securities in the course

of hedging the positions they assume. The Selling Securityholder may also sell Registrable Securities short and deliver Registrable Securities to close out such short positions, or loan or pledge Registrable Securities to broker-dealers that in turn may sell such securities.

State any exceptions here:

Note: In no event may such method(s) of distribution take the form of an underwritten offering of the Registrable Securities without the prior agreement of the Company.

By signing below, the Selling Securityholder acknowledges that it understands its obligation to comply, and agrees that it will comply, with the prospectus delivery and other provisions of the Securities Act and Exchange Act and the respective rules and regulations thereunder, particularly Regulation M.

In the event that the Selling Securityholder transfers all or any portion of the Registrable Securities listed in Item (3) above after the date on which such information is provided to the Company, the Selling Securityholder agrees to notify the transferee(s) at the time of the transfer of its rights and obligations under this Notice and Questionnaire and the Registration Rights Agreement.

By signing below, the Selling Securityholder consents to the disclosure of the information contained herein in its answers to Items (1) through (6) above and the inclusion of such information in the Shelf Registration Statement and related Prospectus. The Selling Securityholder understands that such information will be relied upon by the Company in connection with the preparation of the Shelf Registration Statement and related Prospectus.

In accordance with the Selling Securityholder's obligation under the Registration Rights Agreement to provide such information as may be required by law for inclusion in the Shelf Registration Statement, the Selling Securityholder agrees to promptly notify the Company of any inaccuracies or changes in the information provided herein which may occur subsequent to the date hereof at any time while the Shelf Registration Statement remains in effect. All notices hereunder and pursuant to the Registration Rights Agreement shall be made in writing by hand delivery, first-class mail, or air courier guaranteeing overnight delivery as follows:

To the Company:

Charter Communications, Inc.
12444 Powerscourt Drive
St. Louis, Missouri 63131
Attention: General Counsel

Once this Notice and Questionnaire is executed by the Selling Securityholder and received by the Company, the terms of this Notice and Questionnaire, and the representations and warranties contained herein, shall be binding on, shall inure to the benefit of and shall be enforceable by the respective successors, heirs, personal representatives, and assigns of the Company and the Selling Securityholder with respect to the Registrable Securities beneficially owned by such Selling Securityholder and listed in Item (3) above. This Agreement shall be

governed in all respects by the laws of the State of New York.

IN WITNESS WHEREOF, the undersigned, by authority duly given, has caused this Notice and Questionnaire to be executed and delivered either in person or by its duly authorized agent.

Dated:

Selling Securityholder
(Print/type full legal name of beneficial owner
of Registrable Securities)

By:
Name:
Title:

PLEASE RETURN THE COMPLETED AND EXECUTED NOTICE AND QUESTIONNAIRE FOR RECEIPT ON OR BEFORE (DEADLINE FOR RESPONSE) TO THE COMPANY AT:

Charter Communications, Inc.
12444 Powerscourt Drive
St. Louis, Missouri 63131
Attention: General Counsel

NOTICE OF TRANSFER PURSUANT TO REGISTRATION STATEMENT

BNY Midwest Trust Company
2 N. La Salle, Suite 1020
Chicago, IL 60602
Attention: Judy Bartolini

Charter Communications, Inc.
12444 Powerscourt Drive
St. Louis, Missouri 63131
Attention: General Counsel

Re: Charter Communications, Inc. (the "Company")
5.75% Convertible Senior Notes due 2005 (the "Notes")

Dear Sirs:

Please be advised that _____ has transferred \$_____ aggregate principal amount of the above-referenced Notes or shares of the Company's Common Stock, issued on conversion, repurchase or redemption of Notes pursuant to the Registration Statement on Form S-3 (File No. 333-____) filed by the Company.

We hereby certify that the prospectus delivery requirements, if any, of the Securities Act of 1933, as amended, have been satisfied with respect to the transfer described above and that the above-named beneficial owner of the Notes or shares of Common Stock is named as a selling securityholder in the Prospectus dated _____, or in amendments or supplements thereto, and that the aggregate principal amount of the Notes or number of shares of Common Stock transferred are [a portion of] the Notes or Common Stock listed in such Prospectus as amended or supplemented opposite such owner's name.

Dated:

Very truly yours,

(Name)

By: _____
(Authorized Signature)

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1,000

9-MOS

	DEC-31-2000	
	JAN-01-2000	
	SEP-30-2000	
		44,467
		0
	172,530	
	10,184	
		0
	255,167	
		5,590,630
	909,147	
	22,440,443	
1,184,476		
	12,167,729	
	0	
		0
		207
	2,669,424	
22,440,443		
		0
	2,355,345	
		0
		0
	3,058,002	
		0
	765,342	
	(587,553)	
		0
(587,553)		
		0
		0
		0
	(587,553)	
	(2.63)	
	(2.63)	