

TERM SHEET

This term sheet (the “**Term Sheet**”) sets forth the terms and conditions upon which Travelers Casualty and Surety Company of America (“**Travelers**”) will issue certain post-petition bonds for Charter Communications, Inc. and its affiliates (collectively or individually, “**Charter**”, and after filing for bankruptcy relief, the “**Debtor**”) in response to Charter’s 2/12/09 announcement that it intends to seek Chapter 11 bankruptcy protection on or about April 1, 2009 (the actual date of filing cases under the Chapter 11 being referred to herein as the “**Petition Date**”):

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| DIP BANKRUPTCY PROGRAM | <ul style="list-style-type: none">● Prerequisites to issuance of any post-petition bonds shall be:<ol style="list-style-type: none">1. Entry of an interim order (the “Interim Order”) by the Bankruptcy Court in which the Debtor’s case is pending (the “Bankruptcy Court”) substantially in the form attached as <u>Exhibit A</u> hereto, approving the transactions contemplated by this Term Sheet including, but not limited to,: authorizing the Specified Debtors (as defined below) to execute a new indemnity agreement (the “New Indemnity Agreement”) substantially in the form of the general contract of indemnity attached as <u>Exhibit B</u> hereto, which will be in addition to and not in lieu of the existing indemnity agreement(s) between Charter and Travelers and, provide collateral, and other protections to Travelers as set forth therein (including a good faith finding under Section 364(e) of the Bankruptcy Code); and2. Entry of a final order by the Bankruptcy Court substantially consistent with the Interim Order (the “Final Order”) within 25 days after entry of the Interim Order, it being understood and agreed that this condition in respect of the Final Order shall not be required for issuance of any post-petition bonds as requested during the period commencing from entry of the Interim Order and ending the 25th day after the entry of the Interim Order; and3. receipt of a fully executed New Indemnity Agreement; and4. receipt of cash deposit or letters of credit (or other collateral mutually agreed upon) for any bond to be issued pursuant to the collateral requirements |
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| | hereunder. |
| BOND PROGRAM | <ul style="list-style-type: none"> • Maintain bond program because bonds are essential to Debtor's ability to operate businesses and reorganize successfully; • Terms aggregate capacity and aggregate bond exposure include bonds written prior to and after bankruptcy filing(s); • New bonds or bond increases of a type and size (amount) historically written for account pre-petition up to a \$150million aggregate limit of liability (which limit encompasses both prepetition and postpetition exposure); however this amount is not to be construed as a commitment to issue, extend, renew or increase any bond and any agreement to issue, extend, renew or increase any bond shall be at Travelers' sole discretion; and • Travelers specifically and expressly reserves its rights to apply its ordinary underwriting business practices to accept or reject a request for any post-petition bond, bond increase, renewal or extension in its sole underwriting discretion. |
| PARTIES | <ul style="list-style-type: none"> • The participating principal entities under the bond program hereof (the "Specified Debtors") shall be the entities as listed on Schedule I. Non-debtor affiliates may participate with Travelers' consent. • Travelers and its parents, affiliates and subsidiaries. |
| INDEMNITY AGREEMENTS | <ul style="list-style-type: none"> • Execution of the New Indemnity Agreement to be in addition to and not in lieu of the existing indemnity agreement(s). • Bankruptcy Court approval to enter into the bond program and the New Indemnity Agreement, among other things, as pre-requisites to the issuance of any bonds. • Additional agreements and/or bond applications may be required depending on bonds to be issued. • Upon emergence from bankruptcy, a new indemnity agreement satisfactory to Travelers and substantially in the form of the New Indemnity Agreement shall be entered into by the then participating Charter entities and the relevant indemnitors. |
| PRICING | <ul style="list-style-type: none"> • Pricing to be effective as of the date of the entry of the Interim Order. • Terms and conditions of the amount of premium to be |

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| | <p>charged shall be agreed to by the parties and set forth in a side letter agreement maintained as confidential and not part of the Bankruptcy Court order that is publically available.</p> |
| COLLATERAL REQUIREMENTS | <p>Consistent with ordinary course of business and past practices of Charter, all bond and indemnity obligations and all payment liabilities of the Specified Debtors on post-petition bonds and any increases to or renewals of the pre-petition bonds after the Petition Date shall be collateralized as follows:</p> <ul style="list-style-type: none"> • 80% collateral in the form of cash deposits or letters of credit for medium/low risk cable & compliance bonds; • 100% collateral in the form of cash deposits or letters of credit for high risk and all financial obligation bonds; and • 100% collateral in the form of cash deposits or letters of credit for all bonds regardless of the risk once unsecured aggregate bond exposure reaches \$15 million. • If bonds requested are not of the historic type issued for Debtor, collateral in excess of the bond penal sum may be required depending on the nature of the obligation (e.g. Self-insurer's compensation bonds); • If the collateral to be provided is in the form of letters of credit, the form and amount of such letters of credit and the issuing bank must also be approved by Travelers in its sole discretion and if collateral in the form of cash deposits is to be provided to a pledged account, the relevant account agreement in connection with such pledged account shall be subject to Travelers' approval; • Receipt of collateral which shall be in the form of cash deposits or letters of credit (or other forms to be mutually agreed upon), among other things, is required prior to issuance of any bond; • Travelers can apply collateral for any bond obligation or pursuant to any indemnity agreement obligation regardless of date of execution of bonds or indemnity agreements; • If Travelers has or obtains collateral or letters of credit, Travelers shall not have any obligation to release collateral or letters of credit or turn over the proceeds thereof until it shall have received a written release satisfactory to Travelers in its sole discretion with respect to the relevant Bond and no amounts in respect of any bond or indemnity obligation are due and owing to Travelers; and • Any collateral or letters of credit provided to Travelers by any indemnitor or any third party, or the proceeds |

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| | <p>thereof, may be applied to any Loss as defined in the New Indemnity Agreement or any loss under any indemnity agreement including, without limitation, attorney fees, premiums, enforcement of an indemnity agreement or this Term Sheet.</p> <ul style="list-style-type: none"> • Collateral calculation for purposes hereof shall consider liability remaining to Travelers under Appeal Bond No. 51S103226856 08 014 until the earlier to occur of (i) the entry of a final, non-appealable Bankruptcy Court order waiving and releasing any claims against Travelers seeking disgorgement of any pre-petition transfers to Travelers associated with the pre-petition bond facility and (ii) the expiration of the statute of limitations for the assertion of any such claims. |
| ADMINISTRATIVE EXPENSE CLAIM | <ul style="list-style-type: none"> • In the event Travelers sustains a loss based upon the insufficiency of its collateral, Travelers shall be granted an administrative expense claim under section 503(b) and 507(a)(2) of the Bankruptcy Code to the extent of such loss in excess of the amount of collateral granted to Travelers, which administrative expense claim shall be superior to that of similarly situated creditors but subject to a Carve-Out and the allowed claims in favor of Charter's secured pre-petition lenders and bondholders. |
| LEGAL FEES - TRANSACTION | <ul style="list-style-type: none"> • Specified Debtors shall reimburse Travelers for its out-of-pocket, reasonable and documented legal fees and expenses for its outside counsel in connection with the negotiation, preparation, documentation, implementation and enforcement of this transaction, in connection with the bankruptcy proceedings, and otherwise owing under any indemnity agreement within 20 business days (and 10 business days respectively with respect to each of the fees associated with the entry of the Interim Order and the Final Order) following receipt of an invoice with backup documentation in reasonable detail, without waiving any attorney/client privilege. |
| CONTINUING PAYMENTS | <ul style="list-style-type: none"> • Debtor shall continue to make payments authorized by the Bankruptcy Court on account of any obligations covered by a bond issued by Travelers regardless of the execution date of the bonds, if and to the extent such are approved by the Bankruptcy Court or authorized by the Bankruptcy Code. |
| FINANCIAL and OTHER INFORMATION | <ul style="list-style-type: none"> • Full consolidated annual audits (to be delivered to Travelers for informational purposes only) • Complete quarterly interim financial statements (to be |

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| | <p>delivered to Travelers for informational purposes only)</p> <ul style="list-style-type: none"> • If Charter stops regular filing of financial statements with the SEC, then quarterly and annual financial information will be provided by Charter directly to Travelers for informational purposes only • Any other information as Travelers may reasonably request • Debtor to provide reasonable notice to Travelers of any pending sale of assets relating to the bonds or the obligations thereunder (e.g., sale of franchise) |
| BOND CLAIMS | <ul style="list-style-type: none"> • Debtor to use commercially reasonable efforts to provide information and to provide assistance in connection with the claims as requested by Travelers during its claim investigation. • Debtor to use commercially reasonable efforts to cooperate and assist Travelers in bond claims related matters. • For any pending claims received by Travelers prior to Petition Date, if any, Debtors to resolve and advise as to how the amounts due, if any, will be satisfied (i.e., authorized by Bankruptcy Court for Debtors to pay or Travelers to pay from collateral or otherwise, though Travelers retains the right to adjust and settle claims pursuant to the indemnity agreements.) |
| BOND CANCELLATION | <ul style="list-style-type: none"> • Travelers shall retain its rights to cancel the entire surety bond program hereunder and exercise all rights and remedies in connection therewith with 30 days' prior written notice, in the event that: <ol style="list-style-type: none"> 1. A payment obligation under any one or more of the bonds (except for the payment of premium) is not paid as it becomes due and there is insufficient collateral; or 2. An obligation under any one or more of the bonds to pay premium is not paid as it becomes due regardless of the amount of collateral; 3. Debtor shall have ceased operation of its or their businesses generally; or 4. Debtor shall be in default (after giving effect to the applicable grace period or notice requirement, if any) under any effective indemnity agreement with Travelers, the Interim Order or the Final Order; or 5. Debtor shall have disposed of substantially all assets through a sale, reorganization plan or otherwise; or 6. Debtor shall become unable to pay all of its or their |

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| | <p>administrative and other reorganization expenses and claims; or</p> <p>7. Debtor has ceased to engage in the operation or activity covered by a bond;</p> <p><i>provided</i> that the aforementioned 30-day prior notice requirement (i) shall not be required for Travelers to cancel (a) a particular individual bond within the time provided in such individual bond or (b) a particular individual bond which is subject to a premium payment default; and (ii) shall not affect Travelers' ability to provide notice in accordance with section 5 under the New Indemnity Agreement or a demand for payment against any bonds in accordance with section 12 under the New Indemnity Agreement.</p> |
| TRANSACTION | <ul style="list-style-type: none"> • Unless otherwise expressly set forth herein or in the New Indemnity Agreement, this transaction and the execution of the documents, applications, instruments and agreements contemplated hereby, shall not impair or otherwise affect any rights or remedies which Travelers may have under existing indemnity agreements, letters of credit, collateral agreements (if any) outstanding bonds, applicable law or equity. |
| BANKRUPTCY COURT ORDER and DOCUMENTATION | <ul style="list-style-type: none"> • This Term Sheet and the transactions contemplated therein require the approval of the Bankruptcy Court; • The Interim Order, the Final Order and all other instruments, and agreements entered into with respect to the transactions contemplated herein shall be in form and substance satisfactory to Travelers in its sole discretion. • Debtor bears the burden of scheduling hearings for entry of Interim Order and Final Order. • The Interim Order and the Final Order shall be issued in form and substance satisfactory to Travelers in its sole discretion (it being acknowledged and agreed that an order substantially in the form of Exhibit A shall be satisfactory to Travelers) and the Interim Order and Final Order (collectively, the "Order") will include, but may not be limited to, the following provisions: <ol style="list-style-type: none"> 1. Bond Program - authorize Debtor pursuant to relevant sections of the Bankruptcy Code to maintain bond program with Travelers; to obtain post petition bonding from Travelers; provide certain protections to Travelers as set forth in this Term Sheet which shall be incorporated by reference into |

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| | <p>the Interim Order and Final Order.</p> <ol style="list-style-type: none"> 2. Collateral - authorize Debtor to provide collateral to Travelers with terms as to application and authority of Debtor to enter into any pledge agreement or other document related to providing collateral to Travelers. 3. New Agreements - authorize execution of the New Indemnity Agreement, in addition to and not in lieu of all existing indemnity agreement(s). 4. Ratification of Bonds, Indemnity and Other Pre-Petition Date Documents - authorize that all pre-petition documents concerning bonds issued by Travelers, the related indemnification and the delivery of collateral are ratified and reaffirmed and shall be treated as the valid and binding post-petition obligations of the Debtor. 5. Bankruptcy Claim Treatment - grant an administrative expense claim to Travelers under section 503(b) and 507(a)(2) of the Bankruptcy Code to the extent that Travelers sustains any Loss in excess of the amount of collateral granted to Travelers, which administrative expense claim shall be superior to all similarly situated creditors but subject to Carve-Out and the allowed claims in favor of Charter's secured pre-petition lenders and bondholders, without the requirement for Travelers to file a proof of claim by any deadline, and provide for non-impairment of Travelers' interests under any plan of reorganization and new indemnity agreement upon bankruptcy emergence. 6. Bond Cancellation and Relief - grant Travelers relief from the automatic stay to effectuate cancellation of the bonds in limited circumstances subject to the terms under section "Bond Cancellation" above and enforcement of the terms of the New Indemnity Agreement, Interim Order and/or Final Order by way of application of its collateral or as otherwise provided by agreement or order. 7. Term Sheet Protections and Compliance - grants Travelers certain protections in connection with the issuance of the bonds all of which are more fully set forth in this Term Sheet and incorporated by reference in the Order. Order shall also authorize and provide for such other payments and actions by Debtor(s) as shall be required to fulfill and comply |
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| | <p>with the terms and conditions of this Term Sheet.</p> <ol style="list-style-type: none"> 8. Good Faith and Release - find that the financial accommodations provided by Travelers are provided in good faith under Section 364(e) of the Bankruptcy Code, and in the Final Order, release Travelers for any and all estate claims including for disgorgement under Chapter 5 of the Bankruptcy Code. 9. Other - order that in the event of any conflict between the terms of the Interim Order or Final Order and the Term Sheet or New Indemnity Agreement, the Interim Order or Final Order, as applicable, shall govern. In the event of any conflict between the terms of the Term Sheet and the New Indemnity Agreement, the Term Sheet shall govern. |
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