

CHARTER COMMUNICATIONS INC /MO/
Form 8-K
October 19, 2005

**SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

Current Report

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): October 17, 2005

Charter Communications, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or Other Jurisdiction of Incorporation or Organization)

| | |
|-------------------------------------|--|
| 000-27927 | 43-1857213 |
| <i>(Commission File Number)</i> | <i>(I.R.S. Employer Identification Number)</i> |

**12405 Powerscourt Drive
St. Louis, Missouri 63131**

(Address of principal executive offices including zip code)

(314) 965-0555

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))



ITEM 1.01. ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT.

On October 17, 2005, CCO Holdings, LLC (as the "Borrower") and CCO Holdings Capital Corp. (as the "Guarantor") entered into a new senior bridge loan agreement (the "Agreement") with JPMorgan Chase Bank, N.A., Credit Suisse, Cayman Islands Branch and Deutsche Bank AG Cayman Islands Branch (the "Lenders") whereby the Lenders have committed to make loans to the Borrower in an aggregate amount of \$600 million. The Borrower and the Guarantor are indirect subsidiaries of Charter Communications, Inc. ("Charter"). The material terms of the Agreement are as set forth below. The Agreement is filed herewith as Exhibit 10.1.

The period during which the Borrower may draw upon the facility will begin on January 2, 2006 and will end on September 29, 2006. The Borrower's obligations under the Agreement are guaranteed by the Guarantor.

Beginning on the first anniversary of the first date that the Borrower borrows under the Agreement and at any time thereafter, any Lender will have the option to receive "exchange notes" (the terms of which are described below, the "Exchange Notes") in exchange for any loan that has not been repaid by that date. Upon the earlier of (x) the date that at least a majority of all loans that have been outstanding have been exchanged for Exchange Notes and (y) the date that is 18 months after the first date that the Borrower borrows under the Agreement, the remainder of loans will be automatically exchanged for Exchange Notes.

Each loan will accrue interest at a rate equal to an adjusted LIBOR rate plus a spread. The spread will initially be 450 basis points and will increase (a) by an additional 25 basis points at the end of the six-month period following the date of the first borrowing, (b) by an additional 25 basis points at the end of each of the next two subsequent three month periods and (c) by 62.5 basis points at the end of each of the next two subsequent three-month periods.

As conditions to each draw, (i) there shall be no default under the Agreement, (ii) all the representations and warranties under the Agreement shall be true and correct in all material respects and (iii) all conditions to borrowing under the April 27, 2004 Amended and Restated Credit Agreement of Charter Communications Operating, LLC (with certain exceptions) shall be satisfied.

The aggregate unused commitment will be reduced by 100% of the net proceeds from certain defined asset sales above \$75 million and to the extent such net proceeds have not been used to prepay loans or Exchange Notes. In the event transactions occur which are not captured by the defined term asset sales but nonetheless result in the disposition of assets, the amount of net proceeds above \$200 million that is unused under the commitment will be reduced on a one-for-one basis to the extent such net proceeds have not been used to prepay loans or Exchange Notes.

The Borrower will be required to prepay loans (and redeem or offer to repurchase Exchange Notes, if issued) from the net proceeds from (i) the issuance of equity or incurrence of debt by Charter and its subsidiaries, with certain exceptions, and (ii) certain asset sales (to the extent not used for purposes permitted under the Agreement).

The covenants and events of default applicable to the Borrower under the Agreement are similar to the covenants and events of default in the indenture for the senior secured notes of CCH I, LLC.

The Exchange Notes will mature on the sixth anniversary of the first borrowing under the Agreement. The Exchange Notes will bear interest at a rate equal to the rate that would have been borne by the loans. The same mandatory redemption provisions will apply to the Exchange Notes as applied to the loans, except that the Borrower will be required to make an offer to redeem upon the occurrence of a change of control at 101% of principal amount plus accrued and unpaid interest.

The Exchange Notes will, if held by a person other than an initial lender or an affiliate thereof, be (a) non-callable for the first three years after the first borrowing date and (b) thereafter, callable at par plus accrued interest plus a

premium equal to 50% of the coupon in effect on the first anniversary of the first borrowing date, which premium shall decline to 25% of such coupon in the fourth year and to zero thereafter. Otherwise, the Exchange Notes will be callable at any time at 100% of the amount thereof plus accrued and unpaid interest.

The indenture governing the Exchange Notes will be based upon the Borrower's senior notes indenture but with certain modifications based upon more recent indentures of certain of Charter's other subsidiaries.

ITEM 2.03. CREATION OF A DIRECT FINANCIAL OBLIGATION.

The information contained in Item 1.01 of this Form 8-K is hereby incorporated as if fully set out in this Item 2.03.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

The following exhibit is filed pursuant to Item 1.01:

Exhibit

Number Description

10.1 SENIOR BRIDGE LOAN AGREEMENT dated as of October 17, 2005 by and among CCO Holdings, LLC, CCO Holdings Capital Corp., certain lenders, JPMorgan Chase Bank, N.A., as Administrative Agent, J.P. Morgan Securities Inc. and Credit Suisse, Cayman Islands Branch, as joint lead arrangers and joint bookrunners, and Deutsche Bank Securities Inc., as documentation agent.*

* filed herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, Charter Communications, Inc. has duly caused this Current Report to be signed on its behalf by the undersigned hereunto duly authorized.

CHARTER COMMUNICATIONS, INC.

Registrant

Dated: October 19, 2005

By:/s/ Paul E. Martin

Name: Paul E. Martin

Title: Senior Vice President,
Interim Chief Financial Officer,
Principal Accounting Officer and
Corporate Controller
(Principal Financial Officer and
Principal Accounting Officer)

EXHIBIT INDEX

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* filed herewith