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

Form 10-K

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

For the fiscal year ended December 31, 2008

Commission File Number: 0-29227

Mediacom Communications Corporation
(Exact name of Registrant as specified in its charter)

Delaware	**06-1566067**
(State of incorporation)	*(I.R.S. Employer Identification Number)*

100 Crystal Run Road
Middletown, New York 10941
(Address of principal executive offices)

(845) 695-2600
(Registrant's telephone number)

Securities registered pursuant to Section 12(b) of the Exchange Act:

Title of Each Class	Name of Each Exchange on Which Registered
Class A Common Stock, $0.01 par value per share	**The NASDAQ Stock Market LLC**

Securities registered pursuant to Section 12(g) of the Exchange Act:

None

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act Yes o No ☑

Indicate by check mark if the Registrant is not required to file pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes o No ☑

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☑

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

Large accelerated filer o	Accelerated filer ☑	Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting Company o

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

As of June 30, 2008, the aggregate market value of the Class A common stock of the Registrant held by non-affiliates of the Registrant was approximately $207.4 million.

As of February 28, 2009 there were outstanding 40,143,074 shares of Class A common stock and 27,001,944 shares of Class B common stock.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's Proxy Statement for the 2008 Annual Meeting of Stockholders are incorporated by reference into Items 10, 11, 12, 13 and 14 of Part III.

MEDIACOM COMMUNICATIONS CORPORATION

2008 FORM 10-K ANNUAL REPORT

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This Annual Report on Form 10-K is for the year ended December 31, 2008. This Annual Report on Form 10-K modifies and supersedes periodic reports filed before it. The Securities and Exchange Commission ("SEC") allows us to "incorporate by reference" information that we file with them, which means that we can disclose important information to you by referring you directly to those documents. Information incorporated by reference is considered to be part of this Annual Report on Form 10-K. In addition, information that we file with the SEC in the future will automatically update and supersede information contained in this Annual Report on Form 10-K. Throughout this Annual Report on Form 10-K, we refer to Mediacom Communications Corporation as "Mediacom;" and Mediacom and its consolidated subsidiaries as "we," "us" and "our."

Cautionary Statement Regarding Forward-Looking Statements

You should carefully review the information contained in this Annual Report and in other reports or documents that we file from time to time with the SEC.

In this Annual Report, we state our beliefs of future events and of our future financial performance. In some cases, you can identify those so-called “forward-looking statements” by words such as “may,” “will,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential,” or “continue” or the negative of those words and other comparable words. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from historical results or those we anticipate, many of which are beyond our control. Factors that could cause actual results to differ from those contained in the forward-looking statements include, but are not limited to: competition for video, high-speed data and phone customers; our ability to achieve anticipated customer and revenue growth and to successfully introduce new products and services; greater than anticipated effects of the current, or future, economic downturns and other factors which may negatively affect our customers’ demand for our products and services; increasing programming costs and delivery expenses related to our products and services; changes in consumer preferences, laws and regulations or technology that may cause us to change our operational strategies; changes in assumptions underlying our critical accounting polices which could impact our results; our ability to generate sufficient cash flow to meet our debt service obligations; liquidity and overall instability in the credit markets which may impact our ability to refinance our debt, as our revolving credit facilities begin to expire in September 2011 and other substantial debt becomes due in 2013 and beyond, in the same amounts and on the same terms as we currently enjoy; and the other risks and uncertainties discussed in this Annual Report on Form 10-K for the year ended December 31, 2008 and other reports or documents that we file from time to time with the SEC. Statements included in this Annual Report are based upon information known to us as of the date that this Annual Report is filed with the SEC, and we assume no obligation to update or alter our forward-looking statements made in this Annual Report, whether as a result of new information, future events or otherwise, except as required by applicable federal securities laws.

PART I

ITEM 1. *BUSINESS*

Introduction

We are the nation's eighth largest cable company based on the number of basic video subscribers, or basic subscribers, and among the leading cable operators focused on serving the smaller cities and towns in the United States. About 55% of our basic subscribers are located within the top 50-100 television markets in the United States, with a significant concentration in the midwest and southern regions.

Over the last several years, we have introduced a compelling variety of new and advanced services to consumers made possible by investments in our interactive fiber networks, which have boosted their capacity, capability and reliability. We now offer greater choice and convenience to our customers, with a wide and deep array of advanced products and services, including video-on-demand ("VOD"), high-definition television ("HDTV"), digital video recorders ("DVR"), high-speed data ("HSD") and a feature-rich phone service. We provide the triple play bundle of video, HSD and phone over a single communications platform to substantially all of our markets, a significant advantage over most competitors in our service areas.

As of December 31, 2008, we served approximately 1.32 million basic subscribers, 643,000 digital video customers or digital customers, 737,000 HSD customers and 248,000 telephone customers, totaling 2.95 million revenue generating units ("RGUs"). We provide access to the triple play bundle to 91% of the estimated homes that our network passes. A basic subscriber is a customer who purchases one or more video services; RGUs represent the sum of basic subscribers and digital, HSD and phone customers.

We are a publicly-owned company, and our Class A common stock is listed on The Nasdaq Global Select Market under the symbol "MCCC." We were founded in July 1995 by Rocco B. Commisso, our Chairman and Chief Executive Officer, who beneficially owns shares of our Class A and B stock representing the majority of the aggregate voting power of our common stock.

Recent Developments

Share Exchange Agreement with an Affiliate of Morris Communications

On September 7, 2008, we entered into a Share Exchange Agreement (the "Exchange Agreement") with Shivers Investments, LLC ("Shivers") and Shivers Trading & Operating Company ("STOC"). Both STOC and Shivers are affiliates of Morris Communications Company, LLC ("Morris Communications"). STOC, Shivers and Morris Communications are controlled by William S. Morris III, who together with another Morris Communications representative, Craig S. Mitchell, held two seats on our Board of Directors.

On February 13, 2009, we completed the Exchange Agreement pursuant to which we exchanged 100% of the shares of stock of a wholly-owned subsidiary, which held approximately $110 million of cash and non-strategic cable systems serving approximately 25,000 basic subscribers, for 28,309,674 shares of Mediacom Class A common stock held by Shivers Investments. As of December 31, 2008, after giving effect to the completion of this transaction, our total Class A and Class B outstanding shares were approximately 66.5 million. Effective upon closing of the transaction, Messrs. Morris and Mitchell resigned from our Board of Directors. See Note 11 to our consolidated financial statements for more information.

Available Information and Website

Our phone number is (845) 695-2600 and our principal executive offices are located at 100 Crystal Run Road, Middletown, New York 10941; our website is located at www.mediacomcc.com. Our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and any amendments to such reports filed with or furnished to the SEC under sections 13(a) or 15(d) of the Securities Exchange act of 1934 are made available free of charge on our website (follow the "About Us" link to the Investor Relations tab to "SEC Filings") as soon as reasonably practicable after such reports are electronically filed with or furnished to the SEC. We have also made our Code of Ethics available in the "Governance" portion of the Investor Relations tab of our website. The information on our website is not part of this Annual Report.

Description of Our Cable Systems

Overview

The following table provides an overview of selected subscriber and customer data for our cable systems for the years ended December 31:

	2008(12)	2007	2006	2005	2004
Operating Data:					
Core Video					
Estimated homes passed(1)	2,854,000	2,836,000	2,829,000	2,807,000	2,785,000
Basic subscribers(2)	1,318,000	1,324,000	1,380,000	1,423,000	1,458,000
Basic penetration(3)	46.2%	46.7%	48.8%	50.7%	52.4%
Digital Cable					
Digital customers(4)	643,000	557,000	528,000	494,000	396,000
Digital penetration(5)	48.8%	42.1%	38.3%	34.7%	27.2%
High Speed Data					
HSD customers(6)	737,000	658,000	578,000	478,000	367,000
HSD penetration(7)	25.8%	23.2%	20.4%	17.0%	13.2%
Phone					
Estimated marketable phone homes(8)	2,604,000	2,550,000	2,300,000	1,450,000	—
Phone customers(9)	248,000	185,000	105,000	22,000	—
Phone penetration(10)	9.5%	7.3%	4.6%	1.5%	—
Revenue Generating Units(11)	2,946,000	2,724,000	2,591,000	2,417,000	2,221,000

(1) Represents the estimated number of single residence homes, apartments and condominium units passed by the cable distribution network. Estimated homes passed is based on the best information currently available.

(2) Represents a dwelling with one or more television sets that receives a package of over-the-air broadcast stations, local access channels or certain satellite-delivered cable services. Accounts that are billed on a bulk basis, which typically receive discounted rates, are converted into full-price equivalent basic subscribers by dividing total bulk billed basic revenues of a particular system by average cable rate charged to basic subscribers in that system. This conversion method is consistent with the methodology used in determining payments made to programmers. Basic subscribers include connections to schools, libraries, local government offices and employee households that may not be charged for limited and expanded cable services, but may be charged for digital cable, HSD, phone or other services. Customers who exclusively purchase HSD and/or phone service are not counted as basic subscribers. Our methodology of calculating the number of basic subscribers may not be identical to those used by other companies offering similar services.

(3) Represents basic subscribers as a percentage of estimated homes passed.

(4) Represents customers receiving digital video services.

(5) Represents digital customers as a percentage of basic subscribers.

(6) Represents residential HSD customers and small to medium-sized commercial cable modem accounts billed at higher rates than residential customers. Small to medium-sized commercial accounts generally represent customers with bandwidth requirements of up to 20 Mbps, and are converted to equivalent residential HSD customers by dividing their associated revenues by the applicable residential rate. Customers who take our scalable, fiber-based enterprise network products and services are not counted as HSD customers. Our methodology of calculating HSD customers may not be identical to those used by other companies offering similar services.

(7) Represents the number of total HSD customers as a percentage of estimated homes passed.

(8) Represents estimated number of homes to which we offer phone service and is based upon the best information currently available.

(9) Represents customers receiving phone service.

(10) Represents the number of total phone customers as a percentage of estimated marketable phone homes.

(11) Represents the sum of basic subscribers and digital, HSD and phone customers.

(12) Does not reflect the completion of the Exchange Agreement on February 13, 2009. See Note 11 to our consolidated financial statements for more information.

Our Service Areas

Over 65% of our basic subscribers are in the top 100 television markets, commonly referred to as Nielsen Media Research designated market areas ("DMAs"), in the United States, with about 55% in the top 50-100 DMAs. Our service areas have a significant concentration in the Midwest and Southern regions, and we are the leading provider of broadband services in Iowa and the second largest in Illinois. The following table provides the largest DMAs in which we serve:

DMA Rank	Designated Market Area
3	Chicago, IL
15	Minneapolis — St. Paul, MN
36	Greenville — Spartanburg — Anderson, SC
60	Mobile, AL — Pensacola, FL (Ft. Walton, FL)
71	Des Moines — Ames, IA
74	Springfield, MO
78	Paducah, KY — Cape Girardeau, MO — Harrisburg, IL
83	Champaign & Springfield — Decatur, IL
88	Cedar Rapids — Waterloo — Iowa City & Dubuque, IA
97	Davenport, IA — Rock Island — Moline, IL

Products and Services

Video

We receive a majority of our revenues from video services; however, our reliance on video services as a source of revenue has been declining for the past several years, primarily due to increased contributions from our HSD and phone services, a trend we expect to continue. Basic subscribers and digital customers are billed on a monthly basis, and generally may discontinue services at any time. We design our channel line-ups for each system according to demographics, programming preferences, channel capacity, competition, price sensitivity and local regulation. Monthly subscription rates and related charges vary according to the type of equipment used by subscribers and types of services selected by subscribers and customers, which are described below.

Broadcast Basic Service. Our broadcast basic service includes, for a monthly fee, 12 to 20 local broadcast channels, network and independent stations, limited satellite-delivered programming and local public, government, home-shopping and leased access channels.

Family Basic Service. Our family basic service includes, for an additional monthly fee, 40 to 55 additional satellite-delivered channels such as CNN, ESPN, Lifetime, MTV, USA Network and TNT.

As of December 31, 2008, we had 1.32 million basic subscribers, representing a 46.2% penetration of estimated homes passed.

Digital Service. We currently offer several programming packages that include digital basic channels, multichannel premium services, sports channels, digital music channels, an interactive on-screen program guide and full access to our VOD library. Currently, digital customers receive up to 230 digital channels, depending on the level of service selected. A digital converter or cable card is required to receive our digital and other advanced video services. Customers pay a monthly fee for digital video service, which varies according to the level of service taken and the number of digital converters in the home. As of December 31, 2008, we had 643,000 digital customers, representing a 48.8% penetration of our basic subscribers.

Pay-Per-View Service. Our pay-per-view service allows customers to pay to view single showings of programming on an unedited, commercial-free basis, including feature films, live sporting events, concerts and other special events.

Video-On-Demand. Mediacom On Demand, our VOD service, provides on-demand access to over 4,000 movies, special events and general interest titles and is available to 87% of our digital customers. Subscription-based VOD ("SVOD") premium packages such as Starz!, Showtime and HBO are included when customers take such premium programming packages, and movies and other programming can be ordered on a first-run, pay-per-view basis. Our customers enjoy full two-way functionality, including the ability to start the programs at whatever time is convenient, as well as pause, rewind and fast forward VOD programming. Due to their limited two-way capability, direct broadcast satellite ("DBS") providers are unable to offer a similar product to customers, which gives us a competitive advantage for these services in our markets.

High-Definition Television. HDTV features high-resolution picture quality, digital sound quality and a wide-screen, theater-like display when using an HDTV set. Up to 26 high-definition ("HD") channels, including most major broadcast networks, leading national cable networks, premium channels and regional sports networks, are offered free of charge to our digital customers and represent the most widely-watched programming. We also offer over 100 HD titles on-demand, with plans to further expand our HD on-demand library in 2009.

Digital Video Recorders. We make available to our customers HDTV-capable digital converters that have video recording capability, allowing them to record and store programming for later viewing, as well as pause and rewind live television. DVR services require the use of an advanced digital converter for which we charge a monthly fee.

As of December 31, 2008, 33.2% of digital customers received DVR and/or HDTV services.

Mediacom Online

Mediacom Online, our HSD product, offers to consumers packages of competitively priced cable modem-based services, with downstream speeds of up to 20Mbps, depending on the service selected. We believe our flagship residential HSD offering, at 8Mbps, is currently the fastest Internet service in substantially all of our markets. HSD customers who take our "VIP" triple play of video, Internet and phone enjoy an upgrade to 10 Mbps downstream speeds, free of charge. Our services include interactive portal, multiple e-mail addresses, personal webspace and local community content. In 2009, we are introducing an enhanced interactive portal, featuring a single sign-on for e-mail, local channel lineups, online billing and other Mediacom Online services, as well as proprietary content including video and other features that are designed to showcase the capability of faster broadband speeds. As of December 31, 2008, we had 737,000 HSD customers, representing a 25.8% penetration of estimated homes passed.

We are now investing in equipment with DOCSIS 3.0 technology, which will allow us to offer very high-speed Internet service, commonly referred to as "wideband." We are now testing wideband service with download speeds of up to 100Mbps, and plan to selectively deploy this service in certain markets in 2009.

Mediacom Phone

Mediacom Phone is our Voice over Internet Protocol ("VoIP") phone service that offers unlimited local, regional and long-distance calling within the United States, Puerto Rico, the U.S. Virgin Islands and Canada for a flat monthly rate, including popular calling features such as Caller ID with name and number, call waiting, three-way calling and enhanced Emergency 911 dialing. Directory assistance and voice mail services are available for an additional charge, and international calling is available at competitive rates. As of December 31, 2008, we marketed phone service to about 91% of our 2.85 million estimated homes passed and served 248,000 phone customers, representing a 9.5% penetration of estimated marketable phone homes passed. Substantially all of our phone customers take multiple services from us; almost 85% take the "VIP" triple play and approximately 14% take either video or HSD service in addition to phone.

Mediacom Business Services

We provide a range of advanced data services for the commercial market. For small and medium-sized businesses, we offer several packages of HSD services that include business e-mail, webspace storage and several IP address options. Using our fiber-rich regional networks, we also design customized Internet access and data transport solutions for large businesses, including the healthcare, financial services and education markets. For wireless communication providers, we offer point-to-point circuits to carry their voice and HSD traffic.

In 2009, we are launching Mediacom Business Phone service across most of our markets, aimed at small-to-medium sized businesses. This service will allow us to package video, HSD and phone services, which will improve our competitive positioning with the local telephone companies.

Advertising

We generate revenues from selling advertising time we receive from programmers, as part of our license agreements, to local, regional and national advertisers. Our advertising sales infrastructure includes in-house production facilities, production and administrative employees and a locally-based sales workforce. In many of our markets, we have entered into agreements commonly referred to as interconnects with other cable operators to jointly sell local advertising, simplifying our clients' purchase of local advertising and expanding their geographic reach. In some of these markets, we represent the advertising sales efforts of other cable operators; in other markets, other cable operators represent us. Additionally, national and regional interconnect agreements have been negotiated with other cable system operators to simplify the purchase of advertising time by our clients.

In 2009, we plan to offer an advertising "triple-play" to businesses in our markets, combining traditional video advertising with advertising-supported VOD service and online advertising. Our advertising-supported VOD service permits interested customers to view long-form information advertisements, while allowing advertisers to track non-confidential aggregate viewing data. Our online advertising business revolves around the introduction of a new web portal, which will be introduced later this year. Businesses in our markets will have the ability to advertise to our customers through multiple platforms at competitive prices.

Marketing and Sales

We primarily focus on marketing our VIP triple play bundles, offering our customers a simply and easy way to order our products and services, the convenience of a single bill and discounted pricing compared to pricing on an individual product basis. We have enhanced our VIP offering with VIP Extra, a loyalty program rewarding customers who subscribe to the triple play with free VOD movies, faster HSD speeds and retailer discounts.

We employ a wide range of sales channels to reach current and potential customers, including direct marketing tactics such as direct mail, outbound telemarketing, door-to-door sales and field technician sales. We have substantially increased our direct door-to-door sales staff recently to expand our customer base and use our inbound contact centers to raise the awareness of service offerings. We also employ mass media, including broadcast television, radio, newspaper and outdoor advertising, to direct people to our inbound call centers or web site and advertise on our own cable systems to reach our current customers. Direct sales channels have also been established with national "e-tailers" to capture Internet sales.

Customer Care

Providing superior customer care contributes to customer satisfaction and customer retention and increases the penetration of our advanced services.

Contact Centers

Our customer care group has several contact centers which are staffed with dedicated customer service and technical support representatives that respond to customer inquiries on all of our products and services. Qualified representatives are available 24 hours a day, seven days a week to assist our customers. We have deployed a virtual contact center technology that helps our customer care group to function as a single, unified call center and allows us to effectively manage and leverage resources and reduce answer times through call-routing in a seamless manner. A web-based service platform called "e-Care" is available to our customers allowing them to order products via the Internet, manage their payments and receive general technical support and self-help tools to help troubleshoot technical difficulties.

Network Management and Field Operations

Our principal focus is effective, real-time network management. We have a centralized operations center whose personnel monitors the health and reliability of our network, using several network and service monitoring solutions to ensure reliability and performance of our product and services.

Our workflow management system for field technicians promotes on-time customer appointments and first call resolution to avoid repeat service trips and customer dissatisfaction. Field activity is scheduled, routed and accounted for seamlessly, including automated appointment confirmations, along with real time remote technician dispatching and service provisioning. Technicians have web-based, hand-held tools to determine real-time quality of service at customers' homes, allowing us to effectively install new services and efficiently resolve customer-reported issues.

Community Relations

We are dedicated to fostering strong relations with the communities we serve, and believe that our local involvement strengthens the awareness of our brand. We support local charities and community causes, with events and campaigns to raise funds and supplies for persons in need, and in-kind donations that include production services and free airtime on cable networks. We participate in industry initiatives such as the *Cable in the Classroom* program, which provides more than 3,100 schools with free video service and more than 270 schools with free high-speed Internet service; and *Get Ready for Digital TV*, the cable industry's 18-month multimedia consumer education initiative designed to inform cable customers and other consumers about how to manage the transition to digital broadcast television. We also provide free cable service to over 3,900 government buildings, libraries and not-for-profit hospitals, along with free HSD service to 320 such sites.

We develop and provide exclusive local programming for our communities, a service that is not offered by direct broadcast satellite providers. Several of our cable systems have production facilities to create local programming, which includes local school sports events, fund-raising telethons by local chapters of national charitable organizations, local concerts and other entertainment. We believe our local programming helps build customer loyalty in the communities we serve.

Franchises

Cable systems are generally operated under non-exclusive franchises granted by local governmental authorities. Historically, these franchises typically imposed numerous conditions, such as: time limitations on commencement and completion of construction; conditions of service, including population density specifications for service, the bandwidth capacity of the system, the broad categories of programming required, the provision of free service to schools and other public institutions, and the provision and funding of public, educational and governmental access channels ("PEG access channels"); a provision for franchise fees; and the maintenance or posting of insurance or indemnity bonds by the cable operator. Many of the provisions of local franchises are subject to federal regulation under the Communications Act of 1934, or Communications Act, as amended (the "Cable Act").

Many of the states in which we operate have recently enacted comprehensive state-issued franchising statutes that cede control over our franchises away from local communities and towards state agencies, such as the various public service commissions that regulate other utilities. As of December 31, 2008, about 42% of our customer base was under a state-issued franchise. Some of these states permit us to exchange local franchises for state issued franchises before the expiration date of the local franchise. These state statutes make the terms and conditions of our franchises more uniform, and in some cases, eliminate locally imposed requirements such as PEG access channels.

As of December 31, 2008, we held 1,368 cable franchises. These franchises provide for the payment of fees to the issuing authority. In most of our cable systems, such franchise fees are passed through directly to the customers. The Cable Act prohibits franchising authorities from imposing franchise fees in excess of 5% of gross revenues from specified cable services and permits the cable operator to seek renegotiation and modification of franchise requirements if warranted by changed circumstances.

We have never had a franchise revoked or failed to have a franchise renewed. In addition, substantially all of our franchises eligible for renewal have been renewed or extended prior to their stated expirations, and no franchise community has refused to consent to a franchise transfer to us. The Cable Act provides, among other things, for an orderly franchise renewal process in which franchise renewal will not be unreasonably withheld or, if renewal is denied and the franchising authority acquires ownership of the cable system or effects a transfer of the cable system to another person, the cable operator generally is entitled to the “fair market value” for the cable system covered by such franchise. The Cable Act also established comprehensive renewal procedures, which require that an incumbent franchisee’s renewal application be assessed on our own merits and not as part of a comparative process with competing applications. We believe that we have satisfactory relationships with our franchising communities.

Programming Supply

We have various fixed-term contracts to obtain programming for our cable systems from suppliers whose compensation is typically based on a fixed monthly fee per subscriber or customer. Although most of our contracts are secured directly, we also negotiate programming contract renewals through a programming cooperative of which we are a member. In general, we attempt to secure longer-term programming contracts, which may include marketing support and other incentives from programming suppliers.

We also have various retransmission consent arrangements with local broadcast station owners, allowing for carriage of their broadcast television signals on our cable systems. Federal Communications Commission (“FCC”) rules mandate that every three-years local broadcast station owners elect either must carry or retransmission consent. The most recent cycle ended on December 31, 2008, and we were able to reach agreement with all broadcasters whose agreements expired. Historically, retransmission consent has been contingent upon our carriage of satellite delivered cable programming offered by companies affiliated with the stations’ owners, or other forms of non-cash compensation. In the most recently completed cycle, cash payments and, to a lesser extent, our purchase of advertising time from local broadcast station owners were required to secure their consent.

We expect our programming costs to remain our largest single expense item for the foreseeable future. In recent years, we have experienced a substantial increase in the cost of our programming, particularly sports and local broadcast programming, well in excess of the inflation rate or the change in the consumer price index. We believe our programming costs will continue to rise in the future due to increased costs charged by programming suppliers, substantially due to existing programming.

Technology

Our cable systems are designed as hybrid fiber-optic coaxial (“HFC”) networks that have proven to be highly flexible in meeting the increasing requirements of our business. This HFC designed network is engineered to accommodate bandwidth management initiatives that provide increased capacity and performance for our advanced video and broadband products and services without the need for costly upgrades. We deliver our signals via laser-fed fiber optical cable from control centers known as headends and hubs to individual nodes. Coaxial cable is then connected from each node to the individual homes we serve. Our network design generally provides for six strands of fiber optic cable extended to each node, with two strands active and four strands “dark” or inactive for future use.

As of December 31, 2008, about 94% of our cable network had capacity of at least 750 megahertz, excluding portions that converted to all-digital technology. We operate from 116 headend facilities, with 97% of our basic subscribers served by our 50 largest headend facilities. We have two regional fiber networks which connect 83% of our estimated homes passed, upon which we have overlaid a video transport system that serves almost 80% of our video subscriber base. Our regional networks give us greater reach from a central location and make it more cost efficient to introduce new and advanced services to customers, helping us reduce equipment, personnel, connectivity charges and other expenditures.

Demand for new services, including additional HDTV channels, requires us to become more efficient with our bandwidth. For network efficiency purposes, we are moving certain of our video programming from analog to digital delivery, allowing us to deliver the same programming using less bandwidth. As channels move from analog to digital delivery, we can offer our customers more HDTV channels, faster HSD speeds and other advanced products and services using the reclaimed bandwidth. We also have introduced digital simulcasting across 50% of our cable system, giving digital ready customers better picture and sound quality for all of their video programming. This engineering duplicates analog channels as digital channels, and lower-cost digital set-top tuners are programmed to use the digital channel instead of the analog channel. It is also a necessary and important step toward an all digital platform and we expect to cover 75% of our customer base with digital simulcasting by year-end 2009.

Competition

We face intense and increasing competition from various communications and entertainment providers, principally DBS providers and certain local telephone companies, many of whom have greater resources than we do. We are also subject to rapid and significant changes and developments in the marketplace, in technology and in the regulatory and legislative environment. In the past several years, many of our competitors have expanded their service areas, added features and adopted aggressive pricing and packaging for services and features that are comparable to the services and features we offer. We are unable to predict the effects, if any, of such future changes or developments on our business.

Video

Direct Broadcast Satellite Providers

DBS providers, principally DirecTV, Inc. and DISH Network Corp., are the cable industry's most significant video competitors, having grown their customer base rapidly over the past several years. They now serve more than 30 million customers nationwide, according to publicly available information. DBS service has technological constraints due to its limited two-way interactivity, which restricts their ability to compete with us in interactive video, HSD and phone. In contrast, our broadband network has full two-way interactivity, giving us a single platform that is capable of delivering true VOD and SVOD, as well as HSD and phone. DBS providers are seeking to expand their offerings to include these advanced services, and in many cases have marketing agreements under which local telephone companies offer DBS service bundled with their phone and HSD services. These synthetic bundles are generally billed as a single package, and from a consumer standpoint, appear similar to our triple play bundle. We believe that our delivery of multiple services from a single broadband platform is, and will continue to be, more cost effective than these arrangements between DBS providers and local phone companies, giving us a long-term competitive advantage.

Our ability to compete with DBS service depends, in part, on the programming available to them and us for distribution. DirecTV and DISH now offer more than 250 and 280 video channels of programming, respectively, much of it substantially similar to our video offerings. DirecTV also has exclusive arrangements with the National Football League ("NFL") and Major League Baseball to offer sports programming unavailable to us. DBS providers also offer local HD broadcast signals of the four primary broadcast networks in certain major metropolitan markets across the U.S. DirecTV currently offers local HD signals in markets covering 85% of our basic subscribers, and more than 130 HD channels of national programming; DISH currently offers local HD signals in markets covering 38% of our basic subscribers, and more than 100 HD channels of national programming.

We believe our customers prefer the cost savings of the bundled products and services we offer and the convenience of having a single provider contact for ordering, scheduling, provisioning, billing and customer care. In addition, we have a meaningful presence in our customers' communities, including the proprietary local content we produce in several of our markets. DBS providers are not locally-based, and therefore do not have the ability to offer locally-produced programming.

Traditional Overbuilds

Cable systems are operated under non-exclusive franchises granted by local authorities; more than one cable system may legally be built in the same area by another cable operator, a local utility or other provider. Some of these competitors, such as municipally-owned entities, may be granted franchises on more favorable terms or conditions, or enjoy other advantages such as exemptions from taxes or regulatory requirements, to which we are subject. Certain municipalities in our service areas have constructed their own cable systems in a manner similar to city-provided utility services. We believe that various entities are currently offering cable service, through wireline distribution networks, to 12.3% of our estimated homes passed; most of these entities were operating prior to our ownership of the affected cable systems.

Local Telephone Companies

Local telephone companies can offer video and other services to compete with us and may increasingly do so in the future. Two major local telephone companies, Verizon Communications Inc. and AT&T Inc., who have substantial resources, have built and are continuing to build fiber networks with fiber-to-the-node or fiber-to-the-home technology to replicate the cable industry's triple play bundle. Their upgraded networks can now provide video, HSD and phone services that are comparable to ours, with entry prices similar to those we offer. Based on internal estimates, we believe that active marketing by AT&T and Verizon, with their reconstructed networks, covers approximately 2% of our estimated homes passed as of December 31, 2008.

Other

We also have other actual or potential video competitors, including: broadcast television stations; private home dish earth stations; multichannel multipoint distribution services ("MMDS"), which deliver programming services over microwave channels licensed by the FCC; satellite master antenna television systems which use technology similar to MMDS and generally serve condominiums, apartment complexes and other multiple dwelling units; new services such as wireless local multipoint distribution service; and potentially new services offered over still developing technologies. We currently have limited competition from these competitors.

HSD

Our HSD service competes primarily with digital subscriber line ("DSL") services offered by local telephone companies. DSL technology provides Internet access at data transmission speeds greater than that of standard telephone line or "dial-up" modems. Based upon the speeds we offer, we believe that our HSD product is superior to comparable DSL offerings in our service areas.

Some local telephone companies, such as AT&T, Qwest Communications International, Inc. and Verizon, have built and are continuing to build fiber networks that allow them to offer significantly faster HSD services compared to legacy DSL technology. They are now offering these higher speeds in a limited number of our markets. DBS providers have attempted to compete with our HSD service, but their satellite-delivered service has had limited success given their technical constraints. We expect that DBS providers will continue to explore other options for the provision of HSD services.

Other potential competitors include companies seeking to provide high-speed Internet services using wireless or other technologies. Many wireless telephone companies offer a mobile data service for cellular use, and may expand into consumers' households in the future. Currently, wireless providers are unable to offer a data service with speeds that compare to our HSD service, but as their technology improves, this may change in the future. Another technology being used is the delivery of broadband services to the home via power lines. While this technology is currently only being used in very limited parts of the country, if electric utilities were to expand into our service areas, they could become formidable competitors given their resources.

The American Recovery Act of 2009 provides specific funding for broadband development as part of the economic stimulus package. It is likely that some of our existing and potential competitors will apply for funds under this program, which if successful may allow them to build or expand facilities faster, and deploy existing and new services sooner, and to more areas, than they otherwise would.

Phone

Mediacom Phone principally competes with the phone services offered by local telephone companies, who may have substantial capital, longstanding customer relationships and extensive existing facilities. In addition, Mediacom Phone competes with services offered by other VoIP providers that do not have a traditional facilities-based network, but provide their services through a consumer's high-speed Internet connection.

In the last several years, a trend known as "wireless substitution" has developed where certain phone customers have decided they only need one phone provider, and the provider selected has been a wireless or cellular phone product. We expect this trend to continue in the future and, given the current economic downturn, may accelerate as consumers become more cost conscious.

Other Competition

The quality of streaming video over the Internet and into homes and businesses continues to improve. These services are becoming more accessible as the use of high speed Internet access becomes more widespread. In the future, we expect that streaming video will increasingly compete with the video services offered by cable operators and other providers of video services. For instance, certain programming suppliers are marketing their content directly to consumers through video streaming over the Internet, bypassing cable operators or DBS providers as video distributors, although the cable operators may remain as the providers of high-speed Internet access service.

Employees

As of December 31, 2008, we employed 4,444 full-time and 116 part-time employees. None of our employees are organized under, or are covered by, a collective bargaining agreement. We consider our relations with our employees to be satisfactory.

Legislation and Regulation

General

Federal, state and local laws regulate the development and operation of cable systems and, to varying degrees, the services we offer. Significant legal requirements imposed on us because of our status as a cable operator or by the virtue of the services we offer are described below.

Federal Regulation

The Cable Act establishes the principal federal regulatory framework for the industry. The Cable Act allocates primary responsibility for enforcing the federal policies among the FCC and state and local governmental authorities.

Subscriber Rates and Program Tiering

The Cable Act and the FCC's regulations limit the amount cable systems can charge for certain services. The services included in this regulation are: the lowest level of programming service offered by the cable operator, which we call Broadcast Basic Service, the installation of cable service; service calls; and the installation, sale and lease of Broadcast Basic Service equipment. Federal law exempts cable systems from all rate regulation in communities that are subject to effective competition, which is defined as existing in a variety of circumstances that are increasingly satisfied with greater availability of comparable video service from DBS and some local phone companies. As of December 31, 2008, given the determinations we have received from the FCC that effective competition exists, we have about 89% of our basic subscribers that are not subject to rate regulation.

Other than requiring certain types of programming, such as the carriage of local broadcast channels and any public, governmental or educational access channels to be part of the basic tier, federal law does not currently impose any other restrictions on the way such channels are provided (e.g., on a tier or *a la carte*). In February 2006, the FCC adopted an order that expressed a preference that cable operators provide more services individually, or on smaller tiers. The FCC has taken no action on this matter since then and we cannot predict what action, if any, the FCC will take, however a requirement to provide channels on smaller tiers, or on an *a la carte* basis could adversely affect our business.

In January 2009, the FCC commenced the process for seeking Office of Management and Budget approval for the collection of information from cable operators in accordance with a November 2007 FCC decision to determine whether cable systems with at least 36 channels are available to at least 70 percent of U.S. homes and whether 70 percent of households passed by those systems subscribe to a cable service provider. If that condition exists, the FCC may have additional discretion under the Cable Act to promulgate additional rules necessary to promote diversity of information sources. The FCC did not specify what rules it would seek to promulgate. We cannot predict whether this information collection will ultimately be approved or what action, if any, the FCC may take or how it could affect our business.

Congress may also consider legislation regarding programming packaging, bundling or *a la carte* delivery of programming. Any such requirements could fundamentally change the way in which we package and price our services. We cannot predict the outcome of any current or future FCC proceedings or legislation in this area, or the impact of such proceedings on our business at this time.

Content Regulations

Must Carry and Retransmission Consent

The FCC's regulations require local commercial television broadcast stations to elect once every three years whether to require a cable system to carry their stations, subject to certain exceptions, commonly called must-carry or to negotiate the terms by which the cable system may carry the station on its cable systems, commonly called retransmission consent. The most recent elections took effect January 1, 2009.

The Cable Act and the FCC's regulations require a cable operator to devote up to one-third of its activated channel capacity for the carriage of local commercial television stations. The Cable Act and the FCC's rules also give certain local non-commercial educational television stations carriage rights, but not the option to negotiate retransmission consent. Additionally, cable systems must obtain retransmission consent for carriage of all distant commercial television stations, except for certain commercial satellite-delivered independent superstations such as WGN, commercial radio stations, and certain low-power television stations.

Through 2009, Congress barred broadcasters from entering into exclusive retransmission consent agreements. Congress also requires all parties to negotiate retransmission consent agreements in good faith.

Must-carry obligations may decrease the attractiveness of the cable operator’s overall programming offerings by including less popular programming on the channel line-up, while cable operators may need to provide some form of consideration to broadcasters to obtain retransmission consent to carry more popular programming. We carry both must-carry broadcast stations and broadcast stations that have granted retransmission consent. A significant number of local broadcast stations carried by our cable systems have elected to negotiate for retransmission consent, and we have entered into retransmission consent agreements with substantially all of them.

In February 2008, the FCC Chairman proposed a requirement that cable operators carry signals of low-power local television stations, referred to as Class A television stations. Over 500 such stations exist, mostly in rural areas and they do not currently have must-carry rights. The FCC has not taken any public action on this proposal. If ultimately imposed, this carriage obligation could consume valuable bandwidth and force us to drop or prevent us from adding other programming that is more highly valued by our subscribers.

In February 2009, Congress delayed the final date by which all full-power television stations must broadcast solely in digital format from February 18, 2009 to June 13, 2009. The legislation and the FCC’s facilitating rule changes generally empowered broadcasters to choose whether to discontinue analog transmissions on February 17th, at certain times prior to June 12th or on June 12, 2009. After ceasing analog transmissions, broadcasters must return their analog spectrum. This change from analog to digital by broadcast television stations is commonly referred to as the DTV transition, or the digital transition. Local television stations that surrender their analog channel and broadcast only digital signals prior to the end of the digital transition may seek mandatory carriage for their digital signals instead. Stations transmitting in both digital and analog formats, which is permitted during the transition period, have no carriage rights for the digital format during the transition unless and until they turn in their analog channel.

After a broadcast station carried pursuant to must-carry has ceased transmitting in analog format, the FCC has mandated that it is the responsibility of cable operators to ensure that cable subscribers with analog television sets can continue to view that broadcast station’s signal, thus creating a “dual carriage” requirement for must-carry signals post-DTV transition. Cable operators that are not “all-digital” will be required for at least a three year period to provide must-carry signals to their subscribers in the primary digital format in which the operator receives the signal (i.e. high definition or standard definition), and downconvert the signal from digital to analog so that it is viewable to subscribers with analog television sets. Cable systems that are “all digital” are not required to downconvert must-carry signals into analog, and may provide the must-carry signals in only in a digital format. The FCC has ordered that the cable operator bear the cost of any downconversion. The “dual carriage” requirement has the potential of having a negative impact on us because it reduces available channel capacity and thereby could require us to either discontinue other channels of programming or restrict our ability to carry new channels of programming or other services that may be more desirable to our customers.

Tier Buy Through

The Cable Act and the FCC’s regulations require our cable systems, other than those systems which are subject to effective competition, to permit subscribers to purchase video programming we offer on a per channel or a per program basis without the necessity of subscribing to any tier of service other than the basic service tier.

The FCC is reviewing a complaint with respect to another cable operator to determine whether certain charges routinely assessed by many cable operators, including us, to obtain access to digital services, violate this “anti-buy-through” provision. Any decision that requires us to restructure or eliminate such charges would have an adverse effect on our business.

Use of Our Cable Systems by the Government and Unrelated Third Parties

The Cable Act allows local franchising authorities and unrelated third parties to obtain access to a portion of our cable systems' channel capacity for their own use. For example, the Cable Act permits franchising authorities to require cable operators to set aside channels for public, educational and governmental access programming; and requires a cable system with 36 or more activated channels to designate a significant portion of that activated channel capacity for commercial leased access by third parties to provide programming that may compete with services offered by the cable operator.

The FCC regulates various aspects of third party commercial use of channel capacity on our cable systems, including: the maximum reasonable rate a cable operator may charge for third party commercial use of the designated channel capacity; the terms and conditions for commercial use of such channels; and the procedures for the expedited resolution of disputes concerning rates or commercial use of the designated channel capacity.

Migration of PEG channels from analog to digital service tiers frees up bandwidth over which we can provide a greater variety of other programming or service options. During 2008, such migration, however, met opposition from some municipalities, members of Congress and FCC officials. Any legislative or regulatory action to restrict our ability to migrate PEG channels could adversely affect our ability to provide additional programming desired by viewers.

In February 2008, the FCC released a Report and Order which could allow certain leased access users lower cost access to channel capacity on cable systems. The new regulations limit fees to 10 cents per subscriber per month for tiered channels and in some cases, potentially no charge. The regulations also impose a variety of leased access customer service, information and reporting standards. In May 2008, a federal appeals court stayed implementation of the new rules. In July 2008, the United States Office of Management and Budget denied approval of the new rules citing the FCC's failure to meet substantive requirements of The Paperwork Reduction Act of 1995. In July 2008, the federal appeals court agreed at the request of the FCC to hold the case in abeyance until the FCC resolved its issues with the Office of Management and Budget. If implemented as promulgated, these changes will likely increase our costs and could cause additional leased access activity on our cable systems and thereby require us to either discontinue other channels of programming or restrict our ability to carry new channels of programming or other services that may be more desirable to our customers. We cannot, however, predict whether the FCC will ultimately enact these rules as promulgated, whether it will seek to implement revised rules, or whether it will attempt to implement any new commercial leased access rules.

Franchise Matters

We have non-exclusive franchises in virtually every community in which we operate that authorize us to construct, operate and maintain our cable systems. Although franchising matters have traditionally been regulated at the local level through a franchise agreement and/or a local ordinance, many states now allow or require cable service providers to bypass the local process and obtain franchise agreements or equivalent authorizations directly from state government. Many of the states in which we operate, including California, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Michigan, Missouri, North Carolina and Wisconsin make state-issued franchises available. State-issued franchises in many states generally allow local telephone companies or others to deliver services in competition with our cable service without obtaining equivalent local franchises. In states where available, we are generally able to obtain state-issued franchises upon expiration of our existing franchises. Our business may be adversely affected to the extent that our competitors are able to operate under franchises that are more favorable than our existing local franchises. While most franchising matters are dealt with at the state and/or local level, the Cable Act provides oversight and guidelines to govern our relationship with local franchising authorities whether they are at the state, county or municipal level.

Ownership Limitations

The FCC previously adopted nationwide limits on the number of subscribers under the control of a cable operator and on the number of channels that can be occupied on a cable system by video programming in which the cable operator has an interest. The U.S. Court of Appeals for the District of Columbia Circuit reversed the FCC's decisions implementing these statutory provisions and remanded the case to the FCC for further proceedings. In

December 2007, the FCC reinstituted a restriction setting the maximum number of subscribers that a cable operator may serve at 30 percent nationwide. The FCC also has commenced a rulemaking to review vertical ownership limits and cable and broadcasting attribution rules.

Registered utility holding companies and their subsidiaries may provide telecommunications and cable services. The FCC has adopted rules that: (i) affirm the ability of electric service providers to provide broadband Internet access services over their distribution systems; and (ii) seek to avoid interference with existing services. Electric utilities could be formidable competitors to cable system operators.

Cable Equipment

The Cable Act and FCC regulations seek to promote competition in the delivery of cable equipment by giving consumers the right to purchase set-top converters from third parties as long as the equipment does not harm the network, does not interfere with services purchased by other customers and is not used to receive unauthorized services. Over a multi-year phase-in period, the rules also required multichannel video programming distributors, other than direct broadcast satellite operators, to separate security from non-security functions in set-top converters to allow third party vendors to provide set-tops with basic converter functions. To promote compatibility of cable systems and consumer electronics equipment, the FCC adopted rules implementing “plug and play” specifications for one-way digital televisions. The rules require cable operators to provide “CableCard” security modules and support for digital televisions equipped with built-in set-top functionality. In May 2008, Sony Electronics and members of the cable industry submitted to the FCC a Memorandum of Understanding (“MOU”) in connection with the development of tru2wayTM — a national two-way “plug and play” platform; other members of the consumer electronics industry have since joined the MOU.

Since July 1, 2007, cable operators have been prohibited from issuing to their customers new set-top terminals that integrate security and basic navigation functions. The FCC has set forth a number of limited circumstances under which it will grant waivers of this requirement. We obtained a conditional waiver from the FCC that allowed us to deploy low-cost, integrated set-top boxes in certain cable systems serving less than five percent of our subscriber base and we have met the condition to upgrade to all-digital operations in those systems by February 17, 2009. In all other systems, we remain in full compliance with the rules banning integration of security and basic navigation functions in set-top terminals.

On March 2, 2009, the FCC issued a Notice of Inquiry to collect information regarding the existence and availability of advanced technologies to allow blocking of parental selected content that are compatible with various communications devices or platforms. The Child Safe Viewing Act of 2007 requires that the FCC to issue a report to Congress by August 29, 2009. Congress intends to use that information to spur development of the next generation of parental control technology. Additional requirements to permit selective parental blocking could impose additional costs on us.

Pole Attachment Regulation

The Cable Act requires certain public utilities, including all local telephone companies and electric utilities, except those owned by municipalities and co-operatives, to provide cable operators and telecommunications carriers with nondiscriminatory access to poles, ducts, conduit and rights-of-way at just and reasonable rates. This right to access is beneficial to us. Federal law also requires the FCC to regulate the rates, terms and conditions imposed by such public utilities for cable systems’ use of utility pole and conduit space unless state authorities have demonstrated to the FCC that they adequately regulate pole attachment rates, as is the case in certain states in which we operate. In the absence of state regulation, the FCC will regulate pole attachment rates, terms and conditions only in response to a formal complaint. The FCC adopted a new rate formula that became effective in 2001, which governs the maximum rate certain utilities may charge for attachments to their poles and conduit by companies providing telecommunications services, including cable operators.

This telecommunications services formula which produces higher maximum permitted attachment rates applies only to cable systems which elect to offer telecommunications services. The FCC ruled that the provision of Internet services would not, in and of itself, trigger use of this new formula. The Supreme Court affirmed this decision and held that the FCC’s authority to regulate rates for attachments to utility poles extended to attachments by cable operators and telecommunications carriers that are used to provide Internet service or for wireless telecommunications service. The Supreme Court's decision upholding the FCC's classification of cable modem service as an information service should strengthen our ability to resist rate increases based solely on the delivery of cable modem services over our cable systems. As we continue our deployment of cable telephony and certain other advanced services, utilities may continue to seek to invoke the higher rates.

As a result of the Supreme Court case upholding the FCC's classification of cable modem service as an information service, the 11th Circuit has considered whether there are circumstances in which a utility can ask for and receive rates from cable operators over and above the rates set by FCC regulation. In the 11th Circuit's decision upholding the FCC rate formula as providing pole owners with just compensation, the 11th Circuit also determined that there were a limited set of circumstances in which a utility could ask for and receive rates from cable operators over and above the rates set by the formula including if an individual pole was "full" and where it could show lost opportunities to rent space presently occupied by another attacher at rates higher than provided under the rate formula.. After this determination, Gulf Power Company pursued just such a claim based on these limited circumstances before the FCC. The Administrative Law Judge appointed by the FCC to determine whether the circumstances were indeed met ultimately determined that Gulf Power could not demonstrate that the poles at issue were "full." Gulf Power has appealed this decision to the full Commission and the appeal is pending. Failing to receive a favorable ruling there, Gulf Power could pursue its claims in the federal court.

In November 2007, the FCC released a Notice of Proposed Rulemaking ("NPRM") addressing pole attachment rental rates, certain terms and conditions of pole access and other issues. The NPRM calls for a review of long-standing FCC rules and regulations, including the long-standing "cable rate" formula and considers effectively eliminating cable's lower pole attachment fees by imposing a higher unified rate for entities providing broadband Internet service. While we cannot predict the effect that the outcome of the NPRM will ultimately have on our business, changes to our pole attachment rate structure could significantly increase our annual pole attachment costs.

Multiple Dwelling Unit Building Wiring

The FCC has adopted cable inside wiring rules to provide a more specific procedure for the disposition of residential home wiring and internal building wiring that belongs to an incumbent cable operator that is forced by the building owner to terminate its cable services in a building with multiple dwelling units. In 2007, the FCC issued rules voiding existing and prohibiting future exclusive service contracts for services to multiple dwelling unit or other residential developments. In March 2008, the FCC enacted a ban on the contractual provisions that provide for the exclusive provision of telecommunications services to residential apartment buildings and other multiple tenant environments. The loss of exclusive service rights in existing contracts coupled with our inability to secure such express rights in the future may adversely affect our business to subscribers residing in multiple dwelling unit buildings and certain other residential developments.

Copyright

Our cable systems typically include in their channel line-ups local and distant television and radio broadcast signals, which are protected by the copyright laws. We generally do not obtain a license to use this programming directly from the owners of the copyrights associated with this programming, but instead comply with an alternative federal compulsory copyright licensing process. In exchange for filing certain reports and contributing a percentage of our revenues to a federal copyright royalty pool, we obtain blanket permission to retransmit the copyrighted material carried on these broadcast signals. The nature and amount of future copyright payments for broadcast signal carriage cannot be predicted at this time.

In 1999, Congress modified the satellite compulsory license in a manner that permits DBS providers to become more competitive with cable operators. Congress adopted legislation in 2004 extending this authority for an additional five years. Absent implementation of the recommendations by the Copyright Office in its 2008 Report to Congress (discussed below) to abandon the current cable and satellite compulsory licenses, Congress may act to extend the satellite compulsory license beyond 2009. In conjunction with this review, Congress held several hearings in February 2009, some of which included testimony with respect to the continuation or modification of the cable compulsory license.

The 2004 legislation also directed the United States Copyright Office to submit a report to Congress by June 2008 recommending any changes to the cable and satellite licenses that the Office deems necessary. The Copyright Office's Report to Congress analyzed copyright compulsory licensing for the cable and satellite television industries' carriage of broadcast television signals and made recommendations as to any necessary revisions. The Copyright Office's long-term recommendation was to abandon the cable (Section 111) and satellite (Section 119) compulsory licenses for carriage of distant broadcast signals, but as an interim measure, create an unified short-term statutory license to commence when the Section 119 license expires at the end of 2009. In the alternative, the Copyright Office makes specific recommendations for statutory reform of the cable compulsory license. Among other things, the Copyright Office recommends that Congress make legislative changes to treat each non-simulcast multicast stream of a distant signal as a separate signal subject to a royalty fee, a change that could significantly increase our copyright royalty costs. In addition, the Copyright Office recommends elimination of the complex formula currently used for calculating Section 111 royalty fees in favor a flat, per-subscriber, per-signal fee, and elimination of the minimum fee currently paid even where no distant signals are carried. The impact of these proposal on our copyright costs cannot be predicted. The Copyright Office Report includes other recommendations regarding the operation of the Section 111, including placing limits on the number of distant broadcast signals that can be carried, which can adversely affect the desirability of the programming we offer to subscribers. The Copyright Office warns that piecemeal modification of the statutory provisions could upset the delicate statutory structure. The elimination or substantial modification of the cable compulsory license could adversely affect our ability to obtain suitable programming and could substantially increase the cost of programming that remains available for distribution to our subscribers.

The Copyright Office has commenced inquiries soliciting comment on petitions it received seeking clarification and revisions of certain cable compulsory copyright license reporting requirements and clarification of certain issues relating to the application of the compulsory license to the carriage of digital broadcast stations. The petitions seek, among other things, clarification regarding: (i) inclusion in gross revenues of digital converter fees, additional set fees for digital service and revenue from required "buy throughs" to obtain digital service; (ii) reporting of "dual carriage" and multicast signals; and (iii) certain reporting practices, including the definition of "community." In May 2008, the Copyright Office terminated a Notice of Inquiry proceeding, concluding that cable operators must include in their compulsory license royalty calculation a distant signal carried anywhere in the cable system as if it were carried everywhere in the system, thus resulting in payments on "phantom signals." While the Office determined that it did not have the authority to change the royalty fee structure, it did advocate for updating the cable system definition as part of its Report to Congress to address this concern. Moreover, the Copyright Office has not yet acted on a filed petition and may solicit comment on the definition of the definition of a "network" station for purposes of the compulsory license.

We cannot predict the outcome of any legislative or agency activity; however, it is possible that certain changes in the rules or copyright compulsory license fee computations or compliance procedures could have an adverse affect on our business by increasing our copyright compulsory license fee costs or by causing us to reduce or discontinue carriage of certain broadcast signals that we currently carry on a discretionary basis. Further, we are unable to predict the outcome of any legislative or agency activity related to the right of direct broadcast satellite providers to deliver local or distant broadcast signals.

Privacy and Data Security

The Cable Act imposes a number of restrictions on the manner in which cable operators can collect, disclose and retain data about individual system customers and requires cable operators to take such actions as necessary to prevent unauthorized access to such information. The statute also requires that the system operator periodically provide all customers with written information about its policies including the types of information collected; the use of such information; the nature, frequency and purpose of any disclosures; the period of retention; the times and places where a customer may have access to such information; the limitations placed on the cable operator by the Cable Act; and a customer's enforcement rights. In the event that a cable operator is found to have violated the customer privacy provisions of the Cable Act, it could be required to pay damages, attorneys' fees and other costs.

Certain of these Cable Act requirements have been modified by certain more recent federal laws. Other federal laws currently impact the circumstances and the manner in which we disclose certain customer information and future federal legislation may further impact our obligations. In addition, many states in which we operate have also enacted customer privacy statutes, including obligations to notify customers where certain customer information is accessed or believed to have been accessed without authorization. These state provisions are in some cases more restrictive than those in federal law. In February 2009, a federal appellate court upheld an FCC regulation that requires VoIP subscribers to provide “opt-in” approval before certain subscriber information can be shared with a business partner for marketing purposes. Moreover, we are subject to a variety of federal requirements governing certain privacy practices and programs.

During 2008, several members of Congress commenced an inquiry into the use by certain cable operators of a third-party system that tracked activities of subscribers to facilitate the delivery of advertising more precisely targeted to each household, a practice known as behavioral advertising. In February 2009, the Federal Trade Commission issued revised self-regulatory principles for online behavioral advertising. We cannot predict if there will be additional regulatory action or whether Congress will enact legislation that impacts the ability to effectively engage in behavioral advertising in the future. Additionally, future federal and/or state laws may cover such issues as privacy, access to some types of content by minors, pricing, encryption standards, consumer protection, electronic commerce, taxation of e-commerce, copyright infringement and other intellectual property matters. The adoption of such laws or regulations in the future may decrease the growth of such services and the Internet, which could in turn decrease the demand for our HSD service, increase our costs of providing such service, impair the ability to access potential future advertising revenue streams or have other adverse effects on our business, financial condition and results of operations.

HSD Service

In 2002, the FCC announced that it was classifying Internet access service provided through cable modems as an interstate information service and determined that gross revenues from such services should not be included in the revenue base from which franchise fees are calculated. Although the United States Supreme Court has held that cable modem service was properly classified by the FCC as an “information service,” freeing it from regulation as a “telecommunications service,” it recognized that the FCC has jurisdiction to impose regulatory obligations on facilities-based Internet service providers. The FCC has an ongoing rulemaking process to determine whether to impose regulatory obligations on such providers, including us. Because of the FCC’s decision, we are no longer collecting and remitting franchise fees on our high-speed Internet service revenues. We are unable to predict the ultimate resolution of these matters but do not expect that any additional franchise fees we may be required to pay will be material to our business and operations.

In 2005, the FCC issued a non-binding policy statement providing four principles to guide its policymaking regarding Internet services. According to the policy statement, consumers are entitled to: (i) access the lawful Internet content of their choice; (ii) run applications and services of their choice, subject to the needs of law enforcement; (iii) connect their choice of legal devices that do not harm the network; and (iv) enjoy competition among network providers, application and service providers, and content providers. These principles are generally referred to as “network neutrality.” In January 2008, the FCC opened an investigation against another cable operator for violating its 2005 policy statement by, among other things, allegedly managing user bandwidth consumption by identifying and restricting the applications being run, and the actual bandwidth consumed. In August 2008, the FCC took action against another cable provider after determining that the network management practices of that provider violated the FCC’s Internet Policy Statement. This decision may establish de facto standards that limit the network management practices that cable operators use to manage bandwidth consumption on their networks. We cannot predict the outcome of any pending proceedings or any impact these developments may have on the FCC’s net neutrality requirements as they apply to other Internet access providers.

Our HSD service enables individuals to access the Internet and to exchange information, generate content, conduct business and engage in various online activities on an international basis. The law relating to the liability of providers of these online services for activities of their users is currently unsettled both within the United States and abroad. Potentially, third parties could seek to hold us liable for the actions and omissions of our HSD service customers, such as defamation, negligence, copyright or trademark infringement, fraud or other theories based on the nature and content of information that our customers use our service to post, download or distribute. We also could be subject to similar claims based on the content of other websites to which we provide links or third-party products, services or content that we may offer through our Internet service. Due to the global nature of the Web, it is possible that the governments of other states and foreign countries might attempt to regulate its transmissions or prosecute us for violations of their laws.

We regularly receive notices of claimed infringements by our HSD service users. The owners of copyrights and trademarks have been increasingly active in seeking to prevent use of the Internet to violate their rights. In many cases, their claims of infringement are based on the acts of customers of an Internet service provider — for example, a customer's use of an Internet service or the resources it provides to post, download or disseminate copyrighted music, movies, software or other content without the consent of the copyright owner or to seek to profit from the use of the goodwill associated with another person's trademark. In some cases, copyright and trademark owners have sought to recover damages from the Internet service provider, as well as or instead of the customer. The law relating to the potential liability of Internet service providers in these circumstances is unsettled. In 1996, Congress adopted the Digital Millennium Copyright Act, which is intended to grant ISPs protection against certain claims of copyright infringement resulting from the actions of customers, provided that the ISP complies with certain requirements. So far, Congress has not adopted similar protections for trademark infringement claims.

Voice-over-Internet Protocol Telephony

The 1996 amendments to the Cable Act created a more favorable regulatory environment for cable operators to enter the phone business. Over the past several years, numerous cable operators have commenced offering VoIP telephony as a competitive alternative to traditional circuit-switched telephone service. Various states, including states where we operate, have adopted or are considering differing regulatory treatment, ranging from minimal or no regulation to full-blown common carrier status. As part of the proceeding to determine any appropriate regulatory obligations for VoIP telephony, the FCC recently decided that alternative voice technologies, like certain types of VoIP telephony, should be regulated only at the federal level, rather than by individual states. Many implementation details remain unresolved, and there are substantial regulatory changes being considered that could either benefit or harm VoIP telephony as a business operation. While the final outcome of the FCC proceedings cannot be predicted, it is generally believed that the FCC favors a "light touch" regulatory approach for VoIP telephony, which might include preemption of certain state or local regulation. In 2006, the FCC announced that it would require VoIP providers to contribute to the Universal Service Fund based on their interstate service revenues. Recently, the FCC issued a Further Notice of Proposed Rulemaking with respect to possible changes in the intercarrier compensation model in a way that could financially disadvantage us and benefit some of our competitors. Beginning in 2007, facilities-based broadband Internet access and interconnected VoIP service providers were required to comply with Communications Assistance for Law Enforcement Act requirements. It is unknown what conclusions or actions the FCC may take or the effects on our business.

Despite the FCC's interpretations to date, the Missouri Public Service Commission has held that cable operators providing VoIP services must obtain state certification. The decision is being appealed by that cable provider.

In January 2009, the FCC issued a letter to another cable provider of VoIP service that could signal a shift in the regulatory classification of VoIP service. In that letter, the FCC questioned whether the segregation of VoIP for bandwidth management purposes would make it a facilities based provider of telecommunications services and thus subject to common carrier regulation. We cannot predict how these issues will be resolved.

State and Local Regulation

Our cable systems use local streets and rights-of-way. Consequently, we must comply with state and local regulation, which is typically imposed through the franchising process. Our cable systems generally are operated in accordance with non-exclusive franchises, permits or licenses granted by a municipality or other state or local government entity. Our franchises generally are granted for fixed terms and in many cases are terminable if we fail to comply with material provisions. The terms and conditions of our franchises vary materially from jurisdiction to jurisdiction. Each franchise generally contains provisions governing:

- franchise fees;
- franchise term;
- system construction and maintenance obligations;
- system channel capacity;
- design and technical performance;
- customer service standards;
- sale or transfer of the franchise; and
- territory of the franchise.

ITEM 1A. *RISK FACTORS*

Risks Related to our Operations

Our products and services face a great deal of competition that could adversely affect our business, financial condition and results of operations.

We operate in a highly competitive industry. In some instances, we compete against companies with fewer regulatory burdens, easier access to financing, greater resources and operating capabilities, more brand name recognition and long-standing relationships with regulatory authorities and customers.

Our principal competitors are DBS providers and local telephone companies. DBS providers, principally DirecTV and DISH, are our most significant video competitors. They have a video offering that is, in some respects, similar to our video services, including DVR and some interactive capabilities and hold exclusive rights to programming such as the NFL that is not available to us and other video providers. We have lost a significant number of video subscribers to DBS providers in the past, and will continue to face significant challenges from them. Certain local telephone companies, including AT&T, Verizon and Qwest, are actively deploying fiber more extensively in their networks. In the case of AT&T and Verizon, these deployments enable them to offer video, HSD and phone service to consumers in bundled packages similar to those which we currently provide. DBS providers in some cases have marketing agreements under which local telephone companies sell DBS service bundled with their phone and HSD services. These synthetic bundles are generally billed as a single package, and from a consumer standpoint, appear similar to our triple play bundle. We also face competition from municipal entities that provide video, HSD and phone services. Some municipal entities are also exploring building wireless networks to deliver these services. Many companies have increased their offerings of video content streamed over the Internet, often accessed free of charge, which could negatively impact demand for our video services.

Our HSD service faces competition from local telephone companies utilizing their upgraded fiber networks and/or DSL lines, Wi-Fi, Wi-Max and wireless broadband services provided by wireless service providers, broadband over power line providers, and from providers of traditional dial-up Internet access. The American Recovery Act of 2009 provides specific funding for broadband development as part of the economic stimulus package. It is likely that some of our existing and potential competitors will apply for funds under this program, which if successful may allow them to build or expand facilities faster, and deploy existing and new services sooner, and to more areas, than they otherwise would.

Our phone service faces competition for voice customers from local telephone companies, wireless telephone service providers, VoIP service and others. Competition in phone service is intensifying as more consumers are replacing their wireline service with wireless service.

Weakening economic conditions may adversely impact our business, financial condition and results of operations.

During 2008, the downturn in the global financial markets, the tightening of credit markets and the collapse of several large financial institutions caused already weak economic conditions to worsen. Most of our revenues are provided by residential customers who may downgrade their services, or discontinue some, or all of their services, if these economic conditions persist, or further weaken.

We may be unable to keep pace with rapid technological change that could adversely affect our business and our results of operations.

We operate in a rapidly changing environment, and our success depends, in part, on our ability to enhance existing, or adopt new, technologies to maintain or improve our competitive positioning. It may be difficult to keep pace with future technological developments, and if we fail to choose technologies that provide products and services that are preferred by our customers and that are cost efficient to us, we may experience customer losses and our results of operations may be adversely affected.

The continuing increases in programming costs may have an adverse affect on our results of operations.

Programming costs have historically been our largest single expense category and have increased dramatically over the last several years. The largest increases have come from sports programming and, more recently, from broadcast stations in the form of retransmission consent fees. We expect programming costs to continue to increase in the coming years largely as a result of both increased unit costs charged by the satellite delivered networks we carry, in addition to increasing financial demands by local broadcast stations to obtain their retransmission consent. If we refuse to meet the demands of these broadcast station owners, or are unable to negotiate reasonable contracts with non-broadcast networks, we may not be able to transmit these stations, which may result in the loss of existing or potential additional subscribers.

Our video service profit margins have declined over the last several years, as the cost to secure cable programming and broadcast station retransmission consent outpaces video revenue growth. If we are unable to increase subscriber rates, or offer additional services to fully offset such programming costs, our video service margins will continue to deteriorate.

We may be unable to secure necessary hardware, software, telecommunications and operational support that may impair our ability to provision and service our customers and adversely affect our business.

Third party firms provide some of the inputs used in delivering our products and services, including digital set-top converter boxes, DVRs and VOD equipment; routers, provisioning and other software; the telecommunications network, interconnection agreements and e-mail platform for our HSD and phone services; fiber optic cable and construction services for expansion and upgrades of our cable systems; and our customer billing platform. Some of these companies may hold leverage over us, considering that they are the sole supplier of certain products and services, or that there is a long lead time and/or significant expense required to transition to another provider. As a result, our operation depends on the successful operation of these companies. Any delays or disruptions in the relationship as a result of contractual disagreements, operational or financial failures on the part of the suppliers, or other adverse events, could negatively affect our ability to effectively provision and service our customers. Demand for some of these items has increased with the general growth in demand for Internet and telecommunications services. We typically do not carry significant inventories of equipment. Moreover, if there are no suppliers that are able to provide set-top converter boxes that comply with evolving Internet and telecommunications standards, or that are compatible with other equipment and software that we use, this could negatively affect our ability to effectively provision and service our customers.

We depend on network and information systems and other technologies. A disruption or failure in such systems and technologies could have a material adverse affect on our business, financial condition and results of operations.

Because of the importance of network and information systems and other technologies to our business, any events affecting these systems and technologies could have a devastating impact on our business. These events include computer hacking, computer viruses, worms or other disruptive software, process breakdowns, denial of service attacks and other malicious activities or any combination of the foregoing, natural disasters, power outages and man-made disasters. Such occurrences may cause service disruptions, loss of customers and revenues and negative publicity, and may result in significant expenditures to repair or replace the damaged infrastructure, or protect from similar occurrences in the future. We may also be negatively affected by the illegal acquisition and dissemination of data and information, including customer, personnel, and vendor data, and this may require us to expend significant capital and other resources to remedy any such security breach.

Our business depends on certain intellectual property rights and on not infringing on the intellectual property rights of others.

We rely on our copyrights, trademarks and trade secrets, as well as licenses and other agreements with our vendors and other parties, to use our technologies, conduct our operations and sell our products and services. Third parties have in the past, and may in the future, assert claims or initiate litigation related to exclusive patent, copyright, trademark, and other intellectual property rights to technologies and related standards that are relevant to us. These assertions have increased over time as a result of our growth and the general increase in the pace of patent claims assertions, particularly in the United States. Because of the existence of a large number of patents in the networking field, the secrecy of some pending patents and the rapid rate of issuance of new patents, it is not economically practical or even possible to determine in advance whether a product or any of its components infringes or will infringe on the patent rights of others. Asserted claims and/or initiated litigation can include claims against us or our manufacturers, suppliers, or customers, alleging infringement of their proprietary rights with respect to our existing or future products and/or services or components of those products and/or services. Regardless of the merit of these claims, they can be time-consuming, result in costly litigation and diversion of technical and management personnel, or require us to develop a non-infringing technology or enter into license agreements. There can be no assurance that licenses will be available on acceptable terms and conditions, if at all, or that our indemnification by our suppliers will be adequate to cover our costs if a claim were brought directly against us or our customers. Furthermore, because of the potential for high court awards that are not necessarily predictable, it is not unusual to find even arguably unmeritorious claims settled for significant amounts. If any infringement or other intellectual property claim made against us by any third party is successful, if we are required to indemnify a customer with respect to a claim against the customer, or if we fail to develop non-infringing technology or license the proprietary rights on commercially reasonable terms and conditions, our business, results of operations, and financial condition could be adversely affected.

Some of our cable systems operate in the Gulf Coast region, which historically has experienced severe hurricanes and tropical storms.

Cable systems serving approximately 10% of our subscribers are located on or near the Gulf Coast in Alabama, Florida and Mississippi. In 2004 and 2005, three hurricanes impacted these cable systems to varying degrees causing property damage, service interruption and loss of customers. The Gulf Coast could experience severe hurricanes in the future. This could adversely impact our results of operations in affected areas, causing us to experience higher than normal levels of expense and capital expenditures, as well as the potential loss of customers and revenues.

The loss of key personnel could have a material adverse effect on our business.

Our success is substantially dependent upon the retention of, and the continued performance by, our key personnel, including Rocco B. Commisso, our Chairman and Chief Executive Officer. Our debt arrangements provide that a default may result if Mr. Commisso ceases to be our Chairman and Chief Executive Officer, or if he and his designees do not constitute a majority of the Executive Committee of each of Mediacom LLC and Mediacom Broadband LLC. We have not entered into a long-term employment agreement with Mr. Commisso. We do not currently maintain key man life insurance on Mr. Commisso or other key personnel. If any of our key personnel ceases to participate in our business and operations, it could have an adverse effect on our business, financial condition and results of operations.

Risks Related to our Financial Condition

We are exposed to risks caused by disruptions in the capital and credit markets, which could have an adverse affect on our business, financial condition and results of operations.

We rely on the capital markets for senior note offerings and on the credit markets for bank credit arrangements to meet our financial commitments and liquidity needs. Over the past several months, the U.S. economy entered a recession, with major downturns in financial markets and the collapse or significant weakening of many banks and other financial institutions. The capital and credit markets severely tightened, making it extremely difficult for many companies to obtain financing at all or on terms comparable to those available over the past several years. The disruptions in the capital and credit markets could adversely affect our ability to refinance on satisfactory terms, or at all, our scheduled debt maturities in the coming years and could adversely affect our ability to draw on our revolving credit facilities.

As of December 31, 2008, after giving effect to the Exchange Agreement with an affiliate of Morris Communications, which was completed on February 13, 2009, approximately $284.0 million was available for borrowing under the revolving credit facility maintained by the operating subsidiaries of Mediacom LLC (the "LLC Revolver") and approximately $368.1 million could be borrowed under the revolving credit facility of the operating subsidiaries of Mediacom Broadband LLC (the "Broadband Revolver"). The LLC revolver expires on September 30, 2011, and the Broadband Revolver expires on December 31, 2012. Beyond 2012, we also face significant principal payments on outstanding senior notes of Mediacom LLC and Mediacom Broadband LLC, as well as term loans under the bank credit agreements of their respective operating subsidiaries. If the current economic conditions were to persist or worsen, we may not be able to replace the liquidity lost as each revolving credit facility expires, or refinance outstanding balances on maturing revolving credit facilities, term loans or senior notes at all or on acceptable terms. Even if we can secure refinancing, if prevailing credit market conditions persist or worsen, we would likely pay considerably higher interest rates on any refinancing or new financing than those we currently pay.

We also could be negatively affected by the weakness or failure of some of the financial institutions we rely upon for liquidity. Some lenders may not be able to meet their funding obligations to us under the LLC and Broadband Revolvers if they experience shortages of capital or liquidity. If that were to happen, our other lenders would not be required to fund any shortfalls because their obligations to us are several, but not joint. If one or more lenders failed to fund, in aggregate, a significant share of any future borrowings under our revolving credit facilities, there could be a material adverse impact upon our financial condition and results of operations.

We also may take measures to conserve cash and hold significantly higher cash balances than we have in the recent past until the financial markets stabilize. This may include the deferral of capital expenditures, which could adversely affect our ability to retain our existing customer base and attract new customers.

We have substantial debt, we are highly leveraged and we have significant interest payment requirements, which could limit our operational flexibility and have an adverse affect on our financial condition and results of operations.

As of December 31, 2008, our total debt was approximately $3.316 billion. Because of our substantial indebtedness, we are highly leveraged and will continue to be so. As a result, our debt service obligations require us to use a large portion of our revenues and cash flows to pay interest, reducing our ability to finance our operations, capital expenditures and other activities. Our cash interest expense for 2008 was $217.8 million. A portion of our debt, including outstanding debt under our revolving credit facilities, has a variable rate of interest determined by the Eurodollar rate plus a margin which varies depending on the ratio of senior indebtedness (as defined) under the credit facility to system cash flow (as defined). If we incurred additional debt under our revolving credit facilities, the Eurodollar rate were to rise and/or our system cash flow decreased, we would be required to pay additional interest expense, which would have an adverse affect on our results of operations.

Our credit agreements and senior notes require compliance with certain financial and other covenants including, but not limited to, a ratio of senior indebtedness (as defined) to annualized system cash flow (as defined) of no more than 6.0 to 1.0. The credit agreements also require compliance with other covenants including, but not limited to, limitations on mergers and acquisitions, consolidations and sales of certain assets, liens, the incurrence of additional indebtedness, certain restricted payments and certain transactions with affiliates. Our senior notes contain financial and other covenants, though they are generally less restrictive than those found in our bank credit facilities. Principal covenants include a limitation on the incurrence of additional indebtedness based upon a maximum ratio of total indebtedness to cash flow, as defined in these debt agreements, of 7.0 to 1.0 in the case of Mediacom LLC's senior notes, and 8.5 to 1.0 in the case of Mediacom Broadband LLC's senior notes. These agreements also contain limitations on dividends, investments and distributions. Complying with these covenants may cause us to take actions that we otherwise would not take or cause us not to take actions that we otherwise would take.

We cannot assure you that our business will generate sufficient cash flows to permit us to fulfill our financial covenants or revenues to fulfill our debt service and repay our debt. Our highly leveraged position exposes us to significant risk in the event of downturns in the economy or our business.

We are a holding company, and if our operating subsidiaries are unable to make funds available to us, we may not be able to fund their indebtedness and other obligations.

We are a holding company, and do not have any operations or hold any assets other than our investments in, and our advances to, our direct, wholly-owned subsidiaries, Mediacom Broadband LLC and Mediacom LLC. The various operating subsidiaries of Mediacom Broadband LLC and Mediacom LLC conduct all of our consolidated operations and own substantially all of our consolidated assets. The only source of cash that they have to fund their obligations (including, without limitation, the payment of interest on, and the repayment of principal of, their outstanding indebtedness) is the cash that the operating subsidiaries generate from their operations and from borrowing under their subsidiary credit facilities. The operating subsidiaries are separate and distinct legal entities and have no obligation, contingent or otherwise, to make funds available to Mediacom Broadband LLC or Mediacom LLC. The ability of our subsidiaries to make funds available to us in the form of dividends, loans, advances or other payments, will depend upon the operating results of such subsidiaries, applicable laws and contractual restrictions, including covenants under such subsidiaries' credit facilities and the indentures governing our senior notes.

In the event of a liquidation or reorganization of any of our subsidiaries, the creditors of any of such subsidiaries, including trade creditors, would be entitled to a claim on the assets of such subsidiaries prior to any claims of the stockholders of any such subsidiaries, and those creditors are likely to be paid in full before any distribution is made to such stockholders. To the extent that we, or any of our direct or indirect subsidiaries, is a creditor of another of our subsidiaries, the claims of such creditor could be subordinated to any security interest in the assets of such subsidiary and/or any indebtedness of such subsidiary senior to that held by such creditor.

A default under our indentures or our credit facilities could result in an acceleration of our indebtedness and other material adverse effects.

The agreements and instruments governing our subsidiaries' indebtedness contain financial and operating covenants. The breach of any of these covenants could cause a default, which may result in the indebtedness becoming immediately due and payable. If this were to occur, we would be unable to adequately finance our operations. In addition, a default could result in a default or acceleration of our other indebtedness subject to cross-default provisions. If this occurs, we may not be able to pay our debts or borrow sufficient funds to refinance them. Even if new financing is available, it may not be on terms that are acceptable to us. The membership interests of our operating subsidiaries are pledged as collateral under our respective subsidiary credit facilities. A default under one of our subsidiary credit facilities could result in a foreclosure by the lenders on the membership interests pledged under that facility. Because we are dependent upon our operating subsidiaries for all of our cash flows, a foreclosure would have a material adverse effect on our business, financial condition and results of operations.

A lowering of the ratings assigned to our debt securities by ratings agencies may further increase our future borrowing costs and reduce our access to capital.

Our debt ratings are below the investment grade category, which results in higher borrowing costs. There can be no assurance that our debt ratings will not be lowered in the future by a rating agency. While there are no restrictions or covenants tied to our debt ratings under our current arrangements, a lowering in our debt ratings may further increase our future borrowing costs as well as reduce our access to capital.

We have a history of net losses and we may continue to generate net losses in the future.

We have a history of net losses, and may continue to report net losses in the future. We reported net losses of $77.5 million, $95.1 million and $124.9 million for the years ended December 31, 2008, 2007 and 2006, respectively. In general, our net losses principally result from depreciation and amortization expenses associated with our acquisitions and the capital expenditures related to expanding and upgrading our cable systems, interest expense and other financing charges related to our indebtedness, and losses on derivatives. Should our net losses continue, they may limit our ability to attract needed financing, and to do so on favorable terms, because such losses may detract some investors from investing in our securities.

Changes to our valuation account for deferred tax assets can cause our net income or net loss to fluctuate significantly.

As of December 31, 2008, we had pre-tax net operating loss carryforwards for federal purposes of approximately $2.3 billion; if not utilized, they will expire in the years 2021 through 2028. Mostly due to these net operating loss carryforwards, as of December 31, 2008, we had deferred tax assets of $968.3 million. These assets have been reduced by a valuation allowance of $677.4 million to reflect our assessment of the likelihood of their recovery in future periods.

We periodically assess the likelihood of realization of our deferred tax assets, considering all available evidence, both positive and negative, including our most recent performance, the scheduled reversal of deferred tax liabilities, our forecast of taxable income in future periods and the availability of prudent tax planning strategies. As a result of these assessments, in prior years we have established valuation allowances on a portion of our deferred tax assets due to the uncertainty surrounding the realization of these assets.

We expect to add to our valuation allowance for any increase in the deferred tax liabilities relating to indefinite-lived intangible assets. We will also adjust our valuation allowance if we assess that there is sufficient change in our ability to recover our deferred tax assets. Our income tax expense in future periods will be reduced or increased to the extent of offsetting decreases or increases, respectively, in our valuation allowance. These changes could have a significant impact on our future earnings.

Impairment of our goodwill and other intangible assets could cause significant losses.

As of December 31, 2008, we had approximately $2.0 billion of unamortized intangible assets, including goodwill of $220.7 million and franchise rights of $1.8 billion on our consolidated balance sheets. These intangible assets represented approximately 54% of our total assets.

FASB Statement No. 142, *"Goodwill and Other Intangible Assets,"* requires that goodwill and other intangible assets deemed to have indefinite useful lives, such as cable franchise rights, cease to be amortized. SFAS No. 142 requires that goodwill and certain intangible assets be tested at least annually for impairment. If we find that the carrying value of goodwill or cable franchise rights exceeds its fair value, we will reduce the carrying value of the goodwill or intangible asset to the fair value, and will recognize an impairment loss in our results of operations.

The impairment tests require us to make an estimate of the fair value of intangible assets, which is determined using a discounted cash flow methodology. Since a number of factors may influence determinations of fair value of intangible assets, we are unable to predict whether impairments of goodwill or other indefinite-lived intangibles will occur in the future. Any such impairment would result in our recognizing a corresponding write-off, which could cause us to report a significant noncash operating loss. Such impairment could have an adverse effect on our business, financial condition and results of operations. Our annual impairment analysis was performed as of October 1, 2008 and resulted in no impairment. Given the continuing economic downturn and overall market conditions, we may be required to conduct an impairment analysis prior to our anniversary date, and such analysis may result in an impairment of the fair value of our intangible assets.

Risks Related to Legislative and Regulatory Matters

Changes in cable regulations could adversely impact our business.

The cable industry is subject to extensive legislation and regulation at the federal and local levels, and, in some instances, at the state level. Many aspects of such regulation are currently the subject of judicial and administrative proceedings and legislative and administrative proposals, and lobbying efforts by us and our competitors. We expect that court actions and regulatory proceedings will continue to refine our rights and obligations under applicable federal, state and local laws. The results of current or future judicial and administrative proceedings and legislative activities cannot be predicted. Modifications to existing requirements or imposition of new requirements or limitations could have an adverse impact on our business including those described below. See "Business — Legislation and Regulation."

Additional regulation of rates charged for our services could impair future revenues.

Expansion of rate regulation beyond that currently imposed on certain of our cable services or on any other services we offer could restrict our ability to generate future revenues and thus adversely affect our business. See "Business — Legislation and Regulation — Federal Regulation — Subscriber Rates and Program Tiering."

Denials of franchise renewals or continued absence of franchise parity can adversely impact our business.

Where State-Issued Franchises are not available, local franchising authorities may demand concessions, or other commitments, as a condition to renewal, and these concessions or other commitments could be costly. Although the Cable Act affords certain protections, there is no assurance that we will not be compelled to meet their demands in order to obtain renewals.

Our cable systems are operated under non-exclusive franchises. As of December 31, 2007, approximately 12.3% of the estimated homes passed by our cable systems were served by other cable operators. Because of the FCC's actions to speed issuance of local competitive franchises and because many states in which we operate cable systems have adopted and other states may adopt legislation to allow others, including local telephone companies, to deliver services in competition with our cable service without obtaining equivalent local franchises, we may face not only increasing competition but we may be at a competitive disadvantage due to lack of regulatory parity. Any of these factors could adversely affect our business. See "Business — Legislation and Regulation — Federal Regulation — Franchise Matters."

Changes in carriage requirements could impose additional cost burdens on us.

Any change that increases the amount of content that we must carry on our cable systems can adversely impact our business by increasing our cost and limiting our ability to carry other programming more valued by our subscribers or limit our ability to provide other services. For example, if we are required to carry more than the primary stream of digital broadcast signals or the signals of "Class A" low power broadcast stations or if the FCC regulations are put into effect that require us to provide either very low cost or no cost commercial leased access, our business would be adversely affected. See "Business — Legislation and Regulation — Federal Regulation — Content Regulations."

Pending FCC and court proceedings could adversely affect our HSD service.

The regulatory status of providing HSD service by cable companies remains uncertain. If the FCC imposes additional regulatory burdens or further restricts the methods we may employ to manage the operation of our network, our costs would increase and our business would be adversely affected. See "Business — Legislation and Regulation — Federal Regulation — HSD Service."

Our phone service may become subject to additional regulation.

The regulatory treatment of VoIP services like those we and others offer remains uncertain. The FCC, Congress, the courts and the states continue to look at issues surrounding the provision of VoIP, including whether this service is properly classified as a telecommunications service or an information service. Any changes to existing law as it applies to VoIP or any determination that results in greater or different regulatory obligations than competing services would result in increased costs, reduce anticipated revenues and impede our ability to effectively compete or otherwise adversely affect our ability to successfully roll-out and conduct our telephony business. See "Business — Legislation and Regulation — Federal Regulation — Voice-over-Internet-Protocol Telephony."

Changes in pole attachment regulations or actions by pole owners could significantly increased our pole attachment costs.

Our cable facilities are often attached to or use public utility poles, ducts or conduits. Significant change to the FCC's long-standing pole attachment "cable rate" formula, increases in pole attachment costs as a result of our provision of Internet, VoIP or other services or pole owners seeking additional compensation because poles are "full" could increase our pole attachment costs. Our business, financial condition and results of operations could suffer a material adverse impact from any significant increased costs, and such increased pole attachment costs could discourage system upgrades and the introduction of new products and services. See "Business — Legislation and Regulation — Federal Regulation — Pole Attachment Regulation."

Changes in compulsory copyright regulations could significantly increase our license fees.

The Copyright Office's decision regarding payment of copyright fees on "phantom signals" may cause us to carry fewer "distant" signals in our channel lineups which could preclude carriage of programming valued by our customers. If the Copyright Office determines that we are required to treat each digital programming stream as a separate signal for copyright purposes or if other legislative proposals are enacted that change the compulsory license, our copyright costs could increase significantly or we may reduce the amount of off-air content that we provide to our subscribers. If Congress were to completely eliminate the compulsory license, and we are required to obtain copyright licensing of all broadcast material at the source, that would impose significant administrative burdens and additional costs that could adversely affect our business. See "Business — Legislation and Regulation — Federal Regulation — Copyright."

Risks Related to our Chairman and Chief Executive Officer's Controlling Position

Our Chairman and Chief Executive Officer has the ability to control all major corporate decisions, and a sale of his stock could result in a change of control that would have unpredictable effects.

Rocco B. Commisso, our Chairman and Chief Executive Officer, beneficially owned shares of our common stock representing approximately 80.8% of the aggregate voting power as of December 31, 2008. After completion of the Exchange Agreement on February 13, 2009, Mr. Commisso had aggregate voting power of approximately 87.8%. As a result, Mr. Commisso generally has the ability to control the outcome of all matters requiring stockholder approval, including the election of our entire board of directors, the approval of any merger or consolidation and the sale of all or substantially all of our assets. In addition, Mr. Commisso's voting power may have the effect of discouraging offers to acquire us because any such acquisition would require his consent.

Pursuant to a Significant Stockholder Agreement, dated September 7, 2008, Mr. Commisso has agreed not to consummate prior to September 7, 2010 an extraordinary transaction involving us without the recommendation of a majority of either (i) the disinterested directors that are members of our board of directors or (ii) the members of a special committee of our board consisting of disinterested directors.

We cannot assure you that Mr. Commisso will maintain all or any portion of his ownership, or that he would continue as an officer or director if he sold a significant part of his stock. The disposition by Mr. Commisso of a sufficient number of shares could result in a change in control of our company, and no assurance can be given that a change of control would not adversely affect our business, financial condition or results of operations. A change in control could also result in a default under our debt arrangements, could require us to offer to repurchase our senior notes at 101% of their principal amount, could trigger a variety of federal, state and local regulatory consent requirements and potentially limit our utilization of net operating losses for income tax purposes.

ITEM 1B. *UNRESOLVED STAFF COMMENTS*

None.

ITEM 2. *PROPERTIES*

Our principal physical assets consist of cable operating plant and equipment, including signal receiving, encoding and decoding devices, headend facilities and distribution systems and equipment at or near customers' homes for each of the systems. The signal receiving apparatus typically includes a tower, antenna, ancillary electronic equipment and earth stations for reception of satellite signals. Headend facilities are located near the receiving devices. Our distribution system consists primarily of coaxial and fiber optic cables and related electronic equipment. Customer premise equipment consists of set-top devices and cable modems. Our cable plant and related equipment generally are attached to utility poles under pole rental agreements with local public utilities; although in some areas the distribution cable is buried in underground ducts or trenches. The physical components of the cable systems require maintenance and periodic upgrading to improve system performance and capacity. In addition, we maintain a network operations center with equipment necessary to monitor and manage the status of our HSD network.

We own and lease the real property housing our regional call centers, business offices and warehouses throughout our operating regions. Our headend facilities, signal reception sites and microwave facilities are located on owned and leased parcels of land, and we generally own the towers on which certain of our equipment is located. We own most of our service vehicles. We believe that our properties, both owned and leased, are in good condition and are suitable and adequate for our operations.

ITEM 3. *LEGAL PROCEEDINGS*

Mediacom LLC, one of our wholly owned subsidiaries, is named as a defendant in a putative class action, captioned *Gary Ogg and Janice Ogg v. Mediacom LLC*, pending in the Circuit Court of Clay County, Missouri, originally filed in April 2001. The lawsuit alleges that Mediacom LLC, in areas where there was no cable franchise, failed to obtain permission from landowners to place its fiber interconnection cable notwithstanding the possession of agreements or permission from other third parties. While the parties continue to contest liability, there also remains a dispute as to the proper measure of damages. Based on a report by their experts, the plaintiffs claim compensatory damages of approximately $14.5 million. Legal fees, prejudgment interest, potential punitive damages and other costs could increase that estimate to approximately $26.0 million. The plaintiffs have recently proposed an alternative damage theory of $42.0 million in compensatory damages. We are unable to reasonably determine the amount of our final liability in this lawsuit, as our experts have estimated our liability to be within the range of approximately $0.1 million to $2.3 million. This estimate does not include any estimate of damages for prejudgment interest, attorneys' fees or punitive damages. We believe, however, that the amount of such liability, as stated by any of the parties, would not have a material effect on our consolidated financial position, results of operations, cash flows or business. There can be no assurance that the actual liability would not exceed this estimated range. As of March 9, 2009, the trial commenced for the claim by the class representatives, Gary and Janice Ogg. Mediacom LLC has tendered the lawsuit to our insurance carrier for defense and indemnification. The carrier has agreed to defend Mediacom LLC under a reservation of rights, and a declaratory judgment action is pending regarding the carrier's defense and coverage responsibilities. Mediacom LLC intends to vigorously defend against any claims made by the plaintiffs, including at trial, and on appeal, if necessary.

We are involved in various other legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these other matters will not have a material adverse effect on our consolidated financial position, results of operations, cash flows or business.

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

No matters were submitted to a vote of security holders during the fourth quarter of the fiscal year ended December 31, 2008.

ITEM 4A. *DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT*

The following Directors and Executive Officers are as of February 28, 2009.

Name	Age	Title
Rocco B. Commisso	59	Chairman and Chief Executive Officer
Mark E. Stephan	52	Executive Vice President and Chief Financial Officer
John G. Pascarelli	47	Executive Vice President, Operations
Italia Commisso Weinand	55	Senior Vice President, Programming & Human Resources
Joseph E. Young	60	Senior Vice President, General Counsel & Secretary
Charles J. Bartolotta	54	Senior Vice President, Customer Operations
Calvin G. Craib	54	Senior Vice President, Business Development
Brian M. Walsh	43	Senior Vice President & Corporate Controller
Thomas V. Reifenheiser	73	Director
Natale S. Ricciardi	60	Director
Robert L. Winikoff	62	Director

Rocco B. Commisso has 30 years of experience with the cable industry and has served as our Chairman and Chief Executive Officer since founding our predecessor company in July 1995. From 1986 to 1995, he served as Executive Vice President, Chief Financial Officer and a director of Cablevision Industries Corporation. Prior to that time, Mr. Commisso served as Senior Vice President of Royal Bank of Canada's affiliate in the United States from 1981, where he founded and directed a specialized lending group to media and communications companies. Mr. Commisso began his association with the cable industry in 1978 at The Chase Manhattan Bank, where he managed the bank's lending activities to communications firms including the cable industry. He serves on the board of directors and executive committees of the National Cable Television Association and Cable Television Laboratories, Inc., and on the board of directors of C-SPAN and the National Italian American Foundation. Mr. Commisso holds a Bachelor of Science in Industrial Engineering and a Master of Business Administration from Columbia University.

Mark E. Stephan has 22 years of experience with the cable industry and has served as our Executive Vice President and Chief Financial Officer since July 2005. Prior to that he was Executive Vice President, Chief Financial Officer and Treasurer since November 2003 and our Senior Vice President, Chief Financial Officer and Treasurer since the commencement of our operations in March 1996. Before joining us, Mr. Stephan served as Vice President, Finance for Cablevision Industries from July 1993. Prior to that time, Mr. Stephan served as Manager of the telecommunications and media lending group of Royal Bank of Canada.

John G. Pascarelli has 28 years of experience in the cable industry and has served as our Executive Vice President, Operations since November 2003. Prior to that he was our Senior Vice President, Marketing and Consumer Services from June 2000 and our Vice President of Marketing from March 1998. Before joining us in March 1998, Mr. Pascarelli served as Vice President, Marketing for Helicon Communications Corporation from January 1996 to February 1998 and as Corporate Director of Marketing for Cablevision Industries from 1988 to 1995. Prior to that time, Mr. Pascarelli served in various marketing and system management capacities for Continental Cablevision, Inc., Cablevision Systems and Storer Communications. Mr. Pascarelli is a member of the board of directors of the Cable and Telecommunications Association for Marketing.

Italia Commisso Weinand has 32 years of experience in the cable industry. Before joining us in April 1996, Ms. Weinand served as Regional Manager for Comcast Corporation from July 1985. Prior to that time, Ms. Weinand held various management positions with Tele-Communications, Inc., Times Mirror Cable and Time Warner, Inc. Ms. Weinand is the sister of Mr. Commisso.

Joseph E. Young has 24 years of experience with the cable industry. Before joining us in November 2001 as Senior Vice President, General Counsel, Mr. Young served as Executive Vice President, Legal and Business Affairs, for LinkShare Corporation, an Internet-based provider of marketing services, from September 1999 to October 2001. Prior to that time, he practiced corporate law with Baker & Botts, LLP from January 1995 to September 1999. Previously, Mr. Young was a partner with the Law Offices of Jerome H. Kern and a partner with Shea & Gould.

Charles J. Bartolotta has 26 years of experience in the cable industry. Before joining us in October 2000, Mr. Bartolotta served as Division President for AT&T Broadband, LLC from July 1998, where he was responsible for managing an operating division serving nearly three million customers. Prior to that time, he served as Regional Vice President of Tele-Communications, Inc. from January 1997 and as Vice President and General Manager for TKR Cable Company from 1989. Prior to that time, Mr. Bartolotta held various management positions with Cablevision Systems Corporation.

Calvin G. Craib has 27 years of experience in the cable industry, and has served as our Senior Vice President, Business Development since August 2001. He also assumed responsibility of Corporate Finance in June 2008. Prior to that time, Mr. Craib was our Vice President, Business Development since April 1999. Before joining us in April 1999, he served as Vice President, Finance and Administration for Interactive Marketing Group from June 1997 to December 1998 and as Senior Vice President, Operations, and Chief Financial Officer for Douglas Communications from January 1990 to May 1997. Prior to that time, Mr. Craib served in various financial management capacities at Warner Amex Cable and Tribune Cable.

Brian M. Walsh has 21 years of experience in the cable industry and has served as our Senior Vice President and Corporate Controller since February 2005. Prior to that time, he was our Senior Vice President, Financial Operations from November 2003, our Vice President, Finance and Assistant to the Chairman from November 2001, our Vice President and Corporate Controller from February 1998 and our Director of Accounting from November 1996. Before joining us in April 1996, Mr. Walsh held various management positions with Cablevision Industries from 1988 to 1995.

Thomas V. Reifenheiser served for more than seven years as a Managing Director and Group Executive of the Global Media and Telecom Group of Chase Securities Inc. until his retirement in September 2000. He joined Chase in 1963 and had been the Global Media and Telecom Group Executive since 1977. He also had been a member of the Management Committee of The Chase Manhattan Bank. Mr. Reifenheiser is also a member of the board of directors of Cablevision Systems Corporation, Lamar Advertising Company and Citadel Broadcasting Corporation.

Natale S. Ricciardi has held various management positions with Pfizer Inc. for more than the past seven years. Mr. Ricciardi joined Pfizer in 1972 and currently serves as Senior Vice President, Pfizer Inc. and President, Pfizer Global Manufacturing, with responsibility for all of Pfizer’s manufacturing and supply activities. He is a member of the Pfizer Executive Leadership Team.

Robert L. Winikoff has been a partner of the law firm of Sonnenschein Nath & Rosenthal, LLP since August 2000. Prior to that time, he was a partner of the law firm of Cooperman Levitt Winikoff Lester & Newman, P.C. for more than five years. Sonnenschein Nath & Rosenthal, LLP currently serves as our outside general counsel, and prior to such representation, Cooperman Levitt Winikoff Lester & Newman, P.C. served as our outside general counsel from 1995.

PART II

ITEM 5. *MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES*

Our Class A common stock is traded on The Nasdaq Global Select Market under the symbol "MCCC." The following table sets forth, for the periods indicated, the high and low closing sales prices for our Class A common stock as reported by The Nasdaq Global Select Market:

	2008		2007	
	Low	High	Low	High
First Quarter	$ 3.97	$ 5.27	$ 7.54	$ 8.25
Second Quarter	$ 4.15	$ 6.52	$ 8.20	$ 10.03
Third Quarter	$ 4.91	$ 8.40	$ 7.05	$ 10.30
Fourth Quarter	$ 2.00	$ 5.81	$ 3.93	$ 7.36

As of February 28, 2009, there were approximately 2,348 holders of record of our Class A common stock and 2 holders of record of our Class B common stock. The number of Class A stockholders does not include beneficial owners holding shares through nominee names.

We have never declared or paid any dividends on our common stock. We currently anticipate that we will retain all of our future earnings for use in the expansion and operation of our business. Thus, we do not anticipate paying any cash dividends on our common stock in the foreseeable future. Our future dividend policy will be determined by our board of directors and will depend on various factors, including our results of operations, financial condition, capital requirements and investment opportunities.

During the year ended December 31, 2008, we repurchased 4.8 million shares of our Class A common stock for an aggregate cost of $22.4 million. As of December 31, 2008, approximately $47.6 million remained available under our stock repurchase program. We did not repurchase any Class A common stock during the three months ended December 31, 2008.

ITEM 6. *SELECTED FINANCIAL DATA*

In the table below, we provide you with selected historical consolidated statement of operations data and cash flow data for the years ended December 31, 2004 through 2008 and balance sheet data as of December 31, 2004 through 2008, which are derived from our audited consolidated financial statements (except other data and operating data).

See "Management's Discussion and Analysis of Financial Condition and Results of Operations."

	2008(11)	2007	2006(12)	2005	2004
	(Amounts in thousands, except per share data and operating data)				
Statement of Operations Data:					
Revenues	$ 1,401,894	$ 1,293,375	$ 1,210,400	$ 1,098,822	$ 1,057,226
Costs and expenses:					
Service costs	585,362	544,072	492,729	438,768	407,875
Selling, general and administrative expenses	278,942	264,006	252,688	232,514	216,394
Corporate expenses	30,824	27,637	25,445	22,287	19,276
Depreciation and amortization	227,910	235,331	215,918	220,567	217,262
Operating income	278,856	222,329	223,620	184,686	196,419
Interest expense, net	(213,333)	(239,015)	(227,206)	(208,264)	(192,740)
Loss on early extinguishment of debt	—	—	(35,831)	(4,742)	—
(Loss) gain on derivative instruments, net	(54,363)	(22,902)	(15,798)	12,555	16,125
(Loss) gain on sale of cable systems, net	(21,308)	11,079	—	2,628	5,885
Other expense, net	(9,133)	(9,054)	(9,973)	(11,829)	(12,061)
(Loss) income before income taxes	(19,281)	(37,563)	(65,188)	(24,966)	13,628
Provision for income taxes	(58,213)	(57,566)	(59,734)	(197,262)	(76)
Net (loss) income	$ (77,494)	$ (95,129)	$ (124,922)	$ (222,228)	$ 13,552
Basic and diluted (loss) earnings per share:(1)					
Basic and diluted (loss) earnings per share	$ (0.81)	$ (0.88)	$ (1.13)	$ (1.90)	$ 0.11
Weighted average common shares outstanding(1)					
Basic weighted average shares outstanding	95,548	107,828	110,971	117,194	118,534
Diluted weighted average share outstanding	95,548	107,828	110,971	117,194	118,543
Balance Sheet Data (end of period):					
Total assets	$ 3,718,989	$ 3,615,210	$ 3,652,350	$ 3,649,498	$ 3,635,655
Total debt	$ 3,316,000	$ 3,215,033	$ 3,144,599	$ 3,059,651	$ 3,009,632
Total stockholders' (deficit) equity	$ (346,644)	$ (253,089)	$ (94,814)	$ 59,107	$ 293,512

	2008(11)	2007	2006(12)	2005	2004
	(Amounts in thousands, except per share data and operating data)				
Cash Flow Data:					
Net cash flows provided by (used in):					
Operating activities	$ 268,715	$ 188,792	$ 176,905	$ 179,095	$ 224,611
Investing activities	$ (289,825)	$ (202,335)	$ (210,235)	$ (223,600)	$ (177,424)
Financing activities	$ 68,833	$ (3,454)	$ 52,434	$ 37,911	$ (49,127)
Other Data:					
Adjusted OIBDA(2)	$ 511,951	$ 462,979	$ 444,255	$ 406,610	$ 413,729
Adjusted OIBDA margin(3)	36.5%	35.8%	36.7%	37.0%	39.1%
Ratio of earnings to fixed charges(4)	—	—	—	—	1.06
Operating Data: (end of period)					
Estimated homes passed(5)	2,854,000	2,836,000	2,829,000	2,807,000	2,785,000
Basic subscribers(6)	1,318,000	1,324,000	1,380,000	1,423,000	1,458,000
Digital customers(7)	643,000	557,000	528,000	494,000	396,000
HSD customers(8)	737,000	658,000	578,000	478,000	367,000
Phone customers(9)	248,000	185,000	105,000	22,000	—
RGUs(10)	2,946,000	2,724,000	2,591,000	2,417,000	2,221,000

(1) Basic and diluted (loss) earnings per share is calculated based on the basic and diluted weighted average shares outstanding, respectively.

(2) "Adjusted OIBDA" is not a financial measure calculated in accordance with generally accepted accounting principles (GAAP) in the United States. We define Adjusted OIBDA as operating income before depreciation and amortization and non-cash, share-based compensation charges.

Adjusted OIBDA is one of the primary measures used by management to evaluate our performance and to forecast future results. It is also a significant performance measure in our annual incentive compensation programs. We believe Adjusted OIBDA is useful for investors because it enables them to access our performance in a manner similar to the methods used by management, and provides a measure that can be used to analyze, value and compare the companies in the cable industry, which may have different depreciation and amortization policies, as well as different non-cash, share-based compensation programs. Adjusted OIBDA and similar measures are used in calculating compliance with the covenants of our debt arrangements. A limitation of Adjusted OIBDA, however, is that it excludes depreciation and amortization, which represents the periodic costs of certain capitalized tangible and intangible assets used in generating revenues in our business. Management utilizes a separate process to budget, measure and evaluate capital expenditures. In addition, Adjusted OIBDA has the limitation of not reflecting the effect of our non-cash, share-based compensation charges.

Adjusted OIBDA should not be regarded as an alternative to either operating income or net income (loss) as an indicator of operating performance nor should it be considered in isolation or a substitute for financial measures prepared in accordance with GAAP. We believe that operating income is the most directly comparable GAAP financial measure to Adjusted OIBDA.

The following represents a reconciliation of Adjusted OIBDA to operating income, which is the most directly comparable GAAP measure (dollars in thousands):

	2008	2007	2006	2005	2004
Adjusted OIBDA	$ 511,951	$ 462,979	$ 444,255	$ 406,610	$ 413,729
Non-cash, share-based compensation and other share-based awards(A)	(5,185)	(5,319)	(4,717)	(1,357)	(48)
Depreciation and amortization	(227,910)	(235,331)	(215,918)	(220,567)	(217,262)
Operating income	$ 278,856	$ 222,329	$ 223,620	$ 184,686	$ 196,419

(A) Includes approximately $17, $20, $239, $24, and $48 for the years ended December 31, 2008, 2007, 2006, 2005 and 2004, respectively, related to the issuance of other share-based awards.

(3) Represents Adjusted OIBDA as a percentage of revenues. See note 2 above.

(4) Earnings were insufficient to cover fixed charges by $20.7 million, $38.3 million, $66.1 million and $26.4 million for the years ended December 31, 2008, 2007, 2006, and 2005, respectively. Refer to Exhibit 12.1.

(5) Represents an estimate of the number of single residence homes, apartments and condominium units passed by the cable distribution network. Estimated homes passed is based on the best available information.

(6) Represents a dwelling with one or more television sets that receives a package of over-the-air broadcast stations, local access channels or certain satellite-delivered cable services. Accounts that are billed on a bulk basis, which typically receive discounted rates, are converted into full-price equivalent basic subscribers by dividing total bulk billed basic revenues of a particular system by the average cable rate charged to basic subscribers in that system. This conversion method is consistent with the methodology used in determining payments to programmers. Basic subscribers include connections to schools, libraries, local government offices and employee households that may not be charged for limited and expanded cable services, but may be charged for digital cable, HSD, phone or other services. Customers who exclusively purchase HSD and/or phone service are not counted as basic subscribers. Our methodology of calculating the number of basic subscribers may not be identical to those used by other companies offering similar services.

(7) Represents customers that receive digital video services.

(8) Represents residential HSD customers and small to medium-sized commercial cable modem accounts billed at higher rates than residential customers. Small to medium-sized commercial accounts generally represent customers with bandwidth requirements of up to 20Mbps, and are converted to equivalent residential HSD customers by dividing their associated revenues by the applicable residential rate. Our HSD customers exclude large commercial accounts. Our methodology of calculating HSD customers may not be identical to those used by other companies offering similar services.

(9) Represents estimated number of homes to which we market phone service, and is based upon the best available information.

(10) Represents the sum of basic subscribers and digital, HSD and phone customers.

(11) Does not give effect to the completion of the Exchange Agreement on February 13, 2009. See Note 11 to our consolidated financial statements for more information.

(12) Effective January 1, 2006, we adopted SFAS No. 123(R). See Note 8 to our consolidated financial statements.

ITEM 7. *MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS*

Reference is made to the "Risk Factors" in Item 1A for a discussion of important factors that could cause actual results to differ from expectations and any of our forward-looking statements contained herein. The following discussion should be read in conjunction with our audited consolidated financial statements as of and for the years ended December 31, 2008, 2007 and 2006.

Overview

We are the nation's eighth largest cable company based on the number of basic video subscribers, and among the leading cable operators focused on serving the smaller cities and towns in the United States. Through our interactive broadband network, we provide our customers with a wide array of advanced products and services, including video services such as VOD, HDTV and DVRs, in addition to HSD and phone service. We offer triple-play bundles of video, HSD and voice to 91% of our estimated homes passed. Bundled products and services offer our customers a single provider contact for ordering, provisioning, billing and customer care.

As of December 31, 2008, our cable systems passed an estimated 2.85 million homes and served 1.32 million basic subscribers in 22 states. We provide digital video services to 643,000 customers, representing a digital penetration of 48.8% of our basic subscribers; HSD service to 737,000 customers, representing a HSD penetration of 25.8% of our estimated homes passed; and phone service to 248,000 customers, representing a penetration of 9.5% of our estimated marketable phone homes.

We evaluate our performance, in part, by measuring the number of RGUs we serve. As of December 31, 2008, we served 2.95 million RGUs, representing an increase of 8.1% over the prior year.

Revenues, Costs and Expenses

Video revenues primarily represent monthly subscription fees charged to customers for our core cable products and services (including basic and digital cable programming services, wire maintenance, equipment rental and services to commercial establishments), pay-per-view charges, installation, reconnection and late payment fees and other ancillary revenues. HSD revenues primarily represent monthly fees charged to customers, including small to medium sized commercial establishments, for our HSD products and services and equipment rental fees, as well as fees charged to medium to large sized businesses for our scalable, fiber- based enterprise network products and services. Phone revenues primarily represent monthly fees charged to customers. Advertising revenues represent the sale of advertising time on various channels.

Significant service costs include: programming expenses; employee expenses related to wages and salaries of technical personnel who maintain our cable network, perform customer installation activities and provide customer support; HSD costs, including costs of bandwidth connectivity and customer provisioning; phone service costs, including delivery and other expenses; and field operating costs, including outside contractors, vehicle, utilities and pole rental expenses.

Video programming costs, which are generally paid on a per subscriber basis, represent our largest single expense and have historically increased due to both increases in the rates charged for existing programming services and the introduction of new programming services to our customers. These costs are expected to continue to grow principally because of contractual unit rate increases and the increasing demands of television broadcast station owners for retransmission consent fees. As a consequence, it is expected that our video gross margins will decline as increases in programming costs outpace growth in video revenues.

Significant selling, general and administrative expenses include: wages and salaries for our call centers, customer service and support and administrative personnel; franchise fees and taxes; marketing; bad debt; billing; advertising; and office costs related to telecommunications and office administration.

Corporate expenses reflect compensation of corporate employees and other corporate overhead.

Adjusted OIBDA

We define Adjusted OIBDA as operating income before depreciation and amortization and non-cash, share-based compensation charges. Adjusted OIBDA is one of the primary measures used by management to evaluate our performance and to forecast future results but is not a financial measure calculated in accordance with generally accepted accounting principles (GAAP) in the United States. It is also a significant performance measure in our annual incentive compensation programs. We believe Adjusted OIBDA is useful for investors because it enables them to assess our performance in a manner similar to the methods used by management, and provides a measure that can be used to analyze, value and compare the companies in the cable industry, which may have different depreciation and amortization policies, as well as different non-cash, share-based compensation programs. Adjusted OIBDA and similar measures are used in calculating compliance with the covenants of our debt arrangements. A limitation of Adjusted OIBDA, however, is that it excludes depreciation and amortization, which represents the periodic costs of certain capitalized tangible and intangible assets used in generating revenues in our business. Management utilizes a separate process to budget, measure and evaluate capital expenditures. In addition, Adjusted OIBDA has the limitation of not reflecting the effect of the non-cash, share-based compensation charges.

Adjusted OIBDA should not be regarded as an alternative to either operating income or net income (loss) as an indicator of operating performance nor should it be considered in isolation or as a substitute for financial measures prepared in accordance with GAAP. We believe that operating income is the most directly comparable GAAP financial measure to Adjusted OIBDA.

Actual Results of Operations

Year Ended December 31, 2008 Compared to Year Ended December 31, 2007

The following table sets forth the unaudited consolidated statements of operations for the years ended December 31, 2008 and 2007 (dollars in thousands and percentage changes that are not meaningful are marked NM):

	Year Ended December 31,			
	2008	2007	$ Change	% Change
Revenues	$ 1,401,894	$ 1,293,375	$ 108,519	8.4%
Costs and expenses:				
Service costs (exclusive of depreciation and amortization)	585,362	544,072	41,290	7.6%
Selling, general and administrative expenses	278,942	264,006	14,936	5.7%
Corporate expenses	30,824	27,637	3,187	11.5%
Depreciation and amortization	227,910	235,331	(7,421)	(3.2)%
Operating income	278,856	222,329	56,527	25.4%
Interest expense, net	(213,333)	(239,015)	25,682	(10.7)%
Loss on derivatives, net	(54,363)	(22,902)	(31,461)	NM
(Loss) gain on sale of cable systems, net	(21,308)	11,079	(32,387)	NM
Other expense, net	(9,133)	(9,054)	(79)	0.9%
Loss before provision for income taxes	(19,281)	(37,563)	18,282	(48.7)%
Provision for income taxes	(58,213)	(57,566)	(647)	1.1%
Net loss	$ (77,494)	$ (95,129)	$ 17,635	(18.5)%
Adjusted OIBDA	$ 511,951	$ 462,979	$ 48,972	10.6%

The following represents a reconciliation of Adjusted OIBDA to operating income, which is the most directly comparable GAAP measure (dollars in thousands):

	Year Ended December 31, 2008	Year Ended December 31, 2007	$ Change	% Change
Adjusted OIBDA	$ 511,951	$ 462,979	$ 48,972	10.6%
Non-cash, share-based compensation and other share-based awards(1)	(5,185)	(5,319)	134	(2.5)%
Depreciation and amortization	(227,910)	(235,331)	7,421	(3.2)%
Operating income	$ 278,856	$ 222,329	$ 56,527	25.4%

(1) Includes approximately $17 and $20 for the years ended December 31, 2008 and 2007, respectively, related to the issuance of other share-based awards.

Revenues

The following table sets forth revenue and selected subscriber, customer and average monthly revenue statistics for the years ended December 31, 2008 and 2007 (dollars in thousands, except per subscriber data):

	Year Ended December 31, 2008	Year Ended December 31, 2007	$ Change	% Change
Video	$ 921,098	$ 891,594	$ 29,504	3.3%
HSD	324,764	278,853	45,911	16.5%
Phone	89,970	55,892	34,078	61.0%
Advertising	66,062	67,036	(974)	(1.5)%
Total	$ 1,401,894	$ 1,293,375	$ 108,519	8.4%

	December 31, 2008	December 31, 2007	Increase/ (Decrease)	% Change
Basic subscribers	1,318,000	1,324,000	(6,000)	(0.5)%
Digital customers	643,000	557,000	86,000	15.4%
HSD customers	737,000	658,000	79,000	12.0%
Phone customers	248,000	185,000	63,000	34.1%
RGUs(1)	2,946,000	2,724,000	222,000	8.1%
Average total monthly revenue per basic subscriber(2)	$ 88.44	$ 79.72	$ 8.72	10.9%

(1) RGUs represent the total of basic subscribers and digital, HSD and phone customers.

(2) Represents total average monthly revenues for the year divided by total average basic subscribers during such period.

Revenues rose 8.4%, largely attributable to the growth in our HSD and phone customers, as well as basic video price increases. RGUs grew 8.1% and average total monthly revenue per basic subscriber was 10.9% higher than the prior year.

Video revenues increased 3.3%, primarily due to basic video rate increases and customer growth in our advanced video products and services, offset in part by a lower number of basic subscribers. During the year ended December 31, 2008, we lost 6,000 basic subscribers, compared to a reduction of 56,000 basic subscribers in the prior year, which includes a significant number of basic subscribers lost in connection with the retransmission consent dispute with an owner of a major television broadcast group and the sale during the period of cable systems serving on a net basis 6,300 basic subscribers. Digital customers grew by 86,000, as compared to an increase of 29,000 in the prior year. We ended the year with 643,000 digital customers, which represents a 48.8% penetration of basic subscribers. As of December 31, 2008, 33.2% of digital customers received DVR and/or HDTV services, as compared to 29.1% in the prior year.

HSD revenues rose 16.5%, principally due to a 12.0% increase in HSD customers and, to a lesser extent, growth in our enterprise network products and services. HSD customers grew by 79,000, as compared to a gain of 80,000 in the prior year. We ended the year with 737,000 customers, or a 25.8% penetration of estimated homes passed.

Phone revenues grew 61.0%, primarily due to a 34.1% increase in phone customers and, to a lesser extent, a reduction in discounted pricing. Phone customers grew by 63,000, as compared to a gain of 80,000 in the prior year. We ended the year with 248,000 customers, which represents a 9.5% penetration of our estimated marketable phone homes. As of December 31, 2008, our phone service was marketed to 91% of our 2.85 million estimated homes passed.

Advertising revenues decreased 1.5%, largely as a result of a sharp decrease in automotive advertising and, to a lesser extent, an unfavorable comparison to the prior year in which we benefitted from political advertising in certain of our service areas.

Costs and Expenses

Service costs rose 7.6%, primarily due to higher programming, phone service and field operating expenses, offset in part by lower HSD service costs. Programming expenses grew 7.6%, principally as a result of higher contractual rates charged by our programming vendors. Phone service costs rose 46.6%, mainly due to the growth in phone customers. Field operating expenses grew 13.4%, primarily due to greater vehicle fuel and repair expenses and lower capitalization of overhead costs, offset in part by non-recurring expenses in the prior year relating to the retransmission consent dispute noted above and lower insurance costs. HSD expenses decreased 23.3% due to a reduction in product delivery costs, offset in part by HSD customer growth. Service costs as a percentage of revenues were 41.8% and 42.1% for the years ended December 31, 2008 and 2007, respectively.

Selling, general and administrative expenses rose 5.7%, principally due to higher expenses related to marketing and customer service employee costs, offset in part by a decrease in billing expenses. Marketing expenses grew 12.8%, primarily due to higher staffing levels, more frequent direct mailing campaigns, greater expenses tied to sales activity and greater use of third-party sales support, offset in part by a reduction in other advertising. Customer service employee costs rose 14.9% as a result of higher staffing levels at our call centers. Billing expenses fell 5.0%, primarily due to more favorable rates charged by our billing service provider. Selling, general and administrative expenses as a percentage of revenues were 19.9% and 20.4% for the years ended December 31, 2008 and 2007, respectively.

Corporate expenses rose 11.5%, principally due to higher staffing levels. Corporate expenses as a percentage of revenues were 2.2% and 2.1% for the years ended December 31, 2008 and 2007, respectively.

Depreciation and amortization decreased 3.2%, largely as a result of an increase in the useful lives of certain fixed assets, offset in part by increased deployment of shorter-lived customer premise equipment.

Adjusted OIBDA

Adjusted OIBDA rose 10.6%, due to growth in HSD, phone and video revenues, offset in part by higher service costs and, to a lesser extent, selling, general and administrative expenses.

Operating Income

Operating income grew 25.4%, primarily due to the increase in Adjusted OIBDA.

Interest Expense, Net

Interest expense, net, decreased 10.7%, primarily due to lower market interest rates on variable rate debt, offset in part by higher average indebtedness.

Loss on Derivatives, Net

We enter into interest rate exchange agreements, or "interest rate swaps," with counterparties to fix the interest rate on a portion of our variable rate debt to reduce the potential volatility in our interest expense that would otherwise result from changes in variable market interest rates. As of December 31, 2008, we had interest rate swaps with an aggregate notional amount of $2.3 billion, of which $1.0 billion and $0.1 billion are forward starting swaps, which commence during the years ending December 31, 2009 and 2010, respectively. These swaps have not been designated as hedges for accounting purposes. The changes in their mark-to-market values are derived primarily from changes in market interest rates and the decrease in their time to maturity. As a result of the quarterly mark-to-market valuation of these interest rate swaps, we recorded losses on derivatives amounting to $54.4 million and $22.9 million, based upon information provided by our counterparties, for the years ended December 31, 2008 and 2007, respectively.

(Loss) Gain on Sale of Cable Systems, Net

During the year ended December 31, 2008, there was a $21.3 million loss on cable systems, principally due to a $17.7 million non-cash write-down in connection with the sale of certain cable systems in Western North Carolina and $4.0 million of related transaction costs paid, offset in part by miscellaneous net gains of $0.4 million. During the year ended December 31, 2007, we sold a cable system for $32.4 million and recorded a net gain on sale of $11.1 million.

Other Expense, Net

Other expense, net was $9.1 million for each of the years ended December 31, 2008 and 2007. During the year ended December 31, 2008, other expense, net, included $4.6 million of revolving credit facility commitment fees and $4.1 million of deferred financing costs. During the year ended December 31, 2007, other expense, net, included $4.2 million of revolving credit facility commitment fees and $4.0 million of deferred financing costs.

Provision for Income Taxes

The provision for income taxes was approximately $58.2 million for the year ended December 31, 2008, as compared to a provision for income taxes of $57.6 million for the year ended December 31, 2007. During the year ended December 31, 2008, based on our assessment of the facts and circumstances, we determined that an additional portion of our deferred tax assets from net operating loss carryforwards will not be realized under the more-likely-than-not standard required by SFAS No. 109, *"Accounting for Income Taxes."* As a result, we increased our valuation allowance and recognized a $58.2 million corresponding non-cash charge to income tax expense for the year ended December 31, 2008.

We periodically assess the likelihood of realization of our deferred tax assets considering all available evidence, both positive and negative, including our most recent performance, the scheduled reversal of deferred tax liabilities, our forecast of taxable income in future periods and the availability of prudent tax planning strategies. As a result of these assessments in prior periods and the current period, we have established valuation allowances on a portion of our deferred tax assets due to the uncertainty surrounding the realization of these assets.

Net Loss

As a result of the factors described above, we incurred a net loss for the year ended December 31, 2008 of $77.5 million, as compared to a net loss of $95.1 million for the year ended December 31, 2007.

Year Ended December 31, 2007 Compared to Year Ended December 31, 2006

The following table sets forth the unaudited consolidated statements of operations for the years ended December 31, 2007 and 2006 (dollars in thousands and percentage changes that are not meaningful are marked NM):

	Year Ended December 31, 2007	Year Ended December 31, 2006	$ Change	% Change
Revenues	$ 1,293,375	$ 1,210,400	$ 82,975	6.9%
Costs and expenses:				
Service costs (exclusive of depreciation and amortization)	544,072	492,729	51,343	10.4%
Selling, general and administrative expenses	264,006	252,688	11,318	4.5%
Corporate expenses	27,637	25,445	2,192	8.6%
Depreciation and amortization	235,331	215,918	19,413	9.0%
Operating income	222,329	223,620	(1,291)	(0.6)%
Interest expense, net	(239,015)	(227,206)	(11,809)	5.2%
Loss on early extinguishment of debt	—	(35,831)	35,831	NM
Loss on derivatives, net	(22,902)	(15,798)	(7,104)	45.0%
Gain on sale of cable systems, net	11,079	—	11,079	NM
Other expense	(9,054)	(9,973)	919	(9.2)%
Loss before provision for income taxes	(37,563)	(65,188)	27,625	(42.4)%
Provision for income taxes	(57,566)	(59,734)	2,168	(3.6)%
Net loss	$ (95,129)	$ (124,922)	$ 29,793	(23.8)%
Adjusted OIBDA	$ 462,979	$ 444,255	$ 18,724	4.2%

The following represents a reconciliation of Adjusted OIBDA to operating income (dollars in thousands):

	Year Ended December 31, 2007	Year Ended December 31, 2006	$ Change	% Change
Adjusted OIBDA	$ 462,979	$ 444,255	$ 18,724	4.2%
Non-cash, share-based compensation and other share-based awards(1)	(5,319)	(4,717)	(602)	12.8%
Depreciation and amortization	(235,331)	(215,918)	(19,413)	9.0%
Operating income	$ 222,329	$ 223,620	$ (1,291)	(0.6)%

(1) Includes approximately $20 and $239 for the years ended December 31, 2007 and 2006, respectively, related to the issuance of other share-based awards.

Revenues

The following table sets forth revenue, and selected subscriber, customer and average monthly revenue statistics for the years ended December 31, 2007 and 2006 (dollars in thousands, except per subscriber data):

	Year Ended December 31, 2007	Year Ended December 31, 2006	$ Change	% Change
Video	$ 891,594	$ 881,530	$ 10,064	1.1%
HSD	278,853	237,542	41,311	17.4%
Phone	55,892	26,996	28,896	107.0%
Advertising	67,036	64,332	2,704	4.2%
Total	$ 1,293,375	$ 1,210,400	$ 82,975	6.9%

	December 31, 2007	December 31, 2006	Increase/ (Decrease)	% Change
Basic subscribers	1,324,000	1,380,000	(56,000)	(4.1)%
Digital customers	557,000	528,000	29,000	5.5%
HSD customers	658,000	578,000	80,000	13.8%
Phone customers	185,000	105,000	80,000	76.2%
RGUs	2,724,000	2,591,000	133,000	5.1%
Average total monthly revenue per basic subscriber	$ 79.72	$ 71.97	$ 7.75	10.8%

(1) RGUs represent the total of basic subscribers and digital, HSD and phone customers.

(2) Represents total average monthly revenues for the year divided by total average basic subscribers during such period.

Revenues rose 6.9% year-over-year, largely attributable to the growth in our HSD and phone customers. RGUs grew 5.1% and average total monthly revenue per RGU was 0.9% higher than the prior year.

Video revenues increased 1.1%, due to higher service fees from our advanced video products and services such as DVRs and HDTV, offset by a lower number of basic subscribers. During the year ended December 31, 2007, we lost 56,000 basic subscribers, including a significant number of basic subscribers lost in connection with the retransmission consent dispute with an owner of a major television broadcast group, and the sale of the period of cable systems serving on a net basis 6,300 basic subscribers, as compared to a loss of 43,000 basic subscribers in the prior year. Digital customers grew by 29,000, as compared to an increase of 34,000 in the prior year. We ended the year with 557,000 digital customers, representing a 42.1% penetration of basic subscribers. As of December 31, 2007, 29.1% of digital customers received DVR and/or HDTV services, as compared to 20.0% in the prior year.

HSD revenues rose 17.4%, primarily due to a 13.8% increase in HSD customers. HSD customers grew by 80,000, as compared to a gain of 100,000 in the prior year, ending the year with 658,000 customers, or a 23.2% penetration of estimated homes passed.

Phone revenues grew 107.0%, primarily due to a 76.2% increase in phone customers. Phone customers grew by 80,000, as compared to a gain of 83,000 in the prior year, ending the year with 185,000 customers, or a 7.3% penetration of estimated marketable phone homes.

Advertising revenues increased by 4.2%, as a result of stronger national advertising sales, despite a meaningful decline in political advertising from the prior year.

Costs and Expenses

Service costs rose 10.4%, primarily due to customer growth in our phone and HSD services and increases in programming and field operating expenses. Recurring expenses related to our phone and HSD services grew 43.0%, commensurate with the significant increase of our phone and HSD customers. Programming expense rose 5.6%, principally as a result of higher unit costs charged by our programming vendors, offset in part by a lower number of basic subscribers. Field operating costs rose 14.0%, primarily as a result of higher outside contractor usage, increases in utility, fuel and vehicle maintenance costs, costs associated with our mobile workforce management system and the purchase of antennas for distribution to our customers during the aforementioned retransmission consent dispute. Service costs as a percentage of revenues were 42.1% and 40.7% for the years ended December 31, 2007 and 2006, respectively.

Selling, general and administrative expenses rose 4.5%, principally due to higher marketing, bad debt and billing expenses, offset in part by reductions in telecommunication and employee benefit costs. Marketing costs rose by 14.5%, largely due to increases in direct mailing campaigns, higher salaries, sales commissions and recruiting costs and a greater use of outside contracted sales personnel. Bad debt expenses grew by 17.5%, primarily due to higher average write-offs per delinquent account, unusually low write-offs of uncollectable accounts in the prior year and increased collection expense. Billing expenses rose by 5.1%, largely due to increased processing, bank and credit card fees. Selling, general and administrative expenses as a percentage of revenues were 20.4% and 20.9% for the years ended December 31, 2007 and 2006, respectively.

Corporate expenses rose 8.6%, principally due to increases in non-cash, share-based compensation and legal fees. Corporate expenses as a percentage of revenues were 2.1% for each of the years ended December 31, 2007 and 2006.

Depreciation and amortization increased 9.0%, primarily due to increased deployment of customer premise equipment and related installation activities.

Adjusted OIBDA

Adjusted OIBDA rose 4.2%, due to revenue growth, especially in HSD and phone, offset in part by increases in service costs and selling, general and administrative expenses.

Operating Income

Operating income decreased 0.6% year-over-year, largely due to higher depreciation and amortization and service costs, substantially offset by the growth in Adjusted OIBDA.

Interest Expense, Net

Interest expense, net, increased by 5.2%, primarily due to higher average indebtedness, the expiration of certain interest rate hedging agreements with favorable rates and higher market interest rates on variable rate debt.

Loss on Derivatives, Net

As of December 31, 2007, we had interest rate swaps with an aggregate notional amount of $1.0 billion. These swaps have not been designated as hedges for accounting purposes. The changes in their mark-to-market values are derived primarily from changes in market interest rates and the decrease in their time to maturity. As a result of the quarterly mark-to-market valuation of these interest rate swaps, we recorded losses on derivatives amounting to $22.9 million and $15.8 million, based upon information provided by our counterparties, for the years ended December 31, 2007 and 2006, respectively.

Loss on Early Extinguishment of Debt

We incurred a loss of $35.8 million for the year ended December 31, 2006, as a result of our redemption of our 11% senior notes due 2013.

Provision for Income Taxes

The provision for income taxes was approximately $57.6 million for the year ended December 31, 2007, as compared to a provision for income taxes of $59.7 million for the year ended December 31, 2006. During the year ended December 31, 2007, based on our assessment of the facts and circumstances, we determined that an additional portion of our deferred tax assets from net operating loss carryforwards will not be realized under the more-likely-than-not standard required by SFAS No. 109, *"Accounting for Income Taxes."* As a result, we increased our valuation allowance and recognized a $57.3 million corresponding non-cash charge to income tax expense for the year ended December 31, 2007.

Net Loss

As a result of the factors described above, we incurred a net loss for the year ended December 31, 2007 of $95.1 million, as compared to a net loss of $124.9 million for the year ended December 31, 2006.

Liquidity and Capital Resources

Overview

We have invested, and will continue to invest, in our network to enhance our reliability and capacity in customer growth, and in the further deployment of advanced product and services. Our capital spending today is devoted primarily to customer growth and the deployment of advanced services. We have a high level of indebtedness and incur significant amounts of interest expense each year. We believe that we will meet interest expense and principal payments, capital spending and other requirements through a combination of our net cash flows from operating activities, borrowing availability under our bank credit facilities, and our ability to secure future external financing. However, there is no assurance that we will be able to obtain sufficient future financing, or, if we were able to do so, that the terms would be favorable to us.

As of December 31, 2008, our total debt was $3.316 billion. Of this amount, $124.5 million matures during the year ending December 31, 2009. During the year ended December 31, 2008, we paid cash interest of $209.2 million, net of capitalized interest. As of December 31, 2008, about 70% of our outstanding indebtedness was at fixed interest rates or subject to interest rate protection.

Recent Developments in the Credit Markets

In light of the unprecedented volatility in financial markets, we continue to assess the impact, if any, of recent market developments, including the bankruptcy, restructuring or merging of certain banks and investment banks on our financial position. These assessments include a review of our continued access to liquidity in the credit markets and counterparty creditworthiness.

In this severely tightened credit environment, we believe we have sufficient liquidity to meet our requirements over the next two years. We fund our liquidity needs for capital investment, working capital, and other financial commitments through cash flow from continuing operations and available revolving credit commitments aggregating $762.2 million as of December 31, 2008. We have $124.5 million of debt maturities in 2009 and $92.0 million of debt maturities in 2010. At this time, we are not aware of any of our revolver banks being in a position where they would be unable to fund borrowings made under our revolving credit commitments. The turmoil in the financial markets may create additional risks in the foreseeable future, including the failure of additional banks, which could reduce amounts available to us under our revolving credit commitments. If the current economic conditions were to persist or worsen, we may not be able to replace the liquidity lost as each revolving credit facility expires, or refinance outstanding balances on maturing revolving credit facilities, term loans or senior notes at all or on acceptable terms. Even if we can secure refinancing, if prevailing credit market conditions persist or worsen, we would likely pay considerably higher interest rates on any refinancing or new financing than those we currently pay.

Bank Credit Facilities

We own our cable systems through two principal subsidiaries, Mediacom LLC and Mediacom Broadband LLC. The operating subsidiaries of Mediacom LLC (“LLC Group”) have a $1.217 billion bank credit facility (the “LLC Credit Facility”) expiring in 2015, of which $895.0 million was outstanding as of December 31, 2008. The LLC Credit Facility consists of a $400.0 million revolving credit commitment, a $180.0 million term loan and a $637.0 million term loan. The operating subsidiaries of Mediacom Broadband LLC (“Broadband Group”) have a $1.755 billion bank credit facility (the “Broadband Credit Facility”) expiring in 2016, of which $1.296 billion was outstanding as of December 31, 2008. The Broadband Credit Facility consists of a $516.7 million revolving credit commitment, a $106.5 million term loan, a $784.0 million term loan and a $348.3 million term loan. Continued access to our credit facilities is subject to our remaining in compliance with the covenants of these credit facilities, including covenants tied to our operating performance, principally the requirement that we maintain a maximum ratio of total senior debt to cash flow, as defined in our credit agreements, of 6.0 to 1.0. The average interest rates on outstanding debt under the bank credit facilities as of December 31, 2008 and 2007 were 4.3% and 6.7%, respectively, including the effect of the interest rate exchange agreements discussed below.

As of December 31, 2008, we had unused revolving credit commitments of approximately $762.2 million, all of which could be borrowed and used for general corporate purposes based on the terms and conditions of our debt arrangements. As of the same date, $86.4 million of unused revolving credit commitments were subject to scheduled reductions terminating on March 31, 2010; $311.8 million and $364.0 million of our unused credit commitments expire on September 30, 2011 and December 31, 2012, respectively, and are not subject to scheduled reductions prior to maturity. Giving pro forma effect to the completion of the Exchange Agreement on February 13, 2009, we had unused revolving credit commitments of approximately $652.2 million as of December 31, 2008.

The LLC Credit Facility is collateralized by LLC Group's pledge of all its ownership interests in the operating subsidiaries owned by LLC Group and is guaranteed by LLC Group on a limited recourse basis to the extent of such ownership interests. The Broadband Credit Facility is collateralized by Broadband Group's pledge of all its ownership interests in the operating subsidiaries owned by Broadband Group and is guaranteed by Broadband Group on a limited recourse basis to the extent of such ownership interests.

As of December 31, 2008, approximately $19.3 million of letters of credit were issued under our bank credit facilities to various parties as collateral for our performance relating to insurance and franchise requirements.

Interest Rate Swaps

We use interest rate exchange agreements, or interest rate swaps, to fix the applicable Eurodollar portion of debt under our Broadband and LLC Credit Facilities. As of December 31, 2008, we had current interest rate swaps with various banks pursuant to which the interest rate on $1.2 billion is fixed at a weighted average rate of approximately 4.8%. As of the same date, about 70% of our outstanding indebtedness was at fixed interest rates or subject to interest rate protection. These agreements have been accounted for on a mark-to-market basis as of, and for the year ended December 31, 2008. Our current interest rate swaps are scheduled to expire in the amounts of: $800 million, $300 million and $100 million during the years ended December 31, 2009, 2010 and 2011, respectively.

In 2008, we entered into forward starting interest rate swaps that fixed rates for two years at a weighted average of approximately 3.2% on $400.0 million of floating rate debt, commencing in 2009 and approximately 2.9% on $100.0 million of floating rate debt, commencing in 2010. We also entered forward starting interest rate swaps that fixed rates for three years at a weighted average rate of approximately 3.3% on $600.0 million of floating rate debt, commencing in 2009. These agreements have been accounted for on a mark-to-market basis as of, and for the year ended December 31, 2008.

Although we may be exposed to future losses in the event of counterparties' non-performance, we do not expect such losses, if any, to be material.

Senior Notes

We have issued senior notes through Mediacom LLC and Mediacom Broadband LLC totaling $1.125 billion as of December 31, 2008. The indentures governing our senior notes also contain financial and other covenants, though they are generally less restrictive than those found in our bank credit facilities and do not require us to maintain any financial ratios. Principal covenants include a limitation on the incurrence of additional indebtedness based upon a maximum ratio of total indebtedness to cash flow, as defined in these debt agreements, ranging from 7.0 to 1.0 at Mediacom LLC to 8.5 to 1.0 at Mediacom Broadband. These agreements also contain limitations on dividends, investments and distributions.

Covenant Compliance and Debt Ratings

For all periods through December 31, 2008, we were in compliance with all of the covenants under our bank credit facilities and senior note arrangements. We believe that we will not have any difficulty complying with any of the applicable covenants in the foreseeable future.

Our future access to the debt markets and the terms and conditions we receive are influenced by our debt ratings. Our corporate credit ratings are B1, with a stable outlook, by Moodys, and B+, with a stable outlook, by Standard and Poors. There are no covenants, events of default, borrowing conditions or other terms in our credit facilities or our other debt arrangements that are based on changes in our credit ratings assigned by any rating agency. Any future downgrade to our credit ratings could increase the interest rate on future debt issuance and adversely impact our ability to raise additional funds.

Operating Activities

Net cash flows provided by operating activities were $268.7 million for the year ended December 31, 2008, primarily due to Adjusted OIBDA of $512.0 million, offset in part by interest expense of $213.3 million and the $22.4 million net change in our operating assets and liabilities. The net change in our operating assets and liabilities was principally due to a decrease in accounts payable and accrued expenses of $22.0 million and a decrease of other non-current liabilities of $3.2 million, offset in part by an increase in deferred revenue of $3.3 million.

Net cash flows provided by operating activities were $188.8 million for the year ended December 31, 2007, primarily due to Adjusted OIBDA of $463.0 million, offset in part by interest expense of $239.0 million and the $30.8 million net change in our operating assets and liabilities. The net change in our operating assets and liabilities was primarily due to an decrease in accounts payable and accrued expenses of $21.8 million, an increase in our accounts receivable, net, of $6.3 million, an increase in our prepaid expenses and other assets of $5.4 million, offset in part by an increase in deferred revenue of $4.7 million.

Investing Activities

Net cash flows used in investing activities were $289.8 million for the year ended December 31, 2008. Capital expenditures were higher by $62.4 million over the prior year, and represented all of the net cash flows used in investing activities. The increase in capital expenditures was largely due to higher spending on customer premise equipment as a result of customer growth, upgrades and rebuilds of existing plant to increase bandwidth capacity and scalable infrastructure for digital equipment. In 2009, we expect to see a reduction in capital expenditures of $55 — $70 million, primarily due to the completion in 2008 of non-recurring projects related to system upgrades, all-digital system launches and the broadcast digital transition, as well as lower spending on customer premise equipment.

Net cash flows used in investing activities were $202.3 million for the year ended December 31, 2007, a decrease of $7.9 million over the prior year. Capital expenditures of $227.4 million represented most of the net cash flows used in investing activities and were offset in part by proceeds received from the sale of cable systems, net of acquisitions, of approximately $25.1 million. The increase in capital expenditures was primarily due to higher spending on customer premise equipment and related installation activities as a result of customer growth, as well as on scalable infrastructure for HSD and digital equipment.

Financing Activities

Net cash flows provided by financing activities were $68.8 million for the year ended December 31, 2008, principally due to net bank financing of $101.0 million, offset in part by repurchases of our Class A common stock totaling $22.4 million and financing costs of $10.9 million.

Net cash flows used in financing activities were $3.5 million for the year ended December 31, 2007, primarily due to repurchases of our Class A common stock totaling $69.0 million and other financing activities of $5.8 million, which were funded by net bank financing of $70.4 million.

On September 7, 2008, we entered into a Share Exchange Agreement (the “Exchange Agreement”) with Shivers Investments, LLC (“Shivers”) and Shivers Trading & Operating Company (“STOC”). Both STOC and Shivers are affiliates of Morris Communications Company, LLC (“Morris Communications”). STOC, Shivers and Morris Communications are controlled by William S. Morris III, who together with another Morris Communications representative, Craig S. Mitchell, held two seats on our Board of Directors.

On February 13, 2009, we completed the Exchange Agreement pursuant to which we exchanged 100% of the shares of stock of a wholly-owned subsidiary, which held approximately $110 million of cash and non-strategic cable systems serving approximately 25,000 basic subscribers, for 28,309,674 shares of Mediacom Class A common stock held by Shivers Investments. As of December 31, 2008, after giving effect to the completion of this transaction, our total Class A and Class B outstanding shares were approximately 66.5 million. Effective upon closing of the transaction, Messrs. Morris and Mitchell resigned from our Board of Directors.

Contractual Obligations and Commercial Commitments

The following table summarizes our contractual obligations and commercial commitments, and the effects they are expected to have on our liquidity and cash flow, for the five years subsequent to December 31, 2008 and thereafter (dollars in thousands)*:

	Debt	Operating Leases	Interest Expense(1)	Purchase Obligations(2)	Total
2009	$ 124,500	$ 6,212	$ 195,313	$ 49,101	$ 375,126
2010-2011	365,000	9,930	339,666	23,152	737,748
2012-2013	647,250	5,282	236,507	250	889,289
Thereafter	2,179,250	8,531	145,919	—	2,333,700
Total cash obligations	$ 3,316,000	$ 29,955	$ 917,405	$ 72,503	$ 4,335,863

* Refer to Note 7 to our consolidated financial statements for a discussion of our long-term debt, and to Note 12 for a discussion of our operating leases and other commitments and contingencies.

(1) Interest payments on floating rate debt and interest rate swaps are estimated using amounts outstanding as of December 31, 2008 and the average interest rates applicable under such debt obligations.

(2) We have contracts with programmers who provide video programming services to our subscribers. Our contracts typically provide that we have an obligation to purchase video programming for our subscribers as long as we deliver cable services to such subscribers. We have no obligation to purchase these services if we are not providing cable services, except when we do not have the right to cancel the underlying contract or for contracts with a guaranteed minimum commitment. We have included such amounts in our Purchase Obligations above, as follows: $18.4 million for 2009, $0.6 million for 2010-2011 and $0.3 million for 2012-2013.

Critical Accounting Policies

The preparation of our financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. Periodically, we evaluate our estimates, including those related to doubtful accounts, long-lived assets, capitalized costs and accruals. We base our estimates on historical experience and on various other assumptions that we believe are reasonable. Actual results may differ from these estimates under different assumptions or conditions. We believe that the application of the critical accounting policies discussed below requires significant judgments and estimates on the part of management. For a summary of our accounting policies, see Note 3 of our consolidated financial statements.

Property, Plant and Equipment

We capitalize the costs of new construction and replacement of our cable transmission and distribution facilities and new service installation in accordance with SFAS No. 51, "*Financial Reporting by Cable Television Companies.*" Costs associated with subsequent installations of additional services not previously installed at a customer's dwelling are capitalized to the extent such costs are incremental and directly attributable to the installation of such additional services. Capitalized costs include all direct labor and materials as well as certain indirect costs. Capitalized costs are recorded as additions to property, plant and equipment and depreciated over the average life of the related assets. We use standard costing models, developed from actual historical costs and relevant operational data, to determine our capitalized amounts. These models include labor rates, overhead rates and standard time inputs to perform various installation and construction activities. The development of these standards involves significant judgment by management, especially in the development of standards for our newer, advanced products and services in which historical data is limited. Changes to the estimates or assumptions used in establishing these standards could be material. We perform periodic evaluations of the estimates used to determine the amount of costs that are capitalized. Any changes to these estimates, which may be significant, are applied in the period in which the evaluations were completed.

Valuation and Impairment Testing of Indefinite-lived Intangibles

As of December 31, 2008, we had approximately $2.0 billion of unamortized intangible assets, including goodwill of $220.7 million and franchise rights of $1.8 billion on our consolidated balance sheets. These intangible assets represented approximately 54% of our total assets.

Our cable systems operate under non-exclusive cable franchises, or franchise rights, granted by state and local governmental authorities for varying lengths of time. We acquired these franchise rights through acquisitions of cable systems over the past several years. These acquisitions were accounted for using the purchase method of accounting. The value of a franchise is derived from the economic benefits we receive from the right to solicit new subscribers and to market new products and services, such as advanced digital television, HSD and phone, in a specific market territory. We concluded that our franchise rights have an indefinite useful life since, among other things, there are no legal, regulatory, contractual, competitive, economic or other factors limiting the period over which these franchise rights contribute to our revenues and cash flows. Goodwill is the excess of the acquisition cost of an acquired entity over the fair value of the identifiable net assets acquired. In accordance with SFAS No. 142, "*Goodwill and Other Intangible Assets,*" we do not amortize franchise rights and goodwill. Instead, such assets are tested annually for impairment or more frequently if impairment indicators arise.

We follow the provisions of SFAS No. 142 to test our goodwill and franchise rights for impairment. We assess the fair values of each cable system cluster using discounted cash flow methodology, under which the fair value of cable franchise rights are determined in a direct manner. This assessment involves significant judgment, including certain assumptions and estimates that determine future cash flow expectations and other future benefits, which are consistent with the expectations of buyers and sellers of cable systems in determining fair value. These assumptions and estimates include discount rates, revenues per customer, market penetration as a percentage of homes passed and operating margin. We also consider market transactions, market valuations and other valuations using multiples of operating income before depreciation and amortization to confirm the reasonableness of fair values determined by the discounted cash flow methodology. Significant impairment in value resulting in impairment charges may result if the estimates and assumptions used in the fair value determination change in the future, and such impairments could potentially be material.

Based on the guidance outlined in EITF No. 02-7, *"Unit of Accounting for Testing Impairment of Indefinite-Lived Intangible Assets,"* we determined that the unit of accounting, or reporting unit, for testing goodwill and franchise rights for impairment resides at a cable system cluster level. Such level reflects the financial reporting level managed and reviewed by the corporate office (i.e., chief operating decision maker) as well as how we allocated capital resources and utilize the assets. Lastly, the reporting unit level reflects the level at which the purchase method of accounting for our acquisitions was originally recorded. We have two reporting units for the purpose of applying SFAS No. 142, Mediacom Broadband and Mediacom LLC.

In accordance with SFAS No. 142, we are required to determine goodwill impairment using a two-step process. The first step compares the fair value of a reporting unit with our carrying amount, including goodwill. If the fair value of the reporting unit exceeds our carrying amount, goodwill of the reporting unit is considered not impaired and the second step is unnecessary. If the carrying amount of a reporting unit exceeds our fair value, the second step is performed to measure the amount of impairment loss, if any. The second step compares the implied fair value of the reporting unit's goodwill, calculated using the residual method, with the carrying amount of that goodwill. If the carrying amount of the goodwill exceeds the implied fair value, the excess is recognized as an impairment loss.

The impairment test for our franchise rights and other intangible assets not subject to amortization consists of a comparison of the fair value of the intangible asset with its carrying value. If the carrying value of the intangible asset exceeds its fair value, the excess is recognized as an impairment loss.

Since our adoption of SFAS No. 142 in 2002, we have not recorded any impairments as a result of our impairment testing. We completed our most recent impairment test as of October 1, 2008, which reflected no impairment of our franchise rights, goodwill or other intangible assets.

Our Class A common stock price has had significant volatility during the fourth quarter of 2008, along with a precipitous drop in equity securities' prices across all sectors of the United States. Because there has not been a change in the fundamentals of our business, we do not believe that our stock price is the sole indicator of the underlying value of the assets in our reporting units. We have therefore determined that this short-term volatility in our stock price does not qualify as a triggering event under SFAS No. 142, and as such, no interim impairment test is required as of December 31, 2008.

We could record impairments in the future if there are changes in the long-term fundamentals of our business, in general market conditions or in the regulatory landscape that could prevent us from recovering the carrying value of our long-lived intangible assets. In the near term, the economic conditions currently affecting the U.S. economy and how that may impact the fundamentals of our business, together with the recent volatility in our stock price, may have a negative impact on the fair values of the assets in our reporting units. For illustrative purposes, if there were a hypothetical decline of 5%, 10% and 20% in the fair values determined for cable franchise rights at our Mediacom Broadband reporting unit, an impairment loss of $0, $64.7 million and $196.1 million would result as of our impairment testing date of October 1, 2008, respectively. In addition, a hypothetical decline of 20% in the fair values determined for goodwill and other finite-lived intangible assets at the same reporting unit, would not result in any impairment loss as of October 1, 2008. A hypothetical decline of 20% in the fair values determined for goodwill, cable franchise rights and other finite-lived intangible assets at our Mediacom LLC reporting unit, would not result in any impairment loss as of October 1, 2008.

Income Taxes

We account for income taxes using the liability method as stipulated by SFAS No. 109. This method generally provides that deferred tax assets and liabilities be recognized for temporary differences between the financial reporting basis and the tax basis of our assets and liabilities and anticipated benefit of utilizing net operating loss carryforwards.

In evaluating our ability to recover our deferred tax assets and net operating loss carryforwards, we assess all available positive and negative evidence including our most recent performance, the scheduled reversal of deferred tax liabilities, our forecast of taxable income in future periods and available prudent tax planning strategies. In forecasting future taxable income we use assumptions that require significant judgment and are consistent with the estimates we use to manage our business. During 2008, we increased our valuation allowance against deferred tax assets by $58.2 million and recognized a corresponding non-cash charge to the provision for income taxes. At December 31, 2008, the valuation allowance had a balance of approximately $677.4 million. We will continue to monitor the need for the deferred tax asset valuation allowance in accordance with SFAS No. 109. We expect to add to our valuation allowance any increase in deferred tax liabilities relating to indefinite-lived intangible assets. We will also adjust our valuation allowance if we assess that there is sufficient change in our ability to recover our deferred tax assets. Our income tax expense in future periods will be reduced or increased to the extent of offsetting decreases or increases, respectively, in our valuation allowance. These changes could have a significant impact on our future earnings.

Share-based Compensation

We estimate the fair value of stock options granted using the Black-Scholes option-pricing model. This fair value is then amortized on a straight-line basis over the requisite service periods of the awards, which is generally the vesting period. This option-pricing model requires the input of highly subjective assumptions, including the option's expected life and the price volatility of the underlying stock. The estimation of stock awards that will ultimately vest requires judgment, and to the extent actual results or updated estimates differ from our current estimates, such amounts will be recorded as a cumulative adjustment in the periods the estimates are revised. Actual results, and future changes in estimates, may differ substantially from our current estimates.

Recent Accounting Pronouncements

In September 2006, the Financial Accounting Standards Board ("FASB") issued SFAS No. 157, *"Fair Value Measurements."* SFAS No. 157 establishes a single authoritative definition of fair value, sets out a framework for measuring fair value and expands on required disclosures about fair value measurement. Effective January 1, 2008, we adopted SFAS No. 157 for our financial assets and liabilities. In February 2008, the FASB issued FASB Staff Position ("FSP") No. FAS 157-2, "Effective Date of FASB Statement No. 157," which delays the effective date of

SFAS No. 157 for nonfinancial assets and liabilities, except for items that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually), to fiscal years beginning after November 15, 2008 and interim periods within those fiscal years. We are evaluating the impact of our nonfinancial assets and liabilities which include goodwill and other intangible assets. SFAS No. 157 establishes a framework for measuring fair value under generally accepted accounting principles and expands disclosures about fair value measurement. The adoption of SFAS No. 157 on January 1, 2008 did not have a material effect on our consolidated financial statements.

The following sets forth our financial assets and liabilities measured at fair value on a recurring basis at December 31, 2008. These assets and liabilities have been categorized according to the three-level fair value hierarchy established by SFAS No. 157, which prioritizes the inputs used in measuring fair value.

- Level 1 — Quoted market prices in active markets for identical assets or liabilities.
- Level 2 — Observable market based inputs or unobservable inputs that are corroborated by market data.
- Level 3 — Unobservable inputs that are not corroborated by market data.

As of December 31, 2008, our interest rate swap liabilities, net, were valued at $80.2 million using Level 2 inputs.

In February 2007, the FASB issued SFAS No. 159, *"The Fair Value Option for Financial Assets and Financial Liabilities — Including an amendment of FASB Statement No. 115."* SFAS No. 159 permits entities to choose to measure many financial instruments and certain other items at fair value. This Statement is effective as of the beginning of an entity's first fiscal year that begins after November 15, 2007. We adopted SFAS No. 159 as of January 1, 2008. We did not elect the fair value option of SFAS No. 159.

In December 2007, the FASB issued SFAS No. 141 (R), *"Business Combinations,"* which continues to require the treatment that all business combinations be accounted for by applying the acquisition method. Under the acquisition method, the acquirer recognizes and measures the identifiable assets acquired, the liabilities assumed, and any contingent consideration and contractual contingencies, as a whole, at their fair value as of the acquisition date. Under SFAS No. 141 (R), all transaction costs are expensed as incurred. SFAS No. 141 (R) replaces SFAS No. 141. The guidance in SFAS No. 141 (R) will be applied prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning after December 15, 2008.

In December 2007, the FASB issued SFAS No. 160, *"Noncontrolling Interests in Consolidated Financial Statements — an amendment of ARB No. 51."* SFAS No. 160 requires that a noncontrolling interest (previously referred to as a minority interest) be separately reported in the equity section of the consolidated entity's balance sheet. SFAS No. 160 also established accounting and reporting standards for: (i) ownership interests in subsidiaries held by parties other than the parent, (ii) the amount of consolidated net income attributable to the parent and to the noncontrolling interest, (iii) changes in a parent's ownership interest, (iv) the valuation of retained noncontrolling equity investments when a subsidiary is deconsolidated and (v) sufficient disclosures to identify the interest of the parent and the noncontrolling owners. SFAS No. 160 is effective for fiscal years beginning on or after December 15, 2008. We are currently assessing the potential impact that the adoption of SFAS No. 160 will have on our consolidated financial statements.

In March 2008, the FASB issued SFAS No. 161, "*Disclosures about Derivative Instruments and Hedging Activities — an amendment of FASB Statement No. 133."* SFAS No. 161 requires enhanced disclosures about an entity's derivative and hedging activities and thereby improves the transparency of financial reporting. SFAS No. 161 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early application encouraged. We have not completed our evaluation of SFAS No. 161 to determine the impact that adoption will have on our consolidated financial condition or results of operations.

Inflation and Changing Prices

Our systems' costs and expenses are subject to inflation and price fluctuations. Such changes in costs and expenses can generally be passed through to subscribers. Programming costs have historically increased at rates in excess of inflation and are expected to continue to do so. We believe that under the FCC's existing cable rate regulations we may increase rates for cable services to more than cover any increases in programming. However, competitive conditions and other factors in the marketplace may limit our ability to increase our rates.

ITEM 7A. ***QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK***

In the normal course of business, we use interest rate swaps with counterparties to fix the interest rate on a portion of our variable interest rate debt. As of December 31, 2008, we had $1.2 billion of interest rate swaps with various banks with a weighted average fixed rate of approximately 4.8%. We also had several forward starting interest rate swaps with a fixed rate of approximately 3.2%, $1.0 billion and $0.1 billion of which commence during the years ended December 31, 2009 and 2010, respectively. The fixed rates of the interest rate swaps are offset against the applicable Eurodollar rate to determine the related interest expense. Under the terms of the interest rate swaps, we are exposed to credit risk in the event of nonperformance by the other parties; however, we do not anticipate the nonperformance of any of our counterparties. At December 31, 2008, based on the mark-to-market valuation, we would have paid approximately $80.2 million, including accrued interest, if we terminated these interest rate swaps. Our current interest rate swaps are scheduled to expire in the amounts of $800.0 million, $300.0 million and $100.0 million during the years ended December 31, 2009, 2010 and 2011 respectively. See Notes 3 and 7 to our consolidated financial statements.

Our interest rate swaps and financial contracts do not contain credit rating triggers that could affect our liquidity.

The table below provides the expected maturity and estimated fair value of our debt as of December 31, 2008 (all dollars in thousands).

	Senior Notes	Bank Credit Facilities	Total
Expected Maturity:			
January 1, 2009 to December 31, 2009	—	$ 124,500	$ 124,500
January 1, 2010 to December 31, 2010	—	92,000	92,000
January 1, 2011 to December 31, 2011	125,000	148,000	273,000
January 1, 2012 to December 31, 2012	—	72,000	72,000
January 1, 2013 to December 31, 2013	500,000	75,250	575,250
Thereafter	500,000	1,679,250	2,179,250
Total	$ 1,125,000	$ 2,191,000	$ 3,316,000
Fair Value	$ 790,000	$ 1,420,773	$ 2,210,773
Weighted Average Interest Rate	8.9%	4.3%	5.8%

ITEM 8. ***FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA***

MEDIACOM COMMUNICATIONS CORPORATION AND SUBSIDIARIES

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Contents

Report of Independent Registered Public Accounting Firm

To the Shareholders of Mediacom Communications Corporation:

In our opinion, the consolidated financial statements listed in the accompanying index present fairly, in all material respects, the financial position of Mediacom Communications Corporation and its subsidiaries (the "Company") at December 31, 2008 and December 31, 2007, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2008 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the accompanying index presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2008, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements and financial statement schedule, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting, appearing under Item 9A. Our responsibility is to express opinions on these financial statements, on the financial statement schedule, and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

PricewaterhouseCoopers LLP
New York, New York
March 13, 2009

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MEDIACOM COMMUNICATIONS CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	December 31, 2008	December 31, 2007
	(Amounts in thousands)	
ASSETS		
CURRENT ASSETS		
Cash	$ 67,111	$ 19,388
Accounts receivable, net of allowance for doubtful accounts of $2,774 and $2,107 respectively	81,086	81,509
Prepaid expenses and other current assets	17,615	20,630
Deferred tax assets	8,260	2,424
Assets held for sale	1,693	649
Total current assets	175,765	124,600
Investment in cable television systems:		
Property, plant and equipment, net of accumulated depreciation of $1,765,319 and $1,564,583, respectively	1,476,287	1,412,139
Franchise rights	1,793,579	1,793,549
Goodwill	220,646	220,646
Subscriber lists and other intangible assets, net of accumulated amortization of $155,721 and $153,184 respectively	7,994	10,532
Assets held for sale	10,933	28,927
Total investment in cable television systems	3,509,439	3,465,793
Other assets, net of accumulated amortization of $21,922 and $27,172 , respectively	33,785	24,817
Total assets	$ 3,718,989	$ 3,615,210
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Accounts payable and accrued expenses and other current liabilities	$ 268,574	$ 246,915
Deferred revenue	54,316	51,015
Current portion of long-term debt	124,500	94,533
Liabilities held for sale	2,020	570
Total current liabilities	449,410	393,033
Long-term debt, less current portion	3,191,500	3,120,500
Deferred tax liabilities	380,650	316,602
Other non-current liabilities	44,073	38,164
Total liabilities	4,065,633	3,868,299
Commitments and contingencies (Note 8)		
STOCKHOLDERS' DEFICIT		
Class A common stock, $.01 par value; 300,000,000 shares authorized; 94,984,989 shares issued and 67,784,366 shares outstanding as of December 31, 2008 and 93,825,218 shares issued and 82,761,606 shares outstanding as of December 31, 2007	950	943
Class B common stock, $.01 par value; 100,000,000 shares authorized; 27,001,944 shares issued and outstanding as of December 31, 2008 and December 31, 2007, respectively	270	270
Additional paid-in capital	1,004,334	997,404
Accumulated deficit	(1,198,734)	(1,121,242)
Treasury stock, at cost, 27,200,623 and 22,281,222 shares of Class A common stock, as of December 31, 2008 and December 31, 2007, respectively	(153,464)	(130,464)
Total stockholders' deficit	(346,644)	(253,089)
Total liabilities and stockholders' deficit	$ 3,718,989	$ 3,615,210

The accompanying notes are an integral part of these statements.

MEDIACOM COMMUNICATIONS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

	Year Ended December 31, 2008	2007	2006
	(Amounts in thousands)		
Revenues	$ 1,401,894	$ 1,293,375	$ 1,210,400
Costs and expenses:			
Service costs (exclusive of depreciation and amortization)	585,362	544,072	492,729
Selling, general and administrative expenses	278,942	264,006	252,688
Corporate expenses	30,824	27,637	25,445
Depreciation and amortization	227,910	235,331	215,918
Operating income	278,856	222,329	223,620
Interest expense, net	(213,333)	(239,015)	(227,206)
Loss on early extinguishment of debt	—	—	(35,831)
Loss on derivatives, net	(54,363)	(22,902)	(15,798)
(Loss) gain on sale of cable systems, net	(21,308)	11,079	—
Other expense, net	(9,133)	(9,054)	(9,973)
Loss before income taxes	(19,281)	(37,563)	(65,188)
Provision for income taxes	(58,213)	(57,566)	(59,734)
Net loss	$ (77,494)	$ (95,129)	$ (124,922)
Basic — weighted average shares outstanding	95,548	107,828	110,971
Basic — loss per share	$ (0.81)	$ (0.88)	$ (1.13)
Diluted — weighted average shares outstanding	95,548	107,828	110,971
Diluted — loss per share	$ (0.81)	$ (0.88)	$ (1.13)

The accompanying notes are an integral part of these statements.

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MEDIACOM COMMUNICATIONS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' (DEFICIT) EQUITY

	Class A Common Stock	Class B Common Stock	Additional Paid-In Capital	Accumulated Deficit	Treasury Stock	Deferred Compensation	Total
			(All dollar amounts in thousands)				
Balance, December 31, 2005	$ 933	$ 274	$ 990,584	$ (901,191)	$ (26,636)	$ (4,857)	$ 59,107
Net loss	—	—	—	(124,922)	—	—	(124,922)
Share-based compensation	—	—	4,478	—	—	—	4,478
Issuance of common stock in employee stock purchase plan	2	—	908	—	—	—	910
Issuance of restricted stock units, net of forfeitures	—	—	—	—	(60)	—	(60)
Deferred compensation	3	—	(4,860)	—	—	4,857	—
Treasury stock, at cost	—	—	—	—	(34,327)	—	(34,327)
Transfer of stock	—	(3)	3	—	—	—	—
Balance, December 31, 2006	$ 938	$ 271	$ 991,113	$ (1,026,113)	$ (61,023)	$ —	$ (94,814)
Net loss	—	—	—	(95,129)	—	—	(95,129)
Share-based compensation	—	—	5,299	—	—	—	5,299
Issuance of common stock in employee stock purchase plan	2	—	962	—	(3)	—	961
Issuance of restricted stock units, net of forfeitures	2	—	(2)	—	(402)	—	(402)
Exercise of stock options, net	—	—	32	—	—	—	32
Treasury stock, at cost	—	—	—	—	(69,036)	—	(69,036)
Transfer of stock	1	(1)	—	—	—	—	—
Balance, December 31, 2007	$ 943	$ 270	$ 997,404	$ (1,121,242)	$ (130,464)	$ —	$ (253,089)
Net loss	—	—	—	(77,494)	—	—	(77,494)
Share-based compensation	—	—	5,168	—	—	—	5,168
Issuance of common stock in employee stock purchase plan	2	—	1,012	—	—	—	1,014
Issuance of restricted stock units, net of forfeitures	—	—	—	—	(609)	—	(609)
Exercise of stock options, net	—	—	755	—	—	—	755
Treasury stock, at cost	—	—	—	—	(22,389)	—	(22,389)
Transfer of stock	5	—	(5)	2	(2)	—	—
Balance, December 31, 2008	$ 950	$ 270	$ 1,004,334	$ (1,198,734)	$ (153,464)	$ —	$ (346,644)

The accompanying notes are an integral part of these statements.

MEDIACOM COMMUNICATIONS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31, 2008	2007	2006
	(Amounts in thousands)		
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	$ (77,494)	$ (95,129)	$ (124,922)
Adjustments to reconcile net loss to net cash provided by operating activities			
Depreciation and amortization	227,910	235,331	215,918
Loss on derivatives, net	54,363	22,902	15,798
Write-down — assets held for sale	17,680	—	—
Loss (gain) on sale of cable systems, net	170	(11,079)	—
Loss on early extinguishment of debt	—	—	11,206
Amortization of deferred financing costs	5,070	4,884	5,998
Share-based compensation	5,168	5,299	4,478
Deferred income taxes	58,213	57,345	59,527
Changes in assets and liabilities, net of effects from acquisitions:			
Accounts receivable, net	(778)	(6,342)	(11,877)
Prepaid expenses and other assets	338	(5,360)	118
Accounts payable and accrued expenses	(21,983)	(21,767)	400
Deferred revenue	3,301	4,722	5,220
Other non-current liabilities	(3,243)	(2,014)	(4,959)
Net cash flows provided by operating activities	$ 268,715	$ 188,792	$ 176,905
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expenditures	$ (289,825)	$ (227,409)	$ (210,235)
Acquisition of cable system	—	(7,274)	—
Proceeds from sales of cable systems	—	32,348	—
Net cash flows used in investing activities	$ (289,825)	$ (202,335)	$ (210,235)
CASH FLOWS FROM FINANCING ACTIVITIES:			
New borrowings	$ 1,035,000	$ 412,525	$ 2,181,000
Repayment of debt	(934,033)	(342,091)	(1,823,552)
Redemption/repayment of senior notes	—	—	(572,500)
Issuance of senior notes	—	—	300,000
Repurchases of Class A common stock	(22,389)	(69,036)	(34,386)
Proceeds from issuance of common stock in employee stock purchase plan	1,012	962	909
Other financing activities — book overdrafts	130	(5,814)	3,916
Financing costs	(10,887)	—	(2,953)
Net cash flows provided by (used in) financing activities	$ 68,833	$ (3,454)	$ 52,434
Net increase (decrease) in cash	47,723	(16,997)	19,104
CASH, beginning of period	19,388	36,385	17,281
CASH, end of period	$ 67,111	$ 19,388	$ 36,385
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:			
Cash paid during the period for interest, net of amounts capitalized	$ 209,164	$ 245,143	$ 247,507

The accompanying notes are an integral part of these statements.

MEDIACOM COMMUNICATIONS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. ORGANIZATION

Mediacom Communications Corporation ("MCC," and collectively with our direct and indirect subsidiaries, the "Company") was organized in November 1999, and is involved in the development of cable systems serving smaller cities and towns in the United States. Through these cable systems, we provide entertainment, information and telecommunications services to our subscribers and customers. As of December 31, 2008, we were operating cable systems in 22 states, principally Alabama, California, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, Kentucky, Minnesota, Missouri, North Carolina and South Dakota.

2. LIQUIDITY AND CAPITAL RESOURCES

As of December 31, 2008, we had unused revolving credit commitments of $762.2 million, all of which could be borrowed and used for general corporate purposes based on the terms and conditions of our debt arrangements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation of Consolidated Financial Statements

The consolidated financial statements include the accounts of MCC and our subsidiaries. All significant intercompany transactions and balances have been eliminated. The preparation of the consolidated financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The accounting estimates that require management's most difficult and subjective judgments include: assessment and valuation of intangibles, accounts receivable allowance, useful lives of property, plant and equipment, share-based compensation, and the recognition and measurement of income tax assets and liabilities. Actual results could differ from those and other estimates. Effective January 1, 2006, we adopted SFAS No. 123(R), *"Share-Based Payment*." See Note 8.

Revenue Recognition

Revenues from video, HSD and phone services are recognized when the services are provided to our customers. Credit risk is managed by disconnecting services to customers who are deemed to be delinquent. Installation revenues are recognized as customer connections are completed because installation revenues are less than direct installation costs. Advertising sales are recognized in the period that the advertisements are exhibited. Under the terms of our franchise agreements, we are required to pay local franchising authorities up to 5% of our gross revenues derived from providing cable services. We normally pass these fees through to our customers. Franchise fees are reported in their respective revenue categories and included in selling, general and administrative expenses.

Franchise fees imposed by local governmental authorities are collected on a monthly basis from our customers and are periodically remitted to the local governmental authorities. Because franchise fees are our obligation, we present them on a gross basis with a corresponding operating expense. Franchise fees reported on a gross basis amounted to approximately $36.8 million, $36.6 million and $36.7 million for the years ended December 31, 2008, 2007 and 2006, respectively.

Allowance for Doubtful Accounts

The allowance for doubtful accounts represents our best estimate of probable losses in the accounts receivable balance. The allowance is based on the number of days outstanding, customer balances, historical experience and other currently available information. During the year ended December 31, 2006, we revised our estimate of probable losses in the accounts receivable of our advertising business to better reflect historical collection experience. The change in estimate resulted in a benefit to the consolidated statement of operations of $0.4 million for the year ended December 31, 2006.

During the years ended December 31, 2008 and 2006, we revised our estimate of probable losses in the accounts receivable of our video, HSD and phone business to better reflect historical collection experience. The change in estimate resulted in a loss of $0.6 million and income of $1.0 million in our consolidated statement of operations for the years ended December 31, 2008 and 2006, respectively.

Concentration of Credit Risk

Our accounts receivable are comprised of amounts due from subscribers in varying regions throughout the United States. Concentration of credit risk with respect to these receivables is limited due to the large number of customers comprising our customer base and their geographic dispersion. We invest our cash with high quality financial institutions.

Property, Plant and Equipment

Property, plant and equipment are recorded at cost. Additions to property, plant and equipment generally include material, labor and indirect costs. Depreciation is calculated on a straight-line basis over the following useful lives:

Buildings	40 Years
Leasehold improvements	Life of respective lease
Cable systems and equipment and subscriber devices	5 to 20 years
Vehicles	3 to 5 years
Furniture, fixtures and office equipment	5 years

We capitalize improvements that extend asset lives and expense repairs and maintenance as incurred. At the time of retirements, write-offs, sales or other dispositions of property, the original cost and related accumulated depreciation are removed from the respective accounts and the gains or losses are included in depreciation and amortization expense in the consolidated statement of operations.

We capitalize the costs associated with the construction of cable transmission and distribution facilities, new customer installations and indirect costs associated with our telephony product. Costs include direct labor and material, as well as certain indirect costs including interest. We perform periodic evaluations of certain estimates used to determine the amount and extent that such costs that are capitalized. Any changes to these estimates, which may be significant, are applied in the period in which the evaluations were completed. The costs of disconnecting service at a customer’s dwelling or reconnecting to a previously installed dwelling are charged as expense in the period incurred. Costs associated with subsequent installations of additional services not previously installed at a customer’s dwelling are capitalized to the extent such costs are incremental and directly attributable to the installation of such additional services. See also Note 5.

Capitalized Software Costs

We account for internal-use software development and related costs in accordance with AICPA Statement of Position No. 98-1, *“Accounting for the Costs of Computer Software Developed or Obtained for Internal Use.”* Software development and other related costs consist of external and internal costs incurred in the application development stage to purchase and implement the software that will be used in our telephony business. Costs incurred in the development of application and infrastructure of the software is capitalized and will be amortized over our respective estimated useful life of 5 years. During the years ended December 31, 2008 and 2007, we capitalized approximately $2.5 million and $1.2 million, respectively of software development costs. Capitalized software had a net book value of $18.7 million and $16.5 million as of December 31, 2008 and 2007, respectively.

Marketing and Promotional Costs

Marketing and promotional costs are expensed as incurred and were $29.3 million, $30.1 million and $28.9 million for the years ended December 31, 2008, 2007 and 2006, respectively.

Intangible Assets

Our cable systems operate under non-exclusive cable franchises, or franchise rights, granted by state and local governmental authorities for varying lengths of time. We acquired these cable franchises through acquisitions of cable systems and were accounted for using the purchase method of accounting. As of December 31, 2008, we held 1,368 franchises in areas located throughout the United States. The value of a franchise is derived from the economic benefits we receive from the right to solicit new subscribers and to market new products and services, such as advanced digital television, HSD and phone, in a specific market territory. We concluded that our franchise rights have an indefinite useful life since, among other things, there are no legal, regulatory, contractual, competitive, economic or other factors limiting the period over which these franchise rights contribute to our revenues and cash flows. Goodwill is the excess of the acquisition cost of an acquired entity over the fair value of the identifiable net assets acquired. In accordance with SFAS No. 142, "*Goodwill and Other Intangible Assets*," we do not amortize franchise rights and goodwill. Instead, such assets are tested annually for impairment or more frequently if impairment indicators arise.

We follow the provisions of SFAS No. 142 to test our goodwill and franchise rights for impairment. We assess the fair values of each cable system cluster using discounted cash flow methodology, under which the fair value of cable franchise rights are determined in a direct manner. This assessment involves significant judgment, including certain assumptions and estimates that determine future cash flow expectations and other future benefits, which are consistent with the expectations of buyers and sellers of cable systems in determining fair value. These assumptions and estimates include discount rates, revenues per customer, market penetration as a percentage of homes passed and operating margin. We also consider market transactions, market valuations and other valuations using multiples of operating income before depreciation and amortization to confirm the reasonableness of fair values determined by the discounted cash flow methodology. Significant impairment in value resulting in impairment charges may result if the estimates and assumptions used in the fair value determination change in the future, and such impairments could potentially be material.

Based on the guidance outlined in EITF No. 02-7, *"Unit of Accounting for Testing Impairment of Indefinite-Lived Intangible Assets,"* we determined that the unit of accounting, or reporting unit, for testing goodwill and franchise rights for impairment resides at a cable system cluster level. Such level reflects the financial reporting level managed and reviewed by the corporate office (i.e., chief operating decision maker) as well as how we allocated capital resources and utilize the assets. Lastly, the reporting unit level reflects the level at which the purchase method of accounting for our acquisitions was originally recorded. We have two reporting units for the purpose of applying SFAS No. 142, Mediacom Broadband and Mediacom LLC.

In accordance with SFAS No. 142, we are required to determine goodwill impairment using a two-step process. The first step compares the fair value of a reporting unit with our carrying amount, including goodwill. If the fair value of the reporting unit exceeds our carrying amount, goodwill of the reporting unit is considered not impaired and the second step is unnecessary. If the carrying amount of a reporting unit exceeds our fair value, the second step is performed to measure the amount of impairment loss, if any. The second step compares the implied fair value of the reporting unit's goodwill, calculated using the residual method, with the carrying amount of that goodwill. If the carrying amount of the goodwill exceeds the implied fair value, the excess is recognized as an impairment loss.

The impairment test for our franchise rights and other intangible assets not subject to amortization consists of a comparison of the fair value of the intangible asset with its carrying value. If the carrying value of the intangible asset exceeds its fair value, the excess is recognized as an impairment loss.

Since our adoption of SFAS No. 142 in 2002, we have not recorded any impairments as a result of our impairment testing. We completed our most recent impairment test as of October 1, 2008, which reflected no impairment of our franchise rights, goodwill or other intangible assets.

Our Class A common stock price has had significant volatility during the fourth quarter of 2008, along with a precipitous drop in equity securities' prices across all sectors of the United States. Because there has not been a change in the fundamentals of our business, we do not believe that our stock price is the sole indicator of the underlying value of the assets in our reporting units. We have therefore determined that this short-term volatility in our stock price does not qualify as a triggering event under SFAS No. 142, and as such, no interim impairment test is required as of December 31, 2008.

Other finite-lived intangible assets, which consist primarily of subscriber lists and covenants not to compete, continue to be amortized over their useful lives of 5 to 10 years and 5 years, respectively. Amortization expense for the years ended December 31, 2008, 2007 and 2006 was approximately $2.6 million, $2.5 million and $2.1 million, respectively. Our estimated aggregate amortization expense for 2009 through 2011 and beyond are $2.6 million, $2.6 million, $2.6 million and $0.2 million, respectively.

Other Assets

Other assets, net, primarily include financing costs and original issue discount incurred to raise debt. Financing costs are deferred and amortized as other expense and original issue discounts are deferred and amortized as interest expense over the expected term of such financings.

Segment Reporting

SFAS No. 131, *"Disclosure about Segments of an Enterprise and Related Information,"* requires the disclosure of factors used to identify an enterprise's reportable segments. Our operations are organized and managed on the basis of cable system clusters that represent operating segments within our service area. Each operating segment derives our revenues from the delivery of similar products and services to a customer base that is also similar. Each operating segment deploys similar technology to deliver our products and services and operates within a similar regulatory environment. In addition, each operating segment has similar economic characteristics. Management evaluated the criteria for aggregation of the operating segments under SFAS No. 131 and believes that we meet each of the respective criteria set forth. Accordingly, management has identified broadband services as our one reportable segment.

Accounting for Derivative Instruments

We account for derivative instruments in accordance with SFAS No. 133, *"Accounting for Derivative Instruments and Hedging Activities,"* SFAS No. 138, *"Accounting for Certain Derivative Instruments and Certain Hedging Activities-an amendment of FASB Statement No. 133,"* and SFAS No. 149 *"Amendment of Statement 133 on Derivative Instruments and Hedging Activities."* These pronouncements require that all derivative instruments be recognized on the balance sheet at fair value. We enter into interest rate swaps to fix the interest rate on a portion of our variable interest rate debt to reduce the potential volatility in our interest expense that would otherwise result from changes in market interest rates. Our derivative instruments are recorded at fair value and are included in other current assets, other assets and other liabilities of our consolidated balance sheet. Our accounting policies for these instruments are based on whether they meet our criteria for designation as hedging transactions, which include the instrument's effectiveness, risk reduction and, in most cases, a one-to-one matching of the derivative instrument to our underlying transaction. Gains and losses from changes in fair values of derivatives that are not designated as hedges for accounting purposes are recognized in the consolidated statement of operations. We have no derivative financial instruments designated as hedges. Therefore, changes in fair value for the respective periods were recognized in the consolidated statement of operations.

Accounting for Asset Retirement

We adopted SFAS No. 143, *"Accounting for Asset Retirement Obligations,"* on January 1, 2003. SFAS No. 143 addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. We reviewed our asset retirement obligations to determine the fair value of such liabilities and if a reasonable estimate of fair value could be made. This entailed the review of leases covering tangible long-lived assets as well as our rights-of-way under franchise agreements. Certain of our franchise agreements and leases contain provisions that require restoration or removal of equipment if the franchises or leases are not renewed. Based on historical experience, we expect to renew our franchise or lease agreements. In the unlikely event that any franchise or lease agreement is not expected to be renewed, we would record an estimated liability. However, in determining the fair value of our asset retirement obligation under our franchise agreements, consideration will be given to the Cable Communications Policy Act of 1984, which generally entitles the cable operator to the "fair market value" for the cable system covered by a franchise, if renewal is denied and the franchising authority acquires ownership of the cable system or effects a transfer of the cable system to another person. Changes in these assumptions based on future information could result in adjustments to estimated liabilities.

Upon adoption of SFAS No. 143, we determined that in certain instances, it is obligated by contractual terms or regulatory requirements to remove facilities or perform other remediation activities upon the retirement of our assets. We initially recorded a $7.8 million asset in property, plant and equipment and a corresponding liability of $7.8 million. As of December 31, 2008 and 2007, the corresponding asset, net of accumulated amortization, was $2.1 million and $2.9 million, respectively.

Accounting for Long-Lived Assets

In accordance with SFAS No. 144, *"Accounting for the Impairment or Disposal of Long-Lived Assets,"* we periodically evaluate the recoverability and estimated lives of our long-lived assets, including property and equipment and intangible assets subject to amortization, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable or the useful life has changed. The measurement for such impairment loss is based on the fair value of the asset, typically based upon the future cash flows discounted at a rate commensurate with the risk involved. Unless presented separately, the loss is included as a component of either depreciation expense or amortization expense, as appropriate.

Programming Costs

We have various fixed-term carriage contracts to obtain programming for our cable systems from content suppliers whose compensation is generally based on a fixed monthly fee per customer. These programming contracts are subject to negotiated renewal. Programming costs are recognized when we distribute the related programming. These programming costs are usually payable each month based on calculations performed by us and are subject to adjustments based on the results of periodic audits by the content suppliers. Historically, such audit adjustments have been immaterial to our total programming costs. Some content suppliers offer financial incentives to support the launch of a channel and ongoing marketing support. When such financial incentives are received, we defer them within non-current liabilities in our consolidated balance sheets and recognizes such amounts as a reduction of programming costs (which are a component of service costs in the consolidated statement of operations) over the carriage term of the programming contract.

Share-based Compensation

We adopted SFAS No. 123(R) on January 1, 2006 (see Note 8). We estimate the fair value of stock options granted using the Black-Scholes option-pricing model. This fair value is then amortized on a straight-line basis over the requisite service periods of the awards, which is generally the vesting period. This option-pricing model requires the input of highly subjective assumptions, including the option's expected life and the price volatility of the underlying stock. The estimation of stock awards that will ultimately vest requires judgment, and to the extent actual results or updated estimates differ from our current estimates, such amounts will be recorded as a cumulative adjustment in the periods the estimates are revised. Actual results, and future changes in estimates, may differ substantially from our current estimates.

Income Taxes

We account for income taxes using the liability method as stipulated by SFAS No. 109, "*Accounting for Income Taxes*." This method generally provides that deferred tax assets and liabilities be recognized for temporary differences between the financial reporting basis and the tax basis of our assets and liabilities and anticipated benefit of utilizing net operating loss carryforwards.

In evaluating our ability to recover our deferred tax assets and net operating loss carryforwards, we assess all available positive and negative evidence including recent performance, the scheduled reversal of deferred tax liabilities, forecasts of taxable income in future periods and available prudent tax planning strategies. In forecasting future taxable income, we use assumptions that require significant judgment and are consistent with the estimates used to manage the business. At December 31, 2008, we recorded a net deferred tax asset valuation allowance of approximately $677.4 million. We will continue to monitor the need for the deferred tax asset valuation allowance in accordance with SFAS No. 109. Should there be a sufficient change in our assessment of our ability to recover our deferred tax assets, we will adjust our valuation allowance accordingly.

Comprehensive Income

SFAS No. 130, *"Reporting Comprehensive Income,"* requires companies to classify items of other comprehensive income by their nature in the financial statements and display the accumulated balance of other comprehensive income separately from retained earnings and additional paid-in capital in the equity section of a statement of financial position. We have had no other comprehensive income items to report.

Reclassifications

Certain reclassifications have been made to prior year amounts to conform to the current year presentation.

Recent Accounting Pronouncements

In September 2006, the Financial Accounting Standards Board ("FASB") issued SFAS No. 157, *"Fair Value Measurements."* SFAS No. 157 establishes a single authoritative definition of fair value, sets out a framework for measuring fair value and expands on required disclosures about fair value measurement. Effective January 1, 2008, we adopted SFAS No. 157 for our financial assets and liabilities. In February 2008, the FASB issued FASB Staff Position ("FSP") No. FAS 157-2, "Effective Date of FASB Statement No. 157," which delays the effective date of SFAS No. 157 for nonfinancial assets and liabilities, except for items that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually), to fiscal years beginning after November 15, 2008 and interim periods within those fiscal years. We are evaluating the impact of our nonfinancial assets and liabilities which include goodwill and other intangible assets. SFAS No. 157 establishes a framework for measuring fair value under generally accepted accounting principles and expands disclosures about fair value measurement. The adoption of SFAS No. 157 on January 1, 2008 did not have a material effect on our consolidated financial statements.

The following sets forth our financial assets and liabilities measured at fair value on a recurring basis at December 31, 2008. These assets and liabilities have been categorized according to the three-level fair value hierarchy established by SFAS No. 157, which prioritizes the inputs used in measuring fair value.

- Level 1 — Quoted market prices in active markets for identical assets or liabilities.

- Level 2 — Observable market based inputs or unobservable inputs that are corroborated by market data.
- Level 3 — Unobservable inputs that are not corroborated by market data.

As of December 31, 2008, our interest rate swap liabilities, net, were valued at $80.2 million using Level 2 inputs.

In February 2007, the FASB issued SFAS No. 159, *"The Fair Value Option for Financial Assets and Financial Liabilities — Including an amendment of FASB Statement No. 115."* SFAS No. 159 permits entities to choose to measure many financial instruments and certain other items at fair value. This Statement is effective as of the beginning of an entity's first fiscal year that begins after November 15, 2007. We adopted SFAS No. 159 as of January 1, 2008. We did not elect the fair value option of SFAS No. 159.

In December 2007, the FASB issued SFAS No. 141(R), *"Business Combinations,"* which continues to require the treatment that all business combinations be accounted for by applying the acquisition method. Under the acquisition method, the acquirer recognizes and measures the identifiable assets acquired, the liabilities assumed, and any contingent consideration and contractual contingencies, as a whole, at their fair value as of the acquisition date. Under SFAS No. 141(R), all transaction costs are expensed as incurred. SFAS No. 141 (R) replaces SFAS No. 141. The guidance in SFAS No. 141 (R) will be applied prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning after December 15, 2008. Any impact will be dependent on the terms of future business combinations.

In December 2007, the FASB issued SFAS No. 160, *"Noncontrolling Interests in Consolidated Financial Statements — an amendment of ARB No. 51."* SFAS No. 160 requires that a noncontrolling interest (previously referred to as a minority interest) be separately reported in the equity section of the consolidated entity's balance sheet. SFAS No. 160 also established accounting and reporting standards for: (i) ownership interests in subsidiaries held by parties other than the parent; (ii) the amount of consolidated net income attributable to the parent and to the noncontrolling interest; (iii) changes in a parent's ownership interest; (iv) the valuation of retained noncontrolling equity investments when a subsidiary is deconsolidated; and (v) sufficient disclosures to identify the interest of the parent and the noncontrolling owners. SFAS No. 160 is effective for fiscal years beginning on or after December 15, 2008. We are currently assessing the potential impact that the adoption of SFAS No. 160 will have on our consolidated financial statements.

In March 2008, the FASB issued SFAS No. 161, *"Disclosures about Derivative Instruments and Hedging Activities — an amendment of FASB Statement No. 133."* SFAS No. 161 requires enhanced disclosures about an entity's derivative and hedging activities and thereby improves the transparency of financial reporting. SFAS No. 161 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early application encouraged. We have not completed our evaluation of SFAS No. 161 to determine the impact that adoption will have on our consolidated financial condition or results of operations.

4. EARNINGS PER SHARE

We calculate earnings per share in accordance with SFAS No. 128, *"Earnings per Share."* SFAS No. 128 computes basic earnings (loss) per share by dividing the net income (loss) by the weighted average number of shares of common stock outstanding during the period. Diluted earnings per share is computed by dividing the net income (loss) by the weighted average number of shares of common stock outstanding during the period plus the effects of any dilutive securities. Diluted earnings per share considers the impact of potentially dilutive securities except in periods in which there is a loss because the inclusion of the potential common shares would have an anti-dilutive effect. Our potentially dilutive securities include common shares which may be issued upon exercise of our stock options, conversion of convertible senior notes or vesting of restricted stock units. Diluted earnings per share excludes the impact of potential common shares related to our stock options in periods in which the option exercise price is greater than the average market price of our Class A common stock during the period.

For the year ended December 31, 2008, we generated net losses, and so the inclusion of the potential common shares would have been anti-dilutive. Accordingly, diluted loss per share equaled basic loss per share. For the year ended December 31, 2008, the calculation of diluted loss per share excludes 3.3 million potential common shares related to our stock options and restricted stock units.

For the year ended December 31, 2007, we generated net losses, and so the inclusion of the potential common shares would have been anti-dilutive. Accordingly, diluted loss per share equaled basic loss per share. For the year ended December 31, 2007, the calculation of diluted loss per share excludes 2.1 million potential common shares related to our stock options and restricted stock units.

For the year ended December 31, 2006, we generated net losses, and so the inclusion of the potential common shares would have been anti-dilutive. Accordingly, diluted loss per share equaled basic loss per share. For the year ended December 31, 2006, the calculation of diluted loss per share excludes 1.5 million potential common shares related to our stock options and restricted stock units, and 9.2 million potential common shares related to our convertible senior notes.

The following table reconciles the numerator and denominator of the computations of diluted loss per share for the years ended December 31, 2008, 2007 and 2006 (amounts in thousands, except per share amounts):

	For the Year Ended December 31,								
	2008			2007			2006		
	Net Loss	Shares	Amount per Share	Net Loss	Shares	Amount per Share	Net Loss	Shares	Amount per Share
Basic loss per share	$ (77,494)	95,548	$ (0.81)	$ (95,129)	107,828	$ (0.88)	$ (124,922)	110,971	$ (1.13)
Effect of dilutive securities:									
Conversion of convertible senior notes	—	—	—	—	—	—	—	—	—
Assumed exercise of stock options	—	—	—	—	—	—	—	—	—
Diluted loss per share	$ (77,494)	95,548	$ (0.81)	$ (95,129)	107,828	$ (0.88)	$ (124,922)	110,971	$ (1.13)

5. PROPERTY, PLANT AND EQUIPMENT

As of December 31, 2008 and 2007, property, plant and equipment consisted of (dollars in thousands):

	December 31, 2008	December 31, 2007
Cable systems, equipment and subscriber devices	$ 3,059,325	$ 2,808,187
Vehicles	72,759	67,468
Furniture, fixtures and office equipment	60,028	53,005
Buildings and leasehold improvements	41,941	40,880
Land and land improvements	7,553	7,182
	$ 3,241,606	$ 2,976,722
Accumulated depreciation	(1,765,319)	(1,564,583)
Property, plant and equipment, net	$ 1,476,287	$ 1,412,139

Change in Estimate — Useful lives

Effective July 1, 2008, we changed the estimated useful lives of certain plant and equipment within our cable systems due to the initial deployment of all digital video technology both in the network and at the customer's home. These changes in asset lives were based on our plans and our experience thus far in executing such plans, to deploy all digital video technology across certain of our cable systems. This technology affords us the opportunity to increase network capacity without costly upgrades and, as such, extends the useful lives of cable plant by four years. We have also begun to provide all digital set-top boxes to our customer base as part of this all digital network deployment. In connection with the all digital set-top launch, we have reviewed the asset lives of our customer premise equipment and determined that their useful lives should be extended by two years. While the timing and extent of current deployment plans are subject to modification, management believes that extending the useful lives is appropriate and will be subject to ongoing analysis. The weighted average useful lives of such fixed assets changed as follows:

	Useful lives (in years)	
	From	To
Plant and equipment	12	16
Customer premise equipment	5	7

These changes were made on a prospective basis effective July 1, 2008 and resulted in a reduction of depreciation expense and a corresponding increase in net income of approximately $11.6 million and an increase to basic and diluted earnings per share of $0.12 per share for the year ended December 31, 2008.

Depreciation expense for the years ended December 31, 2008, 2007 and 2006 was approximately $225.3 million, $232.8 million, and $213.8 million, respectively. As of December 31, 2008 and 2007, we had property under capitalized leases of $0 million and $10.1 million, respectively, before accumulated depreciation, and $0 million and $1.9 million, respectively, net of accumulated depreciation. During the years ended December 31, 2008 and 2007, we incurred gross interest costs of $217.8 million and $243.2 million, respectively, of which $4.3 million and $3.8 million was capitalized. See Note 2.

6. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consist of the following (dollars in thousands):

	December 31, 2008	December 31, 2007
Accrued interest	$ 45,265	$ 39,588
Liability under interest rate exchange agreements	45,208	—
Accrued programming costs	37,848	43,596
Accrued taxes and fees	31,198	27,617
Accrued payroll and benefits	30,590	25,165
Book overdrafts(1)	16,827	16,971
Accrued service costs	14,320	18,114
Accrued property, plant and equipment	13,606	11,588
Subscriber advance payments	11,236	11,471
Accrued telecommunications	5,058	15,687
Accounts payable	464	18,528
Other accrued expenses	16,954	18,590
Accounts payable, accrued expenses and other current liabilities	$ 268,574	$ 246,915

(1) Book overdrafts represent outstanding checks in excess of funds on deposit at our disbursement accounts. We transfer funds from our depository accounts to our disbursement accounts upon daily notification of checks presented for payment. Changes in book overdrafts are reported as part of cash flows from financing activities in our consolidated statement of cash flows.

7. DEBT

Debt consisted of the following (dollars in thousands):

	December 31, 2008	December 31, 2007
Bank credit facilities	$ 2,191,000	$ 2,090,000
$7^{7}/_{8}$% senior notes due 2011	125,000	125,000
$9^{1}/_{2}$% senior notes due 2013	500,000	500,000
$8^{1}/_{2}$% senior notes due 2015	500,000	500,000
Capital lease obligations	—	33
	$ 3,316,000	$ 3,215,033
Less: Current portion	124,500	94,533
Total long-term debt	$ 3,191,500	$ 3,120,500

Bank Credit Facilities

The operating subsidiaries of Mediacom LLC, one of our two principal subsidiaries, maintain a $1.217 billion senior secured credit facility (the “LLC credit facility”). The LLC credit facility originally consisted of a revolving credit facility (the “LLC revolver”) with a $400.0 million revolving credit commitment, a $200.0 million term loan (the “LLC term loan A”) and a $550.0 million term loan (the “LLC term loan B”). In May 2006, we refinanced the LLC term loan B with a new term loan (the “LLC term loan C”) in the amount of $650.0 million. Borrowings under the LLC term loan C bear interest at a rate that is 0.50% less than the interest rate of the LLC term loan B that it replaced. The LLC revolver expires on September 30, 2011, and its commitment amount is not subject to scheduled reductions prior to maturity.

The LLC term loan A matures on September 30, 2012, and beginning on March 31, 2008, has been subject to quarterly reductions ranging from 2.50% to 9.00% of the original amount. The LLC term loan C matures on January 31, 2015, and is subject to quarterly reductions of 0.25% that began on March 31, 2007 and extend through December 31, 2014, with a final payment at maturity representing 92.00% of the original principal amount.

As of December 31, 2008, the maximum commitment available under the LLC revolver was $400.0 million and the revolver had an outstanding balance of $78.0 million. As of the same date, the LLC term loans A and C had outstanding balances of $180.0 million and $637.0 million, respectively.

The credit agreement of the LLC credit facility (the “LLC credit agreement”) provides for interest at varying rates based upon various borrowing options and certain financial ratios, and for commitment fees of $^{1}/_{2}$% to $^{5}/_{8}$% per annum on the unused portion of the available revolving credit commitment. Interest on outstanding LLC revolver and LLC term loan A balances is payable at either the Eurodollar rate plus a floating percentage ranging from 1.00% to 2.00% or the base rate plus a floating percentage ranging from 0% to 1.00%. Interest on the LLC term loan C is payable at either the Eurodollar rate plus a floating percentage ranging from 1.50% to 1.75% or the base rate plus a floating percentage ranging from 0.50% to 0.75%.

For the year ended December 31, 2008, the outstanding debt under the LLC term loan A was reduced by $20.0 million, or 10.00% of the original principal amount, and the outstanding debt under the LLC term loan C was reduced by $6.5 million, or 1.00% of the original principal amount.

For the year ending December 31, 2009, the outstanding debt under the LLC term loan A will be reduced by $24.0 million, or 12.00% of the original principal amount, and the outstanding debt under the LLC term loan C will be reduced by $6.5 million, or 1.00% of the original principal amount.

The operating subsidiaries of Mediacom Broadband LLC, our other principal subsidiary, maintain a $1.755 billion senior secured credit facility (the "Broadband credit facility"). The Broadband credit facility originally consisted of a revolving credit facility (the "Broadband revolver"), a $300.0 million term loan A (the "Broadband term loan A") and a $500.0 million term loan B (the "Broadband term loan B").

In October 2005, we amended the Broadband revolver: (i) to increase the revolving credit commitment from approximately $543.0 million to approximately $650.5 million, of which approximately $430.3 million is not subject to scheduled reductions prior to the termination date; and (ii) to extend the termination date of the commitments not subject to reductions from March 31, 2010 to December 31, 2012. In May 2005, we refinanced the Broadband term loan B with a new term loan (the "Broadband term loan C") in the amount of $500.0 million. In May 2006, we refinanced the Broadband term loan C with a new term loan (the "Broadband term loan D") in the amount of $800.0 million. Borrowings under the term loan D bear interest at a rate that is 0.25% less than the interest rate of the term loan that it replaced. In May 2008, we entered into an incremental facility agreement that provides for a new term loan ("Broadband term loan E") under our credit facility in the principal amount of $350.0 million. Approximately $335.0 million of the proceeds from the new term loan were used to repay the outstanding balance of the revolving credit portion of our credit facility without any reduction in the revolving credit commitments.

The Broadband term loan A matures on March 31, 2010 and, since September 30, 2004, has been subject to quarterly reductions ranging from 1.00% to 8.00% of the original principal amount. The Broadband term loan D matures on January 31, 2015, and is subject to quarterly reductions of 0.25% that began on March 31, 2007 and extend through December 31, 2014, with a final payment at maturity representing 92.00% of the original principal amount. The Broadband term loan E matures on January 3, 2016, and beginning on June 30, 2008, has been subject to quarterly reductions of 0.25%, with a final payment at maturity representing 92.50% of the original principal amount.

As of December 31, 2008, the maximum commitment available under the Broadband revolver was $516.7 million, and the revolver had an outstanding balance of $57.3 million. As of the same date, the Broadband term loans A, D and E had outstanding balances of $106.5 million, $784.0 million, and $348.3 million, respectively.

The credit agreement of the Broadband credit facility (the "Broadband credit agreement") provides for interest at varying rates based upon various borrowing options and certain financial ratios, and for commitment fees of $^3/_8$% to $^5/_8$% per annum on the unused portion of the available revolving credit commitment. Interest on outstanding Broadband revolver and Broadband term loan A balances is payable at either the Eurodollar rate plus a floating percentage ranging from 1.00% to 2.50% or the base rate plus a floating percentage ranging from 0.25% to 1.50%. Interest on the Broadband term loan B is payable at either the Eurodollar rate plus a floating percentage ranging from 1.50% to 1.75% or the base rate plus a floating percentage ranging from 0.50% to 0.75%. Interest on the Broadband term loan E is payable at either the Eurodollar Rate plus a margin of 3.50% or the base rate plus a margin of 2.50%. For the first four years of the term loan E, applicable Eurodollar and base rates are subject to a minimum of 3.00% and 4.00, respectively.

For the year ended December 31, 2008, the maximum commitment amount under the portion of the Broadband revolver subject to reduction was reduced by $48.7 million. The outstanding debt under the Broadband term loan A was reduced by $60.0 million, or 20.00% of the original principal amount, the outstanding debt under the Broadband term loan D was reduced by $8.0 million, or 1.00% of the original principal amount, and the outstanding debt under the Broadband term loan E was reduced by $1.75 million, or 0.50% of the original principal amount.

For the year ended December 31, 2009, the maximum commitment amount under the portion of the Broadband revolver subject to reduction will be reduced by $66.9 million, the outstanding debt under the Broadband term loan A will be reduced by $60.0 million, or 20.00% of the original principal amount, the outstanding debt under the Broadband term loan D will be reduced by $8.0 million, or 1.00% of the original principal amount and the outstanding debt under the Broadband term loan E will be reduced by $3.5 million, or 1.00% of the original principal amount.

The LLC and Broadband credit agreements require compliance with certain financial covenants, including the requirement that we maintain a ratio of senior indebtedness (as defined) to annualized system cash flow (as defined) of no more than 6.0 to 1.0. The credit agreements also require compliance with other covenants including, but not limited to, limitations on mergers and acquisitions, consolidations and sales of certain assets, liens, the incurrence of additional indebtedness, certain restricted payments and certain transactions with affiliates.

The LLC credit agreement is collateralized by Mediacom LLC's pledge of all our ownership interests in our operating subsidiaries, and is guaranteed by Mediacom LLC on a limited recourse basis to the extent of such ownership interests. The Broadband credit agreement is collateralized by Mediacom Broadband LLC's pledge of all out ownership interests in our operating subsidiaries, and is guaranteed by Mediacom Broadband LLC on a limited recourse basis to the extent of such ownership interests.

The average interest rates on outstanding debt under the bank credit facilities as of December 31, 2008 and 2007 were 4.3% and 6.7%**,** respectively, including the effect of the interest rate swaps discussed below. As of December 31, 2008, we had unused credit commitments of approximately $762.2 million under our bank credit facilities, all of which could be borrowed and used for general corporate purposes based on the terms and conditions of our debt arrangements. Giving pro forma effect to the completion of the Exchange Agreement on February 13, 2009, we had unused revolving credit commitments of approximately $652.2 million as of December 31, 2008. See Note 11.

As of December 31, 2008, approximately $19.3 million of letters of credit were issued to various parties as collateral for our performance relating primarily to insurance and franchise requirements. The amount paid to obtain these letters of credit was immaterial.

Interest Rate Swaps

We use interest rate exchange agreements, or interest rate swaps, to fix the applicable Eurodollar portion of debt under our Broadband and LLC Credit Facilities. As of December 31, 2008, we had current interest rate swaps with various banks pursuant to which the interest rate on $1.2 billion is fixed at a weighted average rate of approximately 4.8%. As of the same date, about 70% of our outstanding indebtedness was at fixed interest rates or subject to interest rate protection. Our swaps have not been designated as hedges for accounting purposes and have been accounted for on a mark-to-market basis as of, and for the year ended December 31, 2008. Our current interest rate swaps are scheduled to expire in the amounts of: $800 million, $300 million and $100 million during the years ended December 31, 2009, 2010 and 2011, respectively.

In 2008, we entered into forward starting interest rate swaps that fixed rates for two years at a weighted average of approximately 3.2% on $400.0 million of floating rate debt, commencing in 2009 and approximately 2.9% on $100.0 million of floating rate debt, commencing in 2010. We also entered forward starting interest rate swaps that fixed rates for three years at a weighted average rate of approximately 3.3% on $600.0 million of floating rate debt, commencing in 2009. These agreements have been accounted for on a mark-to-market basis as of, and for the year ended December 31, 2008.

Although we may be exposed to future losses in the event of counterparties' non-performance, we do not expect such losses, if any, to be material.

The fair value of the interest rate swaps is the estimated amount that we would receive or pay to terminate such agreements, taking into account market interest rates and the remaining time to maturities. As of December 31, 2008, based on the mark-to-market valuation, we recorded on our consolidated balance sheet a net accumulated liability for derivatives of $80.2 million. As a result of the mark-to-market valuations on these interest rate swaps, we recorded a loss on derivatives of $54.4 million and $22.9 million for the years ended December 31, 2008 and 2007, respectively.

Senior Notes

On February 26, 1999, Mediacom LLC and its affiliate, Mediacom Capital Corporation, a Delaware corporation, jointly issued $125.0 million aggregate principal amount of $7\frac{7}{8}$% senior notes due February 2011 (the "$7\frac{7}{8}$% Senior Notes"). The $7\frac{7}{8}$% Senior Notes are unsecured obligations of Mediacom LLC, and the indenture for the $7\frac{7}{8}$% Senior Notes stipulates, among other things, restrictions on incurrence of indebtedness, distributions, mergers and asset sales and has cross-default provisions related to other debt of Mediacom LLC.

On January 24, 2001, Mediacom LLC and Mediacom Capital Corporation jointly issued $500.0 million aggregate principal amount of $9\frac{1}{2}$% senior notes due January 2013 (the "$9\frac{1}{2}$% Senior Notes"). The $9\frac{1}{2}$% Senior Notes are unsecured obligations of Mediacom LLC, and the indenture for the $9\frac{1}{2}$% Senior Notes stipulates, among other things, restrictions on incurrence of indebtedness, distributions, mergers, and asset sales and has cross-default provisions related to other debt of Mediacom LLC.

On June 29, 2001, Mediacom Broadband LLC and its affiliate, Mediacom Broadband Corporation, a Delaware corporation, jointly issued $400.0 million aggregate principal amount of 11% notes due July 2013 (the "11% Senior Notes"). The 11% Senior Notes are unsecured obligations of Mediacom Broadband LLC and the indenture for the 11% Senior Notes stipulates, among other things, restrictions on incurrence of indebtedness, distributions, mergers, and asset sales and has cross-default provisions related to other debt of Mediacom Broadband LLC.

On August 30, 2005, Mediacom Broadband LLC and Mediacom Broadband Corporation jointly issued $200.0 million aggregate principal amount of $8\frac{1}{2}$% senior notes due October 2015 (the "$8\frac{1}{2}$% Senior Notes"). The $8\frac{1}{2}$% Senior Notes are unsecured obligations of Mediacom Broadband LLC, and the indenture for the $8\frac{1}{2}$% Senior Notes stipulates, among other things, restrictions on incurrence of indebtedness, distributions, mergers and asset sales and has cross-default provisions related to other debt of Mediacom Broadband LLC. The proceeds were used to reduce amounts outstanding under the revolving credit portion of our credit facilities.

On July 17, 2006, we redeemed all of the outstanding 11% Senior Notes. We funded the redemption with drawdowns on the revolving credit portions of our subsidiary credit facilities.

On October 5, 2006, Mediacom Broadband LLC and Mediacom Broadband Corporation jointly issued an additional $300.0 million aggregate principal amount of $8\frac{1}{2}$% Senior Notes. The proceeds were used to reduce amounts outstanding under the revolving credit portion of our credit facilities.

Our senior notes contain financial and other covenants, though they are generally less restrictive than those found in our bank credit facilities. Principal covenants include a limitation on the incurrence of additional indebtedness based upon a maximum ratio of total indebtedness to cash flow, as defined in these debt agreements, of 7.0 to 1.0 in the case of Mediacom LLC's senior notes, and 8.5 to 1.0 in the case of Mediacom Broadband LLC's senior notes. These agreements also contain limitations on dividends, investments and distributions.

For all periods through December 31, 2008, we were in compliance with all of the covenants under our bank credit and senior note agreements. There are no covenants, events of default, borrowing conditions or other terms in our credit facilities or our other debt arrangements that are based on changes in our credit ratings assigned by any rating agency.

Convertible Senior Notes

On June 29, 2001, we issued $172.5 million aggregate principal amount of $5\frac{1}{4}$% convertible senior notes due July 2008 (the "Convertible Senior Notes"). On June 29, 2006, we paid the entire outstanding principal amount of our Convertible Senior Notes, plus accrued and unpaid interest, with borrowings under the Broadband term loan D.

Loss on Early Extinguishment of Debt

For the year ended December 31, 2006, we recorded in our consolidated statement of operations a loss on early extinguishment of debt of $35.8 million as a result of our redemption of our 11% senior notes. This change reflected representing $22.0 million of call premium, $2.6 million of bank fees and the write-off of $11.2 million of unamortized deferred financing costs. There was no loss on early extinguishment of debt in the years ended December 31, 2007 and 2008.

Fair Value and Debt Maturities

As of December 31, 2008, the fair values of our Senior Notes and Bank Credit Facilities are as follows (dollars in thousands):

$7^{7}/_{8}$% senior notes due 2011	$	97,500
$9^{1}/_{2}$% senior notes due 2013		375,000
$8^{1}/_{2}$% senior notes due 2015		317,500
	$	790,000
Bank credit facilities	$	1,420,773

The stated maturities of all debt outstanding as of December 31, 2008 are as follows (dollars in thousands):

2009	$	124,500
2010		92,000
2011		273,000
2012		72,000
2013		575,250
Thereafter		2,179,250
Total	$	3,316,000

8. STOCKHOLDERS' DEFICIT

We have authorized 300,000,000 shares of Class A common stock, $.01 par value and 100,000,000 shares of Class B common stock, $.01 par value. The holders of Class A and Class B common stock are entitled to vote as a single class on each matter in which our shareholders are entitled to vote. Each Class A share is entitled to one vote and each Class B share is entitled to ten votes.

Stock Repurchase Plans

In November 2007, the Board of Directors authorized an additional $50.0 million Class A common stock repurchase program. During the years ended December 31, 2008, 2007 and 2006, we repurchased approximately 4.9 million, 11.2 million, and 5.8 million shares for an aggregate cost of $22.4 million, $69.0 million and $34.4 million, respectively, at an average price per share of $4.68, $6.18 and $5.90, respectively. As of December 31, 2008, approximately $47.6 million remained available under the Class A common stock repurchase program.

Share-based Compensation

In April 2003, our Board of Directors adopted our 2003 Incentive Plan, or "2003 Plan," which amended and restated our 1999 Stock Option Plan and incorporated into the 2003 Plan options that were previously granted outside the 1999 Stock Option Plan. The 2003 Plan was approved by our stockholders in June 2003 and provides for the grant of incentive stock options, nonqualified stock options, restricted shares, and other stock-based awards, in addition to annual incentive awards. The contractual life of share-based awards granted under the 2003 Plan is no more than 10 years. We deliver shares from treasury upon the exercise of stock options or the conversion of restricted stock units. The 2003 Plan has 21.0 million shares of common stock available for issuance in settlement of awards. As of December 31, 2008, approximately 13.8 million shares remained available for issuance under the 2003 Plan.

Effective January 1, 2006, we adopted SFAS No. 123(R) using the modified prospective method. SFAS No. 123(R) revises SFAS No. 123, *"Accounting for Stock-Based Compensation"* and supersedes APB Opinion No. 25, *"Accounting for Stock Issued to Employees."* SFAS No. 123(R) requires the cost of all share-based payments to employees, including grants of employee stock options, to be recognized in the financial statements based on their fair values at the grant date, or the date of later modification, over the requisite service period. In addition, SFAS 123(R) requires unrecognized cost, based on the amounts previously disclosed in our pro forma footnote disclosure, related to options vesting after the date of initial adoption to be recognized in the financial statements over the remaining requisite service period.

Under this method, prior periods are not restated and the amount of compensation cost recognized includes: (i) compensation cost for all share-based payments granted prior to, but not yet vested as of January 1, 2008, based on the grant date fair value estimated in accordance with the provisions of SFAS No. 123; and (ii) compensation cost for all share-based payments granted subsequent to January 1, 2008, based on the grant date fair value estimated in accordance with the provisions of SFAS No. 123(R). We use the Black-Scholes option pricing model which requires extensive use of accounting judgment and financial estimates, including estimates of the expected term employees will retain their vested stock options before exercising them, the estimated volatility of our stock price over the expected term, and the number of options that will be forfeited prior to the completion of their vesting requirements. Application of alternative assumptions could produce significantly different estimates of the fair value of share-based compensation and consequently, the related amounts recognized in the consolidated statements of operations. The provisions of SFAS No. 123(R) apply to new stock awards and stock awards outstanding, but not yet vested, on the effective date. In March 2005, the SEC issued SAB No. 107, *"Share-Based Payment,"* relating to SFAS No. 123(R). We have applied the provisions of SAB No. 107 in our adoption.

Impact of the Adoption of SFAS No. 123(R)

Upon adoption of SFAS 123(R), we recognize share-based compensation expenses associated with share awards on a straight-line basis over the requisite service period using the fair value method. The incremental share-based compensation expense recognized due to the adoption of SFAS 123(R) was approximately $2.2 million for the year ended December 31, 2006. Compensation expense related to restricted stock units was recognized before the implementation of SFAS No. 123(R). Results for prior periods have not been restated.

Total share-based compensation expense was as follows (dollars in thousands, except per share data):

	Year Ended December 31, 2008	Year Ended December 31, 2007	Year Ended December 31, 2006
Share-based compensation expense by type of award:			
Employee stock options	$ 1,638	1,920	2,240
Employee stock purchase plan	299	284	287
Restricted stock units	3,231	3,095	1,951
Total share-based compensation expense	5,168	5,299	4,478
Tax effect on stock-based compensation expense	—	—	—
Effect on net loss	$ (5,168)	$ (5,299)	$ (4,478)
Effect on loss per share:			
Basic and diluted	$ (0.05)	$ (0.05)	$ (0.04)

As required by SFAS No. 123(R), we made an estimate of expected forfeitures and is recognizing compensation costs only for those equity awards expected to vest. The total future compensation cost related to unvested share-based awards that are expected to vest was $12.5 million as of December 31, 2008, which will be recognized over a weighted average period of 1.0 years.

In November 2005, the FASB issued FASB Staff Position No. FAS 123(R)-3, "*Transition Election Related to Accounting for Tax Effects of Shared-Based Payment Awards.*" We have elected the "short-cut" method to calculate the historical pool of windfall tax benefits.

Valuation Assumptions

As required by SFAS 123(R), we estimated the fair value of stock options and shares purchased under our employee stock purchase plan, using the Black-Scholes valuation model and the straight-line attribution approach with the following weighted average assumptions:

	Employee Stock Option Plans Year Ended December 31,			Employee Stock Purchase Plans Year Ended December 31,		
	2008	2007	2006	2008	2007	2006
Dividend yield	0%	0%	0%	0%	0%	0%
Expected volatility	48.0%	38.0%	55.3%	33.0%	33.0%	33.0%
Risk free interest rate	2.9%	4.5%	4.8%	3.0%	4.3%	4.7%
Expected option life (in years)	6.2	6.1	4.1	0.5	0.5	0.5
Forfeiture rate	11.5%	14.0%	14.0%	—	—	—

We do not expect to declare dividends. Expected volatility is based on a combination of implied and historical volatility of our Class A common stock. For the years ended December 31, 2006, and 2007, we elected the simplified method in accordance with SAB 107 to estimate the option life of share-based awards. For the year ended December 31, 2008, we estimated the option life of share-based awards using historical data and other factors. The risk free interest rate is based on the U.S. Treasury yield in effect at the date of grant. The forfeiture rate is based on trends in actual option forfeitures. The awards are subject to annual vesting periods not to exceed 6 years from the date of grant.

The following table summarizes the activity of our option plans for the years ended December 31, 2008, 2007 and 2006:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (In years)	Aggregate Intrinsic Value (In thousands)
Outstanding at January 1, 2006	4,931,915	$ 14.12		
Granted	415,000	5.73		
Exercised	(14,000)	6.94		
Forfeited	(234,670)	13.85		
Expired	—	—		
Outstanding at December 31, 2006	5,098,245	$ 13.35	4.5	$ 2,508
Vested or expected to vest at December 31, 2006	4,954,230	13.54	4.5	$ 2,252
Exercisable at December 31, 2006	4,069,569	$ 15.06	4.3	$ 679
Outstanding at January 1, 2007	5,098,245	$ 13.35		
Granted	580,000	8.06		
Exercised	(83,250)	7.01		
Forfeited	(215,687)	14.75		
Expired	—	—		
Outstanding at December 31, 2007	5,379,308	$ 12.82	4.1	$ —
Vested or expected to vest at December 31, 2007	5,233,676	12.98	4.0	$ —
Exercisable at December 31, 2007	4,339,078	$ 14.20	3.4	$ —
Outstanding at January 1, 2008	5,379,308	$ 12.82		
Granted	1,676,000	4.07		
Exercised	(29,000)	5.90		
Forfeited	(176,415)	12.95		
Expired	—	—		
Outstanding at December 31, 2008	6,849,893	$ 10.70	4.7	$ 420
Vested or expected to vest at December 31, 2008	6,537,651	10.98	4.5	$ 361
Exercisable at December 31, 2008	4,619,593	$ 13.52	2.6	$ —

The aggregate intrinsic values in the table above represent the total pre-tax intrinsic value, based on our stock price of $4.30, $4.59 and $8.04 per share as of December 31, 2008, 2007 and 2006, respectively, which would have been received by the option holders had all option holders exercised their options as of that date.

The weighted average exercise price at the date of grant of a Class A common stock option granted under our option plan during the years ended December 31, 2008, 2007 and 2006 was $4.07, $8.06, and $5.73, respectively. During the years ended December 31, 2008, 2007 and 2006, approximately 413,333, 404,369 and 670,621 stock options vested with a weighted average exercise price of $6.72, $6.98 and $9.15, respectively. The proceeds we received resulting from the exercise of stock options during 2008, 2007 and 2006 were immaterial.

The following table summarizes information concerning stock options outstanding as of December 31, 2008:

	Options Outstanding				Options Exercisable			
Range of Exercise Prices	Number of Shares Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Aggregate Intrinsic Value (In thousands)	Number of Shares Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Aggregate Intrinsic Value (In thousands)
$ 3.00 — $12.00	4,470,410	6.4 years	$ 6.43	$ 420	2,240,110	4.1 years	$ 8.00	$ —
$ 12.01 — $18.00	374,935	2.3 years	17.22	—	374,935	2.3 years	17.22	—
$ 18.01 — $22.00	2,004,548	1.1 years	19.01	—	2,004,548	1.1 years	19.01	—
	6,849,893	4.7 years	$ 10.70	$ 420	4,619,593	2.6 years	$ 13.52	$ —

Restricted Stock Units

We grant restricted stock units ("RSUs") to certain employees and directors (together, the "participants") in Class A common stock. Awards of RSUs are valued by reference to shares of common stock that entitle participants to receive, upon the settlement of the unit, one share of common stock for each unit. The awards are subject to annual vesting periods not exceeding 4 years from the date of grant. We made estimates of expected forfeitures based on historic voluntary termination behavior and trends of actual RSU forfeitures and recognized compensation costs for equity awards expected to vest. The aggregate intrinsic value of outstanding RSUs was $12.7 million based on the closing stock price of $4.30 per share of our Class A common stock at December 31, 2008.

The following table summarizes the activity of our restricted stock unit awards for the year ended December 31, 2008:

	Number of Non-Vested Share Unit Awards	Weighted Average Grant Date Fair Value
Unvested Awards at January 1, 2006	1,132,300	$ 5.46
Granted	484,700	5.77
Awards Vested	(41,250)	5.78
Forfeited	(96,325)	5.54
Unvested Awards at December 31, 2006	1,479,425	$ 5.55
Granted	553,000	8.05
Awards Vested	(163,275)	5.71
Forfeited	(36,675)	6.94
Unvested Awards at December 31, 2007	1,832,475	$ 6.26
Granted	1,631,200	4.20
Awards Vested	(386,250)	6.54
Forfeited	(126,175)	6.11
Unvested Awards at December 31, 2008	2,951,250	$ 5.09

Employee Stock Purchase Plan

We maintain an employee stock purchase plan ("ESPP"). Under the plan, eligible employees are allowed to participate in the purchase of shares of our Class A common stock at a minimum 15% discount on the date of the allocation. Shares purchased by employees amounted to 270,878, 157,999, and 183,906 for the years ended December 31, 2008, 2007 and 2006, respectively. The net proceeds to us were approximately $1.0 million, $0.9 million and $0.9 million for the years ended December 31, 2008, 2007 and 2006, respectively.

9. INCOME TAXES

Income tax expense is attributable to an increase in the valuation allowance against certain deferred tax assets. The reconciliation of the income tax expense at the United States federal statutory rate to the actual income tax expense is as follows (dollars in thousands):

	2008	2007	2006
Tax benefit at the United States statutory rate	$ (6,499)	$ (13,353)	$ (22,808)
State taxes, net of federal tax benefit	7,765	8,549	9,124
Valuation allowance	55,031	61,552	72,450
Permanent items and other	1,916	818	968
Total income tax expense	$ 58,213	$ 57,566	$ 59,734

For the year ended December 31, 2008, total income tax expense differed from the tax benefit at the U.S. statutory rate primarily due to an increase in the valuation allowance against certain deferred tax assets (see below). State tax expense primarily represents the change in the state valuation allowance.

During the year ended December 31, 2008, we have again determined that deferred tax assets from net operating loss carryforwards, that were created in the respective periods, will not be realized under the more-likely-than-not standard required by SFAS No. 109, *"Accounting for Income Taxes."* As a result, we increased our valuation allowance recorded against these assets. A tax provision of $58.2 million, $57.6 million and $59.7 million was recorded for the years ended December 31, 2008, 2007 and 2006, respectively. The respective tax provision amounts substantially represent the increase in the deferred tax liabilities related to the basis differences of our indefinite-lived intangible assets.

Our net deferred tax liability consists of the following (dollars in thousands):

	2008	2007	2006
Current deferred tax assets:			
Accrued liabilities	$ 8,133	$ 6,884	$ 6,383
Unrealized loss on interest rate exchange agreements	18,258	—	—
Allowance for doubtful accounts	1,106	790	848
Current deferred tax assets	27,497	7,674	7,231
Less: Valuation allowance	(19,237)	(5,250)	(4,764)
Current deferred tax assets, net	$ 8,260	$ 2,424	$ 2,467
Long-term deferred tax assets:			
Net operating losses	$ 918,061	$ 897,921	$ 812,970
Capital loss	4,593	10,300	9,997
Unrealized loss on interest rate exchange agreements	14,133	—	—
Other assets	4,031	6,382	7,310
Valuation allowance	(658,211)	(625,757)	(547,023)
Long-term deferred tax assets	$ 282,607	$ 288,846	$ 283,254
Long-term deferred tax liabilities:			
Investment in cable television systems:			
Tangible fixed assets and definite-lived intangible assets	$ 290,867	$ 291,270	$ 285,720
Indefinite-lived intangible assets	372,390	314,178	256,834
Long-term deferred tax liabilities	$ 663,257	$ 605,448	$ 542,554
Long-term deferred tax liabilities, net	$ 380,650	$ 316,602	$ 259,300

As of December 31, 2008 and 2007, we had deferred tax assets of $968.3 million and $922.3 million, respectively, with valuation allowances of $677.4 million and $631.0 million, respectively. Most of the deferred tax assets relate to pre-tax net operating loss carryforwards for federal and state purposes. These federal net operating loss carryforwards had a balance of approximately $2.3 billion and $2.2 billion as of December 31, 2008 and 2007, respectively, and if not utilized will expire in the years 2021 through 2028. The state net operating loss carryforwards had a balance of approximately $2.1 billion and $2.0 billion as of December 31, 2008 and 2007, respectively, and if not utilized will expire in the years 2009 through 2028. For the year ended December 31, 2008, we changed our methodology for calculating our deferred tax asset for state net operating loss carryforwards, by using a more accurate state-by-state calculation rather than applying a blended state rate. This change resulted in a decrease to our deferred tax assets of approximately $10.4 million. As a result of certain realization requirements of SFAS No. 123(R), the table of deferred tax assets and liabilities shown above does not include a portion of the net operating loss deferred tax asset at December 31, 2008 and 2007 that arose directly from tax deductions related to equity compensation in excess of compensation recognized for financial reporting. Equity would be increased by approximately $0.2 million, if and when such deferred tax asset is ultimately realized.

SFAS No. 109 requires that deferred tax assets be reduced by a valuation allowance if it is more likely than not that some portion or all of the deferred tax assets will not be realized. We periodically assess the likelihood of realization of our deferred tax assets considering all available evidence, both positive and negative, including our most recent performance, the scheduled reversal of deferred tax liabilities, our forecast of taxable income in future periods and the availability of prudent tax planning strategies. As a result of these assessments in prior periods, we have established valuation allowances on a portion of our deferred tax assets due to the uncertainty surrounding the realization of these assets.

During the years ended December 31, 2008, 2007, and 2006, based on our assessment of the facts and circumstances, we concluded that an additional portion of our deferred tax assets from net operating loss carryfowards would not be realized under the more-likely-than-not standard of SFAS No. 109. As a result, we increased our valuation allowance against deferred tax assets by $58.2 million, $57.3 million, and $59.5 million in these years, respectively, and recognized a corresponding non-cash charge to income tax expense in each year. These amounts related to the portion of deferred tax liabilities based upon the book vs. tax basis difference of our indefinite-lived intangible assets. Our assessment of the facts and circumstances took into account our history of losses, the reduced likelihood of future taxable income and the limited availability of prudent tax planning strategies.

We expect to continue to increase our valuation allowance for any increase in the deferred tax liabilities relating to certain goodwill and indefinite-lived intangible assets. We will adjust our valuation allowance if we assess that there is sufficient change in our ability to recover our deferred tax assets. Our income tax expense in future periods will be reduced or increased to the extent of offsetting decreases or increases, respectively, in our valuation allowance. These changes could have a significant impact on our future earnings. In the event of a change in control, our net operating losses would be subject to Internal Revenue Code Section 382 limitations.

In June 2006, the FASB issued Interpretation No. 48, *"Accounting for Uncertainty in Income Taxes- An Interpretation of FASB Statement No. 109."* FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements in accordance with SFAS No. 109, and prescribes a recognition threshold and measurement attributes for financial statement disclosure of tax positions taken or expected to be taken on a tax return. We adopted the provisions of FIN 48 on January 1, 2007. As of December 31, 2008, we have not recorded any liability for unrecognized tax benefits. We do not think it is reasonably possible that the total amount of unrealized tax benefits will significantly change in the next twelve months.

We file U.S. federal consolidated income tax returns and income tax returns in various state and local jurisdictions. Our 2005, 2006, and 2007 U.S. federal tax years and various state and local years from 2004 through 2007 remain subject to income tax examinations by tax authorities.

We classify interest and penalties associated with uncertain tax positions as a component of income tax expense. During the years ended December 31, 2008, 2007 and 2006, respectively, no interest and penalties were accrued.

10. RELATED PARTY TRANSACTIONS

Mediacom Management Corporation ("Mediacom Management"), a Delaware corporation, holds a 1% direct ownership interest in Mediacom California LLC, which in turn holds a 1% interest in Mediacom Arizona LLC. Revenues related to these ownership interests represent less than 1% of our total revenues. Mediacom Management is wholly-owned by our Chairman and CEO.

One of our directors is a partner of a law firm that performs various legal services for us. For the years ended December 31, 2008, 2007 and 2006, we paid this law firm approximately $0.5 million, $1.2 million and $0.6 million, respectively, for services performed.

On September 7, 2008, we entered into a Share Exchange Agreement (the "Exchange Agreement") with Shivers Investments, LLC ("Shivers") and Shivers Trading & Operating Company ("STOC"). Both STOC and Shivers are affiliates of Morris Communications Company, LLC ("Morris Communications"), and STOC, Shivers and Morris Communications are controlled by William S. Morris III, a member of the our Board of Directors (the "Board"). Effective upon closing of the transaction, Messrs. Morris and Mitchell resigned from our Board of Directors. See Note 11.

11. REPURCHASE OF MEDIACOM CLASS A COMMON STOCK

On February 13, 2009, we completed the Exchange Agreement pursuant to which we exchanged all of the capital stock of a wholly-owned subsidiary, which held approximately $110 million of cash and non-strategic cable systems serving approximately 25,000 basic subscribers, for 28,309,674 shares of Mediacom Class A common stock held by Shivers. As of December 31, 2008, after giving effect to the completion of this transaction, our total Class A and Class B outstanding shares were approximately 66.5 million.

The $110 million cash portion of the Exchange Agreement was funded with borrowings made under the revolving commitments of our bank credit facilities. The effective rate of this borrowing was 1.79% as of February 12, 2009, and was based on our Eurodollar rate plus a spread of 1.44%. The revolving commitments under the bank credit facilities mature in September 2011.

The results of operations for the sale of assets were as follows (dollars in thousands):

	Year Ended December 31, 2008	Year Ended December 31, 2007
Revenues	$ 22,499	$ 21,380
Pre-tax net income	$ 2,271	$ 1,933

The sale assets from the Exchange Agreement are presented below under the caption “Assets held for sale” and “Liabilities held for sale” in the accompanying consolidated balance sheets at December 31, 2008 and 2007 respectively (dollars in thousands):

	December 31, 2008	December 31, 2007
Assets held for sale – current:		
Cash	$ 53	$ —
Accounts receivable, net	1,618	587
Prepaid and other current assets	22	62
Total assets held for sale – current	$ 1,693	$ 649
Assets held for sale – long term:		
Property, plant and equipment, net	6,396	24,154
Franchise rights, net	4,532	4,773
Other assets	5	—
Total assets held for sale – long term	$ 10,933	$ 28,927
Liabilities held for sale – current:		
Accounts payable and accrued expenses	$ 2,020	$ 570
Total liabilities held for sale – current	$ 2,020	$ 570

Based upon the $4.30 closing price per share of our Class A common stock on December 31, 2008, we recorded a non-cash write-down on the sale assets of approximately $17.7 million for the year ended December 31, 2008. This unrealized loss is included in our statements of operations for the year ended December 31, 2008 under the caption loss on sale of cable systems, net. This loss on sale of cable systems, net includes approximately $4.0 million in advisory and consulting fees paid in connection with the Exchange Agreement.

The closing price of our Class A common stock on February 13, 2009 was $4.92. As a result, we expect to realize a gain on the sale of cable systems, net of approximately $18 million in the first quarter of 2009. This amount, along with other closing adjustments, will be recorded in our results of operations for the three months ended March 31, 2009.

12. EMPLOYEE BENEFIT PLANS

Substantially all of our employees are eligible to participate in a defined contribution plan pursuant to the Internal Revenue Code Section 401(k) (the “Plan”). Under such Plan, eligible employees may contribute up to 15% of their current pre-tax compensation. The Plan permits, but does not require, matching contributions and non-matching (profit sharing) contributions to be made by us up to a maximum dollar amount or maximum percentage of participant contributions, as we determine annually. We presently match 50% on the first 6% of employee contributions. Our contributions under the Plan totaled approximately $2.5 million, $2.4 million and $2.1 million for the years ended December 31, 2008, 2007 and 2006, respectively.

13. COMMITMENTS AND CONTINGENCIES

Lease and Rental Agreements

Under various lease and rental agreements for offices, warehouses and computer terminals, we had rental expense of approximately $6.5 million, $6.3 million and $5.7 million for the years ended December 31, 2008, 2007 and 2006, respectively. Future minimum annual rental payments are as follows (dollars in thousands):

2009	$ 6,212
2010	5,392
2011	4,538
2012	3,464
2013	1,818
Thereafter	8,531
Total	$ 29,955

In addition, we rent utility poles in our operations generally under short-term arrangements, but we expect these arrangements to recur. Total rental expense for utility poles was approximately $11.0 million, $9.8 million and $10.4 million for the years ended December 31, 2008, 2007 and 2006, respectively.

Letters of Credit

As of December 31, 2008, approximately $19.3 million of letters of credit were issued to various parties to secure our performance relating to insurance and franchise requirements. The fair value of such letters of credit was immaterial.

Legal Proceedings

Mediacom LLC, one of our wholly owned subsidiaries, is named as a defendant in a putative class action, captioned *Gary Ogg and Janice Ogg v. Mediacom LLC*, pending in the Circuit Court of Clay County, Missouri, originally filed in April 2001. The lawsuit alleges that Mediacom LLC, in areas where there was no cable franchise, failed to obtain permission from landowners to place its fiber interconnection cable notwithstanding the possession of agreements or permission from other third parties. While the parties continue to contest liability, there also remains a dispute as to the proper measure of damages. Based on a report by their experts, the plaintiffs claim compensatory damages of approximately $14.5 million. Legal fees, prejudgment interest, potential punitive damages and other costs could increase that estimate to approximately $26.0 million. The plaintiffs have recently proposed an alternative damage theory of $42.0 million in compensatory damages. We are unable to reasonably determine the amount of our final liability in this lawsuit, as our experts have estimated our liability to be within the range of approximately

MEDIACOM COMMUNICATIONS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

$0.1 million to $2.3 million. This estimate does not include any estimate of damages for prejudgment interest, attorneys' fees or punitive damages. We believe, however, that the amount of such liability, as stated by any of the parties, would not have a material effect on our consolidated financial position, results of operations, cash flows or business. There can be no assurance that the actual liability would not exceed this estimated range. As of March 9, 2009, the trial commenced for the claim by the class representatives, Gary and Janice Ogg. Mediacom LLC has tendered the lawsuit to our insurance carrier for defense and indemnification. The carrier has agreed to defend Mediacom LLC under a reservation of rights, and a declaratory judgment action is pending regarding the carrier's defense and coverage responsibilities. Mediacom LLC intends to vigorously defend against any claims made by the plaintiffs, including at trial, and on appeal, if necessary.

We are involved in various other legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these other matters will not have a material adverse effect on our consolidated financial position, results of operations, cash flows or business.

14. SALE OF CABLE SYSTEMS, NET

We recorded a net gain on sale of assets, amounting to $11.1 million, for the year ended December 31, 2007, due to the sale of certain cable systems in Iowa and South Dakota. See Note 11.

15. SELECTED QUARTERLY FINANCIAL DATA (all amounts in thousands, except per share data):

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
		(Unaudited)		
2008				
Revenues	$ 339,679	$ 349,501	$ 352,553	$ 360,161
Operating income	64,616	69,332	71,179	73,729
Net (loss) income	$ (30,635)	$ 20,932	$ 2,197	$ (69,988)
Basic and diluted net (loss) income per share	(0.31)	0.22	0.02	(0.74)
Basic weighted average common shares outstanding	97,645	95,137	94,628	94,781
Diluted weighted average common shares outstanding	97,645	97,257	96,916	94,781
2007				
Revenues	$ 307,876	$ 324,734	$ 328,252	$ 332,513
Operating income	52,327	60,961	55,439	53,602
Net loss	$ (16,880)	$ (6,644)	$ (34,733)	$ (36,872)
Basic and diluted net loss per share	(0.15)	(0.06)	(0.32)	(0.35)
Basic and diluted weighted average common shares outstanding	109,890	109,758	108,013	103,649
2006				
Revenues	$ 289,348	$ 302,421	$ 305,556	$ 313,075
Operating income	52,696	59,850	55,963	55,111
Net (loss) income	$ (37,208)	$ 5,725	$ (89,827)	$ (3,612)
Basic and diluted net (loss) income per share	(0.33)	0.05	(0.82)	(0.03)
Basic weighted average common shares outstanding	113,529	110,922	109,689	109,798
Diluted weighted average common shares outstanding	113,529	121,690	109,689	109,798

(1) Effective January 1, 2006 we adopted SFAS No. 123(R) (see Note 8).

16. SUBSEQUENT EVENTS

On February 13, 2009, we completed the Exchange Agreement pursuant to which we exchanged all of the capital stock of a wholly-owned subsidiary, which held approximately $110 million of cash and non-strategic cable systems serving approximately 25,000 basic subscribers, for 28,309,674 shares of Mediacom Class A common stock held by Shivers. As of December 31, 2008, after giving effect to the completion of this transaction, our total Class A and Class B outstanding shares were approximately 66.5 million. See Notes 10 and 11.

Schedule II

MEDIACOM COMMUNICATIONS CORPORATION AND SUBSIDIARIES

VALUATION AND QUALIFYING ACCOUNTS

		Additions		Deductions		
	Balance at beginning of period	Charged to costs and expenses	Charged to other accounts	Charged to costs and expenses	Charged to other accounts	Balance at end of period
December 31, 2006						
Allowance for doubtful accounts:						
Current receivables	$ 3,078	$ 4,148	$ —	$ 5,053	$ —	$ 2,173
Valuation allowance						
Deferred tax assets	$ 429,480	$ 122,307	$ —	$ —	$ —	$ 551,787
December 31, 2007						
Allowance for doubtful accounts:						
Current receivables	$ 2,173	$ 5,416	$ —	$ 5,482		$ 2,107
Valuation allowance						
Deferred tax assets	$ 551,787	$ 79,220	$ —	$ —	$ —	$ 631,007
December 31, 2008						
Allowance for doubtful accounts:						
Current receivables	$ 2,107	$ 3,165	$ —	$ 2,456	$ 42	$ 2,774
Valuation allowance						
Deferred tax assets	$ 631,007	$ 46,441	$ —	$ —	$ —	$ 677,448

ITEM 9. ***CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE***

None.

ITEM 9A. ***CONTROLS AND PROCEDURES***

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934) as of the end of the period covered by this report. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of December 31, 2008.

There has not been any change in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) during the quarter ended December 31, 2008 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Management's Report on Internal Control Over Financial Reporting

Management of our company is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act as a process designed by, or under the supervision of our principal executive and principal financial officers and effected by our board of directors, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of our inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of our company's internal control over financial reporting as of December 31, 2008. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework. Based on this assessment, management determined that, as of December 31, 2008, our company's internal control over financial reporting was effective.

The effectiveness of our internal control over financial reporting as of December 31, 2008 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which is included herein.

ITEM 9B. *OTHER INFORMATION*

None

PART III

ITEM 10. *DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE*

Information called for by Item 10 is set forth under the heading "Directors and Executive Officers of the Registrant" in Item 4A of this annual report and in our proxy statement relating to the 2009 Annual Meeting of Stockholders (the "Proxy Statement"), which information is incorporated herein by this reference.

ITEM 11. *EXECUTIVE COMPENSATION*

Information called for by Item 11 is set forth in our Proxy Statement, which information is incorporated herein by this reference.

ITEM 12. *SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS*

Information called for by Item 12 is set forth in our Proxy Statement, which information is incorporated herein by this reference.

ITEM 13. *CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE*

Information called for by Item 13 is set forth in our Proxy Statement, which information is incorporated herein by this reference.

ITEM 14. ***PRINCIPAL ACCOUNTING FEES AND SERVICES***

Information called for by Item 14 is set forth in our Proxy Statement, which information is incorporated herein by this reference.

PART IV

ITEM 15. ***EXHIBITS, FINANCIAL STATEMENT SCHEDULES***

(a) Financial Statements

Our financial statements as set forth in the Index to Consolidated Financial Statements under Part II, Item 8 of this Form 10-K are hereby incorporated by reference.

(b) Exhibits

The following exhibits, which are numbered in accordance with Item 601 of Regulation S-K, are filed herewith or, as noted, incorporated by reference herein:

Exhibit Number	Exhibit Description
2.1	Share Exchange Agreement, dated as of September 7, 2008, by and between Mediacom Communications Corporation, Shivers Investments, LLC, and Shivers Trading & Operating Company(1)
2.2	Significant Stockholder Agreement, dated as of September 7, 2008 by and between Mediacom Communications Corporation and Rocco B. Commisso(1)
2.3	Asset Transfer Agreement, dated February 11, 2009, by and among Mediacom Communications Corporation, certain operating subsidiaries of Mediacom LLC and the operating subsidiaries of Mediacom Broadband LLC
3.1	Restated Certificate of Incorporation of Mediacom Communications Corporation(2)
3.2	Amended and Restated By-laws of Mediacom Communications Corporation(3)
4.1	Form of certificate evidencing share of Class A common stock(2)
4.2	Indenture relating to $7^{7}/_{8}$% senior notes due 2011 of Mediacom LLC and Mediacom Capital Corporation(4)
4.3	Indenture relating to $9^{1}/_{2}$% senior notes due 2013 of Mediacom LLC and Mediacom Capital Corporation(5)
4.4	Indenture relating to $8^{1}/_{2}$% senior notes due 2015 of Mediacom Broadband LLC and Mediacom Broadband Corporation(6)
10.1(a)	Credit Agreement, dated as of October 21, 2004, among the operating subsidiaries of Mediacom LLC, the lenders thereto and JPMorgan Chase Bank, as administrative agent for the lenders(7)
10.1(b)	Amendment No. 1, dated as of May 5, 2006, to the Credit Agreement, dated as of October 21, 2004, among the operating subsidiaries of Mediacom LLC, the lenders thereto and JPMorgan Chase Bank, as administrative agent for the lenders(8)
10.1(c)	Amendment No. 2, dated as of June 11, 2007, to the Credit Agreement, dated as of October 21, 2004, among the operating subsidiaries of Mediacom LLC, the lenders party thereto and JPMorgan Chase Bank as administrative agent for the lenders(9)
10.1(d)	Amendment No. 3, dated as of June 11, 2007, to the Credit Agreement, dated of October 21, 2004, among the operating subsidiaries of Mediacom LLC, the lenders party thereto and JPMorgan Chase Bank, as administrative agent for the lenders(9)
10.2(a)	Amendment and Restatement, dated December 16, 2004, of Credit Agreement, dated as of July 18, 2001, among the operating subsidiaries of Mediacom Broadband LLC, the lenders thereto and JPMorgan Chase Bank, as administrative agent for the lenders(10)

Exhibit Number	Exhibit Description
10.2(b)	Amendment No. 1, dated as of October 11, 2005, to the Amendment and Restatement, dated as of December 16, 2004, of Credit Agreement, dated as of July 18, 2001, among the operating subsidiaries of Mediacom Broadband LLC, the lenders thereto and JP Morgan Chase Bank, as administrative agent for the lenders(11)
10.2(c)	Amendment No. 2, dated as of May 5, 2006, to the Amendment and Restatement, dated as of December 16, 2004, of Credit Agreement, dated as of July 18, 2001, among the operating subsidiaries of Mediacom Broadband LLC, the lenders thereto and JPMorgan Chase Bank, as administrative agent for the lenders(8)
10.2(d)	Amendment No. 3, dated as of June 11, 2007, to the Amendment and Restatement, dated as of December 16, 2004, of Credit Agreement, dated as of July 18, 2001, among the operating subsidiaries of Mediacom Broadband LLC, the lenders party thereto and JPMorgan Chase Bank, as administrative agent for the lenders(9)
10.2(e)	Amendment No. 4, dated as of June 11, 2007, to the Amendment and Restatement, dates as of December 16, 2004, of Credit Agreement, dated as of July 18, 2001, among the operating subsidiaries of Mediacom Broadband LLC, the lenders party thereto and JPMorgan Chase Bank, as administrative agent for the lenders(9)
10.3	Incremental Facility Agreement, dated as of May 5, 2006, between the operating subsidiaries of Mediacom LLC, the lenders signatory thereto and JPMorgan Chase Bank, N.A., as administrative agent(8)
10.4	Incremental Facility Agreement, dated as of May 5, 2006, between the operating subsidiaries of Mediacom Broadband LLC, the lenders signatory thereto and JPMorgan Chase Bank. N.A., as administrative agent(8)
10.5	Incremental Facility Agreement, dated as of May 29, 2008, between the operating subsidiaries of Mediacom Broadband LLC, the lenders signatory thereto and JPMorgan Chase Bank, N.A., as administrative agent(12)
10.6*	Form of Amended and Restated Registration Rights Agreement by and among Mediacom Communications Corporation, Rocco B. Commisso, BMO Financial, Inc., CB Capital Investors, L.P., Chase Manhattan Capital, L.P., Morris Communications Corporation, Private Market Fund, L.P. and U.S. Investor, Inc.(2)
10.7	Fifth Amended and Restated Operating Agreement of Mediacom LLC(13)
10.8	Amended and Restated Limited Liability Company Operating Agreement of Mediacom Broadband LLC(14)
10.9*	Compensation Agreement of Rocco Commisso(15)
10.10	2001 Employee Stock Purchase Plan(16)
10.11(a)*	2003 Incentive Plan(17)
10.11(b)*	Form of Stock Option Agreement for Executive Officers
10.11(c)*	Form of Restricted Stock Unit Award Agreement for Executive Officers
10.12(a)	Non-Employee Directors Equity Incentive Plan(18)
10.12(b)	Form of Stock Option Agreement for Non-Employee Directors
10.12(c)	Form of Restricted Stock Unit Award Agreement for Non-Employee Directors
12.1	Schedule of Computation of Ratio of Earnings to Fixed Charges
21.1	Subsidiaries of Mediacom Communications Corporation
23.1	Consent of PricewaterhouseCoopers LLP
31.1	Rule 13a-14(a) Certifications
32.1	Section 1350 Certifications

(c) Financial Statement Schedule

The financial statement schedule — Schedule II — Valuation and Qualifying Accounts — is part of this Form 10-K.

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* Compensatory Plan

(1) Filed as an exhibit to the Current Report on Form 8-K, dated September 7, 2008, of Mediacom Communications Corporation and incorporated herein by reference.

(2) Filed as an exhibit to the Registration Statement on Form S-1 (File No. 333-90879) of Mediacom Communications Corporation and incorporated herein by reference.

(3) Filed as an exhibit to the Current Report on Form 8-K, dated December 21, 2007, of Mediacom Communications Corporation and incorporated herein by reference.

(4) Filed as an exhibit to the Annual Report on Form 10-K for the fiscal year ended December 31, 1998 of Mediacom LLC and Mediacom Capital Corporation and incorporated herein by reference.

(5) Filed as an exhibit to the Annual Report on Form 10-K for the fiscal year ended December 31, 2000 of Mediacom Communications Corporation and incorporated herein by reference.

(6) Filed as an exhibit to the Current Report on Form 8-K, dated August 30, 2005, of Mediacom Broadband LLC and Mediacom Broadband Corporation and incorporated herein by reference.

(7) Filed as an exhibit to the Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2004 of Mediacom Communications Corporation and incorporated herein by reference.

(8) Filed as an exhibit to the Quarterly Report of Form 10-Q for the quarterly period ended March 31, 2006 of Mediacom Communications Corporation and incorporated herein by reference.

(9) Filed as an exhibit to the Quarterly Report of Form 10-Q for the quarterly period ended June 30, 2007 of Mediacom Communications Corporation and incorporated herein by reference.

(10) Filed as an exhibit to the Annual Report on Form 10-K for the fiscal year ended December 31, 2004 of Mediacom Communications Corporation and incorporated herein by reference.

(11) Filed as an exhibit to the Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2005 of Mediacom Communications Corporation and incorporated herein by reference.

(12) Filed as an exhibit to the Current Report on Form 8-K, dated May 29, 2008, of Mediacom Broadband LLC and incorporated herein by reference.

(13) Filed as an exhibit to the Annual Report on Form 10-K for the fiscal year ended December 31, 1999 of Mediacom Communications Corporation and incorporated herein by reference.

(14) Filed as an exhibit to the Registration Statement on Form S-4 (File No. 333-72440) of Mediacom Broadband LLC and Mediacom Broadband Corporation and incorporated herein by reference.

(15) Filed as an exhibit to the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2004 of Mediacom Communications Corporation and incorporated herein by reference.

(16) Filed as an exhibit to the Registration Statement on Form S-8 (File No. 333-68306) of Mediacom Communications Corporation and incorporated herein by reference.

(17) Filed as Exhibit A to the definitive Proxy Statement of Mediacom Communications Corporation on April 30, 2003 and incorporated herein by reference.

(18) Filed as Exhibit A to the definitive Proxy Statement of Mediacom Communications Corporation on April 29, 2004 and incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1934, the Registrant has duly caused this report to be signed on our behalf by the undersigned, thereunto duly authorized.

Mediacom Communications Corporation

March 13, 2009

By: /s/ ROCCO B. COMMISSO
Rocco B. Commisso
Chairman and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ ROCCO B. COMMISSO **Rocco B. Commisso**	Chairman and Chief Executive Officer (principal executive officer)	March 13, 2008
/s/ MARK E. STEPHAN **Mark E. Stephan**	Executive Vice President, Chief Financial Officer and Director (principal financial officer and principal accounting officer)	March 13, 2008
/s/ THOMAS V. REIFENHEISER **Thomas V. Reifenheiser**	Director	March 13, 2008
/s/ NATALE S. RICCIARDI **Natale S. Ricciardi**	Director	March 13, 2008
/s/ ROBERT L. WINIKOFF **Robert L. Winikoff**	Director	March 13, 2008

Exhibit 2.3

Execution Copy

ASSET TRANSFER AGREEMENT

EFFECTIVE AS OF FEBRUARY 13, 2009

BY AND AMONG

MEDIACOM IOWA LLC, MEDIACOM WISCONSIN LLC,

MEDIACOM ILLINOIS LLC, MEDIACOM SOUTHEAST LLC,

MCC IOWA LLC, MCC GEORGIA LLC

MCC ILLINOIS LLC, MCC MISSOURI LLC

AND

MEDIACOM COMMUNICATIONS CORPORATION

List of Schedules

List of Exhibits

Exhibit A	Assumption Agreement
Exhibit B	Bill of Sale
Exhibit C	Assignment and Assumption Agreement

ASSET TRANSFER AGREEMENT

Mediacom Wisconsin LLC, a Delaware limited liability company ("Wisconsin LLC"), Mediacom Illinois, LLC a Delaware limited liability company ("Illinois LLC"), Mediacom Southeast LLC, a Delaware limited liability company ("Southeast LLC"), Mediacom Iowa LLC, a Delaware limited liability company ("Iowa LLC" and, collectively with Wisconsin LLC, Illinois LLC and Southeast LLC, the "LLC Swap Parties"), MCC Illinois LLC, a Delaware limited liability company ("Illinois BB"), MCC Georgia LLC, a Delaware limited liability company ("Georgia BB"), MCC Iowa LLC, a Delaware limited liability company ("Iowa BB"), MCC Missouri LLC, a Delaware limited liability company ("Missouri BB" and, collectively with Illinois BB, Georgia BB and Iowa BB, the "BB Swap Parties"), and Mediacom Communications Corporation, a Delaware corporation ("Mediacom" and collectively with the LLC Swap Parties and the BB Swap Parties, the "Parties"), enter into this Asset Transfer Agreement (this "Agreement") executed as of February 11, 2009, effective as of February 13, 2009 (the "Effective Date").

RECITALS:

A. Mediacom is the sole member and manager of each of Mediacom Broadband LLC, a Delaware limited liability company ("Broadband LLC"), and Mediacom LLC, a New York limited liability company ("Mediacom LLC"); and

B. Broadband LLC is the sole member of each of the BB Swap Parties, and Mediacom LLC is the sole member of each of the LLC Swap Parties; and

C. Illinois BB owns cable television, internet data delivery, and telephony systems, and related assets located in and around the communities and franchise areas listed on Schedule 2.1(a) (the "BB Systems") and operates the BB Systems to provide cable television, internet access, and telephony services to subscribers of the BB Systems (the "BB Business"). The LLC Swap Parties, the BB Swap Parties and Mediacom agree and acknowledge that the BB Swap Parties and its affiliates own and operate other cable television, internet data delivery, and telephony systems other than the BB Systems, and that said systems are not subject to this Agreement.

D. The LLC Swap Parties own cable television, internet data delivery, and telephony systems, and related assets located in and around the communities and franchise areas listed on Schedule 2.2(a)(1) (the "LLC-1 Systems") and on Schedule 2.2(a)(2) (the "LLC-2 Systems" and collectively with the LLC-1 Systems, the "LLC Systems") and operate the LLC-1 Systems and LLC-2 Systems to provide cable television, internet access, and telephony services to subscribers of the LLC-1 Systems (the "LLC-1 Business") and LLC-2 Systems (the "LLC-2 Business" and, collectively with the LLC-1 Business, the "LLC Business"), respectively. The LLC Swap Parties, the BB Swap Parties and Mediacom agree and acknowledge that the LLC Swap Parties and their affiliates own and operate other cable television, internet data delivery, and telephony systems other than the LLC Systems, and that said systems are not subject to this Agreement.

E. Under the terms of this Agreement, the Parties desire to effect a series of transactions (collectively, the "Transactions") pursuant to which (i) Mediacom would acquire from the LLC

Swap Parties all of the LLC Assets used or useful in the LLC Business, other than the LLC Excluded Assets, (ii) Mediacom would acquire from Illinois BB all of the BB Assets used or useful in the BB Business, other than the BB Excluded Assets, (iii) Illinois LLC would acquire from Mediacom all of the BB Assets used or useful in the BB Business, other than the BB Excluded Assets, (iv) the BB Swap Parties would acquire from Mediacom all of the LLC-1 Assets used or useful in the LLC-1 Business, other than the LLC-1 Excluded Assets, (v) Mediacom would assume certain liabilities of the LLC Swap Parties relating to the LLC-2 Business, (vi) Illinois LLC would assume certain liabilities of Illinois BB relating to the BB Business, and (vii) the BB Swap Parties would assume certain liabilities of the LLC Swap Parties relating to the LLC-1 Business.

F. Each of the Parties expects to derive benefits, directly and indirectly, by reason of consummation of the Transactions.

In consideration of the foregoing and the representations, warranties, covenants and agreements contained herein, and intending to be legally bound, the parties hereto agree as follows:

AGREEMENTS:

ARTICLE I
DEFINITIONS

The following terms shall have the following meanings in this Agreement:

"Agreement Date" means the date of this Agreement.

"Basic Service" means the lowest level of cable television service offered by each System that includes broadcast programming.

"BB Accounts Receivable" means accounts receivable of Illinois BB derived from the operation of the BB Systems prior to the Closing Date.

"BB Assets" means all of Illinois BB's privileges, rights, interests and properties, real and personal, tangible and intangible, that relate directly to the BB Business and operations of the BB Systems and are used in the BB Systems or the BB Business including, without limitation:

(a) the BB Franchises set forth on Schedule 2.1(a);

(b) the BB FCC Licenses;

(c) the BB Real Property set forth on Schedule 2.1(c);

(d) the BB Equipment;

(e) the BB Contracts;

(f) the BB Intangibles;

(g) the BB Accounts Receivable;

(h) registrations and permits used or useful in the BB Business;

(i) Illinois BB's records, files and data related directly or indirectly to the BB Business and operations of the BB Systems; and

(j) all other BB Assets except BB Excluded Assets.

"BB Basic Subscribers" means the total number of households that (i) subscribe to the Basic Service offered by Illinois BB with respect to the BB Systems (either alone or in combination with any other service) (exclusive of "second outlets," "additional outlets" or "courtesy accounts," as such terms are commonly understood in the cable television industry) or have requested to be installed with the Basic Service offered by Illinois BB with respect to the BB Systems (either alone or in a combination with any other service) but where installation has not been completed; (ii) have paid their applicable installation fee and the first month's billed charges for their Basic Service; (iii) do not have more than $10.00 owing to Illinois BB 60 days or more overdue from the first day of the period to which any outstanding bill relates; (iv) have not requested disconnection and consistent with Illinois BB's policy on disconnection should not have been disconnected; and (v) in the case of households that became subscribers within ninety (90) days preceding the applicable date as of which the number of BB Basic Subscribers is determined, that became subscribers only pursuant to customary promotions conducted in the ordinary course of business consistent with Illinois BB's past practices.

"BB Board Approval" means the authorization and approval by the Executive Committee of Broadband LLC of the execution, delivery, and performance of this Agreement and the consummation of the Related Transactions by the BB Swap Parties.

"BB Bulk Accounts" means Illinois BB's agreements with owners of Multiple Dwelling Units, campgrounds, nursing homes, hotels, and similar businesses for the provision of Basic Service at a discounted or bulk rate and such accounts (i) subscribe to Illinois BB's Basic Service with respect to the BB Systems (either alone or in combination with any other service) or have requested to be installed with Illinois BB's Basic Service with respect to the BB Systems (either alone or in combination with any other service) but installation has not been completed; (ii) have paid their applicable installation fee and the first month's billed charges for Basic Service; (iii) do not have more than $10.00 owing to Illinois BB 60 days or more overdue from the first day of the period to which any outstanding bill relates; (iv) have not requested disconnection; and consistent with Illinois BB's policy on disconnection should not have been disconnected; and (v) in the case of accounts that became subscribers within ninety (90) days preceding the applicable date as of which the number or BB Bulk Basic Subscribers is determined, that became subscribers only pursuant to customary marketing promotions conducted in the ordinary course of business consistent with past practices.

"BB Bulk Basic Subscribers" means (i) the sum of (x) total billings, before nonrecurring charges or credits, derived from BB Bulk Accounts in each of the twelve (12) calendar months preceding Closing divided by (y) the average rate for Basic Service in effect in the BB Systems in each respective calendar month (determined by dividing revenues for Basic Service for such twelve (12) month period by the sum of BB Basic Subscribers for such twelve (12) month period) and (ii) further divided by twelve (12).

"BB Business" has the meaning set forth in the Recitals to this Agreement.

"BB Contracts" means leases, easements, rights-of-way, crossing agreements, equipment leases, bulk subscriber agreements, agreements for access to Multiple Dwelling Units, pole attachment and conduit agreements, programming agreements, subscriber agreements and other agreements, written or oral (including any amendments and other modifications thereto), other than BB Franchises or BB Excluded Assets, to which Illinois BB is a party or which are binding upon Illinois BB and which relate to the operation of the BB Systems or the BB Business, and (i) which are in effect on the date hereof or (ii) which are entered into by Illinois BB as permitted by Section 7.2 of this Agreement between the date hereof and the Closing Date.

"BB Copyright Filings" has the meaning set forth in Section 3.14.

"BB Deficiency Amount" has the meaning set forth in Section 2.11(e).

"BB Equipment" means all electronic devices, servers and gateway servers, trunk and distribution coaxial and optical fiber cable, fiber optic transport facilities, amplifiers, power supplies, conduits, vaults and pedestals, grounding and pole hardware, subscriber devices (including converters, encoders, transformers behind television sets and fittings), headed hardware (including origination, earth stations, transmission and distribution systems), test equipment, vehicles, spare parts, inventory, and other tangible personal property and facilities owned or leased by Illinois BB and used or held for use by Illinois BB in the conduct of the BB Business or operations of the BB Systems.

"BB Excess Amount" has the meaning set forth in Section 2.11(e).

"BB Excluded Assets" has the meaning set forth in Section 2.4.

"BB FCC Licenses" means all licenses, permits, authorizations, registrations or other authority issued by the FCC to Illinois BB relating to the BB Systems or the BB Business.

"BB Franchises" means all municipal, county, state and federal cable television franchises, franchise applications (if any), ordinances, licenses, authorizations and permits held by Illinois BB relating to the BB Systems or the BB Business, including, without limitation, those items listed on Schedule 2.1(a).

"BB Homes Passed" means the sum of the number of single family residences and individual residential living units contained in Multiple Dwelling Units capable of being serviced by the BB Systems.

"BB Intangibles" means all general intangibles, including the right to utilize patented technology to the extent that such patented technology is presently being utilized in connection with the operation of the BB Business and BB Systems by Illinois BB, subscriber lists, and all goodwill, if any, owned, used or held for use by Illinois BB in connection with the BB Business, provided, however, BB Intangibles shall not include (i) rights or title to any patents held by Illinois BB, (ii) any copyrights owned or held by Illinois BB, (iii) any trademarks, service marks, trade names, logos or similar proprietary rights owned or held by Illinois BB, or (iv) any domain names utilized or held by Illinois BB.

"BB Material Adverse Effect" means any change, event, occurrence of effect that has a material adverse effect on the operations, assets, or financial condition of the BB Assets, the BB Business and the BB Systems, taken as a whole, but without taking into account (i) any effect resulting from changes in conditions (including economic conditions, changes in FCC regulations, or federal or state governmental actions, legislation or regulations) that are applicable to the economy or the cable television industry on a national, regional or state basis (other than such changes as would prohibit the transactions contemplated hereby, subject the LLC Swap Parties to damages or require the LLC Swap Parties to divest themselves of other assets or interests) or (ii) any changes in technology affecting the BB Business.

"BB Real Property" means all interests in real property (including buildings, improvements, fixtures, appurtenances and easements) which are used or held for use in the BB Business or operations of the BB Systems, including, without limitation, the items listed on Schedule 2.1(c), plus such additions thereto and deletions therefrom arising in the ordinary course of business and permitted by this Agreement between the date hereof and the Closing Date.

"BB Report" has the meaning set forth in Section 2.11(a).

"BB Swap Parties' Knowledge", "the Knowledge of the BB Swap Parties" or words of similar import means the actual knowledge of Calvin Craib, Senior Vice President of Business Development, Brian Walsh, Senior Vice President and Controller, and Bruce Gluckman, Vice President — Legal Affairs.

"BB System Pole Contracts" has the meaning set forth in Section 3.7(b).

"BB Taxes" has the meaning set forth in Section 3.19.

"BB to MCC Asset Transfers" has the meaning set forth in Section 2.2.

"BB to MCC Consents" means all of the consents, notices, waivers, authorizations, filings, permits, approvals or other actions of any Person, Franchising Authority or other Governmental Authority required to permit the transfer of the BB Assets from Illinois BB to Mediacom.

"Board Approvals" means the BB Board Approval, the LLC Board Approval and the Mediacom Board Approval.

"Broadband Service" means the lowest level of internet access service offered by each System that includes internet access.

"Business Day" means any day other than a Saturday, a Sunday, or any day on which banks in New York are authorized or required to be closed.

"Businesses" means the LLC Business and the BB Business.

"Closing" or "Closing Date" has the meaning set forth in Section 2.9.

"Code" means the Internal Revenue Code of 1986, as amended.

"Communications Act" means the Communications Act of 1934, as amended by the Cable Communications Policy Act of 1984, the Cable Television Consumer Protection and Competition Act of 1992 and the Telecommunications Act of 1996.

"Copyright Act" means the Copyright Act of 1976, as amended.

"Copyright Office Regulations" means all rules, regulations, and policies promulgated by the Copyright Office under the Copyright Act.

"Effective Time" means 11:59 p.m., New York City time, on the Closing Date.

"Encumbrance" means any mortgage, lien, security interest, security agreement, conditional sale or other title retention agreement, limitation, condition, pledge, right of first refusal, option, assessment, adverse interest, restriction on transfer or any defect in title or other ownership interest, including reservations, rights of way, possibilities of reverter, encroachments, easements, rights of entry, restrictive covenants, leases and licenses.

"Environmental Law" means any requirement of federal, state or local law or regulation pertaining to land use, air, soil, surface water, groundwater (including the protection, cleanup, removal, remediation or damage thereof), public or employee health or safety or other environmental matter, or relating to emissions, discharges, or releases or threatened releases of any Hazardous Substance into ambient air, land, surface water, ground water, personal property or structures, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, discharge or handling of any Hazardous Substance.

"Equalization Amount" means $8.2 million.

"FCC" means the Federal Communications Commission.

"FCC Regulations" means all rules, regulations, and policies promulgated by the FCC under the Communications Act.

"Franchises" means the BB Franchises and the LLC Franchises.

"Franchising Authority" means a Government Authority that is a party to a LLC Franchise or a BB Franchise or before which are pending any franchise applications filed by Illinois BB or a LLC Swap Party relating to the operation of a System.

"GAAP" means generally accepted accounting principles consistently applied.

“Governmental Authority” means any of the following: (a) the United States of America; (b) any state or any political subdivision; or (c) any government agency, authority or instrumentality, including any court, tribunal, department, bureau, commission, or board.

“Hazardous Substance” means any pollutant, contaminant, hazardous or toxic substance, or material that is designated as a hazardous substance under any Environmental Law; provided, that such term shall not include any such substances to the extent used in commercially reasonable quantities, in the ordinary course of business and in compliance with Environmental Laws.

“IRS” means the Internal Revenue Service.

“Legal Requirements” means any law, rule, regulation, order, decision, ruling, or other requirement, enacted, adopted, promulgated, or applied by any Governmental Authority.

“Liabilities Assumed by BB” has the meaning set forth in Section 2.6.

“Liabilities Assumed by LLC” has the meaning set forth in Section 2.8.

“Liabilities Assumed by Mediacom” has the meaning set forth in Section 2.7.

“Liabilities Not Assumed by BB” has the meaning set forth in Section 2.6.

“Liabilities Not Assumed by LLC” has the meaning set forth in Section 2.8.

“Liabilities Not Assumed by Mediacom” has the meaning set forth in Section 2.7.

“LLC Accounts Receivable” means the LLC-1 Accounts Receivable and the LLC-2 Accounts Receivable.

“LLC Assets” means the LLC-1 Assets and the LLC-2 Assets.

“LLC Board Approval” means the authorization and approval by the Executive Committee of Mediacom LLC of the execution, delivery, and performance of this Agreement and the consummation of the Related Transactions by the LLC Swap Parties.

“LLC Business” has the meaning set forth in the Recitals to this Agreement.

“LLC Contracts” means the LLC-1 Contracts and the LLC-2 Contracts.

“LLC Copyright Filings” has the meaning set forth in section 4.14.

“LLC Equipment” means the LLC-1 Equipment and the LLC-2 Equipment.

“LLC Excluded Assets” has the meaning set forth in Section 2.5.

“LLC FCC Licenses” means the LLC-1 FCC Licenses and the LLC-2 FCC Licenses.

“LLC Franchises” means the LLC-1 Franchises and the LLC-2 Franchises.

"LLC Homes Passed" means the LLC-1 Homes Passed and the LLC-2 Homes Passed.

"LLC Intangibles" means the LLC-1 Intangibles and the LLC-2 Intangibles.

"LLC Material Adverse Effect" means any change, event, occurrence or effect that has a material adverse effect on the operations, assets, or financial condition of the LLC Assets, the LLC Business and the LLC Systems, taken as a whole, but without taking into account (i) any effect resulting from changes in conditions (including economic conditions, changes in FCC regulations, or federal or state governmental actions, legislation or regulations) that are applicable to the economy or the cable television industry on a national, regional or state basis (other than such changes as would prohibit the transactions contemplated hereby, subject the BB Swap Parties to damages or require the BB Swap Parties to divest itself of other assets or interests) or (ii) any changes in technology affecting the LLC Business.

"LLC Real Property" means the LLC-1 Real Property and the LLC-2 Real Property.

"LLC Report" has the meaning set forth in Section 2.11(b).

"LLC System Pole Contracts" means the LLC-1 System Pole Contracts and the LLC-1 System Pole Contracts.

"LLC Taxes" has the meaning set forth in Section 4.19.

"LLC to MCC Asset Transfers" has the meaning set forth in Section 2.1.

"LLC to MCC Consents" means all of the consents, notices, waivers, authorizations, filings, permits, approvals or other actions of any Person, Franchising Authority or other Governmental Authority required to permit the transfer of the LLC Assets from the LLC Swap Parties to Mediacom.

"LLC Swap Parties' Knowledge", "the Knowledge of the LLC Swap Parties" or words of similar import means the actual knowledge of Calvin Craib, Senior Vice President of Business Development; Brian Walsh, Senior Vice President and Controller, and Bruce Gluckman, Vice President — Legal Affairs.

"LLC-1 Accounts Receivable" means accounts receivable of the LLC Swap Parties derived from the operation of the LLC-1 Systems prior to the Closing Date.

"LLC-1 Assets" means all of the LLC Swap Parties' privileges, rights, interests and properties, real and personal, tangible and intangible, that relate directly to the LLC-1 Business and operations of the LLC-1 Systems and are used in the LLC-1 Systems or the LLC-1 Business including, without limitation:

(a) the LLC-1 Franchises set forth on Schedule 2.2(a)(1);

(b) the LLC-1 FCC Licenses;

(c) the LLC-1 Real Property set forth on Schedule 2.2(c)(1);

(d) the LLC-1 Equipment;

(e) the LLC-1 Contracts;

(f) the LLC-1 Intangibles;

(g) the LLC-1 Accounts Receivable;

(h) registrations and permits used or useful in the LLC-1 Business;

(i) the LLC Swap Parties' records, files and data related directly or indirectly to the LLC-1 Business and operations of the LLC-1 Systems; and

(j) all other LLC-1 Assets except LLC-1 Excluded Assets.

"LLC-1 Basic Subscribers" means the total number of households that (i) subscribe to the Basic Service offered by the LLC Swap Parties with respect to the LLC-1 Systems (either alone or in combination with any other service) (exclusive of "second outlets," "additional outlets" or "courtesy accounts," as such terms are commonly understood in the cable television industry) or have requested to be installed with the Basic Service offered by the LLC Swap Parties with respect to the LLC-1 Systems (either alone or in a combination with any other service) but where installation has not been completed; (ii) have paid their applicable installation fee and the first month's billed charges for their Basic Service; (iii) do not have more than $10.00 owing to the LLC Swap Parties 60 days or more overdue from the first day of the period to which any outstanding bill relates; (iv) have not requested disconnection and consistent with the LLC Swap Parties' policy on disconnection should not have been disconnected; and (v) in the case of households that became subscribers within ninety (90) days preceding the applicable date as of which the number of LLC-1 Basic Subscribers is determined, that became subscribers only pursuant to customary promotions conducted in the ordinary course of business consistent with the LLC Swap Parties' past practices.

"LLC-1 Bulk Accounts" means the LLC Swap Parties' agreements with owners of Multiple Dwelling Units, campgrounds, nursing homes, hotels, and similar businesses for the provision of Basic Service at a discounted or bulk rate and such accounts (i) subscribe to the LLC Swap Parties' Basic Service with respect to the LLC-1 Systems (either alone or in combination with any other service) or have requested to be installed with the LLC Swap Parties' Basic Service with respect to the LLC-1 Systems (either alone or in combination with any other service) but installation has not been completed; (ii) have paid their applicable installation fee and the first month's billed charges for Basic Service; (iii) do not have more than $10.00 owing to the LLC Swap Parties 60 days or more overdue from the first day of the period to which any outstanding bill relates; (iv) have not requested disconnection; and consistent with the LLC Swap Parties' policy on disconnection should not have been disconnected; and (v) in the case of accounts that became subscribers within ninety (90) days preceding the applicable date as of which the number or LLC-1 Bulk Basic Subscribers is determined, that became subscribers only pursuant to customary marketing promotions conducted in the ordinary course of business consistent with past practices.

“LLC-1 Bulk Basic Subscribers” means (i) the sum of (x) total billings, before nonrecurring charges or credits, derived from LLC-1 Bulk Accounts in each of the twelve (12) calendar months preceding Closing divided by (y) the average rate for Basic Service in effect in the LLC-1 Systems in each respective calendar month (determined by dividing revenues for Basic Service for such twelve (12) month period by the sum of LLC-1 Basic Subscribers for such twelve (12) month period) and (ii) further divided by twelve (12).

“LLC-1 Business” has the meaning set forth in the Recitals to this Agreement.

“LLC-1 Contracts” means leases, easements, rights-of-way, crossing agreements, equipment leases, bulk subscriber agreements, agreements for access to Multiple Dwelling Units, pole attachment and conduit agreements, programming agreements, subscriber agreements and other agreements, written or oral (including any amendments and other modifications thereto), other than Franchises or Excluded Assets, to which a LLC Swap Party is a party or which are binding upon a LLC Swap Party and which relate to the operation of the LLC-1 Systems or the LLC-1 Business, and (i) which are in effect on the date hereof or (ii) which are entered into by a LLC Swap Party as permitted by Section 7.4 of this Agreement between the date hereof and the Closing Date.

“LLC-1 Deficiency Amount” has the meaning set forth in Section 2.11(d).

“LLC-1 Equipment” means all electronic devices, servers and gateway servers, trunk and distribution coaxial and optical fiber cable, fiber optic transport facilities, amplifiers, power supplies, conduits, vaults and pedestals, grounding and pole hardware, subscriber devices (including converters, encoders, transformers behind television sets and fittings), headend hardware (including origination, earth stations, transmission and distribution systems), test equipment, vehicles, spare parts, inventory, and other tangible personal property and facilities owned or leased by the LLC-1 Swap Parties and used or held for use by the LLC-1 Swap Parties in the conduct of the LLC-1 Business or operations of the LLC-1 Systems.

“LLC-1 Excess Amount” has the meaning set forth in Section 2.11(d).

“LLC-1 FCC Licenses” means all licenses, permits, authorizations, registrations or other authority issued by the FCC to the LLC Swap Parties relating to the LLC-1 Systems or the LLC-1 Business.

“LLC-1 Franchises” means all municipal, county, state and federal cable television franchises, franchise applications (if any), ordinances, licenses, authorizations and permits held by the LLC Swap Parties relating to the LLC-1 Systems or the LLC-1 Business, including, without limitation, those items listed on Schedule 2.2(a)(1).

“LLC-1 Homes Passed” means the sum of the number of single family residences and individual residential living units contained in Multiple Dwelling Units capable of being serviced by the LLC-1 Systems.

“LLC-1 Intangibles” means all general intangibles, including the right to utilize patented technology to the extent that such patented technology is presently being utilized in connection with the operation of the LLC-1 Business and LLC-1 Systems by the LLC Swap Parties, subscriber lists, and all goodwill, if any, owned, used or held for use by the LLC Swap Parties in connection with the LLC-1 Business, provided, however, LLC-1 Intangibles shall not include (i) rights or title to any patents held by the LLC Swap Parties, (ii) any copyrights owned or held by the LLC Swap Parties, (iii) any trademarks, service marks, trade names, logos or similar proprietary rights owned or held by the LLC Swap Parties, or (iv) any domain names utilized or held by the LLC Swap Parties.

"LLC-1 Material Adverse Effect" means any change, event, occurrence or effect that has a material adverse effect on the operations, assets, or financial condition of the LLC-1 Assets, the LLC-1 Business and the LLC-1 Systems, taken as a whole, but without taking into account (i) any effect resulting from changes in conditions (including economic conditions, changes in FCC regulations, or federal or state governmental actions, legislation or regulations) that are applicable to the economy or the cable television industry on a national, regional or state basis (other than such changes as would prohibit the transactions contemplated hereby, subject the BB Swap Parties to damages or require the BB Swap Parties to divest themselves of other assets or interests) or (ii) any changes in technology affecting the LLC-1 Business.

"LLC-1 Real Property" means all interests in real property (including buildings, improvements, fixtures, appurtenances and easements) which are used or held for use in the LLC-1 Business or operations of the LLC-1 Systems, including, without limitation, the items listed on Schedule 2.2(c)(1), plus such additions thereto and deletions therefrom arising in the ordinary course of business and permitted by this Agreement between the date hereof and the Closing Date.

"LLC-2 Accounts Receivable" means accounts receivable of the LLC Swap Parties derived from the operation of the LLC-2 Systems prior to the Closing Date.

"LLC-2 Assets" means all of the LLC Swap Parties' privileges, rights, interests and properties, real and personal, tangible and intangible, that relate directly to the LLC-2 Business and operations of the LLC-2 Systems and are used in the LLC-2 Systems or the LLC-2 Business including, without limitation:

(a) the LLC-2 Franchises set forth on Schedule 2.2(a)(2);

(b) the LLC-2 FCC Licenses;

(c) the LLC-2 Real Property set forth on Schedule 2.2(c)(2);

(d) the LLC-2 Equipment;

(e) the LLC-2 Contracts;

(f) the LLC-2 Intangibles;

(g) the LLC-2 Accounts Receivable;

(h) registrations and permits used or useful in the LLC-2 Business;

(i) the LLC Swap Parties' records, files and data related directly or indirectly to the LLC-2 Business and operations of the LLC-2 Systems; and

(j) all other LLC-2 Assets except LLC-2 Excluded Assets.

"LLC-2 Basic Subscribers" means the total number of households that (i) subscribe to the Basic Service offered by the LLC Swap Parties with respect to the LLC-2 Systems (either alone or in combination with any other service) (exclusive of "second outlets," "additional outlets" or "courtesy accounts," as such terms are commonly understood in the cable television industry) or have requested to be installed with the Basic Service offered by the LLC Swap Parties with respect to the LLC-2 Systems (either alone or in a combination with any other service) but where installation has not been completed; (ii) have paid their applicable installation fee and the first month's billed charges for their Basic Service; (iii) do not have more than $10.00 owing to the LLC Swap Parties 60 days or more overdue from the first day of the period to which any outstanding bill relates; (iv) have not requested disconnection and consistent with the LLC Swap Parties' policy on disconnection should not have been disconnected; and (v) in the case of households that became subscribers within ninety (90) days preceding the applicable date as of which the number of LLC-2 Basic Subscribers is determined, that became subscribers only pursuant to customary promotions conducted in the ordinary course of business consistent with the LLC Swap Parties' past practices.

"LLC-2 Bulk Accounts" means the LLC Swap Parties' agreements with owners of Multiple Dwelling Units, campgrounds, nursing homes, hotels, and similar businesses for the provision of Basic Service at a discounted or bulk rate and such accounts (i) subscribe to the LLC Swap Parties' Basic Service with respect to the LLC-2 Systems (either alone or in combination with any other service) or have requested to be installed with the LLC Swap Parties' Basic Service with respect to the LLC-2 Systems (either alone or in combination with any other service) but installation has not been completed; (ii) have paid their applicable installation fee and the first month's billed charges for Basic Service; (iii) do not have more than $10.00 owing to the LLC Swap Parties 60 days or more overdue from the first day of the period to which any outstanding bill relates; (iv) have not requested disconnection; and consistent with the LLC Swap Parties' policy on disconnection should not have been disconnected; and (v) in the case of accounts that became subscribers within ninety (90) days preceding the applicable date as of which the number or LLC-2 Bulk Basic Subscribers is determined, that became subscribers only pursuant to customary marketing promotions conducted in the ordinary course of business consistent with past practices.

"LLC-2 Bulk Basic Subscribers" means (i) the sum of (x) total billings, before nonrecurring charges or credits, derived from LLC-2 Bulk Accounts in each of the twelve (12) calendar months preceding Closing divided by (y) the average rate for Basic Service in effect in the LLC-2 Systems in each respective calendar month (determined by dividing revenues for Basic Service for such twelve (12) month period by the sum of LLC-2 Basic Subscribers for such twelve (12) month period) and (ii) further divided by twelve (12).

"LLC-2 Business" has the meaning set forth in the Recitals to this Agreement.

"LLC-2 Cash Amount" means $74.0 million.

"LLC-2 Contracts" means leases, easements, rights-of-way, crossing agreements, equipment leases, bulk subscriber agreements, agreements for access to Multiple Dwelling Units, pole attachment and conduit agreements, programming agreements, subscriber agreements and other agreements, written or oral (including any amendments and other modifications thereto), other than Franchises or Excluded Assets, to which an LLC Swap Party is a party or which are binding upon an LLC Swap Party and which relate to the operation of the LLC-2 Systems or the LLC-2 Business, and (i) which are in effect on the date hereof or (ii) which are entered into by a LLC Swap Party as permitted by Section 7.4 of this Agreement between the date hereof and the Closing Date.

"LLC-2 Equipment" means all electronic devices, servers and gateway servers, trunk and distribution coaxial and optical fiber cable, fiber optic transport facilities, amplifiers, power supplies, conduits, vaults and pedestals, grounding and pole hardware, subscriber devices (including converters, encoders, transformers behind television sets and fittings), headend hardware (including origination, earth stations, transmission and distribution systems), test equipment, vehicles, spare parts, inventory, and other tangible personal property and facilities owned or leased by the LLC-2 Swap Parties and used or held for use by the LLC-2 Swap Parties in the conduct of the LLC-2 Business or operations of the LLC-2 Systems.

"LLC-2 FCC Licenses" means all licenses, permits, authorizations, registrations or other authority issued by the FCC to the LLC Swap Parties relating to the LLC-2 Systems or the LLC-2 Business.

"LLC-2 Franchises" means all municipal, county, state and federal cable television franchises, franchise applications (if any), ordinances, licenses, authorizations and permits held by the LLC Swap Parties relating to the LLC-2 Systems or the LLC-2 Business, including, without limitation, those items listed on Schedule 2.2(a)(2).

"LLC-2 Homes Passed" means the sum of the number of single family residences and individual residential living units contained in Multiple Dwelling Units capable of being serviced by the LLC-2 Systems.

"LLC-2 Intangibles" means all general intangibles, including the right to utilize patented technology to the extent that such patented technology is presently being utilized in connection with the operation of the LLC-2 Business and LLC-2 Systems by the LLC Swap Parties, subscriber lists, and all goodwill, if any, owned, used or held for use by the LLC Swap Parties in connection with the LLC-2 Business, provided, however, LLC-2 Intangibles shall not include (i) rights or title to any patents held by the LLC Swap Parties, (ii) any copyrights owned or held by the LLC Swap Parties, (iii) any trademarks, service marks, trade names, logos or similar proprietary rights owned or held by the LLC Swap Parties, or (iv) any domain names utilized or held by the LLC Swap Parties.

"LLC-2 Material Adverse Effect" means any change, event, occurrence or effect that has a material adverse effect on the operations, assets, or financial condition of the LLC-2 Assets, the LLC-2 Business and the LLC-2 Systems, taken as a whole, but without taking into account (i) any effect resulting from changes in conditions (including economic conditions, changes in FCC regulations, or federal or state governmental actions, legislation or regulations) that are applicable to the economy or the cable television industry on a national, regional or state basis (other than such changes as would prohibit the transactions contemplated hereby, subject the BB Swap Parties to damages or require the BB Swap Parties to divest themselves of other assets or interests) or (ii) any changes in technology affecting the LLC-2 Business.

"LLC-2 Real Property" means all interests in real property (including buildings, improvements, fixtures, appurtenances and easements) which are used or held for use in the LLC-2 Business or operations of the LLC-2 Systems, including, without limitation, the items listed on Schedule 2.2(c)(2), plus such additions thereto and deletions therefrom arising in the ordinary course of business and permitted by this Agreement between the date hereof and the Closing Date.

"Losses" has the meaning set forth in Section 14.1.

"MCC to BB Asset Transfers" has the meaning set forth in Section 2.2.

"MCC to BB Consents" means all of the consents, notices, waivers, authorizations, filings, permits, approvals or other actions of any Person, Franchising Authority or other Governmental Authority required to permit the transfer of the LLC-1 Assets from Mediacom to the BB Swap Parties.

"MCC to LLC Asset Transfers" has the meaning set forth in Section 2.1.

"MCC to LLC Consents" means all of the consents, notices, waivers, authorizations, filings, permits, approvals or other actions of any Person, Franchising Authority or other Governmental Authority required to permit the transfer of the BB Assets from Mediacom to Illinois LLC.

"Mediacom Board Approval" means the authorization and approval by the Board of Directors of Mediacom of the execution, delivery, and performance of this Agreement and the consummation of the Related Transactions by Mediacom, the BB Swap Parties and the LLC Swap Parties.

"Mediacom Report" has the meaning set forth in Section 2.11(c).

"Multiple Dwelling Units" means individual residential living units comprising multiple housing facilities, apartment buildings, condominiums, dormitories, and cooperatives.

"Permitted Encumbrances" means: (a) liens for taxes, assessments and governmental charges not yet due and payable or being contested in good faith; (b) zoning laws and ordinances and similar Legal Requirements which are not violated by any existing improvement or which do not prohibit the use of the Real Property as currently used in the operation of the Businesses; (c) any right reserved to any Governmental Authority to regulate the affected property (including restrictions stated in the Franchises and FCC Licenses; (d) in the case of any leased Asset, (i) the rights of any lessor and (ii) any Encumbrance granted by any lessor of such leased Asset; (e) inchoate materialmen's, mechanics', workmen's, repairmen's, or other like Encumbrances arising in the ordinary course of business; (f) in the case of owned Real Property, any easements, rights-of-way, servitudes, permits, restrictions and minor imperfections or irregularities in title which do not individually or in the aggregate materially interfere with the right or ability to use or operate the Real Property as currently being used; (g) any other Encumbrance (other than an Encumbrance securing a monetary obligation or an Encumbrance entitling any Person to acquire all or any portion of the owned Real Property) that does not individually or in the aggregate interfere with the continued use of the Assets subject thereto in the operation of the Business as currently being used.

"Person" means any natural person, corporation, partnership, trust, unincorporated organization, association, limited liability company or other similar entity.

"Related Transactions" means all transactions and agreements contemplated by this Agreement and all other Transaction Documents.

"Section 2.1 Cash Payments" has the meaning set forth in Section 2.1.

"Section 626 Letter" means correspondence from Party to a Franchising Authority required under Cable Act Section 626(a)(1) to initiate formal franchise renewal procedures under Cable Act Sections 626(a) — (g).

"Share Exchange Agreement" means the Share Exchange Agreement, dated as of September 7, 2008, by and among Mediacom, Shivers Investments, LLC and Shivers Trading and Operating Company, as it may be amended in accordance with its terms.

"Systems" means the BB Systems and the LLC Systems.

"Termination Date" means the "Termination Date", as such term is defined in the Share Exchange Agreement.

"Transactions" has the meaning specified in the Recitals to this Agreement.

"Transaction Documents" means this Agreement and each agreement, instrument, exhibit, schedule, or other document to be delivered by a party under this Agreement.

ARTICLE II
ASSET TRANSFERS

2.1 LLC Swap Parties-Mediacom Transfers. Subject to the terms and conditions set forth in this Agreement, on the Closing Date, (i) the LLC Swap Parties agree to sell, assign, transfer and deliver to Mediacom, free and clear of all Encumbrances (other than Permitted Encumbrances), all of the LLC Swap Parties' right, title and interest in and to the LLC Assets (the "LLC to MCC Asset Transfers") and, in exchange therefor, (ii) Mediacom agrees to (x) sell, assign, transfer and deliver to Illinois LLC, free and clear of all Encumbrances (other than Permitted Encumbrances), all of Mediacom's right, title and interest in and to the BB Assets (the "MCC to LLC Asset Transfers") and (y) pay the Equalization Amount and the LLC-2 Cash Amount (collectively, the "Section 2.1 Cash Payments") to the LLC Swap Parties. At least two (2) Business Days prior to the Closing Date, the LLC Swap Parties shall deliver to Mediacom a joint letter of instruction indicating the desired allocation of the Section 2.1 Cash Payments among the LLC Swap Parties, and the Section 2.1 Cash Payments shall be so allocated on the Closing Date.

2.2 BB Swap Party-Mediacom Transfers. Subject to the terms and conditions set forth in this Agreement, on the Closing Date, (i) Illinois BB agrees to (x) sell, assign, transfer and deliver to Mediacom, free and clear of all Encumbrances (other than Permitted Encumbrances), all of Illinois BB's right, title and interest in and to the BB Assets (the "BB to MCC Asset Transfers") and (y) pay to Mediacom (or cause to be paid to Mediacom) the Equalization Amount and, in exchange therefor, (ii) Mediacom agrees to sell, assign, transfer and deliver to the BB Swap Parties, free and clear of all Encumbrances (other than Permitted Encumbrances), all of Mediacom's right, title and interest in and to the LLC-1 Assets (the "MCC to BB Asset Transfers"). At least two (2) Business Days prior to the Closing Date, the BB Swap Parties shall deliver to Mediacom a joint letter of instruction indicating the desired allocation of the LLC-1 Assets among the BB Swap Parties, and the LLC-1 Assets shall be so transferred on the Closing Date.

2.3 Order of Asset Transfer Transactions. The parties hereto intend and agree that, upon (i) the satisfaction or waiver of each of the conditions precedent set forth in Articles VIII, IX and X of this Agreement and (ii) the receipt by Mediacom of the Equalization Amount from Illinois BB, the transactions contemplated by Sections 2.1 and 2.2 above shall occur as follows: (x) first, the LLC to MCC Asset Transfers and the BB to MCC Asset Transfers shall simultaneously occur and be effective and (y) second, immediately after the occurrence and effectiveness of the LLC to Mediacom Asset Transfers and the BB to Mediacom Asset Transfers, and subject to and effective upon the receipt by the LLC Swap Parties of the Section 2.1 Cash Payments from Mediacom, the MCC to LLC Asset Transfers and the MCC to BB Asset Transfers shall then simultaneously occur and be effective.

2.4 BB Excluded Assets. The BB Assets sold under this Agreement do not include any assets, properties or rights of the BB Swap Parties other than those specifically described in the definition of "BB Assets" contained in Article I hereof, including the following (the "BB Excluded Assets"):

(a) all cash, cash equivalents and notes;

(b) Illinois BB's rights or title to patents, copyrights, trademarks, service marks, trade names, logos and similar proprietary rights, domain names or other Intangibles;

(c) all insurance policies and related claims;

(d) all bonds, letters of credit, surety instruments, certificates of deposit and other similar items;

(e) any contracts, licenses, authorizations, agreements, or commitments not assumed by the LLC Swap Parties' under this Agreement;

(f) original books of account, general ledgers and financial statements, except that the LLC Swap Parties' shall have for three (3) years after the Closing Date the right upon reasonable notice to inspect and copy any such retained records relating to the BB Systems;

(g) Illinois BB's minute books and other books and records related to internal matters and Illinois BB's financial relationships with Illinois BB's lenders and affiliates;

(h) any employee benefit plans, compensation arrangements, multi-employer plans, or any employment or collective bargaining agreements; and

(i) all assets, privileges, rights, interests, claims and properties that are held or used other than in the BB Systems or the BB Business.

2.5 LLC Excluded Assets. The LLC-1 Assets and the LLC-2 Assets sold under this Agreement do not include any assets, properties or rights of the LLC Swap Parties other than those specifically described in the definitions of "LLC-1 Assets" and LLC-2 Assets" contained in Article I hereof, including the following (the "LLC-1 Excluded Assets" and the "LLC-2 Excluded Assets", respectively):

(a) all cash, cash equivalents and notes;

(b) the LLC Swap Parties' rights or title to patents, copyrights, trademarks, service marks, trade names, logos and similar proprietary rights, domain names or other Intangibles;

(c) all insurance policies and related claims;

(d) all bonds, letters of credit, surety instruments, certificates of deposit and other similar items;

(e) any contracts, licenses, authorizations, agreements, or commitments not assumed by the BB Swap Parties and/or Mediacom under this Agreement;

(f) original books of account, general ledgers and financial statements, except that (i) the BB Swap Parties shall have for three years after the Closing Date the right upon reasonable notice to inspect and copy any such retained records relating to the LLC-1 Systems and (ii) Mediacom shall have for three (3) years after the Closing Date the right upon reasonable notice to inspect and copy any such retained records relating to the LLC-2 Systems;

(g) the LLC Swap Parties' minute books and other books and records related to internal matters and LLC Swap Parties' financial relationships with LLC Swap Parties' lenders and affiliates;

(h) any employee benefit plans, compensation arrangements, multi-employer plans, or any employment or collective bargaining agreements; and

(i) all assets, privileges, rights, interests, claims and properties that are held or used other than in the LLC Systems or the LLC Business.

2.6 BB Swap Parties' Assumption of LLC-1 Liabilities. The BB Swap Parties shall assume the following liabilities and obligations of the LLC Swap Parties (the "Liabilities Assumed by BB"):

(a) All of the LLC Swap Parties' liabilities and obligations under the LLC-1 Franchises, LLC-1 FCC Licenses, LLC-1 Contracts and any other instruments included within the LLC-1 Assets relating to the operation of the LLC-1 Systems, the conduct of the LLC-1 Business or the ownership of the LLC-1 Assets (other than LLC-1 Excluded Assets) on or after the Effective Time, and arising out of events occurring on or after the Effective Time;

(b) All liabilities, obligations, costs and expenses relating to the operation of the LLC-1 Systems, the conduct of the LLC-1 Business or the ownership of the LLC-1 Assets (other than LLC-1 Excluded Assets) on or after the Effective Time and arising out of events occurring on or after the Effective Time; and

(c) All liabilities and obligations of the LLC Swap Parties that the BB Swap Parties expressly have agreed to assume pursuant to Section 2.10.

Except for the Liabilities Assumed by BB, the BB Swap Parties shall not assume any liabilities or obligations of any of the other Parties ("Liabilities Not Assumed by BB").

2.7 Mediacom's Assumption of LLC-2 Liabilities. Mediacom shall assume the following liabilities and obligations of the LLC Swap Parties (the "Liabilities Assumed by Mediacom"):

(a) All of the LLC Swap Parties liabilities and obligations under the LLC-2 Franchises, LLC-2 FCC Licenses, LLC-2 Contracts and any other instruments included within the LLC-2 Assets relating to the operation of the LLC-2 Systems, the conduct of the LLC-2 Business or the ownership of the LLC-2 Assets (other than LLC-2 Excluded Assets) on or after the Effective Time, and arising out of events occurring on or after the Effective Time;

(b) All liabilities, obligations, costs and expenses relating to the operation of the LLC-2 Systems, the conduct of the LLC-2 Business or the ownership of the LLC-2 Assets (other than LLC-2 Excluded Assets) on or after the Effective Time and arising out of events occurring on or after the Effective Time; and

(c) All liabilities and obligations of the LLC Swap Parties that Mediacom expressly has agreed to assume pursuant to Section 2.10.

Except for the Liabilities Assumed by Mediacom, Mediacom shall not assume any liabilities or obligations of any of the other Parties (the "Liabilities Not Assumed by Mediacom").

2.8 Illinois LLC's Assumption of BB Liabilities. Illinois LLC shall assume the following liabilities and obligations of Illinois BB (the "Liabilities Assumed by LLC"):

(a) All of Illinois BB's liabilities and obligations under the BB Franchises, BB FCC Licenses, BB Contracts and any other instruments included within the BB Assets relating to the operation of the BB Systems, the conduct of the BB Business or the ownership of the BB Assets (other than BB Excluded Assets) on or after the Effective Time, and arising out of events occurring on or after the Effective Time;

(b) All liabilities, obligations, costs and expenses relating to the operation of the BB Systems, the conduct of the BB Business or the ownership of the BB Assets (other than BB Excluded Assets) on or after the Effective Time and arising out of events occurring on or after the Effective Time; and

(c) All liabilities and obligations of Illinois BB that Illinois LLC expressly has agreed to assume pursuant to Section 2.10.

Except for the Liabilities Assumed by LLC, the LLC Swap Parties shall not assume any liabilities or obligations of any of the other Parties (the "Liabilities Not Assumed by LLC").

2.9 Time and Place of Closing. The Closing of the transactions contemplated by this Agreement (the "Closing") shall take place not less than five (5) or more than ten (10) Business Days following the date on which the conditions precedent set forth in Articles VIII, IX and X shall have been waived or satisfied, in the reasonable determination of the party entitled to demand performance, or on such other date as the Parties may mutually agree (the "Closing Date"), but in no event will the Closing be held later than the Termination Date; provided, that if the Closing Date, as determined above, would fall on a date that is not the last Business Day of the month, the Parties may request that the Closing be held on, and that the Closing Date be, the last Business Day of the current month. The Closing shall take place at the offices of Sonnenschein Nath & Rosenthal LLP, 1221 Avenue of the Americas, New York, New York 10020, or, if mutually agreed upon by the parties, through the exchange of overnight deliveries and facsimiles.

2.10 Prorations and Adjustments.

(a) All income and expenses attributable to the BB Systems before the Effective Time shall be for the account of Illinois BB. All income and expenses attributable to the BB Systems after the Effective Time shall be for the account of Illinois LLC. The BB Swap Parties shall be entitled to certain credits as follows:

(i) Illinois BB shall be entitled to a credit from Illinois LLC for the amount of prepaid expenses attributable to the BB Systems as of the Effective Time;

(ii) The BB Swap Parties shall be entitled to a credit from the LLC Swap Parties for the amount of accrued expenses and prepaid income attributable to the LLC-1 Systems as of the Effective Time;

(iii) Illinois BB shall be entitled to a credit from Illinois LLC for the amount of any deposits with third parties as security for the Illinois BB's performance of the BB Contracts assumed by Illinois LLC as of the Closing Date, and such deposits shall be included in the BB Assets transferred to Illinois LLC;

(iv) The BB Swap Parties shall be entitled to a credit from the LLC Swap Parties for the amount of any Subscriber deposits held by the LLC Swap Parties in respect of the LLC-1 Systems, liability for which will be assumed by the BB Swap Parties; and

(v) The BB Swap Parties shall be entitled to a credit from the LLC Swap Parties in respect of the BB Accounts Receivable as follows:

(x) a credit in an amount equal to 99% of the BB Accounts Receivable outstanding for not more than 30 days from the first day of the period to which any outstanding bill relates;

(y) a credit in the amount of 95% of the BB Accounts Receivable outstanding for more than 30 days but not more than 60 days from the first day of the period to which any outstanding bill relates; and

(z) a credit in the amount of 50% of BB Accounts Receivable outstanding for more than 60 days, but not more than 90 days from the first day of the period to which any outstanding bill relates.

(b) All income and expenses attributable to the LLC-1 Systems and the LLC-2 Systems before the Effective Time shall be for the account of the LLC Swap Parties. All income and expenses attributable to the LLC-1 Systems after the Effective Time shall be for the account of the BB Swap Parties. The LLC Swap Parties shall be entitled to certain credits as follows:

(i) The LLC Swap Parties shall be entitled to a credit from Illinois BB for the amount of prepaid expenses attributable to the LLC-1 Systems as of the Effective Time;

(ii) The LLC Swap Parties shall be entitled to a credit from Mediacom for the amount of prepaid expenses attributable to the LLC-2 Systems as of the Effective Time;

(iii) Illinois LLC shall be entitled to a credit from Illinois BB for the amount of accrued expenses and prepaid income attributable to the BB Systems as of the Effective Time;

(iv) The LLC Swap Parties shall be entitled to a credit from the BB Swap Parties for the amount of any deposits with third parties as security for the LLC Swap Parties' performance of the LLC-1 Contracts assumed by the BB Swap Parties as of the Closing Date, and such deposits shall be included in the LLC-1 Assets transferred to the BB Swap Parties;

(v) The LLC Swap Parties shall be entitled to a credit from Mediacom for the amount of any deposits with third parties as security for the LLC Swap Parties' performance of the LLC-2 Contracts assumed by Mediacom as of the Closing Date, and such deposits shall be included in the LLC-2 Assets transferred to Mediacom;

(vi) Illinois LLC shall be entitled to a credit from Illinois BB for the amount of any Subscriber deposits held by Illinois BB in respect of the BB Systems, liability for which will be assumed by Illinois LLC; and

(vii) Illinois LLC shall be entitled to a credit from Illinois BB in respect of the LLC-1 Accounts Receivable as follows:

(x) a credit in an amount equal to 99% of the LLC-1 Accounts Receivable outstanding for not more than 30 days from the first day of the period to which any outstanding bill relates;

(y) a credit in the amount of 95% of the LLC-1 Accounts Receivable outstanding for more than 30 days but not more than 60 days from the first day of the period to which any outstanding bill relates; and

(z) a credit in the amount of 50% of LLC-1 Accounts Receivable outstanding for more than 60 days, but not more than 90 days from the first day of the period to which any outstanding bill relates.

(c) All income and expenses attributable to the LLC-2 Systems after the Effective Time shall be for the account of Mediacom. Mediacom shall be entitled to:

(i) a credit from the LLC Swap Parties for the amount of accrued expenses and prepaid income attributable to the LLC-2 Systems as of the Effective Time;

(ii) a credit from the LLC Swap Parties for the amount of any Subscriber deposits held by the LLC Swap Parties in respect of the LLC-2 Systems, liability for which will be assumed by Mediacom; and

(d) The LLC Swap Parties shall be entitled to a credit from Mediacom in respect of the LLC-2 Accounts Receivable as follows:

(x) a credit in an amount equal to 99% of the LLC-2 Accounts Receivable outstanding for not more than 30 days from the first day of the period to which any outstanding bill relates;

(y) a credit in the amount of 95% of the LLC-2 Accounts Receivable outstanding for more than 30 days but not more than 60 days from the first day of the period to which any outstanding bill relates; and

(z) a credit in the amount of 50% of LLC-2 Accounts Receivable outstanding for more than 60 days, but not more than 90 days from the first day of the period to which any outstanding bill relates.

(e) For purposes of the adjustments set forth in clauses (a)(v), (b)(vii) and (d) of this Section 2.10, it is specifically understood and agreed that, notwithstanding anything contained therein, (x) unpaid amounts not exceeding $10.00 in respect of customary late charges imposed by the LLC Swap Parties in respect of the LLC Accounts Receivable and by Illinois BB in respect of the BB Accounts Receivable shall be excluded from a Subscriber's account for purposes of determining the aging of any Subscriber's Accounts Receivable; and (y) none of the LLC Swap Parties, Illinois BB or Mediacom will not otherwise be obligated to provide a credit to any party in respect of a Subscriber's Account Receivable to the extent any portion of such Subscriber's Account Receivable is more than 90 days past due from the first day of the period to which any outstanding bill relates.

2.11. Basic Subscriber and Adjustments Reports.

(a) No later than 120 days after the Closing Date, the BB Swap Parties shall deliver to the LLC Swap Parties and Mediacom a report (the "BB Report") setting forth in reasonable detail (i) a determination of the aggregate number of LLC-1 Basic Subscribers and LLC-1 Bulk Basic Subscribers actually transferred to the BB Swap Parties on the Closing Date and (ii) a determination of the prorations and adjustments set forth in Section 2.10, together with a copy of any working papers relating to such report and such other supporting evidence as the LLC Swap Parties and Mediacom may reasonably request. The LLC Swap Parties and Mediacom shall provide the BB Swap Parties with reasonable access to all records necessary for the BB Swap Parties to prepare the BB Report

(b) No later than 120 days after the Closing Date, the LLC Swap Parties shall deliver to the BB Swap Parties and Mediacom a report (the "LLC Report") setting forth in reasonable detail (i) a determination of the aggregate number of BB Basic Subscribers and BB Bulk Basic Subscribers actually transferred to Illinois LLC on the Closing Date and (ii) a determination of the prorations and adjustments set forth in Section 2.10, together with a copy of any working papers relating to such report and such other supporting evidence as the BB Swap Parties and Mediacom may reasonably request. The BB Swap Parties and Mediacom shall provide the LLC Swap Parties with reasonable access to all records necessary for the LLC Swap Parties to prepare the LLC Report.

(c) No later than 120 days after the Closing Date, Mediacom shall deliver to the LLC Swap Parties and the BB Swap Parties a report (the "Mediacom Report") setting forth in reasonable detail a determination of the prorations and adjustments set forth in Section 2.10, together with a copy of any working papers relating to such report and such other supporting evidence as the LLC Swap Parties and the BB Swap Parties may reasonably request. The LLC Swap Parties and the BB Swap Parties shall provide Mediacom with reasonable access to all records necessary for Mediacom to prepare the Mediacom Report.

(d) Within ten (10) Business Days after receipt by the LLC Swap Parties of the last to be received of the BB Report and the Mediacom Report, the LLC Swap Parties shall notify the BB Swap Parties and Mediacom of the LLC Swap Parties' acceptance of, or objection to, the BB Report and/or the Mediacom Report. If the LLC Swap Parties accept the BB Report, the LLC Swap Parties and the BB Swap Parties agree as follows: (i) in the event that the BB Report indicates that the aggregate number of LLC-1 Basic Subscribers and LLC-1 Bulk Basic Subscribers actually transferred to the BB Swap Parties on the Closing Date was less than 45,912 (with the difference between 45,912 and the lesser aggregate number of LLC-1 Basic Subscribers and LLC-1 Bulk Basic Subscribers actually transferred on the Closing Date being the "LLC-1 Deficiency Amount"), the LLC Swap Parties shall, within five (5) Business Days of such acceptance, pay to the BB Swap Parties an amount in cash determined by multiplying $2,609 by the LLC-1 Deficiency Amount, and (ii) in the event that the BB Report indicates that the aggregate number of LLC-1 Basic Subscribers and LLC-1 Bulk Basic Subscribers actually transferred to the BB Swap Parties on the Closing Date was greater than 45,912 (with the difference between 45,912 and the greater aggregate number of LLC-1 Basic Subscribers and LLC-1 Bulk Basic Subscribers actually transferred on the Closing Date being the "LLC-1 Excess

Amount”), the BB Swap Parties shall, within five (5) Business Days of such acceptance, pay to the LLC Swap Parties an amount in cash determined by multiplying $2,609 by the LLC-1 Excess Amount.

(e) Within ten (10) Business Days after receipt by the BB Swap Parties of the last to be received of the LLC Report and the Mediacom Report, the BB Swap Parties shall notify the LLC Swap Parties and Mediacom of the BB Swap Parties’ acceptance of, or objection to, the LLC Report and/or the Mediacom Report. If the BB Swap Parties accept the LLC Report, the LLC Swap Parties and the BB Swap Parties agree as follows: (i) in the event that the LLC Report indicates that the aggregate number of BB Basic Subscribers and BB Bulk Basic Subscribers actually transferred to Illinois LLC on the Closing Date was less than 42,456 (with the difference between 42,456 and the lesser aggregate number of BB Basic Subscribers and BB Bulk Basic Subscribers actually transferred on the Closing Date being the “BB Deficiency Amount”), the BB Swap Parties shall, within five (5) Business Days of such acceptance, pay to Illinois LLC an amount in cash determined by multiplying $2,629 by the BB Deficiency Amount, and (ii) in the event that the LLC Report indicates that the aggregate number of BB Basic Subscribers and BB Bulk Basic Subscribers actually transferred to Illinois LLC on the Closing Date was greater than 42,456 (with the difference between 42,456 and the greater aggregate number of BB Basic Subscribers and BB Bulk Basic Subscribers actually transferred on the Closing Date being the “BB Excess Amount”), Illinois LLC shall, within five (5) Business Days of such acceptance, pay to the BB Swap Parties an amount in cash determined by multiplying $2,629 by the BB Excess Amount.

(f) Within ten (10) Business Days after receipt by Mediacom of the last to be received of the LLC Report and the BB Report, Mediacom shall notify the LLC Swap Parties and the BB Swap Parties of Mediacom’s acceptance of, or objection to, the LLC Report and/or the BB Report.

(g) If the BB Swap Parties, the LLC Swap Parties and Mediacom each accept the Reports of each of the other parties, each such party shall promptly pay to the other parties the amount of the credits and other adjustments to which such other parties are entitled pursuant to Section 2.10 hereof, on a net basis taking into account the various adjustments and prorations to which each such party is either entitled to and/or liable for pursuant to such Section 2.10.

(h) If any of the LLC Swap Parties, the BB Swap Parties or Mediacom objects to any of the BB Report, the LLC Report or the Mediacom Report, such parties shall have a period of fifteen (15) days from the date of the objection to resolve the disagreement. If the parties are unable to resolve all disputed matters within such fifteen (15) day period, then within thirty (30) days, each of the LLC Swap Parties, on the one hand, and the BB Swap Parties, on the other hand, shall submit such dispute to a nationally or regionally recognized independent accounting firm for resolution of the dispute. If the two independent accounting firms so selected are able to resolve all disputed matters within thirty days of their selection, then such resolution shall be final and binding upon the LLC Swap Parties, the BB Swap Parties and Mediacom. If the two independent accounting firms so selected are unable to resolve all disputed matters within such thirty day period, then the two independent accounting firms shall jointly select a third nationally or regionally recognized accounting firm to resolve all disputes. The determination of such independent accounting firm shall be final and binding upon the LLC Swap Parties, the BB Swap

Parties and Mediacom. The LLC Swap Parties, on the one hand, and the BB Swap Parties, on the other hand, shall share equally the fees and expenses of such accounting firm, but each such party shall bear its own legal, accounting and other expenses.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF THE BB SWAP PARTIES

The BB Swap Parties hereby jointly and severally represent and warrant to the LLC Swap Parties as follows:

3.1 Organization and Qualification. Each of the BB Swap Parties is a limited liability company, duly organized, validly existing, and in good standing under the laws of the State of Delaware. Each of the BB Swap Parties has all requisite power and authority to own, lease, and use the BB Assets held by it and to enter into and perform this Agreement and the other Transaction Documents to which it is a party and to consummate the Related Transactions. Each of the BB Swap Parties is qualified or licensed to do business and is in good standing under the laws of each jurisdiction where it conducts the BB Business, except where the failure to be to qualified would not have a BB Material Adverse Effect. None of the BB Swap Parties is a participant in any joint venture or partnership with any other Person with respect to any part of the BB Systems' operations or the BB Assets.

3.2 Authority and Validity.

(a) Subject to the occurrence of the Mediacom Board Approval and the BB Board Approval, the execution, delivery, and performance of this Agreement and the other Transaction Documents and the consummation of the Related Transactions by each of the BB Swap Parties has been duly and validly authorized by all necessary limited liability company action. Subject to the occurrence of the Mediacom Board Approval and the BB Board Approval, this Agreement has been duly executed and delivered by the BB Swap Parties, and this Agreement and each Transaction Document to which each of the BB Swap Parties is a party constitutes, or when executed and delivered, will constitute, a legal, valid and binding obligation of each of the BB Swap Parties, enforceable against each of the BB Swap Parties in accordance with its respective terms, except as may be limited by the availability of equitable remedies or by applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditor's rights generally.

(b) Subject to obtaining the BB to MCC Consents and the MCC to LLC Consents listed on Schedule 3.10(a) and Schedule 3.10(b), respectively, and to the occurrence of the Mediacom Board Approval and the BB Board Approval, the execution, delivery and performance of this Agreement and the Transaction Documents (with or without the giving of notice, the lapse of time or both) by the BB Swap Parties, and the consummation of the transactions contemplated hereby and thereby by the BB Swap Parties: (i) does not require the consent of any Person; (ii) will not conflict with any provision of the certificate of formation or operating agreement of each of the BB Swap Parties; (iii) will not in any material respect conflict with, result in a breach of, or constitute a default under, any applicable law, judgment, order, ordinance, injunction, decree, rule or regulation of any court or Governmental Authority; (iv) will not in any material respect conflict with, constitute grounds for the termination of, result in a breach of, constitute a default under, or accelerate or permit the acceleration of any performance required by the terms of, any material agreement, instrument, license or permit to which any BB Swap Party is a party or may be bound or by which the BB Assets or any of the BB Systems are affected; and (v) will not create any Encumbrance upon the BB Assets, other than Permitted Encumbrances.

3.3 [Left Blank for Section Numbering Purposes]

3.4 BB Franchises.

(a) Schedule 2.1(a) sets forth all of the communities served by the BB Systems and all of the respective BB Franchises with corresponding FCC community unit identification numbers. Except as set forth on Schedule 3.4, Illinois BB holds all BB Franchises necessary for Illinois LLC to operate the BB Systems lawfully and in the manner in which they are presently operated. Illinois BB has made available to the LLC Swap Parties true and complete copies of all BB Franchises, including modifications, amendments, and material correspondence related to BB Franchise compliance.

(b) Except as set forth on Schedule 3.4, each BB Franchise has either been duly issued to Illinois BB or is validly held by Illinois BB and is, and on the Effective Date will be, in full force and effect. Except as set forth on Schedule 3.4, Illinois BB is the authorized holder of each BB Franchise and is lawfully operating the BB Systems under the BB Franchises. Illinois BB has paid in full all franchise fees due and payable by it under the BB Franchises.

(c) Except as set forth in Schedule 3.4, Illinois BB is in compliance in all material respects with the BB Franchises. Except as set forth in Schedule 3.4, to the BB Swap Parties' Knowledge, Illinois BB has not received any oral or written communication from the Franchising Authority notifying Illinois BB that it is in breach of a BB Franchise or that the Franchising Authority considers the BB Franchise to be invalid, except to the extent that any breach, invalidity, or issue identified in such oral or written communications from the Franchising Authority has been resolved.

(d) Except as set forth in Schedule 3.4, Illinois BB has not made any oral or written commitments to any Franchising Authorities other than those contained in the BB Franchises.

(e) Except as set forth in Schedule 3.4, Illinois BB has not filed or will timely file with the appropriate Franchising Authorities Section 626 Letters within 30 to 36 months before the expiration of each BB Franchise that will expire within 36 months of the Closing. For any BB Franchise for which Illinois BB has not filed a timely Section 626 Letter with the appropriate Franchising Authority, Illinois BB has obtained, or will obtain by Closing, an extension or renewal of the applicable BB Franchise of no less than 36 months after the Closing Date. To the BB Swap Parties' Knowledge, no Franchising Authority intends to refuse to renew any BB Franchise.

3.5 BB Real Property.

(a) Schedule 2.1(c) sets forth all of the BB Assets consisting of land, leasehold and other interests in BB Real Property. The BB Real Property constitutes all real property interests held and used by Illinois BB to conduct the BB Business of the BB Systems as now conducted. Each lease identified on Schedule 2.1(c) is valid and in full force and effect. Except as set forth on Schedule 2.1(c), neither Illinois BB, nor, to the BB Swap Parties' Knowledge, any other party to any such lease, is in material default under any such lease, and no condition exists that with notice or lapse of time or both would constitute a material default.

(b) All material easements, rights-of-way and other rights held by Illinois BB in connection with the conduct of the BB Business are valid and in full force and effect. Illinois BB has not received written notice with respect to the termination or material breach of any of those rights. To the BB Swap Parties' Knowledge, no fact or circumstance exists that would interfere in any material respect with Illinois LLC's use of any material easement, right of way or other real property right included in the BB Assets as such BB Assets are currently used by Illinois BB.

(c) Illinois BB has good and marketable fee simple title to all of the fee estates (including the improvements thereon) listed in Schedule 2.1(c), free and clear of all Encumbrances, except Permitted Encumbrances. All of the BB Real Property has legal and practical access to public roads or streets and has all utilities and services necessary for the conduct and operation of each of the BB Systems as currently conducted. All towers, earth receiving dishes and facilities, pole attachments, cable and other installations, equipment and facilities utilized in connection with the BB Systems (including any related buildings and guy anchors) are maintained, placed and located in all material respects in accordance with the provisions of all applicable laws, rules, regulations, deeds, leases, licenses, permits or other arrangements and are located entirely on the BB Real Property either owned or leased by Illinois BB, except where such failure would not (if enforcement action were taken in respect of such failure) interfere with the use of the particular installation or facility with respect to which such failure has arisen or impose any material liability on Illinois LLC as the purchaser and owner of the BB Assets.

3.6 Equipment. Except for the BB Excluded Assets, the BB Equipment constitutes all tangible personal property used by Illinois BB in the conduct of the BB Business and operations of the BB Systems as currently conducted and operated. All of the BB Equipment is in good operating condition and repair, ordinary wear and tear excepted, has been maintained in a manner consistent with generally accepted standards of good engineering practice, and is available for immediate use in the BB Business or operations of the BB Systems, consistent with the BB Franchises, BB Contracts and all applicable laws, rules and regulations of any Governmental Authority. Illinois BB has sole, good and valid title to all BB Equipment.

3.7 BB Contracts.

(a) All material BB Contracts are in full force and effect, and are valid, binding on and enforceable in accordance with their respective terms except as may be limited by the availability of equitable remedies or by applicable bankruptcy, insolvency, reorganization, moratorium, or other laws affecting creditors rights generally. Illinois BB has complied and is in compliance in all material respects with the terms of all material BB Contracts, and there is not under any material BB Contract any material default by Illinois BB or event which, after notice or lapse of time, or both, would constitute such a default as a result of which either party has the right to terminate such BB Contract. No other party to any material BB Contract has given written notice to Illinois BB that such party intends (A) to terminate such contract or amend the terms thereof or (B) not to renew the same upon expiration of its terms or (C) to renew the same upon expiration only on terms and conditions which are more onerous than those pertaining to such existing contract.

(b) Illinois BB has all pole attachment and conduit use contracts required to operate the BB Systems as presently operated (the "BB System Pole Contracts"). Except as disclosed on Schedule 3.7(b):

(i) the BB Systems are in compliance in all material respects with all BB System Pole Contracts and applicable provisions of laws, rules and regulations, including the National Electric Safety Code, and the requirements of any applicable utility;

(ii) Illinois BB has timely paid all make-ready and other charges payable under the BB System Pole Contracts; and

(iii) Illinois BB has not received written notice, nor, to the BB Swap Parties' Knowledge, oral notice, of any adjustment to the amount of any fees or other amounts payable under the BB System Pole Contracts.

3.8 Intangibles. All intangibles included in the BB Assets are valid, in full force and effect, and uncontested. Illinois BB's operation of BB Equipment, the BB Business, and the BB Systems, as presently conducted, does not infringe upon or violate any patent.

3.9 Sufficiency of and Title to the Assets. Except as disclosed on Schedule 3.9, Illinois BB has good and marketable title to the BB Assets, free and clear of all Encumbrances other than Permitted Encumbrances. Upon consummation of the transaction contemplated hereby, Illinois LLC will have acquired good and marketable title in and to each of the owned BB Assets and valid leasehold interests in the leased BB Real Property and BB Equipment, in each case, free and clear of all Encumbrances, other than Permitted Encumbrances. Other than the BB Excluded Assets, the BB Assets constitute all of the, rights, assets and properties reasonably required to operate the BB Business in all material respects as it is currently conducted.

3.10 BB to MCC Consents and MCC to LLC Consents. Schedule 3.10(a) sets forth all material BB to MCC Consents required for Illinois BB to convey the BB Assets to Mediacom prior to the transfer of the BB Assets from Mediacom to Illinois LLC. Schedule 3.10(b) set forth all material MCC to LLC Consents required for Mediacom to convey the BB Assets to Illinois LLC. Except for those BB to MCC Consents listed on Schedule 3.10(a) and those MCC to LLC Consents listed on Schedule 3.10(b), no BB to MCC Consent or MCC to LLC Consent by any Person or Governmental Authority is required in connection with the execution, delivery and performance of, or consummation of the transactions contemplated by, this Agreement and the Related Transactions by the BB Swap Parties and Mediacom, except for those BB to MCC Consents or MCC to LLC Consents the failure of which to be obtained would not materially impair the ability of Illinois LLC to conduct the BB Business of the BB Systems as currently conducted.

3.11 Accounts Receivable. All of the BB Accounts Receivable arose and will arise from bona fide transactions in the ordinary course of business consistent with Illinois BB's past practices.

3.12 System Data. Schedule 3.12 sets forth the following for the BB Systems as of the Agreement Date:

(i) The approximate number of BB Homes Passed;

(ii) The number of BB Basic Subscribers;

(iii) The approximate miles of plant; and

(iv) The approximate bandwidth capacity.

3.13 Regulatory Matters.

(a) All of the BB Franchise communities to which Illinois BB provides service through the BB Systems have been registered with the FCC.

(b) Except as disclosed on Schedule 3.13(b), Illinois BB has timely filed with the FCC Aeronautical Frequency Notifications for all such frequencies used by the BB Systems. Illinois BB's use of such aeronautical frequencies complies in all material respects with FCC Regulations. Illinois BB has made available to the LLC Swap Parties copies of all FCC Forms 320 filed with the FCC for the BB Systems for 2006 and 2007 and will make available all copies of FCC Forms 320 filed in 2008 prior to Closing.

(c) Except as disclosed on Schedule 3.13(c):

(i) Illinois BB has performed all semi-annual and annual performance tests on the BB Systems required under 47 C.F.R. 76.601 since January 1, 2005.

(ii) The BB Systems currently meet the technical standards under FCC Regulations in all material respects, including the leakage limits contained in 47 C.F.R. 76.605(a)(11).

(iii) Each of the most recent signal leakage tests and the most recent Proof of Performance Test was conducted in accordance with the testing procedures set forth in 47 C.F.R. 76.601 and 76.609 and evidence that the BB Systems meet or exceed in all material respects all of the technical standards under FCC Regulations.

(d) Illinois BB has timely paid all FCC regulatory fees for reporting periods ending June 30, 2005 through June 30, 2008.

(e) Except as disclosed on Schedule 3.13(e), Illinois BB has timely filed with the FCC all FCC Form 396C EEO reports for reporting periods 2005 through 2007.

(f) Except as set forth in Schedule 3.13(f), the BB Systems are in compliance in all material respects with all Legal Requirements relating to all devices that perform conditional access or security functions, including those requirements pursuant to 47 C.F. R. §76.1204.

(g) The BB Systems are in compliance in all material respects with 47 U.S.C. §325.

3.14 Copyright Compliance. Illinois BB has filed all statements of account and paid all royalty fees and interest to the United States Copyright Office required under the Copyright Act and Copyright Office Regulations reported on such statements of account for the last three years ("BB Copyright Filings"). Except as disclosed on Schedule 3.14, Illinois BB has not received any written notice or inquiry from the United States Copyright Office or any other Person concerning Illinois BB's copyright filings, statements of accounts, royalty payments or any notice that the conduct of the BB Business infringes on any Person's copyright relative to the Copyright Filings for the BB Systems.

3.15 Compliance with Law.

(a) The BB Swap Parties have not received any written notice claiming a violation of any material Legal Requirement applicable to Illinois BB, the BB Systems, any of the BB Assets or the BB Business.

(b) Except as set forth in Schedule 3.15, Illinois BB and Illinois BB's operation of each of the BB Systems has complied, and is in compliance, in all material respects with all applicable material Legal Requirements.

3.16 Employment Matters.

(a) Illinois BB has delivered to the LLC Swap Parties a schedule setting forth the names, titles and compensation of all of the employees of the BB Systems.

(b) Except as set forth on Schedule 3.16, Illinois BB is not a party to any collective bargaining agreement or any employment agreement with respect to any employee of the BB Systems which cannot be terminated at will by Illinois BB. Illinois BB has not had and currently does not have any pension or profit sharing or other employee benefit plans for employees of the BB Systems which the LLC Swap Parties shall be obligated to assume.

3.17 Litigation or Judgments. Except as set forth on Schedule 3.17, there is no material claim, legal action, counterclaim, suit, arbitration, governmental investigation, litigation, or any other legal, administrative or tax proceeding before any commission, agency or other Governmental Authority, nor any order, decree or judgment, pending, or to the BB Swap Parties' Knowledge, threatened, against or relating to Illinois BB, the BB Assets, the BB Business or the operations of the BB Systems.

3.18 Environmental Matters. Except as disclosed on Schedule 3.18, Illinois BB's operation of the BB Systems and the BB Business and all BB Real Property comply in all material respects with applicable Environmental Laws. Illinois BB has not used any BB Real Property for the manufacture, transportation, treatment, storage or disposal of Hazardous Substances except for such use of Hazardous Substances customary in the construction, maintenance and operation of a cable television system and in commercially reasonable quantities or under circumstances that would not reasonably be expected to give rise to liability for remediation. Except as disclosed on Schedule 3.18, no surface impoundments or underground storage tanks are located on any BB Real Property. None of Illinois BB's operations are subject to any judicial or administrative proceeding alleging the violation of any Environmental Law. To the BB Swap Parties' Knowledge, none of the BB Real Property is the subject of any Federal or state investigation concerning any use or release of any Hazardous Substance. Neither Illinois BB nor, to the BB Swap Parties' Knowledge, any predecessor-in-title to the BB Real Property has filed any notice under any Federal or state law indicating past or present treatment, storage or disposal of a Hazardous Substance into the environment. Illinois BB has no liability in connection with any release by it of any Hazardous Substance into the environment and to the BB Swap Parties' Knowledge no release by Illinois BB that could require remediation has occurred.

3.19 Taxes. Illinois BB has paid all federal, state, local, and other taxes ("BB Taxes") required to be paid by it other than taxes being contested in good faith. Illinois BB has filed all federal, state and local tax returns and reports required to be filed by it, and, to the Knowledge of the BB Swap Parties, all such returns and reports correctly and accurately, in all material respects, set forth the amount of any taxes relating to the applicable period.

3.20 Insurance and Bonds. Schedule 3.20 sets forth all security deposits, performance bonds, letters of credit and other payments or commitments of Illinois BB to secure Illinois BB's performance under any BB Franchise, any BB Contract or other obligation of Illinois BB relating to the BB Systems or the BB Assets.

3.21 Conduct of Business in Ordinary Course. Except as otherwise set forth on Schedule 3.21, since December 31, 2007, Illinois BB has conducted the BB Business and operations of each of the BB Systems only in the ordinary course.

3.22 No Third Party Options. Except for this Agreement and the transactions contemplated hereby, there are no existing agreements, options, commitments or rights with, of or to any Person to acquire any of the BB Assets.

3.23 Availability of Documents. The BB Swap Parties have made available to the LLC Swap Parties copies of all BB Franchises, BB FCC Licenses, BB Contracts, BB Real Property and other documents, agreements, commitments, insurance policies, leases, permits, licenses, contracts, patents, trademarks, trade names, service marks, copyrights and applications therefor listed in the Schedules hereto, or requested in the LLC Swap Parties' written due diligence requests. Such copies are true, complete, and correct and include all amendments, supplements and modifications thereto or waivers currently in effect thereunder.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF THE LLC SWAP PARTIES

Each of the LLC Swap Parties hereby jointly and severally represent and warrant to (i) the BB Swap Parties with respect to the LLC-1 Assets and (ii) Mediacom with respect to the LLC-2 Assets, as follows:

4.1 Organization and Qualification. Each of the LLC Swap Parties is a limited liability company, duly organized, validly existing, and in good standing under the laws of the State of Delaware. Each of the LLC Swap Parties has all requisite power and authority to own, lease, and use the LLC Assets held by it and to enter into and perform this Agreement and the other Transaction Documents to which it is a party and to consummate the Related Transactions. Each of the LLC Swap Parties is qualified or licensed to do business and is in good standing under the laws of each jurisdiction where it conducts the LLC Business, except where the failure to be to qualified would not have a LLC Material Adverse Effect. None of the LLC Swap Parties is a participant in any joint venture or partnership with any other Person with respect to any part of the LLC Systems' operations or the LLC Assets.

4.2 Authority and Validity.

(a) Subject to the occurrence of the Mediacom Board Approval and the LLC Board Approval, the execution, delivery, and performance of this Agreement and the other Transaction Documents and the consummation of the Related Transactions by each of the LLC Swap Parties has been duly and validly authorized by all necessary limited liability company action. Subject to the occurrence of the Mediacom Board Approval and the LLC Board Approval, this Agreement has been duly executed and delivered by the LLC Swap Parties, and this Agreement and each Transaction Document to which each of the LLC Swap Parties is a party constitutes, or when executed and delivered, will constitute, a legal, valid and binding obligation of each of the LLC Swap Parties, enforceable against each of the LLC Swap Parties in accordance with its respective terms, except as may be limited by the availability of equitable remedies or by applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditor's rights generally.

(b) Subject to obtaining the LLC to MCC Consents and the MCC to BB Consents listed on Schedule 4.10(a) and Schedule 4.10(b), respectively, and to the occurrence of the Mediacom Board Approval and the LLC Board Approval, the execution, delivery and performance of this Agreement and the Transaction Documents (with or without the giving of notice, the lapse of time or both) by the LLC Swap Parties, and the consummation of the transactions contemplated hereby and thereby by the LLC Swap Parties: (i) does not require the consent of any Person; (ii) will not conflict with any provision of the certificate of formation or operating agreement of each of the LLC Swap Parties; (iii) will not in any material respect conflict with, result in a breach of, or constitute a default under, any applicable law, judgment, order, ordinance, injunction, decree, rule or regulation of any court or Governmental Authority; (iv) will not in any material respect conflict with, constitute grounds for the termination of, result in a breach of, constitute a default under, or accelerate or permit the acceleration of any performance required by the terms of, any material agreement, instrument, license or permit to which any LLC Swap Party is a party or may be bound or by which the LLC Assets or any of the

LLC Systems are affected; and (v) will not create any Encumbrance upon the LLC Assets, other than Permitted Encumbrances.

4.3 [Left Blank for Section Numbering Purposes].

4.4 LLC Franchises.

(a) Schedule 2.2(a)(1) and Schedule 2.2(a)(2) set forth all of the communities served by the LLC-1 Systems and the LLC-2 Systems, respectively, and all of the respective LLC-1 Franchises and LLC-2 Franchises with corresponding FCC community unit identification numbers. Except as set forth on Schedule 4.4, each of the LLC Swap Parties holds all LLC Franchises necessary for the LLC Swap Parties to operate both the LLC-1 Systems and LLC-2 Systems lawfully and in the manner in which they are presently operated. Each of the LLC Swap Parties has made available to (i) the BB Swap Parties true and complete copies of all LLC-1 Franchises, and (ii) Mediacom true and complete copies of all LLC-2 Franchises, in each case, including modifications, amendments, and material correspondence related to LLC Franchise compliance.

(b) Except as set forth on Schedule 4.4, each LLC Franchise has either been duly issued to one of the LLC Swap Parties or is validly held by one of the LLC Swap Parties and is, and on the Effective Date will be, in full force and effect. Except as set forth on Schedule 4.4, one of the LLC Swap Parties is the authorized holder of each of the LLC Franchises and is lawfully operating the LLC Systems under the applicable LLC Franchises. The applicable LLC Swap Party has paid in full all franchise fees due and payable by it under the LLC Franchises.

(c) Except as set forth in Schedule 4.4, the LLC Swap Parties are in compliance in all material respects with the LLC Franchises. Except as set forth in Schedule 4.4, no LLC Swap Party has received any oral or written communication from the Franchising Authority notifying any LLC Swap Party that it is in breach of an LLC Franchise or that the Franchising Authority considers the LLC Franchise to be invalid, except to the extent that any breach, invalidity, or issue identified in such oral or written communications from the Franchising Authority has been resolved.

(d) Except as set forth in Schedule 4.4, no LLC Swap Party has made any oral or written commitments to any Franchising Authorities other than those contained in the LLC Franchises.

(e) Except as set forth in Schedule 4.4, no LLC Swap Party has filed or will timely file with the appropriate Franchising Authorities Section 626 Letters within 30 to 36 months before the expiration of each Franchise that will expire within 36 months of the Closing. For any LLC Franchise for which a LLC Swap Party has not filed a timely Section 626 Letter with the appropriate Franchising Authority, the applicable LLC Swap Party has obtained, or will obtain by Closing, an extension or renewal of the applicable LLC Franchise of no less than 36 months after the Closing Date. To the LLC Swap Parties' Knowledge, no Franchising Authority intends to refuse to renew any LLC Franchise.

4.5 LLC Real Property.

(a) Schedule 2.2(c)(1) and Schedule 2.2(c)(2) set forth all of the LLC Assets consisting of land, leasehold and other interests in LLC-1 Real Property and LLC-2 Real Property, respectively. The LLC Real Property constitutes all real property interests held and used by the LLC Swap Parties to conduct the LLC Business of the LLC Systems as now conducted. Each lease identified on Schedule 2.2(c)(1) and Schedule 2.2(c)(2) is valid and in full force and effect. Except as set forth on Schedule 2.2(c)(1) and Schedule 2.2(c)(2), no LLC Swap Party, nor, to the LLC Swap Parties' Knowledge, any other party to any such lease, is in material default under any such lease, and no condition exists that with notice or lapse of time or both would constitute a material default.

(b) All material easements, rights-of-way and other rights held by the LLC Swap Parties in connection with the conduct of the LLC Business are valid and in full force and effect except as set forth thereon. No LLC Swap Party has received written notice with respect to the termination or material breach of any of those rights. To the LLC Swap Parties' Knowledge, no fact or circumstance exists that would interfere in any material respect with either the (i) the BB Swap Party's use of any material easement, right of way or other real property right included in the LLC-1 Assets as such LLC-1 Assets are currently used by the LLC Swap Parties and (ii) Mediacom's use of any material easement, right of way or other real property right included in the LLC-2 Assets as such LLC-2 Assets are currently used by the LLC Swap Parties.

(c) The LLC Swap Parties have good and marketable fee simple title to all of the fee estates (including the improvements thereon) listed in Schedule 2.2(c)(1) and Schedule 2.2(c)(2), free and clear of all Encumbrances, except Permitted Encumbrances. All of the LLC Real Property has legal and practical access to public roads or streets and has all utilities and services necessary for the conduct and operation of each of the LLC-1 Systems and LLC-2 Systems as currently conducted. All towers, earth receiving dishes and facilities, pole attachments, cable and other installations, equipment and facilities utilized in connection with each of the LLC-1 Systems and LLC-2 Systems (including any related buildings and guy anchors) are maintained, placed and located in all material respects in accordance with the provisions of all applicable laws, rules, regulations, deeds, leases, licenses, permits or other arrangements and are located entirely on the LLC-1 Real Property or LLC-2 Real Property either owned or leased by one of the LLC Swap Parties, except where such failure would not (if enforcement action were taken in respect of such failure) interfere with the use of the particular installation or facility with respect to which such failure has arisen or impose any material liability on (i) the BB Swap Party as the purchaser and owner of the LLC-1 Assets and (ii) Mediacom as the purchaser and owner of the LLC-2 Assets.

4.6 Equipment. Except for the LLC-1 Excluded Assets and the LLC-2 Excluded Assets, the LLC Equipment constitutes all tangible personal property used by the LLC Swap Parties in the conduct of the LLC Business and operations of the LLC Systems as currently conducted and operated. All of the LLC Equipment is in good operating condition and repair, ordinary wear and tear excepted, has been maintained in a manner consistent with generally accepted standards of good engineering practice, and is available for immediate use in the LLC Business or operations of the LLC Systems, consistent with the LLC Franchises, LLC Contracts and all applicable laws, rules and regulations of any Governmental Authority. Each of the LLC

Swap Parties has sole, good and valid title to all LLC Equipment. None of the motor vehicles included in the LLC Assets is subject to a lease.

4.7 LLC Contracts.

(a) All material LLC Contracts are in full force and effect, and are valid, binding on and enforceable in accordance with their respective terms except as may be limited by the availability of equitable remedies or by applicable bankruptcy, insolvency, reorganization, moratorium, or other laws affecting creditors rights generally. Each of the LLC Swap Parties, and to the LLC Swap Parties' Knowledge, each other party thereto, has complied and is in compliance in all material respects with the terms of all material LLC Contracts, and there is not under any material LLC Contract any material default by any LLC Swap Party, or to the LLC Swap Parties' Knowledge, any other party thereto or event which, after notice or lapse of time, or both, would constitute such a default as a result of which either party has the right to terminate such LLC Contract. No other party to any material LLC Contract has given written notice, or to the LLC Swap Parties' Knowledge, oral notice, to any LLC Swap Party that such party intends (A) to terminate such contract or amend the terms thereof or (B) not to renew the same upon expiration of its terms or (C) to renew the same upon expiration only on terms and conditions which are more onerous than those pertaining to such existing contract.

(b) Each LLC Swap Party has all pole attachment and conduit use contracts required to operate the LLC-1 Systems and LLC-2 Systems as presently operated. Except as disclosed on Schedule 4.7(b):

(i) the LLC Systems are in compliance in all material respects with all LLC System Pole Contracts and applicable provisions of laws, rules and regulations, including the National Electric Safety Code, and the requirements of any applicable utility;

(ii) Each LLC Swap Party has timely paid all make-ready and other charges payable under each of the LLC System Pole Contracts, as applicable; and

(iii) No LLC Swap Party has received written notice, and to the LLC Swap Parties' Knowledge, no oral notice, of any adjustment to the amount of any fees or other amounts payable under the LLC System Pole Contracts.

4.8 Intangibles. All intangibles included in the LLC Assets are valid, in full force and effect, and uncontested. The LLC Swap Parties' operation of LLC Equipment, the LLC Business, and the LLC Systems, as presently conducted, does not infringe upon or violate any patent.

4.9 Sufficiency of and Title to the Assets. Except as disclosed on Schedule 4.9, each of the LLC Swap Parties has good and marketable title to the LLC Assets, free and clear of all Encumbrances other than Permitted Encumbrances. Upon consummation of the transaction contemplated hereby, (i) the BB Swap Parties will have acquired good and marketable title in and to each of the owned LLC-1 Assets and valid leasehold interests in the leased LLC-1 Real Property and LLC-1 Equipment, and (ii) Mediacom will have acquired good and marketable title to each of the owned LLC-2 Assets and valid leasehold interests in the LLC-2 Real Property and LLC-2 Equipment, in each case, free and clear of all Encumbrances, other than Permitted

Encumbrances. Other than the LLC Excluded Assets, the LLC-1 Assets and the LLC-2 Assets constitute all of the rights, assets and properties reasonably required to operate the LLC-1 Business and the LLC-2 Business, respectively, in all material respects as each is currently conducted.

4.10 LLC to MCC Consents and MCC to BB Consents. Schedule 4.10(a) sets forth all material LLC to MCC Consents required for the LLC Swap Parties to convey the LLC Assets to Mediacom. Schedule 4.10(b) sets forth all material MCC to BB Consents required for Mediacom to convey the LLC-1 Assets to the BB Swap Parties. Except for those LLC to MCC Consents listed on Schedule 4.10(a) and those MCC to BB Consents listed on Schedule 4.10(b), no LLC to MCC Consent or MCC to BB Consent by any Person or Governmental Authority is required in connection with the execution, delivery and performance of, or consummation of the transactions contemplated by, this Agreement and the Related Transactions by the LLC Swap Parties and Mediacom, except for those LLC to MCC Consents or MCC to BB Consents the failure of which to be obtained would not materially impair the ability of (x) the BB Swap Parties to conduct the LLC-1 Business of the LLC-1 Systems as currently conducted or (y) Mediacom to conduct the LLC-2 Business of the LLC-2 Systems as currently conducted.

4.11 Accounts Receivable. All of the LLC Accounts Receivable arose and will arise from bona fide transactions in the ordinary course of business consistent with the LLC Swap Parties' past practices.

4.12 System Data. Schedule 4.12 sets forth the following for the LLC Systems as of the Agreement Date:

(i) The approximate number of LLC-1 Homes Passed and LLC-1 Homes Passed;

(ii) The number of LLC-1 Basic Subscribers;

(iii) The number of LLC-2 Basic Subscribers;

(iv) The approximate miles of plant for each of the LLC-1 Systems and LLC-2 Systems; and

(v) The approximate bandwidth capacity for each of the LLC-1 Systems and LLC-2 Systems.

4.13 Regulatory Matters.

(a) All of the LLC Franchise communities to which the LLC Swap Parties provide service through the LLC Systems have been registered with the FCC.

(b) Except as disclosed on Schedule 4.13(b), the LLC Swap Parties have timely filed with the FCC Aeronautical Frequency Notifications for all such frequencies used by each of the LLC-1 and LLC-2 Systems. The LLC Swap Parties' use of such aeronautical frequencies complies in all material respects with FCC Regulations. The LLC Swap Parties' have made available to (i) the BB Swap Parties copies of all FCC Forms 320 filed with the FCC for the LLC-1 Systems and (ii) Mediacom copies of all the FCC Forms 320 filed with the FCC for the LLC-2 Systems, in each case for 2006 and 2007 and will make available all copies of FCC Forms 320 filed in 2008 prior to Closing.

(c) Except as disclosed on Schedule 4.13(c):

(i) The LLC Swap Parties have performed all semi-annual and annual performance tests on the LLC Systems required under 47 C.F.R. 76.601 since January 1, 2005.

(ii) The LLC Systems currently meet the technical standards under FCC Regulations in all material respects, including the leakage limits contained in 47 C.F.R. 76.605(a)(11).

(iii) Each of the most recent signal leakage tests and the most recent Proof of Performance Test was conducted in accordance with the testing procedures set forth in 47 C.F.R. 76.601 and 76.609 and evidence that the LLC Systems meet or exceed in all material respects all of the technical standards under FCC Regulations.

(d) The LLC Swap Parties have timely paid all FCC regulatory fees for reporting periods ending June 30, 2005 through June 30, 2008.

(e) Except as disclosed on Schedule 4.13(e), the LLC Swap Parties have timely filed with the FCC all FCC Form 396C EEO reports for reporting periods 2005 through 2007.

(f) Except as set forth in Schedule 4.13(f), the LLC Systems are in compliance in all material respects with all Legal Requirements relating to all devices that perform conditional access or security functions, including those requirements pursuant to 47 C.F. R. §76.1204.

(g) The LLC Systems are in compliance in all material respects with 47 U.S.C. §325.

4.14 Copyright Compliance. The LLC Swap Parties have filed all statements of account and paid all royalty fees and interest to the United States Copyright Office required under the Copyright Act and Copyright Office Regulations reported on such statements of account for the last three years (the "LLC Copyright Filings"). Except as disclosed on Schedule 4.14, no LLC Swap Party has received any written notice or inquiry, and to the LLC Swap Parties' Knowledge, any oral notice or inquiry, from the United States Copyright Office or any other Person concerning the LLC Swap Parties' copyright filings, statements of accounts, royalty payments or any notice that the conduct of the LLC Business infringes on any Person's copyright relative to the Copyright Filings for the LLC Systems.

4.15 Compliance with Law.

(a) No LLC Swap Party has received any written notice claiming a violation of any material Legal Requirement applicable to any LLC Swap Party, the LLC Systems, any of the LLC Assets or the LLC Business.

(b) Except as set forth in Schedule 4.16, the LLC Swap Parties and the LLC Swap Parties' operation of each of the LLC Systems has complied, and is in compliance, in all material respects with all applicable material Legal Requirements.

4.16 Employment Matters.

(a) The LLC Swap Parties have delivered to (i) the BB Swap Parties a schedule setting forth the names, titles and compensation of all of the employees of the LLC-1 Systems and (ii) Mediacom a schedule setting forth the names, titles and compensation of all of the employees of the LLC-2 Systems.

(b) Except as set forth on Schedule 4.15, no LLC Swap Party is a party to any collective bargaining agreement or any employment agreement with respect to any employee of the LLC-1 Systems or LLC-2 Systems which cannot be terminated at will by any LLC Swap Party. No LLC Swap Party has had and currently does not have any pension or profit sharing or other employee benefit plans for employees of the LLC Systems which the BB Swap Parties or Mediacom shall be obligated to assume.

4.17 Litigation or Judgments. Except as set forth on Schedule 4.17, there is no material claim, legal action, counterclaim, suit, arbitration, governmental investigation, litigation, or any other legal, administrative or tax proceeding before any commission, agency or other Governmental Authority, nor any order, decree or judgment, pending, or to the Knowledge of the LLC Swap Parties, threatened, against or relating to the LLC Swap Parties, the LLC Assets, the LLC Business or operations of the LLC Systems.

4.18 Environmental Matters. Except as disclosed on Schedule 4.18, the LLC Swap Parties' operation of the LLC Systems and the LLC Business and all LLC Real Property comply in all material respects with applicable Environmental Laws. No LLC Swap Party has used any LLC Real Property for the manufacture, transportation, treatment, storage or disposal of Hazardous Substances except for such use of Hazardous Substances customary in the construction, maintenance and operation of a cable television system and in commercially reasonable quantities or under circumstances that would not reasonably be expected to give rise to liability for remediation. Except as disclosed on Schedule 4.18, no surface impoundments or underground storage tanks are located on any LLC Real Property. None of the LLC Swap Parties' operations are subject to any judicial or administrative proceeding alleging the violation of any Environmental Law. To the Knowledge of the LLC Swap Parties, none of the LLC Real Property is the subject of any federal or state investigation concerning any use or release of any Hazardous Substance. Neither the LLC Swap Parties nor, to the LLC Swap Parties' Knowledge, any predecessor-in-title to the LLC Real Property has filed any notice under any Federal or state law indicating past or present treatment, storage or disposal of a Hazardous Substance into the environment. No LLC Swap Party has any liability in connection with any release by them of any Hazardous Substance into the environment and to the LLC Swap Parties' Knowledge no release by the LLC Swap Parties that could require remediation has occurred.

4.19 Taxes. Each LLC Swap Party has paid all federal, state, local, and other taxes ("LLC Taxes") required to be paid by it other than taxes being contested in good faith. Each LLC Swap Party has filed all federal, state and local tax returns and reports required to be filed by it, and, to the Knowledge of the LLC Swap Parties, all such returns and reports correctly and accurately, in all material respects, set forth the amount of any taxes relating to the applicable period.

4.20 Insurance and Bonds. Schedule 4.20 sets forth all security deposits, performance bonds, letters of credit and other payments or commitments of each LLC Swap Party to secure each LLC Swap Parties' performance under any LLC Franchise, any LLC Contract or other obligation of the LLC Swap Parties relating to the LLC Systems or the LLC Assets.

4.21 Conduct of Business in Ordinary Course. Except as otherwise set forth on Schedule 4.21, since December 31, 2007, the LLC Swap Parties have conducted the LLC Business and operations of each of the LLC Systems only in the ordinary course.

4.22 No Third Party Options. Except for this Agreement and the transactions contemplated hereby, there are no existing agreements, options, commitments or rights with, of or to any Person to acquire any of the LLC Assets.

4.23 Availability of Documents. (a) The LLC Swap Parties have made available to the BB Swap Parties copies of all LLC-1 Franchises, LLC-1 FCC Licenses, LLC-1 Contracts, LLC-1 Real Property and other documents, agreements, commitments, insurance policies, leases, permits, licenses, contracts, patents, trademarks, trade names, service marks, copyrights and applications therefor listed in the Schedules hereto, or requested in the BB Swap Parties' written due diligence requests. Such copies are true, complete, and correct and include all amendments, supplements and modifications thereto or waivers currently in effect thereunder.

(b) The LLC Swap Parties have made available to Mediacom copies of all LLC-2 Franchises, LLC-2 FCC Licenses, LLC-2 Contracts, LLC-2 Real Property and other documents, agreements, commitments, insurance policies, leases, permits, licenses, contracts, patents, trademarks, trade names, service marks, copyrights and applications therefor listed in the Schedules hereto, or requested in Mediacom's written due diligence requests. Such copies are true, complete, and correct and include all amendments, supplements and modifications thereto or waivers currently in effect thereunder.

ARTICLE V
MEDIACOM'S REPRESENTATIONS AND WARRANTIES

Mediacom hereby represents and warrants to each of the BB Swap Parties and the LLC Swap Parties as follows:

5.1 Organization and Qualification. Mediacom is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has all requisite corporate power and authority to enter into this Agreement and the other Transaction Documents to which it is a party and to consummate the Related Transactions. Mediacom is duly qualified or licensed to do business and is in good standing under the laws of each jurisdiction where it conducts business.

5.2 Authority and Validity. Subject to the occurrence of the Mediacom Board Approval, the execution, delivery, and performance of this Agreement and the other Transaction

Documents and the consummation of the Related Transactions by Mediacom has been duly and validly authorized by all necessary corporate action. Subject to the occurrence of the Mediacom Board Approval, this Agreement has been duly executed and delivered by Mediacom, and this Agreement and each Transaction Document to which Mediacom is a party constitutes, or when executed and delivered, will constitute, a legal, valid and binding obligation of Mediacom, enforceable against Mediacom in accordance with its respective terms, except as may be limited by the availability of equitable remedies or by applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditor's rights generally.

5.3 Litigation. There is no material claim, legal action, counterclaim, suit, arbitration, governmental investigation, litigation, or any other legal, administrative or tax proceeding before any commission, agency or other Governmental Authority, nor any order, decree or judgment, pending, or to Mediacom's Knowledge, threatened, against or relating to Mediacom that would prevent or hinder the consummation of this Agreement or the Related Transactions.

5.4 Consents. Subject to obtaining the consents listed on Schedule 3.10(b) and Schedule 4.10(b) and to the occurrence of the Mediacom Board Approval, no consent, notice, waiver, authorization, filing, permit, approval registration or other action by any Person or any Governmental Authority is required in connection with the execution, delivery and performance of this Agreement by Mediacom. The execution, delivery and performance of this Agreement and the other Transaction Documents, and the consummation of the Related Transactions, by Mediacom (with or without the giving of notice, the lapse of time or both): (i) will not conflict with any provision of the Certificate of Incorporation or by-laws of Mediacom and (ii) will not conflict with, result in a breach of, constitute a default under, or violate, any applicable law, judgment, order, ordinance, injunction, decree, rule or regulation of any court or Governmental Authority.

ARTICLE VI
EMPLOYEES

6.1 Employees of the BB Systems.

(a) Except as expressly provided in this Agreement, the LLC Swap Parties shall not assume or have any obligations or liabilities with respect to any employees of Illinois BB. Illinois LLC agrees that it shall offer employment to all of the employees of the BB Systems, effective as of the Closing Date, on terms substantially similar to the terms of such employees' current employment by Illinois BB.

(b) Illinois BB shall pay all wages, salaries, commissions, and the cost of all benefits provided to the employees of the BB Systems which shall have become due for work performed as of and through the Effective Time, and Illinois BB shall collect and pay all BB Taxes concerning such wages, salaries, commissions and benefits.

(c) Illinois BB acknowledges and agrees that Illinois LLC shall not acquire any rights or interests of Illinois BB in, or assume or have any obligations or liabilities of Illinois BB under, any benefit plans maintained by, or for the benefit of any employees of the BB Systems before the Effective Time, including obligations for severance or vacation accrued but not taken as of the Effective Time except to the extent that Illinois LLC has otherwise agreed to assume such obligation.

6.2 Employees of the LLC-1 Systems.

(a) Except as expressly provided in this Agreement, the BB Swap Parties shall not assume or have any obligations or liabilities with respect to any employees of the LLC-1 Systems. The BB Swap Parties agree that they shall offer employment to all of the employees of the LLC-1 Systems, effective as of the Closing Date, on terms substantially similar to the terms of such employees' current employment by the LLC-1 Swap Parties.

(b) The LLC Swap Parties shall pay all wages, salaries, commissions, and the cost of all benefits provided to the employees of the LLC-1 Systems which shall have become due for work performed as of and through the Effective Time, and the LLC Swap Parties shall collect and pay all LLC Taxes concerning such wages, salaries, commissions and benefits.

(c) The LLC Swap Parties acknowledge and agree that the BB Swap Parties shall not acquire any rights or interests of the LLC Swap Parties in, or assume or have any obligations or liabilities of the LLC Swap Parties under, any benefit plans maintained by, or for the benefit of any employees of the LLC-1 Systems before the Effective Time, including obligations for severance or vacation accrued but not taken as of the Effective Time except to the extent that the BB Swap Parties have otherwise agreed to assume such obligation.

6.3 Employees of the LLC-2 Systems.

(a) Except as expressly provided in this Agreement, Mediacom shall not assume or have any obligations or liabilities with respect to any employees of the LLC-2 Systems. Mediacom agrees that it shall offer employment to all of the employees of the LLC-2 Systems, effective as of the Closing Date, on terms substantially similar to the terms of such employees' current employment by the LLC-2 Swap Parties.

(b) The LLC Swap Parties shall pay all wages, salaries, commissions, and the cost of all benefits provided to the employees of the LLC-2 Systems which shall have become due for work performed as of and through the Effective Time, and the LLC Swap Parties shall collect and pay all LLC Taxes concerning such wages, salaries, commissions and benefits.

(c) The LLC Swap Parties acknowledge and agree that Mediacom shall not acquire any rights or interests of the LLC Swap Parties in, or assume or have any obligations or liabilities of the LLC Swap Parties under, any benefit plans maintained by, or for the benefit of any employees of the LLC-2 Systems before the Effective Time, including obligations for severance or vacation accrued but not taken as of the Effective Time except to the extent that Mediacom has otherwise agreed to assume such obligation.

ARTICLE VII
PRE-CLOSING COVENANTS

7.1 Access to Premises and Records. (a) Between the Agreement Date and the Closing Date, Illinois BB shall give the LLC Swap Parties, Mediacom and their respective representatives, at reasonable times during normal business hours and with reasonable prior notice, access to the books and records of the BB Business and to the BB Assets and will furnish to the LLC Swap Parties, Mediacom and their respective representatives such information regarding the BB Business and the BB Assets as the LLC Swap Parties, Mediacom or their respective representatives may reasonably request.

(b) Between the Agreement Date and the Closing Date, the LLC Swap Parties shall give the BB Swap Parties, Mediacom and their respective representatives, at reasonable times during normal business hours and with reasonable prior notice, access to the books and records of the LLC-1 Business and to the LLC-1 Assets and will furnish to the BB Swap Parties, Mediacom and their respective representatives such information regarding the LLC-1 Business and the LLC-1 Assets as the BB Swap Parties, Mediacom or their respective representatives may reasonably request.

(c) Between the Agreement Date and the Closing Date, the LLC Swap Parties shall give Mediacom and its representatives, at reasonable times during normal business hours and with reasonable prior notice, access to the books and records of the LLC-2 Business and to the LLC-2 Assets and will furnish to Mediacom and its representatives such information regarding the LLC-2 Business and the LLC-2 Assets as Mediacom or its representatives may reasonably request.

7.2 Operation of the BB Business — Affirmative Covenants. Between the Agreement Date and the Closing Date, Illinois BB shall operate the BB Business in the ordinary course consistent with past practices; use its commercially reasonable efforts to keep available the services of the employees who are involved in the operation of the BB Business; and use commercially reasonable efforts to preserve any beneficial business relationships with customers, suppliers and others having business dealings with Illinois BB relating to the BB Business.

7.3 Operation of the BB Business – Negative Covenants. Between the Agreement Date and the Closing Date, without the prior written consent of the LLC Swap Parties and Mediacom, Illinois BB shall not:

(a) modify or amend the terms of any existing BB Franchise or BB Contract used in the BB Business other than in the ordinary course of business;

(b) create, assume, or permit to exist any Encumbrance, claim, or liability on the BB Assets, except for Permitted Encumbrances;

(c) do any act or fail to do any act which might result in the expiration, revocation, suspension or modification of any of the BB Franchises, or fail to prosecute with reasonable diligence any applications to any Governmental Authority in connection with the operation of any of the BB Systems; or

(d) take any action which would constitute a breach of Illinois BB’s obligations hereunder.

7.4 Operation of the LLC Business — Affirmative Covenants. Between the Agreement Date and the Closing Date, LLC Swap Parties shall operate the LLC Business in the ordinary course consistent with past practices; use their commercially reasonable efforts to keep available the services of the employees who are involved in the operation of the LLC Business; and use commercially reasonable efforts to preserve any beneficial business relationships with customers, suppliers and others having business dealings with LLC Swap Parties relating to the LLC Business.

7.5 Operation of LLC Business – Negative Covenants. Between the Agreement Date and the Closing Date, without the prior written consent of the BB Swap Parties and Mediacom, the LLC Swap Parties shall not:

(a) modify or amend the terms of any existing LLC Franchise or LLC Contract used in the LLC Business other than in the ordinary course of business;

(b) create, assume, or permit to exist any Encumbrance, claim, or liability on the LLC Assets, except for Permitted Encumbrances;

(c) do any act or fail to do any act which might result in the expiration, revocation, suspension or modification of any of the LLC Franchises, or fail to prosecute with reasonable diligence any applications to any Governmental Authority in connection with the operation of any of the LLC Systems; or

(d) take any action which would constitute a breach of the LLC Swap Parties' obligations hereunder.

7.6 Consents.

(a) Consents for Transfer of BB Assets. (i) With the exception of the consents required from any Franchising Authority, prior to and following the Closing, the BB Swap Parties shall use commercially reasonable efforts to obtain, at the BB Swap Parties' expense, the consents, notices, waivers, authorizations, filings, permits, approvals or other actions of any Person that Mediacom reasonably believes are necessary or desirable for Illinois BB to transfer the BB Assets to Mediacom. Mediacom shall cooperate in obtaining such consents as reasonably requested by the BB Swap Parties. The BB Swap Parties will use commercially reasonable efforts to request of third parties such estoppel certificates, or similar documents for headend leases, easements, and BB Contracts as Mediacom may reasonably request.

(ii) With the exception of the consents required from any Franchising Authority, prior to and following the Closing, Mediacom shall use commercially reasonable efforts to obtain, at Mediacom's expense, the consents, notices, waivers, authorizations, filings, permits, approvals or other actions of any Person that Illinois LLC reasonably believes are necessary or desirable for Mediacom to transfer the BB Assets to Illinois LLC. The LLC Swap Parties shall cooperate in obtaining the MCC to LLC Consents, as reasonably requested by Mediacom.

(iii) Mediacom shall use commercially reasonable efforts to obtain, at the BB Swap Parties' expense, all BB to MCC Consents from Franchising Authorities required for the transfer of the BB Franchises from Illinois BB to Mediacom. The BB Swap Parties shall cooperate in obtaining such BB to MCC Consents as reasonably requested by Mediacom. Illinois BB will prepare, execute and deliver FCC Forms 394 to the appropriate Franchising Authority for each of the BB Franchises on or before ten (10) days following the Agreement Date.

(iv) The LLC Swap Parties shall use commercially reasonable efforts to obtain, at the LLC Swap Parties' expense, all MCC to LLC Consents from Franchising Authorities required for the transfer of the BB Franchises from Mediacom to Illinois LLC. Mediacom shall cooperate in obtaining such MCC to LLC Consents as reasonably requested by the LLC Swap Parties. Mediacom will prepare, execute and deliver FCC Forms 394 to the appropriate Franchising Authority for each of the BB Franchises on or before ten (10) days following the Agreement Date

(b) Consents for Transfer of LLC Assets. (i) With the exception of the consents required from any Franchising Authority, prior to and following the Closing, the LLC Swap Parties shall use commercially reasonable efforts to obtain, at the LLC Swap Parties' expense, the consents, notices, waivers, authorizations, filings, permits, approvals or other actions of any Person that Mediacom reasonably believes are necessary or desirable for the LLC Swap Parties to transfer the LLC Assets to Mediacom. Mediacom shall cooperate in obtaining such consents as reasonably requested by the LLC Swap Parties. The LLC Swap Parties will use commercially reasonable efforts to request of third parties such estoppel certificates, or similar documents for headend leases, easements, and LLC Contracts as Mediacom may reasonably request.

(ii) With the exception of the consents required from any Franchising Authority, prior to and following the Closing, Mediacom shall use commercially reasonable efforts to obtain, at Mediacom's expense, the consents, notices, waivers, authorizations, filings, permits, approvals or other actions of any Person that the BB Swap Parties reasonably believe are necessary or desirable for Mediacom to convey the LLC-1 Assets to the BB Swap Parties LLC. The BB Swap Parties shall cooperate in obtaining such consents, as reasonably requested by Mediacom.

(iii) Mediacom shall use commercially reasonable efforts to obtain, at the LLC Swap Parties' expense, all LLC to MCC Consents from Franchising Authorities required for the transfer of the LLC Franchises from the LLC Swap Parties to Mediacom. The LLC Swap Parties shall cooperate in obtaining such LLC to MCC Consents as reasonably requested by Mediacom. The LLC Swap Parties will prepare, execute and deliver FCC Forms 394 to the appropriate Franchising Authority for each of the LLC Franchises on or before ten (10) days following the Agreement Date.

(iv) The BB Swap Parties shall use commercially reasonable efforts to obtain, at the BB Swap Parties' expense, all MCC to BB Consents from Franchising Authorities required for the transfer of the LLC-1 Franchises from Mediacom to the BB Swap Parties. Mediacom shall cooperate in obtaining such MCC to BB Consents as reasonably requested by the BB Swap Parties. Mediacom will prepare, execute and deliver FCC Forms 394 to the appropriate Franchising Authority for each of the LLC-1 Franchises on or before ten (10) days following the Agreement Date.

7.7 Risk of Loss. (a) Illinois BB will bear the risk of any loss or damage to the BB Assets resulting from fire, theft or other casualty at all times before the Effective Time. If any such loss or damage is so substantial as to prevent normal operation of any material portion of any BB System, Illinois BB shall promptly notify the LLC Swap Parties. Illinois BB shall apply the proceeds of any insurance policy, judgment or award and take all other commercially reasonable steps to repair, replace or restore such property as soon as commercially reasonable after the loss. In the event of loss or damage that is so substantial as to prevent normal operation of any material portion of any BB System and such loss or damage has not been restored or replaced by the Termination Date, the LLC Swap Parties may elect by written notice to the BB Swap Parties either (i) to waive such defect or (ii) to terminate this Agreement pursuant to Section 12.1(d). If the LLC Swap Parties elect to consummate the acquisition of the BB Assets notwithstanding such loss or damage, there shall be a cash payment made by the BB Swap Parties to the LLC Swap Parties, as the case may be, in an amount equal to the cost to restore any BB System suffering such loss or damage to substantially the same condition as existed prior to the loss or damage, taking into account all applicable insurance proceeds delivered by Illinois BB to the LLC Swap Parties. If any loss or damage to the BB Assets occurs that is not so substantial as to prevent normal operation of any material portion of any BB System, which is not repaired, replaced or restored prior to the Effective Time, then the LLC Swap Parties shall be entitled to any applicable proceeds of insurance received or receivable by Illinois BB, and Illinois BB agrees to pay such proceeds to the LLC Swap Parties upon receipt.

(b) The LLC Swap Parties will bear the risk of any loss or damage to the LLC Assets resulting from fire, theft or other casualty at all times before the Effective Time. If any such loss or damage is so substantial as to prevent normal operation of any material portion of any LLC-1 System or LLC-2 System, the LLC Swap Parties shall promptly notify the BB Swap Parties and/or Mediacom, as the case may be. The LLC Swap Parties shall apply the proceeds of any insurance policy, judgment or award and take all other commercially reasonable steps to repair, replace or restore such property as soon as commercially reasonable after the loss. In the event of loss or damage that is so substantial as to prevent normal operation of any material portion of any LLC-1 System or LLC-2 System and such loss or damage has not been restored or replaced by the Termination Date, either the BB Swap Parties or Mediacom may elect by written notice to the LLC Swap Parties either (i) to waive such defect or (ii) to terminate this Agreement pursuant to Section 12.1(d). If the BB Swap Parties and/or Mediacom, as the case may be, elect to consummate the acquisition of the LLC-1 Assets and/or LLC-2 Assets, respectively, notwithstanding such loss or damage, there shall be a cash payment made by the LLC Swap Parties to Mediacom or the BB Swap Parties, as the case may be, in an amount equal to the cost to restore any LLC-1 System or LLC-2 System suffering such loss or damage to substantially the same condition as existed prior to the loss or damage, taking into account all applicable insurance proceeds delivered by the LLC Swap Parties to the BB Swap Parties or Mediacom, as applicable. If any loss or damage to the LLC-1 Assets or LLC-2 Assets occurs that is not so substantial as to prevent normal operation of any material portion of any LLC-1 System or LLC-2 System, which is not repaired, replaced or restored prior to the Effective Time, then both the BB Swap Parties and/or Mediacom shall be entitled to any applicable proceeds of insurance received or receivable by the LLC Swap Parties, and the LLC Swap Parties agree to pay such proceeds to the BB Swap Parties and Mediacom, as applicable, upon receipt.

7.8 Adverse Change. (a) The BB Swap Parties shall promptly notify the LLC Swap Parties in writing of any developments that has a BB Material Adverse Effect on the BB Assets, the BB Systems or the BB Business.

(b) The LLC Swap Parties shall promptly notify the BB Swap Parties in writing of any developments that have an LLC-1 Material Adverse Effect.

(c) The LLC Swap Parties shall promptly notify Mediacom in writing of any developments that have an LLC-2 Material Adverse Effect.

7.9 No Solicitation. From the Agreement Date through the earlier to occur of (i) the Closing Date or (ii) the termination of this Agreement pursuant to Section 12.1 hereof, none of the BB Swap Parties, the LLC Swap Parties nor Mediacom, nor any of their respective officers, directors, partners, shareholders, representatives or agents, shall participate in, encourage, solicit or initiate any discussion or negotiations, or enter into any agreement, concerning the sale of (i) the BB Systems or the BB Assets or (ii) the LLC Systems or the LLC Assets.

7.10 Sales and Transfer Taxes and Fees. Mediacom, the LLC Swap Parties and the BB Swap Parties shall each pay one-third (1/3) of all state or local sales, use, transfer, excise, recording, or license taxes or fees or any other government imposed charge (including all filing fees) arising from this Agreement or the Related Transactions.

7.11 Expenses. The Parties shall each bear their own expenses incurred in connection with the negotiation and preparation of this Agreement and in connection with all obligations required to be performed by it under this Agreement.

ARTICLE VIII
CONDITIONS PRECEDENT TO OBLIGATIONS OF THE BB SWAP PARTIES

The obligations of the BB Swap Parties under this Agreement are subject to the satisfaction at or before the Closing of each of the following conditions, unless expressly waived by the BB Swap Parties.

8.1 Governmental or Legal Action. No action, suit, investigation, regulation, legislation or proceeding shall be pending, instituted, proposed or threatened that would (i) prohibit the BB Swap Parties' ownership or operation of all or any material portion of the LLC-1 Systems, the LLC-1 Business or the LLC-1 Assets or (ii) prohibit or prevent the consummation of the transactions contemplated by this Agreement.

8.2 Accuracy of Representations and Warranties. The representations and warranties of the LLC Swap Parties contained in this Agreement shall be true and correct in all material respects at and as of the Closing with the same effect as if made at and as of Closing, except (i) where such failures to be true and correct, individually or in the aggregate, have not resulted in and would not result in an LLC-1 Material Adverse Effect, (ii) for changes contemplated or permitted under this Agreement, and (iii) for representations and warranties made only at and as of a certain date which shall have been true and correct in all material respects as of such date. The LLC Swap Parties shall have delivered to the BB Swap Parties a certificate, executed by the member of each of Wisconsin LLC, Illinois LLC, Southeast LLC and Iowa LLC dated as of the Closing Date, certifying to such effect.

8.3 Performance of Agreements.

(a) The LLC Swap Parties shall have in all material respects performed all obligations and agreements and complied with all covenants and conditions required by this Agreement to be performed or complied with by the LLC Swap Parties at or prior to the Closing Date, and the LLC Swap Parties shall have delivered to the BB Swap Parties a certificate, executed by the member of each of Wisconsin LLC, Illinois LLC, Southeast LLC and Iowa LLC dated as of the Closing Date, certifying such performance and compliance.

(b) Mediacom shall have in all material respects performed all obligations and agreements and complied with all covenants and conditions required by this Agreement to be performed or complied with by Mediacom at or prior to the Closing Date, and Mediacom shall have delivered to the BB Swap Parties a certificate, executed by an officer of Mediacom dated as of the Closing Date, certifying such performance and compliance.

8.4 Board Approvals. The Board Approvals shall have been obtained.

8.5 Officer’s Certificate.

(a) The LLC Swap Parties shall have delivered to the BB Swap Parties a certificate, executed by the member of each of Wisconsin LLC, Illinois LLC, Southeast LLC and Iowa LLC and dated as of the Closing Date, certifying that the resolutions, as attached to such certificate, were duly adopted by the member of each of Wisconsin LLC, Illinois LLC, Southeast LLC and Iowa LLC, and remain in full force and effect. The resolutions shall authorize and approve the execution, delivery, and performance of this Agreement and the consummation of the Related Transactions by the LLC Swap Parties.

(b) Mediacom shall have delivered to the BB Swap Parties a certificate, executed by an officer dated as of the Closing Date, certifying that the resolutions, as attached to such certificate, were duly adopted by the Board of Directors of Mediacom, and remain in full force and effect. The resolutions shall authorize and approve the execution, delivery, and performance of this Agreement and the consummation of the Related Transactions by Mediacom.

8.6 No Material Adverse Change. During the period from the Agreement Date through and including the Closing Date, there shall not have occurred any event which has had a LLC-1 Material Adverse Effect.

8.7 [Left Blank for Section Numbering Purposes]

8.8 Franchising Authorities. (i) Mediacom shall have obtained the LLC to MCC Consents of all Franchising Authorities to the transfer of the LLC Franchises from the LLC Swap Parties to Mediacom, as indicated on Schedule 4.10(a), and (ii) the BB Swap Parties shall have obtained the MCC to BB Consents of all Franchising Authorities to the transfer of the LLC-1 Franchises from Mediacom to the BB Swap Parties, as indicated on Schedule 4.10(b)

ARTICLE IX
CONDITIONS PRECEDENT TO OBLIGATIONS OF THE LLC SWAP PARTIES

The obligations of each of the LLC Swap Parties under this Agreement are subject to the satisfaction at or before the Closing of each of the following conditions, unless expressly waived by each of the LLC Swap Parties.

9.1 Governmental or Legal Action. No action, suit, investigation, regulation, legislation or proceeding shall be pending, instituted, proposed or threatened that would (i) prohibit Illinois LLC's ownership or operation of all or any material portion of the BB Systems, or (ii) prohibit or prevent the consummation of the transactions contemplated by this Agreement.

9.2 Accuracy of Representations and Warranties. The representations and warranties of each the BB Swap Parties and Mediacom contained in this Agreement shall be true and correct in all material respects at and as of the Closing with the same effect as if made at and as of Closing, except (i) where such failures to be true and correct, individually or in the aggregate, have not resulted in and would not result in a BB Material Adverse Effect, (ii) for changes contemplated or permitted under this Agreement, and (iii) for representations and warranties made only at and as of a certain date which shall have been true and correct in all material respects as of such date. The BB Swap Parties shall have delivered to the LLC Swap Parties a certificate, executed by the member of each of the BB Swap Parties, dated as of the Closing Date, certifying to such effect.

9.3 Performance of Agreements. (a) The BB Swap Parties shall have in all material respects performed all obligations and agreements and complied with all covenants and conditions required by this Agreement to be performed or complied with by the BB Swap Parties at or prior to the Closing Date, and the BB Swap Parties shall have delivered to the LLC Swap Parties a certificate, executed by the member of each of the BB Swap Parties, dated as of the Closing Date, certifying such performance and compliance.

(b) Mediacom shall have in all material respects performed all obligations and agreements and complied with all covenants and conditions required by the Agreement to be performed or complied with by Mediacom at or prior to the Closing Date, and Mediacom shall have delivered to the LLC Swap Parties a certificate, executed by an officer, dated as of the Closing Date, certifying such performance and compliance.

9.4 Board Approvals. The Board Approvals shall have been obtained.

9.5 Officer's Certificate.

(a) The BB Swap Parties shall have delivered to the LLC Swap Parties a certificate, executed by the member of each of the BB Swap Parties dated as of the Closing Date, certifying that the resolutions, as attached to such certificate, were duly adopted by the member of each of the BB Swap Parties, and remain in full force and effect. The resolutions shall authorize and approve the execution, delivery, and performance of this Agreement and the consummation of the Related Transactions by the BB Swap Parties.

(b) Mediacom shall have delivered to the LLC Swap Parties a certificate, executed by an officer dated as of the Closing Date, certifying that the resolutions, as attached to such certificate, were duly adopted by the Board of Directors of Mediacom, and remain in full force and effect. The resolutions shall authorize and approve the execution, delivery, and performance of this Agreement and the consummation of the Related Transactions by Mediacom.

9.6 No Material Adverse Change. During the period form the Agreement through and including the Closing Date, there shall not have occurred any event which has had a BB Material Adverse Effect.

9.7 [Left Blank for Section Numbering Purposes]

9.8 Franchising Authorities. (i) Mediacom shall have obtained the BB to MCC Consents of all Franchising Authorities to the transfer of the BB Franchises from Illinois BB to Mediacom, as indicated on Schedule 3.10(a), and (ii) the LLC Swap Parties shall have obtained the MCC to LLC Consents of all Franchising Authorities to the transfer of the BB Franchises from Mediacom to Illinois LLC, as indicated on Schedule 3.10(b).

ARTICLE X
CONDITIONS PRECEDENT TO OBLIGATIONS OF MEDIACOM

The obligations of Mediacom under this Agreement are subject to the satisfaction at or before the Closing of each of the following conditions, unless expressly waived by Mediacom.

10.1 Governmental or Legal Action. No action, suit, investigation, regulation, legislation or proceeding shall be pending, instituted, proposed or threatened that would (i) prohibit Mediacom's ownership or operation of all or any material portion of the LLC-2 Systems, or (ii) prohibit or prevent the consummation of the transactions contemplated by this Agreement.

10.2 Accuracy of Representations and Warranties. The representations and warranties of the BB Swap Parties and LLC Swap Parties contained in this Agreement shall be true and correct in all material respects at and as of the Closing with the same effect as if made at and as of Closing, except (i)) where such failures to be true and correct, individually or in the aggregate, have not resulted in and would not result in a BB Material Adverse Effect or an LLC Material Adverse Effect, as applicable, (ii) for changes contemplated or permitted under this Agreement, (iii) for representations and warranties made only at and as of a certain date which shall have been true and correct in all material respects as of such date. Each of (i) the LLC Swap Parties shall have delivered to Mediacom a certificate, executed by the member of each of Wisconsin LLC, Illinois LLC, Southeast LLC, and Iowa LLC, and (ii) the BB Swap Parties shall have delivered to Mediacom a certificate, executed by the member of each of the BB Swap Parties, dated as of the Closing Date, certifying to such effect.

10.3 Performance of Agreements. Both the LLC Swap Parties and the BB Swap Parties shall have in all material respects performed all obligations and agreements and complied with all covenants and conditions required by this Agreement to be performed or complied with by each of the LLC Swap Parties and BB Swap Parties at or prior to the Closing Date, and (i) the LLC Swap Parties shall have delivered to Mediacom a certificate, executed by the member of each of the LLC Swap Parties and (ii) the BB Swap Parties shall have delivered to Mediacom a certificate executed by the member of each of the BB Swap Parties, dated as of the Closing Date, in each case certifying such performance and compliance.

10.4 Board Approvals. The Board Approvals shall have been obtained.

10.5 Officer's Certificate.

(a) The LLC Swap Parties shall have delivered to Mediacom a certificate, executed by the member of each of Wisconsin LLC, Illinois LLC Southeast LLC, and Iowa LLC dated as of the Closing Date, certifying that the resolutions, as attached to such certificate, were duly adopted by the manager of each of Wisconsin LLC, Illinois LLC Southeast LLC, and Iowa LLC, and remain in full force and effect. The resolutions shall authorize and approve the execution, delivery, and performance of this Agreement and the consummation of the Related Transactions by the LLC Swap Parties.

(b) The BB Swap Parties shall have delivered to Mediacom a certificate, executed by the member of each of the BB Swap Parties dated as of the Closing Date, certifying that the resolutions, as attached to such certificate, were duly adopted by the manager of each of the BB Swap Parties and remain in full force and effect. The resolutions shall authorize and approve the execution, delivery, and performance of this Agreement and the consummation of the Related Transactions by the BB Swap Parties.

10.6 No Material Adverse Change. During the period from the Agreement Date through and including the Closing Date, there shall not have occurred any event which has had an LLC Material Adverse Effect.

10.7 Franchising Authorities. Mediacom shall have obtained (i) the BB to MCC Consents of all Franchising Authorities to the transfer of the BB Franchises from Illinois BB to Mediacom, as indicated on Schedule 3.10(a), and (ii) the LLC to MCC Consents of all Franchising Authorities to the transfer of the LLC Franchises from the LLC Swap Parties to Mediacom, as indicated on Schedule 4.10(a).

ARTICLE XI
ACTIONS TO BE TAKEN AT OR PRIOR TO CLOSING

11.1 BB Swap Parties' Deliveries. At or prior to Closing, the BB Swap Parties shall deliver to the LLC Swap Parties:

(a) a complete itemized list of all of Illinois BB's Accounts Receivable relating to the BB Systems as of a date not more than thirty (30) days before the Closing Date, showing sums due and their respective aging for the period ending on the Closing Date;

(b) the certificates required under Sections 9.2(i), 9.3(a) and 9.5;

(c) an Assumption Agreement duly executed by Illinois BB, substantially identified in form and substance to that attached hereto as Exhibit A;

(d) bills of sale, endorsements, assignments, motor vehicle titles, special warranty deeds and other instruments of transfer as reasonably requested by the LLC Swap Parties to vest title or possession to the BB Assets in the name of Illinois LLC or its permitted assigns as provided in this Agreement;

(e) evidence reasonably satisfactory to the LLC Swap Parties and such release and termination instruments as the LLC Swap Parties shall reasonably request in connection with the release of any Encumbrances (other than Permitted Encumbrances) from the BB Assets transferred to Illinois LLC as of the Effective Date;

(f) a good standing certificate for each of the BB Swap Parties issued by the Secretary of State of the State of Delaware certifying as to its existence and good standing, dated not more than twenty (20) days prior to the Closing Date;

(g) all other documents required to be delivered under this Agreement;

(h) possession and operating control of the BB Systems and the BB Assets to Illinois LLC as of the Effective Date; and

(i) a Bill of Sale duly executed by Illinois BB, in form and substance to that attached as Exhibit B.

11.2 LLC Swap Parties' Deliveries. At or prior to Closing, the LLC Swap Parties shall deliver to the BB Swap Parties and Mediacom:

(a) a complete itemized list of all (i) LLC-1 Accounts Receivable relating to the LLC-1 Systems to the BB Swap Parties and (ii) LLC-2 Accounts Receivable relating to the LLC-2 Systems to Mediacom, each as of a date not more than thirty (30) days before the Closing Date, showing sums due and their respective aging for the period ending on the Closing Date;

(b) the certificates required under Sections 8.2(i), 8.3(a) and 8.5(a);

(c) an Assumption Agreement duly executed by the LLC Swap Parties, substantially identified in form and substance to that attached hereto as Exhibit A;

(d) bills of sale, endorsements, assignments, motor vehicle titles, special warranty deeds and other instruments of transfer as reasonably requested by the BB Swap Parties or Mediacom to vest title or possession to (i) the LLC-1 Assets in the name of the BB Swap Parties and (ii) the LLC-2 Assets in the name of Mediacom, or their permitted assigns as provided in this Agreement;

(e) evidence reasonably satisfactory to the BB Swap Parties and Mediacom that such release and termination instruments as the BB Swap Parties and/or Mediacom shall reasonably request in connection with the release of any Encumbrances (other than Permitted Encumbrances) from the (i) LLC-1 Assets transferred to the BB Swap Parties and (i) LLC-2 Assets transferred to Mediacom, all as of the Effective Date;

(f) a good standing certificate for each of the LLC Swap Parties issued by the Secretary of State of the State of Delaware certifying as to its existence and good standing, dated not more than twenty (20) days prior to the Closing Date

(g) all other documents required to be delivered under this Agreement;

(h) possession and operating control of (i) the LLC-1 Systems and the LLC-1 Assets to the BB Swap Parties and (ii) LLC-2 Systems and the LLC-2 Assets to Mediacom, each as of the Effective Date; and

(i) a Bill of Sale duly executed by the LLC Swap Parties, in form and substance to that attached as Exhibit B.

11.3 Mediacom's Deliveries. At or prior to Closing, Mediacom shall deliver to the BB Swap Parties and the LLC Swap Parties:

(a) the certificates required under Sections 8.2(ii), 8.3(b) and 8.5(b) to the BB Swap Parties;

(b) the certificates required under Sections 9.2(ii), 9.3(b) and 9.5 to the LLC Swap Parties;

(c) an Assignment and Assumption Agreement duly executed by Mediacom, substantially identified in form and substance to that attached hereto as Exhibit C;

(d) Bills of Sale duly executed by Mediacom, in form and substance to that attached as Exhibit B.

(e) all other documents required to be delivered under this Agreement; and

(f) good standing certificate issued by the Secretary of State of Delaware certifying to its existence and good standing, dated not more than twenty (20) days prior to the Closing Date.

11.4 BB Swap Parties' Post-Closing Deliveries. After Closing:

(a) The BB Swap Parties shall deliver to the LLC Swap Parties any cash or other property that the BB Swap Parties may receive relating to BB Accounts Receivable received after the Closing Date;

(b) Illinois BB shall deliver to Illinois LLC any BB Assets (other than BB Excluded Assets) not effectively transferred to Illinois LLC as of the Effective Date; and

(c) At the request of any party hereto, the other party without further consideration, shall deliver such further instruments of conveyance, transfer, assignment or assumption as the requesting party may reasonably request in order to convey more effectively the transfer to Illinois LLC of any of the BB Assets and reflect Illinois LLC's assumption of the BB Assumed Liabilities.

11.5 LLC Swap Parties' Post-Closing Deliveries. After Closing:

(a) The LLC Swap Parties shall deliver (i) to the BB Swap Parties any cash or other property that the LLC Swap Parties may receive relating to the LLC-1 Accounts Receivable and (ii) to Mediacom any cash or other property that the LLC Swap Parties may receive relating to the LLC-1 Accounts Receivable, in each case, received after the Closing Date;

(b) The LLC Swap Parties shall deliver (i) to the BB Swap Parties any LLC-1 Assets (other than LLC-1 Excluded Assets) not effectively transferred to the BB Swap Parties and (ii) to Mediacom any LLC-2 Assets (other than LLC-2 Excluded Assets) not effectively transferred to Mediacom, each as of the Effective Date; and

(c) At the request of any party hereto, the other party without further consideration, shall deliver such further instruments of conveyance, transfer, assignment or assumption as the requesting party may reasonably request in order to convey more effectively the transfer (i) to the BB Swap Parties the LLC-1 Assets and reflect the BB Swap Parties' assumption of the LLC-1 Assumed Liabilities and (ii) to Mediacom the LLC-2 Assets and reflect Mediacom's assumption of the LLC-2 Assumed Liabilities.

ARTICLE XII
TERMINATION

12.1 Events of Termination. This Agreement and the Related Transactions may be terminated at any time prior to the Closing:

(a) by Mediacom, in its sole discretion;

(b) by the mutual written consent of each of the parties to this Agreement;

(c) by any party hereto if the consummation of this Agreement and the Related Transactions would violate any non-appealable final order or judgment by any Governmental Authority having competent jurisdiction;

(d) by any party hereto, if it is not in material breach or default:

(i) if any representation or warranty of any other party hereto is untrue in any material respect (other than due to a change permitted or contemplated by this Agreement) and such breach is not cured within 30 days of receipt of a notice that such breach exists or has occurred; or

(ii) if any other party hereto shall have defaulted in any material respect in the performance of any obligation under this Agreement and such breach is not cured within 30 days of receipt of a notice that such default exists or has occurred;

(e) by any party hereto if the Closing shall not have occurred on or before the Termination Date; provided, however, that the right to terminate this Agreement under this Section 12.1(e) shall not be available to any party whose breach of its representations, covenants or agreements contained in this Agreement has been the cause of, or resulted in, the failure of the Closing to occur by the Termination Date;

12.2 Manner of Exercise. Notice of termination shall be served upon the other parties in accordance with the provisions set forth in Section 15.4, and all obligations of the parties under this Agreement other than Article XIV, other than obligations of any party resulting from such party’s breach of this Agreement, shall terminate and the related transactions contemplated shall be abandoned without further action by the Parties.

ARTICLE XIII
SURVIVAL OF REPRESENTATIONS, WARRANTIES, AND AGREEMENTS

Each of the representations and warranties in this Agreement and in any Transaction Document shall survive until the first anniversary of the Closing Date except for those concerning title to BB Assets or LLC Assets which shall survive indefinitely, BB Taxes or LLC Taxes, Environmental Matters, and third party claims relating to the period before the Closing Date, which shall survive until the end of the applicable statute of limitations. The expiration of any representation or warranty shall not affect any claim made with respect to such representation and warranty before the date of such expiration. Notwithstanding any investigation, audit, appraisal or inspection conducted before or after the Closing Date, any notice or information delivered to any Party hereto which is not disclosed in this Agreement (including the Schedules and Exhibits hereto) or the decision of any Party to complete the Closing, each Party shall be entitled to rely upon the representations and warranties set forth herein unless expressly waived. Each agreement and covenant in this Agreement and in any Transaction Documents shall survive until performed.

ARTICLE XIV

INDEMNIFICATION

14.1 Indemnification of the LLC Swap Parties by the BB Swap Parties. The BB Swap Parties shall indemnify and hold the LLC Swap Parties, their officers, directors, members, managers, partners and employees and their respective Affiliates, harmless from and against any damages, liabilities, losses, taxes, fines, penalties, costs, and expenses (including, without limitation, reasonable attorney fees) (collectively “Losses”) of any kind or nature arising out of or based upon any of the following matters:

(a) any untrue representation, breach of warranty or nonfulfillment of any covenant of the BB Swap Parties under this Agreement or in any agreement, certificate, Schedule, Exhibit or Transaction Document delivered by the BB Swap Parties;

(b) any failure by the BB Swap Parties to perform and discharge any of the Liabilities Not Assumed by LLC as set forth in this Agreement;

(c) any liability of the BB Swap Parties for BB Taxes which are not included in the Liabilities Assumed by LLC;

(d) Illinois BB's operation or ownership of the BB Assets, the BB Systems or the BB Business prior to the Effective Time, including under BB Contracts and BB Franchises which relate to events occurring prior to the Effective Time;

(e) the failure of the parties to comply with the provisions of any bulk sales law applicable to the transfer of the BB Assets;

(f) any failure by the BB Swap Parties to perform and discharge any of the Liabilities Assumed by BB as set forth in this Agreement;

(g) the BB Swap Parties' operation or ownership of the LLC-1 Assets, the LLC-1 Systems or the LLC-1 Business on and after the Effective Time, including under the LLC-1 Contracts and LLC-1 Franchises assumed by the BB Swap Parties which relate to events occurring on or after the Effective Time; and

(h) any and all actions, suits, proceedings, claims, demands, assessments, judgments, costs and expenses incident to any of the foregoing or to oppose the imposition thereof, or in enforcing this indemnity.

14.2 Indemnification of the BB Swap Parties by the LLC Swap Parties. The LLC Swap Parties shall indemnify and hold the BB Swap Parties, their officers, directors, members, managers, partners and employees and their respective Affiliates, harmless from and against any Losses of any kind or nature arising out of or based upon any of the following matters:

(a) any untrue representation, breach of warranty or nonfulfillment of any covenant of the LLC Swap Parties under this Agreement or in any agreement, certificate, Schedule, Exhibit or Transaction Document delivered by the LLC Swap Parties;

(b) any failure by the LLC Swap Parties to perform and discharge any of the Liabilities Not Assumed By BB as set forth in this Agreement;

(c) any liability of the LLC Swap Parties for LLC Taxes which are not included in the Liabilities Assumed by BB;

(d) the LLC Swap Parties' operation or ownership of the LLC-1 Systems prior to the Effective Time, including under LLC-1 Contracts and LLC-1 Franchises which relate to events occurring prior to the Effective Time;

(e) the failure of the parties to comply with the provisions of any bulk sales law applicable to the transfer of the LLC-1 Assets;

(f) any failure by the LLC Swap Parties to perform and discharge any of the Liabilities Assumed by LLC as set forth in this Agreement;

(g) the LLC Swap Parties' operation or ownership of the BB Assets, the BB Systems or the BB Business on and after the Effective Time, including under the BB Contracts and BB Franchises assumed by the LLC Swap Parties which relate to events occurring on or after the Effective Time; and;

(h) any and all actions, suits, proceedings, claims, demands, assessments, judgments, costs and expenses incident to any of the foregoing or to oppose the imposition thereof, or in enforcing this indemnity.

14.3 Indemnification of Mediacom by the LLC Swap Parties. The LLC Swap Parties shall indemnify and hold Mediacom, its officers, directors, members, managers, partners and employees and their respective Affiliates, harmless from and against any losses of any kind or nature arising out of or based upon any of the following matters:

(a) any untrue representation, breach of warranty or nonfulfillment of any covenant of the LLC Swap Parties under this Agreement or in any agreement, certificate, Schedule, Exhibit or Transaction Document delivered by the LLC Swap Parties;

(b) any failure by the LLC Swap Parties to perform and discharge any of the Liabilities Not Assumed by Mediacom as set forth in this Agreement;

(c) any liability of the LLC Swap Parties for LLC Taxes which are not included in the Liabilities Assumed by Mediacom;

(d) the LLC Swap Parties' operation or ownership of the LLC-2 Systems prior to the Effective Time, including under LLC-2 Contracts and LLC-2 Franchises which relate to events occurring prior to the Effective Time;

(e) the failure of the parties to comply with the provisions of any bulk sales law applicable to the transfer of the LLC-2 Assets; and

(f) any and all actions, suits, proceedings, claims, demands, assessments, judgments, costs and expenses incident to any of the foregoing or to oppose the imposition thereof, or in enforcing this indemnity.

14.4 Indemnification of the BB Swap Parties and the LLC Swap Parties by Mediacom. Mediacom agrees to indemnify and hold each of the BB Swap Parties (in the case of subsections (a) and (d) below) and the LLC Swap Parties (in the case of subsections (a), (b), (c) and (d) below), their respective officers, directors, members, managers, partners, shareholders and employees and their respective Affiliates harmless from and against any Losses of any kind or nature arising out of or based upon any of the following matters:

(a) any untrue representation, breach of warranty or nonfulfillment of any covenant made by Mediacom in this Agreement or in any agreement, instrument, certificate, Exhibit or Transaction Document delivered by Mediacom;

(b) any failure by Mediacom to perform and discharge any of the Liabilities Assumed by Mediacom as set forth in this Agreement;

(c) Mediacom's operation or ownership of the LLC-2 Assets, the LLC-2 Systems or the LLC-2 Business on and after the Effective Time, including under the LLC-2 Contracts and LLC-2 Franchises assumed by Mediacom which relate to events occurring on or after the Effective Time; and;

(d) any and all actions, suits, proceedings, claims, demands, assessments, judgments, costs and expenses incident to any of the foregoing or to oppose the imposition thereof, or in enforcing this indemnity.

14.5 Procedure for Indemnification. The procedure for indemnification shall be as follows:

(a) The party claiming indemnification (the "Claimant") shall within thirty (30) days of discovery of the facts or circumstances giving rise to such claim give notice to the party from which indemnification is claimed (the "Indemnifying Party") of any claim, whether between the parties or brought by a third party, specifying in reasonable detail the factual basis for the claim. If the claim relates to an action, suit, or proceeding filed by a third party against Claimant, such notice shall be given by Claimant to the Indemnifying Party within twenty (20) days after written notice of such action, suit, or proceeding was given to Claimant. The failure by Claimant to give such notice timely shall not affect the rights of the Claimant hereunder except to the extent that the Indemnifying Party demonstrates that the defense of such action is prejudiced thereby. Claimant shall make available to the Indemnifying Party all information and documents that the Indemnifying Party shall reasonably request and the Indemnifying Party and Claimant shall cooperate fully in such defense subject to subsection (c) of this Section.

(b) With respect to claims solely between the parties, the Indemnifying Party shall have twenty (20) days following receipt of notice from the Claimant of a claim to make such investigation of the claim as the Indemnifying Party deems necessary or desirable. For the purposes of such investigation, the Claimant agrees to make available to the Indemnifying Party or its authorized representatives the information relied upon by the Claimant to substantiate the claim and any other information reasonably requested by the Indemnifying Party. If the Claimant and the Indemnifying Party agree at or prior to the expiration of the twenty (20) day period (or any mutually agreed upon extension thereof) to the validity and amount of all or any portion of such claim, within five (5) Business Days the Indemnifying Party shall immediately pay to the Claimant the full amount of such agreed amount of the claim by wire transfer of immediately available funds to an account or accounts designated by Claimant. If the Claimant and the Indemnifying Party do not agree within the twenty (20) day period (or any mutually agreed upon extension thereof), the Claimant may seek appropriate remedy at law.

(c) With respect to any claim by a third party as to which the Claimant is entitled to indemnification under this Agreement, the Indemnifying Party shall have the right at its own expense to participate in or assume control of the defense of such claim (with counsel of its choice reasonably satisfactory to the Claimant) if, within twenty days after notice from the Claimant of any such claim for losses, the Indemnifying Party provides to the Claimant notice thereof, and the Claimant shall cooperate fully with the Indemnifying Party, including making available all information, documents and assistance that Indemnifying Party may reasonably request, subject to reimbursement for actual out-of-pocket expenses incurred by the Claimant as the result of a request by the Indemnifying Party. If the Indemnifying Party elects to assume control of the defense of any third-party claim in accordance with the preceding sentence, the Claimant shall have the right to participate in the defense of such claim at its own expense, but the Indemnifying Party shall control such defense. If the Indemnifying Party shall elect not to undertake such defense in accordance with this Section 14.5(c), or, within a reasonable time after providing such notice to Claimant, shall fail to defend such claim, the Claimant shall have the right to undertake the defense, compromise or settlement of such claim, by counsel or other representatives of its own choosing, on behalf of and for the account and risk of the Indemnifying Party, and the Indemnifying Party shall pay to the Claimant, in addition to the other sums required to be paid hereunder, any reasonable costs and expenses incurred by the Claimant in connection with such defense, compromise or settlement as and when such costs and expenses are so incurred. Anything in this Section 14.5(c) to the contrary notwithstanding, with respect to any third party claim, (i) the Indemnifying Party shall not, without the Claimant's written consent (which shall not be unreasonably withheld or delayed), settle or compromise any such claim or consent to entry of any judgment which does not include as an unconditional term thereof the giving by the third party claimant or the plaintiff to the Claimant of a release from all liability in respect of such losses in form and substance reasonably satisfactory to the Claimant, (ii) in the event that the Indemnifying Party undertakes defense of any such claim, the Indemnifying Party shall have an obligation to keep the Claimant informed of the status of the defense of such claim and furnish the Claimant with all documents, instruments and information that the Claimant shall reasonably request in connection therewith, and (iii) neither party shall dispose of, compromise or settle any claim or action in a manner that is not reasonable under the circumstances and in good faith.

(d) If a claim, whether between the parties or by a third party, requires immediate action, the parties will make every reasonable effort to reach a decision with respect thereto as expeditiously as possible.

14.6 Limitations on Indemnification; Exclusive Remedy.

(a) No party hereunder shall be required to indemnify any other party under this Article XIV (x) until the aggregate amount of such other party's Losses (excluding any legal fees incurred by such party in connection with such Losses) exceed (i) in the case of Losses of the LLC Swap Parties or the BB Swap Parties, $2,500,000, and then only to the extent that such Losses exceed $2,500,000, and (ii) in the case of Mediacom, $1,250,000, and then only to the extent that such Losses exceed $1,250,000, and (y) (i) in the case of Losses of the LLC Swap Parties or the BB Swap Parties, to the extent that such Losses exceed $50,000,000, and (ii) in the case of Losses of Mediacom, to the extent that such Losses exceed $25,000,000.

(b) After the Closing Date, the sole and exclusive remedy of any party with respect to this Agreement, the transactions contemplated by this Agreement, the BB Systems and the BB Assets, and the LLC Systems and the LLC Assets, whether in contract, in tort or otherwise, shall be a claim for indemnification under this Article XIV.

(c) The amount of any claim under this Article XIV shall be reduced by the amount of any insurance proceeds actually received by the claimant in respect of such claim and by the tax benefit, if any, to the claimant in respect of such claims.

ARTICLE XV
MISCELLANEOUS

15.1 Parties Obligated and Benefited. This Agreement shall bind and benefit the Parties and their respective assigns and successors in interest.

15.2 Assignment. This Agreement may not be assigned by any of the Parties without the prior written consent of each of the other Parties, except that any party may assign this Agreement to an affiliate under common ownership and control ("Affiliate") with such party by providing notice of such assignment to the other party provided that (i) such assignment shall not be permitted without the consent of the other Parties if such assignment would impair, hinder or delay the consummation of the transactions contemplated hereby; (ii) any additional costs and expenses that arise due to any assignment by a party to an Affiliate shall be the sole responsibility of such party and (iii) the assigning party shall remain liable for its obligations under this Agreement.

15.3 Press Releases. No party shall make any public announcement, press release or any other filing with any regulatory agency with respect to the transactions contemplated by this Agreement without the prior written approval of the other Parties, which approval shall not unreasonably be withheld. This provision shall not apply, however, to any announcement or written statement required to be made by law or the regulations of any federal or state governmental agency or stock exchange, except that the party required to make such announcement shall provide a draft copy thereof to the other Parties hereto, and consult with such other Parties concerning the timing and content of such announcement, before such announcement is made.

15.4 Notices. All notices, consents, approvals, demands, requests and other communications required or desired to be given under this Agreement must be given in writing, and shall be sent by registered or certified mail, return receipt requested, by hand delivery, by facsimile, if receipt is confirmed, or by overnight courier service, addressed to the Parties at their addresses set forth below, or such other addresses as they may designate by like notice:

To the BB Swap Parties at:	c/o Mediacom Broadband LLC 100 Crystal Run Road Middletown, NY 10941 Attention: Mark Stephan, CFO Fax: (845) 695-2639
To the LLC Swap Parties at:	c/o Mediacom LLC 100 Crystal Run Road Middletown, NY 10941 Attention: Mark Stephan, CFO Fax: (845) 695-2639

To Mediacom at:	Mediacom Communications Corporation 100 Crystal Run Road Middletown, NY 10941 Attention: Mark Stephan, CFO Fax: (845) 695-2639
In each case with a copy to:	Denise M. Tormey Sonnenschein Nath & Rosenthal LLP 1221 Avenue of the Americas New York, NY 10020 Fax: (212) 768-6800

Any notice or other communications made shall be deemed to have been given when received.

15.5 Waiver. This Agreement or any of its provisions may not be waived except in writing. The failure of any party to enforce any right arising under this Agreement on one or more occasions will not operate as a waiver of that or any other right on that or any other occasion.

15.6 Rights Cumulative. All rights and remedies of each of the Parties under this Agreement will be cumulative, and the exercise of one or more rights or remedies will not preclude the exercise of any other right or remedy available under this Agreement or applicable law.

15.7 Counterparts. This Agreement and all Transaction Documents may be executed by facsimile and in counterparts, each of which will be deemed an original and all of which together shall be deemed one document.

15.8 Entire Agreement. This Agreement, including all Schedules, Exhibits and Transaction Documents, contains the entire agreement of the parties and supersedes all prior oral or written agreements and understandings with respect to the subject matter hereof. This Agreement supersedes all prior negotiations between the Parties with respect to the transactions contemplated hereby, and all letters of intent and other writings relating to such negotiations, and cannot be amended, supplemented or modified except by an agreement in writing signed by the Parties which makes specific reference to this Agreement or an agreement delivered pursuant hereto, as the case may be, and which is signed by the Party against which enforcement of any such amendment, supplement or modification is sought.

15.9 Severability. Any term or provision of this Agreement which is invalid or unenforceable will be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms or provisions of this Agreement; unless the economic and legal substance of the transactions contemplated by this Agreement is not affected in any manner that is materially adverse to any Party.

15.10 Governing Law; Forum. This Agreement and all obligations created hereunder or required to be created hereby shall be governed by and construed and enforced in accordance with the laws of the State of New York, without referenced to its choice of law provisions.

15.11 No Third Party Beneficiaries. This Agreement constitutes an agreement solely among the Parties hereto, and, except as otherwise provided herein, is not intended to and will not confer any rights, remedies, obligations or liabilities, legal or equitable, on any other person other than the Parties hereto and their respective successors or assigns, or otherwise constitute any person a third party beneficiary under or by reason of this Agreement.

15.12 Further Assurances. The Parties agree that they shall execute and deliver any and all additional writings, instrument, and other documents contemplated hereby or referred to herein and shall take such further action as shall be reasonably required in order to effectuate the terms and conditions of this Agreement.

15.13 Drafting Presumption. The Parties agree that they shall participate in the drafting of this Agreement and, in the event that any dispute arises in the interpretation or construction of this Agreement, no presumption shall arise that either one Party or the other drafted this Agreement.

15.14 Brokerage. The Parties represent and warrant that there are no broker's or finder fees or commission due as a result of this transaction.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have duly executed this Asset Purchase Agreement effective as of the Effective Date.

<u>BB SWAP PARTIES</u>:

MCC ILLINOIS LLC
By: Mediacom Broadband LLC, its sole member
By: Mediacom Communications Corporation, its sole member

By: ______________________________
Name:
Title:

MCC IOWA LLC
By: Mediacom Broadband LLC, its sole member
By: Mediacom Communications Corporation, its sole member

By: ______________________________
Name:
Title:

MCC GEORGIA LLC
By: Mediacom Broadband LLC, its sole member
By: Mediacom Communications Corporation, its sole member

By: ______________________________
Name:
Title:

MCC MISSOURI LLC
By: Mediacom Broadband LLC, its sole member
By: Mediacom Communications Corporation, its sole member

By: ______________________________
Name:
Title:

LLC SWAP PARTIES:

MEDIACOM WISCONSIN LLC
By: Mediacom LLC, its sole member
By: Mediacom Communications Corporation, its sole member

By: ______________________________
Name:
Title:

MEDIACOM ILLINOIS LLC
By: Mediacom LLC, its sole member
By: Mediacom Communications Corporation, its sole member

By: ______________________________
Name:
Title:

MEDIACOM SOUTHEAST LLC
By: Mediacom LLC, its sole member
By: Mediacom Communications Corporation, its sole member

By: ______________________________
Name:
Title:

MEDIACOM IOWA LLC
By: Mediacom LLC, its sole member
By: Mediacom Communications Corporation, its sole member

By: ______________________________
Name:
Title:

MEDIACOM:

MEDIACOM COMMUNICATIONS CORPORATION

By: ______________________________

Name:

Title:

(Asset Transfer Agreement)

Exhibit 10.11(b)

MEDIACOM COMMUNICATIONS CORPORATION

STOCK OPTION AGREEMENT

AGREEMENT, dated as of __________ (the "Award Date"), between Mediacom Communications Corporation, a Delaware corporation (the "Company"), and __________ (the "Optionee").

W I T N E S S E T H:

WHEREAS, the Board of Directors of the Company (the "Board") recognizes the need to retain the services of qualified, reliable employees and believes that it is in the best interest of the Company to provide additional forms of compensation to such employees to secure their continued services to the Company; and

WHEREAS, the Board has adopted the Mediacom Communications Corporation 2003 Incentive Plan (the "Plan"), which authorizes the grant of options to purchase shares of common stock, $.01 par value, of the Company to officers and employees of the Company or a Subsidiary Corporation (as defined in Section 6.4(h) of the Plan) (the Company and the Subsidiary Companies are collectively referred to herein as the "Mediacom Companies" and individually as a "Mediacom Company") on such terms and conditions as specified in the award agreement; and

WHEREAS, the Compensation Committee of the Board (the "Committee") has determined that it would be in the best interests of the Company to grant the options provided for herein;

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. **Grant of Option**. Subject to the terms and conditions of the Plan and this Agreement, the Company hereby grants to the Optionee, as of the date hereof, an option (the "Option") to purchase from the Company all or any part of an aggregate number of __________shares of the Class A Common Stock, $0.01 par value per share, of the Company (the "Optioned Shares").

2. **Vesting of Right to Exercise Option**. Subject to such restrictions and limitations as are provided in the Plan and as are set forth in this Agreement, the Option shall become vested and exercisable on the dates and at the per share prices ("Option Price") set forth below, and the Optionee shall have the right hereunder to purchase from the Company the indicated number of Optioned Shares upon exercise of the Option, on and after such dates, in cumulative fashion:

Exercise Date	Cumulative Number of Incentive Optioned Shares	Cumulative Number of Non-Qualified Optioned Shares	Option Price
1st Anniversary of Award Date		0	
2nd Anniversary of Award Date		0	
3rd Anniversary of Award Date		0	
4th Anniversary of Award Date		0	

Subject to Sections 6.4(e) and 6.4(h) of the Plan, those (and only those) Optioned Shares indicated above as "Incentive Optioned Shares" are intended by the parties hereto to be, and shall be treated as, "incentive stock options" (as such term is defined under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code")).

To the extent that this Option is vested and exercisable in accordance with the terms of the Plan and this Agreement as of any particular date, the Optioned Shares that may be purchased as of such date are referred to as "Vested Shares" and to the extent that the Option is not vested and exercisable on such date, the Optioned Shares that may not be purchased as of such date, are referred to as "Unvested Shares."

3. **Term and Termination of Option.**

(a) Expiration. Subject to the earlier termination in accordance with this Section 3, the Option to the extent not previously exercised, shall terminate and become null and void on the tenth anniversary of the Award Date (the "Expiration Date").

(b) Termination of Employment. Subject to the provisions of Section 4 or 8 below, if the Optionee ceases to be an employee of any Mediacom Company (a "Termination of Employment"), the Option shall terminate and become null and void as provided below:

(i) Voluntary Termination of Employment by Optionee. Upon the Optionee's voluntary Termination of Employment for any reason other than Disability or for "Good Reason" (as defined in subsection (c)(iii) below):

(A) The Option shall terminate and become null and void as to all Unvested Optioned Shares immediately upon the Optionee's Termination of Employment and such Option may not be exercised for such Unvested Shares at any time thereafter; and

(B) To the extent that the Option is vested and exercisable as of the Optionee's Termination of Employment, it shall continue to be exercisable with respect to the Vested Shares until the earlier of (x) the ninety-first (91st) day after the Optionee's Termination of Employment or (y) the Expiration Date, at which time the Option shall terminate and become null and void as to all Vested Shares, if any, not previously purchased in accordance with this Agreement and the Plan.

(ii) Termination Upon Death or Disability. If the Optionee has a Termination of Employment due to the Optionee's death or Disability, the Option shall become fully vested and exercisable with respect to all Optioned Shares immediately upon such Termination of Employment due to death or Disability and the Option shall continue to be exercisable until the earlier of (x) the first anniversary of Optionee's Termination of Employment or (y) the Expiration Date, at which time the Option shall terminate and become null and void as to all Vested Shares, if any, not previously purchased in accordance with this Agreement and the Plan.

For so long as the Option remains exercisable under this paragraph (ii), the Option may be exercised, (x) in the case of Disability, by the Optionee or Optionee's legal representative(s) or, (y) in the case of the Optionee's death, by the executor of the Optionee's estate, the beneficiary(ies) designated by the Optionee, in writing delivered to the Secretary of the Company, or if the Optionee has not designated any beneficiary(ies) by the person(s) who acquire the right to exercise the Option by operation of the Optionee's will or by applicable laws of descent and distribution.

(iii) Termination for Cause. If the Optionee's employment is terminated by any Mediacom Company for Cause (as defined in subsection (c)(i) below), the Option shall immediately terminate and become null and void as to all Unvested Shares and all Vested Shares not previously purchased in accordance with this Agreement and the Plan and such Option may not be exercised for any Optioned Shares at any time thereafter.

(iv) Termination of Employment by the Company Without Cause. Except as provided in paragraph (vi) below (pertaining to Termination of Employment following a Change of Control), in the event of Optionee's Termination of Employment by the Mediacom Companies for reasons other than Cause, a portion of the unvested Option shall immediately vest and become exercisable upon such Termination of Employment. The number of additional Optioned Shares that are subject to the portion of the Option that vests and becomes exercisable pursuant to the preceding sentence shall equal the product of (i) the aggregate number of Unvested Shares immediately prior to such Termination of Employment that would have become Vested Shares on the next anniversary of the Award Date had the Optionee remained in continuous employment with the Mediacom Companies through such date multiplied by (ii) a fraction, the numerator of which is the number of days that have elapsed from the immediately preceding anniversary of the Award Date to the date of Grantee's Termination of Employment for Cause. Any fractional shares of Vested Shares will be rounded up to the nearest whole share.

(A) To the extent that the Option is vested and exercisable as of the Optionee's Termination of Employment (including pursuant to this paragraph), it shall continue to be exercisable for such Vested Shares until the earlier of (x) the first anniversary of Optionee's Termination of Employment or (y) the Expiration Date, at which time the Option shall terminate and become null and void with respect to all Vested Shares, if any, not previously purchased in accordance with this Agreement and the Plan.

(B) The Option shall terminate and become null and void as to all Unvested Shares (excluding any Optioned Shares that vest pursuant to this paragraph) immediately upon the Optionee's Termination of Employment and such Option may not be exercised for such Unvested Shares at any time thereafter.

(v) Termination of Employment by the Grantee for Good Reason. Except as provided in paragraph (vi) below (pertaining to Termination of Employment following a Change of Control), in the event Optionee has a voluntary Termination of Employment for Good Reason (as defined in subsection (c)(iii) below), a portion of the unvested Option shall immediately vest and become exercisable upon such Termination of Employment. The number of additional Optioned Shares that are subject to the portion of the Option that vests and becomes exercisable pursuant to the preceding sentence shall equal the product of (i) the aggregate number of Unvested Shares immediately prior to such Termination of Employment that would have become Vested Shares on the next anniversary of the Award Date had the Optionee remained in continuous employment with the Mediacom Companies through such date multiplied by (ii) a fraction, the numerator of which is the number of days that have elapsed from the immediately preceding anniversary of the Award Date to the date of Grantee's Termination of Employment for Cause. Any fractional shares of Vested Shares will be rounded up to the nearest whole share.

(A) To the extent that the Option is vested and exercisable as of the Optionee's Termination of Employment (including pursuant to this paragraph), it shall continue to be exercisable for such Vested Shares until the earlier of (x) the first anniversary of Optionee's Termination of Employment or (y) the Expiration Date, at which time the Option shall terminate and become null and void with respect to all Vested Shares, if any, not previously purchased in accordance with this Agreement and the Plan.

(B) The Option shall terminate and become null and void as to all Unvested Shares (excluding any Optioned Shares that vest pursuant to this paragraph) immediately upon the Optionee's Termination of Employment and such Option may not be exercised for such Unvested Shares at any time thereafter.

(vi) <u>Termination of Employment Following a Change of Control</u>. Notwithstanding any contrary provision of this Agreement or the Plan, but subject to Section 4 below, the Option shall become fully vested and exercisable, and all Optioned Shares shall become fully vested and available for purchase in accordance with the provisions of this Agreement, as of the date of Optionee's Termination of Employment if (x) during the one year period following a Change of Control (as defined in subsection (c)(ii) below) the Optionee has a voluntary Termination of Employment for Good Reason or a Termination of Employment by the Mediacom Companies for reasons other than Cause and (y) such Termination of Employment occurs at a time when Rocco B. Commisso is not the Chief Executive Officer of the Company (or its successor).

(c) <u>Definitions</u>. For purposes of this Agreement, the following terms shall have the following meaning:

(i) <u>Cause</u>. "Cause" shall exist when the Committee (or, in the case of an Optionee who is not an executive officer, when the Chief Executive Officer of the Company) determines in good faith that the Optionee has:

(A) committed a criminal act punishable as a felony or a misdemeanor involving fraud, dishonesty or moral turpitude; or

(B) willfully violated any material law or regulation applicable to the Company or any of its Affiliates (as defined in the Plan) or any predecessor in interest to any cable system or business of the Company or any of its Affiliates (a "predecessor"), including, without limitation, any law or regulation relating to the trading in securities of the Company or any Affiliate or predecessor); or

(C) used for his or her own benefit or disclosed to any person information concerning any Mediacom Company that is confidential and proprietary to such Mediacom Company (including, but not limited to, information concerning financial matters, customers and vendors, employees and other personnel, relationships with industry executives and advisors, business methods and systems, and business operational plans, policies and directions) unless (x) disclosure of such information is compelled by applicable law or governmental agency, provided that to the extent not prohibited from so doing under applicable law, the Optionee must give the Mediacom Companies prior written notice of the information to be so disclosed or (y) the Optionee had a reasonable and good faith belief that such disclosure was required by the performance of his duties to the Mediacom Companies; or

(D) rendered services as an officer, director, employee, consultant or agent to any corporation, company or other form of enterprise that directly or through affiliated entities, (x) competes with any Mediacom Company in any franchise area in which the Optionee performed significant services while employed by a Mediacom Company or which was within the management or supervisory jurisdiction of the Optionee while so employed, or (y) otherwise competes with the Company in any material respect; or

(E) solicited, encouraged or otherwise assisted any person then employed by any Mediacom Company to leave such employ for employment with an employer that is not a Mediacom Company or an Affiliate of the Company; or

(F) made any statement that is negative or derogatory in any way to any Mediacom Company, its business or any of its directors or executive officers and that the Committee determines to be materially injurious to any Mediacom Company; or

(G) materially breached any agreement or understanding between the Optionee and any Mediacom Company or any predecessor in interest to any cable system or business of any Mediacom Company regarding the terms of Optionee's service as an employee, officer, director or consultant to any Mediacom Company, including, without limitation, this Agreement, Optionee's employment agreement (if any), and any applicable invention assignment, confidentiality or non-competition agreement or similar agreement; or

(H) failed to perform the material duties required of the Optionee as an employee, officer, director or consultant of any Mediacom Company (other than as a result of a disability) diligently and in a manner consistent with prudent business practices and continued such failure after having been given notice of such failure by such Mediacom Company; or

(I) intentionally or willfully disregarded in any material respect any of the policies of any Mediacom Company and continued such failure after having been given notice of such failure by such Mediacom Company;

provided, however, that (x) a Termination of Employment shall not be deemed to be for "Cause" unless at a meeting of the Board called and held (following any applicable grace period) in the city in which the Company's principal executive offices are located, of which the Optionee was given not less than 10 business days' prior written notice and at which the Optionee was afforded the opportunity to appear and be heard (and be represented by counsel if he or she so chooses), the Board, by the vote of a majority of its independent directors adopts a written resolution that sets forth the Board's determination that Cause (as defined herein) exists and the basis for such determination and (y) if the Optionee's Termination of Employment occurs during the one year period following a Change of Control and at a time when Rocco B. Commisso is not the Chief Executive Officer of the Company, then "Cause" shall not include any act or omission described in clauses (E) through (I) of the foregoing definition.

(ii) Change of Control. A "Change of Control" occurs if and when:

(A) the Company sells all or substantially all of its assets (whether in a single or series or related transactions), or

(B) any person or group, other than Rocco B. Commisso, becomes the direct or indirect beneficial owner of securities of the Company (or its successor) representing more than 50% of the combined voting power of the then outstanding securities of the

Company ordinarily (and apart from the rights accruing under special circumstances) having the right to vote in the election of directors, regardless of whether such beneficial ownership is acquired as the result of a purchase or other voluntary or involuntary acquisition of securities from the Company or any of its shareholders or a merger or consolidation or any other form of transaction or event or as the result of a single transaction or event or multiple related or unrelated transactions or events. For purposes of the foregoing definition, the terms “person,” “group” and “beneficial owner” (and correlative terms such as “beneficial ownership”) shall have the meanings given to them by the Securities and Exchange Commission (the “SEC”) for purposes of Section 13(d) of the Securities Exchange Act of 1934, as in effect on the Award Date (the “Exchange Act”), and the number or percentage of any securities beneficially owned by any person or group as of any time shall be determined in accordance with the SEC’s rules under the Exchange Act as in effect on the Award Date.

(iii) Good Reason. The Optionee shall have “Good Reason” to terminate employment with the Mediacom Companies if any of the following events shall occur within one year after a Change of Control and at a time when Rocco B. Commisso is not the Chief Executive Officer of the Company and if the Optionee voluntarily terminates his or her employment with the Company (or its successor) and all other Mediacom Companies within 180 days after such occurrence:

(A) any reduction in Optionee’s salary (other than a reduction to which the Optionee specifically consents in writing); or

(B) any failure by the Company (or its successor) or any Mediacom Company to continue in effect any bonus, incentive, insurance or other benefit plan, program or practice in which the Optionee was participating or participated during the past year or the taking of any action by the Company (or its successor) or any Mediacom Company that does or could adversely affect the Optionee’s participation in, or materially reduces the Optionee’s benefits under, any such plan, program or practice, unless the Company (its successor) or any other Mediacom Company provides the Optionee with an alternative bonus, incentive, insurance or other benefit of substantially equivalent value; or

(C) a significant reduction in the Optionee’s responsibilities or authority as an employee of any Mediacom Company, or the assignment to the Optionee of any material new duties inconsistent with his or her position, duties, responsibilities and status with the Company (or its successor) or any Mediacom Company, or any removal or failure to reelect the Optionee to any such position, except that the Optionee’s being subject to direction of the Board or any of the Company’s executive officers to whom he or she reports as of the Award Date shall not be “Good Reason” under this clause; or

(D) the relocation of the office location assigned to the Optionee by the Company to a location more than 25 miles from the Optionee’s principal office without Optionee’s consent in writing, unless the Optionee’s new office location is within 40 miles of Optionee’s principal residence.

4. Forfeiture of Option and Vested Rights. Notwithstanding any provisions of this Agreement or the Plan, the Option and all Optioned Shares then in possession or control of the Optionee, his or her heirs or legal or personal representatives or any member of his or her immediate family, shall automatically be forfeited and cancelled, regardless of the extent to which such Option may otherwise have been vested or exercisable, upon the determination at any time by the Committee (or in the case of an Optionee who is not an executive officer, by the Chief Executive Officer of the Company), that

(a) the Optionee has engaged in any of the activities described in Section 3(c)(i) while employed by any Mediacom Company,

(b) the Optionee has engaged in any of the activities described in Section 3(c)(i)(B), (C), (E), (F) or (G) at any time within one year following Optionee's Termination of Employment for any reason, or

(c) the Optionee had engaged in any of the activities described in Section 3(c)(i)(D) at any time within one year following a voluntary Termination of Employment by the Optionee;

provided, however, that (x) at a meeting of the Board called and held (following any applicable grace period) in the city in which the Company's principal executive offices are located, of which the Optionee was given not less than 10 business days' prior written notice and at which the Optionee was afforded the opportunity to appear and be heard (and be represented by counsel if he or she so chooses), the Board, by the vote of a majority of its independent directors adopts a written resolution which sets forth the Board's determination that the Optionee has engaged in such activity and that the Company has suffered significant adverse consequences as a result and which describes in reasonable detail the basis for such determination and (y) during the first year after a Change of Control, the activities described in Section 3(c)(i)(E) through (I) shall not constitute a basis for termination of the Option pursuant to this Section.

5. Manner of Exercise.

(a) The Option may be exercised in full at one time or in part from time to time for the number of Optioned Shares then exercisable by giving written notice ("Notice of Exercise"), signed by the person exercising the Option, to the Company, stating the number of Incentive Optioned Shares and the number or Non-Qualified Optioned Shares with respect to which the Option is being exercised and the date of exercise thereof, which date shall be at least five days after the giving of such notice.

(b) Full payment by the Optionee of the Option Price for the Optioned Shares purchased shall be made on or before the exercise date specified in the Notice of Exercise by (i) delivery of cash or a check payable to the order of the Company in an amount equal to such Option Price, or (ii) subject to such procedures and rules as may be adopted from time to time by the Committee, in accordance with Section 6.5(b) of the Plan (which, generally, provides for payment of the exercise price in Common Stock) or 6.5(d) of the Plan (which provides for cashless exercise through a broker-dealer transaction), or (iii) by any combination of the preceding clauses (i) and (ii), or (iv) by any other alternative exercise method the Company may provide.

(c) The Mediacom Company that employs the Optionee shall be entitled to require, as a condition of issuing shares upon exercise of the Option, that the Optionee or other person exercising the Option pay any sums required to be withheld by federal, state or local tax law with respect to the exercise of this Option, which payment may be provided (i) in cash pursuant to Section 14.1(a)(i) of the Plan, (ii) by transferring Mature Shares (as defined in the Plan) in accordance with Section 14.1(a)(ii) of the Plan, (iii) by the withholding of shares on Option exercise in accordance with Section 14.1(a)(iii) of the Plan, (iv) by the withholding of compensation otherwise due to the Optionee, or (v) any combination of the preceding clauses (i) through (iv). Alternatively, such Mediacom Company, in its discretion, may make such provisions for the withholding of any taxes as it deems appropriate.

(d) Without limiting the generality of Section 14 of this Agreement, the Option is subject to Sections 15.4 and 15.5 of the Plan. It is also subject to the requirement that, if at any time the Committee determines, in its discretion, that the consent or approval of any governmental regulatory body or other person is necessary or desirable as a condition of, or in connection with, the issuance of Optioned Shares, no Optioned Shares shall be issued, in whole or in part, unless such consent or approval has been effected or obtained free of any conditions or with such conditions as are acceptable to the Committee. The Company may, at its election, require Optionee to give such representations and take such other actions as, in the reasonable judgment of Company's legal counsel, are necessary or advisable in order to effect or obtain such consent or approval.

(e) Subject to subsection 5(d) above, upon exercise of the Option in the manner prescribed by this Section, delivery of a certificate for the Optioned Shares then being purchased shall be made at the principal office of the Company to the person exercising the Option within a reasonable time after the date of exercise specified in the Notice of Exercise.

(f) The Option may not be exercised with respect to less than 20 Optioned Shares (or the Optioned Shares then subject to purchase under the Option, if less than 20 shares) or for any fractional shares.

6. **Disqualifying Disposition of Incentive Optioned Shares.** The Optionee shall notify the Committee in writing of any disposition of the Incentive Optioned Shares under the circumstances described in Section 421(b) of the Code (relating to holding periods and certain disqualifying dispositions) ("Disqualifying Disposition") within ten (10) days of such a Disqualifying Disposition.

7. **Adjustments.** The number of Optioned Shares, the Option Price, period and conditions of exercisability and other terms and conditions of the Option shall be subject to adjustment as provided in the Plan, including, without limitation, Sections 4.2 and 5.7 thereof. In addition, and without limitation, in the event of any merger, consolidation, split-off, spin-off, stock exchange, sale of assets, acquisition of property or stock, separation, reorganization, liquidation or other extraordinary corporate transaction, the Committee shall be authorized, in its discretion, to make provision, prior to the transaction, for the termination of Options that remain unexercised at the time of such transaction or other specified time, or the cancellation thereof in exchange for such payment as shall be deemed by the Committee to be equitable and appropriate.

8. **Non-Transferability of Option.** Except as provided in the Plan, the Option shall not be assignable or transferable by the Optionee other than by will or the laws of descent, and shall be exercisable during the lifetime of the Optionee only by the Optionee. The Option shall terminate and become null and void immediately upon the bankruptcy of the Optionee, or upon any attempted assignment or transfer except as herein provided, including, without limitation, any purported assignment, whether voluntary or by operation of law, pledge, hypothecation or other disposition, attachment, or similar process, whether legal or equitable, upon the Option.

9. **No Special Employment Rights**. Neither the granting of the Option nor its exercise shall be construed to confer upon the Optionee any right with respect to the continuation of his or her employment by any Mediacom Company or interfere in any way with the right of any Mediacom Company, subject to the terms of any separate employment agreement to the contrary, at any time to terminate such employment or to increase or decrease the compensation of the Optionee from the rate in existence as of the date hereof. Employment with the Mediacom Companies is "at will" unless otherwise expressly provided in a separate employment agreement.

10. **No Rights of Stockholder**. The Optionee shall not be deemed for any purpose to be a stockholder of the Company with respect to the Option except to the extent that the Option shall have been exercised with respect to any Optioned Shares and, in addition, a stock certificate shall have been issued theretofore and delivered to the Optionee.

11. **Amendment**. Subject to Section 13.2 of the Plan, the Board or the Committee may amend the Plan in accordance with the provisions of the Plan without the Optionee's consent. Subject to the terms of the Plan, the Committee may amend this Agreement without the consent of the Optionee unless such amendment would adversely affect in any material way the rights of the Optionee hereunder. For the sake of certainty, an adjustment provided for in Section 7 of this Agreement or Section 4.2 or 5.7 of the Plan is not an amendment requiring Optionee's consent. Any amendment of this Agreement must be in writing and signed on behalf of the Company by an authorized executive officer. No failure or delay in exercising any power, right, or remedy will operate as a waiver. A waiver, to be effective, must be written and signed by the waiving party.

12. **Notices**. Any communication or notice required or permitted to be given hereunder shall be in writing, and, if to the Company, to its principal place of business, attention: Secretary, and, if to the Optionee, to the address as appearing on the records of the Company. Such communication or notice shall be deemed given if and when (a) properly addressed and posted by registered or certified mail, postage prepaid, or (b) delivered by hand.

13. **Incorporation of Plan by Reference**. The Option is granted pursuant to the Plan, the terms of which are incorporated herein by reference, and the Option shall in all respects be interpreted in accordance with the Plan. Capitalized terms used, but not defined in this Agreement have the meanings set forth in the Plan. The Committee shall interpret and construe the Plan and this Agreement, and its interpretations and determinations shall be conclusive and binding upon the parties hereto and any other person claiming an interest hereunder, with respect to any issue arising hereunder or thereunder.

14. **Enforcement**. If any provision of this Agreement, or the application of any such provision to any person or circumstance, is determined by any court of competent jurisdiction to be invalid or unenforceable, such provision shall nevertheless remain in full force and effect in all other circumstances and jurisdictions and such invalidity or unenforceability shall not affect the validity or enforceability of the remaining provisions of this Agreement or the application of such provisions to any other persons or circumstances other than those persons and circumstances within such jurisdiction to which it is held invalid or unenforceable. If such invalidity or unenforceability is due to the court's determination that the scope of any provision is excessively broad or restrictive under applicable law, such court shall construe such provision by modifying its scope so as to be enforceable to the fullest extent compatible with the applicable law of such jurisdiction then in effect.

15. **Controversies**. The Company and the Optionee each consents and agrees that any legal action or proceeding relating to any matters arising out of or in any manner relating to this Agreement may only be brought in a court of the State of New York sitting in the County of New York or in the United States District Court for the Southern District of New York. The Company and the Optionee each also expressly and irrevocably consents and submits to the personal jurisdiction of each of such courts in any such actions or proceedings and waives any claim or defense in any such action or proceeding based on any alleged lack of personal jurisdiction, improper venue, forum non conveniens or any similar basis. Notwithstanding the foregoing, at the election of the Company, any such legal action or proceeding may be fully and finally resolved either by the above-described court or by binding arbitration conducted by the American Arbitration Association in New York, New York in accordance with either its rules for the resolutions of employment disputes or its rules for the resolution of commercial disputes (as also elected by the Company). The Company and the

Optionee hereby agree to waive any and all rights that each party has (or may have) to bring such legal actions or proceedings to trial by jury.

16. **Expiration and Termination.** This Agreement is subject to the Optionee's acceptance hereof by signing on the line below and returning an executed counterpart of this Agreement to the Company at its main office in Middletown, New York, by __________. **In the event the Optionee fails to return an executed counterpart of this Agreement to the Company as aforesaid by such date, this Agreement, the Option and all of the other rights granted to the Optionee hereunder shall immediately and automatically TERMINATE AND EXPIRE without any further action or notice by the Company.**

17. **Governing Law**. The validity, construction and interpretation of this Agreement shall be governed by and determined in accordance with the laws of the State of Delaware.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the Award Date.

OPTIONEE:	MEDIACOM COMMUNICATIONS CORPORATION:
By: ____________________	By: ____________________
Name:	Name: Rocco B. Commisso
	Title: Chairman and Chief Executive Officer

MEDIACOM COMMUNICATIONS CORPORATION

RESTRICTED STOCK UNIT AWARD AGREEMENT

AGREEMENT, dated as of __________ __, 200___(the "Award Date"), between Mediacom Communications Corporation, a Delaware corporation (the "Company"), and ____ (the "Grantee") with the Employee Identification Number ____.

W I T N E S S E T H:

WHEREAS, the Board of Directors of the Company (the "Board") recognizes the need to retain the services of qualified, reliable employees and believes that it is in the best interest of the Company to provide additional forms of compensation to such employees to secure their continued services to the Company; and

WHEREAS, the Board has adopted the Mediacom Communications Corporation 2003 Incentive Plan (the "Plan"), which authorizes the grant of Deferred Stock (hereinafter referred to as "Restricted Stock Units") to officers and employees of the Company or a Subsidiary Corporation (as defined in Section 6.4(h) of the Plan) (the Company and the Subsidiary Companies are collectively referred to herein as the "Mediacom Companies" and individually as a "Mediacom Company") on such terms and conditions as specified in the award agreement; and

WHEREAS, the Compensation Committee of the Board (the "Committee") has determined that it would be in the best interests of the Company to grant Restricted Stock Units to the Grantee as provided for herein;

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. **Grant of Restricted Stock Units**. Subject to the terms and conditions of the Plan and this Agreement, the Company hereby grants to the Grantee, as of the date hereof ____ shares of Deferred Stock (referred to herein as "Restricted Stock Units" or "Units"). Each vested Restricted Stock Unit entitles the Grantee to receive one share of the Company's Class A Common Stock, $0.01 par value per share ("Common Stock"), at such time and in such manner as provided in Sections 5 below.

2. Vesting of Units. Subject to accelerated vesting as set forth in Section 3 below and subject to such restrictions and limitations as are provided in the Plan and as are set forth in this Agreement, the Restricted Stock Units shall become vested and nonforfeitable on __________ __, 20__ (the "Vesting Date"). The Company will deliver to the Grantee one share of the Company's Common Stock for each vested Unit as provided in Section 5 below.

3. Acceleration of Vesting or Forfeiture Upon Termination of Employment.

(a) Voluntary Termination of Employment. Except as provided in Section 3(f) below (pertaining to Termination of Employment following a Change of Control), if Grantee voluntarily ceases to be an employee of any Mediacom Company (a "Termination of Employment") for any reason other than Disability or for Good Reason (as defined in Section 3(g)(iii) below) prior to the Vesting Date, the Restricted Stock Units shall immediately expire and the Grantee shall forfeit all unvested Units.

(b) Termination of Employment for Cause. In the event of Grantee's Termination of Employment prior to the Vesting Date by any Mediacom Company for Cause (as defined in Section 3(f)(i) below), then all unvested Restricted Stock Units shall immediately expire and the Grantee shall forfeit all unvested Units.

(c) Termination of Employment Due to Death or Disability. In the event of Grantee's Termination of Employment prior to the Vesting Date due to death or Disability, the unvested Restricted Stock Units shall immediately and become nonforfeitable as of the date of the Grantee's Termination of Employment due to death or Disability.

(d) Termination of Employment by the Company Without Cause. Except as provided in Section 3(f) below (pertaining to Termination of Employment following a Change of Control), in the event of Grantee's Termination of Employment by the Mediacom Companies for reasons other than Cause prior to the Vesting Date, a pro-rata portion of the unvested Units shall immediately vest upon such Termination of Employment. The number of Units that will become vested and nonforfeitable pursuant to the preceding sentence shall equal the product of (i) the aggregate number of unvested Units subject to this Award multiplied by (ii) a fraction, the numerator of which is the number of days that have elapsed from the Award Date to the date of Grantee's Termination of Employment by the Mediacom Companies without Cause, and the denominator of which is the number of days from the Award Date to the Vesting Date. Any fractional shares of Common Stock will be rounded up to the nearest whole share. The Grantee shall forfeit all remaining unvested Units as of his or her Termination of Employment.

(e) Termination of Employment by the Grantee for Good Reason Other Than Within One Year After a Change of Control. Except as provided in Section 3(f) below (pertaining to Termination of Employment within one year after a Change of Control), in the event Grantee has a voluntary Termination of Employment for Good Reason (as defined in Section 3(g)(iii) below) prior to a Vesting Date, a portion of the unvested Units shall immediately vest upon such Termination of Employment. The number of Units that will become vested and nonforfeitable pursuant to the preceding sentence shall equal the product of (i) the aggregate number of unvested Units subject to this Award multiplied by (ii) a fraction, the numerator of which is the number of days that have elapsed from the Award Date to the date of Grantee's Termination of Employment for Good Reason, and the denominator of which is the number of days from the Award Date to the Vesting Date. Any fractional shares of Common Stock will be rounded up to the nearest whole share. The Grantee shall forfeit all remaining unvested Units as of his or her Termination of Employment

(f) Termination of Employment Within One Year After a Change of Control. Notwithstanding any contrary provision of this Agreement or the Plan, all of the Restricted Stock Units subject to this Award shall immediately vest and become nonforfeitable as of the date of Grantee's Termination of Employment prior to the Vesting Date if (i) during the one year period following a Change of Control (as defined in Section 3(g)(ii) below) the Grantee has a voluntary Termination of Employment for Good Reason (as defined in Section 3(g)(iii) below) or a Termination of Employment by the Mediacom Companies for reasons other than Cause and (ii) such Termination of Employment occurs at a time when Rocco B. Commisso is not the Chief Executive Officer of the Company (or its successor).

(g) Definitions. For purposes of this Agreement, the following terms shall have the following meaning:

(i) Cause. "Cause" shall exist when the Committee (or, in the case of an Grantee who is not an executive officer, when the Chief Executive Officer of the Company) determines in good faith that the Grantee has:

(A) committed a criminal act punishable as a felony or a misdemeanor involving fraud, dishonesty or moral turpitude; or

(B) willfully violated any material law or regulation applicable to the Company or any of its Affiliates (as defined in the Plan) or any predecessor in interest to any cable system or business of the Company or any of its Affiliates (a "predecessor"), including, without limitation, any law or regulation relating to the trading in securities of the Company or any Affiliate or predecessor); or

(C) used for his or her own benefit or disclosed to any person information concerning any Mediacom Company that is confidential and proprietary to such Mediacom Company (including, but not limited to, information concerning financial matters, customers and vendors, employees and other personnel, relationships with industry executives and advisors, business methods and systems, and business operational plans, policies and directions) unless (x) disclosure of such information is compelled by applicable law or governmental agency, provided that to the extent not prohibited from so doing under applicable law, the Grantee must give the Mediacom Companies prior written notice of the information to be so disclosed or (y) the Grantee had a reasonable and good faith belief that such disclosure was required by the performance of his duties to the Mediacom Companies; or

(D) rendered services as an officer, director, employee, consultant or agent to any corporation, company or other form of enterprise that directly or through affiliated entities, (x) competes with any Mediacom Company in any franchise area in which the Grantee performed significant services while employed by a Mediacom Company or which was within the management or supervisory jurisdiction of the Grantee while so employed, or (y) otherwise competes with the Company in any material respect; or

(E) solicited, encouraged or otherwise assisted any person then employed by any Mediacom Company to leave such employ for employment with an employer that is not a Mediacom Company or an Affiliate of the Company; or

(F) made any statement that is negative or derogatory in any way to any Mediacom Company, its business or any of its directors or executive officers and that the Committee determines to be materially injurious to any Mediacom Company; or

(G) materially breached any agreement or understanding between the Grantee and any Mediacom Company or any predecessor in interest to any cable system or business of any Mediacom Company regarding the terms of Grantee's service as an employee, officer, director or consultant to any Mediacom Company, including, without limitation, this Agreement, Grantee's employment agreement (if any), and any applicable invention assignment, confidentiality or non-competition agreement or similar agreement; or

(H) failed to perform the material duties required of the Grantee as an employee, officer, director or consultant of any Mediacom Company (other than as a result of a disability) diligently and in a manner consistent with prudent business practices and continued such failure after having been given notice of such failure by such Mediacom Company; or

(I) intentionally or willfully disregarded in any material respect any of the policies of any Mediacom Company and continued such failure after having been given notice of such failure by such Mediacom Company;

provided, however, that (x) a Termination of Employment shall not be deemed to be for "Cause" unless at a meeting of the Board called and held (following any applicable grace period) in the city in which the Company's principal executive offices are located, of which the Grantee was given not less than 10 business days' prior written notice and at which the Grantee was afforded the opportunity to appear and be heard (and be represented by counsel if he or she so chooses), the Board, by the vote of a majority of its independent directors adopts a written resolution that sets forth the Board's determination that Cause (as defined herein) exists and the basis for such determination and (y) if the Grantee's Termination of Employment occurs during the one year period following a Change of Control and at a time when Rocco B. Commisso, is not the Chief Executive Officer of the Company, then "Cause" shall not include any act or omission described in clauses (E) through (I) of the foregoing definition.

(ii) Change of Control. A "Change of Control" occurs if and when:

(A) the Company sells all or substantially all of its assets (whether in a single or series or related transactions), or

(B) any person or group, other than Rocco B. Commisso becomes the direct or indirect beneficial owner of securities of the Company (or its successor) representing more than 50% of the combined voting power of the then outstanding securities of the Company ordinarily (and apart from the rights accruing under special circumstances) having the right to vote in the election of directors, regardless of whether such beneficial ownership is acquired as the result of a purchase or other voluntary or involuntary acquisition of securities from the Company or any of its shareholders or a merger or consolidation or any other form of transaction or event or as the result of a single transaction or event or multiple related or unrelated transactions or events. For purposes of the foregoing definition, the terms "person," "group" and "beneficial owner" (and correlative terms such as "beneficial ownership") shall have the meanings given to them by the Securities and Exchange Commission (the "SEC") for purposes of Section 13(d) of the Securities Exchange Act of 1934, as in effect on the Award Date (the "Exchange Act"), and the number or percentage of any securities beneficially owned by any person or group as of any time shall be determined in accordance with the SEC's rules under the Exchange Act as in effect on the Award Date.

(iii) Good Reason. The Grantee shall have "Good Reason" to terminate employment with the Mediacom Companies if any of the following events shall occur at a time while Rocco B. Commisso is not the Chief Executive Officer of the Company:

(A) any material reduction in Grantee's salary (other than a reduction to which the Grantee specifically consents in writing); or

(B) any failure by the Company (or its successor) or any Mediacom Company to continue in effect any bonus, incentive, insurance or other benefit plan, program or practice in which the Grantee was participating or participated during the past year or the taking of any action by the Company (or its successor) or any Mediacom Company that does or could adversely affect the Grantee's participation in, or materially reduces the Grantee's benefits under, any such plan, program or practice if such failure or action would constitute a breach of any contractual or other legally binding right grantee has to the bonus, incentive, insurance or other benefit, unless the Company (its successor) or any other Mediacom Company provides the Grantee with an alternative bonus, incentive, insurance or other benefit of substantially equivalent value; or

(C) a significant reduction in the Grantee's responsibilities or authority as an employee of any Mediacom Company, or the assignment to the Grantee of any material new duties inconsistent with his or her position, duties, responsibilities and status with the Company (or its successor) or any Mediacom Company, or any removal or failure to reelect the Grantee to any such position, except that the Grantee's being subject to direction of the Board or any of the Company's executive officers to whom he or she reports as of the Award Date shall not be "Good Reason" under this clause; or

(D) the relocation of the office location assigned to the Grantee by the Company to a location more than 25 miles from the Grantee's principal office without Grantee's consent in writing, unless the Grantee's new office location is within 40 miles of Grantee's principal residence.

Notwithstanding the foregoing, the Grantee will not be treated as having "Good Reason" to terminate employment with the Mediacom Companies unless (i) he or she provides the Company with written notice describing the event or condition that constitutes "Good Reason" to terminate employment within 90 days after the occurrence thereof, (ii) the Company fails to correct such event or condition within 30 days after receiving such notice, and (iii) the Grantee terminates his or her employment with the Company (or its successor) and all other Mediacom Companies within 30 days after the expiration of the 30-day cure period specified in clause (ii) of this sentence.

4. Forfeiture of Units and Shares. Notwithstanding any provisions of this Agreement or the Plan, the Units granted hereunder and all shares of Common Stock then in possession or control of the Grantee, his or her heirs or legal or personal representatives or any member of his or her immediate family that were delivered to the Grantee in settlement of Units shall be automatically forfeited and cancelled, regardless of the extent to which the Grantee may have otherwise vested in such Units, upon the determination at any time by the Committee (or in the case of a Grantee who is not an executive officer, by the Chief Executive Officer of the Company), that

(a) the Grantee has engaged in any of the activities described in Section 3(g)(i) while employed by any Mediacom Company,

(b) the Grantee has engaged in any of the activities described in Section 3(g)(i)(B), (C), (E), (F) or (G) at any time within one year following Grantee's Termination of Termination of Employment for any reason, or

(c) the Grantee had engaged in any of the activities described in Section 3(g)(i)(D) at any time within one year following a voluntary Termination of Employment by the Grantee;

provided, however, that (x) at a meeting of the Board called and held (following any applicable grace period) in the city in which the Company's principal executive offices are located, of which the Grantee was given not less than 10 business days' prior written notice and at which the Grantee was afforded the opportunity to appear and be heard (and be represented by counsel if he or she so chooses), the Board, by the vote of a majority of its independent directors adopts a written resolution which sets forth the Board's determination that the Grantee has engaged in such activity and that the Company has suffered significant adverse consequences as a result and which describes in reasonable detail the basis for such determination and (y) during the first year after a Change of Control, the activities described in Section 3(g)(i)(E) through (I) shall not constitute a basis for forfeiture and cancellation of the Units and shares of Common Stock pursuant to this Section.

5. **Delivery of Shares.**

(a) Timing. The Company shall deliver to the Grantee or his or her legal or personal representative shares of Common Stock underlying the vested Units as soon as reasonably practicable on or after (but not later than two months after) the earliest of: (i) the Vesting Date, (ii) the date on which such Units vest in accordance with Section 3 above or (iv) such Units otherwise cease to be subject a substantial risk of forfeiture for purposes of Section 409A of the Code.

(b) Method. The Company shall deliver the shares of Common Stock underlying the vested Units at the time specified in Section 5(a) above, by issuing a certificate for such shares to the Grantee or his or her legal or personal representative. Alternatively, in the Company's discretion, the Company may cause such shares to be registered in book entry form and deliver a statement reflecting beneficial ownership of such shares. Record ownership, or beneficial ownership if registered in book entry form, shall be in the name of Grantee (or, if a proper assignment has been made, his or her authorized assignee or legal representative). The Grantee is responsible for complying with any securities and exchange control laws or any other legal requirements applicable to the Grantee in connection with the grant of any Units, the vesting of Units, the receipt of any shares of Common Stock underlying any vested Units and the disposition of any such shares.

(c) Delay if Issuance Would Violate Applicable Securities Laws. The Company shall not be obligated to issue or deliver any shares or any certificate or instrument evidencing any shares of Common Stock if the Company determines in good faith that such issuance or delivery would constitute a violation by Grantee or the Company of any applicable securities law, regulation or rule or requirement of any governmental authority or agency or any stock exchange or transaction quotation system on which the Common Stock is or becomes listed; provided, however, that the Company will issue and deliver the shares of Common Stock underlying vested Units on the earliest date following the delivery date specified in Section 5(a) that the Company determines that the issuance or delivery of such shares will no longer constitute a violation of any applicable securities law, regulation or rule or requirement of any governmental authority or agency or any stock exchange or transaction quotation system on which the Common Stock is or becomes listed. The Company shall have no obligation to register, qualify or list any Units or Shares with the Securities and Exchange Commission, any state securities commission or any stock exchange or stock quotation system.

6. **Dividend Equivalents; Adjustments.**

(a) Dividend Equivalents. Whenever dividends are paid or distributions are made with respect to shares of Common Stock, the Grantee will be credited with Dividend Equivalents (as defined in the Plan) with respect to the Grantee's Restricted Stock Units as of the record date for such dividend or distribution. Such Dividend Equivalents will credited to the Grantee in the form of additional Restricted Stock Units in a number determined by dividing the aggregate value of such Dividend Equivalents by the fair market value of a share of Common Stock at the payment date of the dividend or distribution (rounding to the nearest whole number of shares). The additional Restricted Stock Units credited to Grantee pursuant to this Section 6(a) will be subject to the same vesting and delivery conditions that apply to the Restricted Stock Units with respect to which the Dividend Equivalents are issued.

(b) Adjustments for Mergers, Etc. In the event that the Committee determines that any dividend or other distribution (whether in the form of shares of Common Stock, or other property), recapitalization, forward or reverse stock split, subdivision, consolidation or reduction of capital, reorganization, merger, consolidation, scheme of arrangement, split-up, spin-off or combination involving the Company or repurchase or exchange of Common Stock or other securities of the Company or other rights to purchase Common Stock or other securities of the Company, or other similar corporate transaction, then the Committee shall, in such manner as it may deem equitable, adjust any or all of the number of Restricted Stock Units and type of shares (or other securities or property) underlying the Restricted Stock Units as provided in the Plan, including, without limitation, Sections 4.2 and 5.7 thereof.

7. **Termination of Units Upon Change of Control.** In addition, and without limitation, in the event of a change of control of the Company, the Committee shall be authorized, in its sole discretion without the consent of the Grantee, to make provision for the cancellation of the unvested Units at any time during the period commencing thirty (30) days before and ending 12 months after any such change of control of the Company in exchange for cash, shares of Common Stock or such other property as the Committee shall determine in its discretion, which have a value that is equivalent to the value of the shares of Common Stock underlying such Restricted Stock Units immediately prior to the cancellation of such Units.

8. **Non-Transferability of Units.** Except as provided in the Plan, the Restricted Stock Units shall not be assignable or transferable by the Grantee other than by will or the laws of descent. The Units shall terminate and become null and void immediately upon the bankruptcy of the Grantee, or upon any attempted assignment or transfer except as herein provided, including, without limitation, any purported assignment, whether voluntary or by operation of law, pledge, hypothecation or other disposition, attachment, or similar process, whether legal or equitable, upon the Units.

9. **No Special Employment Rights**. Neither the granting of the Units nor the vesting of the Units shall be construed to confer upon the Grantee any right with respect to the continuation of his or her employment by any Mediacom Company or interfere in any way with the right of any Mediacom Company, subject to the terms of any separate employment agreement to the contrary, at any time to terminate such employment or to increase or decrease the compensation of the Grantee from the rate in existence as of the date hereof. Employment with the Mediacom Companies is “at will” unless otherwise expressly provided in a separate employment agreement.

10. **No Rights of Stockholder**. The Grantee shall not be deemed for any purpose to be a stockholder of the Company with respect to the Restricted Stock Units except to the extent that the Units vest and the shares of Common Stock underlying such vested Units have been issued and delivered to the Grantee.

11. **Amendment**. Subject to Section 13.2 of the Plan, the Board or the Committee may amend the Plan in accordance with the provisions of the Plan without the Grantee’s consent. Subject to the terms of the Plan, the Committee may amend this Agreement without the consent of the Grantee unless such amendment would adversely affect in any material way the rights of the Grantee hereunder. For the sake of certainty, an adjustment provided for in Section 6 of this Agreement or Section 4.2 or 5.7 of the Plan and the cancellation of the Units upon a change of control of the Company as provided in Section 7 shall not constitute an amendment requiring Grantee’s consent. Any amendment of this Agreement must be in writing and signed on behalf of the Company by an authorized executive officer. No failure or delay in exercising any power, right, or remedy will operate as a waiver. A waiver, to be effective, must be written and signed by the waiving party.

12. **Notices**. Any communication or notice required or permitted to be given hereunder shall be in writing, and, if to the Company, to its principal place of business, attention: Secretary, and, if to the

Grantee, to the address as appearing on the records of the Company. Such communication or notice shall be deemed given if and when (a) properly addressed and posted by registered or certified mail, postage prepaid, or (b) delivered by hand.

13. **Incorporation of Plan by Reference**. This award of Restricted Stock Units is granted pursuant to the Plan, the terms of which are incorporated herein by reference, and this Agreement shall in all respects be interpreted in accordance with the Plan. Capitalized terms used, but not defined in this Agreement have the meanings set forth in the Plan. The Committee shall interpret and construe the Plan and this Agreement, and its interpretations and determinations shall be conclusive and binding upon the parties hereto and any other person claiming an interest hereunder, with respect to any issue arising hereunder or thereunder.

14. **Enforcement**. If any provision of this Agreement, or the application of any such provision to any person or circumstance, is determined by any court of competent jurisdiction to be invalid or unenforceable, such provision shall nevertheless remain in full force and effect in all other circumstances and jurisdictions and such invalidity or unenforceability shall not affect the validity or enforceability of the remaining provisions of this Agreement or the application of such provisions to any other persons or circumstances other than those persons and circumstances within such jurisdiction to which it is held invalid or unenforceable. If such invalidity or unenforceability is due to the court's determination that the scope of any provision is excessively broad or restrictive under applicable law, such court shall construe such provision by modifying its scope so as to be enforceable to the fullest extent compatible with the applicable law of such jurisdiction then in effect.

15. **Controversies**. The Company and the Grantee each consents and agrees that any legal action or proceeding relating to any matters arising out of or in any manner relating to this Agreement may only be brought in a court of the State of New York sitting in the County of New York or in the United States District Court for the Southern District of New York. The Company and the Grantee each also expressly and irrevocably consents and submits to the personal jurisdiction of each of such courts in any such actions or proceedings and waives any claim or defense in any such action or proceeding based on any alleged lack of personal jurisdiction, improper venue, forum non conveniens or any similar basis. Notwithstanding the foregoing, at the election of the Company, any such legal action or proceeding may be fully and finally resolved either by the above-described court or by binding arbitration conducted by the American Arbitration Association in New York, New York in accordance with either its rules for the resolutions of employment disputes or its rules for the resolution of commercial disputes (as also elected by the Company). The Company and the Grantee hereby agree to waive any and all rights that each party has (or may have) to bring such legal actions or proceedings to trial by jury.

16. **Expiration and Termination.** This Agreement is subject to the Grantee's acceptance hereof by signing on the line below and returning an executed counterpart of this Agreement to the Company at its main office in Middletown, New York, by __________ ___, 20___. **In the event the Grantee fails to return an executed counterpart of this Agreement to the Company as aforesaid by such date, this Agreement, the Restricted Stock Units and all of the other rights granted to the Grantee hereunder shall immediately and automatically TERMINATE AND EXPIRE without any further action or notice by the Company.**

17. **Governing Law**. The validity, construction and interpretation of this Agreement shall be governed by and determined in accordance with the laws of the State of Delaware.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the Award Date.

GRANTEE:	MEDIACOM COMMUNICATIONS CORPORATION:
By: ____________________	By: ____________________
Name:	Name: Rocco B. Commisso
	Title: Chairman and Chief Executive Officer

Exhibit 10.12(b)

MEDIACOM COMMUNICATIONS CORPORATION

DIRECTOR STOCK OPTION
Under The
NON-EMPLOYEE DIRECTORS EQUITY INCENTIVE PLAN

Mediacom Communications Corporation, a Delaware corporation (the "Company"), hereby grants to ___ (the "Optionee") an option (the "Option") to purchase a total of ___ shares of the Company's Class A Common Stock, par value $.001 per share (the "Optioned Shares"), at the price determined as provided herein, and in all respects subject to the terms of the Company's Non-Employee Directors Equity Incentive Plan (as amended from time to time in accordance with its terms, the "Plan"), which is incorporated herein by reference. Unless otherwise defined herein, capitalized terms are intended to have the meanings given to them in the Plan.

1. Nature of the Option. The Option is a nonstatutory option and is not intended to qualify as an "incentive stock option," as that term is defined in Section 422 of the Internal Revenue Code of 1986, as amended. Except as otherwise expressly provided in this Agreement, the Option and its vesting and exercise are subject to all applicable terms of the Plan. This instrument constitutes the "Award Agreement" for the Option contemplated by the Plan.

2. Option Price. The Option Price is ___ for each Optioned Share.

3. Grant Date. The Grant Date of the Option is ___.

4. Term of Option. The Option and the Option Term shall expire and terminate on the tenth anniversary of the Grant Date, unless sooner terminated in accordance with this Agreement or the Plan.

5. Vesting and Exercisability. Subject to the terms of the Plan, the Option shall become vested and exercisable cumulatively in two equal installments of [___] Optioned Shares each on the first and second anniversaries of the Grant Date, provided that no Termination of Affiliation occurs before the relevant anniversary date. To the extent the Option is vested and exercisable immediately before the Optionee's Termination of Affiliation (or on account of Termination of Affiliation due to death or disability as provided in Section 5.3(a)(i) of the Plan), the Option shall be remain exercisable for the period specified in Section 5.3(a) of the Plan. To the extent that the Option is not vested and exercisable immediately prior to the Optionee's Termination of Affiliation, the Option will be forfeited immediately upon Termination of Affiliation as provided in Section 5.3(a).

6. Method of Exercise and Payment. The Option shall be exercisable and payment of the exercise shall be made in accordance with Section 6.3(g) of the Plan; provided, however, that the Option may not be exercisable for Deferred Shares in accordance with Section 6.4. Without limiting the generality of the second sentence of Section 1 above, exercise of the Option and delivery of the Optioned Shares issuable upon exercise are subject to Sections 10.5 and 10.9 of the Plan.

7. Transfer of Option is Restricted. Without limiting the generality of the second sentence of Section 1 above, the sale, pledge or other transfer or disposition of the Option or any interest therein is restricted as provided in Section 5.4 of the Plan as though references therein to "Award" were references to the Option.

8. Miscellaneous. This instrument shall be governed by, construed and enforced in accordance with the internal laws of the State of Delaware, notwithstanding any different choice of law that would otherwise be mandated by the laws of that state or any other jurisdiction. This instrument and the Plan constitute the entire agreement of the Company and the Optionee with regard to the subject matter hereof and all written or oral agreements, representations, warranties, promises or covenants, if any, previously existing between the parties with respect to such subject matter are canceled. Subject to the restrictions on transfer set forth in the Plan, this instrument shall be binding upon Optionee and his or her heirs, legatees, executors, administrators, legal representatives and permitted assigns. No modification of this instrument shall be binding upon the Company unless made by means of a writing signed by the Chief Executive Officer of the Company that specifically states that is the intention of the Company to modify this instrument in the manner expressly provided therein.

IN WITNESS WHEREOF, this instrument has been executed and delivered by the Company as of the Grant Date.

MEDIACOM COMMUNICATIONS CORPORATION

By: ______________________________
Name: Rocco B. Commisso
Title: Chairman and Chief Executive Officer

The undersigned acknowledges receipt of a copy of the Plan, represents that he or she is familiar with its terms and accepts this Option subject to all of its terms. The undersigned agrees to accept as binding, conclusive and final all decisions or interpretations of the Board upon any questions arising under the Plan or this instrument.

By: ______________________________
Name:

Exhibit 10.12(c)

MEDIACOM COMMUNICATIONS CORPORATION

DIRECTOR RESTRICTED STOCK UNITS
Under The
NON-EMPLOYEE DIRECTORS EQUITY INCENTIVE PLAN

Mediacom Communications Corporation, a Delaware corporation (the “Company”), hereby grants to ___ (the “Grantee”), an award (the “Award”) of ___ restricted stock units (the “Units”) in accordance with and subject to the terms of the Company’s Non-Employee Directors Equity Incentive Plan (as amended from time to in accordance with its terms, the “Plan”), which is incorporated herein by reference. Unless otherwise defined herein, capitalized terms are intended to have the meanings given to them in the Plan. The Grant Date for this Award is ___.

Subject to the terms of the Plan, the Units shall become vested in two equal installments of ___ Units each on the first and second anniversaries of the Grant Date, provided that no Termination of Affiliation occurs before the relevant anniversary date. In addition, if Termination of Affiliation occurs by reason of death or disability (as provided in Section 5.3(c)(i) of Plan), all unvested Units will become immediately vested and nonforfeitable. To the extent that the Units are not vested at the time of the Grantee’ Termination of Affiliation for any reason other than death or disability, the unvested Units will be forfeited immediately upon Termination of Affiliation as provided in Section 5.3(c)(ii).

As soon as practicable following the Grantee’s vesting in a Unit, the Company shall deliver to the Grantee or his legal or personal representative one share of the Class A Common Stock, par value $0.01 per share of the Company (a “Share”) in settlement of such vested Unit and such vested Unit shall thereafter be cancelled and terminated. Without limiting the generality of the preceding sentence, vesting of Units and delivery of the Shares issuable upon vesting of Units are subject to Sections 10.5 and 10.9 of the Plan.

The Units do not represent any interest in the Company or entitle the grantee to any consideration, benefits or rights, other than as expressly granted pursuant to this Award Agreement and the Plan. The sale, pledge or other transfer or disposition of the Units or any interest therein is restricted as provided in Section 5.4 of the Plan.

This instrument shall be governed by, construed and enforced in accordance with the internal laws of the State of Delaware, notwithstanding any different choice of law that would otherwise be mandated by the laws of that state or any other jurisdiction. This instrument and the Plan constitute the entire agreement of the Company and the Grantee with regard to the subject matter hereof and all written or oral agreements, representations, warranties, promises or covenants, if any, previously existing between the parties with respect to such subject matter are canceled. Subject to the restrictions on transfer set forth in the Plan, this instrument shall be binding upon Grantee and his or her heirs, legatees, executors, administrators, legal representatives and permitted assigns. No modification of this instrument shall be binding upon the Company unless made by means of a writing signed by the Chief Executive Officer of the Company that specifically states that is the intention of the Company to modify this instrument in the manner expressly provided therein.

IN WITNESS WHEREOF, this instrument has been executed and delivered by the Company as of the Grant Date.

MEDIACOM COMMUNICATIONS CORPORATION

By: ______________________________
Name: Rocco B. Commisso
Title: Chairman and Chief Executive Officer

The undersigned acknowledges receipt of a copy of the Plan, represents that he or she is familiar with its terms and accepts this Award subject to all of its terms. The undersigned agrees to accept as binding, conclusive and final all decisions or interpretations of the Board upon any questions arising under the Plan or this instrument.

By: ______________________________
Name:

Mediacom Communications Corporation and Subsidiaries

Schedule of Computation of Ratio of Earnings to Fixed Charges

	For the Years Ended December 31, 2008	2007	2006	2005	2004
	(In thousands, except ratio amounts)				
Earnings:					
(Loss) income before income taxes	$ (19,281)	$ (37,563)	$ (65,188)	$ (24,966)	$ 13,628
Interest expense, net	213,333	239,015	227,206	208,264	192,740
Amortization of capitalized interest	2,872	3,069	2,678	2,357	2,055
Amortization of debt issuance costs	5,070	4,884	5,998	8,613	8,725
Interest component of rent expense(1)	6,289	5,787	5,755	5,267	4,931
Earnings available for fixed charges	$ 208,283	$ 215,192	$ 176,449	$ 199,535	$ 222,079
Fixed Charges:					
Interest expense, net	$ 213,333	$ 239,015	$ 227,206	$ 208,264	$ 192,740
Capitalized interest	4,273	3,818	3,603	3,756	3,012
Amortization of debt issuance cost	5,070	4,884	5,998	8,613	8,725
Interest component of rent expense(1)	6,289	5,787	5,755	5,267	4,931
Total fixed charges	$ 228,965	$ 253,504	$ 242,562	$ 225,900	$ 209,408
Ratio of earnings to fixed charges	—	—	—	—	1.06
Deficiency of earnings over fixed charges	$ (20,682)	$ (38,312)	$ (66,113)	$ (26,365)	$ 12,671

(1) A reasonable approximation (one-third) is deemed to be the interest factor included in rental expense.

Exhibit 21.1

Subsidiaries of Mediacom Communications Corporation

Subsidiary	State of Incorporation or Organization	Names under which subsidiary does business
Mediacom LLC	New York	Mediacom LLC
Mediacom Arizona LLC	Delaware	Mediacom Arizona Cable Net
		Mediacom Cable LLC
Mediacom California LLC	Delaware	Mediacom California LLC
Mediacom Capital Corporation	New York	Mediacom Capital Corporation
Mediacom Delaware LLC	New York	Mediacom Delaware LLC
		Maryland Mediacom Delaware
Mediacom Illinois LLC	Delaware	Mediacom Illinois LLC
Mediacom Indiana LLC	Delaware	Mediacom Indiana LLC
Mediacom Indiana Partnerco LLC	Delaware	Mediacom Indiana Partnerco
Mediacom Indiana Holdings, L.P.	Delaware	Mediacom Indiana Holdings, L.P.
Mediacom Iowa LLC	Delaware	Mediacom Iowa LLC
Mediacom Minnesota LLC	Delaware	Mediacom Minnesota LLC
Mediacom Southeast LLC	Delaware	Mediacom Southeast LLC
		Mediacom New York LLC
Mediacom Wisconsin LLC	Delaware	Mediacom Wisconsin LLC
Zylstra Communications Corporation	Minnesota	Zylstra Communications Corporation
Illini Cable Holding, Inc.	Illinois	Illini Cable Holding, Inc.
Illini Cablevision of Illinois, Inc.	Illinois	Illini Cablevision of Illinois, Inc.
Mediacom Broadband LLC	Delaware	Mediacom Broadband LLC
Mediacom Broadband Corporation	Delaware	Mediacom Broadband Corporation
MCC Georgia LLC	Delaware	MCC Georgia LLC
MCC Illinois LLC	Delaware	MCC Illinois LLC
MCC Iowa LLC	Delaware	MCC Iowa LLC
MCC Missouri LLC	Delaware	MCC Missouri LLC
MCC Telephony, LLC	Delaware	MCC Telephony, LLC
MCC Telephony of Florida, LLC	Delaware	MCC Telephony of Florida, LLC
MCC Telephony of Georgia, LLC	Delaware	MCC Telephony of Georgia, LLC
MCC Telephony of Illinois, LLC	Delaware	MCC Telephony of Illinois, LLC
MCC Telephony of Iowa, LLC	Delaware	MCC Telephony of Iowa, LLC
MCC Telephony of Missouri, LLC	Delaware	MCC Telephony of Missouri, LLC
Mediacom Enterprise Solutions, Inc.	Delaware	MCC Enterprises Solutions, Inc.
MCC Enterprise, Inc.	Delaware	MCC Enterprises, Inc.
MCC Telephony of the Mid-Atlantic, LLC	Delaware	MCC Telephony of the Mid-Atlantic, LLC
MCC Telephony of the Mid-West, LLC	Delaware	MCC Telephony of the Mid-West, LLC
MCC Telephony of the South, LLC	Delaware	MCC Telephony of the South, LLC
MCC Telephony of Minnesota, LLC	Delaware	MCC Telephony of Minnesota, LLC
MCC Telephony of the West, LLC	Delaware	MCC Telephony of the West, LLC
Mediacom Arizona Cable Network LLC	Delaware	Mediacom Arizona Cable Network LLC
Mediacom Management Corporation	Delaware	Mediacom Management Corporation
Mediacom Cable TV I LLC	New York	Mediacom Cable TV I LLC
Mediacom Aviation LLC	Delaware	Mediacom Aviation LLC
Mediacom Realty LLC	New York	Mediacom Realty LLC

Consent of Independent Registered Public Accounting Firm

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (File No. 333-82124) and Form S-8 (File Nos. 333-41360, 333-68306, 333-122787 and 333-129008) of Mediacom Communications Corporation of our report dated March 13, 2009 relating to the financial statements, financial statement schedule, and the effectiveness of internal control over financial reporting, which appear in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
PricewaterhouseCoopers LLP
New York, New York
March 13, 2009

Exhibit 31.1

CERTIFICATIONS

I, Rocco B. Commisso, certify that:

(1) I have reviewed this report on Form 10-K of Mediacom Communications Corporation;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

(4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

(5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Rocco B. Commisso

Rocco B. Commisso
Chairman and Chief Executive Officer

March 13, 2009

Exhibit 31.1

I, Mark E. Stephan, certify that:

(1) I have reviewed this report on Form 10-K of Mediacom Communications Corporation;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

(4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

(5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Mark E. Stephan

Mark E. Stephan
Executive Vice President and Chief Financial Officer

March 13, 2009

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Mediacom Communications Corporation (the "Company") on Form 10-K for the period ended December 31, 2008 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Rocco B. Commisso, Chief Executive Officer, and Mark E. Stephan, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Rocco B. Commisso

Rocco B. Commisso
Chairman and Chief Executive Officer

By: /s/ Mark E. Stephan

Mark E. Stephan
Executive Vice President and
Chief Financial Officer

March 13, 2009