

SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549

Form S-1

REGISTRATION STATEMENT  
 UNDER  
 THE SECURITIES ACT OF 1933

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

Delaware  (State or other jurisdiction of incorporation or organization)	4841  (Primary Standard Industrial Classification Code Number)	Applied For  (I.R.S. Employer Identification Number)
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100 Crystal Run Road  
 Middletown, New York 10941  
 (914) 695-2600  
 (Address, including zip code, and telephone number, including area code, of  
 registrant's principal executive offices)

Rocco B. Commisso  
 Chairman and Chief Executive Officer  
 Mediacom Communications Corporation  
 100 Crystal Run Road  
 Middletown, New York 10941  
 (914) 695-2600  
 (Name, address, including zip code, and telephone number, including area code,  
 of agent for service)

Copies to:

Robert L. Winikoff, Esq. Elliot E. Brecher, Esq. Cooperman Levitt Winikoff Lester & Newman, P.C. 800 Third Avenue New York, New York 10022 (212) 688-7000 Fax: (212) 755-2839	James J. Clark, Esq. Christopher Cox, Esq. Cahill Gordon & Reindel 80 Pine Street New York, New York 10005 (212) 701-3000 Fax: (212) 269-5420
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Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this registration statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If delivery of the prospectus is expected to be made pursuant to Rule 434, check the following box.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee
Class A common stock, \$.01 par value per share.....	\$345,000,000	\$95,910

(1) Estimated pursuant to Rule 457(o) under the Securities Act of 1933 solely for the purpose of calculating the registration fee.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may

determine.

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+++++The information in this prospectus is not complete and may be changed. We may +  
 +not sell these securities until the registration statement filed with the +  
 +Securities and Exchange Commission is effective. This prospectus is not an +  
 +offer to sell these securities and it is not soliciting an offer to buy these +  
 +securities in any state where the offer or sale is not permitted. +  
 +++++

SUBJECT TO COMPLETION, DATED NOVEMBER 12, 1999

Shares

Mediacom Communications Corporation

Class A Common Stock

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Prior to this offering, there has been no public market for our Class A common stock. The initial public offering price of the Class A common stock is expected to be between \$ and \$ per share. We will make application to list our Class A common stock on The Nasdaq Stock Market's National Market under the symbol "MCCC."

The underwriters have an option to purchase a maximum of additional shares to cover over-allotments of shares.

Following this offering, we will have two classes of common stock, Class A common stock and Class B common stock. Holders of each class generally have identical rights, except for differences in voting. Holders of our Class A common stock have one vote per share, while holders of our Class B common stock have ten votes per share. After this offering, the holders of our Class B common stock will have % of the combined voting power of our common stock.

Investing in the Class A common stock involves risks. See "Risk Factors" on page 10.

	Price to Public -----	Underwriting Discounts and Commissions -----	Proceeds to Mediacom -----
Per Share.....	\$	\$	\$
Total.....	\$	\$	\$

Delivery of the shares of Class A common stock will be made on or about

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Credit Suisse First Boston    Salomon Smith Barney    Donaldson, Lufkin & Jenrette  
 Goldman, Sachs & Co.    Merrill Lynch & Co.  
 Chase Securities Inc.    CIBC World Markets    First Union Securities, Inc.

The date of this prospectus is .

[Map of the United States marked to indicate location of our cable systems,  
including pending acquisitions.]

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You should rely only on the information contained in this document or to which we have referred you. We have not authorized anyone to provide you with information that is different. This document may only be used where it is legal to sell these securities. The information in this document may only be accurate on the date of this document.

**Dealer Prospectus Delivery Obligation**

Until (25 days after the commencement of this offering), all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to unsold allotments or subscriptions.

## PROSPECTUS SUMMARY

This summary highlights some of the information in this prospectus. It may not contain all the information that is important to you. For a more complete understanding of this offering, you should read the entire prospectus carefully, including the risk factors and the financial statements. Unless we tell you otherwise, the information in this prospectus assumes that the underwriters will not exercise their over-allotment option and that the Class A common stock being offered will be sold at \$ per share, which is the mid-point of the range set forth on the cover page of this prospectus, and also gives effect to the exchange of membership interests of Mediacom LLC for shares of our common stock, which will occur upon completion of this offering. Unless the context requires otherwise, "we," "us," "our" and similar terms refer to Mediacom Communications Corporation and Mediacom LLC and its consolidated subsidiaries.

### Overview

We are the eighth largest cable operator in the United States, based on customers served by wholly-owned systems after giving effect to our pending acquisitions and recently announced industry transactions. Our cable systems pass approximately 1.1 million homes and serve approximately 740,000 basic subscribers, including our pending acquisitions. Mediacom LLC was founded in July 1995 by Rocco B. Commisso, our Chairman and Chief Executive Officer, to acquire and develop cable television systems serving principally non-metropolitan markets of the United States.

Since commencement of our operations in March 1996, we have experienced significant growth in basic subscribers, revenues and cash flows. We have deployed a disciplined strategy of acquiring underperforming cable systems primarily in markets with favorable demographic profiles. Through June 1999, we spent approximately \$432.4 million to complete nine acquisitions of cable systems that served 355,800 basic subscribers. In October and November 1999, for approximately \$759.6 million, we acquired the cable systems of Triax Midwest Associates, L.P. and Zylstra Communications Corporation that served 355,500 basic subscribers as of June 30, 1999. On a pro forma basis, our 1998 revenues were \$272.3 million and operating income (loss) before depreciation and amortization was \$124.5 million. On the same basis, for the six months ended June 30, 1999, our revenues were \$143.9 million and operating income (loss) before depreciation and amortization was \$68.4 million.

We also have generated strong internal growth and improved the operating and financial performance of our systems. These results have been achieved primarily through the introduction of an expanded array of core cable television products and services made possible by the rapid upgrade of our cable network and through the successful integration of our acquired systems. Assuming all our systems, excluding the Triax and Zylstra systems, were acquired on January 1, 1997, in 1998 our revenues grew by 13.0%, operating income (loss) before depreciation and amortization increased by 31.9%, and our internal subscriber growth was 2.5% compared to the prior year. Based on the same assumptions, for the six months ended June 30, 1999, our revenues increased by 11.5%, operating income (loss) before depreciation and amortization increased by 23.3%, and our internal subscriber growth was 2.0% compared to the corresponding period in 1998.

We believe that the impact of digital technologies on video and telecommunications delivery systems, together with the emergence of the Internet as an interactive medium for communications, information, entertainment and electronic commerce, has positioned cable's high-speed, interactive, broadband network as the primary platform for the delivery of video, voice and data services to homes and businesses. We believe that there is considerable demand in the communities we serve for these new and enhanced products and services.

To capitalize on these opportunities, we are rapidly upgrading our cable network to provide our customers with an expanded array of new cable television products and services, such as digital cable television, two-way, high-speed Internet access, interactive video and telephony. Currently, approximately 73% of our customers are served by systems which have been upgraded to 550MHz to 750MHz bandwidth capacity, excluding customers served by the Triax and Zylstra systems.

Upon completion of our upgrade program in December 2002, we anticipate that 91% of our customers, including the Triax and Zylstra customers, will be served by upgraded systems and, as a result of consolidating our headend facilities, 84% of our customers will be served by 30 headend facilities. As part of our upgrade program, we plan to deploy over 10,000 route miles of fiber optic cable to create large regional fiber optic networks with the potential to provide advanced telecommunications services.

In June 1999, we began offering digital cable services to our customers. By December 1999, we expect to offer digital cable services in systems passing more than 243,000 homes. In addition, through our strategic relationship with SoftNet Systems, Inc.'s ISP Channel, we expect to deploy two-way, high-speed Internet service in systems passing more than 155,000 homes by December 1999.

Rocco B. Commisso is a highly regarded cable television veteran with over 21 years of industry experience. Prior to founding Mediacom LLC, Mr. Commisso was Executive Vice President, Chief Financial Officer and Director of Cablevision Industries Corporation, the eighth largest cable television company in the United States before its sale to Time Warner Inc. for approximately \$2.8 billion. Mr. Commisso, through his ownership of our Class B common stock, has the power to elect all of our directors and control stockholder decisions immediately following this offering. In addition to Mr. Commisso, our senior management team has an average of 18 years of industry experience in acquiring, financing and operating cable systems.

#### Business Strategy

Our objective is to become the leading cable operator focused on providing entertainment, information and telecommunications services in non-metropolitan markets of the United States. The key elements of our strategy are to:

- . Improve the operating and financial performance of our acquired cable systems;
- . Develop efficient operating clusters;
- . Rapidly upgrade our cable network;
- . Introduce new and enhanced products and services;
- . Maximize customer satisfaction to build customer loyalty;
- . Acquire underperforming cable systems principally in non-metropolitan markets; and
- . Implement a flexible financing structure.

#### Recent Developments

In October and November 1999, we acquired the Zylstra and Triax cable systems serving approximately 355,500 basic subscribers in nine states, principally Illinois, Indiana and Minnesota.

In November 1999, we finalized an agreement with SoftNet for the provision of high-speed Internet access and content services in our cable systems. Through this agreement and the upgrade plan for our cable network, by December 2002, we expect to offer two-way, high-speed Internet services to at least 900,000 homes that are passed by our cable network. In connection with this agreement, SoftNet has agreed to issue to us 3.5 million shares, representing approximately 16.2% of its outstanding common stock.

In the second half of 1999, we signed five letters of intent to acquire cable systems serving approximately 28,000 basic subscribers for an aggregate purchase price of \$47.7 million. These cable systems are in close proximity to our systems, thereby complementing our operating clusters. We expect to complete the acquisitions of these systems in the first half of 2000, subject to the completion of definitive documentation.

#### Organizational Structure

We are a newly formed Delaware corporation. Immediately prior to the completion of this offering, we will issue shares of our common stock in exchange for all of the outstanding membership interests of Mediacom LLC, which currently serves as the holding company for our operating subsidiaries. As a result, we will become the parent company of Mediacom LLC which will continue to serve as the holding company for our subsidiaries.

#### Principal Executive Offices

Our principal executive offices are located at 100 Crystal Run Road, Middletown, New York 10941. Our telephone number is (914) 695-2600, and our website is located at [www.mediacomllc.com](http://www.mediacomllc.com). The information on our website is not part of this prospectus.



The Offering

Class A common stock offered..... shares  
Common stock to be outstanding after  
this offering..... shares of Class A common stock  
shares of Class B common stock  
---  
shares  
===

Voting rights..... Holders of each class of our common stock generally have identical rights, except for differences in voting. Holders of our Class A common stock have one vote per share, while holders of our Class B common stock have ten votes per share. After this offering, the holders of our Class B common stock will have % of the combined voting power of our common stock.

Use of proceeds..... We intend to use the net proceeds of this offering to repay approximately \$280.5 million of outstanding indebtedness under our subsidiary credit facilities.

Proposed Nasdaq National Market  
symbol..... MCCC

The outstanding common stock excludes shares of Class A common stock and shares of Class B common stock issuable upon the exercise of stock options to be outstanding upon completion of this offering, of which will be then exercisable.

Summary Unaudited Pro Forma Consolidated Financial and Operating Data

The following summary unaudited pro forma consolidated financial and operating data has been derived from and should be read in conjunction with "Unaudited Pro Forma Consolidated Financial and Operating Data," "Selected Historical Consolidated Financial and Operating Data" and the historical financial statements included elsewhere in this prospectus.

	Year Ended December 31, 1998	Six Months Ended June 30, 1999
-----		
(dollars in thousands, except per share and per subscriber data)		
Statement of Operations Data:		
Revenues.....	\$ 272,258	\$ 143,923
Costs and expenses:		
Service costs.....	89,966	48,157
Selling, general and administrative expenses.....	52,317	24,489
Corporate expense.....	5,445	2,878
Depreciation and amortization.....	174,503	94,241
	-----	-----
Operating loss.....	(49,973)	(25,842)
Interest expense, net.....	63,673	30,543
Other expenses.....	4,058	734
	-----	-----
Loss before income taxes.....	(117,704)	(57,119)
Provision (benefit) for income taxes.....	--	--
	-----	-----
Net loss from continuing operations.....	\$ (117,704)	\$ (57,119)
	=====	=====
Pro forma basic and diluted net loss per share.....		
Pro forma weighted average common shares outstanding.....		
Other Data:		
System cash flow(1).....	\$ 129,975	\$ 71,277
System cash flow margin(2).....	47.7%	49.5%
Annualized system cash flow(3).....		\$ 142,554
EBITDA(4).....	\$ 124,530	68,399
EBITDA margin(5).....	45.7%	47.5%
Annualized EBITDA(6).....		\$ 136,798
Net cash flows from operating activities.....	\$ 85,336	38,502
Net cash flows used in investing activities.....	(89,877)	(59,518)
Net cash flows from financing activities.....	8,631	22,871
Operating Data (end of period, except average):		
Homes passed(7).....	1,051,000	1,065,500
Basic subscribers(8).....	707,500	711,300
Basic penetration(9).....	67.3%	66.8%
Premium service units(10).....	592,850	554,000
Premium penetration(11).....	83.8%	77.9%
Average monthly revenues per basic subscriber(12).....		\$33.72
Annualized system cash flow per basic subscriber(13).....		\$200
Annualized EBITDA per basic subscriber(14).....		\$192
Balance Sheet Data (end of period):		
Total assets.....	\$	1,226,048
Total debt.....		841,379
Total stockholders' equity.....		339,444

(footnotes on following page)

Notes to Summary Unaudited Pro Forma Consolidated Financial and Operating Data

- (1) Represents EBITDA (as defined in note 4 below) before corporate expense. System cash flow (a) is not intended to be a performance measure that should be regarded as an alternative either to operating income or net income as an indicator of operating performance or to the statement of cash flows as a measure of liquidity, (b) is not intended to represent funds available for debt service, dividends, reinvestment or other discretionary uses and (c) should not be considered in isolation or as a substitute for measures of performance prepared in accordance with generally accepted accounting principles. System cash flow is included in this prospectus because our management believes that system cash flow is a meaningful measure of performance commonly used in the cable television industry and by the investment community to analyze and compare cable television companies. Our definition of system cash flow may not be identical to similarly titled measures reported by other companies.
- (2) Represents system cash flow as a percentage of revenues. This measurement is used by us, and is commonly used in the cable television industry, to analyze and compare cable television companies on the basis of operating performance, for the reasons discussed in note 1 above.
- (3) Represents system cash flow for the six months ended June 30, 1999, multiplied by two. Our management believes this calculation provides a meaningful measure of performance, on an annualized basis, for the reasons discussed in note 1 above.
- (4) Represents operating income (loss) before depreciation and amortization. EBITDA (a) is not intended to be a performance measure that should be regarded as an alternative either to operating income or net income as an indicator of operating performance or to the statement of cash flows as a measure of liquidity, (b) is not intended to represent funds available for debt service, dividends, reinvestment or other discretionary uses and (c) should not be considered in isolation or as a substitute for measures of performance prepared in accordance with generally accepted accounting principles. EBITDA is included in this prospectus because our management believes that EBITDA is a meaningful measure of performance commonly used in the cable television industry and by the investment community to analyze and compare cable television companies. Our definition of EBITDA may not be identical to similarly titled measures reported by other companies.
- (5) Represents EBITDA as a percentage of revenues. This measurement is used by us, and is commonly used in the cable television industry, to analyze and compare cable television companies on the basis of operating performance, for the reasons discussed in note 4 above.
- (6) Represents EBITDA for the six months ended June 30, 1999, multiplied by two. Our management believes this calculation provides a meaningful measure of performance, on an annualized basis, for the reasons discussed in note 4 above.
- (7) Represents the number of single residence homes, apartments and condominium units passed by the cable distribution network in a cable system's service area.
- (8) Represents subscribers of a cable system who receive a package of over-the-air broadcast stations, local access channels and/or certain satellite-delivered cable television services, and who are usually charged a flat monthly rate for a number of channels.
- (9) Represents basic subscribers as a percentage of total number of homes passed.
- (10) Represents the number of subscriptions to premium services. A subscriber may purchase more than one premium service, each of which is counted as a separate premium service unit. For the six months ended June 30, 1999, premium service units decreased primarily due to the Disney Channel being moved from a premium service to the basic programming packages in several of our cable systems.
- (11) Represents premium service units as a percentage of total number of basic subscribers.
- (12) Represents average monthly revenues for the period divided by average monthly basic subscribers for such period. This measurement is commonly used in the cable television industry to analyze and compare cable television companies on the basis of operating performance.
- (13) Represents annualized system cash flow for the period divided by average monthly basic subscribers for such period. This measurement is commonly used in the cable television industry to analyze and compare cable television companies on the basis of operating performance.
- (14) Represents annualized EBITDA for the period divided by average monthly basic subscribers for such period. This measurement is commonly used in the cable television industry to analyze and compare cable television companies on the basis of operating performance.

Summary Historical Consolidated Financial and Operating Data

The following summary historical consolidated financial and operating data of Mediacom LLC should be read in conjunction with "Selected Historical Consolidated Financial and Operating Data," "Management's Discussion and Analysis of Financial Conditions and Results of Operations" and the historical consolidated financial statements of Mediacom LLC included elsewhere in this prospectus.

	March 12 Through December 31, 1996	Year Ended December 31, 1997	Year Ended December 31, 1998	Six Months Ended June 30, ----- 1998      1999	
(dollars in thousands, except per share and per subscriber data)					
<b>Statement of Operations Data:</b>					
Revenues.....	\$ 5,411	\$ 17,634	\$ 129,297	\$ 60,068	\$ 74,178
Costs and expenses:					
Service costs.....	1,511	5,547	43,849	21,463	24,175
Selling, general and administrative expenses.....	931	2,696	25,596	11,541	14,502
Management fee expense(1).....	270	882	5,797	2,782	3,588
Depreciation and amortization.....	2,157	7,636	65,793	27,422	41,431
Operating income (loss).....	542	873	(11,738)	(3,140)	(9,518)
Interest expense, net(2).....	1,528	4,829	23,994	11,738	13,392
Other expenses.....	967	640	4,058	3,568	734
Net loss.....	\$ (1,953)	\$ (4,596)	\$ (39,790)	\$ (18,446)	\$ (23,644)
Pro forma provision (benefit) for income taxes(3).....			--		--
Pro forma net loss(4)..			\$ (39,790)		\$ (23,644)
Pro forma basic and diluted net loss per share.....					
Pro forma weighted average common shares outstanding(5).....					
<b>Other Data:</b>					
System cash flow(6)....	\$ 2,969	\$ 9,391	\$ 59,852	\$ 27,064	\$ 35,501
System cash flow margin(7).....	54.9%	53.3%	46.3%	45.1%	47.9%
Annualized system cash flow(8).....					\$ 71,002
EBITDA(9).....	\$ 2,699	\$ 8,509	\$ 54,055	\$ 24,282	31,913
EBITDA margin(10).....	49.9%	48.3%	41.8%	40.4%	43.0%
Annualized EBITDA(11)..					\$ 63,826
Net cash flows from operating activities..	\$ 237	\$ 7,007	\$ 53,556	\$ 31,803	17,306
Net cash flows used in investing activities..	(45,257)	(60,008)	(397,085)	(354,079)	(36,205)
Net cash flows from financing activities..	45,416	53,632	344,714	322,657	18,242
<b>Operating Data (end of period, except average):</b>					
Homes passed(12).....	38,749	87,750	520,000	508,000	523,000
Basic subscribers(13)..	27,153	64,350	354,000	345,000	355,800
Basic penetration(14)..	70.1%	73.3%	68.1%	67.9%	68.0%
Premium service units(15).....	11,691	39,288	407,100	398,500	385,400
Premium penetration(16).....	43.1%	61.1%	115.0%	115.5%	108.3%
Average monthly revenues per basic subscriber(17).....				\$31.72	\$34.74
Annualized system cash flow per basic subscriber(18).....				\$172	\$200
Annualized EBITDA per basic subscriber(19)..				\$154	\$179
<b>Balance Sheet Data (end of period):</b>					
Total assets.....	\$ 46,560	\$102,791	\$ 451,152	\$ 449,225	\$448,410
Total debt.....	40,529	72,768	337,905	315,129	359,629

Total members' equity..	4,537	24,441	78,651	99,995	55,007
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(footnotes on following page)

Notes to Summary Historical Consolidated Financial and Operating Data

- (1) Represents fees paid to Mediacom Management Corporation for management services rendered to our operating subsidiaries. Mediacom Management utilizes these fees to compensate its employees as well as to fund its corporate overhead. The Mediacom Management management agreements were amended effective November 19, 1999 in connection with an amendment to Mediacom LLC's operating agreement. The amended agreements provide for management fees equal to 2% of annual gross revenues. Each of the management agreements will be terminated upon the completion of this offering. At that time, Mediacom Management's employees will become our employees and its corporate overhead will become our corporate overhead. These expenses will be reflected as our corporate expense, which we estimate will amount to approximately 2% of our annual gross revenues.
- (2) Net of interest income. Interest income for the periods presented was not material.
- (3) Represents an income tax provision (benefit) assuming the exchange of membership interests in Mediacom LLC for shares of our common stock. We have operating losses for the periods presented and have not reflected any tax benefit for such losses.
- (4) Represents pro forma net loss. Amount does not include a one-time \$12.5 million non-recurring non-cash charge associated with the amendments to the Mediacom Management management agreements, for which additional membership interests will be issued to an existing member of Mediacom LLC.
- (5) Represents the shares issued to effect the exchange of membership interests of Mediacom LLC for shares of our common stock as if these shares were outstanding for the periods presented.
- (6) Represents EBITDA (as defined in note 9 below) before management fee expense. System cash flow (a) is not intended to be a performance measure that should be regarded as an alternative either to operating income or net income as an indicator of operating performance or to the statement of cash flows as a measure of liquidity, (b) is not intended to represent funds available for debt service, dividends, reinvestment or other discretionary uses and (c) should not be considered in isolation or as a substitute for measures of performance prepared in accordance with generally accepted accounting principles. System cash flow is included in this prospectus because our management believes that system cash flow is a meaningful measure of performance commonly used in the cable television industry and by the investment community to analyze and compare cable television companies. Our definition of system cash flow may not be identical to similarly titled measures reported by other companies.
- (7) Represents system cash flow as a percentage of revenues. This measurement is used by us, and is commonly used in the cable television industry, to analyze and compare cable television companies on the basis of operating performance, for the reasons discussed in note 6 above.
- (8) Represents system cash flow for the six months ended June 30, 1999, multiplied by two. Our management believes this calculation provides a meaningful measure of performance, on an annualized basis, for the reasons discussed in note 6 above.
- (9) Represents operating income (loss) before depreciation and amortization. EBITDA (a) is not intended to be a performance measure that should be regarded as an alternative either to operating income or net income as an indicator of operating performance or to the statement of cash flows as a measure of liquidity, (b) is not intended to represent funds available for debt service, dividends, reinvestment or other discretionary uses and (c) should not be considered in isolation or as a substitute for measures of performance prepared in accordance with generally accepted accounting principles. EBITDA is included in this prospectus because our management believes that EBITDA is a meaningful measure of performance commonly used in the cable television industry and by the investment community to analyze and compare cable television companies. Our definition of EBITDA may not be identical to similarly titled measures reported by other companies.
- (10) Represents EBITDA as a percentage of revenues. This measurement is used by us, and is commonly used in the cable television industry, to analyze and compare cable television companies on the basis of operating performance, for the reasons discussed in note 9 above.
- (11) Represents EBITDA for the six months ended June 30, 1999, multiplied by two. Our management believes this calculation provides a meaningful measure of performance, on an annualized basis, for the reasons discussed in note 9 above.
- (12) Represents the number of single residence homes, apartments and condominium units passed by the cable distribution network in a cable system's service area.

- (13) Represents subscribers of a cable television system who receive a package of over-the-air broadcast stations, local access channels and/or certain satellite-delivered cable television services and who are usually charged a flat monthly rate for a number of channels.
- (14) Represents basic subscribers as a percentage of total number of homes passed.
- (15) Represents the number of subscriptions to premium services. A subscriber may purchase more than one premium service, each of which is counted as a separate premium service unit. For the six months ended June 30, 1999, premium service units decreased primarily due to the Disney Channel being moved from a premium service to the basic programming packages in several of our cable systems.
- (16) Represents premium service units as a percentage of total number of basic subscribers. This ratio may be greater than 100% if the average basic subscriber subscribes to more than one premium service unit.
- (17) Represents average monthly revenues for the period divided by average monthly basic subscribers for such period. This measurement is commonly used in the cable television industry to analyze and compare cable television companies on the basis of operating performance.
- (18) Represents annualized system cash flow for the period divided by average monthly basic subscribers for such period. This measurement is commonly used in the cable television industry to analyze and compare cable television companies on the basis of operating performance.
- (19) Represents annualized EBITDA for the period divided by average monthly basic subscribers for such period. This measurement is commonly used in the cable television industry to analyze and compare cable television companies on the basis of operating performance.

## RISK FACTORS

An investment in our Class A common stock involves the following risks. You should consider carefully these risk factors, as well as the other information in this prospectus, before you decide to purchase shares of our Class A common stock.

### Our Business

We have a history of net losses and may not be profitable in the future.

We have had a history of net losses and expect to continue to report net losses for the foreseeable future, which could cause our stock price to decline and adversely affect our ability to finance our business in the future. We reported net losses of \$4.6 million, \$39.8 million and \$23.6 million for the years ended December 31, 1997 and 1998 and the six months ended June 30, 1999. On a pro forma basis, we had net losses of \$117.7 million and \$57.1 million for the year ended December 31, 1998 and the six months ended June 30, 1999. The principal reasons for our prior and anticipated net losses include the depreciation and amortization expenses associated with our acquisitions, the capital expenditures related to expanding and upgrading our cable systems and interest costs on borrowed money. We expect that we will continue to incur these expenses at increased levels as a result of our network upgrade program and our recent and pending acquisitions, which expenses will result in continued net losses. For additional information, you should read the discussion under "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources."

We have grown rapidly and have a limited history of operating our current cable systems, which may make it difficult for you to evaluate our performance.

We commenced operations in 1996 and have grown rapidly since then principally through acquisitions. We acquired a substantial portion of our operations in early 1998. In addition, our recent acquisitions of the Triax and Zylstra systems nearly doubled the number of subscribers served by our systems. As a result, you have limited information upon which to evaluate our performance in managing our current systems, and our historical financial information may not be indicative of the future results we can achieve with our systems.

If we are unable to successfully integrate our newly acquired cable systems, our business could be adversely affected.

Since January 1, 1998, we have completed five acquisitions that comprise approximately 91% of our current basic subscribers. In addition, we expect to continue to acquire cable systems as an element of our business strategy. The effective integration and management of acquired cable systems involves a number of risks, including:

- . our acquired systems may result in unexpected operating difficulties, liabilities or contingencies, which could be significant;
- . the integration of acquired systems may place significant demands on our management, diverting their attention from, and making it more difficult for them to manage, our other systems;
- . the integration of acquired systems may require significant financial resources that could otherwise be used for the ongoing development of our other systems, including our network upgrade program;
- . we may be unable to recruit additional qualified personnel which may be required to integrate and manage acquired systems; and
- . our existing operational, financial and management systems may be incompatible with or inadequate to effectively integrate and manage acquired systems and any steps taken to implement changes in our systems may not be sufficient.



Our business, financial condition and results of operations could be materially adversely affected if we fail to successfully integrate and manage acquired cable systems in a timely manner.

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

Our success is substantially dependent upon the retention and continued performance of our key personnel, including Rocco B. Commisso, our Chairman and Chief Executive Officer. We have not entered into employment agreements with Mr. Commisso or any of our other executive officers. If any of these personnel become unable or unwilling to participate in our business and operations, our financial condition and results of operations could be materially adversely affected. In addition, our subsidiary credit facilities provide that a default will result if Mr. Commisso ceases to be our Chairman and Chief Executive Officer. We do not currently maintain key man life insurance on Mr. Commisso. You should read the discussion under "Management" for information concerning the experience of Mr. Commisso and our other executive officers.

Our success will also depend upon our ability to attract and retain personnel for customer relations and field operations. We continually need to hire, integrate and retain personnel for positions that require a high level of technical expertise and the ability to communicate technical concepts to our customers. There is no guarantee that we will be able to recruit or retain these skilled workers. A failure to do so could impair our ability to operate efficiently and maintain our reputation for high quality service. This could also impair our ability to retain current customers and attract new customers, which would adversely affect our growth, financial condition and results of operations.

We have substantial existing debt and may incur substantial additional debt, which could adversely affect our ability to obtain financing in the future and require our operating subsidiaries to apply a substantial portion of their cash flow to debt service.

As of June 30, 1999, we had outstanding total indebtedness of \$359.6 million. Our net interest expense was \$13.4 million for the six months ended June 30, 1999. On a pro forma basis, our total indebtedness as of June 30, 1999 was \$841.3 million and our net interest expense for the six months ended June 30, 1999 was \$30.5 million. This high level of debt and our debt service obligations could have material adverse consequences, including:

- . we may have limited ability to obtain additional financing for working capital, capital expenditures, acquisitions and general corporate purposes in the future;
- . our operating subsidiaries will be required to dedicate a substantial portion of their cash flow from operations to the payment of the principal of and interest on their debt, thereby reducing funds we have available for working capital, capital expenditures, acquisitions and general corporate purposes;
- . we may be more vulnerable to adverse economic and industry conditions;
- . we may be limited in our ability to withstand competitive pressures;
- . we may have limited flexibility in planning for, or reacting to, changes in our business and industry; and
- . we may be at a disadvantage when compared to those of our competitors that have less debt.

We anticipate incurring additional debt in the future to finance acquisitions and to fund the expansion, maintenance and upgrade of our systems. If new debt is added to our current debt levels, the related risks that we now face could intensify. For additional information, you should read the discussion under "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources" and "Description of Certain Indebtedness."

The terms of our indebtedness require us to comply with various financial and operational restrictions, and may adversely affect our ability to obtain financing in the future and react to changes in our business.

The indentures governing our senior notes and the agreements governing our subsidiary credit facilities contain numerous restrictive covenants. These covenants place restrictions on, among other things, our ability and the ability of our operating subsidiaries to:

- . incur additional indebtedness;
- . create liens and other encumbrances;
- . pay dividends and make other payments, investment, loans and guarantees;
- . enter into transactions with related parties;
- . sell or otherwise dispose of assets and merge or consolidate with another entity;
- . repurchase or redeem capital stock or debt;
- . pledge assets; and
- . issue capital stock.

Our subsidiary credit facilities also contain a number of financial covenants that require our operating subsidiaries to meet specified financial ratios and tests. For additional information, you should read the discussion under "Description of Certain Indebtedness." Events beyond the control of our subsidiaries may affect their ability to meet these ratios and tests. The breach of any of these covenants will result in a default under the applicable debt agreement or instrument, which could result in acceleration of the debt. Any default under our subsidiary credit facilities or our indentures may materially adversely affect our growth, financial condition and results of operations.

We may need additional capital to continue the development of our business.

Our business requires substantial capital for the upgrade, expansion and maintenance of our cable systems. As a result of the Triax and Zylstra acquisitions, we have updated our capital improvement program and expect to spend approximately \$400 million over the three-year period ending December 2002, of which approximately \$240 million will be invested to upgrade our cable systems and approximately \$160 million will be used for plant expansion, digital headends and set-top boxes, cable modems and maintenance.

We cannot assure you that these amounts will be sufficient to accomplish our capital improvement program. In addition, we cannot assure you that we will be able to obtain the funds necessary to finance our capital improvement program through internally generated funds, additional borrowings or other sources. If we are unable to obtain these funds, our growth, financial condition and results of operation could be materially adversely affected.

If we are unsuccessful in implementing our growth strategy, our financial condition and results of operations could be adversely affected.

We expect that a substantial portion of our future growth will be achieved through revenues from new products and services and the acquisition of additional cable systems. We may not be able to offer these new products and services successfully to our customers and these new products and services may not generate adequate revenues. In addition, we cannot predict the success of our acquisition strategy. In the past year, the cable television industry has undergone dramatic consolidation, which has reduced the number of future acquisition prospects. This consolidation may increase the purchase price of future acquisitions, and we may not be successful in identifying attractive acquisition targets or obtaining the financing necessary to complete acquisitions in the future.

We may be unable to negotiate construction agreements on favorable terms and our construction costs may increase significantly, which could adversely affect our growth, financial condition and results of operations.

The expansion and upgrade of our cable systems will require us to hire and enter into construction agreements with contractors. We may have difficulty hiring experienced contractors, and the contractors we hire may encounter cost overruns or delays in construction. Although we have recently been able to negotiate construction agreements at rates which we believe are competitive relative to the cable industry as a whole, our construction costs may increase significantly over the next few years as existing agreements expire and as demand for cable construction services continues to grow. We cannot assure you that we will be able to construct new cable systems or expand or upgrade existing or acquired systems in a timely manner or at a reasonable cost, which may adversely affect our growth, financial condition and results of operations.

Our programming costs are substantial and may increase, which could result in a decrease in profitability if we are unable to pass increases on to our customers.

In recent years, the cable television industry has experienced a rapid escalation in the cost of programming, particularly sports programming. The escalation in programming costs may continue, and we may not be able to pass programming cost increases on to our customers. In addition, as we upgrade the channel capacity of our cable systems and add programming to our basic and expanded basic programming tiers, we may face additional market constraints on our ability to pass programming costs on to our customers. The inability to pass these increases on to our customers could adversely affect our financial condition and results of operations.

Our Chief Executive Officer has the ability to control all major corporate decisions, which could inhibit or prevent a change of control or change in management.

Our Class B common stock has ten votes per share, while our Class A common stock, which is the stock we are offering in this prospectus, has one vote per share. Following this offering, Rocco B. Commisso, our Chairman and Chief Executive Officer, will beneficially own substantially all of our outstanding Class B common stock, representing approximately % of the combined voting power of our common stock. As a result, Mr. Commisso will generally have 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 involving us and the sale of all or substantially all of our assets. Because of this structure, Mr. Commisso may continue to be able to control all matters submitted to our stockholders even if he owns a minority economic interest in our company. Our subsidiary credit facilities provide that a default will result if Mr. Commisso ceases to own at least 50.1% of the combined voting power of our common stock on a fully-diluted basis. In addition, Mr. Commisso's control over our management and affairs could create conflicts of interest if he is faced with decisions that could have implications for him, for us and for the other holders of our Class A common stock.

As a result of this concentrated control, Mr. Commisso will have the ability to delay or prevent a merger, takeover or other change of control or changes in our management that our other stockholders may consider favorable or beneficial. If a change of control or change in management is delayed or prevented, the market price of our Class A common stock could be adversely affected or holders may not receive a change of control premium over the then-current market price of our Class A common stock.

If our computer systems or those of third parties with whom we do business are not Year 2000 compliant, our operations could be significantly disrupted.

We are evaluating the impact of the Year 2000 problem on our business operations, as well as our products and services. Areas that could be adversely impacted by the Year 2000 problem include the following:

- . information process and financial reporting systems;

- . customer billing systems;
- . customer service systems;
- . cable headend equipment and advertising insertion equipment; and
- . services from third-party vendors.

System failure or miscalculation could result in an inability to process transactions, send invoices, accept customer orders or provide customers with products and services. We presently do not have a formal contingency plan in place if we or any third parties with which we have material relationships sustain business interruptions caused by Year 2000 problems.

For a description of our Year 2000 compliance efforts you should read the discussion under "Management's Discussion and Analysis of Financial Condition and Results of Operations--Year 2000 Compliance."

#### Our Industry

We operate in a highly competitive industry, which may adversely affect our business and operations.

Our industry is highly competitive. The nature and level of the competition we face affects, among other things, how much we must spend to upgrade our cable systems, how much we must spend on marketing and promotions and the prices we can charge our customers. We cannot assure you that we will have the resources necessary to compete effectively. Many of our present and potential competitors may have fewer regulatory burdens, substantially greater resources, greater brand name recognition and long-standing relationships with regulatory authorities. In addition, some of our competitors may use technology that customers may find superior to ours.

Direct broadcast satellite, known as DBS, has emerged as a significant competitor to cable operators. DBS has grown rapidly over the last several years, far exceeding the growth rate of the cable television industry. Legislation permitting DBS operators to transmit local broadcast signals was passed by the U.S. House of Representatives on November 9, 1999 and is currently awaiting passage by the U.S. Senate. If DBS operators are able to deliver local broadcast signals, cable system operators will lose a significant competitive advantage over DBS operators. The continued growth of DBS operators and other competitors may adversely affect our growth, financial condition and results of operations.

Recent changes in federal law and recent administrative and judicial decisions have also removed restrictions that have limited entry into the cable television industry by potential competitors such as telephone companies and registered utility holding companies. These developments will enable local telephone and utility companies to provide a wide variety of video services in their service areas which will be directly competitive with the services provided by cable television systems in the same area. We also cannot predict the extent to which competition will materialize in our franchise areas from other cable television operators, other video programming distribution systems and other broadband telecommunications services to the home. In addition, as we expand and introduce new and enhanced products and services, including Internet and telecommunications services, we will become subject to competition from Internet service providers and telecommunications providers. We expect other advances in communications technology, as well as changes in the marketplace and the regulatory and legislative environment to occur in the future. Other new technologies and services may develop and may compete with services that our cable television systems offer. The success of these ongoing and future developments could have a negative impact on our business and operations. We cannot predict the extent to which this competition or other new competitors may affect our business and operations in the future. You should read the discussion under "Business--Competition" for additional information.

Our business has been and continues to be subject to extensive governmental legislation and regulation, and changes in this legislation and regulation could increase our costs of compliance and reduce the profitability of our business.

The cable television industry is subject to extensive governmental legislation and regulation at the federal and local levels and, in some instances, at the state level, and many aspects of this legislation and regulation are currently the subject of judicial proceedings and administrative or legislative proposals. The Federal Communications Commission has principal regulatory responsibility. In addition, operating in a regulated industry generally increases the cost of doing business. We may also become subject to additional regulatory burdens and related increased costs. As we begin to offer telecommunication services, we may be required to obtain federal, state and local licenses or other authorizations to offer such services. We may not be able to obtain these licenses or authorizations in a timely manner, or at all, or conditions could be imposed upon these licenses and authorizations that may not be favorable to us. Future changes in legislation or regulations could have an adverse impact on us and our business operations. You should read the discussion under "Legislation and Regulation" for additional information.

Our franchises are non-exclusive and local franchising authorities may grant competing franchises in our markets.

Our cable systems are operated under non-exclusive franchises granted by local franchising authorities. As a result, competing operators of cable systems and other potential competitors, such as municipal utility providers, may be granted franchises and may build cable systems in markets where we hold franchises. The existence of multiple cable systems in the same geographic area is generally referred to as an overbuild. We currently face overbuilds in a limited number of our markets. Although we do not believe that these overbuilds are material to our financial condition and results of operations, we cannot assure you that we will not face new or increased competition in our markets in the future. Any such competition could materially and adversely affect our financial condition and results of operations. You should read the discussion under "Business--Competition" for additional information.

We may be required to provide access to our networks to other Internet service providers, which could significantly increase our competition and adversely affect the upgrade of our systems and our ability to provide new products and services.

Proposals are currently before the U.S. Congress and the Federal Communications Commission to require cable operators to provide access over their cable systems to other Internet service providers. To date, the Federal Communications Commission has declined to impose these requirements. This same "open access" issue is being considered by some local franchising authorities as well. Recently, a federal district court in Portland, Oregon, upheld the authority of the local franchising authority to impose an open access requirement in connection with a cable television franchise transfer and that decision has been appealed to the U.S. Court of Appeals for the Ninth Circuit. Open access requirements have also been adopted in Broward County, Florida and Fairfax, Virginia and are also being considered by a number of other franchising authorities. Various cable companies have initiated litigation challenging municipal "open access" requirements. Franchise renewals and transfers could become more difficult depending upon the outcome of this issue. In addition, several telephone companies are introducing digital subscriber line technology, known as DSL, which will allow Internet access to subscribers at data transmission speeds equal to or greater than that of modems over conventional telephone lines. If we are required to provide open access, it could prohibit us from entering into or limit our existing agreements with Internet service providers, adversely impact our anticipated revenues from high-speed cable modem services and could complicate marketing and technical issues associated with the introduction of these services.

Our franchises are subject to non-renewal or termination, which could cause us to lose our right to operate some of our systems.

Cable television companies operate under non-exclusive franchises granted by local authorities that are subject to renewal and renegotiation from time to time. Our cable systems are dependent upon the retention and renewal of their respective local franchises. A franchise is generally granted for a fixed term ranging from five to fifteen years, but in many cases is terminable if the franchisee fails to comply with material provisions contained in the franchise agreement governing system operations. Franchises typically impose conditions relating to the operation of cable systems, including requirements relating to the payment of fees, system bandwidth capacity, customer service, franchise renewal and termination. No assurance can be given that our cable systems will be able to retain or renew their franchises or that any renewals will be on terms favorable to us. The non-renewal or termination of franchises with respect to a significant portion of any of our cable systems would have a material adverse effect on our ability to provide service to current or future customers and on our financial condition and results of operations. You should read the discussion under "Business--Franchises" and "Legislation and Regulation--State and Local Regulation" for additional information concerning our franchises.

#### This Offering

Existing stockholders may sell their common stock after this offering, which could adversely affect the market price of the Class A common stock.

Sales of a substantial number of shares of our common stock, or the perception that sales could occur, could adversely affect the market price for shares of our Class A common stock by causing the amount of our common stock available for sale to exceed the demand for our common stock. These sales could also make it more difficult for us to sell equity securities in the future at a time and price we deem appropriate.

After this offering, we will have outstanding        shares of Class A common stock and        shares of Class B common stock. Of these shares, the        shares of Class A common stock sold in this offering will be freely transferable without restriction of further registration under the U.S. federal securities laws unless purchased by one of our "affiliates," as defined in Rule 144 of the Securities Act of 1933. The remaining        shares of Class A common stock and all shares of Class B common stock, representing approximately        % of our outstanding common stock upon completion of this offering, will be "restricted securities" under the Securities Act of 1933. These securities will be subject to restrictions on the timing, manner and volume of sales of the restricted shares. However, each of Rocco B. Commisso, our Chairman and Chief Executive Officer, 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., will have rights to require us to register their shares beginning 180 days after the completion of this offering. For additional information regarding these registration rights, you should read the discussion under "Shares Eligible for Future Sale--Registration Rights."

Our officers, directors and existing stockholders have agreed not to offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, their shares of common stock for a period of 180 days following this offering without the prior written consent of Credit Suisse First Boston Corporation. Because of this restriction, on the date of this prospectus, no shares other than those offered in this offering will be eligible for sale. For additional information, you should read the discussion under "Shares Eligible for Future Sale" and "Underwriters."

There has been no prior market for our Class A common stock, and the market price of the shares will fluctuate.

We cannot assure you that an active public market for our Class A common stock will develop or continue after this offering. Prices for our Class A common stock will be determined in the marketplace and may be influenced by many factors, including variations in our financial results, changes in earnings estimates by

industry research analysts, investors' perceptions of us and general economic, industry and market conditions. The initial public offering price per share of our Class A common stock has been determined by negotiations among us and the representatives of the underwriters and may have no relation to the price at which the Class A common stock trades after the completion of this offering. Investors may not be able to sell their Class A common stock at or above the initial public offering price. The market price of our Class A common stock is likely to be highly volatile and could be subject to wide fluctuations in response to, among other things, the following factors:

- . the development of improved or competitive technologies;
- . the development and continuation of an active public market for our Class A common stock;
- . our operating performance and the performance of similar companies;
- . news announcements or other developments relating to us, our competitors or our industry;
- . changes in earnings estimates or recommendations by research analysts;
- . changes in general economic conditions; and
- . the significant price and volume volatility in the stock markets that has occurred in recent years and may continue to occur and that is often unrelated to the operating performance of specific companies.

#### FORWARD-LOOKING STATEMENTS

Some of the information in this prospectus contains forward-looking statements. You can identify these statements by forward-looking words such as "may," "will," "expect," "plan," "intend," "anticipate," "believe," "estimate," and "continue" or similar words. You should read statements that contain these words carefully because they:

- . discuss our future expectations;
- . contain projections of our future results of operations or of our financial condition; or
- . state other forward-looking information.

We believe it is important to communicate our expectations to our investors. However, forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any results, performance or achievements expressed or implied by any forward-looking statements. These factors include, among other things, those listed under "Risk Factors" and elsewhere in this prospectus. Although we believe that the expectations reflected in our forward-looking statements are reasonable, we cannot assure you of future results, performance or achievements. We are under no duty to update these statements to reflect events or circumstances after the date of this prospectus or to reflect the occurrence of unanticipated events.

## USE OF PROCEEDS

We estimate that the net proceeds from the sale of our Class A common stock in this offering, after deducting the estimated underwriting discounts, commissions and offering expenses payable by us, will be approximately \$ million, or approximately \$ million if the underwriters' over-allotment option is exercised in full. We intend to use the net proceeds of this offering to repay approximately \$280.5 million of outstanding indebtedness under our subsidiary credit facilities.

The reduction of indebtedness under our subsidiary credit facilities will increase our existing borrowing capacity, which will fund the upgrade of our systems and future acquisitions, including our pending acquisitions. In addition, borrowings under our subsidiary credit facilities may be used for general corporate purposes, including working capital requirements. We continually evaluate potential acquisitions but have not reached any agreements, commitments or understandings for any future acquisitions, except for our pending acquisitions. We cannot assure you that we will be successful in identifying or completing additional acquisitions.

As of November 10, 1999, \$822.0 million was outstanding under our subsidiary credit facilities, which have final maturities ranging from March 2008 to December 2008. Weighted interest rates for loans outstanding under our subsidiary credit facilities was 7.9% as of November 10, 1999. Borrowings under our subsidiary credit facilities were used to refinance prior indebtedness and to fund our acquisitions of the Triax and Zylstra systems. You should read the discussion under "Description of Certain Indebtedness--Credit Facilities" for additional information about our subsidiary credit facilities.

## DIVIDEND POLICY

We have never paid or declared cash dividends on our common stock and currently intend to retain any future earnings for the development of our business. Therefore, we do not currently anticipate paying any cash dividends in the foreseeable future. In addition, the credit facilities of our operating subsidiaries restrict their ability to pay dividends. Our future dividend policy is within the discretion of our board of directors and will depend upon various factors, including our results of operations, financial condition, capital requirements and investment opportunities.



CAPITALIZATION

The following table sets forth as of June 30, 1999, on a consolidated basis:

- . the historical capitalization of Mediacom LLC;
- . the pro forma capitalization of Mediacom LLC to reflect:
  - the repayment of an unsecured senior subordinated note in the original amount of \$2.8 million and accrued interest,
  - the \$10.5 million equity contribution made by the members of Mediacom LLC in connection with the acquisition of the Triax systems in November 1999,
  - borrowings of \$762.3 million under our subsidiary credit facilities to finance the acquisitions of the Triax and Zylstra systems and the related write-off of unamortized financing fees from our former subsidiary credit facilities, and
  - a one-time \$12.5 million non-recurring non-cash charge associated with amendments to the Mediacom Management management agreements; and
- . our pro forma as adjusted capitalization to reflect:
  - the exchange of membership interests in Mediacom LLC for shares of our common stock,
  - a one-time \$4.3 million non-recurring non-cash charge to equity to record a net deferred tax liability as of June 30, 1999 that will be recognized upon the exchange of membership interests in Mediacom LLC for shares of our common stock, and
  - the issuance and sale of our Class A common stock in this offering using an initial public offering price of \$ per share, the mid-point of the range set forth on the cover page of this prospectus, and the application of the net proceeds from the sale to repay \$280.5 million of outstanding indebtedness under our subsidiary credit facilities.

The table below should be read in conjunction with the historical consolidated financial statements of Mediacom LLC included elsewhere in this prospectus. For additional information, see "Unaudited Pro Forma Consolidated Financial and Operating Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources" and "Description of Certain Indebtedness."

	As of June 30, 1999		
	Mediacom LLC		Mediacom Communications Corporation
	Historical	Pro Forma	Pro Forma As Adjusted
	(dollars in millions)		
Cash and cash equivalents.....	\$ 1.6	\$ 2.4	\$ 2.4
	=====	=====	=====
Total debt:			
7 7/8% senior notes.....	\$200.0	\$ 200.0	\$200.0
8 1/2% senior notes.....	125.0	125.0	125.0
Subsidiary credit facilities(1).....	31.0	796.9	516.4
Unsecured senior subordinated note.....	3.6	--	--
	-----	-----	-----
Total debt.....	359.6	1,121.9	841.4
Total members' equity.....	55.0	63.3	
Stockholders' equity:			
Class A common stock, par value \$0.01, shares authorized, and shares issued and outstanding.....			
Class B common stock, par value \$0.01, shares authorized, and shares issued and outstanding.....			
Additional paid-in capital.....			
Accumulated deficit.....			
	-----	-----	-----
Total stockholders' equity.....			
	-----	-----	-----
Total capitalization.....	\$414.6	\$1,185.2	\$
	=====	=====	=====

(1) After completion of this offering, we will have approximately \$584 million of unused credit commitments under our subsidiary credit facilities.



DILUTION

The difference between the public offering price per share of our Class A common stock and the pro forma net tangible book value per share of our Class A and Class B common stock after this offering constitutes the dilution to investors in this offering. Net tangible book value per share is determined by subtracting our total liabilities from the total book value of our tangible assets and dividing the difference by the number of shares of Class A and Class B common stock deemed to be outstanding on the date total book value is determined.

As of June 30, 1999, our net tangible book value was a deficit of \$ , or \$ per share of common stock, after giving effect to the transactions described under "Capitalization," excluding this offering. After giving effect to the sale of shares of our Class A common stock at an initial public offering price of \$ per share, and the deduction of estimated underwriting discounts and commissions and other offering expenses, our pro forma net tangible book value as of June 30, 1999 would have been \$ , or \$ per share of common stock. This represents an immediate decrease in our net negative tangible book value of \$ per share to current stockholders and an immediate dilution of \$ per share to new investors purchasing our Class A common stock. The following table illustrates the foregoing information as of June 30, 1999 with respect to dilution to new investors:

Assumed initial public offering price per share.....	\$
Net tangible book value (deficit) per share before this offering.....	\$
Increase per share attributable to this offering.....	----
Pro forma net tangible book value (deficit) per share after this offering.....	----
Pro forma dilution per share to new investors.....	\$ ====

The following table sets forth as of June 30, 1999, with respect to our existing stockholders and new investors, a comparison of the number of shares of common stock acquired from us, the percentage ownership of such shares, the total consideration paid to us, the percentage of total consideration paid and the average price per share paid by existing stockholders and by investors purchasing shares of Class A common stock in this offering, giving effect to the exchange of membership interests of Mediacom LLC for shares of our common stock:

	Shares Purchased		Total Consideration		Average Price
	Number	Percent	Amount	Percent	Per Share
Existing stockholders.....		%	\$	%	\$
New investors.....	---	---	----	---	---
Total.....	===	===	=====	===	===

To the extent that shares of our common stock are issued in connection with the stock option arrangements, there will be further dilution to new investors.

COMPLETED AND PENDING ACQUISITIONS

Completed Acquisitions

Since commencement of our operations in March 1996, we have completed 11 acquisitions of cable systems. The following table summarizes information related to our completed acquisitions of cable systems in chronological order:

Location of Systems	Predecessor Owner(1)	Acquisition Date	Purchase Price (in millions)(2)	Basic Subscribers(3)
Ridgecrest, CA	Benchmark Communications	March 1996	\$ 18.8	9,200
Kern Valley, CA	Booth American Company	June 1996	11.0	6,000
Nogales, AZ	Saguaro Cable TV Investors, L.P.	December 1996	11.4	7,900
Valley Center, CA	Valley Center Cable Systems, L.P.	December 1996	2.5	1,950
Dagsboro, DE	American Cable TV Investors 5, Ltd.	June 1997	42.6	31,700
Sun City, CA	Cox Communications, Inc.	September 1997	11.5	9,950
Clearlake, CA	Jones Intercable, Inc.	January 1998	21.4	17,900
Various States	Cablevision Systems Corporation	January 1998	308.2	267,150
Caruthersville, MO	Cablevision Systems Corporation	October 1998	5.0	4,050
Various States	Zylstra Communications Corporation	October 1999	19.5	14,000
Various States	Triax Midwest Associates, L.P.	November 1999	740.1	341,500
			-----	-----
			\$1,192.0	711,300
			=====	=====

- (1) Purchased from the named party, one or more of its related parties or its controlling or managing operator.  
(2) Represents the final purchase price before closing costs and adjustments.  
(3) As of June 30, 1999.

Pending Acquisitions

In the second half of 1999, we signed five letters of intent to acquire cable systems serving approximately 28,000 basic subscribers for an aggregate purchase price of \$47.7 million. These cable systems are in close proximity to our systems, thereby complementing our operating clusters. We expect to complete the acquisitions of these systems in the first half of 2000, subject to the completion of definitive documentation.

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL AND OPERATING DATA

The following unaudited pro forma consolidated financial and operating data as of and for the six months ended June 30, 1999 and for the year ended December 31, 1998 are based on the historical consolidated financial statements of Mediacom LLC, as adjusted to illustrate the estimated effects of the following transactions as if each transaction had occurred on January 1, 1998 for the statement of operations data and on June 30, 1999 for the balance sheet data:

- . the issuance and sale of our 8 1/2% senior notes on April 1, 1998 and the application of \$194.5 million of net proceeds from the sale to repay outstanding indebtedness under our former subsidiary credit facilities;
- . the issuance and sale of our 7 7/8% senior notes on February 26, 1999 and the application of \$121.9 million of net proceeds from the sale to repay outstanding indebtedness under our former subsidiary credit facilities;
- . the repayment of an unsecured senior subordinated note in the original amount of \$2.8 million and accrued interest;
- . the establishment of our subsidiary credit facilities and the repayment of all outstanding indebtedness under our former subsidiary credit facilities;
- . the \$10.5 million equity contribution made by members of Mediacom LLC in connection with the acquisition of the Triax systems in November 1999;
- . our acquisitions of cable systems described under "Completed and Pending Transactions" that were completed since January 1, 1998 and the incurrence of incremental indebtedness arising from the acquisitions;
- . a one-time \$12.5 million non-recurring, non-cash charge associated with amendments to the Mediacom Management management agreements, for which additional membership interests will be issued to an existing member of Mediacom LLC;
- . the exchange of membership interests in Mediacom LLC for shares of our common stock;
- . the effect to management fee expense as a result of amending the Mediacom Management management agreements;
- . a one-time \$4.3 million non-recurring, non-cash charge to equity to record a net deferred tax liability as of June 30, 1999 that will be recognized upon the exchange of membership interests in Mediacom LLC for shares of our common stock;
- . the reclassification of management fee expense to corporate expense due to the termination of the Mediacom Management management agreements; and
- . the issuance and sale of our Class A common stock in this offering at an initial public offering price of \$ per share, the mid-point of the range set forth on the cover page of this prospectus, and the application of the net proceeds from the sale to repay \$280.5 million of outstanding indebtedness under our subsidiary credit facilities.

The unaudited pro forma consolidated financial data give effect to the acquisitions of our cable systems under the purchase method of accounting. The purchase price allocation among property, plant and equipment, intangible assets, other assets and liabilities of the Triax and Zylstra systems is preliminary and will be completed upon receipt of appraisal reports. We do not believe that the adjustment resulting from the final allocation of the purchase price will be material.

The unaudited pro forma consolidated financial and operating data do not purport to represent what our results of operations or financial condition would actually have been had the transactions described above occurred on the dates indicated or to project our results of operations or financial condition for any future period or date. You should read the historical consolidated financial statements of Mediacom LLC and U.S. Cable Television Group, L.P. and the historical financial statements of Triax, appearing elsewhere in this prospectus.

Unaudited Pro Forma Consolidated Statement of Operations and Operating Data

For the Six Months Ended June 30, 1999  
(dollars in thousands, except per share and per subscriber data)

	Mediacom LLC (historical)	Triax (historical)	Zylstra (historical)	Adjustments	Subtotal	Offering Adjustments	Total
<b>Statement of Operations</b>							
Data:							
Revenues.....	\$ 74,178	\$ 67,257	\$2,488	\$ --	\$ 143,923	\$ --	\$ 143,923
Costs and expenses:							
Service costs.....	24,175	22,924	1,058	--	48,157	--	48,157
Selling, general and administrative expenses...	14,502	9,592	395	--	24,489	--	24,489
Management fee expense.....	3,588	2,218	253	(3,181) (p)	2,878	(2,878) (t)	--
Corporate expense.....	--	--	--	--	--	2,878 (t)	2,878
Depreciation and amortization.....	41,431	35,644	274	16,892 (q)	94,241	--	94,241
Operating income (loss)....	(9,518)	(3,121)	508	(13,711)	(25,842)	--	(25,842)
Interest expense (income), net.....	13,392	16,252	(30)	12,539 (r)	42,153	(11,610) (u)	30,543
Other expenses (income)....	734	--	(2)	2 (s)	734	--	734
Provision (benefit) for income taxes.....						-- (v)	--
Net (loss) income from continuing operations.....	\$(23,644)	\$ (19,373)	\$ 540	\$ (26,252)	\$ (68,729)	\$11,610	\$ (57,119)
Pro forma basic and diluted net loss per share(a)....							
Pro forma weighted average common shares outstanding..							
<b>Other Data:</b>							
System cash flow(b).....							\$ 71,277
System cash flow margin(c).....							49.5%
Annualized system cash flow(d).....							\$ 142,554
EBITDA(e).....							68,399
EBITDA margin(f).....							47.5%
Annualized EBITDA(g).....							\$ 136,798
Net cash flows from operating activities.....							38,502
Net cash flows used in investing activities.....							(59,518)
Net cash flows from financing activities.....							22,871
<b>Operating Data (end of period, except average):</b>							
Homes passed(h).....							1,065,500
Basic subscribers(i).....							711,300
Basic penetration(j).....							66.8%
Premium service units(k).....							554,000
Premium penetration(l).....							77.9%
Average monthly revenues per basic subscriber(m).....							\$33.72
Annualized system cash flow per basic subscriber(n).....							\$200
Annualized EBITDA per basic subscriber(o).....							\$192

See accompanying notes to unaudited pro forma consolidated statement of operations and operating data.

Notes to Unaudited Pro Forma Consolidated Statement of Operations and Operating Data

For the Six Months Ended June 30, 1999  
(dollars in thousands)

For purposes of determining the pro forma effects of the transactions described above on the historical consolidated statement of operations of Mediacom LLC for the six months ended June 30, 1999, the following adjustments have been made:

- (a) Pro forma basic and diluted loss per share is calculated based on shares of common stock that we expect to be outstanding after this offering. Upon completion of this offering, options to purchase our common stock will be issued to certain employees with an exercise price equal to the public offering price. Accordingly, these stock options have no effect on the pro forma loss per share amounts.
- (b) Represents EBITDA (as defined in note (e) below) before corporate expense. System cash flow (a) is not intended to be a performance measure that should be regarded as an alternative either to operating income or net income as an indicator of operating performance or to the statement of cash flows as a measure of liquidity, (b) is not intended to represent funds available for debt service, dividends, reinvestment or other discretionary uses and (c) should not be considered in isolation or as a substitute for measures of performance prepared in accordance with generally accepted accounting principles. System cash flow is included in this prospectus because our management believes that system cash flow is a meaningful measure of performance commonly used in the cable television industry and by the investment community to analyze and compare cable television companies. Our definition of system cash flow may not be identical to similarly titled measures reported by other companies.
- (c) Represents system cash flow as a percentage of revenues. This measurement is used by us, and is commonly used in the cable television industry, to analyze and compare cable television companies on the basis of operating performance, for the reasons discussed in note (b) above.
- (d) Represents system cash flow for the six months ended June 30, 1999, multiplied by two. Our management believes this calculation provides a meaningful measure of performance, on an annualized basis, for the reasons discussed in note (b) above.
- (e) Represents operating income (loss) before depreciation and amortization. EBITDA (a) is not intended to be a performance measure that should be regarded as an alternative either to operating income or net income as an indicator of operating performance or to the statement of cash flows as a measure of liquidity, (b) is not intended to represent funds available for debt service, dividends, reinvestment or other discretionary uses and (c) should not be considered in isolation or as a substitute for measures of performance prepared in accordance with generally accepted accounting principles. EBITDA is included in this prospectus because our management believes that EBITDA is a meaningful measure of performance commonly used in the cable television industry and by the investment community to analyze and compare cable television companies. Our definition of EBITDA may not be identical to similarly titled measures reported by other companies.
- (f) Represents EBITDA as a percentage of revenues. This measurement is used by us, and is commonly used in the cable industry, to analyze and compare cable television companies on the basis of operating performance, for the reasons discussed in note (e) above.
- (g) Represents EBITDA for the six months ended June 30, 1999, multiplied by two. Our management believes this calculation provides a meaningful measure of performance, on an annualized basis, for the reasons discussed in note (e) above.
- (h) Represents the number of single residence homes, apartments and condominium units passed by the cable distribution network in a cable system's service area.

- (i) Represents subscribers of a cable system who receive a package of over-the-air broadcast stations, local access channels and/or certain satellite-delivered cable services, and who are usually charged a flat monthly rate for a number of channels.
- (j) Represents basic subscribers as a percentage of total number of homes passed.
- (k) Represents the number of subscriptions to premium services. A subscriber may purchase more than one premium service, each of which is counted as a separate premium service unit. For the six months ended June 30, 1999, premium service units decreased primarily due to the Disney Channel being moved from a premium service to the basic programming packages in several of our cable systems.
- (l) Represents premium service units as a percentage of total number of basic subscribers.
- (m) Represents average monthly revenues for the period divided by average monthly basic subscribers for such period. This measurement is commonly used in the cable television industry to analyze and compare cable television companies on the basis of operating performance.
- (n) Represents annualized system cash flow for the period divided by average monthly basic subscribers for such period. This measurement is commonly used in the cable industry to analyze and compare cable companies on the basis of operating performance.
- (o) Represents annualized EBITDA for the period divided by average monthly basic subscribers for such period. This measurement is commonly used in the cable television industry to analyze and compare cable television companies on the basis of operating performance.
- (p) The management agreements with Mediacom Management were amended effective November 19, 1999 in connection with an amendment to Mediacom LLC's operating agreement. The amended agreements provide for management fees equal to 2% of annual gross revenues. No adjustment has been made to the unaudited pro forma consolidated statement of operations for a one-time \$12,500 non-recurring non-cash charge associated with the amendments to the Mediacom Management management agreements, for which additional membership interests will be issued to an existing member of Mediacom LLC. We have adjusted management fee expense for the Triax and Zylstra systems so that their historical fee structure is consistent with the management agreements.

Revenues.....	\$143,923
2% of revenues.....	2,878
Historical management fees.....	(6,059)
	-----
Decrease to management fee expense.....	\$ (3,181)
	=====

- (q) Represents increase to historical depreciation and amortization expense as a result of a preliminary allocation of the Triax and Zylstra purchase price and other costs:

Triax and Zylstra -----	Estimated Fair Values	Asset Life	Pro Forma Expense -----
Property, plant and equipment.....	\$301,168	7	\$43,024
Franchise costs.....	230,672	15	15,378
Subscriber lists.....	230,672	5	46,134
Deferred financing costs.....	7,000	8.5	824
Other acquisition costs.....	3,900	15	260
			-----
Annualized pro forma depreciation and amortization (A).....			105,620
Pro forma depreciation and amortization-- Six months ended June 30, 1999 (A divided by 2).....			52,810
Historical--Triax and Zylstra.....			(35,918)
			-----
Increase to depreciation and amortization...			\$16,892
			=====



(r) Represents increase to interest expense due to incremental indebtedness arising from our acquisitions of the Triax and Zylstra systems and our 7 7/8% senior note offering and decrease to interest expenses arising from our repayment of the unsecured senior subordinated note in the original amount of \$2,800 and accrued interest. An 1/8% change in the interest rates will increase or decrease the interest expense per annum by \$934 after adjusting for interest rate swap agreements. Historical interest expense of Triax and Zylstra has been eliminated, as we have not assumed their debt obligations.

	Principal	Interest Rate	Pro Forma Expense
	-----	-----	-----
Subsidiary credit facilities.....	\$796,879	7.21%	\$ 57,455
8 1/2% senior notes.....	200,000	8.50	17,000
7 7/8% senior notes.....	125,000	7.88	9,850
			-----
Pro forma interest expense (A).....			84,305
Pro forma interest expense--Six months ended June 30, 1999 (A divided by 2).....			42,153
Historical interest expense.....			(29,614)
			-----
Increase to interest expense.....			\$ 12,539
			=====

(s) Represents elimination of other income of Zylstra.

(t) Represents elimination of management fees paid to Mediacom Management for management services rendered to our operating subsidiaries. Mediacom Management utilized these fees to compensate its employees as well as to fund its corporate overhead. The management agreements with Mediacom Management were revised effective November 19, 1999 in connection with an amendment to Mediacom LLC's operating agreement. The amended agreements provide for management fees equal to 2% of annual gross revenues. Each of the management agreements will be terminated upon completion of this offering. At that time, Mediacom Management's employees will become our employees and its corporate overhead will become our corporate overhead. These expenses will be reflected as our corporate expense, which we estimate will amount to approximately 2% of our annual gross revenues.

(u) Represents decrease to interest expense arising from the repayment of \$280,500 of outstanding indebtedness under our subsidiary credit facilities with the net proceeds of this offering. An 1/8% change in the interest rates will increase or decrease the interest expense per annum by \$583 after adjusting for interest rate swap agreements.

	Principal	Interest Rate	Pro Forma Expense
	-----	-----	-----
Subsidiary credit facilities.....	\$516,379	6.63%	\$ 34,236
8 1/2% senior notes.....	200,000	8.50	17,000
7 7/8% senior notes.....	125,000	7.88	9,850
			-----
Pro forma interest expense after offering (A).....			61,086
Pro forma interest expense after offering-- Six months ended June 30, 1999 (A divided by 2).....			30,543
Pro forma interest expense prior to offering.....			(42,153)
			-----
Decrease to interest expense.....			\$(11,610)
			=====

(v) No provision has been made in the pro forma statement of operations for federal, state or local income taxes because Mediacom LLC is a limited liability company and its members are required to report their share of income or loss in their respective income tax returns. After the completion of this offering and the exchange of membership interests in Mediacom LLC for shares of our common stock, our results will be included in our corporate tax returns. However, due to our pro forma consolidated net loss, no income tax benefit has been recorded.

Unaudited Pro Forma Consolidated Statement of Operations and Operating Data

For the Year Ended December 31, 1998

(dollars in thousands, except per share and per subscriber data)

	Mediacom LLC (historical)	Adjustments	Subtotal	Triax (historical)	Zylstra (historical)	Adjustments
Statement of Operations Data:						
Revenues.....	\$129,297	\$ 6,888 (k)	\$136,185	\$119,669	\$4,970	\$ 11,434 (n)
Costs and expenses:						
Service costs...	43,849	2,803 (k)	46,652	37,534	1,883	3,897 (n)
Selling, general and administrative expenses.....	25,596	2,274 (k)	27,870	21,808	747	1,892 (n)
Management fee expense.....	5,797	7 (k)	5,804	4,048	482	(4,889)(o)
Corporate expense.....	--	--	--	--	--	--
Depreciation and amortization...	65,793	3,090 (l)	68,883	65,391	279	39,950 (p)
Operating income (loss).....	(11,738)	(1,286)	(13,024)	(9,112)	1,579	(29,416)
Interest expense (income), net..	23,994	2,769 (m)	26,763	29,358	(51)	33,005 (q)
Other expenses..	4,058	--	4,058	--	--	--
Provision (benefit) for income taxes.....						
Net (loss) income.....	\$(39,790)	\$(4,055)	\$(43,845)	\$(38,470)	\$1,630	\$(62,421)
Pro forma basic and diluted net loss per share(a).....						
Pro forma weighted average of common shares outstanding....						

	Subtotal	Offering Adjustments	Total
Statement of Operations Data:			
Revenues.....	\$ 272,258	\$ --	\$ 272,258
Costs and expenses:			
Service costs...	89,966	--	89,966
Selling, general and administrative expenses.....	52,317	--	52,317
Management fee expense.....	5,445	(5,445)(r)	--
Corporate expense.....	--	5,445 (r)	5,445
Depreciation and amortization...	174,503	--	174,503
Operating income (loss).....	(49,973)	--	(49,973)
Interest expense (income), net..	89,075	(25,402)(s)	63,673
Other expenses..	4,058	--	4,058
Provision (benefit) for income taxes.....		-- (t)	--
Net (loss) income.....	\$(143,106)	\$25,402	\$(117,704)
Pro forma basic and diluted net loss per share(a).....			

Pro forma  
weighted  
average of  
common shares  
outstanding....

Other Data:

System cash flow(b).....	\$ 129,975
System cash flow margin(c).....	47.7%
EBITDA(d).....	\$ 124,530
EBITDA margin(e).....	45.7%
Net cash flows from operating activities.....	\$ 85,336
Net cash flows used in investing activities.....	(89,877)
Net cash flows from financing activities.....	8,631

Operating Data (end of period):

Homes passed(f).....	1,051,000
Basic subscribers(g).....	707,500
Basic penetration(h).....	67.3%
Premium service units(i).....	592,850
Premium penetration(j).....	83.8%

See accompanying notes to unaudited pro forma consolidated statement of  
operations and operating data.

Notes to Unaudited Pro Forma Consolidated Statement of Operations and Operating Data

For the Year Ended December 31, 1998  
(dollars in thousands)

For purposes of determining the pro forma effects of the transactions described above on the historical consolidated statement of operations of Mediacom LLC for the year ended December 31, 1998, the following adjustments have been made:

- (a) Pro forma basic and diluted loss per share is calculated based on shares of common stock that we expect to be outstanding after this offering. Upon completion of this offering, options to purchase our common stock will be issued to certain employees with an exercise price equal to the public offering price. Accordingly, these stock options have no effect on the pro forma loss per share amounts.
- (b) Represents EBITDA (as defined in note (d) below) before corporate expense. System cash flow (a) is not intended to be a performance measure that should be regarded as an alternative either to operating income or net income as an indicator of operating performance or to the statement of cash flows as a measure of liquidity, (b) is not intended to represent funds available for debt service, dividends, reinvestment or other discretionary uses and (c) should not be considered in isolation or as a substitute for measures of performance prepared in accordance with generally accepted accounting principles. System cash flow is included in this prospectus because our management believes that system cash flow is a meaningful measure of performance commonly used in the cable television industry and by the investment community to analyze and compare cable television companies. Our definition of system cash flow may not be identical to similarly titled measures reported by other companies.
- (c) Represents system cash flow as a percentage of revenues. This measurement is used by us, and is commonly used in the cable television industry, to analyze and compare cable television companies on the basis of operating performance, for the reasons discussed in note (b) above.
- (d) Represents operating income (loss) before depreciation and amortization. EBITDA (a) is not intended to be a performance measure that should be regarded as an alternative either to operating income or net income as an indicator of operating performance or to the statement of cash flows as a measure of liquidity, (b) is not intended to represent funds available for debt service, dividends, reinvestment or other discretionary uses and (c) should not be considered in isolation or as a substitute for measures of performance prepared in accordance with generally accepted accounting principles. EBITDA is included in this prospectus because our management believes that EBITDA is a meaningful measure of performance commonly used in the cable television industry and by the investment community to analyze and compare cable television companies. Our definition of EBITDA may not be identical to similarly titled measures reported by other companies.
- (e) Represents EBITDA as a percentage of revenues. This measurement is used by us, and is commonly used in the cable television industry, to analyze and compare cable television companies on the basis of operating performance, for the reasons discussed in note (d) above.
- (f) Represents the number of single residence homes, apartments and condominium units passed by the cable distribution network in a cable system's service area.
- (g) Represents subscribers of a cable system who receive a package of over-the-air broadcast stations, local access channels and/or certain satellite-delivered cable television services, and who are usually charged a flat monthly rate for a number of channels.
- (h) Represents basic subscribers as a percentage of total number of homes passed.
- (i) Represents the number of subscriptions to premium services. A subscriber may purchase more than one premium service, each of which is counted as a separate premium service unit. For the six

months ended June 30, 1999, premium service units decreased primarily due to the Disney Channel being moved from a premium service to the basic programming packages in several of our cable systems.

- (j) Represents premium service units as a percentage of total number of basic subscribers.
- (k) The table below represents actual revenues, service costs, and selling, general and administrative expenses and management fee expense of the Clearlake, Cablevision and Caruthersville systems recognized prior to the respective dates of acquisition.

	Clearlake	Cablevision	Caruthersville	Total
Revenues.....	\$133	\$5,603	\$1,152	\$6,888
Service costs.....	152	2,272	379	2,803
Selling, general and administrative expenses...	139	1,839	296	2,274
Management fee expense....	7	--	--	7

- (l) Represents historical depreciation and amortization of the Cablevision, Clearlake and Caruthersville systems recognized prior to the respective dates of acquisition and additional depreciation and amortization related to the step-up in value of the systems based on the final allocation of their purchase price. See note 3 of the historical consolidated financial statements of Mediacom LLC for the year ended December 31, 1998.
- (m) Represents increase to interest expense due to incremental indebtedness arising from our acquisition of the Clearlake, Cablevision and Caruthersville systems and our 8 1/2% senior note offering. An 1/8% change in the interest rates will increase or decrease the interest expense per annum by \$106 after adjusting for interest rate swap agreements.

	Principal	Interest Rate	Pro Forma Expense
Subsidiary credit facilities.....	\$134,425	7.03%	\$ 9,450
8 1/2% senior notes.....	200,000	8.50	17,000
Unsecured senior subordinated note.....	3,480	9.00	313
			-----
Pro forma interest expense.....			26,763
Historical--Mediacom LLC.....			(23,994)
			-----
Increase to interest expense.....			\$ 2,769
			=====

- (n) The table below represents historical revenues, service costs, and selling, general and administrative expenses of the Jones systems and the Marcus systems, recognized prior to the respective dates of acquisition by Triax. These systems were acquired by Triax on June 30, 1998 and September 30, 1998, respectively. See note 3 to the historical financial statements of Triax for the year ended December 31, 1998.

	Jones	Marcus	Total
Revenues.....	\$2,920	\$8,514	\$11,434
Service costs.....	936	2,961	3,897
Selling, general and administrative expenses.....	702	1,190	1,892

- (o) The Mediacom Management management agreements were revised effective November 19, 1999 in connection with an amendment to Mediacom LLC's operating agreement to provide for management fees equal to 2% of annual gross revenues. No adjustment has been made to the unaudited pro forma consolidated statement of operations for a one-time \$12,500 non-recurring, non-cash charge associated with amendments to the Mediacom Management management agreements, for which additional membership interests will be issued to an existing member of Mediacom LLC. We have adjusted management fee expense for the Triax and Zylstra systems so that their historical fee structure is consistent with the management agreements.

Revenues.....	\$272,258
2% of revenues.....	5,445
Historical management fees.....	(10,334)
	-----
Decrease to management fee expense.....	\$ (4,889)
	=====

- (p) Represents increase to historical depreciation and amortization as a result of a preliminary allocation of the Triax and Zylstra purchase price and other costs:

Triax and Zylstra -----	Estimated Fair Values	Asset Life	Pro Forma Expense
-----	-----	-----	-----
Property, plant and equipment.....	\$301,168	7	\$43,024
Franchise costs.....	230,672	15	15,378
Subscriber lists.....	230,672	5	46,134
Deferred financing costs.....	7,000	8.5	824
Other acquisition costs.....	3,900	15	260
			-----
Pro forma depreciation and amortization.....			105,620
Historical--Triax and Zylstra.....			(65,670)
			-----
Increase to depreciation and amortization....			\$39,950
			=====

- (q) Represents increase to interest expense due to incremental indebtedness arising from our acquisitions of the Triax and Zylstra systems, our 8 1/2% senior note offering and our 7 7/8% senior note offering and decrease to interest expenses arising from our repayment of the unsecured senior subordinated note in the original amount of \$2,800 and accrued interest. An 1/8% change in the interest rates will increase or decrease the interest expense per annum by \$911 after adjusting for interest rate swap agreements. Historical interest expense of Triax and Zylstra has been eliminated, as we have not assumed their debt obligations.

	Principal	Interest Rate	Pro Forma Expense
	-----	-----	-----
Subsidiary credit facilities.....	\$778,780	7.99%	\$62,225
8 1/2% senior notes.....	200,000	8.50	17,000
7 7/8% senior notes.....	125,000	7.88	9,850
			-----
Pro forma interest expense.....			89,075
Pro forma--Mediacom LLC.....			(26,763)
Historical--Triax and Zylstra.....			(29,307)
			-----
Increase to interest expense.....			\$33,005
			=====

- (r) Represents elimination of management fees paid to Mediacom Management for management services rendered to our operating subsidiaries. Mediacom Management utilized these fees to compensate its employees as well as fund its corporate overhead. The Mediacom Management management agreements were revised effective November 19, 1999 in connection with an amendment to Mediacom LLC's operating agreement. The amended agreements provide for management fees equal to 2% of annual gross revenues. Each of the management agreements will be terminated upon completion of this offering. At that time, Mediacom Management's employees will become our employees and its corporate overhead will become our corporate overhead. These expenses will be reflected as our corporate expense, which we estimate will amount to approximately 2% of our annual gross revenues.
- (s) Represents decrease to interest expense arising from the repayment of \$280,500 of outstanding indebtedness under our subsidiary credit facilities with the net proceeds of this offering. An 1/8% change in the interest rates will increase or decrease the interest expense per annum by \$560 after adjusting for interest rate swap agreements.

	Principal	Interest Rate	Pro Forma Expense
	-----	-----	-----
Subsidiary credit facilities.....	\$498,280	7.39%	\$ 36,823
8 1/2% senior notes.....	200,000	8.50	17,000
7 7/8% senior notes.....	125,000	7.88	9,850
			-----
Pro forma interest expense after offering..			63,673
Pro forma interest expense prior to offering.....			(89,075)
			-----
Decrease to interest expense.....			\$(25,402)
			=====

(t) No provision has been made in the pro forma consolidated statement of operations for federal, state or local income taxes because Mediacom LLC is a limited liability company and its members are required to report their share of income or loss in their respective income tax returns. After the completion of this offering and the exchange of membership interests in Mediacom LLC for shares of our common stock, our results will be included in our corporate tax returns. However, due to our pro forma consolidated net loss, no income tax benefit has been recorded.

Unaudited Pro Forma Consolidated Balance Sheet

As of June 30, 1999  
(dollars in thousands)

	Mediacom LLC (historical)	Triax (historical)	Zylstra (historical)	Adjustments	Subtotal	Offering Adjustments	Total
<b>Assets</b>							
Cash and cash equivalents.....	\$ 1,555	\$ 2,820	\$ 97	\$ (2,027)(a)	\$ 2,445	\$ --	\$ 2,445
Subscriber accounts receivable, net.....	2,342	1,890	545	836 (a)	5,613	--	5,613
Prepaid expenses and other assets.....	1,690	--	310	--	2,000	--	2,000
Inventory.....	10,135	--	--	2,000 (b)	12,135	--	12,135
Property, plant and equipment, net.....	277,126	162,168	4,914	134,086 (b)	578,294	--	578,294
Intangible assets, net.....	140,956	165,170	58	300,016 (b)	606,200	--	606,200
Other assets, net.....	14,606	5,835	--	(1,080)(c)	19,361	--	19,361
<b>Total assets.....</b>	<b>\$448,410</b>	<b>\$337,883</b>	<b>\$5,924</b>	<b>\$433,831</b>	<b>\$1,226,048</b>	<b>\$ --</b>	<b>\$1,226,048</b>
<b>Liabilities and Stockholders' Equity</b>							
Debt.....	\$359,629	\$409,290	\$ 34	\$352,926 (d)	\$1,121,879	\$(280,500)(g)	\$ 841,379
Accounts payable and accrued expenses.....	31,751	17,466	1,509	(14,873)(a)	35,853	--	35,853
Subscriber advance payments and deposits.....	1,888	823	--	2,208 (a)	4,919	--	4,919
Deferred income tax liability.....	--	--	--	--	--	4,318 (h)	4,318
Other liabilities.....	135	--	--	--	135	--	135
<b>Total liabilities.....</b>	<b>393,403</b>	<b>427,579</b>	<b>1,543</b>	<b>340,261</b>	<b>1,162,786</b>	<b>(276,182)</b>	<b>886,604</b>
Members' equity							
Capital contributions..	124,990	--	1,607	21,393 (e)	147,990	(147,990)(i)	
Accumulated deficit....	(69,983)	(89,696)	2,774	72,177 (f)	(84,728)	84,728 (i)	
<b>Total member's equity.....</b>	<b>55,007</b>	<b>(89,696)</b>	<b>4,381</b>	<b>93,570</b>	<b>63,262</b>	<b>(63,262)</b>	
Stockholders' equity							
Class A common stock...						3,481 (g)	3,481
Class B common stock...							
Additional paid-in capital.....						425,009 (g)	425,009
Accumulated deficit....						(89,046)(j)	(89,046)
<b>Total stockholders' equity (deficit).....</b>						<b>339,444</b>	<b>339,444</b>
<b>Total liabilities and stockholders' equity.....</b>	<b>\$448,410</b>	<b>\$337,883</b>	<b>\$5,924</b>	<b>\$433,831</b>	<b>\$1,226,048</b>	<b>\$ --</b>	<b>\$1,226,048</b>

See accompanying notes to unaudited pro forma consolidated balance sheet.



Notes to Unaudited Pro Forma Consolidated Balance Sheet

As of June 30, 1999  
(dollars in thousands)

For purposes of determining the pro forma effect of the transactions described above on the historical consolidated balance sheet of Mediacom LLC as of June 30, 1999, the following adjustments have been made:

- (a) Represents elimination of cash not included in the acquisition of Triax and Zylstra and adjustments to working capital due to timing differences between the financial statements as of June 30, 1999 and the amounts assumed at the closing of the acquisitions.

	Preliminary Closing Working Capital	Working Capital as of June 30, 1999	Adjustments
	-----	-----	-----
Assets acquired:			
Cash and cash equivalents.....	\$ 890	\$ 2,917	\$ (2,027)
Subscriber accounts receivable, net.....	3,271	2,435	836
Prepaid expenses and other assets...	310	310	--
Liabilities assumed:			
Accounts payable and accrued expenses.....	4,102	18,975	(14,873)
Subscriber advance payments and deposits.....	3,031	823	2,208
Net working capital.....	\$(2,662)	\$(14,136)	\$ 11,474
	=====	=====	=====

- (b) Represents an increase to property, plant and equipment and intangible assets as a result of our acquisitions based on a preliminary allocation of the purchase price assuming estimated fair values of:

	Purchase Price	Other Net Assets	Estimated Fair Values Property, Plant and Equipment	Intangibles
	-----	-----	-----	-----
Original Triax purchase price.....	\$740,100	\$ --	\$ 296,040	\$ 444,060
Original Zylstra purchase price.....	19,500	--	7,800	11,700
Preliminary subscriber adjustment.....	9,026	--	3,610	5,416
Preliminary purchase price adjustment.....	(4,114)	--	(4,282)	168
Property, plant and equipment reclassified as inventory...	--	2,000	(2,000)	--
Net working capital .....	(2,662)	(2,662)	--	--
Subtotal.....	761,850	(662)	301,168	461,344
Closing costs.....	3,900	--	--	3,900
Total acquisition costs.....	\$765,750	\$ (662)	301,168	465,244
	=====	=====	-----	-----
Historical amounts.....			(167,082)	(165,228)
Increase.....			\$ 134,086	\$ 300,016
			=====	=====

- (c) Represents adjustment to other assets in connection with:

- . incurrence of \$7,000 in closing costs in connection with our subsidiary credit facilities;
- . elimination of unamortized deferred financing costs related to our former credit facilities of \$2,245; and
- . elimination of unamortized deferred loan costs and other costs of Triax of \$5,835.

(d) Represents the following adjustments to debt related to our acquisitions of the Triax and Zylstra systems:

Proceeds from our subsidiary credit facilities.....	\$ 796,879
Repayment of our former subsidiary credit facilities.....	(31,000)
Repayment of our unsecured senior subordinated note.....	(3,629)
Elimination of Triax and Zylstra debt.....	(409,324)
	-----
Increase to debt.....	\$ 352,926
	=====

(e) Represents adjustment to capital contributions in connection with:

- . the elimination of Triax and Zylstra contributed capital accounts of \$1,607;
- . additional capital contributions to Mediacom LLC by its members of \$10,500; and
- . a one-time \$12,500 non-recurring non-cash charge associated with amendments to the Mediacom Management management agreements, for which additional membership interests will be issued to an existing member of Mediacom LLC.

(f) Represents adjustments to accumulated deficit in connection with:

- . the elimination of Triax and Zylstra accumulated deficit accounts of \$86,922;
- . the write-off of unamortized deferred financing costs related to our former credit facilities of \$2,245; and
- . a one-time \$12,500 non-recurring non-cash charge associated with amendments to the Mediacom Management management agreements, for which additional membership interests will be issued to an existing member of Mediacom LLC.

(g) Represents the issuance of the Class A and Class B common stock upon the exchange of membership interests in Mediacom LLC for shares of our common stock and the issuance and sale of Class A common stock in this offering and repayment of \$280,500 of outstanding indebtedness under our subsidiary credit facilities with the net proceeds of this offering.

(h) Represents the recognition of a one-time \$4,318 non-recurring non-cash charge to record a net deferred tax liability as of June 30, 1999 that will be recognized upon the exchange of membership interests in Mediacom LLC for shares of our common stock.

(i) Reflects the elimination of members' equity upon the exchange of membership interests for shares of our common stock.

(j) Reflects the following assumptions:

- . reclassification of accumulated deficit to stockholders' equity from members' equity; and
- . recognition of a one-time \$4,318 non-recurring non-cash charge to record a net deferred tax liability as of June 30, 1999 that will be recognized upon the exchange of membership interests in Mediacom LLC for shares of our common stock.

SELECTED HISTORICAL CONSOLIDATED  
FINANCIAL AND OPERATING DATA

In the table below, we provide you with:

- . selected historical financial data for the years ended December 31, 1994 and 1995 and for the period from January 1, 1996 through March 11, 1996, and balance sheet data as of December 31, 1994 and 1995, and March 11, 1996, derived from the audited financial statements of Benchmark Acquisition Fund II Limited Partnership;
- . selected historical consolidated financial and operating data for the period from the commencement of our operations on March 12, 1996 to December 31, 1996 and for the years ended December 31, 1997 and 1998, and balance sheet data as of December 31, 1996, 1997 and 1998, derived from the audited consolidated financial statements of Mediacom LLC and should be read in conjunction with those statements, which are included in this prospectus; and
- . selected historical consolidated financial and operating data for the six months ended June 30, 1998 and 1999, and balance sheet data as of June 30, 1998 and 1999, derived from the unaudited consolidated financial statements of Mediacom LLC and should be read in conjunction with those statements, which are included in this prospectus.

In our opinion, the unaudited interim financial statements have been prepared on the same basis as the audited financial statements and include all adjustments, which consist only of normal recurring adjustments, necessary to present fairly the financial position and the results of operations for the interim periods. Financial and operating results for the six months ended June 30, 1999 are not necessarily indicative of the results that may be expected for the full year.

We were formed as a limited liability company in July 1995 and commenced our operations on March 12, 1996. Accordingly, since that time, our taxable income or loss has been included in the federal and certain state income tax returns of our members. Upon completion of this offering, we will become subject to the provisions of Subchapter C of the Internal Revenue Code. As a C corporation, we will be fully subject to the federal, state and local income taxes.

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

Selected Historical Consolidated Financial and Operating Data

	Predecessor(1)				Mediacom LLC(2)			
	Year Ended December 31, 1994	Year Ended December 31, 1995	January 1 Through March 11, 1996	March 12 Through December 31, 1996	Year Ended December 31, 1997	Year Ended December 31, 1998	Six Months Ended June 30,	
							1998	1999
	(dollars in thousands, except per share and per subscriber data)							
Statement of Operations Data:								
Revenues.....	\$ 5,075	\$ 5,171	\$1,038	\$ 5,411	\$ 17,634	\$ 129,297	\$ 60,068	\$ 74,178
Costs and expenses:								
Service costs.....	1,322	1,536	297	1,511	5,547	43,849	21,463	24,175
Selling, general and administrative expenses.....	1,016	1,059	222	931	2,696	25,596	11,541	14,502
Management fee expense(3).....	252	261	52	270	882	5,797	2,782	3,588
Depreciation and amortization.....	4,092	3,945	527	2,157	7,636	65,793	27,422	41,431
Operating income (loss).....	(1,607)	(1,630)	(60)	542	873	(11,738)	(3,140)	(9,518)
Interest expense, net(4).....	878	935	201	1,528	4,829	23,994	11,738	13,392
Other expenses.....	--	--	--	967	640	4,058	3,568	734
Provision (benefit) for income taxes(5)...								
Net loss.....	\$(2,485)	\$(2,565)	\$ (261)	\$ (1,953)	\$ (4,596)	\$ (39,790)	\$ (18,446)	\$(23,664)
Pro forma basic and diluted net loss per share(6).....								
Pro forma weighted average common shares outstanding.....								
Other Data:								
System cash flow(7)...	\$ 2,737	\$ 2,576	\$ 519	\$ 2,969	\$ 9,391	\$ 59,852	\$ 27,064	\$ 35,501
System cash flow margin(8).....	53.9%	49.8%	50.0%	54.9%	53.3%	46.3%	45.1%	47.9%
Annualized system cash flow(9).....								\$ 71,002
EBITDA(10).....	\$ 2,485	\$ 2,315	\$ 467	\$ 2,699	\$ 8,509	\$ 54,055	\$ 24,282	31,913
EBITDA margin(11).....	49.0%	44.8%	45.0%	49.9%	48.3%	41.8%	40.4%	43.0%
Annualized EBITDA(12).....								63,826
Net cash flows from operating activities..	\$ 1,395	\$ 1,478	\$ 226	\$ 237	\$ 7,007	\$ 53,556	\$ 31,803	17,306
Net cash flows used in investing activities..	(552)	(261)	(86)	(45,257)	(60,008)	(397,085)	(354,079)	(36,205)
Net cash flows (used in) from financing activities.....	(919)	(1,077)	--	45,416	53,632	344,714	322,657	18,242
Operating Data (end of period, except average):								
Homes passed(13).....				38,749	87,750	520,000	508,000	523,000
Basic subscribers(14).....				27,153	64,350	354,000	345,000	355,800
Basic penetration(15).....				70.1%	73.3%	68.1%	67.9%	68.0%
Premium service units(16).....				11,691	39,288	407,100	398,500	385,400
Premium penetration(17).....				43.1%	61.1%	115.0%	115.5%	108.3%
Average monthly revenues per basic subscriber(18).....							\$31.72	\$34.74
Annual system cash flow per basic subscriber(19).....							\$172	\$200
Annual EBITDA per basic subscriber(20)..							\$154	\$179
Balance Sheet Data (end of period):								
Total assets.....	\$11,755	\$ 8,149		\$ 46,560	\$102,791	\$ 451,152	\$ 449,225	\$448,410
Total debt.....	13,294	12,217		40,529	72,768	337,905	315,129	359,629
Total members' equity.....	(2,003)	(4,568)		4,537	24,441	78,651	99,995	55,007



Notes to Selected Historical Consolidated Financial and Operating Data

- (1) The selected historical financial data for the years ended December 31, 1994 and 1995 and for the period from January 1, 1996 through March 11, 1996 have been derived from the audited financial statements of the Benchmark Acquisition Fund II Limited Partnership. The Benchmark Acquisition Fund II Limited Partnership is our predecessor company.
- (2) We commenced operations on March 12, 1996 with the acquisition of the Ridgecrest system and have since completed eight additional acquisitions. See the financial statements and related notes included elsewhere in this prospectus. The historical results of operations of the systems acquired have been included from their respective dates of acquisition to the end of the period presented.
- (3) Represents fees paid to Mediacom Management for management services rendered to our operating subsidiaries. Mediacom Management utilizes these fees to compensate its employees as well as to fund its corporate overhead. The Mediacom Management management agreements were amended effective November 19, 1999 in connection with an amendment to Mediacom LLC's operating agreement. The amended agreements provide for management fees equal to 2% of annual gross revenues. Each of the management agreements will be terminated upon the completion of this offering. At that time, Mediacom Management's employees will become our employees and its corporate overhead will become our corporate overhead. These expenses will be reflected as our corporate expense, which we estimate will amount to approximately 2% of our annual gross revenues.
- (4) Net of interest income. Interest income for the periods presented is not material.
- (5) Represents an income tax provision (benefit) assuming the exchange of membership interests in Mediacom LLC for shares of our common stock. We have operating losses for the periods presented and have not reflected any tax benefit for such losses.
- (6) Represents the shares issued to effect the exchange of our common stock for the membership interests in Mediacom LLC as if these shares were outstanding for the periods presented.
- (7) Represents EBITDA (as defined in note 10 below) before management fee expense. System cash flow (a) is not intended to be a performance measure that should be regarded as an alternative either to operating income or net income as an indicator of operating performance or to the statement of cash flows as a measure of liquidity, (b) is not intended to represent funds available for debt service, dividends, reinvestment or other discretionary uses and (c) should not be considered in isolation or as a substitute for measures of performance prepared in accordance with generally accepted accounting principles. System cash flow is included in this prospectus because our management believes that system cash flow is a meaningful measure of performance commonly used in the cable television industry and by the investment community to analyze and compare cable television companies. Our definition of system cash flow may not be identical to similarly titled measures reported by other companies.
- (8) Represents system cash flow as a percentage of revenues. This measurement is used by us, and is commonly used in the cable television industry, to analyze and compare cable television companies on the basis of operating performance, for the reasons discussed in note 7 above.
- (9) Represents system cash flow for the six months ended June 30, 1999, multiplied by two. Our management believes this calculation provides a meaningful measure of performance, on an annualized basis, for the reasons discussed in note 7 above.
- (10) Represents operating income (loss) before depreciation and amortization. EBITDA (a) is not intended to be a performance measure that should be regarded as an alternative either to operating income or net income as an indicator of operating performance or to the statement of cash flows as a measure of liquidity, (b) is not intended to represent funds available for debt service, dividends, reinvestment or other discretionary uses and (c) should not be considered in isolation or as a substitute for measures of performance prepared in accordance with generally accepted accounting principles. EBITDA is included in this prospectus because our management believes that EBITDA is a meaningful measure of performance commonly used in the cable television industry and by the investment community to analyze and compare cable television companies. Our definition of EBITDA may not be identical to similarly titled measures reported by other companies.

- (11) Represents EBITDA as a percentage of revenues. This measurement is used by us, and is commonly used in the cable industry, to analyze and compare cable companies on the basis of operating performance, for the reasons discussed in note 10 above.
- (12) Represents EBITDA for the six months ended June 30, 1999, multiplied by two. Our management believes this calculation provides a meaningful measure of performance, on an annualized basis, for the reasons discussed in note 10 above.
- (13) Represents the number of single residence homes, apartments and condominium units passed by the cable distribution network in a cable system's service area.
- (14) Represents subscribers of a cable television system who receive a package of over-the-air broadcast stations, local access channels and/or certain satellite-delivered cable television services, and who are usually charged a flat monthly rate for a number of channels.
- (15) Represents basic subscribers as a percentage of total number of homes passed.
- (16) Represents the number of subscriptions to premium services. A subscriber may purchase more than one premium service, each of which is counted as a separate premium service unit. For the six months ended June 30, 1999, premium service units decreased primarily due to the Disney Channel being moved from a premium service to the basic programming packages in several of our cable systems.
- (17) Represents premium service units as a percentage of total number of basic subscribers. This ratio may be greater than 100% if the average basic subscriber subscribes to more than one premium service unit.
- (18) Represents average monthly revenues for the period divided by average monthly basic subscribers for such period. This measurement is commonly used in the cable television industry to analyze and compare cable companies on the basis of operating performance.
- (19) Represents annualized system cash flow for the period divided by average monthly basic subscribers for such period. This measurement is commonly used in the cable television industry to analyze and compare cable companies on the basis of operating performance.
- (20) Represents annualized EBITDA for the period divided by average monthly basic subscribers for such period. This measurement is commonly used in the cable television industry to analyze and compare cable companies on the basis of operating performance.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF  
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Introduction

We materially expanded our business in 1997 and 1998 through acquisitions. The acquisitions of the Zylstra and Triax systems in October and November 1999 together doubled the number of our basic subscribers. All acquisitions have been accounted for under the purchase method of accounting and, therefore, our historical results of operations include the results of operations for each acquired system, other than the Zylstra and Triax systems, subsequent to its respective acquisition date. As such, we do not believe the discussion and analysis of our historical financial condition and results of operations set forth below are indicative nor should they be relied upon as an indicator of our future performance.

General

Our revenues are primarily attributable to monthly subscription fees charged to basic subscribers for our basic and premium cable television programming services.

- . Basic revenues consist of monthly subscription fees for all services other than premium programming and also include monthly charges for customer equipment rental and installation fees.
- . Premium revenues consist of monthly subscription fees for programming provided on a per channel basis or as part of premium service packages.
- . Other revenues represent pay-per-view charges, late payment fees, advertising revenues and commissions related to the sale of goods by home shopping services.

The following table sets forth for the periods indicated the percentage of our total revenues attributable to the sources indicated:

	Period From March 12, 1996 to December 31, 1996	Year Ended December 31,		Six Months Ended June 30,	
		1997	1998	1998	1999
Basic revenues.....	80.0%	81.0%	80.0%	80.0%	81.0%
Premium revenues.....	8.0	9.0	15.0	15.0	13.0
Other revenues.....	12.0	10.0	5.0	5.0	6.0
Total revenues.....	100.0%	100.0%	100.0%	100.0%	100.0%
	=====	=====	=====	=====	=====

For the six months ended June 30, 1999, for each of the past two years and for the period ended December 31, 1996, we generated significant increases in revenues as a result of our acquisition activities, increases in monthly revenues per basic subscriber and internal subscriber growth.

Our operating expenses consist of service costs and selling, general and administrative expenses directly attributable to our cable systems. Service costs include fees paid to programming suppliers, expenses related to copyright fees, wages and salaries of technical personnel and plant operating costs. Programming fees have historically increased at rates in excess of inflation due to increases in the number of programming services we have offered and improvements in the quality of programming. We believe that under the FCC's existing cable rate regulations, we will be able to increase our rates for cable television services to more than cover any increases in the costs of programming. However, competitive factors may limit our ability to increase our rates. We benefit from our membership in a cooperative of cable television companies which serve over twelve million basic subscribers, which provides its members with significant volume discounts from programming suppliers and cable equipment vendors. Selling, general and administrative expenses directly attributable to our cable television systems include wages and salaries for customer service and administrative personnel, franchise fees and expenses related to billing, marketing, bad debt, advertising sales and office administration.



Mediacom Management provides management services to the operating subsidiaries of Mediacom LLC and receives annual management fees. Until November 19, 1999, management fees ranged from 4.0% to 5.0% of our annual gross revenues. The management agreements were revised effective November 19, 1999 in connection with an amendment to Mediacom LLC's operating agreement to provide for annual management fees equal to 2.0% of annual gross revenues. Also, Mediacom Management received an acquisition fee ranging from 0.5% to 1.0% of the purchase price of acquisitions made by Mediacom LLC and such fees are included in other expenses. Mediacom Management utilizes these fees to compensate its employees as well as to fund its corporate overhead. Mediacom Management has agreed to waive all management fees accrued from July 1, 1999 through November 19, 1999, and to waive the acquisition fees related to the acquisitions of the Triax and Zylstra systems. Each of the management agreements will be terminated upon the completion of this offering. At that time, Mediacom Management's employees will become our employees and its corporate overhead will become our corporate overhead. These expenses will be reflected as our corporate expense, which we estimate will amount to approximately 2% of our annual gross revenues. Also pursuant to the amendment to Mediacom LLC's operating agreement, no further acquisition fees will be payable.

The high level of depreciation and amortization associated with our acquisition activities as well as the interest expense related to our financing activities have caused us to report net losses in our limited operating history. We believe that such net losses are common for cable television companies and anticipate that we will continue to incur net losses for the foreseeable future.

EBITDA represents operating income (loss) before depreciation and amortization. EBITDA (a) is not intended to be a performance measure that should be regarded as an alternative either to operating income or net income as an indicator of operating performance or to the statement of cash flows as a measure of liquidity, (b) is not intended to represent funds available for debt service, dividends, reinvestment or other discretionary uses and (c) should not be considered in isolation or as a substitute for measures of performance prepared in accordance with generally accepted accounting principles. EBITDA is included in this prospectus because our management believes that EBITDA is a meaningful measure commonly used in the cable television industry and by the investment community. Our definition of EBITDA may not be identical to similarly titled measures reported by other companies.

No provision has been made in the pro forma consolidated statement of operations for federal, state or local income taxes since Mediacom LLC is a limited liability company, and its members are required to report their share of income or loss in their respective income tax returns. After the completion of this offering and the exchange of membership interests in Mediacom LLC for shares in our company, our results will be included in our corporate tax returns.

## Results of Operations

### Six Months Ended June 30, 1999 Compared to Six Months Ended June 30, 1998

The following historical information for the six months ended June 30, 1999 and 1998 includes the results of operations of the Clearlake system--acquired on January 9, 1998, the Cablevision systems--acquired on January 23, 1998, and the Caruthersville system--acquired on October 1, 1998, only for that portion of the respective period that such cable television systems were owned by us.

Revenues. Revenues increased by 23.5% to approximately \$74.2 million for the six months ended June 30, 1999, as compared to approximately \$60.1 million for the six months ended June 30, 1998 primarily as a result of:

- . the inclusion of the results of operations of cable television systems owned by us on June 30, 1999 and acquired by us during the six months ended June 30, 1998 for the full six month period in 1999;
- . an increase in the average monthly basic service rate of \$2.98 per basic subscriber; and
- . internal basic subscriber growth of 2.0%, excluding the acquisition of the Caruthersville system.

Service costs. Service costs increased by 12.6% to approximately \$24.2 million for the six months ended June 30, 1999, as compared to approximately \$21.5 million for the six months ended June 30, 1998.

Acquisitions of the Clearlake, Cablevision and Caruthersville systems accounted for substantially all of this increase. As a percentage of revenues, service costs were 32.6% for the six months ended June 30, 1999, as compared to 35.7% for the six months ended June 30, 1998.

Selling, general and administrative expenses. Selling, general and administrative expenses increased by 25.7% to approximately \$14.5 million for the six months ended June 30, 1999, as compared to approximately \$11.5 million for the six months ended June 30, 1998. Acquisitions of the Clearlake, Cablevision and Caruthersville systems accounted for approximately 43.3% of the total increase. Excluding systems acquired in 1998, these costs increased by approximately \$1.7 million primarily as a result of increased marketing costs associated with the promotion of new programming services and increased personnel expenses. As a percentage of revenues, selling, general and administrative expenses were 19.6% for the six months ended June 30, 1999, as compared to 19.2% for the six months ended June 30, 1998.

Management fee expense. Management fee expense increased by 29.0% to approximately \$3.6 million for the six months ended June 30, 1999, as compared to approximately \$2.8 million in the 1998 period, due to the higher revenues generated in the 1999 period.

Depreciation and amortization. Depreciation and amortization increased by 51.1% to approximately \$41.4 million for the six months ended June 30, 1999, as compared to approximately \$27.4 million in the 1998 period. This increase was substantially due to our acquisitions in 1998 and additional capital expenditures associated with the upgrade of our systems.

Operating loss. Due to the factors described above, we generated an operating loss of approximately \$9.5 million for the six months ended June 30, 1999, as compared to operating loss of \$3.1 million for the 1998 period.

Interest expense, net. Interest expense, net, increased by 14.1% to approximately \$13.4 million for the six months ended June 30, 1999, as compared to approximately \$11.7 million for the six months ended June 30, 1998. This increase was substantially due to higher average debt outstanding during the 1999 period as a result of debt incurred in connection with our acquisitions.

Other expenses. Other expenses decreased by 79.4% to approximately \$734,000 for the six months ended June 30, 1999, as compared to approximately \$3.6 million for the six months ended June 30, 1998. This decrease was principally due to acquisition fees incurred in the 1998 period in connection with the acquisition of the Clearlake system and the Cablevision systems.

Net loss. Due to the factors described above, we generated a net loss of approximately \$23.6 million for the six months ended June 30, 1999, as compared to a net loss of approximately \$18.4 million for the six months ended June 30, 1998.

EBITDA. EBITDA increased by 31.4% to approximately \$31.9 million for the six months ended June 30, 1999, as compared to approximately \$24.3 million for the six months ended June 30, 1998. This increase was substantially due to the inclusion of the results of operations of the Clearlake, Cablevision and Caruthersville systems for the full six-month period in 1999, and the other factors described above. As a percentage of revenues, EBITDA increased to 43.0% for the six months ended June 30, 1999, as compared to 40.4% for the six months ended June 30, 1998. On a pro forma basis, assuming the Clearlake, Cablevision and Caruthersville systems were owned and operated by us as of January 1, 1998, EBITDA increased by 23.3% for the six months ended June 30, 1999 over the comparable period in 1998.

Year Ended December 31, 1998 Compared to Year Ended December 31, 1997

The following historical information for the years ended December 31, 1998 and 1997 includes the results of operations of the Lower Delaware system--acquired on June 24, 1997, the Sun City system--acquired on September 19, 1997, the Clearlake system--acquired on January 9, 1998, the Cablevision systems--acquired on January 23, 1998, and the Caruthersville system--acquired on October 1, 1998, only for that portion of the respective period that such cable television systems were owned by us.

The Cablevision, Caruthersville, Clearlake, Lower Delaware and Sun City systems comprise a substantial portion of our basic subscribers. At December 31, 1998, these systems served 328,350 basic subscribers, representing 92.8% of the 354,000 subscribers served by us as of such date. Accordingly, the Cablevision, Caruthersville, Clearlake, Lower Delaware and Sun City systems have had a significant impact on the results of operations for the year ended December 31, 1998, compared to the prior year. Consequently, we believe that any comparison of our results of operations between the years ended December 31, 1998 and 1997 are not indicative of our results of operations in the future.

Revenues. Revenues increased to approximately \$129.3 million for the year ended December 31, 1998, as compared to approximately \$117.6 million for the prior year principally due to:

- . the inclusion of the results of operations of the Lower Delaware and Sun City systems for the full year ended December 31, 1998;
- . the inclusion of the results of operations of the Clearlake, Cablevision and Caruthersville systems from their respective acquisition dates;
- . the implementation of average monthly basic service rate increases of \$3.34 per basic subscriber; and
- . internal basic subscriber growth of 2.5%.

Service costs. Service costs increased to approximately \$43.8 million for the year ended December 31, 1998, as compared to approximately \$5.5 million for the prior year. Substantially all of this increase was due to the inclusion of the results of operations of the Cablevision, Caruthersville, Clearlake, Lower Delaware and Sun City systems. As a percentage of revenues, service costs were approximately 33.9% in 1998, as compared to approximately 31.5% in 1997.

Selling, general and administrative expenses. Selling, general and administrative expenses increased to approximately \$25.6 million for the year ended December 31, 1998, as compared to approximately \$2.7 million for the prior year. Substantially all of this increase was due to the inclusion of the results of operations of the Cablevision, Caruthersville, Clearlake, Lower Delaware and Sun City systems. As a percentage of revenues, selling, general and administrative expenses were approximately 19.8% in 1998, as compared to approximately 15.3% in 1997.

Management fee expense. Management fee expense increased to approximately \$5.8 million for the year ended December 31, 1998, as compared to approximately \$882,000 for the prior year due to the higher revenues generated in 1998.

Depreciation and amortization. Depreciation and amortization increased to approximately \$65.8 million for the year ended December 31, 1998, as compared to approximately \$7.6 million for the prior year. Depreciation increased primarily by the inclusion of the acquisitions described above.

Operating income (loss). Due to the factors described above, we generated an operating loss of approximately \$11.7 million for the year ended December 31, 1998, as compared to operating income of approximately \$873,000 for the prior year.

Interest expense, net. Interest expense, net, increased to approximately \$24.0 million for the year ended December 31, 1998, as compared to approximately \$4.8 million for the prior year. This increase was substantially due to the additional debt incurred in connection with the acquisitions described above.

Other expenses. Other expenses increased to approximately \$4.1 million for the year ended December 31, 1998, as compared to approximately \$640,000 for the prior year. This increase was substantially due to acquisition fees paid to Mediacom Management in connection with the acquisitions described above.

Net loss. Due to the factors described above, we generated a net loss of approximately \$39.8 million for the year ended December 31, 1998, as compared to a net loss of approximately \$4.6 million for the prior year.

EBITDA. EBITDA increased to approximately \$54.1 million for the year ended December 31, 1998, as compared to approximately \$8.5 million for the prior year. This increase was substantially due to the inclusion of the results of operations of the Cablevision, Caruthersville, Clearlake, Lower Delaware and Sun City systems. As a percentage of revenues, EBITDA decreased to 41.8% for the year ended December 31, 1998, as compared to 48.3% for the prior year. This decrease was principally due to the higher programming costs and selling, general and administrative expenses of the Cablevision, Caruthersville, Clearlake, Lower Delaware and Sun City systems in relation to the revenues generated by such cable television systems.

Year Ended December 31, 1997 Compared to the Period from March 12, 1996 to December 31, 1996

The following historical information includes the results of operations of the Ridgecrest system--acquired on March 12, 1996, which is the date of commencement of our operations, the Kern Valley system--acquired on June 28, 1996, the Valley Center and Nogales systems--acquired on December 27, 1996, the Lower Delaware system--acquired on June 24, 1997 and the Sun City system--acquired on September 19, 1997, only for that portion of the respective period that such systems were owned by us.

Revenues. Revenues increased to approximately \$17.6 million for the year ended December 31, 1997, as compared to approximately \$5.4 million for the period ended December 31, 1996, principally due to the inclusion of:

- . the full year of results of operations of the Ridgecrest, Kern Valley, Nogales and Valley Center systems;
- . the results of operations of the Lower Delaware system from the date of its acquisition on June 24, 1997; and
- . the results of operations of the Sun City system from the date of its acquisition on September 19, 1997.

Service costs. Service costs increased to approximately \$5.5 million for the year ended December 31, 1997, as compared to approximately \$1.5 million for the period ended December 31, 1996. Substantially all of this increase was due to the inclusion of the results of operations of Lower Delaware and Sun City systems and the full year of results of the Ridgecrest, Kern Valley, Nogales and Valley Center systems. As a percentage of revenues, service costs were approximately 31.5% in 1997, as compared to approximately 27.9% in 1996.

Selling, general and administrative expenses. Selling, general and administrative expenses increased to approximately \$2.7 million for the year ended December 31, 1997, as compared to approximately \$931,000 for the period ended December 31, 1996. Substantially all of this increase was due to the inclusion of the results of operations of the aforementioned acquisitions in 1997 and the full year of results of operations of the Ridgecrest, Kern Valley, Nogales and Valley Center systems. As a percentage of revenues, selling, general and administrative expenses were approximately 15.3% in 1997, as compared to approximately 17.2% in 1996.

Management fee expense. Management fee expense increased to approximately \$882,000 for the year ended December 31, 1997, as compared to approximately \$270,000 for the period ended December 31, 1996, due to the higher revenues generated in 1997.

Depreciation and amortization. Depreciation and amortization increased to approximately \$7.6 million for the year ended December 31, 1997, as compared to approximately \$2.2 million for the period ended December 31, 1996. This increase was substantially due to the inclusion of the results of operations of the acquisitions described above.

Operating income. Due to the factors described above, we had operating income of approximately \$873,000 for the year ended December 31, 1997, as compared to operating income of approximately \$542,000 for the period ended December 31, 1996.

Interest expense, net. Interest expense, net, increased to approximately \$4.8 million for the year ended December 31, 1997, as compared to approximately \$1.5 million for the period ended December 31, 1996. This increase was principally due to the increased levels of debt incurred in connection with the Lower Delaware and Sun City systems.

Other expenses. Other expenses decreased to approximately \$640,000 for the year ended December 31, 1997, as compared to approximately \$967,000 for the period ended December 31, 1996. This decrease was principally due to pre-acquisition expenses recorded in 1996.

Net loss. Due to the factors described above, we generated a net loss of approximately \$4.6 million for the year ended December 31, 1997, as compared to a net loss of approximately \$2.0 million for the period ended December 31, 1996.

EBITDA. EBITDA increased to approximately \$8.5 million for the year ended December 31, 1997, as compared to approximately \$2.7 million for the prior year. This increase was substantially due to the inclusion of the results of operations of the Lower Delaware and Sun City systems and the results of operations for the full year of the Ridgecrest, Kern Valley, Nogales and Valley Center systems. As a percentage of revenues, EBITDA decreased to 48.3% for the year ended December 31, 1997, as compared to 49.9% for the period ended December 31, 1996. This decrease was principally due to the higher programming costs of the cable television systems acquired during 1997 in relation to the revenues generated by such cable television systems.

#### Liquidity and Capital Resources

Our business requires substantial capital for the upgrade, expansion and maintenance of the cable network. In addition, we have pursued, and will continue to pursue, a business strategy that includes selective acquisitions. We have funded our working capital requirements, capital expenditures and acquisitions through a combination of internally generated funds, long-term borrowings and equity contributions. We intend to continue to finance such expenditures through the same sources.

During the third quarter of 1998, we modified our previously disclosed five-year system upgrade program by accelerating its planned completion date to June 30, 2000. Upon completion, we anticipate that 85% of our customers, excluding the Triax and Zylstra customers, will be served by systems with 550MHz to 750MHz bandwidth capacity.

As a result of our accelerated capital improvement program, total capital expenditures were \$53.7 million for the year ended December 31, 1998 and \$35.9 million for the six months ended June 30, 1999. For the year ended December 31, 1998, and for the six months ended June 30, 1999, net cash flows from operations were \$53.6 million and \$17.3 million, respectively, which together with borrowings under our subsidiary credit facilities, funded such capital expenditures. We anticipate that total capital expenditures will be approximately \$76.0 million during 1999. We intend to use net cash flows from operations and borrowings under our subsidiary credit facilities to fund these capital expenditures.

As a result of our recent acquisitions of the Triax and Zylstra systems, we have updated our capital improvement program and now expect to spend approximately \$400 million over the three-year period ending December 2002, of which approximately \$240 million will be invested to upgrade the cable network and approximately \$160 million will be used for plant expansion, digital headend and set-up boxes, cable modems and maintenance. We expect to fund these expenditures through net cash flows from operations and additional borrowings under our subsidiary credit facilities. By December 2002, including the Triax and Zylstra systems, we anticipate:

- . 91% of our basic subscribers will be served by systems with 550MHz to 750MHz bandwidth capacity and two-way communications capability; and

- . 369 headend facilities will be eliminated, resulting in 90 headend facilities serving all of our basic subscribers and 30 headend facilities serving 84% of our basic subscribers.

From commencement of our operations in March 1996 through December 1998, we acquired nine cable systems for an aggregate purchase price of \$432.4 million, before closing costs and adjustments. In October and November 1999, we spent \$759.6 million, before closing costs and adjustments, to acquire the Triax and Zylstra systems.

To finance our acquisitions, working capital requirements and capital expenditures and to provide liquidity for future capital needs, we had completed the following financing arrangements as of November 1999:

- . \$200.0 million offering of our 8 1/2% senior notes due April 2008;
- . \$125.0 million offering of our 7 7/8% senior notes due February 2011;
- . \$550.0 million subsidiary credit facility expiring in September 2008;
- . \$550.0 million subsidiary credit facility expiring in December 2008; and
- . \$135.4 million of equity capital contributed by the members of Mediacom LLC.

As of November 10, 1999, we had entered into interest rate swap agreements, which expire from 2000 through 2002, to hedge a notional amount of \$50.0 million of floating rate debt under the subsidiary credit facilities. As of such date, the weighted average interest rate on all indebtedness outstanding under our subsidiary credit facilities was approximately 7.9%, before giving effect to the aforementioned interest rate swap agreements. As of November 10, 1999, we had \$278.0 million of unused credit commitments.

We are regularly presented with opportunities to acquire cable systems that are evaluated on the basis of our acquisition strategy. Although we presently do not have any definitive agreements or letters of intent to acquire or sell any of our cable systems, other than the five letters of intent to acquire the systems serving approximately 28,000 basic subscribers, from time to time we negotiate with prospective sellers to acquire additional cable systems. These potential acquisitions are subject to the negotiation and completion of definitive documentation, which will include customary representations and warranties and will be subject to a number of closing conditions. No assurance can be given that such definitive documents will be entered into or that, if entered into, the acquisitions will be completed.

Although we have not generated earnings sufficient to cover fixed charges, we have generated cash and obtained financing sufficient to meet our debt service, working capital, capital expenditure and acquisition requirements. We expect that we will continue to be able to generate funds and obtain financing sufficient to service our obligations and complete our pending acquisitions. There can be no assurance that we will be able to complete the financing arrangements described above, or, if we were able to do so, that the terms would be favorable to us.

#### Recent Pronouncements

In 1998, Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities," was issued. SFAS 133 establishes accounting and reporting standards requiring that every derivative instrument be recorded in the balance sheet as either an asset or liability measured at its fair value. We will adopt SFAS 133 in 2001, but have not quantified the impact or not yet determined the timing or method of the adoption.

## Inflation and Changing Prices

Our systems' costs and expenses are subject to inflation and price fluctuations. Since changes in costs can be passed through to subscribers, such changes are not expected to have a material effect on our results of operations.

## Year 2000 Compliance

We have formed a Year 2000 program management team responsible for overseeing, coordinating and reporting on the Year 2000 remediation efforts. We have implemented a company-wide effort to assess and remediate our computer systems, related software and equipment to ensure such systems, software and equipment recognize, process and store information in the year 2000 and thereafter. Our Year 2000 remediation efforts include an assessment of our most critical systems, such as customer service and billing systems, headend facilities, business support operations and other equipment and facilities. We are also verifying the Year 2000 readiness of our significant suppliers and vendors.

Our Year 2000 program management team has defined a four-phase approach to determining the Year 2000 readiness of our internal systems, software and equipment. This approach is intended to provide a detailed method for tracking the evaluation, repair and testing of systems, software and equipment, as follows:

1. Assessment--involves the inventory of all systems, software and equipment and the identification of any Year 2000 issues.
2. Remediation--involves repairing, upgrading and/or replacing any non-compliant equipment and systems.
3. Testing--involves testing systems, software and equipment for Year 2000 readiness, or in certain cases, relying on test results provided to us by outside vendors.
4. Implementation--involves placing compliant systems, software and equipment into production or service.

As of September 30, 1999, our assessment and remediation were substantially complete, other than the Triax and Zylstra systems, and testing and implementation were 80% complete, with final completion expected by the fourth quarter of 1999.

The completion dates set forth above are based on current expectations. However, due to the uncertainties inherent in Year 2000 remediation, no assurances can be given as to whether such projects will be completed on such dates.

We acquired the Zylstra systems in October 1999 and the Triax systems in November 1999, and we are monitoring the Year 2000 remediation process for such systems to ensure completion of remediation promptly after acquisition of these systems. However, we cannot determine at this time the materiality of information technology and non-information technology issues, if any, relating to the Year 2000 problem affecting those cable systems. We have included these acquisitions in our Year 2000 program, and we are not currently aware of any likely material system failures relating to the Year 2000 affecting those systems.

## Third Party Systems, Software and Equipment

We purchase most of our technology from third parties. Our Year 2000 program management team has surveyed the significant third-party vendors and suppliers whose systems, services or products are important to our operations: for example, suppliers of addressable controllers and set-top boxes, and the provider of billing services. The Year 2000 readiness of such providers is critical to the continued provision of cable television service without interruption. Our Year 2000 project management team has received information that the most critical systems, services or products supplied to our cable television systems by third-parties are either Year

2000 ready or are expected to be Year 2000 ready by the fourth quarter. Our Year 2000 project management team is developing contingency plans for systems provided by vendors who have not responded to its surveys or systems that may not be Year 2000 ready in a timely fashion. As of June 30, 1999, approximately 40% of our significant third-party vendors had not responded to the project management team surveys.

In addition to the survey process described above, our Year 2000 project management team has identified our most critical supplier/vendor relationships and has instituted a verification process to determine the vendors' Year 2000 readiness. Such verification includes reviewing vendors' test and other data and engaging in regular communications with vendors' Year 2000 teams. We are currently testing to validate the Year 2000 compliance of critical products and services.

#### Costs

As of June 30, 1999, we have not incurred material Year 2000 costs. Although no assurances can be given, we currently expect that the total projected costs associated with the Year 2000 program for our existing operations will be less than \$350,000.

#### Contingency Plans

The failure to correct a material Year 2000 problem could result in an interruption or failure of important business operations. We believe that our Year 2000 program will significantly reduce risks associated with the changeover to the Year 2000 and are currently developing contingency plans to minimize the effect of any potential Year 2000 related disruptions which relate to systems, software, equipment and services that we have deemed critical in regard to customer service, business operations, financial impact or safety. These include:

- . the failure of addressable controllers contained in some headend facilities could disrupt the delivery of premium services to customers and could necessitate crediting customers for failure to receive such premium services;
- . a failure of the services provided by our billing systems service provider could result in a loss of customer records which could disrupt the ability to bill customers for a protracted period; and
- . advertising revenue could be adversely affected by the failure of advertising insertion equipment which could impede or prevent the insertion of advertising spots in cable television programming.

The financial impact of any or all of the above worst-case scenarios has not been and cannot be estimated by us due to the numerous uncertainties and variables associated with such scenarios.



## INDUSTRY

The following section and other parts of this prospectus contain cable industry terms and technical jargon which readers of this prospectus may find unfamiliar. We have therefore included a glossary in this prospectus beginning on page G-1 to assist readers unfamiliar with these terms. Unless otherwise specified, all cable television industry statistical data in this prospectus are from Paul Kagan Associates, Inc., a leading cable television industry publisher.

The U.S. cable television industry is projected to pass 96.6 million homes and serve 67.3 million basic subscribers, representing a penetration of 69.7%, as of December 31, 1999. Over the past six years, the industry has experienced a compound annual growth rate of 2.7% in basic subscribers and 8.4% in total revenues. It is estimated that the annual revenues of the U.S. cable television industry will be \$36.9 billion in 1999 and will grow to \$66.4 billion in 2004. The following table details the projected revenues and growth rates of core cable services, digital video, high-speed data and telephony from 1999 to 2004:

	1999	2004	CAGR(1)
-----			
(dollars in millions)			
Core cable services(2).....	\$34,384	\$45,892	5.9%
Digital video(3).....	1,275	8,091	44.7
High-speed data.....	503	3,805	49.9
Telephony(4).....	727	8,602	63.9
-----			
Total revenues .....	\$36,889	\$66,390	12.5%
=====			

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- (1) CAGR means compound annual growth rate.
  - (2) Includes basic cable, premium services, advanced analog, local advertising, home shopping, equipment rental and installation.
  - (3) Includes digital video, pay-per-view, near video-on-demand, video-on-demand and other interactive services.
  - (4) Includes business and residential.

The compound annual growth rate in revenues from core cable services is projected to slow to 5.9% as a result of increased competition in the multichannel video marketplace and lower subscriber growth rates. We believe, however, that the cable industry's higher projected total revenues growth during the next five years will be fueled by a dramatic increase in consumer awareness of and demand for new broadband services.

- . Digital Video. On an industry-wide basis, 5.1 million customers are projected to subscribe to a digital cable service as of December 31, 1999. By the end of 2000, the number of digital service customers is projected to increase to 10.6 million, representing a penetration of 15.6% of basic subscribers, and to 33.6 million by 2004, representing a penetration of 47.3% of basic subscribers.
- . Two-Way, High-Speed Data. Cable companies currently deliver Internet services to over 200 markets throughout the United States, and over 1.6 million households are projected to receive Internet access from their cable providers by December 31, 1999. The number of homes passed by cable systems offering high-speed, residential cable Internet services is projected to increase from 29.0 million homes in 1999 to 39.0 million homes by 2000 and to 62.9 million homes by 2004. The number of high-speed Internet service customers is expected to be 3.3 million by the end of 2000, representing a penetration of 3.4% of homes passed, and is further expected to increase to 12.7 million homes by the end of 2004, representing a penetration of 12.5% of homes passed.
- . Telephony. The number of cable telephony customers is expected to be 600,000 by the end of 2000, representing a penetration of 9.0% of the marketed homes, and 9.8 million customers by 2004, representing a penetration of 25.0%.

We believe that the increase in consumer demand for and availability of new broadband services will be driven largely by the following developments:

#### Internet

A significant development for the cable television industry has been the emergence of the Internet as a mass medium for commerce and communications. International Data Corporation estimates that there were approximately 142 million worldwide users of the Internet at the end of 1998 and that the number of users will grow to 502 million by the end of 2003. The growth in the number of users, together with the wealth of content available on the Internet, have led to sharp increases in the daily traffic volume on the Internet. The ability of Internet service providers to attract and retain customers is largely based on their capacity to deliver content quickly and reliably. The combination of richer content and rapidly increasing volume of usage on the Internet can lengthen the time required for a user to download information over traditional telephone networks. This has caused Internet users to seek alternative providers, such as cable television operators, that have the technical infrastructure to deliver higher speeds.

#### Telecommunications Act of 1996

The Telecommunications Act of 1996, the first comprehensive revision of the federal telecommunications laws since 1934, has led to a sharp acceleration of the industry's evolution. Among other things, this new law intended to promote competition in the local telephone markets for the first time. Today, several of the nation's largest cable operators offer local phone service. We believe recent developments, including AT&T's purchase of Tele-Communications, Inc., AT&T's proposed purchase of MediaOne, Inc. and AT&T's proposed joint ventures with six other cable operators, will likely accelerate the pace of development of the voice telephony business for the cable industry.

#### Competition

Cable television operators face increasing competition from satellite, wireless and wireline competitors in the delivery of multichannel video programming. From 1993 to 1999, these alternative providers increased their market share from 3.1% to nearly 16.0% of total television households. During this same period, however, cable television's penetration of homes passed increased from 63.1% to 69.7% due to the cable industry's introduction of an array of core cable products and services, greater technical reliability of its network and the enhanced quality of its customer service which has resulted in improved customer satisfaction. In response to increasing competition and to meet the growing needs of their customers, cable operators are rapidly upgrading their broadband networks with new technologies to provide their customers with new and enhanced products and services.

#### Technology

Most cable operators' upgrade programs feature the use of high capacity, hybrid fiber optic coaxial architecture, referred to as HFC architecture, in their network design. The HFC architecture combines the use of fiber optic cable, which can carry hundreds of video, data and voice channels over extended distances, with coaxial cable, which is the most efficient delivery medium for the connection to the home. As a result, fiber optics and advanced transmission technology has made it cost-effective for cable operators to consolidate headends to create large regional networks. This modern network architecture can provide cable customers with a wide array of enhanced video, voice and high-speed data communications possibilities. The cable television industry as a whole invested in excess of \$7.7 billion in 1998 to maintain and upgrade cable networks, creating an enhanced platform for the delivery of digital television, two-way, high-speed Internet access, interactive services and telephony.

## Introduction

We are the eighth largest cable operator in the United States, based on customers served by wholly-owned systems after giving effect to our pending acquisitions and recently announced industry transactions. Our cable systems pass approximately 1.1 million homes and serve approximately 740,000 basic subscribers, including our pending acquisitions. Mediacom LLC was founded in July 1995 by Rocco B. Commisso, our Chairman and Chief Executive Officer, to acquire and develop cable television systems serving principally non-metropolitan markets of the United States.

Since commencement of our operations in March 1996, we have experienced significant growth in basic subscribers, revenues and cash flows. We have deployed a disciplined strategy of acquiring underperforming cable systems primarily in markets with favorable demographic profiles. Through June 1999, we spent approximately \$432.4 million to complete nine acquisitions of cable systems that served 355,800 basic subscribers. In October and November 1999, for approximately \$759.6 million, we acquired the cable systems of Triax and Zylstra that served 355,500 basic subscribers as of June 30, 1999. On a pro forma basis, our 1998 revenues were \$272.3 million and EBITDA was \$124.5 million. On the same basis, for the six months ended June 30, 1999, our revenues were \$143.9 million and EBITDA was \$68.4 million.

We also have generated strong internal growth and improved the operating and financial performance of our systems. These results have been achieved primarily through the introduction of an expanded array of core cable television products and services made possible by the rapid upgrade of our cable network and through the successful integration of our acquired systems.

## Business Strategy

Our objective is to become the leading cable operator focused on providing entertainment, information and telecommunications services in non-metropolitan markets of the United States. The key elements of our strategy are to:

## Improve the Operating and Financial Performance of Our Acquired Cable Systems

We seek to rapidly integrate our acquired cable systems and improve their operating and financial performance. Prior to completion of an acquisition, we formulate plans for customer care and billing improvements, network upgrades, headend consolidation, new product and service launches, competitive positioning and human resource requirements. After completing an acquisition, we implement managerial, operating, purchasing, personnel and engineering changes designed to effect these plans.

Assuming all our systems, excluding the Triax and Zylstra systems, were acquired on January 1, 1997, in 1998 our revenues grew by 13.0%, EBITDA increased by 31.9%, the EBITDA margin improved from 35.1% to 41.0% and our internal subscriber growth was 2.5% compared to the prior year. Based on the same assumptions, for the six months ended June 30, 1999, our revenues increased by 11.5%, EBITDA increased by 23.3%, the EBITDA margin improved from 40.8% to 43.0% and our internal subscriber growth was 2.0% compared to the corresponding period in 1998.

## Develop Efficient Operating Clusters

Our systems are managed through six operating clusters, including Triax and Zylstra systems, by management teams that oversee local system activities and operate autonomously within financial and operating guidelines established by our corporate office. To enhance these clusters, our acquisition strategy focuses, in part, on acquiring or trading for systems in close proximity to our own systems. By further concentrating the geographic clustering of our cable systems, we expect additional operating efficiencies through the consolidation of many managerial, customer service, marketing, administrative and technical functions.

The clustering of systems also enables us to consolidate headend facilities, resulting in lower fixed capital costs on a per home basis as we introduce new and enhanced products and services because of the larger number of customers served by a single headend facility. As a result of our clustering and upgrade program, we expect to reduce the number of our headend facilities from 459 as of June 30, 1999 to 90 by December 2002, so that 84% of our customers will be served from 30 headend facilities.

#### Rapidly Upgrade Our Cable Network

We are rapidly upgrading our cable network to provide new and enhanced products and services, improve our competitive position and increase overall customer satisfaction. By December 2002, we anticipate that 91% of our basic subscribers will be served by cable systems with 550MHz to 750MHz bandwidth capacity and two-way communications capability. As part of our upgrade program, we plan to deploy over 10,000 route miles of fiber optic cable to create large regional fiber optic networks with the potential to provide advanced telecommunications services. Our upgrade plans will allow us to:

- . offer digital cable television, two-way, high-speed Internet access and interactive video;
- . increase channel capacity to a minimum of 82 channels, and significantly more with digital video technology;
- . activate the two-way communications capability of our systems, which will give our customers the ability to send and receive signals over our cable network;
- . eliminate 369 headend facilities, lowering our fixed capital costs on a per home basis as we introduce new products and services; and
- . utilize our fiber optic networks to offer advanced telecommunications services.

#### Introduce New and Enhanced Products and Services

We have acquired cable systems that prior to our ownership generally underserved their customers. We believe that significant opportunities exist to increase our revenues by expanding the array of products and services we offer. We have used and will continue to use the expanded channel capacity of our upgraded systems to introduce several new basic programming services, additional premium services and numerous pay-per-view channels.

Utilizing digital video technology, we are offering multiple packages of premium services, several pay-per-view channels on a near video-on-demand basis, digital music services and interactive program guides. By December 1999, we expect to offer digital cable services in systems passing 243,000 homes. As a result of our strategic relationship with SoftNet's ISP Channel, we expect to accelerate the deployment of two-way, high-speed Internet access throughout our systems. By December 1999, we plan to launch ISP Channel's two-way, high-speed Internet access service in systems passing over 155,000 homes. In addition, we are currently exploring opportunities in interactive video programming and telecommunications services.

#### Maximize Customer Satisfaction to Build Customer Loyalty

As a result of our strong regional and local management presence, we are more responsive to customer needs and preferences and better positioned to strengthen relations with the local government authorities and the communities we serve. We seek a high level of customer satisfaction by providing superior customer service and attractively priced product and service offerings. We believe our investments in the cable network are increasing customer satisfaction as a result of a wide array of new product and service introductions, greater technical reliability and improved quality of service. We have implemented stringent internal customer service standards, which we believe meet or exceed those established by the National Cable Television Association. We have regional calling centers servicing 87% of our customers that are staffed with dedicated personnel who provide service 24 hours a day, seven days a week. We believe that our focus on customer service has enhanced

our reputation in the communities we serve, which has increased customer loyalty and the potential demand for our new and enhanced products and services.

#### Acquire Underperforming Cable Systems Principally in Non-Metropolitan Markets

Our disciplined acquisition strategy targets underperforming cable systems serving primarily non-metropolitan markets with favorable demographic profiles. These systems are typically within the top 50 to 100 television markets and small and medium-sized communities where customers generally require cable to clearly receive a full complement of off-air television signals. We believe that there are advantages in acquiring and operating cable systems in such markets, including:

- . less direct competition given the lower housing densities and the resulting higher costs per customer of constructing a cable network;
- . higher penetration levels of our services and lower customer turnover as a result of fewer competing entertainment alternatives; and
- . generally lower overhead and operating costs than those incurred by cable operators serving larger markets.

In addition, we seek to acquire or trade for cable systems in close proximity to our existing operations because it is more cost effective to provide cable television and advanced telecommunications services over an expanded subscriber base within a concentrated geographic area. We believe that we may be able to purchase "fill-in" acquisitions at favorable prices in geographic regions where we are the dominant provider of cable television services. In the second half of 1999, we signed five letters of intent to acquire cable systems serving approximately 28,000 subscribers located in close proximity to our systems, thereby complementing our operating clusters.

#### Implement a Flexible Financing Structure

To support our business strategy and enhance our financial flexibility, we have developed a financing strategy utilizing a blend of equity and debt capital to complement our acquisition and operating activities. We have diversified our sources of debt capital by raising long term debt at the holding company level, while utilizing our subsidiaries to access debt principally in the commercial bank market, through stand-alone borrowing groups.

We believe our financing strategy is beneficial because it broadens our access to various equity and debt markets, enhances our flexibility in managing our capital structure, reduces the overall cost of debt capital and permits us to maintain a substantial liquidity position in the form of unused and available subsidiary credit facilities. We intend to use the net proceeds of this offering to repay approximately \$280.5 million of outstanding indebtedness under our subsidiary credit facilities. As a result, we will improve our financial leverage, increase our unused credit commitments to approximately \$584 million and lower our overall cost of debt capital to 7.3%.

#### Products and Services

We provide our customers with the ability to tailor their product selection from a full array of core cable television services. In addition, we have begun to offer our customers new and enhanced products and services such as digital cable services and two-way, high-speed Internet access. We also are exploring opportunities in interactive video programming and telecommunications services.

## Core Cable Television Services

We design both our basic channel line-up and our additional channel offerings for each system according to demographics, programming preferences, channel capacity, competition, price sensitivity and local regulation. Our core cable television service offering includes the following:

**Limited Basic.** Our limited basic service includes, for a monthly fee, local broadcast channels, network and independent stations, available over-the-air limited satellite-delivered programming, and local public, government, home-shopping and leased access channels.

**Family Cable.** Our Family Cable service includes, for an additional monthly fee, various satellite-delivered, non-broadcast channels such as CNN, MTV, USA Network, ESPN, Lifetime, Nickelodeon and TNT.

**Premium Channels.** These services are satellite delivered channels consisting principally of feature films, original programming, live sports events, concerts and other special entertainment features, usually presented without commercial interruption. HBO, Cinemax, Showtime, The Movie Channel and Starz are typical examples. Such premium programming services are offered by the systems both on a per-channel basis and as part of premium service packages designed to enhance customer value and to enable us to take advantage of programming agreements offering cost incentives based on premium service unit growth.

The significant expansion of bandwidth capacity, resulting from our capital improvement program, will allow us to expand the use of tiered and multichannel packaging strategies for marketing and promoting premium and niche programming services. We believe that these packaging strategies will increase basic and premium penetration as well as revenue per basic subscriber.

**Pay-Per-View.** These channels allow customers to pay to view a single showing of a feature film, live sporting event, concert and other special event, on an unedited, commercial-free basis. Such pay-per-view services are offered by us on a per-viewing basis, with subscribers only paying for programs which they select for viewing.

## Digital Cable Services

Digital video technology is a computerized method of defining, transmitting and storing information that makes up a television signal. Digital video technology allows us to greatly increase our channel offerings through the use of compressed digital video technology, which converts one analog channel into eight to 12 digital channels. The digitally compressed signal is uplinked to a satellite, which sends the signal back down to our cable system's headend to be distributed, via optical fiber and coaxial cable, to our customer's home. A digital capable set-top box in the customer's home converts the digital signal back into an analog format so that it can be viewed on a normal television screen. We believe the implementation of digital technology has significantly enhanced and expanded the video and service offerings we provide to our customers.

We provided our digital video customers with programming packages that include:

- . up to 41 multichannel premium services;
- . 35 pay-per-view movie and sports channels;
- . up to 45 channels of digital music; and
- . an interactive on-screen program guide to help them navigate the new digital choices.

We introduced digital cable services in June 1999. To date, we have achieved a penetration of 6.8%, representing the number of digital customers as a percentage of basic subscribers, in the two systems where digital cable services have been available since June 1999. For the month of October 1999, per customer revenue was approximately \$19.00 for our digital service. By December 1999, we expect to offer digital cable services in systems passing approximately 238,000 homes. We expect to rapidly introduce digital cable

television in our remaining systems, including the Triax and Zylstra systems, as we increase the channel capacity of our cable network and consolidate our headend facilities.

#### High-Speed Internet Access

We plan to introduce two-way, high-speed Internet access over our network in substantially all of our systems. The broadband cable network enables data to be transmitted up to 100 times faster than traditional telephone modem technologies. This high-speed capability allows our cable modem customer to download large files from the Internet in a fraction of the time required when using the traditional telephone modem. It also allows much quicker response times when surfing the Internet, providing a richer experience for the customer. In addition, the two-way communications capability of the cable Internet connection eliminates the need for a telephone line, is always on and does not require the customer to dial into the Internet service provider and await authorization.

To ensure that inter-operable, non-proprietary cable modems are made available for purchase by customers on a retail basis, the cable industry has developed general software operating standards, known as Data Over Cable Service Interface Specifications or DOCSIS. As of July 1999, ten cable industry vendors, including equipment manufacturers such as Cisco, Motorola and Nortel/Antec received official certification from Cable Television Laboratories. As a result, standardized cable modems are currently available for purchase through various distribution channels including retail outlets, bundled with personal computer purchases, and directly through the cable operator. Such availability will allow customers to use these modems in different systems similar to the traditional telephone modem, and should accelerate the deployment of high speed internet access over cable networks.

We believe that the speed, ease of installation and ubiquity of cable modems will increase the use and impact of the Internet. Furthermore, we believe that the cable television network combined with DOCSIS standards is currently the best vehicle to deliver all Internet Protocol services including Internet access, broadband content, streaming media and Internet Protocol telephony to our customers both on the computer and to the television via a digital set-top box, even though other high-speed alternatives are being developed.

In November 1999, we completed an agreement with SoftNet to deploy its two-way, high-speed Internet access services throughout our cable systems. The service will be marketed under SoftNet's branded name, ISP Channel. ISP Channel also provides several additional services, such as the ability to dial-up from the customer's home or business, multiple computer access and Internet fax services. Through the agreement with SoftNet, we are required to upgrade our cable network to provide two-way communications capability in systems passing 900,000 homes, including the Triax and Zylstra systems, and make available such homes to SoftNet by December 2002. We have begun to launch ISP Channel's two-way, high-speed Internet access in our systems passing 78,000 homes. By December 1999, we anticipate that two-way, high-speed Internet access will be available in our systems passing over 155,000 homes.

We currently provide high-speed Internet access to approximately 300 customers through the use of one-way cable modems, which permit data to be downstreamed at high-speed while utilizing a telephone line return path. We also provide dial-up telephone Internet access to approximately 4,500 customers in two of our markets. The provision of this dial-up service creates a customer base that can be upgraded to the two-way, high-speed cable modem service in the future.

#### Telecommunications Services

During the last several years, the cable industry has been developing the capability to provide telephony services. Several of the nation's largest cable operators now offer residential and/or commercial phone service. We believe recent developments, including AT&T's purchase of Tele-Communications, Inc., its proposed purchase of MediaOne, Inc. and its proposed joint ventures with six other cable operators, will likely accelerate the pace of development of the voice telephony business for the cable industry. We are exploring technologies

using Internet Protocol telephony as well as traditional switching technologies that are currently available to transmit telephony signals over our cable network.

Our upgrade plans include the installation of over 10,000 route miles of fiber optic cable resulting in the creation of large regional fiber optic networks. We expect that the fiber capacity of our network upgrades will exceed the requirements of our business, thereby affording us the flexibility to pursue new data and telecommunications opportunities such as:

- . providing wide area networks and point-to-point data services;
- . offering virtual private networks;
- . leasing dark fiber capacity to enable carriers to penetrate markets and bypass incumbent providers;
- . entering into strategic relationships, similar to our relationship with SoftNet, to leverage our network footprints; and
- . targeting corporate and governmental broadband communications infrastructure customers with significant transmission and high security needs.

## Our Systems

### Overview

Prior to the acquisitions of the Triax and Zylstra systems, we managed our systems through four operating regions: Southern, Mid-Atlantic, Central and Western. The table below and the discussion that follows provide an overview of selected operating and technical statistics for our four established regions and the Triax and Zylstra systems as of June 30, 1999, unless otherwise indicated.

	Southern	Mid-Atlantic	Central	Western	Triax	Zylstra	Total
Operating Data:							
Homes passed.....	190,800	125,700	125,000	81,500	521,000	21,500	1,065,500
Basic subscribers.....	134,700	87,100	81,100	52,900	341,500	14,000	711,300
Basic penetration.....	70.6%	69.3%	64.9%	64.9%	65.5%	65.1%	66.8%
Premium service units.....	178,900	78,500	105,400	22,600	164,700	3,900	554,000
Premium penetration.....	132.8%	90.1%	130.0%	42.7%	48.2%	27.9%	77.9%
Average monthly revenues per basic subscriber(1)..	\$36.83	\$33.00	\$34.98	\$36.86	\$33.07	\$29.42	\$34.20
Cable Network Data:							
Miles of plant.....	4,800	2,950	2,975	1,350	9,720	280	22,075
Density(2).....	40	43	42	60	54	77	48
Headend facilities.....	55	15	70	9	305	5	459
Headend facilities after upgrade(3).....	10	7	18	9	42	4	90
Percentage of basic subscribers at 550MHz to 750MHz.....	50.6%	91.0%	49.3%	65.7%	23.0%	0.0%	42.3%

(1) Represents average monthly revenues for the three months ended June 30, 1999, divided by basic subscribers as of the end of such period.

(2) Represents homes passed divided by miles of plant.

(3) Represents number of headends by December 2002 based on our current upgrade program.



## Southern Region

Over 82% of our basic subscribers in this region are located in the suburbs and outlying areas of Pensacola, Fort Walton Beach and Panama City, Florida; Mobile and Huntsville, Alabama and Biloxi, Mississippi. As of June 30, 1999, the region's systems passed approximately 190,800 homes and served approximately 134,700 basic subscribers. The internal subscriber growth for this region was 2.9% for the period ending June 30, 1999. We measure internal subscriber growth as the percentage change in basic subscribers over a 12-month period, excluding the effects of acquisitions. All of the region's basic subscribers are serviced from a regional customer service center in Gulf Breeze, Florida, which provides 24 hour, seven day per week service.

We have made and continue to make significant investments to upgrade the Southern region's cable network. By June 2000, we expect that 85% of this region's basic subscribers will be served by systems with 550MHz to 750MHz bandwidth capacity. In June 1999, we began offering digital cable services in systems passing 45,000 homes. By December 1999, we expect to offer digital cable services in systems passing over 72,000 homes and to launch ISP Channel's Internet services in systems passing 30,000 homes. By December 2002, we anticipate that 95% of the region's basic subscribers will be served by systems with two-way communications capability and that the number of headend facilities will be reduced from 55 to ten. At that time, we expect that 85% of this region's basic subscribers will be served by five headend facilities.

## Mid-Atlantic Region

The Mid-Atlantic region's systems serve communities in lower Delaware, southeastern Maryland and the northeastern and western areas of North Carolina. Our two largest systems in this region are Hendersonville, North Carolina, near Asheville, North Carolina, and Lower Delaware, outside of Ocean City, Maryland. As of June 30, 1999, the region's systems passed approximately 125,700 homes and served approximately 87,100 basic subscribers. The internal subscriber growth for this region was 3.2% for the period ending June 30, 1999. Approximately 65% of the region's basic subscribers are serviced from our regional customer service centers, which provide 24 hour, seven day per week service.

We have significantly upgraded the Mid-Atlantic region's systems with 91% of basic subscribers served by systems with at least 550MHz bandwidth capacity. In September 1999, we began offering digital cable services in systems passing 45,000 homes. By December 1999, we expect to offer digital cable services in systems passing over 77,000 homes and to launch ISP Channel's Internet services in systems passing over 45,000 homes. By December 2002, we expect that 95% of the region's basic subscribers will be served by systems with two-way communications capability and that the number of headend facilities will be reduced from 15 to seven. At that time, we expect that 94% of the region's basic subscribers will be served by three headend facilities.

## Central Region

The Central region's systems serve the suburbs and outlying areas of Kansas City and Springfield, Missouri, Topeka, Kansas, and communities in the western portion of Kentucky. As of June 30, 1999, the region's systems passed approximately 125,000 homes and served approximately 81,100 basic subscribers. The internal subscriber growth rate of this region was 0.5% for the period ending June 30, 1999. Substantially all of the region's basic subscribers are serviced from a regional customer service center in Benton, Kentucky, which provides 24 hour, seven day per week service.

As a result of our continuing investments in the cable network, the Central region has seen significant increases in channel capacity. By June 2000, we expect that 89% of this region's basic subscribers will be served by one system with 550MHz to 750MHz bandwidth capacity. In September 1999, we began offering digital cable services in systems passing 10,000 homes. By December 1999, we expect to offer digital cable services in systems passing over 21,000 homes and to launch ISP Channel's Internet services in systems passing over 10,000 homes. By December 2002, we expect that 90% of the Central region's basic subscribers

will be served by systems with two-way communications capability and that the number of headend facilities will be reduced from 70 to 18. At that time, we expect that 60% of the region's basic subscribers will be served by three headend facilities.

#### Western Region

The Western region's systems serve communities in the following areas: Clearlake, California; the Indian Wells Valley in central California; portions of Riverside County and San Diego County, California; and Nogales, Arizona and outlying areas. As of June 30, 1999, the region's systems passed approximately 81,500 homes and served approximately 52,900 basic subscribers. The region's internal basic subscriber growth was flat for the period ending June 30, 1999. The region's basic subscribers are serviced from seven local offices. In the Western Region, we also provide high-speed Internet access to approximately 300 customers through the use of one-way cable modems and dial-up telephone Internet access to approximately 4,500 customers.

We have significantly upgraded the Western region's systems with all basic subscribers served by systems with a minimum 450MHz bandwidth capacity and over 65% served by systems with 550MHz bandwidth capacity. By December 1999, we expect to offer digital cable services in systems passing over 45,000 homes and to launch ISP Channel's Internet services in systems passing over 58,000 homes. Where possible we plan to offer to all our existing Internet customers ISP Channel's two-way, high-speed services. By December 2002, we expect that 90% of the Western region's basic subscribers will be served by systems with at least 550MHz bandwidth capacity and two-way communications capability. The region's basic subscribers are served by nine headend facilities.

#### Triax Systems

As of June 30, 1999, the Triax systems passed approximately 521,000 homes and served approximately 341,500 basic subscribers. Many of Triax's systems are located within 30 miles of major or medium-sized markets, including Minneapolis and Rochester, Minnesota; Bloomington, Champaign, Decatur, Peoria, and Springfield, Illinois; Elkhart, Fort Wayne, and South Bend, Indiana; and Cedar Rapids, Iowa. Substantially all of Triax's basic subscribers are serviced from two regional customer service centers, which provide 24 hour, seven day per week service.

The Triax systems consist of two operating regions: the Midwest region and the North Central region. The Midwest region manages and operates systems serving approximately 172,500 basic subscribers principally in Illinois and Indiana. The Midwest region's larger systems serve the communities of Jacksonville, Ottawa, Pontiac and Streater, Illinois and Angola, Auburn, Bluffton, Bremen, Kendallville and North Webster, Indiana. The North Central region manages and operates systems serving approximately 161,000 basic subscribers principally in Iowa, Minnesota and Wisconsin. The North Central region's larger systems serve the communities of Lake Minnetonka, Savage and Prior Lake, Minnesota; Prairie du Chien, Mauston, Platteville and Viroqua, Wisconsin; and Esterville and Spencer, Iowa. The Triax systems also include two systems serving approximately 8,000 customers in Arizona, which our Western region will manage and operate.

As of June 30, 1999, approximately 58% of Triax's subscribers were served by systems with at least 400MHz bandwidth capacity. In April 1999, Triax introduced digital cable services in one system passing over 14,000 homes. By December 1999, we expect to offer digital cable services in systems passing over 19,000 homes and to launch ISP Channel's Internet services in systems passing over 10,000 homes. We plan to make significant capital investments in the Triax systems to increase bandwidth capacity, activate two-way communications capability and consolidate headend facilities. By December 2002, as a result of our planned investments to upgrade Triax's cable network, we expect that 88% of Triax's basic subscribers will be served by systems with 550MHz to 750MHz bandwidth capacity and two-way communications capability. At that time, we expect the number of Triax's headend facilities will be reduced from 305 to 42 and that 60% of Triax's basic subscribers will be served by five headend facilities.

Zylstra Systems

The Zylstra systems serve communities in Vermillion and Yankton, South Dakota; Worthington and Luverne, Minnesota; and Orange City and Alton, Iowa. As of June 30, 1999, these systems passed approximately 21,500 homes and served approximately 14,000 basic subscribers. We anticipate expanding the level of customer service that Zylstra's subscribers receive by utilizing our customer service centers to provide 24 hour, seven day per week service.

As of June 30, 1999, approximately 36% of Zylstra's subscribers were served by systems with at least 400MHz bandwidth capacity. By December 1999, we expect to offer digital cable services in one system passing over 6,000 homes. By December 2000, we expect that all of the Zylstra systems will be upgraded to 750MHz bandwidth capacity and that digital cable and ISP Channel's Internet services will be made available to our customers. Zylstra's basic subscribers are served by five headend facilities, one of which is scheduled to be eliminated.

Technology Overview

As part of our commitment to maximize customer satisfaction, to improve our competitive position and to introduce new and enhanced products and services to our customers, we plan to make significant investments in our cable network, including the Triax and Zylstra systems, over the three-year period ending December 2002. During such period, we intend to invest approximately \$400 million, with approximately \$240 million used to upgrade our cable network. The remaining \$160 million will be spent on plant expansion, digital headends and set-top boxes, cable modems and maintenance. The objectives of our upgrade program are:

- . to increase the bandwidth capacity to 750MHz or higher;
- . to activate two-way communications capability;
- . to consolidate our headend facilities, through the extensive deployment of fiber optic networks; and
- . to allow us to provide digital cable television, two-way, high-speed Internet access, interactive video and other telecommunications services.

The following table describes the technological state of our cable network, including the Triax and Zylstra systems, as of June 30, 1999 and through December 31, 2002, based on our current upgrade plans:

	Percentage of Basic Subscribers			
	Less than 400MHz	400MHz- 450MHz	550MHz- 750MHz	Two-Way Capable
June 30, 1999.....	35%	23%	42%	4%
December 31, 1999.....	19%	23%	58%	9%
December 31, 2000.....	7%	21%	72%	41%
December 31, 2001.....	0%	19%	81%	65%
December 31, 2002.....	0%	9%	91%	91%

By December 2002, we expect that 91% of our basic subscribers will be served by systems with two-way communications capability. This will permit our customers to send and receive signals over the cable network so that interactive services, such as video-on-demand, will be accessible and high-speed Internet access will not require a separate telephone line. Two-way communications capability will also position us to offer cable telephony, using either Internet protocol telephony as it becomes commercially feasible, or the traditional switching technologies that are currently available.

A central feature of our upgrade program is the deployment of high capacity, hybrid fiber-optic coaxial architecture referred to as HFC architecture. The HFC architecture combines the use of fiber optic cable, which can carry hundreds of video, data and voice channels over extended distances, with coaxial cable, which

requires a more extensive signal amplification in order to obtain the desired levels for delivering channels. In most of our systems, we connect fiber optic cable to individual nodes serving an average of 250 homes or commercial buildings. A node is a single connection to a system's main, high-capacity fiber optic cable that is shared by a number of customers. Coaxial cable is then connected from each node to the individual homes or buildings. We believe HFC architecture provides higher capacity, superior signal quality, greater network reliability and reduced operating costs than traditional cable network design. Together with our plans for two-way communications capability, we believe HFC architecture will enhance our cable network's capability to provide advanced telecommunications services.

As of June 30, 1999, our systems were operated from 459 headend facilities, including the Triax and Zylstra systems. We believe that fiber optics and advanced transmission technologies make it cost effective to consolidate our headend facilities, allowing us to realize operating efficiencies and resulting in lower fixed capital costs on a per home basis as we introduce new products and services. By December 2002, we plan to eliminate 369 headend facilities so that all of our customers will be served by 90 headend facilities and 84% of our customers will be served by 30 headend facilities.

As part of this headend consolidation program, we plan to deploy over 10,000 route miles of fiber optic cable to create large regional fiber optic networks with the potential to provide advanced telecommunications services.

#### Sales and Marketing

We seek to be the premier provider of entertainment, information and telecommunications services in the markets we serve. Our marketing programs and campaigns offer a variety of cable services creatively packaged and tailored to appeal to each of our local markets and to segments within each market. We routinely survey our customers to ensure that we are meeting their demands and our customer surveys keep us abreast of our competition so that we can counter effectively competitors' service offerings and promotional campaigns. With our strong local presence, we interact with our customers on a more individualized basis allowing us to better service our customers and enhance customer loyalty and trust.

We use a coordinated array of marketing techniques to attract and retain customers and to increase premium service penetration, including door-to-door and direct mail solicitation, telemarketing, media advertising, local promotional events typically sponsored by programming services and cross-channel promotion of new services and pay-per-view.

We invest a significant amount of time, effort and financial resources in the training and evaluation of our marketing professionals. Our approximately 100 sales representatives customize their sales presentation to fit each of our customers' specific needs by conducting focused consumer research. As a result, we believe we can accelerate the introduction of new products and services to our customers and achieve high success rates in attracting and retaining customers.

#### Programming Supply

We have various contracts to obtain basic and premium programming for the systems from program suppliers whose compensation is typically based on a fixed fee per customer. Our programming contracts are generally for a fixed period of time and are subject to negotiated renewal. Some program suppliers provide volume discount pricing structures or offer marketing support to us. Our successful marketing of multiple premium service packages emphasizing customer value enables us to take advantage of such cost incentives. In addition, we are a member of the National Cable Television Cooperative, Inc., a programming consortium consisting of small to medium-sized multiple system operators serving, in the aggregate, over twelve million cable subscribers. The consortium helps create efficiencies in the areas of obtaining and administering programming contracts, as well as secures more favorable programming rates and contract terms for small to

medium-sized cable operators. We intend to negotiate programming contract renewals both directly and through the consortium to obtain the best available contract terms.

Our programming costs are expected to increase in the future due to additional programming being provided to our customers, increased costs to purchase programming, inflationary increases and other factors affecting the cable television industry. Although we will legally be able to pass through expected increases in our programming costs to customers, there can be no assurance that the marketplace will allow us to do so. We also have various retransmission consent arrangements with commercial broadcast stations which generally expire in December 1999 and beyond. None of these consents require payment of fees for carriage. However, we have entered into agreements with certain stations to carry satellite-delivered cable programming which is affiliated with the network carried by such stations.

#### Customer Rates

Monthly customer rates for services vary from market to market, primarily according to the amount of programming provided. At June 30, 1999, our monthly basic service rates for residential customers ranged from \$4.73 to \$35.95; the combined monthly basic and expanded basic service rates for residential customers ranged from \$23.95 to \$36.95; and per-channel premium service rates, not including special promotions, ranged from \$1.75 to \$12.50 per service for our systems, excluding the Triax and Zylstra systems. For the three months ended June 30, 1999, excluding the Triax and Zylstra systems, the weighted average monthly rate for our combined basic and expanded basic services was approximately \$27.08.

Prior to our acquisition of the Triax systems, we were an eligible small cable company under FCC rules which enabled us to utilize a simplified rate setting methodology for most of the systems in establishing maximum rates for basic and expanded basic services. This methodology almost always results in rates that exceed those produced by the cost-of-service rules applicable to larger cable operators. Prior to our acquisition of their systems, Triax also used this rate setting methodology, although in a small percentage of their systems. Although we are no longer an eligible small cable company, in most cases, our systems which utilized this methodology, including the recently acquired Triax systems, are allowed to maintain the rates set thereby. For additional information, see "Legislation and Regulation--Federal Regulation--Rate Regulation." We believe that our rate practices are generally consistent with the current practices in the industry.

A one-time installation fee, which we may wholly or partially waive during a promotional period, is usually charged to new customers. We charge monthly fees for converters and remote control tuning devices and also charge administrative fees for delinquent payments for service. Customers are free to discontinue service at any time without additional charge in the majority of the systems and may be charged a reconnection fee to resume service. Commercial customers, such as hotels, motels and hospitals, are charged negotiated monthly fees and a non-recurring fee for the installation of service. Multiple dwelling unit accounts may be offered a bulk rate in exchange for single-point billing and basic service to all units.

In addition to customer fees, we derive modest amounts of revenues from the sale of local spot advertising time on locally originated and satellite-delivered programming and from affiliations with home shopping services, which offer merchandise for sale to customers and compensate system operators with a percentage of their sales receipts.

#### Customer Service and Community Relations

We are dedicated to providing superior customer service. Our emphasis on system reliability and customer satisfaction is a cornerstone of our business strategy. We expect that on-going investments in our cable network will significantly strengthen customer service as it will enhance the reliability of our cable network and allow us to introduce new programming and other services to our customers. We have implemented stringent internal customer service standards, which we believe meet or exceed those established by the National Cable Television Association. We maintain five regional calling centers, which service 87% of our systems'

customers. They are staffed with dedicated personnel who provide service to our customers 24 hours a day, seven days a week, on a toll-free basis. We believe our regional calling centers allow us to coordinate more effectively installation appointments and response time to customer inquiries. We continue to invest in both personnel and equipment of our regional calling centers to ensure that these operating units are professionally managed and employ state-of-the-art technology.

In addition, we are dedicated to fostering strong community relations in the communities served by our systems. We support local charities and community causes in various ways, including staged events and promotional 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 the "Cable in the Classroom" program, which is a national effort by cable companies to provide schools with free cable television service and, where available, Internet access. We also install and provide free cable television service to government buildings and not-for-profit hospitals in our franchise areas. We believe that our relations with the communities in which our systems operate are good.

#### Franchises

Cable systems are generally operated under non-exclusive franchises granted by local governmental authorities. These franchises typically contain many conditions, such as: time limitations on commencement and completion of construction; conditions of service, including number of channels, types of programming and the provision of free service to schools and other public institutions; and the granting of insurance and indemnity bonds by the company. The provisions of local franchises are subject to federal regulation under the Cable Communications Policy Act of 1984, as amended by the Cable Television Consumer Protection and Competition Act of 1992.

As of June 30, 1999, our systems, including the Triax and Zylstra systems, were subject to 891 franchises. These franchises, which are non-exclusive, provide for the payment of fees to the issuing authority. In most of the systems, such franchise fees are passed through directly to the customers. The 1984 Cable Act prohibits franchising authorities from imposing franchise fees in excess of 5% of gross revenues and also permits the cable television system operator to seek renegotiation and modification of franchise requirements if warranted by changed circumstances.

Substantially all of our systems' basic subscribers are in service areas that require a franchise. The table below groups the franchises of our systems, including the Triax and Zylstra systems, by date of expiration and presents the approximate number and percentage of basic subscribers for each group of franchises on a pro forma basis as of June 30, 1999.

Year of Franchise Expiration	Number of Franchises	Percentage of Total Franchises	Number of Basic Subscribers	Percentage of Total Basic Subscribers
1999 through 2002.....	313	35.1%	253,222	35.6%
2003 and thereafter.....	578	64.9%	458,078	64.4%
Total.....	891	100.0%	711,300	100.0%
	===	=====	=====	=====

The 1984 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 system or effects a transfer of the system to another person, the operator generally is entitled to the "fair market value" for the system covered by such franchise. In addition, the 1984 Cable Act established comprehensive renewal procedures which require that an incumbent franchisee's renewal application be assessed on its own merits and not as part of a comparative process with competing applications.

We believe that we generally have good relationships with our franchising communities. 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.

## Competition

### Providers of Broadcast Television and Other Entertainment

Cable systems compete with other communications and entertainment media, including over-the-air television broadcast signals that a viewer is able to receive directly. The extent to which a cable system competes with over-the-air broadcasting depends upon the quality and quantity of the broadcast signals available by direct antenna reception compared to the quality and quantity of such signals and alternative services offered by a cable system. Cable systems also face competition from alternative methods of distributing and receiving television signals and from other sources of entertainment such as live sporting events, movie theaters and home video products, including videotape recorders and videodisc players. In recent years, the FCC has adopted policies authorizing new technologies and a more favorable operating environment for certain existing technologies that provide, or may provide, substantial additional competition for cable television systems. The extent to which a cable television service is competitive depends in significant part upon the cable system's ability to provide a greater variety of programming, superior technical performance and superior customer service than are available over the air or through competitive alternative delivery sources.

### Direct Broadcast Satellite Providers

Individuals can purchase home satellite dishes, which allow them to receive satellite-delivered broadcast and non-broadcast program services that formerly were available only to cable television subscribers. Most satellite-distributed program signals are electronically scrambled to permit reception only with authorized decoding equipment for which the consumer must pay a fee. The 1992 Cable Act enhances the right of cable competitors to purchase non-broadcast satellite-delivered programming. For additional information, see "Legislation and Regulation--Federal Regulation."

Television programming is now also being delivered to individuals by high-powered direct broadcast satellites utilizing video compression technology. This technology can provide more than 150 channels of programming over single high-powered satellites with significantly higher capacity available if, as is the case with DIRECTV, multiple satellites are placed in the same orbital position. Unlike cable television systems, however, direct broadcast satellite cannot legally deliver local broadcast signals. Legislation permitting direct broadcast satellite operators to transmit local broadcast signals was passed by the U.S. House of Representatives on November 9, 1999 and is currently awaiting passage by the U.S. Senate. If direct broadcast satellite providers are permitted to deliver local broadcast signals, cable television systems will lose a significant competitive advantage. Direct broadcast satellite service can be received virtually anywhere in the continental United States through the installation of a small roof top or side-mounted antenna, and it is more accessible than cable television service where a cable plant has not been constructed or where it is not cost effective to construct cable television facilities. Direct broadcast satellite service is being heavily marketed on a nationwide basis by several service operators.

### Multichannel Multipoint Distribution Systems

Multichannel multipoint distribution systems deliver programming services over microwave channels licensed by the FCC and received by subscribers with special antennas. These wireless cable systems are less capital intensive, are not required to obtain local franchises or pay franchise fees, and are subject to fewer regulatory requirements than cable television systems. To date, the ability of wireless cable services to compete with cable television systems has been limited by channel capacity (35-channel maximum) and the need for unobstructed line-of-sight over-the-air transmission. Although relatively few wireless cable systems in the

United States are currently in operation or under construction, virtually all markets have been licensed or tentatively licensed. The use of digital compression technology, and the FCC's recent amendment to its rules to permit reverse path or two-way transmission over wireless facilities, may enable multichannel multipoint distribution systems to deliver more channels and additional services, including Internet related services.

#### Private Cable Television Systems

Private cable television systems compete with conventional cable television systems for the right to service condominiums, apartment complexes and other multiple unit residential developments. The operators of these private systems, known as satellite master antenna television systems, often enter into exclusive agreements with apartment building owners or homeowners' associations that preclude franchised cable television operators from serving residents of such private complexes. However, the 1984 Cable Act gives franchised cable operators the right to use existing compatible easements within their franchise areas on nondiscriminatory terms and conditions. Accordingly, where there are preexisting compatible easements, cable operators may not be unfairly denied access or discriminated against with respect to access to the premises served by those easements. Conflicting judicial decisions have been issued interpreting the scope of the access right granted by the 1984 Cable Act, particularly with respect to easements located entirely on private property. Under the 1996 Telecom Act, satellite master antenna television systems can interconnect non-commonly owned buildings without having to comply with local, state and federal regulatory requirements that are imposed upon cable systems providing similar services, as long as they do not use public rights of way. The FCC has held that the latter provision is not violated so long as interconnection across public rights of way is provided by a third party.

#### Advertising Sales

The cable television industry competes with radio, broadcast television, print media, and the Internet for advertising revenues. As the cable television industry continues to offer more of its own programming channels, such as Discovery and USA Network, income from advertising revenues can be expected to increase.

#### Traditional Overbuilds

Cable television systems are operated under non-exclusive franchises granted by local authorities. More than one cable system may legally be built in the same area. These franchising authorities have from time to time granted additional franchises to other companies, including other cable operators or telephone companies, and these additional franchises might contain terms and conditions more favorable than those afforded us. In addition, entities willing to establish an open video system, under which they offer unaffiliated programmers non-discriminatory access to a portion of the system's cable system may be able to avoid significant local franchising requirements. Well financed businesses from outside the cable industry, such as public utilities which already possess or are developing fiber optic and other transmission facilities in the areas they serve may over time become competitors. We believe that various entities are currently offering cable service to an estimated 17,000 homes passed in the service areas of our franchises.

#### The Impact of Regulation on Competition

The FCC has authorized a new interactive television service which permits non-video transmission of information between an individual's home and entertainment and information service providers. This service, which can be used by direct broadcast satellite systems, television stations, and other video programming distributors, including cable television systems, is an alternative technology for the delivery of interactive video services. It does not appear at the present time that this service will have a material impact on the operations of cable television systems.

The FCC has allocated spectrum in the 28GHz range for a new multichannel wireless service that can be used to provide video and telecommunications services. The FCC recently completed the process of awarding



licenses to use this spectrum via a market-by-market auction. We do not know whether such a service would have a material impact on the operations of cable television systems.

The 1992 Cable Act permits franchising authorities to build and operate their own cable systems. Municipally-owned cable systems enjoy certain competitive advantages such as lower-cost financing and exemption from the payment of franchise fees. The 1992 Cable Act also prohibits the grant of exclusive franchises, thus other private entities can obtain franchises in the communities in which we operate.

The 1996 Telecom Act eliminates the restriction against ownership, subject to certain exceptions, and operation of cable systems by local telephone companies within their local exchange service areas. Telephone companies are now free to enter the retail video distribution business through any means, such as direct broadcast satellite, wireless cable, satellite master antenna television or as traditional franchised cable system operators. Alternatively, the 1996 Telecom Act authorizes local telephone companies to operate open video systems, a facilities-based distribution system, like a cable system, but which is open, i.e., also available for use by programmers other than the owner of the facility. Up to two-thirds of the channel capacity on an "open video system" must be available to programmers unaffiliated with the local telephone company. As a result of these changes, well financed businesses from outside the cable television industry--such as public utilities that own the poles to which cable is attached--may become competitors for franchises or providers of competing services. The 1996 Telecom Act, however, also includes numerous provisions designed to make it easier for cable operators and others to compete directly with local exchange telephone carriers in the provision of traditional telephone service and other telecommunications services.

The 1996 Telecom Act directed the FCC to establish, and the FCC has adopted, regulations and policies for the issuance of licenses for digital television to incumbent television broadcast licensees. Digital television can deliver high definition television pictures and multiple digital-quality program streams, as well as CD-quality audio programming and advanced digital services, such as data transfer or subscription video. The FCC also has authorized television broadcast stations to transmit textual and graphic information that may be useful to both consumers and businesses. The FCC also permits commercial and noncommercial FM stations to use their subcarrier frequencies to provide non-broadcast services, including data transmission.

We have begun to accelerate the offering by our cable systems of high-speed Internet access to our basic subscribers. These cable systems will compete with a number of other companies, many of which have substantial resources, such as existing Internet service providers and local and long distance telephone companies. Recently, a number of Internet service providers have asked local authorities and the FCC to give them rights of access to cable systems' broadband infrastructure so that they can deliver their services directly to cable systems' customers. Several local franchising authorities have been examining the issue and a few have required cable operators to provide such access. A U.S. District Court recently ruled that localities are authorized to require such access. This decision is being appealed. Some cable companies have initiated litigation challenging municipal "open access" requirements. In a recent report, the FCC declined to institute a proceeding to examine this issue, and concluded that alternative means of access are or soon will be made to a broad range of Internet service providers. Although the FCC declined to take action on Internet service providers access to broadband cable facilities, it indicated that it would continue to monitor this issue. Congress and several state and local jurisdictions are also reviewing this issue.

Telephone companies are accelerating the deployment of Asymmetric Digital Subscriber Line technology. These companies report this technology will allow Internet access to subscribers at peak data transmission speeds greater than that of modems over conventional telephone lines. Several of the Regional Bell Operating Companies have asked the FCC to deregulate packet-switched networks to allow them to provide high-speed broadband services, including interactive online services, without regard to present service boundaries and other regulatory restrictions. Packet-switched networks are a type of data communication in which small blocks of data are independently transmitted and reassembled at their destination. The online services offered by these competitors could affect our business.

Advances in communications technology, as well as changes in the marketplace and the regulatory and legislative environment, are constantly occurring. Thus, it is not possible to predict the competitive effect that ongoing or future developments might have on the cable industry. See the discussion under "Legislation and Regulation."

#### Properties

Our principal physical assets consist of cable television operating plant and equipment, including signal receiving, encoding and decoding devices, headend facilities and distribution systems and customer house drop equipment 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, consisting of associated electronic equipment necessary for the reception, amplification and modulation of signals, are located near the receiving devices. Some basic subscribers of the systems utilize converters that can be addressed by sending coded signals from the headend facility over the cable network. Our distribution system consists primarily of coaxial and fiber optic cables and related electronic equipment.

We own or lease parcels of real property for signal reception sites, microwave facilities and business offices, and own all 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.

Our cables 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 systems require periodic upgrading to improve system performance and capacity.

#### Employees

As of November 10, 1999, we employed 1,240 full-time employees and 217 part-time employees after giving effect to our acquisitions of the Triax and Zylstra systems. None of our employees are represented by a labor union. We consider our relations with our employees to be good.

#### Legal Proceedings

There are no material pending legal proceedings to which we are a party or to which any of our properties are subject. We have received notice from a third party alleging that our use of the term "Mediacom" in connection with our business infringes their right to use the mark. However, there are no legal proceedings pending against us which challenge our right to use the term "Mediacom." If we are found to have infringed the proprietary rights of this or other third parties with respect to our use of the term "Mediacom" or variations thereof, we could be required to pay material damages, cease further use of the term in our business or take other remedial action.

## LEGISLATION AND REGULATION

A federal law known as the Communications Act of 1934, as amended, establishes a national policy to guide the regulation, development and operation of cable communications systems. In 1996, a comprehensive amendment to the Communications Act became effective and is expected to promote competition and decrease governmental regulation of various communications industries, including the cable television industry. However, until the desired competition develops, various federal, state and local governmental units will have broad regulatory authority and responsibilities over telecommunications and cable television matters. The courts, especially the federal courts, will continue to play an important oversight role as the statutory and regulatory provisions are interpreted and enforced by the various federal, state and local governmental units.

The Communications Act allocates principal responsibility for enforcing the federal policies between the FCC, state and local governmental authorities. The FCC and state regulatory agencies regularly conduct administrative proceedings to adopt or amend regulations implementing the statutory mandate of the Communications Act. At various times, interested parties to these administrative proceedings challenge the new or amended regulations and policies in the courts with varying levels of success. We expect that further court actions and regulatory proceedings will occur and will refine the rights and obligations of various parties, including the government, under the Communications Act. The results of these judicial and administrative proceedings may materially affect the cable industry and our business and operations. In the following paragraphs, we summarize the federal laws and regulations materially affecting the growth and operation of the cable industry. We also provide a brief description of certain state and local laws.

### Federal Regulation

The Communications Act and the regulations and policies of the FCC affect significant aspects of our cable system operations, including:

- . subscriber rates;
- . the content of the programming we offer to subscribers, as well as the way we sell our program packages to subscribers;
- . the use of our cable systems by the local franchising authorities, the public and other unrelated companies;
- . our franchise agreements with local governmental authorities;
- . cable system ownership limitations and prohibitions; and
- . our use of utility poles and conduit.

### Rate Regulation

The Communications Act and the FCC's regulations and policies limit the ability of cable systems to raise rates for basic services and equipment. Federal law prohibits rate regulation of cable services and customer equipment only in communities that are subject to "effective competition," as defined by federal law. Federal law also prohibits the regulation of cable operators' rates where comparable video programming services, other than direct broadcast satellites, are offered by local telephone companies, or their related parties, or by third parties using the local telephone company's facilities.

Where there is no effective competition to the cable operator's services, federal law gives local franchising authorities the responsibility to regulate the rates charged by the operator for:

- . the lowest level of programming service offered by cable operator, typically called basic service, which includes the local broadcast channels and any public access or governmental channels that are required by the operator's franchise; and

- . the installation, sale and lease of equipment used by subscribers to receive basic service, such as converter boxes and remote control units.

Local franchising authorities who wish to regulate basic service rates and related equipment rates must first obtain FCC certification to regulate by following a simplified FCC certification process and agreeing to follow established FCC rules and policies when regulating the operator's rates.

Several years ago, the FCC adopted detailed rate regulations, guidelines and rate forms that a cable system operator and the local franchising authority must use in connection with the regulation of basic service and equipment rates. The FCC adopted a benchmark methodology as the principal method of regulating rates. However, if this methodology produces unacceptable rates, the operator may also justify rates using a detailed cost-of-service methodology. The FCC's rules also require franchising authorities to regulate equipment rates on the basis of "actual cost plus a reasonable profit," as defined by the FCC.

If the local franchising authority concludes that an operator's rates are too high under the FCC's rate rules, the local franchising authority may require the operator to reduce rates and to refund overcharges to subscribers, with interest. The operator may appeal adverse local rate decisions to the FCC.

The FCC's regulations allow an operator to modify regulated rates on a quarterly or annual basis to account for changes in:

- . the number of regulated channels;
- . inflation; and
- . certain external costs, such as franchise and other governmental fees, copyright and retransmission consent fees, taxes, programming fees and franchise-related obligations.

As a further alternative, in 1995 the FCC adopted a simplified cost-of-service methodology which can be used by "small cable systems" owned by "small cable companies." A "small cable system" is defined as a cable television system which has, on a headend basis, 15,000 or fewer basic customers. A "small cable company" is defined as an entity serving a total of 400,000 or fewer basic customers that is not affiliated with a larger cable television company: i.e., a larger cable television company does not own more than a 20 percent equity share or exercise de jure control. This small system rate-setting methodology almost always results in rates which exceed those produced by the cost-of-service rules applicable to larger cable television operators. Once the initial rates are set they can be adjusted periodically for inflation and external cost changes as described above. When an eligible "small system" grows larger than 15,000 basic customers, it can maintain its then current rates, but it cannot increase its rates in the normal course until an increase would be warranted under the rules applicable to systems that have more than 15,000 customers. When a small cable company grows larger than 400,000 basic customers, the qualified systems it then owns will not lose their small system eligibility. If a small cable company sells a qualified system, or if the company itself is sold, the qualified systems retain that status even if the acquiring company is not a small cable company. We were a small cable company, but upon the completion of the Triax acquisition, we no longer enjoy this status. However, as noted above, the systems with less than 15,000 customers owned by us prior to the completion of the Triax acquisition remain eligible for small cable system rate regulation.

The Communications Act and the FCC's regulations also:

- . require operators to charge uniform rates throughout each franchise area that is not subject to effective competition;
- . prohibit regulation of non-predatory bulk discount rates offered by operators to subscribers in commercial and residential developments; and
- . permit regulated equipment rates to be computed by aggregating costs of broad categories of equipment at the franchise, system, regional or company level.

## Content Requirements

The Communications Act and the FCC's regulations contain broadcast signal carriage requirements that allow local commercial television broadcast stations:

- . to elect once every three years to require a cable system to carry the station, subject to certain exceptions; or
- . to negotiate with us on the terms by which we carry the station on our cable system, commonly called retransmission consent.

The Communications Act requires a cable operator to devote up to one-third of its activated channel capacity for the mandatory carriage of local commercial television stations. The Communications Act also gives local non-commercial television stations mandatory carriage rights; however, such stations are not given the option to negotiate retransmission consent for the carriage of their signals by cable systems. Additionally, cable systems must obtain retransmission consent for:

- . all distant commercial television stations, except for commercial satellite-delivered independent superstations such as WGN;
- . commercial radio stations; and
- . certain low-power television stations.

The FCC has also initiated an administrative proceeding to consider the requirements, if any, for mandatory carriage of digital television signals offered by local television broadcasters. We are unable to predict the ultimate outcome of this proceeding or the impact of new carriage requirements on the operations of our cable systems.

The Communications Act requires our cable systems 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 cable service tier. However, we are not required to comply with this requirement until December 2002 for any of our cable systems that do not have addressable converter boxes or that have other substantial technological limitations. Many of our cable systems do not have the technological capability to offer programming in the manner required by the statute and thus currently are exempt from complying with the requirement. We anticipate having significant capital expenditures over the next two to three years in order for us to meet this requirement. We are unable to predict whether the full implementation of this statutory provision in December 2002 will have a material impact on the operation of our cable systems.

To increase competition between cable operators and other video program distributors, the Communications Act and the FCC's regulations:

- . preclude any satellite video programmer affiliated with a cable company, or with a common carrier providing video programming directly to its subscribers, from favoring an affiliated company over competitors;
- . require such programmers to sell their programming to other unaffiliated video program distributors; and
- . limit the ability of such programmers to offer exclusive programming arrangements to their related parties.

The Communications Act and the FCC's regulations contain restrictions on the transmission by cable operators of obscene or indecent programming. It requires cable operators to fully block both the video and audio portion of sexually explicit or indecent programming on channels that are primarily dedicated to sexually oriented programming or alternatively to carry such programming only at safe harbor time periods, which are currently defined by the FCC as the hours between 10 p.m. to 6 a.m. A three-judge federal district court

recently determined that this provision was unconstitutional. The federal government appealed the lower court's decision to the United States Supreme Court which recently agreed to review this case.

The FCC actively regulates other aspects of our programming, involving such areas as:

- . our use of syndicated and network programs and local sports broadcast programming;
- . advertising in children's programming;
- . political advertising;
- . origination cablecasting;
- . sponsorship identification; and
- . closed captioning of video programming.

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

The Communications Act allows local franchising authorities and unrelated third parties to have access to our cable systems' channel capacity for their own use. For example, it:

- . 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 its 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.

The FCC is also considering proposals by Internet service providers to gain access to our cable systems. We cannot predict if these or other similar proposals will be adopted, or, if adopted, whether they will have an adverse impact on our business and operations.

#### Franchise Matters

We have franchises in virtually every community in which we operate that authorize us to construct, operate and maintain our cable systems. Although franchising matters are normally regulated at the local level through a franchise agreement and/or a local ordinance, the Communications Act provides oversight and guidelines to govern our relationship with local franchising authorities. For example, the Communications Act:

- . affirms the right of franchising authorities (state or local, depending on the practice in individual states) to award one or more franchises within their jurisdictions;
- . generally prohibits us from operating in communities without a franchise;
- . encourages competition with existing cable systems by:
  - allowing municipalities to operate their own cable systems without franchises, and

- preventing franchising authorities from granting exclusive franchises or from unreasonably refusing to award additional franchises covering an existing cable system's service area;
- . permits local authorities, when granting or renewing our franchises, to establish requirements for cable-related facilities and equipment, but prohibits franchising authorities from establishing requirements for specific video programming or information services other than in broad categories;
- . permits us to obtain modification of our franchise requirements from the franchise authority or by judicial action if warranted by commercial impracticability; and
- . generally prohibits franchising authorities from:
  - imposing requirements during the initial cable franchising process or during franchise renewal that require, prohibit or restrict us from providing telecommunications services,
  - imposing franchise fees on revenues we derived from providing telecommunications services over our cable systems,
  - restricting our use of any type of subscriber equipment or transmission technology, and
  - limits our payment of franchise fees to the local franchising authority to 5.0% of our gross revenues derived from providing cable services over our cable system.

The Communications Act contains renewal procedures designed to protect us against arbitrary denials of renewal of our franchises although, under certain circumstances, the franchising authority could deny us a franchise renewal. Moreover, even if our franchise is renewed, the franchising authority may seek to impose upon us new and more onerous requirements, such as significant upgrades in facilities and services or increased franchise fees as a condition of renewal. Similarly, if a franchising authority's consent is required for the purchase or sale of our cable system or franchise, the franchising authority may attempt to impose more burdensome or onerous franchise requirements on us in connection with a request for such consent. Historically, cable operators providing satisfactory services to their subscribers and complying with the terms of their franchises have almost always obtained franchise renewals. We believe that we have generally met the terms of our franchises and have provided quality levels of service. We anticipate that our future franchise renewal prospects generally will be favorable.

Various courts have considered whether franchising authorities have the legal right to limit the number of franchises awarded within a community and to impose substantive franchise requirements. These decisions have been inconsistent and, until the U.S. Supreme Court rules definitively on the scope of cable operators' First Amendment protections, the legality of the franchising process generally and of various specific franchise requirements is likely to be in a state of flux.

#### Ownership Limitations

The Communications Act generally prohibits us from owning or operating a satellite master antenna television system or multichannel multipoint distribution system in any area where we provide franchised cable service and do not have "effective competition," as defined by federal law. We may, however, acquire and operate a satellite master antenna television system in our existing franchise service areas if the programming and other services provided to the satellite master antenna television system subscribers are offered according to the terms and conditions of our local franchise agreement.

The Communications Act also authorizes the FCC to adopt nationwide limits on the number of subscribers under the control of a cable operator. A federal district court has concluded that this subscriber limitation is unconstitutional and the FCC has stayed its enforcement; an appeal of this decision is pending in a federal

appellate court. Pending further action by the federal courts, the FCC recently reconsidered its cable ownership regulations and:

- . reaffirmed its 30% nationwide subscriber ownership limit, but maintained its voluntary stay on enforcement of that limitation pending further action;
- . reaffirmed its subscriber ownership information reporting rules that require any person holding an attributable interest, as defined by FCC rules, in cable systems reaching 20% or more of homes passed by cable plant nationwide to notify the FCC of any incremental change in that person's cable ownership interests; and
- . revised its cable television ownership attribution rules that define when other media and telephone ownership interests of shareholders, partners, officers and directors of a cable company will be attributed to the cable company for purposes of the FCC's ownership restrictions.

The Communications Act and FCC regulations also impose limits on the number of channels that can be occupied on a cable system by a video programmer in which a cable operator has an interest. A federal district court has also declared this statutory provision unconstitutional. An appeal of the district court's decision has been consolidated with the appeal challenging the FCC's subscriber ownership limitation regulations.

The 1996 amendments to the Communications Act eliminated the statutory prohibition on the common ownership, operation or control of a cable system and a television broadcast station in the same service area. The identical FCC regulation remains in place pending re-examination, although the FCC has eliminated its regulatory restriction on cross-ownership of cable systems and national broadcasting networks.

The 1996 amendments to the Communications Act also made far-reaching changes in the relationship between local telephone companies and cable service providers. These amendments:

- . eliminated federal legal barriers to competition in the local telephone and cable communications businesses, including allowing local telephone companies to offer video services in their local telephone service areas;
- . preempted legal barriers to telecommunications competition that previously existed in state and local laws and regulations;
- . set basic standards for relationships between telecommunications providers; and
- . generally limited acquisitions and prohibited joint ventures between local telephone companies and cable operators in the same market.

Local telephone companies may provide service as traditional cable operators with local franchises or they may opt to provide their programming over open video systems, subject to certain conditions, including, but not limited to, setting aside a portion of their channel capacity for use by unaffiliated program distributors on a non-discriminatory basis. A federal appellate court recently overturned various parts of the FCC's open video rules, including the FCC's preemption of local franchising requirements for open video operators. We expect the FCC to modify its open video rules to comply with the federal court's decision, but we are unable to predict the impact any rule modifications may have on our business and operations.

#### Pole Attachment Regulation

The Communications Act requires the FCC to regulate the rates, terms and conditions imposed by 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 administers pole attachment rates on a formula basis. The FCC's current rate formula, which is being reevaluated by the FCC, governs the maximum rate certain utilities may charge for attachments to their poles and conduit by cable operators providing only cable services and until



2001, by certain companies providing telecommunications services. The FCC also adopted a new rate formula that will be effective in 2001 and will govern the maximum rate certain utilities may charge for attachments to their poles and conduit by companies providing telecommunications services, including cable operators.

Any resulting increase in attachment rates due to the FCC's new rate formula will be phased in over a five-year period in equal annual increments, beginning in February 2001. Several parties have requested the FCC to reconsider its new regulations and several parties have challenged the new rules in court. A federal district court recently upheld the constitutionality of the new statutory provision which requires that utilities provide cable systems and telecommunications carriers with nondiscriminatory access to any pole, conduit or right-of-way controlled by the utility. The utilities involved in that litigation have appealed the lower court's decision. We are unable to predict the outcome of this litigation or the ultimate impact of any revised FCC rate formula or of any new pole attachment rate regulations on our business and operations.

#### Other Regulatory Requirements of the Communications Act and the FCC

The Communications Act also includes provisions, among others, regulating:

- . customer service;
- . subscriber privacy;
- . equal employment opportunity; and
- . regulation of technical standards and equipment compatibility.

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. The FCC is also considering additional rules relating to inside wiring that, if adopted, may disadvantage incumbent cable operators.

The FCC actively regulates other parts of our cable operations, involving such areas as:

- . equal employment opportunity;
- . consumer protection and customer service;
- . technical standards and testing of cable facilities;
- . consumer electronics equipment compatibility;
- . registration of cable systems;
- . maintenance of various records and public inspection files;
- . microwave frequency usage; and
- . antenna structure notification, marking and lighting.

The FCC may enforce its regulations through the imposition of fines, the issuance of cease and desist orders and/or the imposition of other administrative sanctions, such as the revocation of FCC licenses needed to operate transmission facilities often used in connection with cable operations. The FCC has ongoing rulemaking proceedings that may change its existing rules or lead to new regulations. We are unable to predict the impact that any further FCC rule changes may have on our business and operations.

Other bills and administrative proposals pertaining to cable communications have previously been introduced in Congress or considered by other governmental bodies over the past several years. It is probable that Congress and other governmental bodies relating to the regulation of cable communications services will make further attempts.

## 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 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.

Copyrighted music performed in programming supplied to cable television systems by pay cable networks and basic cable networks is licensed by the networks through private agreements with the American Society of Composers and Publishers, commonly referred to as ASCAP, and BMI, Inc., the two major performing rights organizations in the United States. Both ASCAP and BMI offer "through to the viewer" licenses to the cable networks which cover the retransmission of the cable networks' programming by cable television systems to their customers.

Our cable systems also utilize music in other programming and advertising that we provide to subscribers. The rights to use this music are controlled by various music performing rights organizations which negotiate on behalf of their copyright owners for license fees covering each performance. The cable industry and the major music performing rights organizations are negotiating a standard licensing agreement covering the performance of music contained in advertising and other information inserted by operators into cable programming and on local access and origination channels carried on cable systems. Rate courts established by a New York federal court exist to determine appropriate copyright coverage and royalty fees in the event the parties fail to reach a settlement or to negotiate renewals of licensing agreements. Although we cannot predict the ultimate outcome of these industry negotiations or the amount of any license fees we may be required to pay for past and future use of music, we do not believe such license fees will be significant to our financial position, results of operations or liquidity.

## 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 pursuant to 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;
- . territory of the franchise;
- . indemnification of the franchising authority;
- . use and occupancy of public streets; and
- . types of cable services provided.

A number of states subject cable systems to the jurisdiction of centralized state governmental agencies, some of which impose regulation of a character similar to that of a public utility. Attempts in other states to regulate cable systems are continuing and can be expected to increase. To date, no state in which we operate has enacted such state level regulation. State and local franchising jurisdiction is not unlimited; however, it must be exercised consistently with federal law. The Communications Act immunizes franchising authorities from monetary damage awards arising from regulation of cable systems or decisions made on franchise grants, renewals, transfers and amendments.

The foregoing describes all material present and proposed federal, state and local regulations and legislation affecting the cable industry. Other existing federal regulations, copyright licensing, and, in many jurisdictions, state and local franchise requirements, are currently the subject of judicial proceedings, legislative hearings and administrative proposals which could change, in varying degrees, the manner in which cable systems operate. Neither the outcome of these proceedings nor their impact upon the cable industry or our cable operations can be predicted at this time.

MANAGEMENT

Directors and Executive Officers

The table below sets forth our directors and executive officers. As of the date of this prospectus, we have two directors. Upon completion of this offering, the director nominees set forth below will be appointed to our board of directors.

Name	Age	Position
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Rocco B. Commisso.....	49	Chairman and Chief Executive Officer
Mark E. Stephan.....	43	Senior Vice President, Chief Financial Officer, Treasurer and Director
James M. Carey.....	48	Senior Vice President, Operations
Joseph Van Loan.....	57	Senior Vice President, Technology
Italia Commisso Weinand.....	46	Senior Vice President, Programming and Human Resources and Secretary
William S. Morris III.....	65	Director Nominee
Craig S. Mitchell.....	40	Director Nominee
Robert L. Winikoff.....	53	Director Nominee

Rocco B. Commisso has 21 years of experience with the cable television industry and has served as our Chairman and Chief Executive Officer since founding Mediacom LLC in July 1995. From 1986 to 1995, he served as Executive Vice President, Chief Financial Officer and a director of Cablevision Industries Corporation, the eighth largest cable television company in the United States before its sale to Time Warner, Inc. 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 television industry in 1978 at The Chase Manhattan Bank, where he was assigned to manage the bank's lending activities to communications firms including the cable television industry. He serves on the board of directors of the National Cable Television Association. Mr. Commisso holds a Bachelor of Science in Industrial Engineering and a Master of Business Administration from Columbia University.

Mark E. Stephan has 12 years of experience with the cable television industry and has served as our Senior Vice President, Chief Financial Officer and Treasurer since the commencement of our operations in March 1996. He is a member of the executive committee of Mediacom LLC. 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.

James M. Carey has 18 years of experience in the cable television industry. Before joining us in September 1997, Mr. Carey was founder and President of Infinet Results, a consulting firm to the telecommunications industry, from December 1996. Mr. Carey served as Executive Vice President, Operations at MediaOne Group from August 1995 to November 1996, where he was responsible for MediaOne's Atlanta cluster comprised of 500,000 basic subscribers. Prior to that time, Mr. Carey served as Regional Vice President of Cablevision Industries' Southern Region serving 180,000 basic subscribers.

Joseph Van Loan has 23 years of experience in the cable television industry. Before joining us in November 1996, Mr. Van Loan served as Senior Vice President, Engineering for Cablevision Industries from 1990. Prior to that time, Mr. Van Loan managed a private telecommunications consulting practice specializing in domestic and international cable television and broadcasting and served as Vice President, Engineering for Viacom Cable. Mr. Van Loan received the 1986 Vanguard Award for Science and Technology from the National Cable Television Association.

Italia Commisso Weinand has 23 years of experience in the cable television 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, Times Mirror Cable and Time Warner. She serves on the board of directors of the National Cable Television Cooperative, Inc., a programming consortium consisting of small to medium-sized multiple system operators. Ms. Weinand is the sister of Mr. Comisso.

William S. Morris III is a nominee to become a member of our board of directors upon the completion of this offering. He is a member of the executive committee of Mediacom LLC. He has served as the Chairman of the Board and Chief Executive Officer of Morris Communications for more than the past five years. He is a member of the board of directors and President of the Newspapers Association of America.

Craig S. Mitchell is a nominee to become a member of our board of directors upon the completion of this offering. He is a member of the executive committee of Mediacom LLC. Mr. Mitchell has held various management positions with Morris Communications for more than the past five years. He currently serves as its Vice President Finance and Treasurer and is also a member of its board of directors.

Robert L. Winikoff is a nominee to become a member of our board of directors upon the completion of this offering. He is a member of the executive committee of Mediacom LLC. Mr. Winikoff has been a partner of the New York City law firm of Cooperman Levitt Winikoff Lester & Newman, P.C. for more than the past five years, which has served as our general outside counsel since 1995. He is a member of the board of directors of Young Broadcasting Inc., an owner and operator of broadcast television stations.

Key Employees

The table below sets forth our key employees as of the date of this prospectus.

Name	Age	Position
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Calvin G. Craib.....	45	Vice President, Business Development
Bruce J. Gluckman.....	46	Vice President, Legal and Regulatory Affairs
Richard L. Hale.....	50	Vice President, Midwest Region
Dale E. Ordoyne.....	49	Vice President, Southern Region
John G. Pascarelli.....	38	Vice President, Marketing
Brian M. Walsh.....	33	Vice President and Controller
William D. Wegener.....	38	Vice President, Network Development
Arnold P. Cool.....	51	Regional Director, Central Region
Louis Gentile.....	39	Regional Director, Western Region
Richard P. Hanson.....	45	Regional Director, North Central Region
Donald E. Zagorski.....	40	Regional Director, Mid-Atlantic Region

Calvin G. Craib has 17 years experience in the cable television industry. Before joining us in April 1999, Mr. Craib served as Vice President, Finance and Administration for Interactive Marketing Group from June 1997 to December 1998. Mr. Craib served as Senior Vice President, Operations, and Chief Financial Officer for Douglas Communications from 1986 to May 1997. Prior to that time, Mr. Craib served in various financial management capacities at Warner Amex Cable and Tribune Cable.

Bruce J. Gluckman has seven years of experience in the cable television industry. Before joining us as Director of Legal Affairs in February 1998, Mr. Gluckman was in private law practice from January 1996 to October 1997. From June 1993 to January 1996, he served as a Staff Attorney for Cablevision Industries. Mr. Gluckman has twenty years of experience in the practice of law.

Richard L. Hale has 15 years of experience in the cable television industry. Before joining us as Regional Manager for the Central Region in January 1998, Mr. Hale served as Regional Manager of Cablevision Systems' Kentucky/Missouri region and as Sales and Marketing Director from 1988 to 1998. Mr. Hale began his career in the cable television industry in 1984 as Regional Sales and Marketing Director for Adams-Russell Cable.

Dale E. Ordoyne has 17 years of experience in the cable television industry. Before joining us in October 1999, Mr. Ordoyne served as Vice President, Marketing for MediaOne Group from 1995, where he was responsible for all marketing activities for the Atlanta cluster comprised of 500,000 basic subscribers. Prior to that time, Mr. Ordoyne served in various marketing and system management capacities for Cablevision Industries and Cox Communications.

John G. Pascarelli has 19 years of experience in the cable television industry. Before joining us in March 1998, Mr. Pascarelli served as Vice President, Marketing for Helicon 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, Cablevision Systems and Storer Communications.

Brian M. Walsh has 11 years of experience in the cable television industry. Before joining us in April 1996 as Director of Accounting, Mr. Walsh served as financial analyst for Helicon from January 1996. Prior to that time, Mr. Walsh served in various financial management capacities for Cablevision Industries, including Divisional Business Manager. Mr. Walsh began his career in the cable television industry in 1988 when he joined Cablevision Industries as a staff accountant.

William D. Wegener has 18 years of experience in the cable television industry. Before joining us in February 1998, Mr. Wegener served as Senior Sales Engineer for C-Cor Electronics from October 1995 to October 1997. Prior to that time, Mr. Wegener served in various engineering capacities for Cablevision Industries. He is a member of the Society of Cable Telecommunications Engineers.

Arnold P. Cool has 21 years of experience in the cable television industry. Before joining us in January 1998, he served in various capacities for Cablevision Systems' cable television systems in Kentucky and Missouri from April 1993. Prior to that time, Mr. Cool held various technical and supervisory responsibilities for Cablevision Systems and for smaller cable television companies.

Louis Gentile has 10 years of experience in the cable television industry. Before joining us as Divisional Business Manager in January 1998, Mr. Gentile served in various financial management capacities for Cablevision Systems from January 1992. Mr. Gentile began his career in the cable television industry in 1989 when he joined MultiVision Cable as a financial analyst.

Richard P. Hanson has more than 20 years of experience in the cable television industry. Mr. Hanson joined us upon the closing of the Triax acquisition on November 5, 1999. Before joining us, Mr. Hanson served in various capacities for Triax, most recently as Director of Operations, from March 1988 to October 1999. Prior to joining Triax, he served as Manager for Combined Cable and for Star Cablevision.

Donald E. Zagorski has 18 years of experience in the cable television industry. Before joining us in June 1997, Mr. Zagorski served as System and Regional Manager for Tele-Media Company from March 1990. Prior to that time, Mr. Zagorski held various technical and supervisory positions with Outer Banks Cablevision and Group W Cable.

All directors hold office until the next annual meeting of stockholders and until their successors have been elected and qualify. All executive officers and key employees serve at the discretion of the board of directors. Mr. Commisso has agreed to cause the election of two directors designated by Morris Communications so long as Morris Communications continues to own at least 20% of our outstanding common stock, and one such director so long as it continues to own at least 10% of such common stock. Pursuant to this agreement, Mr. Morris and Mr. Mitchell have been designated as directors by Morris Communications and will be appointed to our board of directors upon completion of this offering.

## Committees of the Board of Directors

Upon closing of this offering, we will appoint an audit committee, a compensation committee and a stock option committee.

### Audit Committee

The audit committee will consist of        directors,        of whom will be independent directors. The responsibilities of the audit committee include:

- . recommending the appointment of independent accountants;
- . reviewing the arrangements for and scope of the audit by independent accountants;
- . reviewing the independence of the independent accountants;
- . considering the adequacy of the system of internal accounting controls and review any proposed corrective actions;
- . reviewing and monitoring our policies regarding business ethics and conflicts of interest;
- . discussing with management and the independent accountants our draft annual financial statements and key accounting and reporting matters; and
- . reviewing the activities and recommendations of our accounting department.

### Compensation Committee

The compensation committee will consist of        directors,        of whom will be independent directors. The compensation committee has authority to review and make recommendations to our board of directors with respect to the compensation of our executive officers.

### Stock Option Committee

The stock option committee will consist of        directors, each of whom will be an independent director. The stock option committee administers our 1999 stock option plan and determines, among other things, the time or times at which options will be granted, the recipients of grants, whether a grant will consist of incentive stock options, nonqualified stock options or stock appreciation rights (in tandem with an option or free-standing) or a combination thereof, the option periods, whether an option is exercisable for Class A common stock or Class B common stock, the limitations on option exercise and the number of shares to be subject to such options, taking into account the nature and value of services rendered and contributions made to our success. The stock option committee also has authority to interpret the plan and, subject to certain limitations, to amend provisions of the plan as it deems advisable.

### Director Compensation

Those directors who are not also our employees will receive an annual retainer as fixed by our board of directors, which may be in the form of cash or stock options, or a combination of both. Non-employee directors will also receive reimbursement of out-of-pocket expenses incurred for each board meeting or committee meeting attended.

### Executive Compensation

Prior to the consummation of this offering, we did not make any payment in respect of compensation to any of our executive officers. These executive officers received compensation from Mediacom Management, which was entitled to receive management fees from our subsidiaries. For more information regarding the management fees paid by our subsidiaries to Mediacom Management, see "Certain Relationships and Related

Transactions--Management Agreements." Following the consummation of this offering, we will pay compensation to our executive officers.

Except where otherwise indicated, the following table summarizes the compensation paid in 1998 by Mediacom Management to our Chief Executive Officer and our four other most highly compensated executive officers who received total compensation in excess of \$100,000:

Summary Compensation Table

Name and Principal Position	Year	Annual Compensation		
		Salary(\$)	Bonus(\$)	Other Annual Compensation(\$)
Rocco B. Commisso Chairman and Chief Executive Officer	1998	100,000	--	--
Mark E. Stephan Senior Vice President, Chief Financial Officer, Treasurer and Director	1998	188,834	132,034	--
James M. Carey(1) Senior Vice President, Operations	1998	96,923	15,000	35,500(2)
Joseph Van Loan Senior Vice President, Technology	1998	188,834	132,034	--
Italia Commisso Weinand Senior Vice President, Programming and Human Resources and Secretary	1998	129,702	99,026	--

(1) Mr. Carey's compensation was paid by one of our operating subsidiaries, Mediacom Southeast LLC.

(2) Represents consulting fees from January 1, 1998 to February 2, 1998.

401(k) Plan

We maintain a retirement plan established in conformity with Section 401(k) of the Internal Revenue Code of 1986, covering all of our eligible employees. Pursuant to the 401(k) plan, employees may elect to defer up to 15% of their current pre-tax compensation and have the amount of the deferral contributed to the 401(k) plan. The maximum elective deferral contribution was \$10,000 in 1998, subject to adjustment for cost-of-living in subsequent years. Certain highly compensated employees may be subject to a lesser limit on their maximum elective deferral contribution. The 401(k) plan permits, but does not require, us to make matching contributions and non-matching (profit sharing) contributions up to a maximum dollar amount or maximum percentage of participant or employee contributions.



## CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

### Management Agreements

Each of our operating subsidiaries is a party to a management agreement with Mediacom Management, which is owned by Mr. Commisso. Under these agreements, Mediacom Management provides management services to our operating subsidiaries and is paid annual management fees. Until November 19, 1999, the management fee was 5.0% of the first \$50.0 million of our annual gross operating revenues, 4.5% of annual gross operating revenues in excess of \$50.0 million, up to \$75.0 million, and 4.0% of annual gross operating revenues in excess of \$75.0 million. For the years ended December 31, 1996, 1997 and 1998 and the six months ended June 30, 1999, management fees paid to Mediacom Management were \$235,000, \$812,000, \$4.9 million and \$3.8 million. The management agreements were amended effective November 19, 1999 in connection with an amendment to Mediacom LLC's operating agreement to provide for annual management fees equal to 2% of annual gross operating revenues. In addition, Mediacom Management has agreed to waive all management fees accrued from July 1, 1999 through November 19, 1999. Each of the management agreements will be terminated upon completion of this offering, and employees of Mediacom Management will become our employees.

### Transaction Fees and Expense Reimbursement

Mediacom LLC's operating agreement was amended effective November 19, 1999. Prior to the amendment, the operating agreement provided that Mediacom Management be paid a fee of 1.0% of the purchase price of acquisitions made directly or indirectly by Mediacom LLC until its pro forma annual consolidated operating revenues equaled \$75.0 million, and thereafter 0.5% of the purchase price. For the years ended December 31, 1996, 1997 and 1998, acquisition fees paid to Mediacom Management were \$453,000, \$540,000 and \$3.3 million. No acquisition fees were required to be paid during the six months ended June 30, 1999 because there were no acquisitions completed during the period. Acquisition fees in the aggregate amount of \$3.8 million in connection with the Triax and Zylstra acquisitions have been waived by Mediacom Management. Pursuant to the amended operating agreement, no further acquisition fees will be payable after November 19, 1999.

The operating agreement also provides for reimbursement of reasonable out-of-pocket expenses incurred by Mediacom Management in connection with the operation of the business of Mediacom LLC and acting on behalf of Mediacom LLC in connection with any potential acquisition of a cable system. During the year ended December 31, 1996, Mediacom LLC reimbursed Mediacom Management for \$505,000 of out-of-pocket expenses incurred in connection with the start-up of its operations. There were no further reimbursements made to Mediacom Management.

### Other Relationships

Chase Manhattan Capital, L.P. and CB Capital Investors, L.P. are parties related to Chase Securities Inc. and The Chase Manhattan Bank. For the years ended December 31, 1997 and 1998, Chase Securities received fees of \$887,500 and \$2.6 million, respectively, for its role as placement agent in connection with the original placement of membership interests in Mediacom LLC and its role as advisor in connection with our acquisition of the Cablevision systems. For the year ended December 31, 1998, The Chase Manhattan Bank received fees of \$200,000 in connection with the provision of a letter of credit in favor of the sellers of the Cablevision systems to secure our performance of certain obligations under the acquisition agreement.

For the years ended December 31, 1996, 1997 and 1998, The Chase Manhattan Bank received aggregate fees of \$675,000, \$375,000 and \$2.9 million for its services as the administrative agent and a lender under each of our former subsidiary credit facilities. In addition, Chase Securities was the arranger and The Chase Manhattan Bank is the administrative agent and a lender under each of our subsidiary credit facilities. For these services, Chase Securities and The Chase Manhattan Bank received fees of \$1.0 million to date in 1999. We expect to use the net proceeds from this offering to repay outstanding indebtedness under our subsidiary credit

facilities. The Chase Manhattan Bank will receive its proportionate share of the repayment. In 1998, we repaid promissory notes held by The Chase Manhattan Bank in the aggregate principal amount of \$20.0 million, plus accrued interest in the amount of \$300,000.

Chase Securities acted as an initial purchaser in connection with the offering of our 8 1/2% senior notes in 1998 and our 7 7/8% senior notes in 1999. Chase received fees in the amount of \$5.5 million in 1998 and \$3.1 million in 1999 in connection with the offerings.

Chase Securities acted as an advisor in connection with our acquisition of the Triax systems. For these services, Chase received a fee in the amount of \$3.0 million.

Morris Communications Corporation received fees of \$2.0 million in 1998 and \$268,000 in 1999 in connection with its capital contributions to Mediacom LLC. Upon completion of this offering, two individuals associated with Morris Communications, William S. Morris III and Craig S. Mitchell, will become members of our board of directors.

In connection with its purchase of a cable television system in Kern County, California from Booth American Company, Mediacom California issued to Booth American Company an unsecured senior subordinated note in the original amount of \$2.8 million. Interest on the note was deferred throughout the term and was payable on prepayment or at maturity on June 28, 2006. In 1998, the annual interest rate on the note was 9.0%. The note, together with all accrued interest, was repaid on September 24, 1999.

Mediacom LLC's operating agreement obligates its members to make capital contributions to Mediacom LLC. The following table sets forth the capital contributions made by the members of Mediacom LLC since January 1, 1997.

Member	Date of Capital Contribution			
	June 22, 1997	September 18, 1997	January 15, 1998	November 3, 1999
	(dollars in thousands)			
U.S. Investor, Inc. ....	\$1,950.0	\$ 500.0	\$ 2,293.8	\$ 256.2
Morris Communications Corporation.....	9,750.0	2,500.0	79,832.5	8,917.5
CB Capital Investors, L.P. ....	3,900.0	1,000.0	4,587.6	507.4

Robert L. Winikoff, one of our director nominees, is a partner at the law firm of Cooperman Levitt Winikoff Lester & Newman, P.C., that has served as our general outside counsel on various matters. Cooperman Levitt Winikoff Lester & Newman, P.C. received fees from Mediacom LLC in the amount of \$409,000 in 1996, \$462,000 in 1997 and \$807,000 in 1998.

#### Changes to Organizational Structure

We are a newly formed Delaware corporation. Immediately prior to this offering, we will issue shares of our common stock in exchange for all of the outstanding membership interests of Mediacom LLC, which currently serves as the holding company for our operating subsidiaries. As a result, we will become the parent company of Mediacom LLC which will continue to serve as the holding company of our subsidiaries.

Immediately prior to this offering, additional membership interests will be issued to all members of Mediacom LLC in accordance with a formula set forth in Mediacom LLC's amended operating agreement which is based upon our valuation established in this offering. Effective upon completion of this offering, a provision in the amended operating agreement providing for a special allocation of membership interests to Mr. Commisso and related parties based upon valuations of Mediacom LLC performed from time to time shall be removed. In connection with the removal of such provision, the amended operating agreement provides for the issuance to Mr. Commisso and such parties of membership interests representing 16.5% of the equity in

Mediacom LLC in accordance with a formula based upon our valuation established in this offering. These newly issued membership interests will be included as part of the exchange for shares of our common stock.

#### Registration Rights

We and Rocco Commisso, Morris Communications, CB Capital Investors, Chase Manhattan Capital, U.S. Investor, Private Market Fund and a less than 5% stockholder have entered into a registration rights agreement with respect to their shares of common stock. For additional information concerning the registration rights agreement, see "Shares Eligible for Future Sale--Registration Rights."

PRINCIPAL STOCKHOLDERS

The following table sets forth certain information as of \_\_\_\_\_, 1999 with respect to the beneficial ownership of our common stock by each of the following:

- . each person known by us to beneficially own more than 5% of any class of our common stock;
- . each of our directors and director nominees;
- . our Chief Executive Officer and our four other most highly compensated executive officers; and
- . all of our directors, director nominees and executive officers as a group.

Unless otherwise indicated, the address of each beneficial owner named in the table below is Mediacom Communications Corporation, 100 Crystal Run Road, Middletown, New York 10941. The amounts and percentages of common stock beneficially owned are reported on the basis of regulations of the Securities and Exchange Commission governing the determination of beneficial ownership of securities. Under the rules of the Securities and Exchange Commission, a person is deemed to be a "beneficial owner" of a security if that person has or shares "voting power," which includes the power to vote or to direct the voting of such security, or "investment power," which includes the power to dispose of or to direct the disposition of such security. Unless otherwise indicated below, each beneficial owner named in the table below has sole voting and sole investment power with respect to all shares beneficially owned, subject to community property laws where applicable. Shares of common stock subject to options that are currently exercisable or exercisable within 60 days of \_\_\_\_\_ are deemed to be outstanding and to be beneficially owned by the person holding such options for the purpose of computing the percentage ownership of such person but are not treated as outstanding for the purpose of computing the percentage ownership of any other person. The information set forth in the following table excludes any shares purchased in this offering by the respective beneficial owner.

Names of Beneficial Owner	Beneficial Ownership Before Offering			Beneficial Ownership After Offering		
	Class A Common Stock		Class B Common Stock	Class A Common Stock		Class B Common Stock
	Shares	Percent	Shares	Percent	Shares	Percent
				Percent of Total Votes Before Offering(1)		Percent of Total Votes After Offering(1)
Morris Communications Corporation..... 725 Broad Street Augusta, GA 30901		%		%	%	%
CB Capital Investors, L.P.(2)..... c/o Chase Manhattan Capital Corporation 380 Madison Avenue New York, NY 10017						
U.S. Investor, Inc.(3).. 333 West Fort Street Detroit, MI 48226						
Private Market Fund, L.P..... c/o Pacific Corporate Group 1200 Prospect Street, Suite 200 La Jolla, CA 92037						
Rocco B. Commisso.....						
Mark E. Stephan.....						
William S. Morris III... 725 Broad Street Augusta, GA 30901						
Craig S. Mitchell..... 725 Broad Street Augusta, GA 30901						

Names of Beneficial Owner	Beneficial Ownership Before Offering			Beneficial Ownership After Offering		
	Class A Common Stock		Class B Common Stock	Class A Common Stock		Class B Common Stock
	Shares	Percent	Percent of Total Votes Before Offering(1)	Shares	Percent	Percent of Total Votes After Offering(1)
Robert L. Winikoff..... c/o Cooperman Levitt Winikoff Lester & Newman 800 Third Avenue New York, New York 10022		%	%		%	%
James M. Carey.....						
Joseph Van Loan.....						
Italia Commisso Weinand.. All executive officers, directors and director nominees as a group (8 persons).....						

\* Represents beneficial ownership of less than 1%.

(1) Holders of Class A common stock are entitled to one vote per share, while holders of Class B common stock are entitled to ten votes per share. Holders of both classes of common stock will vote together as a single class on all matters presented for a vote, except as otherwise required by law.

(2) Includes approximately shares of Class A common stock owned by its affiliate, Chase Manhattan Capital, L.P.

(3) A party related to Booth American Company.

## DESCRIPTION OF CERTAIN INDEBTEDNESS

### Credit Facilities

Our operating subsidiaries, through two separate borrowing groups we refer to as the Mediacom USA Group and the Mediacom Midwest Group, currently obtain bank financing through two stand-alone credit facilities. The credit facilities for each borrowing group have no cross-default provisions relating directly to each other, have different revolving credit periods and contain separately negotiated covenants tailored for each borrowing group. The credit facilities restrict the ability of each borrowing group to make distributions to Mediacom LLC, subject to limited exceptions.

Financing for the operations of the Mediacom USA Group is provided by a credit agreement among the operating subsidiaries comprising the Mediacom USA Group, the lenders party thereto and The Chase Manhattan Bank, as administrative agent. The Mediacom USA credit facility is a \$550.0 million credit facility, consisting of a \$450.0 million reducing revolving credit facility and a \$100.0 million term loan. The revolving credit facility expires March 31, 2008, subject to earlier repayment on June 30, 2007 if we do not refinance our 8 1/2% senior notes prior to March 31, 2007. Principal on the outstanding term loan is payable in quarterly installments of \$250,000 with the balance due and payable on September 30, 2008, and is also subject to earlier repayment on September 30, 2007 if we do not refinance our 8 1/2% senior notes prior to March 31, 2007. At November 10, 1999, there was \$446.5 million of indebtedness outstanding under the Mediacom USA credit facility. The Mediacom USA credit facility provides us with two interest rate options, at our election, to which a margin is added: a base rate, the higher of the overnight rate plus 1/2 of 1% and the prime commercial lending rate, and a eurodollar rate, based on the interbank eurodollar interest rate. Interest rate margins for the Mediacom USA credit facility depend upon the performance of the Mediacom USA Group measured by its "leverage ratio," or the ratio of indebtedness to the immediately preceding quarter's operating cash flow, multiplied by four. The interest rate margins for the Mediacom USA credit facility are as follows:

- . interest on outstanding revolving loans is payable at either the eurodollar rate plus a floating percentage ranging from 0.75% to 2.25% depending on the leverage ratio or the base rate plus a floating percentage ranging from 0% to 1.25% depending on the leverage ratio; and
- . interest on term loans is payable at either the eurodollar rate plus a floating percentage tied to the leverage ratio ranging from 2.50% to 2.75% or the base rate plus a floating percentage tied to the leverage ratio ranging from 1.50% to 1.75%.

The weighted average interest rate at November 10, 1999 on the outstanding borrowings under the Mediacom USA credit facility was approximately 7.9%. As of November 10, 1999, interest rate swap agreements had been entered into to hedge the underlying eurodollar rate exposure in the notional amount of \$50.0 million with an expiration date ranging from 2000 to 2002.

The reducing revolving credit facility is available to the Mediacom USA Group to fund acquisitions, to make payments to us under limited circumstances, to pay management fees, to make investments and to finance capital expenditures and working capital needs. Up to \$100.0 million of the revolving credit facility is available for letters of credit.

Financing for the operations of the Mediacom Midwest Group is provided by a credit agreement among the operating subsidiaries comprising the Mediacom Midwest Group, the lenders party thereto and The Chase Manhattan Bank, as administrative agent. The Mediacom Midwest credit facility is a \$550.0 million credit facility, consisting of a \$450.0 million reducing revolving credit facility and a \$100.0 million term loan. The \$450.0 million revolving credit facility expires June 30, 2008, subject to earlier repayment on September 30, 2007 if we do not refinance our 8 1/2% senior notes prior to March 31, 2007. Principal on the outstanding term loan is payable in quarterly installments of between \$125,000 and \$250,000 with the balance due and payable on December 31, 2008, and is also subject to earlier repayment on December 31, 2007 if we do not refinance our 8 1/2% senior notes prior to March 31, 2007. At November 10, 1999, there was \$375.5 million of indebtedness outstanding under the Mediacom Midwest credit facility. The Mediacom Midwest credit facility

provides us with two interest rate options, at our election, to which a margin is added: a base rate, the higher of the overnight rate plus 1/2 of 1% and the prime commercial lending rate, and a eurodollar rate based on the interbank eurodollar interest rate. Interest rate margins for the Mediacom Midwest credit facility depend upon performance measured by the leverage ratio of the Mediacom Midwest Group. The interest rate margins for the Mediacom Midwest credit facility are as follows:

- . interest on outstanding revolving loans is payable at either the eurodollar rate plus a floating percentage ranging from 0.75% to 2.25% depending on the leverage ratio or the base rate plus a floating percentage ranging from 0% to 1.25% depending on the leverage ratio; and
- . interest on term loans is payable at either the eurodollar rate plus a floating percentage tied to the leverage ratio ranging from 2.50% to 2.75% or the base rate plus a floating percentage tied to the leverage ratio ranging from 1.50% to 1.75%.

The weighted average interest rate at November 10, 1999 on the outstanding borrowings under the Mediacom Midwest credit facility was approximately 8.0%.

The reducing revolving credit facility is available to the Mediacom Midwest Group to make restricted payments to us, to pay management fees, to make investments and to finance capital expenditures, working capital needs and acquisitions. Up to \$100.0 million of the revolving credit facility is available for letters of credit.

In general, each credit facility requires the borrowing groups to use the proceeds from specified debt issuances and asset dispositions to prepay borrowings under the relevant borrowing group's credit facility and to reduce permanently commitments thereunder. Each facility also requires mandatory prepayments of amounts outstanding and permanent reductions in the commitments thereunder, beginning in 2002, based on a percentage of excess cash flow.

Each credit facility is secured by a pledge of Mediacom LLC's ownership interests in the subsidiaries forming the relevant borrowing group, and is guaranteed by Mediacom LLC on a limited recourse basis to the extent of such ownership interests.

Each credit facility contains covenants, including:

- . limitations on mergers and acquisitions, consolidations and sales of assets;
- . limitations on liens;
- . incurrence of additional indebtedness;
- . investments;
- . restricted payments;
- . maintenance of specified financial ratios;
- . payment of management fees;
- . capital expenditures; and
- . restrictions on transactions with related parties.

In addition, an event of default will occur under each credit facility if, among other things:

- . Mr. Comisso ceases to be our Chairman and Chief Executive Officer and, in the case of the Mediacom Midwest credit facility, the Chairman and Chief Executive Officer of Zylstra;
- . we or Mediacom LLC shall cease to act as manager of our subsidiaries;
- . we or Mediacom LLC shall cease to own 50.1% or more of the aggregate voting rights of the equity interests of our subsidiaries;

- . specified "change of control" events occur and are continuing; or
- . Mr. Comisso, his family members, his affiliates and our officers and employees collectively cease to own at least 50.1% of the combined voting power of our common stock on a fully-diluted basis.

#### Senior Notes

The following is a summary of the 8 1/2% senior notes and the 7 7/8% senior notes:

- . Aggregate Principal Amount
  - 8 1/2% senior notes: \$200,000,000
  - 7 7/8% senior notes: \$125,000,000
- . Maturity
  - 8 1/2% senior notes: April 15, 2008
  - 7 7/8% senior notes: February 15, 2011
- . Interest Rate and Payment Dates
  - 8 1/2% senior notes: Bear interest at a rate of 8 1/2% per annum, payable semi-annually on April 15 and October 15 of each year.
  - 7 7/8% senior notes: Bear interest at the rate of 7 7/8% per annum, payable semi-annually on February 15 and August 15 of each year.
- . Optional Redemption. On or after April 15, 2003 with respect to the 8 1/2% senior notes and on or after February 15, 2006 with respect to the 7 7/8% senior notes, Mediacom LLC and Mediacom Capital Corporation may redeem the notes, in whole or in part. On or before April 15, 2001 with respect to the 8 1/2% senior notes and on or before February 15, 2002 with respect to the 7 7/8% senior notes, Mediacom LLC and Mediacom Capital may redeem up to 35% of the aggregate principal amount of the notes originally issued at the price specified in the relevant indenture relating to the notes:
  - only with the proceeds of one or more equity offerings; and
  - only if at least 65% of the aggregate principal amount of the notes originally issued remains outstanding after each redemption.
- . Change of Control. If Mediacom LLC and Mediacom Capital sell specified assets or if Mediacom LLC and Mediacom Capital experience specific kinds of changes of control, holders of the 8 1/2% senior notes and the 7 7/8% senior notes will have the opportunity to sell their notes to Mediacom LLC and Mediacom Capital at 101% of the principal amount of such notes plus accrued and unpaid interest and liquidated damages, if any, to the date of purchase.
- . Ranking. The 8 1/2% senior notes and the 7 7/8% senior notes:
  - are general unsecured obligations of Mediacom LLC and Mediacom Capital;
  - rank on the same level, or "pari passu," with the existing and future senior indebtedness of Mediacom LLC and Mediacom Capital; and
  - are subordinated to all indebtedness and other liabilities and commitments of the subsidiaries of Mediacom LLC and Mediacom Capital, including their credit facilities and trade payables.



. Covenants. The indentures governing the 8 1/2% senior notes and the 7 7/8% senior notes limit the activities of Mediacom LLC and Mediacom Capital and the activities of their "restricted" subsidiaries. The provisions of the indentures limit their ability, subject to important exceptions:

- to incur additional indebtedness;
- to pay dividends or make other restricted payments;
- to sell assets or subsidiary stock;
- to enter into transactions with related parties;
- to create liens;
- to enter into agreements that restrict dividends or other payments from restricted subsidiaries;
- to merge, consolidate or sell all or substantially all of our assets; and
- with respect to restricted subsidiaries, to issue capital stock.

## DESCRIPTION OF CAPITAL STOCK

### General

Our authorized capitalization consists of \_\_\_\_\_ shares of Class A common stock, par value \$.01 per share, \_\_\_\_\_ shares of Class B common stock, par value \$.01 per share, and \_\_\_\_\_ shares of preferred stock, par value \$.01 per share.

Concurrently with the completion of this offering, the holders of the membership interests of Mediacom LLC will exchange all of their membership interests for shares of our common stock in accordance with the relative ownership percentages of membership interests in Mediacom LLC immediately prior to the completion of this offering. As a result of the exchange, Mediacom LLC will become our wholly-owned subsidiary and will continue to serve as the holding company for our operating subsidiaries.

Upon completion of the exchange of membership interests for shares of our common stock and without giving effect to this offering, \_\_\_\_\_ shares of Class A common stock will be outstanding and \_\_\_\_\_ shares of Class B common stock will be outstanding. No shares of preferred stock will be outstanding.

### Common Stock

The rights of the holders of Class A and Class B common stock are substantially identical in all respects, except for their voting rights. Only members of our management and certain permitted transferees, as defined in our certificate of incorporation, may hold Class B common stock. There is no limitation on who may hold Class A common stock. Holders of Class A common stock are entitled to one vote per share. Holders of Class B common stock are entitled to ten votes per share. Holders of all classes of common stock entitled to vote will vote together as a single class on all matters presented to the stockholders for their vote or approval, except as otherwise required by the Delaware General Corporation Law. Under Delaware law, the holders of each class of common stock are entitled to vote as a separate class with respect to any amendment to our certificate of incorporation that would increase or decrease the aggregate number of authorized shares of such class, increase or decrease the par value of such class, or modify or change the powers, preferences or special rights of the shares of such class so as to affect such class adversely. Our certificate of incorporation does not provide for cumulative voting for the election of our directors, with the result that stockholders owning or controlling more than 50% of the total votes cast for the election of directors can elect all of the directors. See "Risk Factors-- Our Chief Executive Officer has the ability to control all major corporate decisions, which could inhibit or prevent a change of control or a change in management."

Subject to the dividend rights of holders of preferred stock, holders of common stock are entitled to receive dividends when, as and if declared by the board of directors out of funds legally available for this purpose. In the event of our liquidation, dissolution or winding up, the holders of both classes of common stock are entitled to receive on a pro rata basis any assets remaining available for distribution after payment of our liabilities and after provision has been made for payment of liquidation preferences to all holders of preferred stock. Holders of common stock have no conversion or redemption provisions or preemptive or other subscription rights, except that in the event any shares of Class B common stock held by a member of the management group are transferred outside the management group, such shares will be converted automatically into shares of Class A common stock on a one-for-one basis.

### Preferred Stock

Our certificate of incorporation authorizes us to issue \_\_\_\_\_ shares of "blank check" preferred stock having rights senior to our common stock. Our Board of Directors is authorized, without further stockholder approval, to issue preferred stock in one or more series and to fix the rights, preferences, privileges and restrictions thereof, including dividend rights, conversion rights, voting rights, redemption terms and liquidation preferences, and to fix the number of shares constituting any series and the designations of these series.

The issuance of preferred stock may have the effect of delaying or preventing a change of control of us. The issuance of preferred stock could decrease the amount of earnings and assets available for distribution to the holders of common stock or could adversely affect the voting power or other rights of the holders of common stock. We currently have no plans to issue any shares of preferred stock.

#### Limitations on Liability

As permitted by Delaware law, our certificate of incorporation provides that our directors shall not be personally liable to us or our stockholders for monetary damages for breach of fiduciary duty as a director, except for liability:

- . for any breach of the director's duty of loyalty to us or our stockholders;
- . for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
- . under Section 174 of the Delaware General Corporation Law, relating to unlawful payment of dividends or unlawful stock purchases or redemption; or
- . for any transaction from which the director derives an improper personal benefit.

As a result of this provision, we and our stockholders may be unable to obtain monetary damages from a director for breach of his or her duty of care.

Our certificate of incorporation and by-laws provide for the indemnification of our directors and officers, and, to the extent authorized by the board of directors in its sole and absolute discretion, employees and agents, to the fullest extent authorized by, and subject to the conditions set forth in Delaware law, except that we will indemnify a director or officer in connection with a proceeding or part thereof, initiated by such person, only if the proceeding or part thereof was authorized by our board of directors. The indemnification provided under the certificate of incorporation and by-laws includes the right to be paid the expenses, including attorneys' fees, in advance of any proceeding for which indemnification may be had, provided that the payment of these expenses, including attorneys' fees, incurred by a director, officer, employee or agent in advance of the final disposition of a proceeding may be made only upon delivery to us of an undertaking by or on behalf of the director, officer, employee or agent to repay all amounts so paid in advance if it is ultimately determined that the director or officer is not entitled to be indemnified.

Under the by-laws, we have the power to purchase and maintain insurance on behalf of any person who is or was one of our directors, officers, employees or agents, against any liability asserted against the person or incurred by the person in any such capacity, or arising out of the person's status as such, and related expenses, whether or not we would have the power to indemnify the person against such liability under the provisions of Delaware law. We currently have no plans to purchase director and officer liability insurance on behalf of our directors and officers.

#### Delaware Anti-Takeover Law

We will be subject to the provisions of Section 203 of Delaware law. Section 203 prohibits publicly held Delaware corporations from engaging in a "business combination" with an "interested stockholder" for a period of three years after the date of the transaction in which the person became an interested stockholder, unless:

- . prior to the business combination our board of directors approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder; or
- . upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, such stockholder owned at least 85% of our outstanding voting stock at the time such transaction commenced, excluding for the purpose of determining the number of shares outstanding

those shares owned (i) by our officers and directors and (ii) by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or

- . at or subsequent to such time the business combination is approved by our board of directors and authorized at an annual or special meeting of our stockholders, and not by written consent, by the affirmative vote of at least 66 2/3% of our outstanding voting stock which is not owned by the interested stockholder.

A "business combination" includes mergers, asset sales and other transactions resulting in a financial benefit to the interested stockholder. Subject to certain exceptions, an "interested stockholder" is a person who, together with affiliates and associates, owns, or within three years did own, 15% or more of the corporation's voting stock. These provisions could have the effect of delaying, deferring or preventing a change of control of us or reducing the price that certain investors might be willing to pay in the future for shares of our Class A common stock.

#### Listing

We will make application to list the Class A common stock on The Nasdaq Stock Market's National Market under the symbol "MCCC."

#### Transfer Agent and Registrar

The transfer agent for our Class A common stock will be

## SHARES ELIGIBLE FOR FUTURE SALE

### General

Upon the completion of this offering, we will have \_\_\_\_\_ shares of common stock issued and outstanding, including \_\_\_\_\_ shares of Class A common stock and \_\_\_\_\_ shares of Class B common stock. All outstanding shares of common stock other than those issued in this offering will be "restricted securities" as that term is defined in Rule 144 and also subject to certain restrictions on disposition. Restricted securities may be sold in the public market only if registered or if they qualify for an exemption from registration under Rule 144 or Rule 701 under the Securities Act. Sales of restricted securities in the public market, or the availability of such shares for sale, could have an adverse effect on the price of the Class A common stock. See "Dilution."

### Registration Rights

We and Rocco Commisso, Morris Communications, CB Capital Investors, Chase Manhattan Capital, U.S. Investor, Private Market Fund and a less than a 5% stockholder have entered into a registration rights agreement, pursuant to which we have granted to such persons various demand rights commencing 180 days after the completion of this offering to cause us to file a registration statement under the Securities Act covering resales of all shares of common stock held by such persons, and to use our best efforts to cause such registration statement to become effective. The registration rights agreement also grants "piggyback" registration rights which permit such persons to include their registrable securities in a registration of securities by us. We are obligated to pay the expenses of such registrations.

### Rule 144

In general, under Rule 144, as currently in effect, beginning 90 days after the date of this prospectus, a person who has beneficially owned shares of our Class A common stock for at least one year would be entitled to sell within any three month period a number of shares that does not exceed the greater of either of the following:

- . 1% of the number of shares of Class A common stock then outstanding, which will equal \_\_\_\_\_ shares immediately after this offering; and
- . the average weekly trading volume of the Class A common stock on The Nasdaq Stock Market during the four calendar weeks preceding the filing of a notice on Form 144 with respect to such sale.

Sales under Rule 144 are also subject to certain manner of sale provisions and notice requirements and to the availability of current public information about us.

### Rule 144(k)

Under Rule 144(k), a person who is not deemed to have been one of our "affiliates" at the time of or at any time during the three months preceding a sale, and who has beneficially owned the shares proposed to be sold for at least two years, including the holding period of any prior owner other than an "affiliate," is entitled to sell such shares without complying with the manner of sale, public information, volume limitation or notice provisions of Rule 144. Therefore, unless otherwise restricted, shares covered by Rule 144(k) may be sold immediately upon the completion of this offering. The sale of such shares, or the perception that sales will be made, could adversely effect the price of our Class A common stock after this offering because a greater supply of shares would be, or would be perceived to be, available for sale in the public market.

#### Further Restrictions on Transfer for Certain Persons

Our officers, directors and stockholders have agreed to enter into lock-up agreements with the underwriters of this offering generally providing that they will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any shares of our Class A common stock or securities convertible into or exchangeable or exercisable for any of our Class A common stock, or publicly disclose the intention to make any offer, sale, pledge, disposition or filing, without the prior written consent of Credit Suisse First Boston Corporation for a period of 180 days after the date of this prospectus, subject to certain exceptions. As a result of these contractual restrictions, notwithstanding the possible earlier eligibility for sale under the provisions of Rules 144 and 144(k), shares subject to lock-up agreements may not be sold until such agreements expire or are waived by Credit Suisse First Boston Corporation. In addition, we have agreed that we will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, or file with the Securities and Exchange Commission a registration statement under Securities Act relating to any shares of our Class A common stock or securities convertible into or exchangeable or exercisable for any of our Class A common stock, or publicly disclose the intention to make any offer, sale, pledge, disposition or filing, without the prior written consent of Credit Suisse First Boston Corporation for a period of 180 days after the date of this prospectus, subject to certain exceptions.

UNDERWRITERS

Credit Suisse First Boston Corporation and Salomon Smith Barney Inc. are acting as joint book-running managers for this offering. Credit Suisse First Boston Corporation, Salomon Smith Barney Inc. and Donaldson, Lufkin & Jenrette Securities Corporation are acting as co-lead managers, and Goldman, Sachs & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Chase Securities Inc., CIBC World Markets Corp. and First Union Securities, Inc. are acting as co-managers.

Under the terms and subject to the conditions contained in an underwriting agreement dated \_\_\_\_\_, 2000, we have agreed to sell to the underwriters named below, for whom Credit Suisse First Boston Corporation, Salomon Smith Barney Inc., Donaldson, Lufkin & Jenrette Securities Corporation, Goldman, Sachs & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Chase Securities Inc., CIBC World Markets Corp. and First Union Securities, Inc. are acting as representatives, the following respective numbers of shares of our Class A common stock:

Underwriters -----	Number of Shares -----
Credit Suisse First Boston Corporation.....	
Salomon Smith Barney Inc.....	
Donaldson, Lufkin & Jenrette Securities Corporation.....	
Goldman, Sachs & Co.....	
Merrill Lynch, Pierce, Fenner & Smith Incorporated.....	
Chase Securities Inc.....	
CIBC World Markets Corp.....	
First Union Securities, Inc.....	
 	-----
Total.....	=====

The underwriting agreement provides that the underwriters are obligated to purchase all the shares of our Class A common stock offered in this offering if any are purchased, other than those shares covered by the over-allotment option described below. The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may be increased or this offering of Class A common stock may be terminated.

We have granted to the underwriters a 30-day option to purchase on a pro rata basis up to \_\_\_\_\_ additional shares of our Class A common stock at the initial public offering price less the underwriting discounts and commissions. This option may be exercised only to cover any over-allotments of our Class A common stock.

The underwriters propose to offer the shares of our Class A common stock initially at the public offering price on the cover page of this prospectus and to selling group members at that price less a concession of \$ \_\_\_\_\_ per share. The underwriters and selling group members may allow a discount of \$ \_\_\_\_\_ per share on sales to other broker/dealers. After the initial public offering, the public offering price and concession and discount to broker/dealers may be changed by the representatives.

The following table summarizes the compensation and estimated expenses we will pay.

	Per Share		Total	
	Without Over-allotment	With Over-Allotment	Without Over-allotment	With Over-allotment
Underwriting discounts and commissions paid by us.....	\$	\$	\$	\$
Expenses payable by us..	\$	\$	\$	\$

The underwriters do not intend to confirm sales to any accounts over which they exercise discretionary authority.

We intend to use more than 10% of the net proceeds from the sale of the Class A common stock to repay indebtedness owed by us to Credit Suisse First Boston, New York branch, Citibank, N.A., The Chase Manhattan Bank, CIBC Inc. and First Union National Bank, each an affiliate of one of the underwriters. Accordingly, the offering is being made in compliance with the requirements of Rule 2710(c)(8) of the National Association of Securities Dealers, Inc. Conduct Rules. This rule provides generally that if more than 10% of the net proceeds from the sale of stock, not including underwriting compensation, is paid to the underwriters or their affiliates, the initial public offering price of the stock may not be higher than that recommended by a "qualified independent underwriter" meeting certain standards. Accordingly, Donaldson, Lufkin & Jenrette Securities Corporation is assuming the responsibilities of acting as the qualified independent underwriter in pricing the offering and conducting due diligence. The initial public offering price of the shares of common stock is no higher than the price recommended by Donaldson, Lufkin & Jenrette Securities Corporation.

We and our officers, directors and stockholders have agreed that we and they will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, or file with the Securities and Exchange Commission a registration statement under the Securities Act relating to, any shares of our Class A common stock or securities convertible into or exchangeable or exercisable for any of our Class A common stock, or publicly disclose the intention to make any offer, sale, pledge, disposition or filing, without the prior written consent of Credit Suisse First Boston Corporation for a period of 180 days after the date of this prospectus, except in our case for grants of employee stock options pursuant to the terms of a plan in effect on the date hereof, issuances of Securities pursuant to the exercise of such options or the exercise of any other employee stock options outstanding on the date hereof.

The underwriters have reserved for sale, at the initial public offering price up to \_\_\_\_\_ shares of the Class A common stock for employees, directors and certain other persons associated with us who have expressed an interest in purchasing Class A common stock in this offering. The number of shares available for sale to the general public in this offering will be reduced to the extent such persons purchase such reserved shares. Any reserved shares not so purchased will be offered by the underwriters to the general public on the same terms as the other shares.

We have agreed to indemnify the underwriters against liabilities under the Securities Act, or contribute to payments which the underwriters may be required to make in that respect.

We will make application to list the shares of Class A common stock on The Nasdaq Stock Market's National Market under the symbol "MCCC."

Prior to this offering, there has been no public market for our Class A common stock. The initial public offering price will be determined by negotiation between us and the representatives, and does not reflect the market price for our Class A common stock following this offering. The principal factors to be considered in determining the initial public offering price include:

- . the information in this prospectus and otherwise available to the representatives;



- . the history of and prospects for the industry in which we will compete;
- . our past and present operations;
- . our past and present earnings and current financial position;
- . the ability of our management;
- . our prospects for future earnings;
- . the recent market prices of, and the demand for, publicly traded common stock of generally comparable companies;
- . the general condition of the securities markets at the time of this offering; and
- . other relevant factors.

We can offer no assurance that the initial public offering price will correspond to the price at which the Class A common stock will trade in the public market subsequent to this offering or that an active trading market for the Class A common stock will develop and continue after this offering.

Individuals affiliated with Credit Suisse First Boston Corporation who beneficially own 0.3% of our common stock, purchased an aggregate of 50.2 membership units in Mediacom LLC for a total purchase price of \$50,240 on November 3, 1999. An entity affiliated with Chase Securities Inc. which beneficially owns 8.2% of our common stock, purchased an aggregate of 512.4 membership units in Mediacom LLC for a total purchase price of \$512,440 on November 3, 1999. Entities affiliated with Credit Suisse First Boston Corporation, Salomon Smith Barney Inc., Chase Securities Inc., CIBC World Markets Corp. and First Union Securities, Inc. are lenders under our subsidiary credit facilities, a portion of which will be repaid with the net proceeds of this offering. Chase Securities Inc. and its affiliates engage from time to time in various general financing and banking transactions with us and our affiliates. Chase Securities Inc. was the arranger and The Chase Manhattan Bank is the administrative agent and a lender under each of our subsidiary credit facilities. Chase Securities Inc. acted as financial advisor to us in connection with the acquisition of the Triax systems. In addition, certain investment affiliates of Donaldson, Lufkin & Jenrette Securities Corporation previously owned an interest in the Triax systems.

The representatives, on behalf of the underwriters, may engage in over-allotment, stabilizing transactions, syndicate covering transactions and penalty bids in accordance with Regulation M under the Exchange Act.

- . Over-allotment involves syndicate sales in excess of this offering size, which creates a syndicate short position.
- . Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum.
- . Syndicate covering transactions involve purchases of the Class A common stock in the open market after the distribution has been completed in order to cover syndicate short positions.
- . Penalty bids permit the representatives to reclaim a selling concession from a syndicate member when the Class A common stock originally sold by such syndicate member is purchased in a stabilizing transaction or a syndicate covering transaction to cover syndicate short positions.

These stabilizing transactions, syndicate covering transactions and penalty bids may cause the price of our Class A common stock to be higher than it would otherwise be in the absence of these transactions. These transactions may be effected on The Nasdaq National Market or otherwise and, if commenced, may be discontinued at any time.

## LEGAL MATTERS

The validity of the shares of Class A common stock offered hereby will be passed upon for us by Cooperman Levitt Winikoff Lester & Newman, P.C., New York, New York. Robert L. Winikoff, one of our director nominees, is a partner of Cooperman Levitt Winikoff Lester & Newman, P.C. Cahill Gordon & Reindel, a partnership including a professional corporation, will pass upon certain legal matters in connection with this offering.

## EXPERTS

The audited consolidated financial statements of Mediacom LLC and subsidiaries included in this prospectus and elsewhere in the registration statement have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their reports with respect thereto, and are included herein in reliance upon the authority of said firm as experts in giving said reports.

The consolidated balance sheets of the Cablevision Systems as of December 31, 1997 and 1996 and the related consolidated statements of operations, partners' capital (deficiency) and cash flows for the year ended December 31, 1997 and for the periods January 1, 1996 to August 12, 1996, and August 13, 1996 to December 31, 1996 and the consolidated balance sheets of the Cablevision Systems as of December 31, 1996 and 1995 and the related consolidated statements of operations, partners' capital (deficiency) and cash flows for the periods January 1, 1996 to August 12, 1996, and August 13, 1996 to December 31, 1996 and for the years ended December 31, 1995 and 1994, have been included in this prospectus and in the registration statement in reliance upon the reports of KPMG LLP, independent certified public accountants, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing. The reports of KPMG LLP include an explanatory paragraph relating to a change in cost basis of the consolidated financial information as a result of a redemption of certain limited and general partnership interests effective August 13, 1996.

The audited financial statements of Triax Midwest Associates, LP included in this prospectus and elsewhere in the registration statement have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their reports with respect thereto, and are included herein in reliance upon the authority of said firm as experts in giving said reports.

## AVAILABLE INFORMATION

We have filed with the Securities and Exchange Commission a registration statement on Form S-1, including all amendments, exhibits, schedules and supplements thereto, under the Securities Act and the rules and regulations thereunder, for the registration of the Class A Common Stock offered hereby. Although this prospectus, which forms a part of the registration statement, contains all material information included in the registration statement, parts of the registration statement have been omitted as permitted by the rules and regulations of the Securities and Exchange Commission. For further information about us and the Class A common stock offered in this prospectus, you should refer to the registration statement and its exhibits. You may read and copy any document we file with the Securities and Exchange Commission at the public reference facilities maintained by the Securities and Exchange Commission at Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549, and at the Securities and Exchange Commission's regional offices at 3475 Lenox Road, N.E., Suite 1000, Atlanta, Georgia 30326-1232. Copies of such material may be obtained from the Public Reference Section of the Securities and Exchange Commission at 450 Fifth Street, NW, Washington, D.C. 20549, at prescribed rates. You can also review such material by accessing the Security and Exchange Commission's Internet web site at <http://www.sec.gov>. This site contains reports, proxy and information statements and other information regarding issuers that file electronically with the Security and Exchange Commission.

We intend to furnish to each of our stockholders annual reports containing audited financial statements and quarterly reports containing unaudited financial information for the first three-quarters of each fiscal year. We will also furnish to each of our stockholders such other reports as may be required by law.

## GLOSSARY

The following is a description of certain terms used in this prospectus:

Amplifier cascades.....	The operation of two or more amplifiers in series so that the output of one device feeds the input of the next device.
Bandwidth.....	Bandwidth measures the information-carrying capacity of a communication channel and indicates the range of usable frequencies that can be carried by a cable television system.
Basic penetration.....	Basic subscribers as a percentage of total number of homes passed.
Basic service tier.....	A package of over-the-air broadcast stations, local access channels and/or certain satellite-delivered cable television services, other than premium services.
Basic subscriber.....	A subscriber to a cable television system who receives the basic service tier and who is usually charged a flat monthly rate for a number of channels.
Broadband.....	The ability to deliver multiple channels and/or services to customers via a single communications channel.
Cable modem.....	A device similar to a telephone modem that sends and receives signals over a cable television network at speeds exceeding 100 times the current capacity of a telephone modem.
Cable television.....	A broadband communications technology in which multiple television channels as well as audio and video signals are transmitted either one-way or bi-directionally through a distribution system to single or multiple specified locations.
Channel capacity.....	The number of traditional video programming channels that can be carried over a communications system.
Clustering.....	A general term used to describe the strategy of operating cable television systems in a specific geographic region, thus allowing for the achievement of economies of scale and operating efficiencies in such areas as system management, marketing, administrative and technical functions.
Cost-of-service.....	A rate-setting methodology prescribed by the FCC which may give a cable television operator the ability to establish maximum rates for regulated services in excess of the benchmark rate that would otherwise be applicable.
Digital.....	Technology that uses discrete levels (usually 0 and 1) to represent characters or numbers.
Digital compression.....	The conversion of the standard analog video signal into a digital signal and the compression of that signal to facilitate multiple channel transmissions through a single channel's signal.

Digital television.....	A distribution technology where video content is delivered in digital format.
Direct broadcast satellite television system.....	A service by which packages of television programming are transmitted via high-powered satellites to individual homes, each served by a small satellite dish.
Expanded basic tier.....	Cable programming services other than programming services provided on the basic service tier or on a per-channel or per-program basis.
Fiber optic cable.....	Cable made of glass fibers through which digital signals are transmitted as pulses of light to the distribution portion of the cable television network which in turn goes to a customer's home. This technology's high bandwidth allows for a very large number of channels to be more easily provided.
Headend facility.....	A collection of hardware, typically including satellite receivers, modulators, amplifiers and video cassette playback machines within which signals are processed and then combined for distribution within the cable television network.
High-speed Internet access.....	High-speed access to the Internet that is provided over the cable network.
Homes passed.....	The number of single residence homes, apartments and condominium units passed by the cable distribution network in a cable system's service area.
Internet.....	The large, worldwide network of thousands of smaller, interconnected computer networks. Originally developed for use by the military and for academic research purposes, the Internet is now accessible by millions of users.
Multiple dwelling units.....	Condominiums, apartment complexes, hospitals, hotels and other commercial complexes.
Multichannel, multipoint distribution service.....	A one-way radio transmission of television channels over microwave frequencies from a fixed station transmitting to multiple receiving facilities located at fixed points.
Multiple system operator.....	A cable television operator that owns or operates more than one cable television system.
Near video-on-demand.....	A pay-per-view service that allows customers to select and order a movie of their choice from a selection of movies being broadcast on several dedicated channels. Each movie is broadcast on multiple channels to offer the customer several start times for the same movie.
Network.....	The distribution network element of a cable television system consisting of coaxial and fiber optic cable which begins at the headend and is attached to power or telephone company poles or buried underground.

Node.....	The interface between the fiber optic and coaxial distribution network.
Non-metropolitan markets.....	Markets consisting of small cities and their surrounding areas, typically with populations of 500,000 or less, according to the metropolitan areas measurement of the U.S. Census Bureau.
Pay-per-view.....	Programming offered by a cable television operator on a per-program basis which a subscriber selects and for which a subscriber pays a separate fee.
Premium penetration.....	Premium service units as a percentage of the total number of basic subscribers. A customer may purchase more than one premium service, each of which is counted as a separate premium service unit. This ratio may be greater than 100% if the average customer subscribes to more than one premium service unit.
Premium service.....	Individual cable programming service available only for monthly subscriptions on a per-channel basis.
Premium service units.....	The number of subscriptions to premium services which are paid for on an individual basis. A subscriber may purchase more than one premium service, each of which is counted as a separate premium service unit.
Regional cluster.....	Cable television systems grouped in specific geographic regions and managed together to achieve economies of scale and operating efficiencies in such areas as system management, marketing, administrative and technical functions.
Route miles.....	The number of miles of the telecommunications path in which company-owned or leased fiber-optic cables are installed.
Telephone modem.....	A device either inserted in a computer or attached externally that encodes (modulates) or decodes (demodulates) an analog telephone signal to a digital signal to transmit and receive data.
Telephony.....	The provision of telephone service.
Tiers.....	Varying levels of cable services consisting of differing combinations of several over-the-air broadcast and satellite delivered cable television programming services.
Two-way communications capability.....	The ability to have bandwidth available for upstream and downstream, or two-way, communication.
Upgrade.....	The upgrade or replacement of an existing cable system, usually undertaken to improve its technological performance and/or to expand the system's channel capacity in order to provide more services.
Video-on-demand.....	A pay-per-view service that allows customers to select and order a movie of their choice on demand from a large film library.

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Note--Upon completion of this offering and the exchange of membership interests in Mediacom LLC for our common stock, Mediacom LLC will become a wholly-owned subsidiary of us. Prior to such time, Mediacom Communications Corporation had no assets, liabilities, contingent liabilities or operations.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Mediacom LLC:

We have audited the accompanying consolidated balance sheets of Mediacom LLC (a New York limited liability company) and subsidiaries as of December 31, 1998 and 1997, and the related consolidated statements of operations, changes in members' equity and cash flows for the years ended December 31, 1998 and 1997, and for the period from the commencement of operations (March 12, 1996) through December 31, 1996 and the statements of operations and cash flows from the period January 1, 1996 through March 11, 1996. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Mediacom LLC and its subsidiaries as of December 31, 1998 and 1997, and the results of their operations, members' equity and cash flows for the years ended December 31, 1998 and 1997, and for the period from commencement of operations (March 12, 1996) through December 31, 1996 and the statements of operations and cash flows from the period January 1, 1996 through March 11, 1996 in conformity with generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. Schedule II--Valuation and Qualifying Accounts is presented for purposes of complying with the Securities and Exchange Commissions rules and is not part of the basic consolidated financial statements. This schedule has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

Arthur Andersen LLP

Stamford, Connecticut  
March 5, 1999  
(except with respect to the  
matter discussed in note 15,  
as to which the date  
is November 10, 1999)



MEDIACOM LLC AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
(All dollar amounts in 000's)

	December 31,	
	1998	1997
ASSETS		
Cash and cash equivalents.....	\$ 2,212	\$ 1,027
Subscriber accounts receivable, net of allowance for doubtful accounts of \$298 in 1998 and \$56 in 1997.....	2,512	618
Prepaid expenses and other assets.....	1,712	1,358
Investment in cable television systems:		
Inventory.....	8,240	1,032
Property, plant and equipment, at cost.....	314,627	51,735
Less--accumulated depreciation.....	(45,423)	(5,737)
Property, plant and equipment, net.....	269,204	45,998
Intangible assets, net of accumulated amortization of \$26,307 in 1998 and \$3,478 in 1997.....	150,928	48,966
Total investment in cable television systems.....	428,372	95,996
Other assets, net of accumulated amortization of \$3,854 in 1998 and \$526 in 1997.....	16,344	3,792
Total assets.....	\$451,152	\$102,791
	=====	=====

LIABILITIES AND MEMBERS' EQUITY

LIABILITIES		
Debt.....	\$337,905	\$ 72,768
Accounts payable.....	2,678	853
Accrued expenses.....	29,446	4,021
Subscriber advances.....	1,510	603
Management fees payable.....	962	105
Total liabilities.....	372,501	78,350
MEMBERS' EQUITY		
Capital contributions.....	124,990	30,990
Accumulated deficit.....	(46,339)	(6,549)
Total members' equity.....	78,651	24,441
Total liabilities and members' equity.....	\$451,152	\$102,791
	=====	=====

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

MEDIACOM LLC AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(All dollar amounts in 000's)

	The Company		Predecessor	
	Year Ended December 31,		March 12, 1996 through December 31,	January 1, 1996 through March 11, 1996
	1998	1997	1996	
Revenues.....	\$129,297	\$17,634	\$ 5,411	\$1,038
Costs and expenses:				
Service costs.....	43,849	5,547	1,511	297
Selling, general, and administrative expenses.....	25,596	2,696	931	222
Management fee expense.....	5,797	882	270	52
Depreciation and amortization.....	65,793	7,636	2,157	527
Operating income (loss).....	(11,738)	873	542	(60)
Interest expense, net.....	23,994	4,829	1,528	201
Other expenses.....	4,058	640	967	--
Net loss.....	\$(39,790)	\$(4,596)	\$(1,953)	\$ (261)
Pro forma net loss and loss per share:				
Historical net loss before income taxes.....	\$(39,790)			
Pro forma income tax effects (note 15).....	--			
Pro forma net loss.....	\$(39,790)			
Pro forma common shares outstanding (note 15).....				
Pro forma basic and diluted loss per share.....				

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

MEDIACOM LLC AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' EQUITY  
(All dollar amounts in 000's)

Balance, Commencement of Operations (March 12, 1996).....	\$ 5,490
Capital contributions.....	1,000
Net loss.....	(1,953)
	-----
Balance, December 31, 1996.....	4,537
Capital contributions.....	24,500
Net loss.....	(4,596)
	-----
Balance, December 31, 1997.....	24,441
Capital contributions.....	94,000
Net loss.....	(39,790)
	-----
Balance, December 31, 1998.....	\$ 78,651
	=====

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

MEDIACOM LLC AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(All dollar amounts in 000's)

	The Company		Predecessor	
	Year Ended December 31,		March 12, 1996 through December 31, 1996	January 1, 1996 through March 11, 1996
	1998	1997		
<b>CASH FLOWS FROM OPERATING</b>				
<b>ACTIVITIES:</b>				
Net loss.....	\$ (39,790)	\$ (4,596)	\$ (1,953)	\$(261)
Adjustments to reconcile net loss to net cash flows from operating activities:				
Accretion of interest on seller note.....	287	264	129	--
Depreciation and amortization...	65,793	7,636	2,157	527
Changes in assets and liabilities, net of effects from acquisitions:				
Increase in subscriber accounts receivable.....	(1,437)	(351)	(267)	(40)
Decrease (increase) in prepaid expenses and other assets....	329	(34)	(1,323)	--
Increase (decrease) in accounts payable.....	1,822	(242)	514	--
Increase in accrued expenses...	24,843	3,762	840	--
Increase in subscriber advances.....	852	498	105	--
Increase in management fees payable.....	857	70	35	--
	-----	-----	-----	-----
Net cash flows from operating activities.....	53,556	7,007	237	226
	-----	-----	-----	-----
<b>CASH FLOWS USED IN INVESTING</b>				
<b>ACTIVITIES:</b>				
Capital expenditures.....	(53,721)	(4,699)	(671)	(86)
Acquisitions of cable television systems.....	(343,330)	(54,842)	(44,539)	--
Other, net.....	(34)	(467)	(47)	--
	-----	-----	-----	-----
Net cash flows used in investing activities.....	(397,085)	(60,008)	(45,257)	(86)
	-----	-----	-----	-----
<b>CASH FLOWS FROM FINANCING</b>				
<b>ACTIVITIES:</b>				
New borrowings.....	488,200	72,225	39,200	--
Repayment of debt.....	(223,350)	(40,250)	(1,600)	--
Increase in seller note.....	--	--	2,800	--
Capital contributions.....	94,000	24,500	6,490	--
Financing costs.....	(14,136)	(2,843)	(1,474)	--
	-----	-----	-----	-----
Net cash flows from financing activities.....	344,714	53,632	45,416	--
	-----	-----	-----	-----
Net increase in cash and cash equivalents.....	1,185	631	396	140
CASH AND CASH EQUIVALENTS, beginning of period.....	1,027	396	--	266
	-----	-----	-----	-----
CASH AND CASH EQUIVALENTS, end of period.....	\$ 2,212	\$ 1,027	\$ 396	\$ 406
	=====	=====	=====	=====
<b>SUPPLEMENTAL DISCLOSURES OF CASH</b>				
<b>FLOW INFORMATION:</b>				
Cash paid during the year for interest.....	\$ 21,127	\$ 4,485	\$ 1,190	\$ 201
	=====	=====	=====	=====

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

MEDIACOM LLC AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(All dollar amounts in 000's)

(1) The Limited Liability Company:

Organization

Mediacom LLC ("Mediacom" and collectively with its subsidiaries, the "Company"), a New York limited liability company, was formed on July 17, 1995 and initially conducted its affairs pursuant to an operating agreement dated March 12, 1996 (the "1996 Operating Agreement"). On March 31 and June 16, 1997, the 1996 Operating Agreement was amended and restated upon the admission of new members to Mediacom (the "1997 Operating Agreement"). On January 20, 1998, the 1997 Operating Agreement was amended and restated upon the admission of additional members to Mediacom (the "1998 Operating Agreement"). As of December 31, 1998, the Company had acquired and was operating cable television systems in fourteen states, principally Alabama, California, Florida, Kentucky, Missouri and North Carolina. (See Note 3).

Mediacom Capital Corporation ("Mediacom Capital"), a New York corporation wholly owned by Mediacom, was organized in March 1998 for the sole purpose of acting as co-issuer with Mediacom of \$200,000 aggregate principal amount of 8 1/2% Senior Notes due 2008 (the "8 1/2% Senior Notes"), which were issued on April 1, 1998. Mediacom Capital has nominal assets and does not conduct operations of its own. The 8 1/2% Senior Notes are joint and several obligations of Mediacom and Mediacom Capital, although Mediacom received all the net proceeds of the 8 1/2% Senior Notes.

Capitalization

The Company was initially capitalized on March 12, 1996, with equity contributions of \$5,445 from Mediacom's members and \$45 from Mediacom Management Corporation ("Mediacom Management"), a Delaware corporation. On June 28, 1996, Mediacom received additional equity contributions of \$1,000 from an existing member.

On June 22 and September 18, 1997, Mediacom received additional equity contributions of \$19,500 and \$5,000, respectively, from its members. On January 22, 1998, Mediacom received additional equity contributions of \$94,000 from its members.

Allocation of Losses, Profits and Distributions

For 1996, pursuant to the 1996 Operating Agreement, net losses were allocated 98% to the manager as defined in the operating agreements (the "Manager") and the balance to the other members ratably in accordance with their respective membership units. For 1997, pursuant to the 1997 Operating Agreement, net losses were allocated first to the Manager and the balance to the other members ratably in accordance with their respective membership units. For 1998, pursuant to the 1998 Operating Agreement, net losses are to be allocated first to the Manager; second, to the member owning the largest number of membership units in Mediacom; and third, to the members, other than the Manager, ratably in accordance with their respective positive capital account balances and membership units.

Profits are allocated first to the members to the extent of their deficit capital account; second, to the members to the extent of their preferred capital; third, to the members (including the Manager) until they receive an 8% preferred return on their preferred capital (the "Preferred Return"); fourth, to the Manager until the Manager receives an amount equal to 25% of the amount provided to deliver the Preferred Return to all members; the balance, 80% to the members (including the Manager) in proportion to their respective membership units and 20% to the Manager. The 1997 Operating Agreement increased the Preferred Return from 8% to 12%.

MEDIACOM LLC AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(All dollar amounts in 000's)

Distributions are made first to the members (including the Manager) in proportion to their respective membership units until they receive amounts equal to their preferred capital; second, to the members (including the Manager) in proportion to their percentage interests until all members receive the Preferred Return; third, to the Manager until the Manager receives 25% of the amount provided to deliver the Preferred Return; the balance, 80% to the members (including the Manager) in proportion to their percentage interests and 20% to the Manager.

#### Redemption Rights

Except as set forth below, no member has the right to have its membership interests redeemed or its capital contributions returned prior to dissolution of Mediacom. Pursuant to the 1998 Operating Agreement, each member has the right to require Mediacom to redeem its membership interests at any time if the holding of such interests exceeds the amount permitted, or is otherwise prohibited or becomes unduly burdensome, by any law to which such member is subject, or, in the case of any member which is a Small Business Investment Company as defined in and subject to regulation under the Small Business Investment Act of 1958, as amended, upon a change in the Company's principal business activities to an activity not eligible for investment by a Small Business Investment Company or a change in the reported use of proceeds of a member's investment in Mediacom. If Mediacom is unable to redeem for cash any or all of such membership interests at such time, Mediacom will issue as payment for such interests a junior subordinated promissory note with a five-year maturity date and deferred interest which accrues and compounds at an annual rate of 5% over the prime rate.

In addition, in connection with the Company's acquisition of the Cablevision Systems on January 23, 1998 (See Note 3), the Federal Communications Commission (the "FCC") issued a transactional forbearance from its cross-ownership restrictions, effective for a period of one year, permitting a certain existing member (the "Transactional Member") to purchase additional units of membership interest in Mediacom. This temporary waiver was originally set to expire on January 23, 1999. However, on January 15, 1999, the FCC granted an extension of such waiver to July 23, 1999. If at the end of this extension, the Transactional Member's membership interest in Mediacom remains above the limitations imposed by the FCC's cross-ownership restrictions, Mediacom will be required to repurchase such number of the Transactional Member's units of membership interest which exceed the permissible ownership level. If such repurchase were to occur on July 23, 1999 (i.e., upon expiration of the transactional forbearance), and assuming no changes in the number of outstanding membership units of Mediacom and no changes in such cross-ownership rules, the repurchase price for such excess membership interests would be approximately \$7,500 plus accrued interest.

#### Duration and Dissolution

Mediacom will be dissolved upon the first to occur of the following: (i) December 31, 2020; (ii) certain events of bankruptcy involving the Manager or the occurrence of any other event terminating the continued membership of the Manager, unless within one hundred eighty days after such event the Company is continued by the vote or written consent of no less than two-thirds of the remaining membership interests; or (iii) the entry of a decree of judicial dissolution.

#### (2) Summary of Significant Accounting Policies:

##### Basis of Preparation of Consolidated Financial Statements

The consolidated financial statements include the accounts of Mediacom and its subsidiaries. All significant intercompany transactions and balances have been eliminated. The preparation of financial

MEDIACOM LLC AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(All dollar amounts in 000's)

statements in conformity with generally accepted accounting principles 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. Actual results could differ from those estimates.

The financial statements for the period from January 1, 1996, through March 11, 1996, and reflecting the results of operations and statement of cash flows, are referred to as the "Predecessor" financial statements. The Predecessor is Benchmark Acquisition Fund II Limited Partnership which owned the assets comprising the cable television system serving at the time of its acquisition by the Company 10,300 subscribers in Ridgecrest, California. Accordingly, the accompanying financial statements of the Predecessor and the Company are not comparable in all material respects since those financial statements report results of operations and cash flows of these two separate entities.

#### Revenue Recognition

Revenues are recognized in the period in which the related services are provided to the Company's subscribers.

#### Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

#### Concentration of Credit Risk

The Company's accounts receivable is 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 the Company's customer base and their geographic dispersion.

#### Property, Plant and Equipment

Property, plant and equipment is recorded at purchased and capitalized cost. Repairs and maintenance are charged to operations, and replacements, renewals and additions are capitalized. The Company capitalized a portion of salaries and overhead related to the installation of property, plant and equipment of approximately \$6,548 and \$681 in 1998 and 1997, respectively.

The Company capitalizes interest on funds borrowed for projects under construction. Such interest is charged to property, plant and equipment and amortized over the approximate life of the related assets. Capitalized interest was approximately \$1,014 in 1998.

Depreciation is calculated on a straight-line basis over the following useful lives:

Buildings.....	45 years
Leasehold improvements.....	Life of respective lease
Cable systems and equipment.....	5 to 10 years
Subscriber devices.....	5 years
Vehicles.....	5 years
Furniture, fixtures and office equipment.....	5 to 10 years

MEDIACOM LLC AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(All dollar amounts in 000's)

Intangible Assets

Intangible assets include franchising costs, goodwill, subscriber lists and covenants not to compete. Amortization of intangible assets is calculated on a straight-line basis over the following lives:

Franchising costs.....	15 years
Goodwill.....	15 years
Subscriber lists.....	5 years
Covenants not to compete.....	3 to 7 years

Impairment of Long-Lived Assets

The Company follows the provisions of Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of" ("SFAS 121"). SFAS 121 requires that long-lived assets and certain identifiable intangibles to be held and used by any entity, be reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. There has been no impairment of long-lived assets of the Company under SFAS 121.

Other Assets

Other assets include financing costs of approximately \$8,492 and \$3,963 as of December 31, 1998 and 1997, respectively. Financing costs incurred to raise debt and equity capital are deferred and amortized on a straight-line basis over the expected term of such financings.

Income Taxes

Since Mediacom is a limited liability company and the Predecessor is a limited partnership, they are not subject to federal or state income taxes, and no provision for income taxes relating to their statements of operations have been reflected in the accompanying financial statements. The members of Mediacom and the limited partners of the Predecessor are required to report their share of income or loss in their respective income tax returns.

Reclassifications

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

(3) Acquisitions:

The Company has completed the undernoted acquisitions (the "Acquired Systems") in 1998 and 1997. These acquisitions were accounted for using the purchase method of accounting, and accordingly, the purchase price of these Acquired Systems have been allocated to the assets acquired and liabilities assumed at their estimated fair values at their respective date of acquisition. The results of operations of the Acquired Systems have been included with those of the Company since the dates of acquisition.

1998

On January 9, 1998, Mediacom California LLC ("Mediacom California"), a subsidiary of Mediacom, acquired the assets of a cable television system serving approximately 17,200 subscribers in Clearlake,



MEDIACOM LLC AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(All dollar amounts in 000's)

California and surrounding communities (the "Clearlake System") for a purchase price of \$21,400. The purchase price has been preliminarily allocated as follows: \$8,560 to property, plant and equipment, and \$12,840 to intangible assets. Such allocations are subject to adjustments based upon the final appraisal information received by the Company. The final allocations of the purchase price are not expected to differ materially from the preliminary allocations. Additionally, approximately \$226 of direct acquisition costs has been allocated to other assets. In the first quarter of 1998, the Company recorded acquisition reserves related to this acquisition in the amount of approximately \$370, which are included in accrued expenses. The acquisition of the Clearlake System and related closing costs and adjustments were financed with borrowings under the Company's bank credit facilities. See Note 8.

On January 23, 1998, Mediacom Southeast LLC, ("Mediacom Southeast"), a wholly-owned subsidiary of Mediacom, acquired the assets of cable television systems serving approximately 260,100 subscribers in various regions of the United States (the "Cablevision Systems") for a purchase price of \$308,200. The purchase price has been allocated based on independent appraisal as follows: \$205,500 to property, plant and equipment, and \$102,700 to intangible assets. Additionally, approximately \$3,500 of direct acquisition costs has been allocated to other assets. In the first quarter of 1998, the Company recorded acquisition reserves related to this acquisition in the amount of \$3,750, which are included in accrued expenses. The acquisition of the Cablevision Systems and related closing costs and adjustments were financed with equity contributions, borrowings under the Company's bank credit facilities, and other bank debt. See Notes 1 and 8.

On October 1, 1998, Mediacom Southeast acquired the assets of a cable television system serving approximately 3,800 subscribers in Caruthersville, Missouri (the "Caruthersville System") for a purchase price of \$5,000. The purchase price has been preliminarily allocated as follows: \$2,000 to property, plant and equipment, and \$3,000 to intangible assets. Such allocations are subject to adjustments based upon the final appraisal information received by the Company. The final allocations of the purchase price are not expected to differ materially from the preliminary allocations. The acquisition of the Caruthersville System and related closing costs and adjustments were financed with borrowings under the Company's bank credit facilities. See Note 8.

1997

On June 24, 1997, Mediacom Delaware LLC ("Mediacom Delaware"), a wholly-owned subsidiary of Mediacom, acquired the assets of cable television systems serving approximately 29,300 subscribers in lower Delaware and southwestern Maryland (the "Lower Delaware System") for a purchase price of \$42,600. The purchase price has been allocated as follows: \$21,300 to property, plant and equipment, and \$21,300 to intangible assets. Additionally, \$409 of direct acquisition costs has been allocated to other assets.

On September 19, 1997, Mediacom California acquired the assets of a cable television system serving approximately 9,600 subscribers in Sun City, California (the "Sun City System") for a purchase price of \$11,500. The purchase price has been allocated as follows: \$7,150 to property, plant and equipment, and \$4,350 to intangible assets. Additionally, \$52 of direct acquisition costs has been allocated to other assets.

(4) Pro Forma Results:

Summarized below are the pro forma unaudited results of operations for the years ended December 31, 1998 and 1997, assuming the purchase of the Acquired Systems had been consummated as of January 1, 1997. Adjustments have been made to: (i) depreciation and amortization reflecting the fair value of the assets

MEDIACOM LLC AND SUBSIDIARIES  
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acquired; and (ii) interest expense. The pro forma results may not be indicative of the results that would have occurred if the combination had been in effect on the dates indicated or which may be obtained in the future.

	1998	1997
Revenue.....	\$136,148	\$120,511
Operating loss.....	(11,809)	(15,352)
Net loss.....	\$(41,340)	\$(42,921)

(5) Recent Accounting Pronouncements:

In 1997, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standard No. 130, "Reporting Comprehensive Income," Statement of Financial Accounting Standard No. 131, "Disclosure about Segments of an Enterprise and Related Information" and Statement of Financial Accounting Standard No. 132, "Employer's Disclosure about Pension and Other Post Retirement Benefits" which are effective for the Company's fiscal 1998 financial statements. During the years ended December 31, 1998 and 1997 and the period ended December 31, 1996, the Company had no items of comprehensive income. Refer to Note 13 of the consolidated financial statements for disclosure about segments and other related information. Additionally, the Company does not have any defined benefit plans, therefore, additional disclosures are not applicable to the notes of the financial statements.

In 1998, Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities," ("SFAS 133") and Statement of Position 98-5, "Reporting on the Costs of Start up Activities" ("SOP 98-5") were issued. SFAS 133 establishes accounting and reporting standards requiring that every derivative instrument be recorded in the balance sheet as either an asset or liability measured at its fair value. The Company will adopt SFAS 133 in fiscal 2001 but has not quantified the impact or not yet determined the timing or method of the adoption. SOP 98-5 provides guidance on accounting for the costs of start-up activities, which include preopening costs, preoperating costs, organization costs, and start-up costs. The Company will adopt SOP 98-5 in fiscal 1999, but does not expect any impact on the financial statements.

(6) Property, Plant and Equipment:

As of December 31, 1998 and 1997, property, plant and equipment consisted of:

	1998	1997
Land and land improvements.....	\$ 341	\$ 108
Buildings and leasehold improvements.....	5,731	337
Cable systems, equipment and subscriber devices.....	300,051	49,071
Vehicles.....	5,051	1,135
Furniture, fixtures and office equipment.....	3,453	1,084
	\$314,627	\$51,735
Accumulated depreciation.....	(45,423)	(5,737)
	\$269,204	\$45,998

MEDIACOM LLC AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(All dollar amounts in 000's)

(7) Intangible Assets:

The following table summarizes the net asset value for each intangible asset category as of December 31, 1998 and 1997:

1998	Gross Asset Value	Amortization	Net Asset Value
-----	-----	-----	-----
Franchising costs.....	\$ 87,509	\$ 7,983	\$ 79,526
Goodwill.....	8,400	1,313	7,087
Subscriber lists.....	76,484	15,701	60,783
Covenants not to compete.....	4,842	1,310	3,532
	-----	-----	-----
	\$177,235	\$26,307	\$150,928
	=====	=====	=====
1997	Gross Asset Value	Amortization	Net Asset Value
-----	-----	-----	-----
Franchising costs.....	\$ 22,181	\$ 1,732	\$ 20,449
Goodwill.....	6,848	333	6,515
Subscriber list.....	18,573	1,085	17,488
Covenants not to compete.....	4,842	328	4,514
	-----	-----	-----
	\$ 52,444	\$ 3,478	\$ 48,966
	=====	=====	=====

(8) Debt:

As of December 31, 1998 and 1997, debt consisted of:

	1998	1997
	-----	-----
Mediacom:		
8 1/2% Senior Notes(a).....	\$200,000	\$ --
Subsidiaries:		
Bank Credit Facilities(b).....	134,425	69,575
Seller Note(c).....	3,480	3,193
	-----	-----
	\$337,905	\$72,768
	=====	=====

(a) On April 1, 1998, Mediacom and Mediacom Capital jointly issued \$200,000 aggregate principal amount of 8 1/2% Senior Notes due on April 15, 2008. The 8 1/2% Senior Notes are unsecured obligations of the Company, and the indenture for the 8 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 the Company. Interest accrues at 8 1/2% per annum, beginning from the date of issuance and is payable semi-annually on April 15 and October 15 of each year, commencing on October 15, 1998. The 8 1/2% Senior Notes may be redeemed at the option of Mediacom, in whole or part, at any time after April 15, 2003, at redemption prices decreasing from 104.25% of their principal amount to 100% in 2006, plus accrued and unpaid interest.

(b) On January 23, 1998, Mediacom Southeast entered into an eight and one-half year, \$225,000 reducing revolver and term loan agreement (the "Southeast Credit Facility"). On June 24, 1997, Mediacom California, Mediacom Delaware and Mediacom Arizona LLC, a wholly-owned subsidiary of Mediacom (collectively, the "Western Group"), entered into an eight and one-half year, \$100,000 reducing revolver and term loan agreement (the "Western Credit Facility" and, together with the Southeast Credit Facility, the "Bank Credit Facilities"). At December 31, 1998, the aggregate commitments under the Bank Credit Facilities were \$324,400. The Bank Credit Facilities are non-recourse to Mediacom and have no cross-default provisions relating directly to each other. The reducing revolving credit lines under the Bank Credit Facilities make available a maximum commitment amount for a period of up to eight and one-half years,

MEDIACOM LLC AND SUBSIDIARIES  
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which is subject to quarterly reductions, beginning September 30, 1998, ranging from 0.21% to 12.42% of the original commitment amount of the reducing revolver. The term loans under the Bank Credit Facilities are repaid in consecutive installments beginning September 30, 1998, ranging from 0.42% to 12.92% of the original term loan amount. The Bank Credit Facilities require mandatory reductions of the reducing revolvers and mandatory prepayments of the term loans from excess cash flow, as defined, beginning December 31, 1999. The Bank Credit Facilities provide for interest at varying rates based upon various borrowing options and the attainment of certain financial ratios and for commitment fees of 3/8% to 1/2% per annum on the unused portion of available credit under the reducing revolver credit lines. The effective interest rates on outstanding debt under the Bank Credit Facilities were 7.2% and 8.8% for the three months ending December 31, 1998 and December 31, 1997, respectively, after giving effect to the interest rate swap agreements discussed below.

The applicable margins for the respective borrowing rate options have the following ranges:

Interest Rate Option	Margin Rate
Base Rate.....	0.250% to 1.625%
Eurodollar Rate.....	1.250% to 2.625%

The Bank Credit Facilities require Mediacom's subsidiaries to maintain compliance with certain financial covenants including, but not limited to, the leverage ratio, the interest coverage ratio, the fixed charge coverage ratio and the pro forma debt service coverage ratio, as defined in the respective credit agreements. The Bank Credit Facilities also require Mediacom's subsidiaries to maintain 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 restrictive payments, and certain transactions with affiliates. The Company was in compliance with all covenants as of December 31, 1998.

The Bank Credit Facilities are secured by Mediacom's pledge of all its ownership interests in the subsidiaries and a first priority lien on all the tangible and intangible assets of the operating subsidiaries, other than real property in the case of the Southeast Credit Facility. The indebtedness under the Bank Credit Facilities is guaranteed by Mediacom on a limited recourse basis to the extent of its ownership interests in the operating subsidiaries. At December 31, 1998, the Company had approximately \$189,900 of unused commitments under the Bank Credit Facilities, all of which could have been borrowed by the operating subsidiaries for purposes of distributing such borrowed proceeds to Mediacom under the most restrictive covenants in the Company's bank credit agreements.

As of December 31, 1998, the Company had entered into interest rate exchange agreements (the "Swaps") with various banks pursuant to which the interest rate on \$60,000 is fixed at a weighted average swap rate of approximately 6.2%, plus the average applicable margin over the Eurodollar Rate option under the Bank Credit Facilities. Any amounts paid or received due to swap arrangements are recorded as an adjustment to interest expense. Under the terms of the Swaps, which expire from 1999 through 2002, the Company is exposed to credit loss in the event of nonperformance by the other parties to the Swaps. However, the Company does not anticipate nonperformance by the counterparties.

- (c) In connection with the acquisition of the Kern Valley System, the Western Group issued to the seller an unsecured senior subordinated note (the "Seller Note") in the amount of \$2,800, with a final maturity of June 28, 2006. Interest is deferred throughout the term of the note and is payable at maturity or upon prepayment. For the five-year period ending June 28, 2001, the annual interest rate is 9.0%. After the initial five-year period, the annual interest rate increases to 15.0%, with an interest clawback for the first five years. After the initial seven-year period, the interest rate increases to 18.0%, with an interest clawback for the first seven years. The Company intends to prepay the Seller Note plus accrued interest on or before June 28, 2001, subject to prior approval by the parties to the Western Credit Facilities, which the Company

MEDIACOM LLC AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(All dollar amounts in 000's)

believes it will obtain. The Company expects to repay the Seller Note with cash flow generated from operations and future borrowings. There are no penalties associated with prepayment of this note.

The Seller Note agreement contains a debt incurrence covenant limiting the ability of the Western Group to incur additional indebtedness. The Seller Note is subordinated and junior in right of payment to all senior obligations, as defined in the Western Credit Facility.

The stated maturities of all debt outstanding as of December 31, 1998, are as follows:

1999.....	\$ 2,000
2000.....	2,300
2001.....	6,600
2002.....	9,500
2003.....	13,600
Thereafter.....	303,905
	-----
	\$337,905
	=====

(9) Related Party Transactions:

Separate management agreements with each of Mediacom's subsidiaries provide for Mediacom Management to be paid compensation for management services performed for the Company. Under such agreements, Mediacom Management, which is wholly-owned by the Manager, is entitled to receive annual management fees calculated as follows: (i) 5.0% of the first \$50,000 of annual gross operating revenues of the Company; (ii) 4.5% of such revenues in excess thereof up to \$75,000; and (iii) 4.0% of such revenues in excess of \$75,000. The Company incurred management fees of approximately \$5,797, \$882, and \$270 for the years ended 1998 and 1997, and for the period ended December 31, 1996, respectively.

The operating agreement of Mediacom provides for Mediacom Management to be paid a fee of 1.0% of the purchase price of acquisitions made by the Company until the Company's pro forma consolidated annual operating revenues equal \$75,000 and 0.5% of such purchase price thereafter. The Company incurred acquisition fees of approximately \$3,327, \$544, and \$441 for the years ended 1998 and 1997, and for the period ended December 31, 1996, respectively. The acquisition fees are included in other expenses in the statement of operations.

In addition, the operating agreements of the Company provide for the reimbursement of reasonable out-of-pocket expenses of Mediacom Management incurred in connection with the operation of the business of the Company and acting for or on behalf of the Company in connection with any potential acquisitions. The Company reimbursed Mediacom Management approximately \$53, \$59, and \$29 for the years ended 1998 and 1997, and for the period ended December 31, 1996, respectively.

(10) Employee Benefit Plans:

Substantially all employees of the Company are eligible to participate in a deferred arrangement pursuant to IRC Section 401(k) (the "Plan"). Under such arrangement, eligible employees may contribute up to 15% of their current pre-tax compensation to the Plan. The Plan permits, but does not require, matching contributions and non-matching (profit sharing) contributions to be made by the Company up to a maximum dollar amount or maximum percentage of participant contributions, as determined annually by the Company. The Company presently matches 50% on the first 6% of employee contributions. The Company's contributions under the Plan totaled approximately \$264, \$14, and \$10 for the years ended 1998 and 1997, and for the period ended December 31, 1996, respectively.

MEDIACOM LLC AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(All dollar amounts in 000's)

(11) Commitments and Contingencies:

Under various lease and rental agreements for offices, warehouses and computer terminals, the Company had rental expense of approximately \$588, \$138, and \$22 for the years ended 1998 and 1997, and for the period ended December 31, 1996, respectively. Future minimum annual rental payments are as follows:

1999.....	\$1,815
2000.....	1,190
2001.....	768
2002.....	379
2003.....	267

In addition, the Company rents utility poles in its operations generally under short-term arrangements, but the Company expects these arrangements to recur. Total rental expense for utility poles was approximately \$1,709, \$102, and \$24 for the years ended 1998 and 1997, and for the period ended December 31, 1996, respectively.

Legal Proceedings

Management is not aware of any legal proceedings currently that will have a material adverse impact on the Company's financial statements.

Regulation in the Cable Television Industry

The cable television industry is subject to extensive regulation by federal, local and, in some instances, state government agencies. The Cable Television Consumer Protection and Competition Act of 1992 and the Cable Communication Policy Act of 1984 (collectively, the "Cable Acts"), both of which amended the Communications Act of 1934 (as amended, the "Communications Act"), established a national policy to guide the development and regulation of cable television systems. The Communications Act was recently amended by the Telecommunications Act of 1996 (the "1996 Telecom Act"). Principal responsibility for implementing the policies of the Cable Acts and the 1996 Telecom Act has been allocated between the FCC and state or local regulatory authorities.

Federal Law and Regulation

The Cable Acts and the FCC's rules implementing such acts generally have increased the administrative and operational expenses of cable television systems and have resulted in additional regulatory oversight by the FCC and local or state franchise authorities. The Cable Acts and the corresponding FCC regulations have established, among other things: (i) rate regulations; (ii) mandatory carriage and retransmission consent requirements that require a cable television system under certain circumstances to carry a local broadcast station or to obtain consent to carry a local or distant broadcast station; (iii) rules for franchise renewals and transfers; and (iv) other requirements covering a variety of operational areas such as equal employment opportunity, technical standards and customer service requirements.

The 1996 Telecom Act deregulates rates for cable programming services tiers ("CPST") on March 31, 1999 and, for certain small cable operators, immediately eliminates rate regulation of CPST, and, in certain limited circumstances, basic services. The FCC is currently developing permanent regulations to implement the rate deregulation provisions of the 1996 Telecom Act. The Company is currently unable to predict the ultimate effect of the Cable Acts or the 1996 Telecom Act on its financial statements.

The FCC and Congress continue to be concerned that rates for regulated programming services are rising at a rate exceeding inflation. It is therefore possible that the FCC will further restrict the ability of cable television operators to implement rate increases and/or Congress will enact legislation which would, for example, delay or suspend the scheduled March 1999 termination of CPST rate regulation.

MEDIACOM LLC AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(All dollar amounts in 000's)

State and Local Regulation

Cable television systems generally operate pursuant to non-exclusive franchises, permits or licenses granted by a municipality or other state or local governmental entity. The terms and conditions of franchises vary materially from jurisdiction to jurisdiction. A number of states subject cable television systems to the jurisdiction of centralized state government agencies. To date, other than Delaware, no state in which the Company currently operates has enacted state level regulation. The Company cannot predict whether any of the states in which currently operates will engage in such regulation in the future.

(12) Disclosures about Fair Value of Financial Instruments:

Debt

The fair value of the Company's debt is estimated based on the current rates offered to the Company for debt of the same remaining maturities. The fair value of the senior bank debt and the Seller Note approximates the carrying value. The fair value at December 31, 1998 of the 8 1/2% Senior Notes was approximately \$204,500.

Interest Rate Exchange Agreements

The fair value of the Swaps is the estimated amount that the Company would receive or pay to terminate the Swaps, taking into account current interest rates and the current creditworthiness of the Swap counterparties. At December 31, 1998, the Company would have paid approximately \$1,464 to terminate the Swaps, inclusive of accrued interest.

(13) FASB 131--Disclosure about Segments of an Enterprise and Related Information:

During the fourth quarter of fiscal year 1998, the Company adopted Statement of Financial Accounting Standards (SFAS) No. 131, "Disclosure about Segments of an Enterprise and Related Information". This statement requires the Company to report segment financial information consistent with the presentations made to the Company's management for decision-making purposes. All revenues of the Company are derived solely from cable television operations and related activities. When allocating capital and operational resources to the cable television systems, the Company's management evaluates such factors as the bandwidth capacity and other cable plant characteristics, the offered programming services, and the rate structure. The decision making of the Company's management is based primarily on the impact of such resource allocations on the Company's consolidated system cash flow (defined as operating income before management fee expense, and depreciation and amortization). For the years ended 1998 and 1997, and for the period ended December 31, 1996, the Company's consolidated system cash flow was approximately \$59,850, \$9,390, and \$2,960, respectively.

(14) Recent Events:

On February 26, 1999, Mediacom and Mediacom Capital, a New York corporation wholly-owned by Mediacom, jointly issued \$125,000 aggregate principal amount of 7 7/8% Senior Notes due on February 15, 2011. The net proceeds from this offering of approximately \$121,900 were used to repay a substantial portion of outstanding indebtedness under the Company's bank credit facilities. Interest on the 7 7/8% Senior Notes will be payable semi-annually on February 15 and August 15 of each year, commencing on August 15, 1999.

The Company is regularly presented with opportunities to acquire cable television systems that are evaluated on the basis of the Company's acquisition strategy. Although the Company presently does not have any definitive agreements to acquire or sell any of its cable television systems, it is negotiating with prospective sellers to acquire additional cable television systems. If definitive agreements for all such potential acquisitions are executed, and if such acquisitions are then consummated, the Company's customer base would

MEDIACOM LLC AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(All dollar amounts in 000's)

approximately double in size. These acquisitions are subject to the negotiation and completion of definitive documentation, which will include customary representations and warranties and will be subject to a number of closing conditions. Financing for these potential transactions has not been determined; however, if such acquisitions are consummated, the Company believes its total indebtedness would substantially increase. No assurance can be given that such definitive documents will be entered into or that, if entered into, the acquisitions will be consummated.

(15) Subsequent events:

The Company has filed a registration statement with the Securities and Exchange Commission with the intent of having an initial public offering of its common stock. In connection therewith, the members of the limited liability company will exchange their membership interests for shares in a C corporation and will become subject to federal and state income taxes. As of December 31, 1998, had the Company been a C corporation, the Company would have recognized a non-recurring non-cash benefit to earnings of approximately \$900 to record a net deferred tax asset.

Pro forma earnings per share is calculated in accordance with SFAS No. 128 "Earnings Per Share" and is presented on a pro forma basis as if the shares issued to effect the exchange of membership interests of Mediacom LLC for shares in a C corporation were outstanding for all periods presented. The anticipated exchange of common stock for membership interests are included at an exchange ratio of shares per membership interest. The calculation does not include the effect of any stock options that may be granted as part of the IPO. The Company has operating losses for the periods presented and has not reflected any income tax benefit as part of the pro forma loss.

At the time of the offering, the Company will terminate the management services agreement with Mediacom Management and all employees of Mediacom Management will become employees of the new C corporation.



MEDIACOM LLC AND SUBSIDIARIES  
 VALUATION AND QUALIFYING ACCOUNTS  
 (All dollar amounts in 000's)

	Balance at beginning of period	Additions charged to costs and expenses	Deductions	Balance at end of period
	-----	-----	-----	-----
December 31, 1996				
Allowance for doubtful accounts				
Current				
receivables.....	\$ --	\$ 91	\$ 66	\$ 25
Acquisition reserves				
Accrued expenses....	\$ --	\$ --	\$ --	\$ --
December 31, 1997				
Allowance for doubtful accounts				
Current				
receivables.....	\$ 25	\$ 45	\$ 14	\$ 56
Acquisition reserves				
Accrued expenses....	\$ --	\$ --	\$ --	\$ --
December 31, 1998				
Allowance for doubtful accounts				
Current				
receivables.....	\$ 56	\$1,694	\$1,452	\$ 298
Acquisition reserves(1)				
Accrued expenses....	\$ --	\$4,120	\$ --	\$4,120

-----  
 (/1/) Addition was charged to intangible assets

MEDIACOM LLC AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
(All dollar amounts in 000's)

	June 30, 1999	December 31, 1998
	-----	
	(Unaudited)	
<b>ASSETS</b>		
Cash and cash equivalents.....	\$ 1,555	\$ 2,212
Subscriber accounts receivable, net of allowance for doubtful accounts of \$397 in 1999 and \$298 in 1998...	2,342	2,512
Prepaid expenses and other assets.....	1,690	1,712
Investment in cable television systems:		
Inventory.....	10,135	8,240
Property, plant and equipment, at cost.....	346,260	314,627
Less--accumulated depreciation.....	(69,134)	(45,423)
	-----	-----
Property, plant and equipment, net.....	277,126	269,204
Intangible assets, net of accumulated amortization of \$38,888 in 1999 and \$26,307 in 1998.....	140,956	150,928
	-----	-----
Total investment in cable television systems.....	428,217	428,372
Other assets, net of accumulated amortization of \$7,039 in 1999 and \$3,854 in 1998.....	14,606	16,344
	-----	-----
Total assets.....	\$448,410	\$451,152
	=====	=====
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
<b>LIABILITIES</b>		
Debt.....	\$359,629	\$337,905
Accounts payable.....	1,204	2,678
Accrued expenses.....	29,931	29,446
Subscriber advances.....	1,888	1,510
Management fees payable.....	751	962
	-----	-----
Total liabilities.....	393,403	372,501
	-----	-----
COMMITMENTS AND CONTINGENCIES.....	--	--
<b>MEMBERS' EQUITY</b>		
Capital contributions.....	124,990	124,990
Accumulated deficit.....	(69,983)	(46,339)
	-----	-----
Total members' equity.....	55,007	78,651
	-----	-----
Total liabilities and members' equity.....	\$448,410	\$451,152
	=====	=====

See accompanying notes to consolidated financial statements

MEDIACOM LLC AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(All dollar amounts in 000's)  
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	1999	1998	1999	1998
Revenues.....	\$ 38,178	\$34,125	\$ 74,178	\$ 60,068
Costs and expenses:				
Service costs.....	12,350	11,641	24,175	21,463
Selling, general, and administrative expenses.....	7,301	6,238	14,502	11,541
Management fee expense.....	1,923	1,575	3,588	2,782
Depreciation and amortization.....	21,029	16,193	41,431	27,422
Operating loss.....	(4,425)	(1,522)	(9,518)	(3,140)
Interest expense, net.....	7,012	6,721	13,392	11,738
Other (income) expenses.....	(259)	228	734	3,568
Net loss.....	\$(11,178)	\$(8,471)	\$(23,644)	\$(18,446)
	=====	=====	=====	=====
Pro forma net loss and loss per share:				
Historical net loss before income taxes.....			\$(23,644)	
Pro forma income tax effects (note 6).....			--	
Pro forma net loss.....			\$(23,644)	
			=====	
Pro forma common shares outstanding (note 6).....				
Pro forma basic and diluted loss per share.....				

See accompanying notes to consolidated financial statements

MEDIACOM LLC AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(All dollar amounts in 000's)  
(Unaudited)

	Six Months Ended June 30,	
	1999	1998
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net loss.....	\$ (23,644)	\$ (18,446)
Adjustments to reconcile net loss to net cash flows from operating activities:		
Accretion of interest on seller note.....	149	136
Depreciation and amortization.....	41,431	27,422
Decrease (increase) in subscriber accounts receivable.....	170	(4,425)
Decrease (increase) in prepaid expenses and other assets.....	22	(1,403)
(Decrease) increase in accounts payable.....	(1,474)	4,095
Increase in accrued expenses.....	485	24,001
Increase in subscriber advances.....	378	9
(Decrease) increase in management fees payable.....	(211)	414
Net cash flows from operating activities.....	17,306	31,803
<b>CASH FLOWS USED IN INVESTING ACTIVITIES:</b>		
Capital expenditures.....	(35,891)	(16,884)
Acquisitions of cable television systems.....	--	(337,195)
Other, net.....	(314)	--
Net cash flows used in investing activities.....	(36,205)	(354,079)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net borrowings.....	152,800	456,400
Repayment of debt.....	(131,225)	(214,175)
Capital contributions.....	--	94,000
Financing costs.....	(3,333)	(13,568)
Net cash flows from financing activities.....	18,242	322,657
Net (decrease) increase in cash and cash equivalents.....	( 657)	381
CASH AND CASH EQUIVALENTS, beginning of period.....	2,212	1,027
CASH AND CASH EQUIVALENTS, end of period.....	\$ 1,555	\$ 1,408
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:</b>		
Cash paid during the period for interest.....	\$ 10,999	\$ 7,482

See accompanying notes to consolidated financial statements

MEDIACOM LLC AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(All dollar amounts in 000's)  
(Unaudited)

(1) Statement of Accounting Presentation and Other Information

Mediacom LLC ("Mediacom" and collectively with its subsidiaries, the "Company"), a New York limited liability company, was formed in July 1995 principally to acquire and operate cable television systems. As of June 30, 1999, the Company had acquired and was operating cable television systems in fourteen states, principally Alabama, California, Florida, Kentucky, Missouri and North Carolina.

Mediacom Capital Corporation ("Mediacom Capital"), a New York corporation wholly owned by Mediacom, was organized in March 1998 for the sole purpose of acting as co-issuer with Mediacom of \$200,000 aggregate principal amount of 8 1/2% senior notes due 2008 (the "8 1/2% Senior Notes") and of \$125,000 aggregate principal amount of 7 7/8% senior notes due 2011 (the "7 7/8% Senior Notes" and collectively with the 8 1/2% Senior Notes, the "Senior Notes") (see Note 3). Mediacom Capital has nominal assets and does not conduct operations of its own. The Senior Notes are joint and several obligations of Mediacom and Mediacom Capital, although Mediacom received all the net proceeds of the Senior Notes.

The consolidated financial statements include the accounts of Mediacom and its subsidiaries and have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission. Accordingly, certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted.

The consolidated financial statements as of June 30, 1999 and 1998 are unaudited; however, in the opinion of management, such statements include all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the results for the periods presented. The accounting policies followed during such interim periods reported are in conformity with generally accepted accounting principles and are consistent with those applied during annual periods. For additional disclosures, including a summary of the Company's accounting policies, the interim financial statements should be read in conjunction with the Company's Annual Report on Form 10-K, as amended (File Nos. 333-57285-01 and 333-57285). The results of operations for the interim periods are not necessarily indicative of the results that might be expected for future interim periods or for the full year ending December 31, 1999.

(2) Acquisitions

The Company completed the undernoted acquisitions (the "Acquired Systems") in 1998. These acquisitions were accounted for using the purchase method of accounting, and accordingly, the purchase price of these acquisitions has been allocated to the assets acquired and liabilities assumed at their estimated fair values at their respective date of acquisition. The results of operations of the Acquired Systems have been included with those of the Company since the dates of acquisition.

On January 9, 1998, the Company acquired the assets of a cable television system serving approximately 17,200 basic subscribers in Clearlake, California and surrounding communities (the "Clearlake System") for a purchase price of \$21,400. The purchase price has been allocated based on an independent appraisal as follows: approximately \$5,973 to property, plant and equipment, and approximately \$15,427 to intangible assets. Additionally, approximately \$226 of direct acquisition costs has been allocated to other assets. In the first quarter of 1998, the Company recorded acquisition reserves related to this acquisition in the amount of approximately \$370, which are included in accrued expenses. The acquisition of the Clearlake System and related closing costs and adjustments were financed with borrowings under the Company's bank credit facilities (see Note 3).

On January 23, 1998, the Company acquired the assets of cable television systems serving approximately 260,100 basic subscribers in various regions of the United States (the "Cablevision Systems")

MEDIACOM LLC AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(All dollar amounts in 000's)  
(Unaudited)

for a purchase price of approximately \$308,200. The purchase price has been allocated based on an independent appraisal as follows: approximately \$205,500 to property, plant and equipment, and approximately \$102,700 to intangible assets. Additionally, approximately \$3,500 of direct acquisition costs has been allocated to other assets. In the first quarter of 1998, the Company recorded acquisition reserves related to this acquisition in the amount of approximately \$3,750, which are included in accrued expenses. The acquisition of the Cablevision Systems and related closing costs and adjustments were financed with equity contributions, borrowings under the Company's bank credit facilities, and other bank debt (see Note 3).

On October 1, 1998, the Company acquired the assets of a cable television system serving approximately 3,800 basic subscribers in Caruthersville, Missouri (the "Caruthersville System") for a purchase price of \$5,000. The purchase price has been allocated as follows: approximately \$2,300 to property, plant and equipment, and approximately \$2,700 to intangible assets. The acquisition of the Caruthersville System and related closing costs and adjustments were financed with borrowings under the Company's bank credit facilities (see Note 3).

(3) Debt

As of June 30, 1999 and December 31, 1998, debt consisted of:

	June 30, 1999	December 31, 1998
	-----	-----
Mediacom:		
8 1/2% Senior Notes(a).....	\$200,000	\$200,000
7 7/8% Senior Notes(b).....	125,000	--
Subsidiaries:		
Bank Credit Facilities(c).....	31,000	134,425
Seller Note(d).....	3,629	3,480
	-----	-----
	\$359,629	\$337,905
	=====	=====

(a) On April 1, 1998, Mediacom and Mediacom Capital jointly issued \$200,000 aggregate principal amount of 8 1/2% Senior Notes due on April 15, 2008. The 8 1/2% Senior Notes are unsecured obligations of the Company, and the indenture for the 8 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 the Company. Interest accrues at 8 1/2% per annum, beginning from the date of issuance and is payable semi-annually on April 15 and October 15 of each year. The 8 1/2% Senior Notes may be redeemed at the option of Mediacom, in whole or part, at any time after April 15, 2003, at redemption prices decreasing from 104.25% of their principal amount to 100% in 2006, plus accrued and unpaid interest.

(b) On February 26, 1999, Mediacom and Mediacom Capital jointly issued \$125,000 aggregate principal amount of 7 7/8% Senior Notes due on February 15, 2011. The 7 7/8% Senior Notes are unsecured obligations of the Company, and the indenture for the 7 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 the Company. Interest accrues at 7 7/8% per annum, beginning from the date of issuance and is payable semi-annually on February 15 and August 15 of each year, commencing on August 15, 1999. The 7 7/8% Senior Notes may be redeemed at the option of Mediacom, in whole or part, at any time after February 15, 2006, at redemption prices decreasing from 103.938% of their principal amount to 100% in 2008, plus accrued and unpaid interest.

MEDIACOM LLC AND SUBSIDIARIES  
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(c) On June 24, 1997, the Company entered into an eight and one-half year, \$100,000 reducing revolving credit and term loan agreement (the "Western Credit Agreement"). On January 23, 1998, the Company entered into a separate eight and one-half year, \$225,000 reducing revolving credit and term loan agreement (the "Southeast Credit Agreement" and together with the Western Credit Agreement, the "Bank Credit Agreements"). By separate amendments dated as of January 26, 1999 to each of the Bank Credit Agreements, the term loans were converted into additional revolving credit loans. At June 30, 1999, the aggregate commitments under the Bank Credit Agreements were \$321,000. The Bank Credit Agreements are non-recourse to Mediacom and have no cross-default provisions relating directly to each other. The reducing revolving credit lines under the Bank Credit Agreements make available a maximum commitment amount for a period of up to eight and one-half years, which is subject to quarterly reductions, beginning September 30, 1998, ranging from 0.21% to 11.58% of the original commitment amount of the reducing revolver. The Bank Credit Agreements require mandatory reductions of the reducing revolver credit lines from excess cash flow, as defined, beginning December 31, 1999. The Bank Credit Agreements provide for interest at varying rates based upon various borrowing options and the attainment of certain financial ratios, and for commitment fees of 3/8% to 1/2% per annum on the unused portion of available credit under the reducing revolver credit lines. The average interest rate on outstanding debt under the Bank Credit Agreements was 6.3% and 6.9% for the three months ended June 30, 1999 and December 31, 1998, respectively, before giving effect to the interest rate swap agreements discussed below.

The Bank Credit Agreements require the Company to maintain compliance with certain financial covenants including, but not limited to, the leverage ratio, the interest coverage ratio, the fixed charge coverage ratio and the pro forma debt service coverage ratio, as defined therein. The Bank Credit Agreements also require the Company to maintain 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 restrictive payments, and certain transactions with affiliates. The Company was in compliance with all covenants of its Bank Credit Agreements as of June 30, 1999.

The Bank Credit Agreements are secured by Mediacom's pledge of all its ownership interests in the subsidiaries and a first priority lien on all the tangible and intangible assets of the operating subsidiaries, other than real property in the case of the Southeast Credit Agreement. The indebtedness under the Bank Credit Agreements is guaranteed by Mediacom on a limited recourse basis to the extent of its ownership interests in the operating subsidiaries. At June 30, 1999, the Company had \$260,000 of unused bank commitments under the Bank Credit Agreements, all of which could have been borrowed by the operating subsidiaries for purposes of distributing such borrowed proceeds to Mediacom under the most restrictive covenants.

As of June 30, 1999, the Company had entered into interest rate exchange agreements (the "Swaps") with various banks pursuant to which the interest rate on \$50,000 is fixed at a weighted average swap rate of approximately 6.2%, plus the average applicable margin over the Eurodollar Rate option under the Bank Credit Agreements. Under the terms of the Swaps, which expire from 2000 through 2002, the Company is exposed to credit loss in the event of nonperformance by the other parties to the Swaps. However, the Company does not anticipate nonperformance by the counterparties. During the first quarter of 1999, the net proceeds from the offering of the 7 7/8% Senior Notes, in the amount of approximately \$121,900, were used to repay a substantial portion of outstanding debt under the Bank Credit Agreements. As a result of this repayment of floating

MEDIACOM LLC AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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(Unaudited)

rate bank debt, approximately \$19,000 of the \$50,000 of Swaps outstanding as of June 30, 1999, no longer qualify as hedge instruments. Accordingly, such Swaps have been marked to market as of June 30, 1999, with a fair value of approximately \$135 which is included in accrued expenses. The related effect to the consolidated statement of operations was approximately \$619, which is included in other income for the three months ended June 30, 1999 and \$135, which is included in other expenses for the six months ended June 30, 1999.

- (d) In connection with an acquisition completed in 1996, certain subsidiaries of Mediacom issued to the seller an unsecured senior subordinated note (the "Seller Note") in the amount of \$2,800, with a final maturity of June 28, 2006. Interest is deferred throughout the term of the Seller Note and is payable at maturity or upon prepayment. For the five-year period ending June 28, 2001, the annual interest rate is 9.0%. After the initial five-year period, the annual interest rate increases to 15.0%, with an interest clawback for the first five years. After the initial seven-year period, the interest rate increases to 18.0%, with an interest clawback for the first seven years. There are no penalties associated with prepayment of this note.

The Seller Note agreement contains a debt incurrence covenant limiting the ability of the Company to incur additional indebtedness under the Western Credit Agreement. The Seller Note is subordinated and junior in right of payment to all senior obligations of certain subsidiaries, as defined in the Western Credit Agreement.

All debt outstanding as of June 30, 1999, matures after December 31, 2004.

#### (4) Commitments and Contingencies

Pursuant to the Cable Television Consumer Protection and Competition Act of 1992, the Federal Communications Commission (the "FCC") adopted comprehensive regulations governing rates charged to subscribers for basic cable and cable programming services. The FCC's authority to regulate the rates charged for cable programming services expired on March 31, 1999. Basic cable rates must be set using a benchmark formula. Alternatively, a cable operator can attempt to establish higher rates through a cost-of-service showing. The FCC has also adopted regulations that permit qualifying small cable operators to justify their regulated rates using a simplified rate-setting methodology. This methodology almost always results in rates which exceed those produced by the cost-of-service rules applicable to larger cable television operators. Approximately 70% of the basic subscribers served by the Company's cable television systems are covered by such FCC rules. Once rates for basic cable service have been established pursuant to one of these methodologies, the rate level can subsequently be adjusted only to reflect changes in the number of regulated channels, inflation, and increases in certain external costs, such as franchise and other governmental fees, copyright and retransmission consent fees, taxes, programming costs and franchise-related obligations. FCC regulations also govern the rates which can be charged for the lease of customer premises equipment and for installation services.

As a result of such legislation and FCC regulations, the Company's basic cable service rates and its equipment and installation charges (the "Regulated Services") are subject to the jurisdiction of local franchising authorities. The Company believes that it has complied in all material respects with the rate regulation provisions of the federal law. However, the Company's rates for Regulated Services are subject to review by the appropriate franchise authority if it is certified by the FCC to regulate basic cable service rates. If, as a result of the review process, the Company cannot substantiate the rates charged by its cable television systems for Regulated Services, the Company could be required to reduce its rates for Regulated Services to the appropriate level and refund the excess portion of rates received for up to one year prior to the implementation of any increase in rates for Regulated Services.



MEDIACOM LLC AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(All dollar amounts in 000's)  
(Unaudited)

The Company's agreements with franchise authorities require the payment of fees of up to 5% of annual revenues. Such franchises are generally nonexclusive and are granted by local governmental authorities for a specified term of years, generally for periods of up to fifteen years.

On April 29, 1999, a bank issued two irrevocable letters of credit in the aggregate amount of \$30,000 in favor of the seller of the Triax Systems (defined below) to secure the Company's performance under the related definitive agreement. On November 5, 1999, the Company completed the acquisition of the Triax Systems and accordingly, such letters were cancelled.

(5) FASB 131--Disclosure about Segments of an Enterprise and Related Information

As of December 31, 1998, the Company adopted Statement of Financial Accounting Standards (SFAS) No. 131, "Disclosure about Segments of an Enterprise and Related Information". This statement requires the Company to report segment financial information consistent with the presentations made to the Company's management for decision-making purposes. All revenues of the Company are derived solely from cable television operations and related activities. The decision making of the Company's management is based primarily on the impact of capital and operational resource allocations on the Company's consolidated system cash flow (defined as operating income (loss) before management fee expense, and depreciation and amortization). The Company's management evaluates such factors as the bandwidth capacity and other cable plant characteristics, the offered programming services, and the customer rates, when allocating capital and operational resources. The Company's consolidated system cash flow for the three months ended June 30, 1999 and 1998 was approximately \$18,500, and \$16,200, respectively, and for the six months ended June 30, 1999 and 1998 was approximately \$35,500 and \$27,000, respectively.

(6) Subsequent Events

Financings and Acquisitions

On September 24, 1999, the Seller Note was prepaid in full with no penalties associated with such prepayment.

On September 30, 1999, the Company replaced its existing credit facilities with a new \$550,000 credit facility consisting of an eight and one-half year, \$450,000 reducing revolver expiring March 2008 and a \$100,000 term loan due September 2008 (the "USA Credit Facilities"). On November 5, 1999, the Company entered into an additional eight and one half year, \$450,000 reducing revolver expiring on June 2008 and a \$100,000 term loan due December 2008 (the "Midwest Credit Facilities" and together with the USA Credit Facilities, the "Subsidiary Credit Facilities".) The terms of these Subsidiary Credit Facilities are substantially similar to the Company's former subsidiary credit facilities except for these facilities only being secured by the Company's pledge of all its ownership interests in the subsidiaries.

On October 15, 1999, the Company acquired the stock of cable television systems owned by Zylstra Communications Corporation (the "Zylstra Systems") for a purchase price of approximately \$19,500 subject to certain adjustments. The Zylstra systems serve approximately 14,000 subscribers in Iowa, Minnesota and South Dakota. On November 5, 1999, the Company acquired the assets of cable television systems owned by Triax Midwest Associates, L.P. (the "Triax Systems") for a purchase price of approximately \$740,000 subject to certain adjustments. The Triax Systems serve approximately 341,500 subscribers in Arizona, Illinois, Indiana, Iowa, Michigan, Minnesota, Ohio and Wisconsin. The acquisitions were financed with \$10,500 of additional equity contributions from the Company's members and borrowings under the Subsidiary Credit Facilities.

MEDIACOM LLC AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(All dollar amounts in 000's)  
(Unaudited)

Management Agreements

Each of the Company's operating subsidiaries is a party to a management agreement with Mediacom Management. Under these agreements, Mediacom Management provides management services to the Company's operating subsidiaries and is paid annual management fees of 5% of the first \$50,000 of annual gross operating revenues, 4.5% of revenues in excess of \$50,000, up to \$75,000, and 4% of revenues in excess of \$75,000. Mediacom Management utilized such fees to compensate its employees as well as fund corporate overhead. The management agreements were revised effective November 19, 1999 in connection with an amendment to Mediacom's operating agreement, to provide for management fees equal to 2% of annual gross revenues. In addition, Mediacom Management has agreed to forgive the management fees accrued from July 1, 1999 through November 19, 1999.

The operating agreement of Mediacom provides that Mediacom Management is paid an acquisition fee of 1% of the purchase price of acquisitions made by Mediacom until its pro forma consolidated annual revenues equaled \$75,000, and thereafter 0.5% of such purchase price. No such fees were paid during the six months ended June 30, 1999 since there were no acquisitions completed during this period. Pursuant to the amendment to Mediacom's operating agreement, no further acquisition fees will be payable.

During the fourth quarter of fiscal 1999, the Company will record a one-time \$12,500 non-recurring, non-cash charge associated with the amendments to Mediacom Management's management agreements for which additional membership interests will be issued to an existing member of Mediacom upon occurrence of a future valuation of Mediacom including an initial public offering.

Initial Public Offering

The Company has filed a registration statement with the Securities and Exchange Commission with the intent of having an initial public offering of common stock. In connection therewith, Mediacom Communications Corporation (the "Corporation"), a Delaware Corporation, was formed. Immediately prior to this offering, the Corporation will issue shares of common stock in exchange for all of the outstanding membership interests of Mediacom, which currently serves as the holding company for the operating subsidiaries. As a result, the Corporation will become the parent company of Mediacom which will continue to serve as the holding company of the subsidiaries. Immediately prior to this offering, additional membership interests will be issued to all members of Mediacom in accordance with a formula set forth in Mediacom's amended operating agreement which is based upon a valuation of Mediacom established in this offering. Effective upon completion of this offering, a provision in the amended operating agreement providing for a special allocation of membership interests to certain members based upon valuations of Mediacom performed from time to time shall be removed. In connection with the removal of such provision, the amended operating agreement also provides for the issuance to the certain members of membership interests representing 16.5% of the equity in Mediacom in accordance with a formula based upon the valuation established at the completion of this initial public offering. These newly issued membership interests will be included as part of the exchange for shares of the Corporation's common stock.

The management agreements between Mediacom Management and each of the operating subsidiaries will be terminated upon completion of this offering, and Mediacom Management's employees will become the Corporation's employees and its corporate overhead will become the Corporation's corporate overhead. These expenses will be reflected as corporate expense in the consolidated statement of operations.

MEDIACOM LLC AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(All dollar amounts in 000's)  
(Unaudited)

The Company is currently a limited liability company and its members are required to report their share of income or loss in their respective income tax returns. After completion of this offering and the exchange of membership interests in Mediacom for shares of the Corporation's common stock, the results of the Corporation will be included in the Corporation's corporate tax returns. The Corporation will also record a one-time non-recurring charge to earnings to record a net deferred tax liability. Had the Company been a C corporation as of June 30, 1999, a charge of \$4,318 would have been recorded.

Pro forma earnings per share is calculated in accordance with SFAS No. 128 "Earnings Per Share" and is presented on a pro forma basis as if the shares issued to effect the exchange of membership interests of Mediacom for shares in a corporation were outstanding for all periods presented. The anticipated exchange of membership interests for common stock is included at an exchange ratio of shares per membership interest. The calculation does not include the effect of shares that may be issued or any stock options that may be granted as part of the IPO. The Company has operating losses for the periods presented and has not reflected any income tax benefit as part of the pro forma loss.

Other

On November 4, 1999, the Company completed an agreement with SoftNet Systems, Inc. ("SoftNet"), a high-speed broadband Internet access and content services company, to deploy SoftNet Systems' high-speed Internet access services throughout the Company's cable television systems. In addition to a revenue sharing arrangement, the Company will receive 3.5 million shares of SoftNet's common stock, representing a fair value of approximately \$85,300 as of November 4, 1999, in exchange for SoftNet's exclusive long-term rights to deliver high-speed Internet access services to the Company's customers. These shares represent approximately 16.2% of SoftNet's outstanding stock as of November 4, 1999. Under the terms of this agreement, over a period of three years the Company is required to upgrade its cable network to provide two-way communications capability in cable systems passing 900,000 homes, including the Triax and Zylstra Systems, and make available such homes to SoftNet.

Independent Auditors' Report

The Board of Directors  
U.S. Cable Television Group, L.P.

We have audited the accompanying consolidated balance sheets of U.S. Cable Television Group, L.P. and subsidiaries (a wholly-owned subsidiary of Cablevision Systems Corporation) as of December 31, 1997 and 1996, and the related consolidated statements of operations and partners' capital (deficiency) and cash flows for the year ended December 31, 1997, and for the periods from January 1, 1996 to August 12, 1996, and August 13, 1996 to December 31, 1996. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of U.S. Cable Television Group, L.P. and subsidiaries as of December 31, 1997 and 1996, and the results of their operations and their cash flows for the year ended December 31, 1997, and the periods from January 1, 1996 to August 12, 1996, and August 13, 1996 to December 31, 1996, in conformity with generally accepted accounting principles.

As discussed in note 1 to the consolidated financial statements, effective August 13, 1996, U.S. Cable Television Group L.P. redeemed certain limited and general partnership interests in a business combination accounted for as a purchase. As a result of the redemption, the consolidated financial information for the period after the redemption is presented on a different cost basis than that for the period before the redemption and therefore, is not comparable.

KPMG LLP

Jericho, New York  
March 20, 1998

U.S. CABLE TELEVISION GROUP, L.P.  
AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS  
December 31, 1997 and 1996  
(Dollars in thousands)

	1997	1996
	-----	-----
ASSETS		
Cash and cash equivalents.....	\$ 281	\$ 49
Accounts receivable-subscribers (less allowance for doubtful accounts of \$218 and \$122).....	1,082	995
Other receivables.....	502	383
Prepaid expenses and other assets.....	632	477
Property, plant and equipment, net.....	84,363	93,543
Excess costs over fair value of net assets acquired (less accumulated amortization of \$29,158 and \$7,952).....	119,363	140,487
Deferred financing costs (less accumulated amortization of \$1,062 and \$292).....	1,771	1,997
	-----	-----
	\$207,994	\$237,931
	=====	=====
LIABILITIES AND PARTNER'S CAPITAL		
Accounts payable.....	\$ 11,605	\$ 10,246
Accrued expenses:		
Franchise fees.....	1,087	1,089
Payroll and related benefits.....	4,463	4,728
Interest.....	879	947
Other.....	7,174	3,688
Accounts payable-affiliates.....	1,367	500
Bank debt.....	154,960	159,460
	-----	-----
Total liabilities.....	181,535	180,658
Partners' capital.....	26,459	57,273
	-----	-----
	\$207,994	\$237,931
	=====	=====

See accompanying notes to consolidated financial statements.

U.S. CABLE TELEVISION GROUP, L.P.  
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS AND  
PARTNERS' CAPITAL (DEFICIENCY)  
(Dollars in thousands)

	Year ended December 31, 1997	Period from August 13, 1996 to December 31, 1996	Period from January 1, 1996 to August 12, 1996
	-----	-----	-----
Revenues.....	\$ 89,016	\$ 32,144	\$ 49,685
Operating expenses:			
Technical expenses....	38,513	15,111	23,467
Selling, general and administrative expenses.....	22,099	6,677	11,021
Depreciation and amortization.....	46,116	17,842	21,034
	-----	-----	-----
Operating loss.....	(17,712)	(7,486)	(5,837)
Other (expense) income:			
Interest expense.....	(12,727)	(5,136)	(10,922)
Interest income.....	25	14	33
Other, net.....	(400)	(119)	(69)
	-----	-----	-----
Net loss.....	(30,814)	(12,727)	(16,795)
Partners' capital (defi- ciency):			
Beginning of period...	57,273	--	(92,795)
Capital contribution..	--	70,000	--
	-----	-----	-----
End of period.....	\$ 26,459	\$ 57,273	\$(109,590)
	=====	=====	=====

See accompanying notes to consolidated financial statements.

U.S. CABLE TELEVISION GROUP, L.P.  
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS  
(Dollars in thousands)

	Year ended December 31, 1997	Period from August 13, 1996 to December 31, 1996	Period from January 1, 1996 to August 12, 1996
	-----	-----	-----
Cash flows from operating activities			
Net loss.....	\$(30,814)	\$ (12,727)	\$(16,795)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization.....	46,116	17,842	21,034
Amortization of deferred financing costs.....	770	292	477
(Gain) loss on disposal of equipment.....	(116)	43	39
Changes in assets and liabilities, net of effects of acquisition:			
Accounts receivable, net.....	(87)	634	(625)
Other receivables...	(119)	94	(129)
Prepaid expenses and other assets.....	(155)	131	(204)
Accounts payable and accrued expenses...	4,510	265	(2,318)
Accounts payable to affiliates.....	867	(576)	1,029
	-----	-----	-----
Net cash provided by operating activities...	20,972	5,998	2,508
	-----	-----	-----
Cash flows from investing activities:			
Capital expenditures..	(15,769)	(5,317)	(11,995)
Proceeds from sale of equipment.....	155	53	48
	-----	-----	-----
Net cash used in investing activities.....	(15,614)	(5,264)	(11,947)
	-----	-----	-----
Cash flows from financing activities:			
Advance from V Cable..	--	--	70,000
Cash paid for redemption of partners' interests..	--	(4,010)	--
Additions to excess costs.....	(82)	(98)	--
Additions to deferred financing costs.....	(544)	(2,289)	--
Proceeds from bank debt.....	10,300	159,810	--
Repayment of bank debt.....	(14,800)	(350)	--
Repayment of senior debt.....	--	(153,538)	(60,807)
	-----	-----	-----
Net cash (used in) provided by financing activities.....	(5,126)	(475)	9,193
	-----	-----	-----
Net increase (decrease) in cash and cash equivalents.....	232	259	(246)
Cash and cash equivalents at beginning of period....	49	(210)	36
	-----	-----	-----
Cash and cash equivalents at end of period.....	\$ 281	\$ 49	\$ (210)
	=====	=====	=====

See accompanying notes to consolidated financial statements.





U.S. CABLE TELEVISION GROUP, L.P.  
AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(Dollars in thousands)

(1) The Company

U.S. Cable Television Group, L.P. (the "Company") was formed for the purpose of acquiring, owning and operating cable television systems, which are generally operated pursuant to non-exclusive franchises awarded by states or local government authorities for specified periods of time. The Company currently operates cable television systems serving portions of the southeastern and midwestern United States. The Company's revenues are derived principally from the provision of cable television services, which include recurring monthly fees paid by subscribers.

Prior to the Redemption discussed in the next paragraph, the partnership consisted of V Cable, Inc. ("V Cable"), a wholly-owned subsidiary of Cablevision Systems Corporation ("CSC"), with an indirect 1% general partnership interest and a 19% limited partnership interest, General Electric Capital Corporation ("GECC"), with a 72% limited partnership interest and various individuals and entities owning the remaining 8% partnership interest, as general and/or limited partners (the "Predecessor Company"). Profits and losses were allocated in accordance with the Amended and Restated Agreement of Limited Partnership.

On March 18, 1996, V Cable advanced \$70 million to the Company which was considered a capital contribution coincident with the Redemption. On August 13, 1996, the Company redeemed the partnership interests not already owned by V Cable ("the Redemption") for a payment of approximately \$4 million to the holders of 8% of the partnership interests and the repayment of the balance of the debt owed to General Electric Capital Corporation ("GECC") of approximately \$154 million. The payment of \$4 million and repayment of the GECC debt was financed under a new \$175 million credit facility (Note 4). As a result of the Redemption, which was accounted for as a purchase, the consolidated financial information for the periods after the Redemption is presented on a different cost basis than that for the period before the Redemption and, therefore, is not comparable due to the change in ownership.

Subsequent to the Redemption, V Cable, through wholly-owned subsidiaries, holds an indirect 1% general partnership interest and a direct 99% limited partnership interest (the "Successor Company"). The partnership will terminate December 1, 2030, unless earlier termination occurs as provided in the Amended and Restated Agreement of Limited Partnership.

As a result of the capital contribution of \$70,000 (discussed above), the \$4,010 Redemption price and \$98 of miscellaneous transaction costs, the Successor Company effectively paid \$74,108 to acquire net liabilities of \$74,331, which resulted in excess costs over fair value of \$148,439, as follows:

Purchase price and transaction costs.....	\$ 74,108
	-----
Net liabilities acquired:	
Cash, receivables and prepaids.....	2,504
Property, plant and equipment.....	98,212
Accounts payables and accrued expenses.....	(20,433)
Accounts payable-affiliate.....	(1,076)
Senior debt.....	(153,538)
	-----
	(74,331)
	-----
Excess costs over fair value of net liabilities acquired.....	\$ 148,439
	=====

U.S. CABLE TELEVISION GROUP, L.P.  
AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)  
(Dollars in thousands)

For purposes of the consolidated financial statements for the year ended December 31, 1997, and for the period from August 13, 1996 to December 31, 1996, this excess cost is being amortized over a 7 year period.

On August 29, 1997, the Company and CSC entered into an agreement with Mediacom LLC ("Mediacom") to sell to Mediacom substantially all of the assets and cable systems owned by the Company. The transaction was consummated on January 23, 1998, for a sales price of approximately \$311 million (the "Mediacom Sale").

(2) Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany transactions and balances have been eliminated in consolidation.

Revenue Recognition

The Company recognizes revenues as cable television services are provided to subscribers.

Long-Lived Assets

Property, plant and equipment, including construction materials, are recorded at cost, which includes all direct costs and certain indirect costs associated with the construction of cable television transmission and distribution systems and the costs of new subscriber installations. Property, plant and equipment are being depreciated over their estimated useful lives using the straight-line method. Leasehold improvements are amortized over the shorter of their useful lives or the terms of the related leases.

With respect to the Predecessor Company, franchise costs were amortized on the straight-line basis over the average term of the franchises (approximately 4-12 years) and excess costs over fair value of net assets acquired were amortized over a 15 year period on the straight-line basis. As mentioned in note 1, the Successor Company is amortizing excess costs over fair value of net assets acquired over 7 years.

The Company implemented the provisions of Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of," effective January 1, 1996. The Company reviews its long-lived assets (property, plant and equipment, and related intangible assets that arose from business combinations accounted for under the purchase method) for impairment whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable. If the sum of the expected cash flows, undiscounted and without interest, is less than the carrying amount of the asset, an impairment loss is recognized as the amount by which the carrying amount of the asset exceeds its fair value. The adoption of Statement No. 121 had no impact on the Company's financial position or results of operations.

Deferred Financing Costs

Costs incurred to obtain debt are deferred and amortized on the straight-line basis over the term of the related debt.

U.S. CABLE TELEVISION GROUP, L.P.  
AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)  
(Dollars in thousands)

Income Taxes

The Company operates as a limited partnership; accordingly, its taxable income or loss is includable in the tax returns of the partners, and therefore, no provision for income taxes has been made on the books of the Company. ECC Holding Corporation ("ECC"), one of the Company's subsidiaries, is a corporate entity and as such is subject to federal and state income taxes. Income tax amounts in these consolidated financial statements pertain to ECC.

ECC accounts for income taxes under the provisions of Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes", which requires the liability method of accounting for deferred income taxes and permits the recognition of deferred tax assets, subject to an ongoing assessment of realizability.

Cash Flows

For purposes of the statement of cash flows, the Company considers short-term investments with a maturity at date of purchase of three months or less to be cash equivalents. The Company paid cash interest of approximately \$12,026 for the year ended December 31, 1997, \$13,610 for the period from January 1, 1996 to August 12, 1996, and \$4,189 for the period from August 13, 1996 to December 31, 1996, respectively.

Use of Estimates in Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

U.S. CABLE TELEVISION GROUP, L.P.  
AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)  
(Dollars in thousands)

(3) Property, Plant and Equipment

Property, plant and equipment and estimated useful lives at December 31, 1997 and 1996, are as follows:

	1997	1996	Estimated Useful lives
	-----	-----	-----
Cable television transmission and distribution systems:			
Customer equipment.....	\$ 5,175	\$ 6,810	5 years
Headends.....	7,539	6,338	9 years
Infrastructure.....	94,920	81,502	10 years
Program, service and test equipment.....	2,824	2,141	4-7 years
Microwave equipment.....	95	78	4-7 years
Construction in progress (including materials and supplies).....	699	521	
	-----	-----	
	111,252	97,390	
Furniture and fixtures.....	722	591	5 years
Transportation.....	3,782	2,886	4 years
Land and land improvements.....	863	1,074	30 years
Leasehold improvements.....	1,612	1,305	Term of Lease
	-----	-----	
	118,231	103,246	
Less accumulated depreciation.....	(33,868)	(9,703)	
	-----	-----	
	\$ 84,363	\$ 93,543	
	=====	=====	

(4) Debt

Bank Debt

In August 1996, the Successor Company repaid the balance of the debt owed to GECC of approximately \$154,000. The repayment of the GECC debt was financed under a new \$175,000 credit facility. The credit facility is with a group of banks led by the Bank of New York, as agent, and consists of a three year \$175,000 revolving credit facility maturing on August 13, 1999. The revolving credit facility is payable in full upon maturity. As of December 31, 1997 and 1996, the Company had outstanding borrowings under its revolving credit facility of \$154,960 and \$159,460, inclusive of overdraft amounts of \$1,900 and \$0, respectively, leaving unrestricted and undrawn funds available amounting to \$21,940 and \$15,540. Amounts outstanding under the facility bear interest at varying rates based upon the bank's LIBOR rate, as defined in the loan agreement. The weighted average interest rate was 7.1% and 7.6% on December 31, 1997 and 1996, respectively. The Company is also obligated to pay fees of .375% per annum on the unused loan commitment. Substantially all of the general and limited partnership interests in the Company have been pledged in support of the borrowings under the credit agreement. The credit facility contains various restrictive covenants, with which the Company was in compliance at December 31, 1997.

In January 1998, all amounts outstanding under the bank debt were repaid from the proceeds from the Mediacom Sale.

U.S. CABLE TELEVISION GROUP, L.P.  
AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)  
(Dollars in thousands)

Junior Subordinated Note

In August 1996, the Predecessor Company's Junior Term Loan and related accrued interest was forgiven by GECC in the amount of \$35,560.

(5) Income Taxes

ECC has a net operating loss carryforward for federal income tax purposes of approximately \$65,500 expiring in varying amounts through 2012.

The tax effects of temporary differences which give rise to significant deferred tax assets or liabilities and the corresponding valuation allowance at December 31, 1997 and 1996, are as follows:

Deferred Assets	1997	1996
Depreciation and amortization.....	\$ 7,132	\$ 7,132
Allowance for doubtful accounts.....	51	51
Benefits of tax loss carry forward.....	27,510	26,166
	-----	-----
Net deferred tax assets.....	34,693	33,349
Valuation allowance.....	(34,693)	(33,349)
	-----	-----
	--	--
	-----	-----
	=====	=====

ECC has provided a valuation allowance for the total amount of the net deferred tax assets since realization of these assets is not assured.

(6) Operating Leases

The Company leases certain office and transmission facilities under terms of operating leases expiring at various dates through 2008. The leases generally provide for fixed annual rental payments plus real estate taxes and certain other costs. Rent expense for the year ended December 31, 1997, and the periods from January 1, 1996 to August 12, 1996, and from August 13, 1996 to December 31, 1996, amounted to approximately \$778, \$505, and \$303, respectively.

The Company rents space on utility poles for its operations. Pole rental expense for the year ended December 31, 1997, and for the periods from January 1, 1996 to August 12, 1996, and from August 13, 1996 to December 31, 1996, amounted to approximately \$1,440, \$912, and \$547, respectively.

In connection with the Mediacom sale, the Company was relieved of all of its future obligations under its operating leases.

(7) Related Party Transactions

CSC has interests in several entities engaged in providing cable television programming and other services to the cable television industry. During the year ended December 31, 1997 and for the periods from January 1, 1996 to August 12, 1996, and from August 13, 1996 to December 31, 1996, the Company was charged approximately \$742, \$510 and \$268, respectively, by these entities for such services. At December 31, 1997 and 1996, the Company owed approximately \$65 and \$60, respectively, to these companies for such programming services which is included in accounts payable-affiliates in the accompanying consolidated balance sheet.

U.S. CABLE TELEVISION GROUP, L.P.  
AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)  
(Dollars in thousands)

CSC provides the Company with general and administrative services. For the year ended December 31, 1997 and for the periods from January 1, 1996 to August 12, 1996, and from August 13, 1996 to December 31, 1996, these charges totaled approximately \$3,059, \$2,274 and \$1,712, respectively. Amounts owed to CSC at December 31, 1997 and 1996, for such expenses were approximately \$1,109 and \$408, respectively, and is included in accounts payable-affiliates in the accompanying consolidated balance sheet.

(8) Benefit Plan

During 1989, the Company adopted a 401 (k) savings plan (the "Plan"). Employee participation is voluntary. Under the provisions of the Plan, employees may defer up to 15% of their annual compensation (as defined). The Company currently contributes 50% of the contributions made by participating employees subject to a limit of 6% of the employee's compensation. The Company may make additional contributions at its discretion. For the year ended December 31, 1997, and for the periods from January 1, 1996 to August 12, 1996, and from August 13, 1996 to December 31, 1996, expense relating to this Plan amounted to \$165, \$189 and \$138, respectively.

The Company does not provide postretirement benefits for any of its employees.

(9) Disclosures About The Fair Value Of Financial Instruments

Cash and Cash Equivalents, Accounts Receivable-Subscribers, Other Receivables, Accounts Payable, Accrued Expenses, and Accounts Payable-Affiliates

Carrying amounts approximate fair value due to the short maturity of these instruments.

Bank Debt

The carrying amounts of the Company's long term debt instruments approximate fair value as the underlying variable interest rates are adjusted for market rate fluctuations.

Independent Auditor's Report

The Board of Directors  
U.S. Cable Television Group, L.P.

We have audited the accompanying consolidated balance sheets of U.S. Cable Television Group, L.P. and subsidiaries as of December 31, 1996 and 1995, and the related consolidated statements of operations and partners' capital (deficiency) and cash flows for the periods from January 1, 1996 to August 12, 1996 and August 13, 1996 to December 31, 1996, and for each of the years in the two year period ended December 31, 1995. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of U.S. Cable Television Group, L.P. and subsidiaries as of December 31, 1996 and 1995, and the results of their operations and their cash flows for the periods from January 1, 1996 to August 12, 1996 and August 13, 1996 to December 31, 1996, and for each of the years in the two year period ended December 31, 1995 in conformity with generally accepted accounting principles.

As discussed in note 1 to the consolidated financial statements, effective August 13, 1996, U.S. Cable Television Group L.P. redeemed certain limited and general partnership interests in a business combination accounted for as a purchase. As a result of the redemption, the consolidated financial information for the period after the redemption is presented on a different cost basis than that for the period before the redemption, and therefore, is not comparable.

KPMG LLP

Jericho, New York  
April 1, 1997, except as to Note 11,  
which is as of January 23, 1998

U.S. CABLE TELEVISION GROUP, L.P.  
AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS  
December 31, 1996 and 1995  
(Dollars in thousands)

	1996	1995
	-----	-----
ASSETS		
-----		
Cash and cash equivalents.....	\$ 49	\$ 36
Accounts receivable--subscribers (less allowance for doubtful accounts of \$122 and \$202).....	995	1,004
Other receivables.....	383	348
Accounts receivable from affiliates.....	--	75
Prepaid expenses and other assets.....	477	404
Property, plant and equipment, net.....	93,543	101,439
Deferred franchise costs (less accumulated amortization of \$92,787).....	--	13,738
Excess cost over fair value of net assets acquired (less accumulated amortization of \$7,952 and \$22,272).....	140,487	61,197
Deferred financing and other costs (less accumulated amortization of \$292 and \$4,452).....	1,997	1,620
	-----	-----
	\$237,931	\$179,861
	=====	=====

LIABILITIES AND PARTNERS' CAPITAL (DEFICIENCY)

-----		
Accounts payable.....	\$ 10,246	\$ 4,170
Accrued expenses:		
Franchise fees.....	1,089	995
Payroll and related benefits.....	4,728	3,796
Programming costs.....	--	7,216
Interest.....	947	--
Other.....	3,688	7,442
Accounts payable to affiliates.....	500	--
Bank debt.....	159,460	--
Senior debt.....	--	214,392
Junior subordinated note.....	--	34,645
	-----	-----
Total liabilities.....	180,658	272,656
Partners' capital (deficiency).....	57,273	(92,795)
	-----	-----
	\$237,931	\$179,861
	=====	=====

See accompanying notes to consolidated financial statements.



U.S. CABLE TELEVISION GROUP, L.P.  
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS AND  
PARTNERS' CAPITAL (DEFICIENCY)  
(see note 1)  
(Dollars in thousands)

	Period from August 13, 1996 to December 31, 1996	Period from January 1, 1996 to August 12, 1996	Year Ended December 31, ----- 1995      1994 -----	
Revenue.....	\$ 32,144	\$ 49,685	\$ 76,568	\$ 71,960
<hr style="border-top: 1px dashed black;"/>				
Operating expenses:				
Technical expenses.....	15,111	23,467	34,895	29,674
Selling, general and administrative expenses.....	6,677	11,021	19,875	20,776
Depreciation and amortization...	17,842	21,034	36,329	41,861
<hr style="border-top: 1px dashed black;"/>				
Operating loss.....	(7,486)	(5,837)	(14,531)	(20,351)
Other (expense) income:				
Interest expense.....	(5,136)	(10,922)	(26,157)	(24,195)
Interest income.....	14	33	70	236
Other, net.....	(119)	(69)	(241)	(1,280)
<hr style="border-top: 1px dashed black;"/>				
Net loss.....	(12,727)	(16,795)	(40,859)	(45,590)
Partners' capital (deficiency):				
Beginning of period.....	--	(92,795)	(51,936)	(6,346)
Capital contribution.....	70,000	--	--	--
<hr style="border-top: 1px dashed black;"/>				
End of year.....	\$ 57,273	\$(109,590)	\$(92,795)	\$(51,936)
	=====	=====	=====	=====

See accompanying notes to consolidated financial statements.

U.S. CABLE TELEVISION GROUP, L.P.  
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS  
(see note 1)  
(Dollars in thousands)

	Period from August 13, 1996 to December 31, 1996 -----	Period from January 1, 1996 to August 12, 1996 -----	Year Ended December 31, ----- 1995      1994 -----	
Cash flows from operating activities:				
Net loss.....	\$ (12,727)	\$(16,795)	\$(40,859)	\$(45,590)
Adjustments to reconcile net loss to net cash provided by operating activities:				
Depreciation and amortization.....	17,842	21,034	36,329	41,861
Amortization of deferred financing costs.....	292	477	746	752
Loss on disposal of equipment.....	43	39	104	192
Interest on senior subordinated debentures.....	--	--	10,022	9,038
Interest on junior subordinated debentures.....	--	--	3,970	3,516
Changes in assets and liabilities, net of effects of acquisition:				
Accounts receivables, net....	634	(625)	(546)	(47)
Other receivables.....	94	(129)	(225)	(54)
Prepaid expenses and other assets.....	131	(204)	(3)	80
Accounts payable and accrued expenses.....	265	(2,318)	3,193	2,995
Accounts payable to affiliates.....	(576)	1,029	(744)	575
	-----	-----	-----	-----
Net cash provided by operating activities.....	5,998	2,508	11,987	13,318
	-----	-----	-----	-----
Cash flows used in investing activities:				
Capital expenditures.....	(5,317)	(11,995)	(20,502)	(21,359)
Proceeds from sale of equipment.....	53	48	430	--
	-----	-----	-----	-----
Net cash used in investing activities.....	(5,264)	(11,947)	(20,072)	(21,359)
	-----	-----	-----	-----
Cash flows from financing activities:				
Advance from V Cable.....	--	70,000	--	--
Cash paid for redemption of partners' interests.....	(4,010)	--	--	--
Additions to excess costs.....	(98)	--	--	--
Additions to deferred financing costs.....	(2,289)	--	--	--
Proceeds from bank debt.....	159,810	--	8,000	--
Repayment of bank debt.....	(350)	--	--	--
Repayment of senior debt.....	(153,538)	(60,807)	--	--
Repayment of note payable.....	--	--	--	(35)
	-----	-----	-----	-----
Net cash used in financing activities.....	(475)	9,193	8,000	(35)
Net increase in cash and cash equivalents.....	259	(246)	(85)	(8,076)
Cash and cash equivalents at beginning of period.....	(210)	36	121	8,197
	-----	-----	-----	-----
Cash and cash equivalents at end of period.....	\$ 49	\$ (210)	\$ 36	\$ 121
	=====	=====	=====	=====

See accompanying notes to consolidated financial statements.

U.S. CABLE TELEVISION GROUP, L.P.  
AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(Dollars in thousands)

(1) The Company

U.S. Cable Television Group, L.P. (the "Company") was formed for the purpose of acquiring, owning and operating cable television systems, which are generally operated pursuant to non-exclusive franchises awarded by states or local government authorities for specified periods of time. The Company currently operates cable television systems serving portions of the southeastern and Midwestern United States. The Company's revenues are derived principally from the provision of cable television services, which include recurring monthly fees paid by subscribers.

Prior to the Redemption discussed in the next paragraph, the partnership consisted of V Cable, Inc. ("V Cable"), a wholly-owned subsidiary of Cablevision Systems Corporation ("CSC"), with an indirect 1% general partnership interest and a 19% limited partnership interest, General Electric Capital Corporation ("GECC"), with a 72% limited partnership interest and various individuals and entities owning the remaining 8% partnership interest, as general and/or limited partners (the "Predecessor Company"). Profits and losses were allocated in accordance with the Amended and Restated Agreement of Limited Partnership.

On March 18, 1996, V Cable advanced \$70 million to the Company which was considered a capital contribution coincident with the Redemption. On August 13, 1996, the Company redeemed the partnership interests not already owned by V Cable ("the Redemption") for a payment of approximately \$4 million to the holders of 8% of the partnership interests and the repayment of the balance of the debt owed to General Electric Capital Corporation ("GECC") of approximately \$154 million. The payment of \$4 million and repayment of the GECC debt was financed under a new \$175 million credit facility (Note 4). As a result of the Redemption, which was accounted for as a purchase, the consolidated financial information for the periods after the Redemption is presented on a different cost basis than that for the period before the Redemption and, therefore, is not comparable due to the change in ownership.

Subsequent to the Redemption, V Cable, through wholly-owned subsidiaries, holds an indirect 1% general partnership interest and a direct 99% limited partnership interest (the "Successor Company"). The partnership will terminate December 1, 2030, unless earlier termination occurs as provided in the Amended and Restated Agreement of Limited Partnership.

As a result of the capital contribution of \$70,000 (discussed above), the \$4,010 Redemption price and \$98 of miscellaneous transaction costs, the Successor Company effectively paid \$74,108 to acquire net liabilities of \$74,331, which resulted in excess costs over fair value of \$148,439, as follows:

Purchase price and transaction costs.....	\$ 74,108
	-----
Net liabilities acquired:	
Cash, receivables and prepaids.....	2,504
Property, plant and equipment.....	98,212
Accounts payables and accrued expenses.....	(20,433)
Accounts payable--affiliate.....	(1,076)
Senior debt.....	(153,538)
	-----
	(74,331)
	-----
Excess costs over fair value of net liabilities acquired.....	\$ 148,439
	=====

For purposes of the consolidated financial statements for the period from August 13, 1996 to December 31, 1996, this excess cost amount is being amortized over a 7 year period.

U.S. CABLE TELEVISION GROUP, L.P.  
AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)  
(Dollars in thousands)

(2) Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany transactions and balances have been eliminated in consolidation.

Revenue Recognition

The Company recognizes revenues as cable television services are provided to subscribers.

Long-Lived Assets

Property, plant and equipment, including construction materials, are recorded at cost, which includes all direct costs and certain indirect costs associated with the construction of cable television transmission and distribution systems and the costs of new subscriber installations. Property, plant and equipment are being depreciated over their estimated useful lives using the straight-line method. Leasehold improvements are amortized over the shorter of their useful lives or the terms of the related leases.

With respect to the Predecessor Company, franchise costs were amortized on the straight-line basis over the average term of the franchises (approximately 4-12 years) and excess costs over fair value of net assets acquired were amortized over a 15 year period on the straight-line basis. As mentioned in note 1, the Successor Company is amortizing excess costs over fair value of net assets acquired over 7 years.

The Company implemented the provisions of Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of," effective January 1, 1996. The Company reviews its long-lived assets (property, plant and equipment, and related intangible assets that arose from business combinations accounted for under the purchase method) for impairment whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable. If the sum of the expected cash flows, undiscounted and without interest, is less than the carrying amount of the asset, an impairment loss is recognized as the amount by which the carrying amount of the asset exceeds its fair value. The adoption of Statement No. 121 had no impact on the Company's financial position or results of operations.

Deferred Financing and Other Costs

Costs incurred to obtain debt are deferred and amortized on the straight-line basis over the term of the related debt. Other costs consist of organization costs in 1995 which were amortized over a five year period on the straight line basis.

Income Taxes

The Company operates as a limited partnership; accordingly, its taxable income or loss is includable in the tax returns of the partners, and therefore, no provision for income taxes has been made on the books of the Company. ECC Holdings Corporation ("ECC"), one of the Company's subsidiaries, is a corporate entity and as such is subject to federal and state income taxes. Income tax amounts in these consolidated financial statements pertain to ECC.

U.S. CABLE TELEVISION GROUP, L.P.  
AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)  
(Dollars in thousands)

(2) Significant Accounting Policies (continued)

ECC accounts for income taxes under the provisions of Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes", which requires the liability method of accounting for deferred income taxes and permits the recognition of deferred tax assets, subject to an ongoing assessment of realizability.

Cash Flows

For purposes of the statement of cash flows, the Company considers short-term investments with a maturity at date of purchase of three months or less to be cash equivalents. The Company paid cash interest of approximately \$13,610 for the period from January 1, 1996 to August 12, 1996, \$4,189 for the period from August 13, 1996 to December 31, 1996 and \$8,761 and \$12,900 for the years ended December 31, 1995 and 1994, respectively.

Use of Estimates in Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(3) Property, Plant and Equipment

Property, plant and equipment and estimated useful lives at December 31, 1996 and 1995 are as follows:

	1996	1995	Estimated Useful lives
	-----	-----	-----
Cable television transmission and distribution systems:			
Converters.....	\$ 6,810	\$ 18,609	5 years
Headends.....	6,338	27,363	9 years
Distribution systems.....	81,502	171,570	10 years
Program, service, microwave and test equipment.....	2,219	4,396	4-7 years
Construction in progress (including materials and supplies).....	521	675	
	-----	-----	
	97,390	222,613	
Furniture and fixtures.....	591	4,429	5 years
Vehicles.....	2,886	7,411	4 years
Building and improvements.....	1,074	2,895	30 years
Leasehold improvements.....	1,305	--	Term of Lease
Land.....	--	852	
	-----	-----	
	103,246	238,200	
Less accumulated depreciation.....	(9,703)	(136,761)	
	-----	-----	
	\$ 93,543	\$ 101,439	
	=====	=====	

U.S. CABLE TELEVISION GROUP, L.P.  
AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)  
(Dollars in thousands)

(4) Debt

Bank Debt

As discussed in Note 1, on August 13, 1996, the Successor Company paid GECC approximately \$154,000 in exchange for GECC's limited partnership interests in the Company and in satisfaction of the outstanding balance of all indebtedness due GECC. The repayment of the GECC debt was financed under a new \$175,000 credit facility. The credit facility is with a group of banks led by the Bank of New York, as agent, and consists of a three year \$175,000 revolving credit facility maturing on August 13, 1999. The revolving credit facility is payable in full upon maturity. As of December 31, 1996, the Company has outstanding borrowings under its revolving credit facility of \$159,460, leaving unrestricted and undrawn funds available amounting to \$15,540. Amounts outstanding under the facility bear interest at varying rates based upon the bank's LIBOR rate, as defined in the loan agreement. The weighted average interest rate was 7.6% on December 31, 1996. The Company is also obligated to pay fees of .375% per annum on the unused loan commitment.

Substantially all of the general and limited partnership interests in the Company have been pledged in support of the borrowings under the credit agreement. The credit facility contains various restrictive covenants, with which the Company was in compliance at December 31, 1996.

Senior Debt and Junior Subordinated Note

At December 31, 1995, the credit agreement between the Predecessor Company and GECC (the "Credit Agreement") was composed of a Senior Loan Agreement and a Junior Loan Agreement. Under the Senior Loan Agreement, GECC had provided a \$30,000 revolving line of credit (the "Revolving Line"), a \$104,443 term loan (the "Series A Term Loan") with interest payable currently and, a \$92,302 term loan (the "Series B Term Loan") with payment of interest deferred until December 31, 2001. Under the Junior Loan Agreement, GECC had provided a \$24,039 term loan (the "Junior Term Loan") with payment of interest deferred until December 31, 2001. The senior loan agreement and junior loan agreement are collectively referred to as the "Loan Agreements".

At December 31, 1995, the Predecessor Company's outstanding debt to GECC, which was all due on December 31, 2001, was comprised of the following:

Senior Debt	
Revolving line of credit, with interest at varying rates.....	\$ 8,000
Series A Term Loan, with interest at 10.12%.....	104,443
Series B Term Loan, with interest at 10.62%.....	101,949
	-----
Total Senior Debt.....	214,392
Junior Subordinated Note, with interest at 12.55%.....	34,645
	-----
Total debt.....	\$249,037
	=====

(5) Income Taxes

ECC has a net operating loss carryforward for federal income tax purposes of approximately \$21,708 expiring in varying amounts through 2011.

U.S. CABLE TELEVISION GROUP, L.P.  
AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)  
(Dollars in thousands)

The tax effects of temporary differences which give rise to significant deferred tax assets or liabilities and the corresponding valuation allowance at December 31, 1996 and 1995 are as follows:

Deferred Assets

	1996	1995
	-----	-----
Depreciation and amortization.....	\$ 7,132	\$ (9,572)
Allowance for doubtful accounts.....	51	85
Benefits of tax loss carry forwards.....	9,117	24,783
	-----	-----
Net deferred tax assets.....	16,300	15,296
Valuation allowance.....	(16,300)	(15,296)
	-----	-----
	\$ --	\$ --
	=====	=====

ECC has provided a valuation allowance for the total amount of the net deferred tax assets since realization of these assets is not assured due principally to a history of operating losses. The amount of the valuation allowance increased by \$1,004 during the year ended December 31, 1996.

(6) Operating Leases

The Company leases certain office and transmission facilities under terms of operating leases expiring at various dates through 2008. The leases generally provide for fixed annual rental payments plus real estate taxes and certain other costs. Rent expense for the periods from January 1, 1996 to August 12, 1996 and from August 13, 1996 to December 31, 1996 amounted to approximately \$505 and \$303, respectively, and for the years ended December 31, 1995 and 1994 amounted to \$705 and \$635, respectively.

The Company rents space on utility poles for its operations. The Company's pole rental agreements are for varying terms, and management anticipates renewals as they expire. Pole rental expense for the periods from January 1, 1996 to August 12, 1996 and from August 13, 1996 to December 31, 1996 amounted to approximately \$912 and \$547, respectively, and for the years ended December 31, 1995 and 1994 amounted to \$1,312 and \$1,199, respectively.

The minimum future annual rental payments for all operating leases, including pole rentals from January 1, 1997 through December 31, 2008, at rates presently in force at December 31, 1996, are approximately: 1997, \$1,902; 1998, \$1,764; 1999, \$1,735; 2000, \$1,657; 2001, \$1,599; and thereafter \$2,945.

(7) Related Party Transactions

CSC has interests in several entities engaged in providing cable television programming and other services to the cable television industry. For the periods from January 1, 1996 to August 12, 1996 and from August 13, 1996 to December 31, 1996, the Company was charged approximately \$510 and \$268, respectively, and for the years ended December 31, 1995 and 1994 the Company was charged approximately \$568 and \$407, respectively, by these entities for such services. At December 31, 1996 and 1995, the Company owed approximately \$60 and \$107 to these companies for such programming services which is included in accounts payable-affiliates in the accompanying consolidated balance sheets.

CSC provides the Company with general and administrative services. For the periods from January 1, 1996 to August 12, 1996 and from August 13, 1996 to December 31, 1996, the Company was charged \$2,274

U.S. CABLE TELEVISION GROUP, L.P.  
AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)  
(Dollars in thousands)

and \$1,712, respectively, and for the years ended December 31, 1995 and 1994 these charges totaled approximately \$3,530 and \$3,300. Amounts owed to CSC at December 31, 1996 and 1995 for such expenses were approximately \$408 and \$365 and is included in accounts payable-affiliates in the accompanying consolidated balance sheet.

(8) Benefit Plan

During 1989, the Company adopted a 401K savings plan (the "Plan"). Employee participation is voluntary. Under the provisions of the Plan, employees may defer up to 15% of their annual compensation (as defined). The Company currently contributes 50% of the contributions made by participating employees subject to a contribution cap of 6% of the employee's compensation. The Company may make additional contributions at its discretion. Expense relating to this Plan amounted to \$327, \$321 and \$295 in 1996, 1995 and 1994, respectively.

The Company does not provide postretirement benefits for any of its employees.

(9) Disclosures About The Fair Value Of Financial Instruments

Cash and Cash Equivalents, Accounts Receivable--Subscribers, Other Receivables, Prepaid Expenses and Other Assets, Accounts Payable, Accrued Expenses, and Accounts Payable to Affiliates

The carrying amount approximates fair value due to the short maturity of these instruments.

Bank Debt

The fair value of the company's long term debt instruments approximates its book value since the interest rate is LIBOR-based and accordingly is adjusted for market rate fluctuations.

Senior and Junior Debt

At December 31, 1995, the carrying amount of the Senior and Junior Debt approximated fair value.

(10) Commitments

CSC and its cable television affiliates (including the Company) have an affiliation agreement with a program supplier whereby CSC and its cable television affiliates are obligated to make Base Rate Annual Payments, as defined and subject to certain adjustments pursuant to the agreement, through 2004. The Company would be contingently liable for its proportionate share of Base Rate Annual Payments, based on subscriber usage, of approximately; \$1,276 in 1997; \$1,320 in 1998 and \$1,366 in 1999. For the years 2000 through 2004, such payments would increase by percentage increases in the Consumer Price Index, or five percent, whichever is less, over the prior year's Base Annual Payment.

(11) Subsequent Event

On August 29, 1997, CSC and certain of its wholly-owned subsidiaries entered into an agreement with Mediacom LLC ("Mediacom") to sell to Mediacom cable systems owned by the Company. The transaction was consummated on January 23, 1998 for a sales price of approximately \$311 million.



REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Triax Midwest Associates, L.P.:

We have audited the accompanying balance sheets of TRIAX MIDWEST ASSOCIATES, L.P. (a Missouri limited partnership) as of December 31, 1997 and 1998, and the related statements of operations, partners' deficit and cash flows for each of the three years in the period ended December 31, 1998. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Triax Midwest Associates, L.P. as of December 31, 1997 and 1998, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 1998 in conformity with generally accepted accounting principles.

Arthur Andersen LLP

Denver, Colorado  
February 26, 1999

TRIAX MIDWEST ASSOCIATES, L.P.

BALANCE SHEETS

As of December 31, 1997 and 1998 and June 30, 1999 (Unaudited)  
(In Thousands)

	1997	1998	June 30, 1999
	-----	-----	-----
			(Unaudited)
<b>ASSETS</b>			
Cash.....	\$ 3,297	\$ 2,327	\$ 2,820
Receivables, net of allowance of \$554, \$331 and \$330, respectively.....	2,555	2,303	1,890
Property, plant and equipment, net.....	124,616	153,224	162,168
Purchased intangibles, net.....	157,671	185,268	165,170
Deferred costs, net.....	5,980	6,995	3,511
Other assets.....	2,202	2,911	2,324
	-----	-----	-----
	\$296,321	\$353,028	\$337,883
	=====	=====	=====
<b>LIABILITIES AND PARTNERS' DEFICIT</b>			
Accrued interest expense.....	\$ 6,057	\$ 5,383	\$ 5,003
Accounts payable and other accrued expenses...	11,582	11,714	12,113
Subscriber prepayments and deposits.....	695	828	823
Payables to affiliates.....	359	348	350
Debt.....	323,604	404,418	409,290
	-----	-----	-----
Partners' deficit.....	342,297	422,691	427,579
	(45,976)	(69,663)	(89,696)
	-----	-----	-----
	\$296,321	\$353,028	\$337,883
	=====	=====	=====

The accompanying notes to the financial statements are an integral part of these balance sheets.

TRIAX MIDWEST ASSOCIATES, L.P.

STATEMENTS OF OPERATIONS

For the Years Ended December 31, 1996, 1997 and 1998  
and for the Six Months Ended June 30, 1998 and 1999 (Unaudited)  
(In Thousands)

	For the Years Ended December 31,			For the Six Months Ended June 30,	
	1996	1997	1998	1998	1999
				(Unaudited)	
Revenues.....	\$ 60,531	\$ 101,521	\$ 119,669	\$ 57,155	\$ 67,257
Operating expenses:					
Programming.....	12,934	20,066	25,275	11,882	15,213
Operating, selling, general and administrative.....	16,459	26,050	32,241	13,935	16,263
Management fees.....	2,667	3,573	4,048	1,933	2,218
Administration fees paid to an affiliate.....	444	1,482	1,826	843	1,040
Depreciation and amortization.....	26,492	48,845	65,391	28,451	35,644
	58,996	100,016	128,781	57,044	70,378
Operating income (loss).....	1,535	1,505	(9,112)	111	(3,121)
Other expenses:					
Interest.....	18,311	26,006	29,358	13,558	16,252
Net loss before cumulative effect of accounting change.....	(16,776)	(24,501)	(38,470)	(13,447)	(19,373)
Cumulative effect of accounting change.....	--	--	--	--	(660)
Net loss.....	\$ (16,776)	\$ (24,501)	\$ (38,470)	\$ (13,447)	\$ (20,033)

The accompanying notes in the financial statements are an integral part of these statements.



contributions...	--	--	--	--	--	--	15,000	15,000
Syndication costs.....	--	--	--	--	--	--	(217)	(217)
Net loss for the year ended December 31, 1998.....	(385)	--	--	--	--	--	(38,085)	(38,470)
-----								
BALANCES, December 31, 1998.....	(93,493)	--	1,288	--	--	--	22,542	(69,663)
Accumulation of residual equity interest of TTC (Unaudited)....	(472)	--	472	--	--	--	--	--
Net loss for the six months ended June 30, 1999 (Unaudited)....	(200)	--	--	--	--	--	(19,833)	(20,033)
-----								
BALANCES, June 30, 1999 (Unaudited)....	<u>\$(94,165)</u>	<u>\$ --</u>	<u>\$1,760</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 2,709</u>	<u>\$(89,696)</u>
=====								

The accompanying notes to the financial statements are an integral part of these statements.

TRIAX MIDWEST ASSOCIATES, L.P.

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 1996, 1997 and 1998  
and For the Six Months Ended June 30, 1998 and 1999 (Unaudited)  
(In Thousands)

	For the Years Ended December 31,			For the Six Months Ended June 30,	
	1996	1997	1998	1998	1999
				(Unaudited)	(Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Net loss.....	(16,776)	(24,501)	(38,470)	(13,447)	(20,033)
Adjustments to reconcile net loss to net cash flows from operating activities--					
Depreciation and amortization.....	26,492	48,845	65,391	28,451	35,644
Accretion of interest on preferred stock obligation.....	90	--	--	--	--
Amortization of deferred loan costs..	370	651	790	348	446
Cumulative effect of accounting change....	--	--	--	--	660
Loss (gain) on asset dispositions.....	--	--	1,732	(492)	2
Decrease (increase) in subscriber receivables, net....	1,926	(503)	93	(550)	413
(Increase) decrease in other assets.....	(7)	(556)	(623)	(516)	672
Increase (decrease) in accrued interest expense.....	181	1,312	(674)	(6,057)	(381)
Increase (decrease) in accounts payable and other accrued expenses.....	4,502	525	(452)	(1,555)	199
(Decrease) increase in subscriber prepayments and deposits.....	(2,684)	13	129	62	(5)
Write-off loan costs..	174	--	--	--	--
(Decrease) increase in payables to affiliates.....	(31)	113	(11)	23	2
Net cash flows from operating activities.....	14,237	25,899	27,905	6,267	17,619
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Purchase of property, plant and equipment..	(10,275)	(23,101)	(36,122)	(14,906)	(21,358)
Acquisition of properties, including purchased intangibles.....	--	(71,850)	(86,255)	(23,112)	(20)
Proceeds from exchange of properties, including intangibles.....	--	--	1,594	1,594	--
Proceeds from sale of properties, including intangibles.....	--	--	1,674	367	268
Cash paid for franchise costs.....	(582)	(776)	(2,122)	(3,664)	(528)
Cash paid for other intangibles.....	(823)	(37)	--	--	(90)
Net cash flows from investing activities.....	(11,680)	(95,764)	(121,231)	(39,721)	(21,728)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>					
Proceeds from borrowings.....	275,000	67,000	399,000	345,000	12,000
Repayment of debt.....	(268,477)	(14,000)	(319,000)	(313,000)	(7,000)
Contributions from					

partners.....	51,350	13,043	15,000	--	--
Cash redemptions of partnership interests.....	(38,251)	--	--	--	--
Cash distributions to DD Cable Partners....	(4,200)	--	--	--	--
Payments on capital leases.....	(314)	(322)	(703)	(272)	(392)
Cash paid for loan costs.....	(5,683)	(80)	(1,724)	(1,570)	(6)
Cash paid for syndication costs....	(2,604)	(253)	(217)	--	--
Repayment of preferred stock obligations....	(2,760)	--	--	--	--
	-----	-----	-----	-----	-----
Net cash flows from financing activities.....	4,061	65,388	92,356	30,158	4,602
	-----	-----	-----	-----	-----
NET INCREASE (DECREASE) IN CASH.....	6,618	(4,477)	(970)	(3,296)	493
CASH, beginning of period.....	1,156	7,774	3,297	3,297	2,327
	-----	-----	-----	-----	-----
CASH, end of period....	\$ 7,774	\$ 3,297	\$ 2,327	\$ 1	\$ 2,820
	=====	=====	=====	=====	=====
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:					
Cash paid during the period for interest..	\$ 16,848	\$ 24,043	\$ 29,209	\$ 19,267	\$ 16,186
	=====	=====	=====	=====	=====
SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:					
Property additions financed by capital leases.....	\$ 391	\$ 1,313	\$ 1,517	\$ 678	\$ 481
	=====	=====	=====	=====	=====
Net book value of assets divested in exchange.....	\$ --	\$ --	\$ 4,404	\$ 4,404	\$ --
	=====	=====	=====	=====	=====
Net book value of non-monetary assets acquired in exchange.....	\$ --	\$ --	\$ 2,958	\$ 2,958	\$ --
	=====	=====	=====	=====	=====

The accompanying notes to the financial statements are an integral part of these statements.

TRIAX MIDWEST ASSOCIATES, L.P.

NOTES TO FINANCIAL STATEMENTS

December 31, 1997 and 1998 and June 30, 1999

(All amounts related to the June 30, 1998 and 1999 periods are unaudited)

(1) THE PARTNERSHIP

Organization and Capitalization

Triax Midwest Associates, L.P. (the "Partnership") is a Missouri limited partnership originally formed for the purpose of acquiring, constructing and operating cable television properties, located primarily in Indiana, Illinois, Iowa, Minnesota and Wisconsin. The Partnership was capitalized and commenced operations on June 1, 1988. The non-managing general partner is Triax Cable General Partner, L.P. ("Triax Cable GP"), a Missouri limited partnership. The general partner of Triax Cable GP is Midwest Partners, L.L.C. The managing general partner of the Partnership is Triax Midwest General Partner, L.P., a Delaware limited partnership, and its general partner is Triax Midwest, L.L.C.

Partnership Recapitalization

On August 30, 1996 (the "Contribution Date"), the Partnership completed a recapitalization of the Partnership in which new credit facilities were put in place (Note 4), additional partnership interests were issued and selected partnership interests were redeemed. Under the terms of a partnership amendment and other related documents, the Partnership received approximately \$50.3 million in cash from new limited partners in exchange for limited partnership interests ("New Cash Partners"). Approximately \$38.3 million in cash was then utilized to redeem the special limited partnership interest and certain other existing limited partnership interests. For financial reporting purposes, this portion of the Partnership Recapitalization was accounted for as an equity transaction with no effect on the carrying value of the Partnership's assets. However, for tax purposes, even though the New Cash Partners assumed the redeemed limited partners' tax basis capital accounts, they will be entitled to additional outside tax basis reflecting the amount invested.

In addition, the Partnership purchased certain net assets of DD Cable Partners, L.P. and DD Cable Holdings, Inc. ("DD Cable") through the net issuance of approximately \$55.6 million in limited partnership interests. For financial reporting purposes, the acquisition was accounted for under the purchase method of accounting at fair market value. For tax purposes, the basis in the acquired net assets was recorded at DD Cable's historical tax basis. This results in a built-in gain on these assets based on the difference between the fair market value and tax basis of the assets at August 30, 1996.

In connection with the Partnership Recapitalization, the general partnership interest of Triax Cable GP was converted to a non-managing general partnership interest. Triax Cable GP then contributed an additional \$1.1 million to maintain its approximate 1% proportionate interest in the Partnership. Triax Midwest General Partner, L.P. ("Midwest GP" or the "Managing General Partner") was appointed the managing general partner. The general partner of Midwest GP is Triax Midwest, L.L.C., a wholly-owned subsidiary of Triax Telecommunications Company, L.L.C. ("TTC"). Midwest GP made no partnership equity contributions to the Partnership and received only a residual interest in the Partnership, as discussed below under "Allocations of Profits, Losses, Distributions and Credits Subsequent to Partnership Recapitalization".

As provided for in the Partnership Agreement, as amended, certain of the New Cash Partners (the "Committed Partners") committed to fund additional monies totaling \$50.0 million for future acquisitions of the Partnership through August 1999. In conjunction with the Partnership's Indiana and Illinois Acquisitions during 1997 and the Illinois acquisition of September 30, 1998 (Note 3), certain limited partners contributed approximately \$13.0 million and \$15.0 million, respectively. Of these total contributions, approximately \$27.0 million was contributed by the Committed Partners, which reduced their total funding commitment to approximately \$23.0 million.



TRIAX MIDWEST ASSOCIATES, L.P.

NOTES TO FINANCIAL STATEMENTS--(Continued)

December 31, 1997 and 1998 and June 30, 1999

(All amounts related to the June 30, 1998 and 1999 periods are unaudited)

During 1997, TTC and certain officers of TTC (the "Officers") purchased limited partner interests in Triax Investors Midwest, L.P. ("Investors Midwest"), which holds a limited partner interest in the Partnership. Subsequent to TTC's and the Officers' purchase of these Investors Midwest interests, Investors Midwest elected to distribute its interest in the Partnership to certain of its partners, resulting in TTC owning a direct limited partner interest in the Partnership.

The Partnership Agreement, as amended, provides that on August 30, 2001 each limited partner has the option to sell its interest to the Partnership for fair market value at the time of the sale. The fair market value is to be determined by appraised value approved by a majority vote of the Advisory Committee. In accordance with the Partnership Agreement, if the Partnership is unable to finance the acquisition of such interests, such selling limited partners can cause the liquidation of the Partnership.

Allocation of Profits, Losses, Distributions and Credits Subsequent to Partnership Recapitalization

Distributions

Cash distributions are to be made to both the limited partners and Triax Cable GP equal to their adjusted capital contributions, then to the limited partners and Triax Cable GP in an amount sufficient to yield a return of 13% per annum, compounded annually (the "Priority Return"), then varying rates of distribution to the Managing General Partner (17% to 20%) and to the limited partners and Triax Cable GP (83% to 80%) based on internal rates of return earned by the New Cash Partners, as set forth in the Amended and Restated Partnership Agreement, on their adjusted capital contributions.

Losses from Operations

The Partnership will allocate its losses to the limited partners and Triax Cable GP according to their proportionate interests in the book value of the Partnership, except losses will not be allocated to any limited partner which would cause the limited partner's capital account to become negative by an amount greater than an amount which the limited partners are obligated to contribute to the Partnership.

Profits and Gains

Generally, the Partnership will allocate its profits according to the limited partners' and Triax Cable GP's proportionate interests in the book value of the Partnership until profits allocated to limited partners equal losses previously allocated to them. A special allocation of gain equal to the difference between the fair value and tax basis of contributed property will be made, with respect to partners contributing property to the Partnership, upon the sale of the contributed Partnership assets.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The preparation of financial statements in conformity with generally accepted accounting principles 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. Actual results could differ from those estimates.

TRIAX MIDWEST ASSOCIATES, L.P.

NOTES TO FINANCIAL STATEMENTS--(Continued)

December 31, 1997 and 1998 and June 30, 1999

(All amounts related to the June 30, 1998 and 1999 periods are unaudited)

Revenue Recognition

Revenues are recognized in the period the related services are provided to the subscribers.

Income Taxes

No provision has been made for federal, state or local income taxes because they are the responsibility of the individual partners. The principal difference between tax and financial reporting results from different depreciable tax basis in various assets acquired (Note 1).

Property, Plant and Equipment

Property, plant and equipment are stated at cost. Replacements, renewals and improvements are capitalized and costs for repairs and maintenance are charged directly to expense when incurred. The Partnership capitalized a portion of technician and installer salaries to property, plant and equipment, which amounted to \$1,134,000 in 1996, \$1,196,132 in 1997, \$1,333,296 in 1998 and \$601,889 and \$590,351 for the six months ended June 30, 1998 and 1999, respectively.

Depreciation and amortization are computed using the straight-line method over the following estimated useful lives (amounts in thousands):

	1997	1998	June 30, 1999	Life
	-----	-----	-----	-----
				Predominantly
Property, plant and equipment.....	\$ 217,561	\$ 266,965	\$ 288,560	10 years
Less--Accumulated depreciation.....	(92,945)	(113,741)	(126,392)	
	-----	-----	-----	
	\$ 124,616	\$ 153,224	\$ 162,168	
	=====	=====	=====	

Purchased Intangibles

Purchased intangibles are being amortized using the straight-line method over the following estimated useful lives (amounts in thousands):

	1997	1998	June 30, 1999	Life
	-----	-----	-----	-----
Franchises.....	\$ 245,028	\$ 310,544	\$ 311,056	5-11.5 years
Noncompete.....	400	1,595	1,595	3 years
Goodwill.....	12,804	12,804	12,804	20 years
	-----	-----	-----	
	258,232	324,943	325,455	
Less--Accumulated amortization.....	(100,561)	(139,675)	(160,285)	
	-----	-----	-----	
	\$ 157,671	\$ 185,268	\$ 165,170	
	=====	=====	=====	

Impairment of Long-Lived Assets

The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable from future undiscounted cash flows. Impairment losses are recorded for the difference between the carrying value and fair value of the long-lived asset.

TRIAx MIDWEST ASSOCIATES, L.P.

NOTES TO FINANCIAL STATEMENTS--(Continued)

December 31, 1997 and 1998 and June 30, 1999

(All amounts related to the June 30, 1998 and 1999 periods are unaudited)

Deferred Costs

Deferred costs are being amortized using the straight-line method over the following estimated useful lives (amounts in thousands):

	1997	1998	June 30, 1999	Life
	-----	-----	-----	-----
Deferred loan costs.....	\$ 5,763	\$ 7,488	\$ 7,493	2-7 years
Organizational costs.....	858	858	--	5-10 years
Other.....	500	500	500	
	-----	-----	-----	
	7,121	8,846	7,993	
Less--Accumulated amortization.....	(1,141)	(1,851)	(4,482)	
	-----	-----	-----	
	\$ 5,980	\$ 6,995	\$ 3,511	
	=====	=====	=====	

Organizational Costs

American Institute of Certified Public Accountants Statement of Position 98-5 ("SOP 98-5") provides guidance on the financial reporting of start-up and organization costs. SOP 98-5 broadly defines start-up activities and requires the costs of such start-up activities and organization costs to be expensed as incurred. SOP 98-5 is effective for fiscal years beginning after December 15, 1998 and the initial application is reported as a cumulative effect of a change in accounting principle. Effective January 1, 1999, the Partnership recognized a cumulative effect of an accounting change adjustment related to net deferred organization costs totaling approximately \$660,000 as of December 31, 1998.

Reclassifications

Certain amounts in the accompanying financial statements have been reclassified to conform to the current year presentation.

(3) ACQUISITIONS/SALES

On August 30, 1996, the Partnership purchased certain cable television system assets, located in Illinois, Minnesota, Wisconsin and Iowa, from DD Cable, including the assumption of certain liabilities of the acquired business. The acquisition was financed by issuing net limited partnership interests valued at approximately \$55.6 million. In addition, the Partnership utilized a portion of newly executed \$375 million credit facility (Note 4) to repay approximately \$116 million of existing indebtedness of DD Cable.

TRIAX MIDWEST ASSOCIATES, L.P.

NOTES TO FINANCIAL STATEMENTS--(Continued)

December 31, 1997 and 1998 and June 30, 1999

(All amounts related to the June 30, 1998 and 1999 periods are unaudited)

The purchase price was allocated to the acquired assets and liabilities as follows (amounts in thousands):

Current assets	\$ 3,519
Property, plant and equipment	59,786
Franchise costs	117,007
	-----
Subtotal	180,312
Less--current liabilities assumed	(4,579)
	-----
	175,733
Less--cash distributed for:	
Payment of existing DD Cable debt	(115,968)
Cash distributions to DD Cable	(4,200)
	-----
Total net partnership interest issued	\$ 55,565
	=====

On June 30, 1997, the Partnership acquired certain cable television system assets, located in Indiana, including certain liabilities of the acquired business, from Triax Associates I, L.P. (the "Indiana Acquisition"). The purchase price of \$52.0 million was accounted for by the purchase method of accounting and was allocated to the acquired assets and liabilities as follows (amounts in thousands):

Current assets	\$ 316
Property, plant and equipment	18,793
Franchise costs	33,007
Non-compete	200
	-----
Subtotal	52,316
Less--current liabilities assumed	(403)
	-----
Total cash paid for acquisition	\$ 51,913
	=====

Also on June 30, 1997, the Partnership acquired certain cable television system assets, located in Illinois, including certain liabilities of the acquired business, from an unrelated third party (the "Illinois Acquisition"). The purchase price of \$20.1 million was accounted for by the purchase method of accounting.

The Indiana and Illinois Acquisitions were financed by partners' contributions of approximately \$13.0 million and proceeds of \$60.0 million on the revolving credit facility.

On September 30, 1998, the Partnership purchased certain cable television system assets, located in Illinois, from an unrelated third party ("Marcus"), including the assumption of certain liabilities of the acquired business. The acquisition was financed by partners' contributions of \$15.0 million and proceeds of approximately \$45.8 million from the revolving credit facility.

TRIAX MIDWEST ASSOCIATES, L.P.

NOTES TO FINANCIAL STATEMENTS--(Continued)

December 31, 1997 and 1998 and June 30, 1999

(All amounts related to the June 30, 1998 and 1999 periods are unaudited)

The purchase price was allocated to the acquired assets and liabilities as follows (amounts in thousands):

Current assets	\$ 109
Property, plant and equipment	10,000
Franchise costs	50,555
Non-compete	500
	-----
Subtotal	61,164
Less--current liabilities assumed	(328)
	-----
Total cash paid for acquisition	\$60,836
	=====

The Partnership has reported the operating results of DD Cable, the Indiana Acquisition and Marcus from the respective acquisition dates. The following tables show the unaudited pro forma results of operations for the year of the acquisitions and their prior year:

For the Year Ended December 31, 1996

	Actual	Unaudited Pro Forma Results(/1/)
	-----	-----
REVENUES	\$ 60,531	\$ 99,554
	=====	=====
NET LOSS	\$(16,776)	\$(28,878)
	=====	=====

(/1/) Presents pro forma effect of the DD Cable Acquisition and the Indiana Acquisition.

For the Year Ended December 31, 1997

	Actual	Unaudited Pro Forma Results(/2/)
	-----	-----
REVENUES	\$101,521	\$118,722
	=====	=====
NET LOSS	\$(24,501)	\$(31,001)
	=====	=====

(/2/) Presents pro forma effect of the Indiana Acquisition and Marcus.

For the Year Ended December 31, 1998

	Actual	Unaudited Pro Forma Results(/3/)
	-----	-----
REVENUES	\$119,669	\$128,182
	=====	=====
NET LOSS	\$(38,470)	\$(41,754)
	=====	=====

(/3/) Presents pro forma effect of Marcus.

TRIAX MIDWEST ASSOCIATES, L.P.

NOTES TO FINANCIAL STATEMENTS--(Continued)

December 31, 1997 and 1998 and June 30, 1999

(All amounts related to the June 30, 1998 and 1999 periods are unaudited)

On June 30, 1998, the Partnership purchased certain cable television system assets, located in Indiana, from an unrelated third party, including the assumption of certain liabilities of the acquired business. The acquisition was financed by proceeds of approximately \$22.8 million from the revolving credit facility. The purchase price was allocated to the acquired assets and liabilities as follows (amounts in thousands):

Property, plant and equipment.....	\$ 8,383
Franchise costs.....	14,499
Non-compete.....	200
	-----
Subtotal.....	23,082
Less--current liabilities assumed.....	(270)
	-----
Total cash paid for acquisition.....	\$22,812
	=====

On January 21, 1998, the Partnership acquired certain cable television system assets located in Gilberts, Illinois, including certain liabilities of the acquired business, from an unrelated third party (the "Gilberts Acquisition"). The purchase price of approximately \$307,000 was accounted for by the purchase method of accounting.

On December 31, 1998, the Partnership acquired certain cable television system assets, located in Kentland, Indiana, including certain liabilities of the acquired business, from an unrelated third party (the "Kentland Acquisition"). The purchase price of \$2.5 million was accounted for by the purchase method of accounting, \$200,000 of which will be paid during 1999, and has been recorded as other accrued expenses in the accompanying balance sheet.

The Indiana, Kentland and Gilberts Acquisitions were financed by proceeds on the revolving credit facility.

On February 27, 1998, the Partnership closed on an Asset Exchange Agreement with an unrelated third party whereby the Partnership conveyed certain systems serving approximately 3,700 subscribers in exchange for another system in Illinois serving approximately 2,400 subscribers and received approximately \$1,600,000 in cash consideration. A gain of approximately \$150,000 was recognized on this transaction, and was recorded against write-off of retired plant in the accompanying statement of operations.

On June 30, 1998, the Partnership sold certain cable television system assets located in Central City, Iowa, including certain liabilities of the system, to an unrelated third party for cash of approximately \$367,000.

On September 30, 1998, the Partnership sold certain cable television system assets related to five systems in Iowa, including certain liabilities of the systems, to an unrelated third party for cash of approximately \$1.3 million.

TRIAX MIDWEST ASSOCIATES, L.P.

NOTES TO FINANCIAL STATEMENTS--(Continued)

December 31, 1997 and 1998 and June 30, 1999

(All amounts related to the June 30, 1998 and 1999 periods are unaudited)

(4) DEBT

Debt consists of the following at December 31, 1997, 1998 and June 30, 1999 (amounts in thousands):

	1997	1998	June 30, 1999
	-----	-----	-----
			(Unaudited)
Bank Revolving credit loan, due June 30, 2006, interest payable at rates based on varying interest rate options.....	\$ 82,000	\$ 97,000	\$102,000
Term A Loan, due June 30, 2006, interest payable at rates based on varying interest rate options.....	180,000	220,000	220,000
Term B Loan, due June 30, 2007, interest payable at rates based on varying interest rate options.....	35,000	60,000	60,000
Term C Loan, due June 30, 2007, interest payable at 9.48%.....	25,000	25,000	25,000
Various equipment loans and vehicle leases.....	1,604	2,418	2,290
	-----	-----	-----
	\$323,604	\$404,418	\$409,290
	=====	=====	=====

In connection with the Partnership Recapitalization discussed in Note 1, the Partnership entered into a \$375 million credit facility with a group of lenders, consisting of a Revolving Credit Loan, Term A, Term B and Term C Loans. A commitment fee is charged on the daily unused portion of the available commitment. This fee ranges from 1/4% to 3/8% per annum based on the Partnership's leverage ratio, as defined. The Revolving Credit Loan and each of the Term A, B, and C Loans are collateralized by all of the property, plant and equipment of the Partnership, as well as the rights under all present and future permits, licenses and franchises.

On June 24, 1998, the Partnership completed a restructuring of the Revolving Credit Loan and the Term A, B and C Loans. Under the terms of the restructuring agreement, the total availability of this facility increased from \$375 million to \$475 million, in order to complete certain planned acquisitions (see Note 3) and to provide for future growth.

The Partnership entered into LIBOR interest rate agreements with the lenders related to the Revolving Credit Loan and the Term A and Term B Loans. The Partnership fixed the interest rate for the Revolving Credit Loan on \$71 million at 7.38% for the period from April 6, 1999 to July 6, 1999 and on \$25 million at 7.38% for the period from April 26, 1999 to July 26, 1999. The Term A Loan and Term B Loans are fixed at 7.38% and 7.50%, respectively, for the period from April 26, 1999 to July 26, 1999. In addition, the Partnership has entered into various interest rate swap transactions covering \$195 million in notional amount as of June 30, 1999, which fixes the weighted average three-month variable rate at 5.6%. These swap transactions expire at various dates through October 2000.

The Term A Loan requires principal payments to be made quarterly, beginning in September 2000. The quarterly payments begin at \$1,375,000 per quarter and increase each September 30th thereafter. The Term B and Term C Loans require total quarterly principal payments of \$177,083 for the quarters ending September 2000 and December 2000. Quarterly principal payments totaling \$88,542 are then required through December 31, 2005, at which time the quarterly payments increase to \$3,187,500 through December 31, 2006 and \$35,062,500 at March 31, 2007. The Loans are due in full on June 30, 2007.

TRIAX MIDWEST ASSOCIATES, L.P.

NOTES TO FINANCIAL STATEMENTS--(Continued)

December 31, 1997 and 1998 and June 30, 1999

(All amounts related to the June 30, 1998 and 1999 periods are unaudited)

The loan agreements contain various covenants, the most restrictive of which relate to maintenance of certain debt coverage ratios, meeting cash flow goals and limitations on indebtedness.

Debt maturities required on all debt as of December 31, 1998 are as follows (amounts in thousands):

Year	Amount
----	-----
1999.....	\$ 775
2000.....	3,861
2001.....	16,375
2002.....	31,417
2003.....	39,407
Thereafter.....	312,583
	-----
	\$404,418
	=====

(5) RELATED PARTY TRANSACTIONS

During the eight month period ending August 31, 1996, TTC provided management services to the Partnership for a fee equal to 5% of gross revenues, as defined. Charges for such management services amounted to approximately \$1,567,000. TTC also allocated certain overhead expenses to the Partnership which primarily relate to employment costs. These overhead expenses amounted to approximately \$371,000 for the eight months ended August 31, 1996.

Commencing August 30, 1996, the Partnership entered into an agreement with TTC to provide management services to the Partnership for a fee equal to 4% of gross revenues, as defined. The agreement also states the Partnership will only be required to pay a maximum fixed monthly payment of \$275,000, which can be adjusted for any acquisitions or dispositions by the Partnership at a rate of \$.8333 per acquired/disposed subscriber. Charges for such management services provided by TTC amounted to approximately \$1,100,000, \$3,573,000 and \$4,048,000 in 1996, 1997 and 1998, respectively, and \$1,933,000 and \$2,218,000 for the six months ended June 30, 1998 and 1999, respectively. The remainder of the management fees earned but unpaid will be distributable to TTC only after Triax Cable GP and the limited partners have been distributed their original capital investments and then the deferred and unpaid portion of the management fee will be paid pari passu with the first 7.5% of the Priority Return, as defined. The earned but unpaid fees totaled approximately \$62,000, \$488,000 and \$738,000 in 1996, 1997 and 1998, respectively, and \$353,000 and \$422,000 for the six months ended June 30, 1998 and 1999, respectively. The cumulative unpaid fees totaled approximately \$62,000, \$550,000, \$1,288,000 and \$1,760,000 as of December 31, 1996, 1997, 1998 and June 30, 1999, respectively. These amounts have been reflected in the statement of partners' deficit as "accumulated residual equity interest of TTC", which has been allocated to the non-managing General Partner.

Commencing August 30, 1996, the Partnership entered into a programming agreement with InterMedia Capital Management II, L.P. ("InterMedia"), an affiliate of DD Cable, to purchase programming at InterMedia's cost, which includes volume discounts InterMedia might earn. Included in this agreement is a provision that requires the Partnership to remit to InterMedia an administrative fee, based on a calculation stipulated in the agreement, which amounted to approximately \$444,000, \$1,482,000 and \$1,826,000 in 1996, 1997 and 1998, respectively, and \$843,000 and \$1,040,000 for the six months ended June 30, 1998 and 1999, respectively.



TRIAX MIDWEST ASSOCIATES, L.P.

NOTES TO FINANCIAL STATEMENTS--(Continued)

December 31, 1997 and 1998 and June 30, 1999

(All amounts related to the June 30, 1998 and 1999 periods are unaudited)

(6) LEASES

The Partnership leases office facilities, headend sites and other equipment under noncancelable operating lease agreements, some of which contain renewal options. Total rent expense, including month-to-month rental arrangements, was approximately \$364,000, \$583,000 and \$737,000 in 1996, 1997 and 1998, respectively, and \$336,000 and \$413,000 for the six months ended June 30, 1998 and 1999, respectively. Pole attachment fees totaled approximately \$496,000, \$798,000 and \$970,000 in 1996, 1997 and 1998, respectively, and \$473,000 and \$538,000 for the six months ended June 30, 1998 and 1999, respectively.

Future minimum rental commitments under noncancelable operating leases subsequent to December 31, 1998 are as follows (amounts in thousands):

Year	Amount
----	-----
1999.....	\$685
2000.....	\$511
2001.....	\$377
2002.....	\$298
2003.....	\$238
Thereafter.....	\$757

(7) FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of cash and cash equivalents approximates fair value because of the nature of the investments and the length of maturity of the investments.

The estimated fair value of the Partnership's debt instruments are based on borrowing rates that would be substantially equivalent to existing rates, therefore, there is no material difference in the fair market value and the current value.

(8) REGULATORY MATTERS

In October 1992, Congress enacted the Cable Television Consumer and Competition Act of 1992 (the "1992 Cable Act") which greatly expanded federal and local regulation of the cable television industry. In April 1993, the Federal Communications Commission ("FCC") adopted comprehensive regulations, effective September 1, 1993, governing rates charged to subscribers for basic cable and cable programming services (other than programming offered on a per-channel or per-program basis). The FCC implemented regulation, which allowed cable operators to justify regulated rates in excess of the FCC benchmarks through cost of service showings at both the franchising authority level for basic service and to the FCC in response to complaints on rates for cable programming services.

On February 22, 1994, the FCC issued further regulations which modified the FCC's previous benchmark approach, adopted interim rules to govern cost of service proceedings initiated by cable operators, and lifted the stay of rate regulations for small cable systems, which were defined as all systems serving 1,000 or fewer subscribers.

On November 10, 1994, the FCC adopted "going forward" rules that provided cable operators with the ability to offer new product tiers priced as operators elect, provided certain limited conditions are met, permit cable operators to add new channels at reasonable prices to existing cable programming service tiers, and created an additional option pursuant to which small cable operators may add channels to cable programming service tiers.

NOTES TO FINANCIAL STATEMENTS--(Continued)

December 31, 1997 and 1998 and June 30, 1999

(All amounts related to the June 30, 1998 and 1999 periods are unaudited)

In May 1995, the FCC adopted small company rules that provided small systems regulatory relief by implementing an abbreviated cost of service rate calculation method. Using this methodology, for small systems seeking to establish rates no higher than \$1.24 per channel, the rates are deemed to be reasonable.

In February 1996, the Telecommunications Act of 1996 ("1996 Act") was enacted which, among other things, deregulated cable rates for small systems on their programming tiers.

Federal law is expected to eliminate the regulation of rates for non-basic cable programming service tiers after March 31, 1999.

Management of the Partnership believes they have complied in all material respects with the provisions of the 1992 Cable Act and the 1996 Act, including rate setting provisions. To date, the FCC's regulations have not had a material adverse effect on the Partnership due to the lack of certifications by the local franchising authorities. Several rate complaints have been filed against the Partnership with the FCC. However, management does not believe this matter will have a material adverse impact on the Partnership.

(9) COMMITMENTS AND CONTINGENCIES

The Partnership has been named as a defendant in a class action lawsuit in the state of Illinois, challenging the Partnership's policy for charging late payment fees when customers fail to pay for subscriber services in a timely manner. The Partnership is currently in settlement negotiations with the plaintiffs and expects the litigation to be settled by the end of the year. However, management does not believe the ultimate outcome of this matter will have a material adverse effect on its financial condition.

(10) EVENTS SUBSEQUENT TO DATE OF AUDITOR'S REPORT (UNAUDITED)

On April 29, 1999, the Partnership entered into a definitive agreement to sell its cable television system assets to Mediacom LLC for \$740 million, subject to adjustment for subscriber benchmarks and other pro-rations in the normal course. The sale is expected to occur in the fourth quarter of 1999 subject to regulatory and other customary approvals.

On July 31, 1999, the Partnership acquired certain cable television system assets, located in Illinois, including certain liabilities of the acquired business, from an unrelated third party. The purchase price of approximately \$4.0 million was accounted for by the purchase method of accounting.

Effective September 30, 1999, the Partnership acquired certain cable television system assets, located in Illinois, including certain liabilities of the acquired business, from an unrelated third party. The purchase price of \$1.1 million was accounted for by the purchase method of accounting.

In September 1999, the Partnership's independent billing company notified the Partnership of its intent to assess additional charges should the Partnership terminate the existing contract between the parties prior to the contractual termination date of June 24, 2004. Mediacom LLC intends to change the billing service provider for subscribers obtained in connection with its asset purchase from the Partnership. The Partnership intends to vigorously defend against any claims by the billing company, and believes the ultimate resolution of this matter will not have a material adverse impact on its financial position or results of operations.

[Mediacom Communications Corporation Logo]

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution

The following table sets forth various expenses, other than underwriting discounts, which will be incurred in connection with this offering:

SEC registration fee.....	\$95,910
Nasdaq National Market listing fee.....	*
NASD filing fee.....	30,500
Blue sky fees and expenses.....	*
Printing and engraving expenses.....	*
Legal fees and expenses.....	*
Accounting fees and expenses.....	*
Transfer Agent fees.....	*
Miscellaneous expenses.....	*
Total.....	\$
	=====

\* To be filed by amendment.

Item 14. Indemnification of Directors and Officers

Section 145 of the Delaware General Corporation Law provides that a corporation may indemnify directors and officers as well as other employees and individuals against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any threatened, pending or completed actions, suits or proceedings in which such person is made a party by reason of such person being or having been a director, officer, employee of or agent to the Registrant. The statute provides that it is not exclusive of other rights to which those seeking indemnification may be entitled under any by-law, agreement, vote of stockholders or disinterested directors or otherwise. The Registrant's by-laws provides for indemnification by the Registrant of any director or officer (as such term is defined in the by-laws) of the Registrant who is or was a director of any of its subsidiaries, or, at the request of the Registrant, is or was serving as a director or officer of, or in any other capacity for, any other enterprise, to the fullest extent permitted by law. The by-laws also provide that the Registrant shall advance expenses to a director or officer and, if reimbursement of such expenses is demanded in advance of the final disposition of the matter with respect to which such demand is being made, upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it is ultimately determined that the director or officer is not entitled to be indemnified by the Registrant. To the extent authorized from time to time by the board of directors of the Registrant, the Registrant may provide to any one or more employees of the Registrant, one or more officers, employees and other agents of any subsidiary or one or more directors, officers, employees and other agents of any other enterprise, rights of indemnification and to receive payment or reimbursement of expenses, including attorneys' fees, that are similar to the rights conferred in the by-laws of the Registrant on directors and officers of the Registrant or any subsidiary or other enterprise. The by-laws do not limit the power of the Registrant or its board of directors to provide other indemnification and expense reimbursement rights to directors, officers, employees, agents and other persons otherwise than pursuant to the by-laws. The Registrant intends to enter into agreements with certain directors, officers and employees who are asked to serve in specified capacities at subsidiaries and other entities.

Section 102(b)(7) of the Delaware General Corporation Law permits a corporation to provide in its certificate of incorporation that a director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) for payments of

unlawful dividends or unlawful stock repurchases or redemptions, or (iv) for any transaction from which the director derived an improper personal benefit. The Registrant's certificate of incorporation provides for such limitation of liability.

The Registrant intends to maintain policies of insurance under which its directors and officers will be insured, within the limits and subject to the limitations of the policies, against certain expenses in connection with the defense of, and certain liabilities which might be imposed as a result of, actions, suits or proceedings to which they are parties by reason of being or having been such directors or officers.

Reference is also made to Section 7 of the underwriting agreement filed as Exhibit 1.1 to the registration statement for information concerning the underwriters' obligation to indemnify the Registrant and its officers and directors in certain circumstances.

Item 15. Recent Sales of Unregistered Securities

The Registrant has not issued any common stock since its formation on November 8, 1999. Concurrently with the consummation of the offering to which this registration statement relates, the Registrant will issue shares of common stock in exchange for outstanding membership interests in Mediacom LLC in accordance with the relative ownership percentages of membership interests in Mediacom LLC immediately prior to this offering. The offering and sale of the shares of common stock will not be registered under the Securities Act of 1933 because the offering and sale will be made in reliance on the exemption provided by Section 4(2) of the Securities Act of 1933 and Rule 506 thereunder for transactions by an issuer not involving a public offering (with the recipients representing their intentions to acquire the securities for their own accounts and not with a view to the distribution thereof and acknowledging that the securities will be issued in a transaction not registered under the Securities Act of 1933).

Item 16. Exhibits and Financial Statement Schedules.

(a) Exhibits

The following exhibits are filed as part of this Registration Statement:

Exhibit Number -----	Exhibit Description -----
1.1*	Form of Underwriting Agreement between Registrant and the underwriters
2.1	Asset Purchase and Sale Agreement, dated as of May 23, 1996, by and between Mediacom California LLC and Booth American Company (1)
2.2	Asset Purchase Agreement, dated as of August 29, 1996, between Mediacom LLC and Saguaro Cable TV Investors, L.P. (1)
2.3	Asset Purchase Agreement, dated as of August 29, 1996, between Mediacom California LLC and Valley Center Cablesystems, L.P. (1)
2.4	Asset Purchase Agreement, dated as of December 24, 1996, by and between Mediacom LLC and American Cable TV Investors 5, Ltd. (1)
2.5	Asset Purchase Agreement, dated May 22, 1997, between Mediacom California LLC and CoxCom, Inc. (1)
2.6	Asset Purchase Agreement, dated September 17, 1997, between Mediacom California LLC and Jones Cable Income Fund 1-B/C Venture (1)

Exhibit Number -----	Exhibit Description -----
2.7	Asset Purchase Agreement, dated August 29, 1997, among Mediacom LLC, U.S. Cable Television Group, L.P., ECC Holding Corporation, Missouri Cable Partners, L.P. and Cablevision Systems Corporation (1)
2.8	Asset Purchase Agreement, dated June 24, 1998, among Mediacom Southeast, Mediacom LLC, Bootheel Video, Inc. and CSC Holdings (2)
2.9	Asset Purchase Agreement, dated April 29, 1999 between Mediacom LLC and Triax Midwest Associates, L.P. (3)
2.10	Stock Purchase Agreement, dated May 25, 1999 among Mediacom LLC, Charles D. Zylstra, Kara M. Zylstra and Trusts created under the Will dated June 3, 1982 of Roger E. Zylstra, deceased, for the benefit of Charles D. Zylstra and Kara M. Zylstra (4)
3.1	Certificate of Incorporation of Registrant prior to the effective date of this registration statement
3.2*	Form of Restated Certificate of Incorporation of Registrant to be filed on the effective date of this registration statement
3.3	By-laws of Registrant
4.1*	Form of certificate evidencing shares of Class A common stock
5.1*	Opinion of Cooperman Levitt Winikoff Lester & Newman, P.C.
10.1	Management Agreement dated as of December 27, 1996 by and between Mediacom Arizona LLC and Mediacom Management (1)
10.2	First Amended and Restated Management Agreement dated December 27, 1996 by and between Mediacom California LLC and Mediacom Management (1)
10.3	Management Agreement dated June 24, 1997 by and between Mediacom Delaware LLC and Mediacom Management (1)
10.4	Management Agreement dated January 23, 1998 by and between Mediacom Southeast LLC and Mediacom Management (1)
10.5	Credit Agreement dated as of September 30, 1999 for the Mediacom USA Credit Facility
10.6	Credit Agreement dated as of November 5, 1999 for the Mediacom Midwest Credit Facility
10.7*	1999 Stock Option Plan
10.8*	Amended and Restated Registration Rights Agreement, dated as of October 1, 1997, by and among Mediacom LLC, 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.
10.9*	ISP Channel Affiliate Agreement, as of November 4, 1999, between ISP Channel Inc., a subsidiary of SoftNet Systems, Inc. and Mediacom LLC
10.10*	Stock Purchase Agreement, dated as of November 4, 1999, between SoftNet Systems, Inc. and Mediacom LLC
21.1	Subsidiaries of Registrant
23.1	Consent of Arthur Andersen LLP
23.2	Consent of Arthur Andersen LLP
23.3	Consent of KPMG LLP

Exhibit Number -----	Exhibit Description -----
23.5*	Consent of Cooperman Levitt Winikoff Lester & Newman, P.C.
23.6*	Consent of William S. Morris III
23.7*	Consent of Craig S. Mitchell
23.8*	Consent of Robert L. Winikoff
24.1	Powers of Attorney (included on the signature page of this registration statement)
27.1	Financial Data Schedule of Mediacom LLC (4)

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- \* To be filed by amendment.
- (1) Filed as an exhibit to the Registration Statement on Form S-4 (File No. 333-57285) of Mediacom LLC and Mediacom Capital Corporation and incorporated herein by reference.
  - (2) 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.
  - (3) Filed as an exhibit to the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 1999 of Mediacom LLC and Mediacom Capital Corporation and incorporated herein by reference.
  - (4) Filed as an exhibit to the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1999 of Mediacom LLC and Mediacom Capital Corporation and incorporated herein by reference.

(b) Financial Statement Schedules.

Schedule II--Valuation and Qualifying Accounts--Reference is made to page F-20 of the prospectus that is a part of this Registration Statement.

#### Item 17. Undertakings

(a) The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(b) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of Registrant pursuant to Item 14 of this Part II to the registration statement, or otherwise, Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act, and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by Registrant of expenses incurred or paid by a director, officer or controlling person of Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Middletown, State of New York, on November 11, 1999.

Mediacom Communications Corporation

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

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS that each person whose signature appears below constitutes and appoints Rocco B. Commisso and Mark E. Stephan as such person's true and lawful attorney-in-fact and agent, acting alone, with full powers of substitution and revocation, for such person and in such person's name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent, acting alone, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as such person might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, acting alone, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Signature -----	Title -----	Date ----
<p>/s/ Rocco B. Commisso</p> <hr/> <p>Rocco B. Commisso</p>	<p>Chairman and Chief Executive Officer (principal executive officer)</p>	<p>November 11, 1999</p>
<p>/s/ Mark E. Stephan</p> <hr/> <p>Mark E. Stephan</p>	<p>Senior Vice President, Chief Financial Officer, Treasurer and Director (principal financial officer and principal accounting officer)</p>	<p>November 11, 1999</p>



CERTIFICATE OF INCORPORATION

OF

MEDIACOM COMMUNICATIONS CORPORATION

The undersigned, acting as the incorporator of the corporation hereby being formed under the General Corporation Law of the State of Delaware, certifies that:

FIRST. The name of the corporation is Mediacom Communications Corporation.

SECOND. The address, including the street, number, city and county, of the registered office of the corporation in the State of Delaware is 30 Old Rudnick Lane, Suite 100, Dover, Delaware 19901, County of Kent; and the name of the registered agent of the corporation in the State of Delaware at such address is LEXIS Document Services Inc.

THIRD. The purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware, and to have and exercise all the powers conferred by the laws of the State of Delaware upon corporations formed under the General Corporation Law of the State of Delaware.

FOURTH. The number of shares which the corporation shall have authority to issue is 1,000, all of which are of a par value of \$0.01 each. All such shares are of one class and are shares of Common Stock.

FIFTH. The name and mailing address of the incorporator are as follows:

Stephen W. Semian  
Cooperman Levitt Winikoff Lester & Newman, P.C.  
800 Third Avenue  
New York, New York 10022

SIXTH. The personal liability of the directors of the corporation is hereby eliminated to the fullest extent permitted by the provisions of paragraph (7) of subsection (b) of Section 102 of the General Corporation Law of the State of Delaware, as the same may be amended and supplemented.

SEVENTH. The corporation shall, to the fullest extent permitted by the provisions of Section 145 of the General Corporation Law of the State of Delaware, as the same may be amended and supplemented, indemnify any and all persons whom it shall have power to indemnify under said section from and against any and all of the expenses, liabilities, or other matters referred to in or covered by said section, and the indemnification provided for herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any Bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

Signed on November 8, 1999

/s/ Stephen W. Semian

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Stephen W. Semian, Incorporator

BY-LAWS

OF

MEDIACOM COMMUNICATIONS CORPORATION

ARTICLE I

Stockholders

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Section 1. Annual Meeting. A meeting of stockholders of the Corporation

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shall be held annually at such place within or without the State of Delaware, at such time and on such date as may from time to time be fixed by the Board of Directors, for the election of directors and for the transaction of such other business as may come before the meeting.

Section 2. Special Meetings. Special meetings of stockholders of the

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Corporation may be called by the Board of Directors or the President, and shall be called by the Secretary upon the written request of stockholders of record holding at least a majority in number of the issued and outstanding shares of the Corporation entitled to vote at such meeting. Special meetings shall be held at such places within or without the State of Delaware, at such time and on such date as shall be specified in the call thereof. At any special meeting, only such business may be transacted which is related to the purpose or purposes set forth in the notice of such special meeting.

Section 3. Notice of Meetings. Written notice of each meeting of

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stockholders stating the place, date and hour thereof and, unless it is an annual meeting, the purpose or purposes for which the meeting is called and that it is being issued by or at the direction of the person or persons calling the meeting, shall be given personally or by mail, not less than ten nor more than fifty days before the date of such meeting, to each stockholder entitled to vote at such meeting. If

mailed, such notice is given when deposited in the United States mail, with postage thereon prepaid, directed to the stockholder at his or her address as it appears on the record of stockholders or, if he or she shall have filed with the Secretary a written request that notices to him or her be mailed to some other address, then directed to him or her at such other address.

Section 4. Waiver of Notice. Notice of any meeting of stockholders need

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not be given to any stockholder who submits a signed waiver of notice, in person or by proxy, whether before or after the meeting. The attendance of any stockholder at a meeting in person or by proxy, without protesting prior to the conclusion of the meeting the lack of notice of such meeting, shall constitute a waiver of notice by him or her.

Section 5. Adjournment. When any meeting of stockholders is adjourned to

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another time or place, it shall not be necessary to give any notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken, and at the adjourned meeting any business may be transacted that might have been transacted on the original date of the meeting. However, if after such adjournment the Board of Directors fixes a new record date for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record on the new record date entitled to vote at such meeting.

Section 6. Quorum. Except as otherwise provided by law, the holders of a

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majority of the shares entitled to vote at any meeting of stockholders, shall constitute a quorum thereat for the transaction of any business. When a quorum is once present to organize a meeting, it is not broken by the subsequent withdrawal of any stockholders. The stockholders present may adjourn a meeting despite the absence of a quorum.

Section 7. Proxies. Every stockholder entitled to vote at a meeting of

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stockholders or to

express consent or dissent without a meeting may authorize another person or persons to act for him or her by proxy. Every proxy must be signed by the stockholder or his or her attorney-in-fact. No proxy shall be valid after the expiration of eleven months from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the stockholder executing it, except as otherwise provided by law.

Section 8. Voting. Every stockholder of record shall be entitled at every

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meeting of stockholders to one vote for every share standing in his or her name on the record of stockholders. Directors shall, except as otherwise required by law, be elected by a plurality of the votes cast at a meeting of stockholders by the holders of shares entitled to vote in such election. Whenever any corporate action, other than the election of directors, is to be taken by vote of the stockholders, it shall, except as otherwise required by law, be authorized by a majority of the votes cast at a meeting of stockholders by the holders of shares entitled to vote thereon.

Section 9. Action Without a Meeting. Any action required or permitted to

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be taken by stockholders by vote may be taken without a meeting on written consent, setting forth the action so taken, signed by the holders of all outstanding shares entitled to vote thereon.

Section 10. Record Date. The Board of Directors may fix, in advance, a

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date, which date shall not be more than fifty nor less than ten days before the date of any meeting of stockholders nor more than fifty days prior to any other action, as the record date for the purpose of determining the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to or dissent from any proposal without a meeting, or for the purpose of determining stockholders entitled to receive payment of any dividend or the allotment of any rights, or for the purpose of any other action. When a determination of

stockholders of record entitled to notice of or to vote at any meeting of stockholders has been made as provided herein, such determination shall apply to any adjournment thereof, unless the Board of Directors fixes a new record date for the adjourned meeting.

ARTICLE II

Directors

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Section 1. Number and Qualifications. The Board of Directors shall consist of one or more members. The number of directors shall be fixed by the Board of Directors. Directors need not be stockholders of the Corporation. Each of the directors shall be at least eighteen years of age.

Section 2. Election and Term of Office. At each annual meeting of stockholders, directors shall be elected to hold office until the next annual meeting of stockholders. Each director shall hold office until the expiration of such term, and until his or her successor has been elected and qualified, unless he or she shall sooner die, resign or be removed.

Section 3. Meetings. A meeting of the Board of Directors shall be held for the election of officers and for the transaction of such other business as may properly come before such meeting as soon as practicable after the annual meeting of stockholders. Other regular meetings of the Board of Directors may be held at such times as the Board of Directors may from time to time determine. Special meetings of the Board of Directors may be called at any time by the President or by a majority of the directors then in office. Meetings of the Board of Directors shall be held at the principal office of the Corporation in the State of Delaware or at such other place within or without the State of Delaware as may from time to time be fixed by the Board of

Directors.

Section 4. Notice of Meetings; Adjournment. No notice need be given of the

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first meeting of the Board of Directors after the annual meeting of stockholders or of any other regular meeting of the Board of Directors, provided the time and place of such meetings are fixed by the Board of Directors. Notice of each special meeting of the Board of Directors and of each regular meeting the time and place of which has not been fixed by the Board of Directors, specifying the place, date and time thereof, shall be given personally, by mail or telegraphed to each director at his or her address as such address appears upon the books of the Corporation at least two business days (Saturdays, Sundays and legal holidays not being considered business days for the purpose of these By-Laws) before the date of such meeting. Notice of any meeting need not be given to any director who submits a signed waiver of notice, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to him or her. Notice of any directors' meeting or any waiver thereof need not state the purpose of the meeting. A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. Notice of any adjournment of a meeting of the Board of Directors to another time or place shall be given to the directors who were not present at the time of the adjournment and, unless such time and place are announced at the meeting, to the other directors.

Section 5. Quorum; Voting. At any meeting of the Board of Directors, a

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majority of the entire Board of Directors shall constitute a quorum for the transaction of business or of any specified item of business. Except as otherwise required by law, the vote of a majority of the directors present at the time of the vote, if a quorum is present at such time, shall be the act of

the Board of Directors.

Section 6. Participation by Telephone. Any one or more members of the

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Board of Directors or any committee thereof may participate in a meeting of the Board of Directors or such committee by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

Section 7. Action Without a Meetings. Any action required or permitted to

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be taken by the Board of Directors or any committee thereof may be taken without a meeting if all members of the Board of Directors or such committee consent in writing to the adoption of a resolution authorizing the action. The resolution and the written consents thereto by the members of the Board of Directors or such committee shall be filed with the minutes of the proceedings of the Board of Directors or such committee.

Section 8. Committees. The Board of Directors, by resolution adopted by a

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majority of the entire Board of Directors, may designate from among its members an Executive Committee and other committees, each consisting of three or more directors. Each such committee, to the extent provided in such resolution, shall have all the authority of the Board of Directors, except that no such committee shall have authority as to the following matters: (a) the submission to stockholders of any action that needs stockholders' approval pursuant to law, (b) the filling of vacancies in the Board of Directors or in any committee, (c) the fixing of the compensation of the directors for serving on the Board of Directors or on any committee, (d) the amendment or repeal of these By-Laws, or the adoption of new By-Laws, or (e) the amendment or repeal of any resolution of the Board of Directors which by its terms shall not be so amendable or repealable.



The Board of Directors may designate one or more directors as alternate members of any such committee, who may replace any absent member or members at any meeting of such committee. Each such committee shall serve at the pleasure of the Board of Directors.

Section 9. Removal; Resignation. Any or all of the directors may be

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removed for cause by vote of the stockholders, and any of the directors may be removed for cause by action of the Board of Directors. Any director may resign at any time, such resignation to be made in writing and to take effect immediately or on any future date stated in such writing, without acceptance by the Corporation.

Section 10. Vacancies. Newly created directorships resulting from an

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increase in the number of directors and vacancies occurring in the Board of Directors for any reason may be filled by vote the Board of Directors or by vote of the stockholders. If any newly created directorship or vacancy is to be filled by vote of the Board of Directors and the number of directors then in office is less than a quorum, such newly created directorship or vacancy may be filled by vote of a majority of the directors then in office. A director elected to fill a vacancy, unless elected by the stockholders, shall hold office until the next meeting of stockholders at which the election of directors is in the regular order of business, and until his or her successor has been elected and qualified, and any director elected by the stockholders to fill a vacancy shall hold office for the unexpired term of his or her predecessor unless, in either case, he or she shall sooner die, resign or be removed.

### ARTICLE III

#### Officers

Section 1. Election; Qualifications. At the first meeting of the Board of

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Directors and as soon as practicable after each annual meeting of stockholders, the Board of Directors shall elect or appoint a President, one or more Vice-Presidents, a Secretary and a Treasurer, and may elect or appoint at such time and from time to time such other officers as it may determine. No officer need be a director of the Corporation. Any two or more offices may be held by the same person, except the offices of President and Secretary. When all of the issued and outstanding stock of the Corporation is owned by one person, such person may hold all or any combination of offices.

Section 2. Term of Office; Vacancies. All officers shall be elected or

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appointed to hold office until the meeting of the Board of Directors following the next annual meeting of stockholders. Each officer shall hold office for such term and until his or her successor has been elected or appointed and qualified unless he or she shall earlier resign, die, or be removed. Any vacancy occurring in any office, whether because of death, resignation or removal, with cause, or any other reason, shall be filled by the Board of Directors.

Section 3. Removal; Resignation. Any officer may be removed by the Board

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of Directors with cause. Any officer may resign his or her office at any time, such resignation to be made in writing and to take effect immediately or on any future date stated in such writing, without acceptance by the Corporation.

Section 4. Powers and Duties of the President. The President shall be the

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chief executive, operating and administrative officer of the Corporation and shall have general charge and supervision of its business, affairs, administration and operations. The President shall from time to time make such reports concerning the Corporation as the Board of Directors may direct. The President shall preside at all meetings of stockholders and the Board of Directors. The President

shall have such other powers and shall perform such other duties as may from time to time be assigned to him or her by the Board of Directors.

Section 5. Powers and Duties of the Vice-Presidents. Each of the Vice-

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Presidents shall have such powers and shall perform such duties as may from time to time be assigned to him or her by the Board of Directors.

Section 6. Powers and Duties of the Secretary. The Secretary shall record

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and keep the minutes of all meetings of stockholders and of the Board of Directors. The Secretary shall attend to the giving and serving of all notices by the Corporation. The Secretary shall be the custodian of, and shall make or cause to be made the proper entries in, the minute book of the Corporation and such books and records as the Board of Directors may direct. The Secretary shall be the custodian of the seal of the Corporation and shall affix or cause to be affixed such seal to such contracts, instruments and other documents as the Board of Directors may direct. The Secretary shall have such other powers and shall perform such other duties as may from time to time be assigned to him or her by the Board of Directors.

Section 7. Powers and Duties of the Treasurer. The Treasurer shall be the

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custodian of all funds and securities of the Corporation. Whenever required by the Board of Directors, the Treasurer shall render a statement of the Corporation's cash and other accounts, and shall cause to be entered regularly in the proper books and records of the Corporation to be kept for such purpose full and accurate accounts of the Corporation's receipts and disbursements. The Treasurer shall at all reasonable times exhibit the Corporation's books and accounts to any director of the Corporation upon application at the principal office of the corporation during business hours. The Treasurer shall have such other powers and shall perform such other duties

as may from time to time be assigned to him or her by the Board of Directors.

Section 8. Delegation. In the event of the absence of any officer of the

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Corporation or for any other reason that the Board of Directors may deem sufficient, the Board of Directors may at any time and from time to time delegate all or any part of the powers or duties of any officer to any other officer or officers or to any director or directors.

ARTICLE IV

Shares

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The shares of the Corporation shall be represented by certificates signed by the President or any Vice-President and by the Secretary, an Assistant Secretary, the Treasurer or an Assistant Treasurer, and may be sealed with the seal of the Corporation or a facsimile thereof. Each certificate representing shares shall state upon the face thereof (a) that the Corporation is formed under the laws of the State of Delaware, (b) the name of the person or persons to whom it is issued, (c) the number and class of shares which such certificate represents and (d) the designation of the series, if any, which such certificate represents.

ARTICLE V

Execution of Documents

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All contracts, instruments, agreements, bills payable, notes, checks, drafts, warrants or other obligations of the Corporation shall be made in the name of the Corporation and shall be signed by such officer or officers as the Board of Directors may from time to time designate.

ARTICLE VI

Seal

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The seal of the Corporation shall contain the name of the Corporation, the words "Corporate Seal", the year of its organization and the word "Delaware".

ARTICLE VII

Indemnification

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The Corporation shall indemnify any person to the full extent permitted, and in the manner provided, by the General Corporation Law of the State of Delaware, as the same now exists or may hereafter be amended.

ARTICLE VIII

Fiscal Year

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The fiscal year of the Corporation shall end on December 31 of each year or on such other date as shall be determined by the Board of Directors.

ARTICLE IX

Amendment of By-Laws

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Except as otherwise provided by law, these By-Laws may be amended or repealed, and any new By-Law may be adopted, by vote of the holders of the shares at the time entitled to vote in the election of any directors or by a majority of the entire Board of Directors, but any by-law adopted by the Board of Directors may be amended or repealed by the stockholders entitled to vote thereon as herein provided.

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MEDIACOM SOUTHEAST LLC  
MEDIACOM CALIFORNIA LLC  
MEDIACOM DELAWARE LLC  
MEDIACOM ARIZONA LLC

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CREDIT AGREEMENT

Dated as of September 30, 1999

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THE CHASE MANHATTAN BANK,  
as Administrative Agent

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CREDIT AGREEMENT dated as of September 30, 1999, between: MEDIACOM SOUTHEAST LLC, a limited liability company duly organized and validly existing under the laws of the State of Delaware ("Mediacom Southeast"); MEDIACOM

CALIFORNIA LLC, a limited liability company duly organized and validly existing under the laws of the State of Delaware ("Mediacom California"); MEDIACOM

DELAWARE LLC, a limited liability company duly organized and validly existing under the laws of the State of Delaware ("Mediacom Delaware"); MEDIACOM ARIZONA

LLC, a limited liability company duly organized and validly existing under the laws of the State of Delaware ("Mediacom Arizona" and, together with Mediacom

Southeast, Mediacom California, Mediacom Delaware, the "Borrowers"); each of the

lenders that is a signatory hereto identified under the caption "Lenders" on the signature pages hereto and each lender that becomes a "Lender" after the date hereof pursuant to Section 11.06(b) hereof (individually, a "Lender" and,

collectively, the "Lenders"); and THE CHASE MANHATTAN BANK, a New York banking

corporation, as administrative agent for the Lenders (in such capacity, together with its successors in such capacity, the "Administrative Agent").

The Borrowers have requested that the Lenders extend credit to them (by making loans and issuing letters of credit) in an aggregate principal or face amount not exceeding \$550,000,000 (which may, in the circumstances herein provided, be increased to \$750,000,000) at any one time outstanding to enable the Borrowers to refinance and replace certain existing credit facilities and for general corporate purposes. The Lenders are prepared to extend such credit on the terms and conditions hereof and, accordingly, the parties hereto agree as follows:

Section 1. Definitions and Accounting Matters.

1.01 Certain Defined Terms. As used herein, the following terms shall have the following meanings (all terms defined in this Section 1.01 or in other provisions of this Agreement in the singular to have the same meanings when used in the plural and vice versa):

"Acquisition" shall mean any acquisition permitted under 8.05(d)(iv) hereof, provided that for the purposes of this Agreement the Triax Acquisition (other than the Apache Acquisition) shall not be an Acquisition hereunder.

"Additional Capital Expenditures" shall mean Capital Expenditures made in accordance with the requirements of Section 8.12(b) hereof.

"Adjusted Operating Cash Flow" shall mean, for any period during which the Borrowers shall have consummated an Acquisition, the sum, for the Borrowers and their Subsidiaries (determined on a combined basis without duplication in accordance with GAAP), of the following, in each case determined under the assumption that such Acquisition had been consummated on the first day of such period: (i) Operating Cash Flow minus (ii) without duplication of the Management Fees actually paid during such period, the additional

Management Fees that would have been paid during such period at a rate equal to the then applicable rate or percentage specified in the Management Agreement of the gross operating revenue of the Borrowers and their Subsidiaries for such period (determined, as specified above under the assumption that such Acquisition had been consummated on the first day of such period).

"Adjusted System Cash Flow" shall mean, for any period during which

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the Borrowers shall have consummated an Acquisition, the sum, for the Borrowers and their Subsidiaries (determined on a combined basis without duplication in accordance with GAAP), of the following, in each case determined under the assumption that such Acquisition had been consummated on the first day of such period: (i) System Cash Flow for such period plus (ii) the sum of (x) non-  
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recurring expenses incurred by the relevant sellers prior to the actual closing of such Acquisition (to the extent such items were included as operating expenses in the determination of System Cash Flow for such period) and (y) in the case of the Apache Acquisition, the amounts set forth in Schedule VI hereto for such period, or, in the case of any other Acquisition after the date hereof, the amounts set forth in a statement of adjustments to System Cash Flow provided by the Borrowers in connection with such Acquisition and acceptable to the Administrative Agent and Majority Lenders (in each case representing certain cost savings and programming cost increases in respect of the CATV Systems being acquired in such Acquisition).

"Administrative Questionnaire" shall mean an Administrative

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Questionnaire in a form supplied by the Administrative Agent.

"Affiliate" shall mean any Person that directly or indirectly

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controls, or is under common control with, or is controlled by, a Borrower and, if such Person is an individual, any member of the immediate family (including parents, spouse, children and siblings) of such individual and any trust whose principal beneficiary is such individual or one or more members of such immediate family and any Person who is controlled by any such member or trust. As used in this definition, "control" (including, with its correlative meanings,

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"controlled by" and "under common control with") shall mean possession,

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directly or indirectly, of power to direct or cause the direction of management or policies (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise), provided that, in any event, any

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Person that owns directly or indirectly securities having 5% or more of the voting power for the election of directors or other governing body of a corporation or 5% or more of the partnership or other ownership interests of any other Person (other than as a limited partner of such other Person) will be deemed to control such corporation or other Person. Notwithstanding the foregoing, (a) no individual shall be an Affiliate solely by reason of his or her being a director, officer or employee of any Borrower or any of its Subsidiaries and (b) none of the Borrowers or their Wholly Owned Subsidiaries shall be Affiliates.

"Affiliate Letters of Credit" shall mean Letters of Credit issued in accordance with the requirements of Section 8.08(g) hereof.

"Affiliate Subordinated Indebtedness" shall mean Indebtedness to an Affiliate (i) for which a Borrower is directly and primarily liable, (ii) in respect of which none of its Subsidiaries is contingently or otherwise obligated, (iii) that is subordinated to the obligations of the Borrowers to pay principal of and interest on the Loans, Reimbursement Obligations, fees and other amounts payable hereunder pursuant to an Affiliate Subordinated Indebtedness Subordination Agreement, (iv) that does not mature prior to September 30, 2009, and that is issued pursuant to documentation containing terms (including interest, covenants and events of default) in form and substance satisfactory to the Majority Lenders and (v) that states by its terms that principal and interest in respect thereof shall only be payable to the extent permitted under Section 8.09 hereof.

"Affiliate Subordinated Indebtedness Subordination Agreement" shall mean an Affiliate Subordinated Indebtedness Subordination Agreement substantially in the form of Exhibit J hereto between any Person to whom a Borrower or any of its Subsidiaries may be obligated to pay Affiliate Subordinated Indebtedness, the Borrowers and the Administrative Agent, as the same shall be modified and supplemented and in effect from time to time.

"Apache Acquisition" shall mean the acquisition by Mediacom Arizona of the Apache Junction, Arizona cable television system from Triax Midwest Associates, L.P. as part of the Triax Acquisition.

"Applicable Lending Office" shall mean, for each Lender and for each Type of Loan, the "Lending Office" of such Lender (or of an affiliate of such Lender) designated for such Type of Loan in the Administrative Questionnaire submitted by such Lender or such other office of such Lender (or of an affiliate of such Lender) as such Lender may from time to time specify to the Administrative Agent and the Borrowers as the office by which its Loans of such Type are to be made and maintained.

"Applicable Margin" shall mean, with respect to (a) Term Loans that are Base Rate Loans, (i) when the then-current Rate Ratio (determined pursuant to Section 3.03 hereof) is 5.00 to 1 or less, 1.50% per annum and (ii) at all other times, 1.75% per annum, (b) Term Loans that are Eurodollar Loans, (i) when the then-current Rate Ratio (determined pursuant to Section 3.03 hereof) is 5.00 to 1 or less, 2.50% per annum and (ii) at all other times, 2.75% per annum and (c) Revolving Credit Loans of any Type, the respective rates indicated below for Loans of such Type opposite the then-current Rate Ratio (determined pursuant to Section 3.03 hereof) indicated below (except that anything in this Agreement to the contrary notwithstanding, the Applicable Margin with respect to any Loans shall be 1.75% with respect to Base Rate Loans

and 2.75% with respect to Eurodollar Loans during any period when an Event of Default shall have occurred and be continuing):

Range of Rate Ratio	Applicable Margin (% p.a.)	
	Base Rate Loans	Eurodollar Loans
Greater than 5.75 to 1	1.250%	2.250%
Greater than or equal to 5.50 to 1 but less than or equal to 5.75 to 1	1.000%	2.000%
Greater than or equal to 5.00 to 1 but less than 5.50 to 1	0.750%	1.750%
Greater than or equal to 4.50 but less than 5.00 to 1	0.500%	1.500%
Greater than or equal to 3.75 to 1 but less than 4.50 to 1	0.250%	1.250%
Greater than or equal to 3.00 to 1 but less than 3.75 to 1	0.250%	1.000%
Less than 3.00 to 1	0.000%	0.750%

"Applicable Permitted Transaction Amount" shall mean, as at any date

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during any fiscal quarter during any Fiscal Period, the sum of (a) the Equity Contribution Amount and the outstanding principal amount of Affiliate Subordinated Indebtedness, as at the beginning of such fiscal quarter plus (b) -----  
the total cash equity capital contributions made, and the aggregate principal amount of Affiliate Subordinated Indebtedness advanced, to the Borrowers during the period (the "current period") commencing on the first day of such fiscal -----  
quarter through and including such date minus (c) the sum of (i) the aggregate -----  
amount of repayments of Affiliate Subordinated Indebtedness, and distributions in respect of equity capital, made during the current period plus (ii) the -----  
aggregate face amount of Affiliate Letters of Credit issued during the current period or during the period (the "prior period") commencing on the Closing Date -----  
through and

including the last day of the fiscal quarter immediately preceding such fiscal quarter minus (iii) the aggregate amount of reductions in the undrawn face

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amount of Affiliate Letters of Credit (i.e. excluding reductions in such face amount that occur upon a drawing thereunder) during the current period or the prior period, together with the aggregate amount of Affiliate Letters of Credit that expire or are terminated during the current period or the prior period without being drawn.

"Approved Fund" means with respect to any Lender that is a fund that  
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invests in commercial loans, any other fund that invests in commercial loans and is managed or advised by the same investment advisor as such Lender or by an Affiliate of such investment advisor.

"Assignment and Acceptance" means an assignment and acceptance  
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entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 11.05 hereof), and accepted by the Administrative Agent, in the form of Exhibit A or any other form approved by the Administrative Agent.

"Bankruptcy Code" shall mean the Federal Bankruptcy Code of 1978, as  
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amended from time to time.

"Base Rate" shall mean, for any day, a rate per annum equal to the  
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higher of (a) the Federal Funds Rate for such day plus 1/2 of 1% and (b) the Prime Rate for such day. Each change in any interest rate provided for herein based upon the Base Rate resulting from a change in the Base Rate shall take effect at the time of such change in the Base Rate.

"Base Rate Loans" shall mean Loans that bear interest at rates based  
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upon the Base Rate.

"Basic Documents" shall mean, collectively, this Agreement and the  
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other Loan Documents.

"Basic Subscribers" shall mean, as at any date, (a) Subscribers who  
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subscribe to a CATV System at the regular basic monthly subscription rate for such CATV System to a single household Subscriber (exclusive of "secondary outlets", as such term is commonly understood in the cable television industry), plus (b) the number of Subscribers determined by dividing the aggregate dollar  
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monthly amount billed for basic service to bulk Subscribers (hotels, motels, apartment buildings, hospitals and the like) located in each Region by the weighted average of the regular basic monthly subscription rates for basic service charged by the CATV Systems in such Region.

"Basle Accord" shall mean the proposals for risk-based capital  
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framework described by the Basle Committee on Banking Regulations and Supervisory Practices in its paper



entitled "International Convergence of Capital Measurement and Capital Standards" dated July 1988, as amended, modified and supplemented and in effect from time to time or any replacement thereof.

"Business Day" shall mean any day (a) on which commercial banks are

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not authorized or required to close in New York City and (b) if such day relates to a borrowing of, a payment or prepayment of principal of or interest on, a Conversion of or into, or an Interest Period for, a Eurodollar Loan or a notice by a Borrower with respect to any such borrowing, payment, prepayment, Conversion or Interest Period, that is also a day on which dealings in Dollar deposits are carried out in the London interbank market.

"Capital Expenditures" shall mean, for any period, expenditures made

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by the Borrowers or any of their Subsidiaries to acquire or construct fixed assets, plant and equipment (including renewals, improvements and replacements, but excluding repairs and the Acquisitions) during such period computed in accordance with GAAP.

"Capital Lease Obligations" shall mean, for any Person, all

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obligations of such Person to pay rent or other amounts under a lease of (or other agreement conveying the right to use) Property to the extent such obligations are required to be classified and accounted for as a capital lease on a balance sheet of such Person under GAAP, and, for purposes of this Agreement, the amount of such obligations shall be the capitalized amount thereof, determined in accordance with GAAP.

"Casualty Event" shall mean, with respect to any Property of any

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Person, any loss of or damage to, or any condemnation or other taking of, such Property for which such Person or any of its Subsidiaries receives insurance proceeds, or proceeds of a condemnation award or other compensation.

"CATV System" shall mean any cable distribution system that receives

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broadcast signals by antennae, microwave transmission, satellite transmission or any other form of transmission and that amplifies such signals and distributes them to Persons who pay to receive such signals, but shall exclude wireless cable.

"Chase" shall mean The Chase Manhattan Bank.

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"Class" shall have the meaning assigned to such term in Section 1.03

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hereof.

"Closing Date" shall mean the date on which the initial extension of

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credit hereunder is made.

"Code" shall mean the Internal Revenue Code of 1986, as amended from  
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time to time.

"Collateral Account" shall have the meaning assigned to such term in  
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the Pledge Agreement.

"Commisso Entity" shall mean, collectively, (i) Rocco Commisso, (ii)  
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any entity controlled by Rocco Commisso and owned by Rocco Commisso, (iii)  
members of the immediate family of Rocco Commisso or (iv) trusts established for  
the benefit of Rocco Commisso or members of the immediate family of Rocco  
Commisso. Following a Qualified Public Offering, the term "Commisso Entity"  
shall also include any officer or employee of Holdco and Mediacom who owns  
shares of the capital stock of Holdco.

"Commitments" shall mean, collectively, the Revolving Credit  
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Commitments, the Term Loan Commitments and the Incremental Facility Commitments  
(if any).

"Continue", "Continuation" and "Continued" shall refer to the  
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continuation pursuant to Section 2.09 hereof of a Eurodollar Loan from one  
Interest Period to the next Interest Period.

"Convert", "Conversion" and "Converted" shall refer to a conversion  
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pursuant to Section 2.09 hereof of one Type of Loans into another Type of Loans,  
which may be accompanied by the transfer by a Lender (at its sole discretion) of  
a Loan from one Applicable Lending Office to another.

"Cure Monies" shall mean proceeds of Affiliate Subordinated  
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Indebtedness and/or equity contributions received by the Borrowers after the  
date hereof that, at the time the same are received by the Borrowers are  
identified by the Borrowers, in a certificate of a Senior Officer delivered by  
the Borrowers to the Administrative Agent within one Business Day of such  
receipt, as constituting "Cure Monies" for purposes of Section 9.02 hereof.

"Debt Issuance" shall mean any issuance or sale by a Borrower or any  
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of its Subsidiaries after the Closing Date of any debt securities, excluding,  
however, any Indebtedness incurred pursuant to Section 8.07(c) or 8.07(f)  
hereof.

"Debt Service" shall mean, for any period, the sum, for the Borrowers  
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and their Subsidiaries (determined on a combined basis without duplication in  
accordance with GAAP), of the following: (a) in the case of Revolving Credit  
Loans under this Agreement, the aggregate amount of payments of principal of  
such Loans that, giving effect to Commitment reductions or terminations  
scheduled to be made during such period pursuant to Section 2.04(a) hereof, were  
required to be made pursuant to Section 3.01(a) hereof during such period plus  
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(b) in the case of

Term Loans and Incremental Facility Loans under this Agreement and all other Indebtedness (other than Revolving Credit Loans), all regularly scheduled payments or regularly scheduled prepayments of principal of such Indebtedness (including, without limitation, the principal component of any payments in respect of Capital Lease Obligations) made or payable during such period (other than the principal component of any payments in respect of Affiliate Subordinated Indebtedness) plus (c) all Interest Expense for such period.

"Default" shall mean an Event of Default or an event that with notice or lapse of time or both would become an Event of Default.

"Disposition" shall mean any sale, assignment, transfer or other disposition of any Property (whether now owned or hereafter acquired) by the Borrowers or any of their Subsidiaries to any other Person excluding any sale, assignment, transfer or other disposition of any Property sold or disposed of in the ordinary course of business and on ordinary business terms.

"Dollars" and "\$" shall mean lawful money of the United States of America.

"Environmental Claim" shall mean, with respect to any Person, any written or oral notice, claim, demand or other communication (collectively, a "claim") by any other Person alleging or asserting such Person's liability for investigatory costs, cleanup costs, governmental response costs, damages to natural resources or other Property, personal injuries, fines or penalties arising out of, based on or resulting from (i) the presence, or Release into the environment, of any Hazardous Material at any location, whether or not owned by such Person, or (ii) circumstances forming the basis of any violation, or alleged violation, of any Environmental Law. The term "Environmental Claim" shall include, without limitation, any claim by any governmental authority for enforcement, cleanup, removal, response, remedial or other actions or damages pursuant to any applicable Environmental Law, and any claim by any third party seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief resulting from the presence of Hazardous Materials or arising from alleged injury or threat of injury to health, safety or the environment.

"Environmental Laws" shall mean any and all present and future Federal, state, local and foreign laws, rules or regulations, and any orders or decrees, in each case as now or hereafter in effect, relating to the regulation or protection of human health, safety or the environment or to emissions, discharges, releases or threatened releases of pollutants, contaminants, chemicals or toxic or hazardous substances or wastes into the indoor or outdoor environment, including, without limitation, ambient air, soil, surface water, ground water, wetlands, land or subsurface strata, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, chemicals or toxic or hazardous substances or wastes.

"Equity Contribution Amount" shall mean, as at any date of

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determination, (a) the aggregate amount of cash contributions made to the equity capital of the Borrowers during the period from and including the respective dates of organization of each of the Borrowers through and including such date of determination minus (b) the aggregate amount of distributions made in respect

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of the equity capital of the Borrowers during such period (other than distributions of equity capital of the Borrowers made pursuant to Section 8.09(e) hereof).

"Equity Rights" shall mean, with respect to any Person, any

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subscriptions, options, warrants, commitments, preemptive rights or agreements of any kind (including, without limitation, any stockholders' or voting trust agreements) for the issuance, sale, registration or voting of, or securities convertible into, any additional shares of capital stock of any class or other ownership interests of any type in, such Person.

"ERISA" shall mean the Employee Retirement Income Security Act of

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1974, as amended from time to time.

"ERISA Affiliate" shall mean any corporation or trade or business

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that is a member of any group of organizations (i) described in Section 414(b) or (c) of the Code of which a Borrower is a member and (ii) solely for purposes of potential liability under Section 302(c)(11) of ERISA and Section 412(c)(11) of the Code and the lien created under Section 302(f) of ERISA and Section 412(n) of the Code, described in Section 414(m) or (o) of the Code of which a Borrower is a member.

"Eurodollar Base Rate" shall mean, for the Interest Period for any

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Eurodollar Loan, the rate appearing on Page 3750 of the Telerate Service (or on any successor or substitute page of such Service, or any successor to or substitute for such Service, providing rate quotations comparable to those currently provided on such page of such Service, as determined by the Administrative Agent from time to time for purposes of providing quotations of interest rates applicable to Dollar deposits in the London interbank market) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, as the rate for the offering of Dollar deposits with a maturity comparable to such Interest Period. In the event that such rate is not available at such time for any reason, then the Eurodollar Base Rate for such Interest Period shall be the rate at which Dollar deposits of \$5,000,000 and for a maturity comparable to such Interest Period are offered by the principal London office of the Administrative Agent in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period.

"Eurodollar Loans" shall mean Loans that bear interest at rates

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based on rates referred to in the definition of "Eurodollar Base Rate" in this Section 1.01.

"Eurodollar Rate" shall mean, for any Eurodollar Loan for any

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Interest Period therefor, a rate per annum (rounded upwards, if necessary, to the nearest 1/100 of 1%) determined by the Administrative Agent to be equal to the Eurodollar Base Rate for such Loan for such Interest Period divided by 1 minus the Reserve Requirement (if any) for such Loan for such Interest Period.

"Event of Default" shall have the meaning assigned to such term in

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Section 9 hereof.

"Excess Cash Flow" shall mean, for any period, the excess of (a)

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Operating Cash Flow for such period over (b) the sum of (i) Capital Expenditures made during such period plus (ii) the aggregate amount of Debt Service for such period plus (iii) the Tax Payment Amount for such period plus (iv) any decreases (or minus any increases) in Working Capital from the first day to the last day of such period.

"Executive Compensation" shall mean, for any period, the aggregate

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amount of compensation (including, without limitation, salaries, withholding taxes, unemployment insurance contributions, pension, health and other benefits) of the Manager's executive management personnel during such period. For purposes hereof, "executive management personnel" shall not include any individual (such as a system manager) who is employed solely in connection with the day-to-day operations of a CATV System.

"Existing Credit Agreements" shall mean, collectively, (a) the

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Mediacom Southeast Credit Agreement and (b) the Second Amended and Restated Credit Agreement dated as of June 24, 1997 between Mediacom California, Mediacom Delaware and Mediacom Arizona, the lenders party thereto and Chase as administrative agent for such lenders, as heretofore modified, supplemented and in effect.

"FCC" shall mean the Federal Communications Commission or any

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governmental authority substituted therefor.

"Federal Funds Rate" shall mean, for any day, the rate per annum

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(rounded upwards, if necessary, to the nearest 1/100 of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day, provided that (a) if the day for which such rate is to

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be determined is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day and (b) if such rate is not so published for any Business Day, the Federal Funds

Rate for such Business Day shall be the average rate charged to Chase on such Business Day on such transactions as determined by the Administrative Agent.

"Fiscal Period" means any fiscal year or the period from the Closing

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Date to and including December 31, 1999.

"Franchise" shall mean a franchise, license, authorization or right by

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contract or otherwise to construct, own, operate, promote, extend and/or otherwise exploit any CATV System operated or to be operated by the Borrowers or any of their Subsidiaries granted by any state, county, city, town, village or other local or state government authority or by the FCC. The term "Franchise" shall include each of the Franchises set forth on Schedule IV hereto.

"GAAP" shall mean generally accepted accounting principles applied on

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a basis consistent with those that, in accordance with the last sentence of Section 1.02(a) hereof, are to be used in making the calculations for purposes of determining compliance with this Agreement.

"Guarantee" shall mean a guarantee, an endorsement, a contingent agreement to purchase or to furnish funds for the payment or maintenance of, or otherwise to be or become contingently liable under or with respect to, the Indebtedness, other obligations, net worth, working capital or earnings of any Person, or a guarantee of the payment of dividends or other distributions upon the stock or equity interests of any Person, or an agreement to purchase, sell or lease (as lessee or lessor) Property, products, materials, supplies or services primarily for the purpose of enabling a debtor to make payment of such debtor's obligations or an agreement to assure a creditor against loss, and including, without limitation, causing a bank or other financial institution to issue a letter of credit or other similar instrument for the benefit of another Person, but excluding endorsements for collection or deposit in the ordinary course of business. The terms "Guarantee" and "Guaranteed" used as a verb shall

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have a correlative meaning.

"Guarantee and Pledge Agreement" shall mean a Guarantee and Pledge

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Agreement substantially in the form of Exhibit D hereto between Mediacom, the Manager and the Administrative Agent, as the same shall be modified and supplemented and in effect from time to time.

"Hazardous Material" shall mean, collectively, (a) any petroleum or

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petroleum products, flammable materials, explosives, radioactive materials, asbestos, urea formaldehyde foam insulation, and transformers or other equipment that contain polychlorinated biphenyls ("PCB's"), (b) any chemicals or other materials or substances that are now or hereafter become defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials", "extremely hazardous wastes", "restricted hazardous wastes", "toxic substances", "toxic pollutants", "contaminants", "pollutants" or words of similar import under

any Environmental Law and (c) any other chemical or other material or substance, exposure to which is now or hereafter prohibited, limited or regulated under any Environmental Law.

"Holdco" shall mean, a corporation to be formed in connection with a

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Qualified Public Offering, that will issue capital stock to the holders of equity interests in Mediacom in exchange for the equity interests held by such holders, and of which Mediacom will thereby become a Subsidiary.

"Incremental Facility Availability Period" shall mean the period from

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and including the Closing Date to but excluding December 31, 2001 (or, if such date is not a Business Day, to but excluding the immediately preceding Business Day).

"Incremental Facility Commitment" shall mean, for each Incremental

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Facility Lender, and for any Series thereof, the obligation of such Incremental Facility Lender to make Incremental Facility Loans of such Series (as the same may be reduced from time to time pursuant to Section 2.04 or 2.10 hereof or increased or reduced from time to time pursuant to assignments permitted under Section 11.06(b) hereof). The amount of each Lender's Incremental Facility Commitment of any Series shall be determined in accordance with the provisions of Section 2.01(d) hereof. The aggregate amount of the Incremental Facility Commitments of all Series shall not exceed \$200,000,000.

"Incremental Facility Lenders" shall mean, in respect of any Series of

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Incremental Facility Loans, the Lenders from time to time holding Incremental Facility Loans and Incremental Facility Commitments of such Series after giving effect to any assignments thereof permitted by Section 11.06(b) hereof.

"Incremental Facility Loans" shall mean the loans provided for by

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Section 2.01(c) hereof, which may be Base Rate Loans and/or Eurodollar Loans.

"Indebtedness" shall mean, for any Person: (a) obligations created,

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issued or incurred by such Person for borrowed money (whether by loan, the issuance and sale of debt securities or the sale of Property to another Person subject to an understanding or agreement, contingent or otherwise, to repurchase such Property from such Person), including, without limitation, Affiliate Subordinated Indebtedness; (b) obligations of such Person to pay the deferred purchase or acquisition price of Property or services, other than trade accounts payable (other than for borrowed money) arising, and accrued expenses incurred, in the ordinary course of business so long as such trade accounts payable are payable within 90 days of the date the respective goods are delivered or the respective services are rendered; (c) Indebtedness of others secured by a Lien on the Property of such Person, whether or not the respective indebtedness so secured has been assumed by such Person; (d) obligations of such Person in respect of letters of credit or similar instruments issued or accepted by banks and other financial institutions for

account of such Person; (e) Capital Lease Obligations of such Person; and (f) Indebtedness of others Guaranteed by such Person; provided that Indebtedness shall exclude (i) obligations in respect of surety and performance bonds backing pole rental or conduit attachments and the like, or backing obligations under Franchises, arising in the ordinary course of business of the CATV Systems and related telecommunications services of the Borrowers and their Subsidiaries and (ii) all obligations in respect of Interest Rate Protection Agreements.

"Information Memorandum" shall mean the Confidential Information

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Memorandum dated August, 1999 prepared in connection with the syndication of the credit facilities provided for in this Agreement.

"Interest Coverage Ratio" shall mean, as at any date, the ratio of (a)

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Operating Cash Flow for the fiscal quarter ending on, or most recently ended prior to, such date to (b) Interest Expense for such fiscal quarter.

Notwithstanding the foregoing, the Interest Coverage Ratio for any fiscal quarter during which an Acquisition is consummated shall be deemed to be equal to the ratio of Adjusted Operating Cash Flow for such fiscal quarter to Interest Expense for such fiscal quarter.

"Interest Expense" shall mean, for any period, the sum, for the

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Borrowers and their Subsidiaries (determined on a combined basis without duplication in accordance with GAAP), of the following: (a) all interest in respect of Indebtedness (including, without limitation, the interest component of any payments in respect of Capital Lease Obligations) accrued or capitalized during such period (whether or not actually paid during such period) and all commitment fees payable hereunder, but excluding all interest in respect of Affiliate Subordinated Indebtedness (to the extent not paid in cash during such period), plus (b) the net amount payable (or minus the net amount receivable)

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under Interest Rate Protection Agreements during such period (whether or not actually paid or received during such period) plus (c) the aggregate amount of

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upfront or one-time fees or expenses payable in respect of Interest Rate Protection Agreements to the extent such fees or expenses are amortized during such period.

Notwithstanding the foregoing, if during any period for which Interest Expense is being determined the Borrowers or any of their Subsidiaries shall have consummated any acquisition of any CATV System or other business, or consummated any Disposition, then, for all purposes of this Agreement, Interest Expense shall be determined on a pro forma basis as if such acquisition or Disposition had been made or consummated (and any related Indebtedness incurred or repaid) on the first day of such period.

"Interest Period" shall mean, with respect to any Eurodollar Loan,

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each period commencing on the date such Eurodollar Loan is made or Converted from a Base Rate Loan or (in the event of a Continuation) the last day of the next preceding Interest Period for such Loan



and (subject to the provisions of Section 2.01(d) hereof) ending on the numerically corresponding day in the first, second, third or sixth calendar month thereafter, as the Borrowers may select as provided in Section 4.05 hereof, except that each Interest Period that commences on the last Business Day of a calendar month (or on any day for which there is no numerically corresponding day in the appropriate subsequent calendar month) shall end on the last Business Day of the appropriate subsequent calendar month. Notwithstanding the foregoing:

(i) if any Interest Period for any Revolving Credit Loan would otherwise end after the Revolving Credit Commitment Termination Date, such Interest Period shall end on the Revolving Credit Commitment Termination Date;

(ii) no Interest Period for any Revolving Credit Loan may commence before and end after any Revolving Credit Commitment Reduction Date unless, after giving effect thereto, the aggregate principal amount of Revolving Credit Loans having Interest Periods that end after such Revolving Credit Commitment Reduction Date shall be equal to or less than the aggregate principal amount of Revolving Credit Loans scheduled to be outstanding after giving effect to the payments of principal required to be made on such Revolving Credit Commitment Reduction Date;

(iii) no Interest Period for any Term Loan may commence before and end after any Principal Payment Date unless, after giving effect thereto, the aggregate principal amount of the Term Loans having Interest Periods that end after such Principal Payment Date shall be equal to or less than the aggregate principal amount of the Term Loans scheduled to be outstanding after giving effect to the payments of principal required to be made on such Principal Payment Date;

(iv) no Interest Period for any Incremental Facility Loan of any Series may commence before and end after any Principal Payment Date unless, after giving effect thereto, the aggregate principal amount of the Incremental Facility Loans of such Series having Interest Periods that end after such Principal Payment Date shall be equal to or less than the aggregate principal amount of the Incremental Facility Loans of such Series scheduled to be outstanding after giving effect to the payments of principal required to be made on such Principal Payment Date;

(v) each Interest Period that would otherwise end on a day that is not a Business Day shall end on the next succeeding Business Day (or, if such next succeeding Business Day falls in the next succeeding calendar month, on the next preceding Business Day); and

(vi) notwithstanding clauses (i), (ii), (iii) and (iv) above, no Interest Period shall have a duration of less than one month and, if the Interest Period for any Eurodollar Loan

would otherwise be a shorter period, such Loan shall not be available hereunder for such period.

"Interest Rate Protection Agreement" shall mean, for any Person, an

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interest rate swap, cap or collar agreement or similar arrangement between such Person and one or more financial institutions providing for the transfer or mitigation of interest risks either generally or under specific contingencies. For purposes hereof, the "credit exposure" at any time of any Person under an

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Interest Rate Protection Agreement to which such Person is a party shall be determined at such time in accordance with the standard methods of calculating credit exposure under similar arrangements as prescribed from time to time by the Administrative Agent, taking into account potential interest rate movements and the respective termination provisions and notional principal amount and term of such Interest Rate Protection Agreement.

"Investment" shall mean, for any Person: (a) the acquisition (whether

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for cash, Property, services or securities or otherwise) of capital stock, bonds, notes, debentures, partnership or other ownership interests or other securities of any other Person or any agreement to make any such acquisition (including, without limitation, any "short sale" or any sale of any securities at a time when such securities are not owned by the Person entering into such sale); (b) the making of any deposit with, or advance, loan or other extension of credit to, any other Person (including the purchase of Property from another Person subject to an understanding or agreement, contingent or otherwise, to resell such Property to such Person), but excluding any such advance, loan or extension of credit having a term not exceeding 90 days arising in connection with the sale of programming or advertising time by such Person in the ordinary course of business; (c) the entering into of any Guarantee of, or other contingent obligation with respect to, Indebtedness or other liability of any other Person and (without duplication) any amount committed to be advanced, lent or extended to such Person; or (d) the entering into of any Interest Rate Protection Agreement.

"Issuing Lender" shall mean Chase, as the issuer of Letters of Credit

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under Section 2.03 hereof, together with its successors and assigns in such capacity.

"Letter of Credit" shall have the meaning assigned to such term in

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Section 2.03 hereof.

"Letter of Credit Documents" shall mean, with respect to any Letter of

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Credit, collectively, any application therefor and any other agreements, instruments, guarantees or other documents (whether general in application or applicable only to such Letter of Credit) governing or providing for (a) the rights and obligations of the parties concerned or at risk with respect to such Letter of Credit or (b) any collateral security for any of such obligations, each as the same may be modified and supplemented and in effect from time to time.

"Letter of Credit Interest" shall mean, for each Revolving Credit

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Lender, such Lender's participation interest (or, in the case of the Issuing Lender, the Issuing Lender's retained interest) in the Issuing Lender's liability under Letters of Credit and such Lender's rights and interests in Reimbursement Obligations and fees, interest and other amounts payable in connection with Letters of Credit and Reimbursement Obligations.

"Letter of Credit Liability" shall mean, without duplication, at any

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time and in respect of any Letter of Credit, the sum of (a) the undrawn face amount of such Letter of Credit plus (b) the aggregate unpaid principal amount

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of all Reimbursement Obligations of the Borrowers at such time due and payable in respect of all drawings made under such Letter of Credit. For purposes of this Agreement, a Revolving Credit Lender (other than the Issuing Lender) shall be deemed to hold a Letter of Credit Liability in an amount equal to its participation interest in the related Letter of Credit under Section 2.03 hereof, and the Issuing Lender shall be deemed to hold a Letter of Credit Liability in an amount equal to its retained interest in the related Letter of Credit after giving effect to the acquisition by the Revolving Credit Lenders other than the Issuing Lender of their participation interests under said Section 2.03.

"Lien" shall mean, with respect to any Property, any mortgage, lien,

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pledge, charge, security interest or encumbrance of any kind in respect of such Property. For purposes of this Agreement and the other Loan Documents, a Person shall be deemed to own subject to a Lien any Property that it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement (other than an operating lease) relating to such Property.

"Loan Documents" shall mean, collectively, this Agreement, the Letter

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of Credit Documents, the Security Documents, each Affiliate Subordinated Indebtedness Agreement and each Management Fee Subordination Agreement.

"Loans" shall mean, collectively, the Revolving Credit Loans, the Term

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Loans and the Incremental Facility Loans.

"Majority Incremental Facility Lenders" shall mean, with respect to

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any Series of Incremental Facility Loans, Incremental Facility Lenders holding more than 50% of the aggregate outstanding principal amount of the Incremental Facility Loans of such Series or, if the Incremental Facility Loans shall not have been made, more than 50% of the Incremental Facility Commitments of such Series.

"Majority Lenders" shall mean, subject to the last paragraph of

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Section 11.04 hereof, Lenders having more than 50% of the sum of (a) the aggregate outstanding principal amount of the Term Loans or, if the Term Loans shall not have been made, the aggregate

outstanding principal amount of the Term Loan Commitments plus (b) the aggregate  
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outstanding principal amount of the Incremental Facility Loans or, if the  
Incremental Facility Loans shall not have been made, the aggregate outstanding  
principal amount of the Incremental Facility Commitments plus (c) the sum of (i)  
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the aggregate unused amount, if any, of the Revolving Credit Commitments at such  
time plus (ii) the aggregate outstanding principal amount of the Revolving  
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Credit Loans at such time.

"Majority Revolving Credit Lenders" shall mean Revolving Credit  
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Lenders having more than 50% of the aggregate amount of the Revolving Credit  
Commitments or, if the Revolving Credit Commitments shall have terminated,  
Revolving Credit Lenders holding more than 50% of the sum of (a) the aggregate  
unpaid principal amount of the Revolving Credit Loans plus (b) the aggregate  
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amount of all Letter of Credit Liabilities.

"Majority Term Loan Lenders" shall mean Term Loan Lenders holding more  
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than 50% of the aggregate outstanding principal amount of the Term Loans or, if  
the Term Loans shall not have been made, more than 50% of the Term Loan  
Commitments.

"Management Agreements" shall mean, collectively, (a) the Management  
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Agreement dated January 23, 1998 between Mediacom Southeast and Mediacom  
Management Corporation, (b) the Management Agreement dated March 12, 1996  
between Mediacom California and Mediacom Management Corporation, (c) the  
Management Agreement dated December 27, 1996 between Mediacom Arizona and  
Mediacom Management Corporation, and (d) the Management Agreement dated June 24,  
1997 between Mediacom Delaware and Mediacom Management Corporation, in each case  
as the same shall, subject to Section 8.19 hereof, be modified and supplemented  
and in effect from time to time.

"Management Fee Subordination Agreement" shall mean a Management Fee  
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Subordination Agreement substantially in the form of Exhibit F hereto between  
the Manager (or, as contemplated by Section 8.11 hereof, any other Person to  
whom the Borrowers or any of their Subsidiaries may be obligated to pay  
Management Fees), the Borrowers and the Administrative Agent, as the same shall  
be modified and supplemented and in effect from time to time.

"Management Fees" shall mean, for any period, the sum of all fees,  
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salaries and other compensation (including, without limitation, all Executive  
Compensation) paid or incurred by the Borrowers to Affiliates (other than  
Affiliates that are employees of the Borrowers and their Subsidiaries) in  
respect of services rendered in connection with the management or supervision of  
the Borrowers and their Subsidiaries, provided that Management Fees shall  
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exclude the aggregate amount of intercompany shared expenses payable to Mediacom  
that are allocated by Mediacom to the Borrowers and their Subsidiaries in  
accordance with Section 5.04 of the Guarantee and Pledge Agreement (other than  
the allocated amount of Executive

Compensation, which Executive Compensation shall in any event constitute Management Fees hereunder).

"Manager" shall mean Mediacom Management Corporation, or any successor

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in such capacity as manager of the Borrowers.

"Margin Stock" shall mean "margin stock" within the meaning of

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Regulations T, U and X.

"Material Adverse Effect" shall mean a material adverse effect on (a)

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the Property, business, operations, financial condition, prospects, liabilities or capitalization of the Borrowers and their Subsidiaries taken as a whole, (b) the ability of any Obligor to perform its obligations under any of the Loan Documents to which it is a party, (c) the validity or enforceability of any of the Loan Documents, (d) the rights and remedies of the Lenders and the Administrative Agent under any of the Loan Documents or (e) the timely payment of the principal of or interest on the Loans or the Reimbursement Obligations or other amounts payable in connection therewith.

"Mediacom" shall mean Mediacom LLC, a New York limited liability

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company.

"Mediacom Arizona Operating Agreement" shall mean the Operating

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Agreement of Mediacom Arizona dated December 27, 1996 between Mediacom and Mediacom California, as the same shall, subject to Section 8.19 hereof, be modified and supplemented and in effect from time to time.

"Mediacom California Operating Agreement" shall mean the Operating

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Agreement of Mediacom California dated March 12, 1996 between Mediacom and Mediacom Management Corporation, as the same shall, subject to Section 8.19 hereof, be modified and supplemented and in effect from time to time.

"Mediacom Delaware Operating Agreement" shall mean the Operating

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Agreement of Mediacom Delaware dated January 1, 1997 as the same shall, subject to Section 8.19 hereof, be modified and supplemented and in effect from time to time.

"Mediacom Southeast Credit Agreement" shall mean the Credit Agreement

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dated as of January 23, 1998 between Mediacom Southeast, the lenders party thereto and Chase as administrative agent for such lenders, as heretofore modified, supplemented and in effect.

"Mediacom Southeast Operating Agreement" shall mean the Operating

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Agreement of Mediacom Southeast dated as of January 23, 1998, as the same shall, subject to Section 8.19 hereof, be modified and supplemented and in effect from time to time.

"Multiemployer Plan" shall mean a multiemployer plan defined as such

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in Section 3(37) of ERISA to which contributions have been made by a Borrower or any ERISA Affiliate and that is covered by Title IV of ERISA.

"Net Available Proceeds" shall mean:

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(i) in the case of any Disposition, the amount of Net Cash Payments received in connection with such Disposition;

(ii) in the case of any Casualty Event, the aggregate amount of proceeds of insurance, condemnation awards and other compensation received by the Borrowers and their Subsidiaries in respect of such Casualty Event net of (A) reasonable expenses incurred by the Borrowers and their Subsidiaries in connection therewith and (B) contractually required repayments of Indebtedness to the extent secured by a Lien on such Property and any income and transfer taxes payable by the Borrowers or any of their Subsidiaries in respect of such Casualty Event (C) the Tax Payment Amount, if any, attributable to such Casualty Event and (D) any transfer taxes payable by the Borrowers or any of their Subsidiaries in respect of such Casualty Event; and

(iii) in the case of any Debt Issuance, the aggregate amount of all cash received by the Borrowers or any of their Subsidiaries in respect of such Debt Issuance, net of reasonable expenses incurred by the Borrowers and their Subsidiaries in connection therewith.

"Net Cash Payments" shall mean, with respect to any Disposition, the

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aggregate amount of all cash payments, and the fair market value of any non-cash consideration, received by the Borrowers and their Subsidiaries directly or indirectly in connection with such Disposition; provided that (a) Net Cash

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Payments shall be net of the amount of any legal, accounting, broker, title and recording tax expenses, commissions, finders' fees and other fees and expenses paid by the Borrowers and their Subsidiaries in connection with such Disposition and (b) Net Cash Payments shall be net of any repayments by the Borrowers and their Subsidiaries of Indebtedness to the extent that (i) such Indebtedness is secured by a Lien on the Property that is the subject of such Disposition and (ii) the transferee of (or holder of a Lien on) such Property requires that such Indebtedness be repaid as a condition to the purchase of such Property.

"1998 Senior Notes" shall mean the 8-1/2% senior notes due 2008 in an

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aggregate principal amount of \$200,000,000 issued by Mediacom.

"Obligors" shall mean, collectively, the Borrowers, Mediacom, Mediacom

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Management Corporation and, effective upon execution and delivery of any  
Subsidiary Guarantee Agreement, each Subsidiary of the Borrowers so executing  
and delivering such Subsidiary Guarantee Agreement.

"Operating Agreements" shall mean, collectively, the Mediacom

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Southeast Operating Agreement, the Mediacom Arizona Operating Agreement, the  
Mediacom California Operating Agreement and the Mediacom Delaware Operating  
Agreement.

"Operating Cash Flow" shall mean, for any period, the sum, for the

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Borrowers and their Subsidiaries (determined on a combined basis without  
duplication in accordance with GAAP), of the following: (a) System Cash Flow  
minus (b) Management Fees paid during such period to the extent not exceeding

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the then applicable rate or percentage specified in the Management Agreement of  
the gross operating revenue of the Borrowers and their Subsidiaries for such  
period.

"Pay TV Units" shall mean the aggregate number of premium or pay

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television services to which Subscribers subscribe.

"PBGC" shall mean the Pension Benefit Guaranty Corporation or any

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entity succeeding to any or all of its functions under ERISA.

"Permitted Investments" shall mean: (a) direct obligations of the

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United States of America, or of any agency thereof, or obligations guaranteed as  
to principal and interest by the United States of America, or of any agency  
thereof, in either case maturing not more than 90 days from the date of  
acquisition thereof; (b) certificates of deposit issued by any bank or trust  
company organized under the laws of the United States of America or any state  
thereof and having capital, surplus and undivided profits of at least  
\$500,000,000, maturing not more than 90 days from the date of acquisition  
thereof; and (c) commercial paper rated A-1 or better or P-1 by Standard &  
Poor's Ratings Services, a division of McGraw-Hill Companies, Inc., or Moody's  
Investors Services, Inc., respectively, maturing not more than 90 days from the  
date of acquisition thereof; in each case so long as the same (x) provide for  
the payment of principal and interest (and not principal alone or interest  
alone) and (y) are not subject to any contingency regarding the payment of  
principal or interest.

"Person" shall mean any individual, corporation, company, voluntary

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association, partnership, limited liability company, joint venture, trust,  
unincorporated organization or government (or any agency, instrumentality or  
political subdivision thereof).

"Plan" shall mean an employee benefit or other plan established or  
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maintained by the Borrowers or any ERISA Affiliates and that is covered by Title  
IV of ERISA, other than a Multiemployer Plan.

"Pledge Agreement" shall mean a Pledge Agreement substantially in the  
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form of Exhibit C hereto between the Borrowers, each of the additional parties,  
if any, that becomes a "Securing Party" thereunder, and the Administrative  
Agent, as the same shall be modified and supplemented and in effect from time to  
time.

"Post-Default Rate" shall mean a rate per annum equal to 2% plus the Base  
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Rate as in effect from time to time plus the Applicable Margin for Base Rate  
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Loans, provided that, with respect to principal of a Eurodollar Loan that shall  
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become due (whether at stated maturity, by acceleration, by optional or  
mandatory prepayment or otherwise) on a day other than the last day of the  
Interest Period therefor, the "Post-Default Rate" shall be, for the period from  
and including such due date to but excluding the last day of such Interest  
Period, 2% plus the interest rate for such Loan as provided in Section 3.02(b)  
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hereof and, thereafter, the rate provided for above in this definition.

"Preferred Membership Interests" shall mean the equity rights provided  
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for in Section 6.2 of the Mediacom Southeast Operating Agreement.

"Prime Rate" shall mean the rate of interest from time to time  
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announced by Chase at its principal office in New York City as its prime  
commercial lending rate.

"Principal Payment Dates" shall mean (a) in the case of the Term  
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Loans, the last Business Day of March, June, September and December of each  
year, commencing with September 30, 2002, through and, subject to the last  
sentence of Section 3.01(b), including September 30, 2008 and (b) in the case of  
Incremental Facility Loans of any Series, such dates as shall have been agreed  
upon between the Borrowers and the respective Incremental Facility Lenders of  
such Series pursuant to Section 2.01(c) hereof at the time such Lenders become  
obligated to make such Incremental Facility Loans hereunder.

"Pro Forma Debt Service Coverage Ratio" shall mean, as at any date,  
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the ratio of (a) the product of (x) Operating Cash Flow for the fiscal quarter  
ending on, or most recently ended prior to, such date times (y) four to (b) Debt  
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Service (other than payments in respect of Affiliate Subordinated Indebtedness)  
for the period of four consecutive fiscal quarters immediately following the  
last day of the most recently ended fiscal quarter, determined under the  
assumptions that (1) the rate of interest applicable to Indebtedness of the  
Borrowers and their Subsidiaries (other than Affiliate Subordinated  
Indebtedness) during such period will not change from the weighted average rate  
of interest in effect on such last day and (2) all regularly scheduled payments  
or regularly scheduled prepayments of principal of such Indebtedness



required to be made during such period will be made when due (including, without limitation, the principal component of any payments in respect of Capital Lease Obligations).

Notwithstanding the foregoing, the Pro Forma Debt Service Coverage Ratio for any fiscal quarter during which an Acquisition is consummated shall be deemed to be equal to the ratio of (a) the product of (x) Adjusted Operating Cash Flow for such fiscal quarter times (y) four to (b) Debt Service (other than payments in respect of Affiliate Subordinated Indebtedness) for the period of four consecutive fiscal quarters immediately following the last day of such fiscal quarter, determined on the assumptions set forth above.

"Property" shall mean any right or interest in or to property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible.

"Purchase Price" shall mean, without duplication, with respect to any Acquisition, an amount equal to the sum of (i) the aggregate consideration, whether cash, Property or securities (including, without limitation, any Indebtedness incurred pursuant to paragraph (f) of Section 8.07 hereof), paid or delivered by the Borrowers and their Subsidiaries in connection with such acquisition plus (ii) the aggregate amount of liabilities of the acquired business (net of current assets of the acquired business) that would be reflected on a balance sheet (if such were to be prepared) of the Borrowers and their Subsidiaries after giving effect to such acquisition.

"Qualified Public Offering" shall mean an offer or offerings of capital stock of Holdco under one or more effective registration statements under the Securities Act of 1933, as amended, such that, after giving effect thereto, (a) at least 15% of the aggregate equity interests (without regard to voting rights) in Holdco on a fully diluted basis (i.e., giving effect to the exercise of any warrants, options and conversion and other rights) has been sold pursuant to such offerings and (b) such offerings result in aggregate cash proceeds being received by Holdco (and contributed by Holdco to Mediacom) of at least \$75,000,000 exclusive of underwriter's discounts and other expenses.

"Quarterly Dates" shall mean the twentieth day of January, April, July and October in each year, the first of which shall be the first such day after the date of this Agreement; provided that if any such day is not a Business Day, then such Quarterly Date shall be the next succeeding Business Day.

"Quarterly Officer's Report" shall mean a quarterly report of a Senior Officer with respect to Basic Subscribers, homes passed, revenues per Subscriber and Pay TV Units, substantially in the form of Exhibit B hereto.

"Quarterly Payment Period" shall mean each successive three-month  
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period from and including a Quarterly Date (or, in the case of the initial  
Quarterly Payment Period, from and including the Closing Date) to but not  
including the next following Quarterly Date.

"Rate Ratio" shall mean, for any Quarterly Payment Period, the daily  
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average of the Total Leverage Ratio during the fiscal quarter ending on, or most  
recently ended prior to, the first day of such Quarterly Payment Period,  
provided that (a) the Rate Ratio on the Closing Date shall be the Total Leverage  
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Ratio on such date, (b) the Rate Ratio on the date of the Triax Acquisition  
shall be the Total Leverage Ratio (computed on a pro forma basis after giving  
effect to the borrowings to be made (i) to enable the Borrowers to make  
Restricted Payments to Mediacom pursuant to Section 8.09(e) hereof in connection  
with the Triax Acquisition and (ii) to enable Mediacom Arizona to effect the  
Apache Acquisition) and (c) for purposes of determining the Rate Ratio for the  
period from and after the date of the Triax Acquisition until such time as one  
complete fiscal quarter shall have elapsed subsequent to the date of the Triax  
Acquisition, the daily average of the Total Leverage Ratio shall be determined  
only for the portion of such fiscal quarter commencing on the date of the Triax  
Acquisition.

"Rate Ratio Certificate" shall mean, for any Quarterly Payment Period,  
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a certificate of a Senior Officer setting forth, in reasonable detail, the  
calculation (and the basis for such calculation) of the Rate Ratio for use in  
determining the Applicable Margin hereunder during such Quarterly Payment  
Period.

"Region" shall mean each geographic region into which the CATV Systems  
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of the Borrowers and their Subsidiaries are divided for operating and management  
purposes.

"Register" shall have the meaning assigned to such term in Section  
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11.06(g) hereof.

"Regulations A, D, T, U and X" shall mean, respectively, Regulations  
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A, D, T, U and X of the Board of Governors of the Federal Reserve System (or any  
successor), as the same may be modified and supplemented and in effect from time  
to time.

"Regulatory Change" shall mean, with respect to any Lender, any change  
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after the date hereof in Federal, state or foreign law or regulations  
(including, without limitation, Regulation D) or the adoption or making after  
such date of any interpretation, directive or request applying to a class of  
banks including such Lender of or under any Federal, state or foreign law or  
regulations (whether or not having the force of law and whether or not failure  
to comply therewith would be unlawful) by any court or governmental or monetary  
authority charged with the interpretation or administration thereof.

"Reimbursement Obligations" shall mean, at any time, the obligations

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of the Borrowers then outstanding, or that may thereafter arise in respect of all Letters of Credit then outstanding, to reimburse amounts paid by the Issuing Lender in respect of any drawings under a Letter of Credit.

"Release" shall mean any release, spill, emission, leaking, pumping,

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injection, deposit, disposal, discharge, dispersal, leaching or migration into the indoor or outdoor environment, including, without limitation, the movement of Hazardous Materials through ambient air, soil, surface water, ground water, wetlands, land or subsurface strata.

"Reserve Requirement" shall mean, for any Interest Period for any

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Eurodollar Loan, the average maximum rate at which reserves (including, without limitation, any marginal, supplemental or emergency reserves) are required to be maintained during such Interest Period under Regulation D by member banks of the Federal Reserve System in New York City with deposits exceeding one billion Dollars against "Eurocurrency liabilities" (as such term is used in Regulation D). Without limiting the effect of the foregoing, the Reserve Requirement shall include any other reserves required to be maintained by such member banks by reason of any Regulatory Change with respect to (i) any category of liabilities that includes deposits by reference to which the Eurodollar Base Rate is to be determined as provided in the definition of "Eurodollar Base Rate" in this Section 1.01 or (ii) any category of extensions of credit or other assets that includes Eurodollar Loans.

"Reserved Commitment Amount" shall have the meaning assigned to such

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term in Section 2.01(a) hereof.

"Restricted Payments" shall mean, collectively, (a) all distributions

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of the Borrowers (in cash, Property or obligations) on, or other payments or distributions on account of, or the setting apart of money for a sinking or other analogous fund for, or the purchase, redemption, retirement or other acquisition of, any portion of any ownership interest in the Borrowers or of any warrants, options or other rights to acquire any such ownership interest (or to make any payments to any Person, such as "phantom stock" payments, where the amount thereof is calculated with reference to fair market or equity value of the Borrowers or any of their Subsidiaries), (b) any payments made by a Borrower to any holders of any equity interests in the Borrowers that are designed to reimburse such holders for the payment of any taxes attributable to the operations of the Borrowers and their Subsidiaries, (c) any payments of principal of or interest on Affiliate Subordinated Indebtedness, (d) any payments in respect of Management Fees, and (e) any Affiliate Letters of Credit issued by the Issuing Lender for the account of the Borrowers.

"Revolving Credit Commitment" shall mean, as to each Revolving Credit

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Lender, the obligation of such Lender to make Revolving Credit Loans, and to issue or participate in

Letters of Credit pursuant to Section 2.03 hereof, in an aggregate principal or face amount at any one time outstanding up to but not exceeding the amount set forth opposite the name of such Lender on Schedule I hereto (as the same may be reduced from time to time pursuant to Section 2.04 or 2.10 hereof or increased or reduced from time to time pursuant to assignments permitted under Section 11.06(b) hereof). The original aggregate principal amount of the Revolving Credit Commitments is \$450,000,000.

"Revolving Credit Commitment Percentage" shall mean, with respect to any Revolving Credit Lender, the ratio of (a) the amount of the Revolving Credit Commitment of such Lender to (b) the aggregate amount of the Revolving Credit Commitments of all of the Lenders.

"Revolving Credit Commitment Reduction Dates" shall mean the last  
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Business Day of March, June, September and December in each year, commencing with September 30, 2002, through and including March 31, 2008.

"Revolving Credit Commitment Termination Date" shall mean the  
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Revolving Credit Commitment Reduction Date falling on or nearest to March 31, 2008, provided that if Mediacom does not refinance its 1998 Senior Notes prior  
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to March 31, 2007, with new financing having a maturity no earlier than two years after the payment of all amounts due under this Agreement and on terms satisfactory to the Administrative Agent and the Majority Lenders, the Revolving Credit Termination Date shall mean the Revolving Credit Commitment Reduction Date falling on or nearest to June 30, 2007.

"Revolving Credit Lenders" shall mean (a) on the date hereof, the  
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Lenders having Revolving Credit Commitments on Schedule I hereto and (b) thereafter, the Lenders from time to time holding Revolving Credit Loans and Revolving Credit Commitments after giving effect to any assignments thereof permitted by Section 11.06(b) hereof.

"Revolving Credit Loans" shall mean the loans provided for in Section  
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2.01(a) hereof, which may be Base Rate Loans and/or Eurodollar Loans.

"Security Documents" shall mean, collectively, the Pledge Agreement,  
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the Guarantee and Pledge Agreement and the Subsidiary Guarantee Agreements, and all Uniform Commercial Code financing statements required by the Pledge Agreement, the Guarantee and Pledge Agreement and the Subsidiary Guarantee Agreements, to be filed with respect to the security interests created pursuant to the Pledge Agreement, the Guarantee and Pledge Agreement and the Subsidiary Guarantee Agreements.

"Senior Officer" shall mean the chairman, chief executive officer or  
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chief financial officer of the Manager, acting for and on behalf of the Borrowers.

"Series" has the meaning set forth in Section 2.01(c).

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"Special Reductions" shall mean, as at any date during any fiscal

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quarter, the aggregate amount of reductions during such fiscal quarter through such date in the undrawn face amount of Affiliate Letters of Credit issued during such fiscal quarter (i.e. excluding reductions in such face amount that occur upon a drawing under such Affiliate Letters of Credit), together with the aggregate amount of Affiliate Letters of Credit issued during such fiscal quarter that expire or are terminated during such fiscal quarter through such date without being drawn.

"Subscriber" shall mean a Person who subscribes to one or more of the

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cable television services of the Borrowers and their Subsidiaries and includes both Basic Subscribers and Persons who subscribe to Pay TV Units, but excluding each such Person who is pending disconnection for any reason or is delinquent in payment for such services for more than 60 days or who has not paid in full without discount at least one monthly bill generated in the ordinary course of business.

"Subsidiary" shall mean, with respect to any Person, any corporation,

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partnership, limited liability company or other entity of which at least a majority of the securities or other ownership interests having by the terms thereof ordinary voting power to elect a majority of the board of directors or other persons performing similar functions of such corporation, partnership, limited liability company or other entity (irrespective of whether or not at the time securities or other ownership interests of any other class or classes of such corporation, partnership, limited liability company or other entity shall have or might have voting power by reason of the happening of any contingency) is at the time directly or indirectly owned or controlled by such Person or one or more Subsidiaries of such Person or by such Person and one or more Subsidiaries of such Person.

"Subsidiary Guarantee Agreement" shall mean a Subsidiary Guarantee

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Agreement substantially in the form of Exhibit E hereto by a Subsidiary of a Borrower in favor of the Administrative Agent, as the same shall be modified and supplemented and in effect from time to time.

"Subsidiary Guarantor" shall mean any Subsidiary of the Borrowers that

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executes and delivers a Subsidiary Guarantee Agreement.

"Supplemental Capital" shall mean (a) advances made by an Affiliate to

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the Borrowers constituting Affiliate Subordinated Indebtedness (excluding any Cure Monies) and (b) equity contributions by an Affiliate subsequent to the date of this Agreement (excluding any Cure Monies).

"System Cash Flow" shall mean, for any period, the sum, for the

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Borrowers and their Subsidiaries (determined on a combined basis without duplication in accordance with GAAP), of the following: (a) gross operating revenues for such period minus (b) all operating expenses for such period,

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including, without limitation, technical, programming and selling, general and administrative expenses, but excluding (to the extent included in operating expenses) income taxes, Management Fees, depreciation, amortization and interest expense (including, without limitation, all items included in Interest Expense), provided that gross operating revenues and operating expenses for any period

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shall exclude all extraordinary and unusual items and all non-cash items. For the purposes of determining System Cash Flow, gross operating revenues will include revenues received in cash in respect of investments, so long as such investments are recurring (i.e. reasonably expected to continue for four or more fiscal quarters) and do not for any period exceed 20% of gross operating revenues for such period (not including (i) extraordinary items and (ii) such investment revenues).

Notwithstanding the foregoing, if during any period for which System Cash Flow is being determined the Borrowers or any of their Subsidiaries shall have consummated any acquisition of any CATV System or other business, or consummated any Disposition, then, for all purposes of this Agreement (other than for purposes of the definition of Excess Cash Flow), System Cash Flow shall be determined on a pro forma basis as if such acquisition or Disposition had been made or consummated on the first day of such period.

"Tax Payment Amount" shall mean, for any period, an amount not

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exceeding in the aggregate the amount of Federal, state and local income taxes the Borrowers would otherwise have paid in the event they were corporations (other than "S corporations" within the meaning of Section 1361 of the Code) for such period and all prior periods.

"Term Loan Commitment" shall mean, as to each Term Loan Lender, the

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obligation of such Lender to make one or more Term Loans in an aggregate principal amount equal to the amount set opposite the name of such Lender on Schedule I hereto. The original aggregate principal amount of the Term Loan Commitments is \$100,000,000.

"Term Loan Commitment Termination Date" shall mean the date that is 45

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days after the Closing Date (or, if such date is not a Business Day, the immediately preceding Business Day).

"Term Loan Lenders" shall mean (a) on the date hereof, the Lenders

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having Term Loan Commitments on Schedule I hereto and (b) thereafter, the Lenders from time to time holding Term Loans and Term Commitments after giving effect to any assignments thereof permitted by Section 11.06(b) hereof.

"Term Loans" shall mean the loans provided for by Section 2.01(b)

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hereof, which may be Base Rate Loans and/or Eurodollar Loans.

"Total Leverage Ratio" shall mean, as at any date, the ratio of (a)

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the aggregate amount of all Indebtedness of the Borrowers and their Subsidiaries (including, without limitation, Capital Lease Obligations, but excluding Affiliate Subordinated Indebtedness) as at such date to (b) the product of (x) System Cash Flow for the fiscal quarter ending on, or most recently ended prior to, such date times (y) four.

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Notwithstanding the foregoing, the Total Leverage Ratio for any fiscal quarter during which an Acquisition is consummated shall be deemed to be equal to the ratio of (a) the aggregate amount of all Indebtedness of the Borrowers and their Subsidiaries (including, without limitation, Capital Lease Obligations, but excluding Affiliate Subordinated Indebtedness) as at the relevant date to (b) the product of Adjusted System Cash Flow for such fiscal quarter times four.

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"Triax Acquisition" shall mean the acquisition by Mediacom (directly

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or indirectly through Subsidiaries) of the cable systems and related assets of Triax Midwest Associates, L.P.

"Type" shall have the meaning assigned to such term in Section 1.03

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hereof.

"U.S. Person" shall mean a citizen or resident of the United States of

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America, a corporation, partnership, limited liability company or other entity created or organized in or under any laws of the United States of America or any State thereof, or any estate or trust that is subject to Federal income taxation regardless of the source of its income.

"U.S. Taxes" shall mean any present or future tax, assessment or other

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charge or levy imposed by or on behalf of the United States of America or any taxing authority thereof.

"Wholly Owned Subsidiary" shall mean, with respect to any Person, any

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corporation, partnership, limited liability company or other entity of which all of the equity securities or other ownership interests (other than, in the case of a corporation, directors' qualifying shares) are directly or indirectly owned or controlled by such Person or one or more Wholly Owned Subsidiaries of such Person or by such Person and one or more Wholly Owned Subsidiaries of such Person.

"Working Capital" shall mean, as at such date, for the Borrowers and

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their Subsidiaries (determined on a combined basis without duplication in accordance with GAAP) (a) current assets (excluding cash and cash equivalents) minus (b) current liabilities (excluding the current portion of long term debt

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and of any installments of principal payable hereunder).

1.02 Accounting Terms and Determinations.  
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(a) Except as otherwise expressly provided herein, all accounting terms used herein shall be interpreted, and all financial statements and certificates and reports as to financial matters required to be delivered to the Lenders hereunder shall (unless otherwise disclosed to the Lenders in writing at the time of delivery thereof in the manner described in paragraph (b) below) be prepared, in accordance with generally accepted accounting principles applied on a basis consistent with those used in the preparation of the latest financial statements furnished to the Lenders hereunder (which, prior to the delivery of the first financial statements under Section 8.01 hereof, shall mean the audited financial statements as at December 31, 1998 referred to in Section 7.02 hereof). All calculations made for the purposes of determining compliance with this Agreement shall (except as otherwise expressly provided herein) be made by application of generally accepted accounting principles applied on a basis consistent with those used in the preparation of the latest annual or quarterly financial statements furnished to the Lenders pursuant to Section 8.01 hereof (or, prior to the delivery of the first financial statements under Section 8.01 hereof, used in the preparation of the audited financial statements as at December 31, 1998 referred to in Section 7.02 hereof) unless

(i) the Borrowers shall have objected to determining such compliance on such basis at the time of delivery of such financial statements, or

(ii) the Majority Lenders shall so object in writing within 30 days after delivery of such financial statements,

in either of which events such calculations shall be made on a basis consistent with those used in the preparation of the latest financial statements as to which such objection shall not have been made (which, if objection is made in respect of the first financial statements delivered under Section 8.01 hereof, shall mean the unaudited financial statements referred to in Section 7.02 hereof).

(b) The Borrowers shall deliver to the Lenders at the same time as the delivery of any annual or quarterly financial statement under Section 8.01 hereof (i) a description in reasonable detail of any material variation between the application of accounting principles employed in the preparation of such statement and the application of accounting principles employed in the preparation of the next preceding annual or quarterly financial statements as to which no objection has been made in accordance with the last sentence of paragraph (a) above and (ii) reasonable estimates of the difference between such statements arising as a consequence thereof.



(c) To enable the ready and consistent determination of compliance with the covenants set forth in Section 8 hereof, none of the Borrowers will change the last day of its fiscal year from December 31, or the last days of the first three fiscal quarters in each of its fiscal years from March 31, June 30 and September 30 of each year, respectively.

1.03 Classes and Types of Loans. Loans hereunder are distinguished

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by "Class" and by "Type". The "Class" of a Loan (or of a Commitment to make a Loan) refers to whether such Loan is a Revolving Credit Loan, a Term Loan or an Incremental Facility Loan, each of which constitutes a Class. The "Type" of a Loan refers to whether such Loan is a Base Rate Loan or a Eurodollar Loan, each of which constitutes a Type. Loans may be identified by both Class and Type. Incremental Facility Loans and Incremental Facility Commitments shall be classified by Series, each of which shall be considered a separate Class.

1.04 Subsidiaries. None of the Borrowers has any Subsidiaries on the

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date hereof; reference in this Agreement to Subsidiaries of the Borrowers shall be deemed inapplicable until such time as the Majority Lenders shall consent to the creation of such Subsidiaries or such Subsidiaries shall in fact come into existence in accordance with the terms hereof.

1.05 Nature of Obligations of Borrowers. It is the intent of the

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parties hereto that the Borrowers shall be jointly and severally obligated hereunder and under the notes executed and delivered by the Borrowers pursuant to Section 2.08(d) hereof, as co-borrowers under this Agreement and as co-makers on such notes, in respect of the principal of and interest on, and all other amounts owing in respect of, the Loans and such notes.

Section 2. Commitments, Loans and Prepayments.

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2.01 Loans.

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(a) Revolving Credit Loans. Each Revolving Credit Lender severally

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agrees, on the terms and conditions of this Agreement, to make loans to the Borrowers in Dollars during the period from and including the Closing Date to but not including the Revolving Credit Commitment Termination Date in an aggregate principal amount at any one time outstanding up to but not exceeding the amount of the Revolving Credit Commitment of such Lender as in effect from time to time, provided that in no event shall the aggregate principal amount of

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all Revolving Credit Loans, together with the aggregate amount of all Letter of Credit Liabilities, exceed the aggregate amount of the Revolving Credit Commitments as in effect from time to time. Subject to the terms and conditions of this Agreement, during such period the Borrowers may borrow, repay and reborrow the amount of the Revolving Credit Commitments by means of Base Rate Loans and Eurodollar Loans and may Convert Revolving Credit Loans of one Type into Revolving Credit Loans of another Type (as provided in Section 2.09 hereof) or Continue

Revolving Credit Loans of one Type as Revolving Credit Loans of the same Type (as provided in Section 2.09 hereof).

Proceeds of Revolving Credit Loans shall be available for any use permitted under Section 8.17(a) hereof, provided that, in the event that as

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contemplated by Section 2.10(d) hereof, the Borrowers shall prepay Revolving Credit Loans from the proceeds of a Disposition hereunder, then an amount of Revolving Credit Commitments equal to the amount of such prepayment (herein the "Reserved Commitment Amount") shall be reserved and shall not be available for

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borrowings hereunder except and to the extent that the proceeds of such borrowings are to be applied to make Acquisitions permitted under Section 8.05 hereof or to make prepayments of Loans under Section 2.10(d) hereof. The Borrowers agree, upon the occasion of any borrowing of Revolving Credit Loans hereunder that is to constitute a utilization of any Reserved Commitment Amount, to advise the Administrative Agent in writing of such fact at the time of such borrowing, identifying the amount of such borrowing that is to constitute such utilization, the Acquisition in respect of which the proceeds of such borrowing are to be applied and the reduced Reserved Commitment Amount to be in effect after giving effect to such borrowing.

(b) Term Loans. Each Term Lender severally agrees, on the terms and

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conditions of this Agreement, to make term loans to the Borrowers in Dollars in up to two drawings, with the first drawing to occur on the Closing Date and the second drawing to occur on a date no later than 45 days after the Closing Date in an aggregate principal amount equal to the amount of the Term Loan Commitment of such Lender. Subject to the terms and conditions of this Agreement, on and after the Closing Date the Borrowers may borrow the Term Loan Commitments by means of Base Rate Loans and Eurodollar Loans, and thereafter the Borrowers may Convert Term Loans of one Type into Term Loans of another Type (as provided in Section 2.09 hereof) or Continue Term Loans of one Type as Term Loans of the same Type (as provided in Section 2.09 hereof).

Proceeds of Term Loans hereunder shall be available for any use permitted under the first sentence of Section 8.17(b) hereof.

(c) Incremental Facility Loans. In addition to borrowings of Term

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Loans and Revolving Credit Loans provided above, at any time during the Incremental Facility Availability Period the Borrowers may from time to time request that the Lenders offer to enter into commitments to make additional term loans to the Borrowers hereunder, which commitment of any Lender shall not be less than \$10,000,000 and not greater than \$100,000,000. In the event that one or more of the Lenders offer, in their sole discretion, to enter into such commitments, and such Lenders and the Borrowers agree pursuant to an instrument in writing (the form and substance of which shall be satisfactory, and a copy of which shall be delivered, to the Administrative Agent and the Lenders making such Loans) as to the amount of such

commitments that shall be allocated to the respective Lenders making such offers, the fees (if any) to be payable by the Borrowers in connection therewith and the amortization and interest rate to be applicable thereto, such Lenders shall become obligated to make Incremental Facility Loans under this Agreement in an amount equal to the amount of their respective Incremental Facility Commitments. The Incremental Facility Loans to be made pursuant to any such agreement between the Borrowers and one or more Lenders in response to any such request by the Borrowers shall be deemed to be a separate "Series" of

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Incremental Facility Loans for all purposes of this Agreement. Anything herein to the contrary notwithstanding, (i) the minimum aggregate principal amount of Incremental Facility Commitments entered into pursuant to any such request (and, accordingly, the minimum aggregate principal amount of any Series of Incremental Facility Loans) shall be \$25,000,000, (ii) the aggregate principal amount of all unused Incremental Facility Commitments and Incremental Facility Loans shall not exceed \$200,000,000 and (iii) in no event shall the final maturity date for the Incremental Facility Loans of any Series be earlier than the final Principal Payment Date for the Term Loans, nor shall the amortization for any Incremental Facility Loans of any Series be at a rate faster (i.e. earlier) than the rate of amortization of the Term Loans (the determination of whether or not such amortization is faster to be made by the Administrative Agent).

Proceeds of Incremental Facility Loans hereunder shall be available for any use permitted under the last sentence of Section 8.17(b) hereof.

(d) Limit on Eurodollar Loans. No more than seven separate Interest

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Periods in respect of Eurodollar Loans of a Class from each Lender may be outstanding at any one time.

2.02 Borrowings. The Borrowers shall give the Administrative Agent

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notice of each borrowing hereunder as provided in Section 4.05 hereof. Not later than 1:00 p.m. New York time on the date specified for each borrowing hereunder, each Lender shall make available the amount of the Loan or Loans to be made by it on such date to the Administrative Agent, at an account designated by the Administrative Agent to the Lenders, in immediately available funds, for account of the Borrowers. The amount so received by the Administrative Agent shall, subject to the terms and conditions of this Agreement, be made available to the Borrowers by depositing the same, in immediately available funds, in an account of the Borrowers designated by the Borrowers and maintained with Chase at its principal office.

2.03 Letters of Credit. Subject to the terms and conditions of this

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Agreement, the Revolving Credit Commitments may be utilized, upon the request of the Borrowers, in addition to the Revolving Credit Loans provided for by Section 2.01(a) hereof, by the issuance by the Issuing Lender of letters of credit (collectively, "Letters of Credit") for account of the Borrowers or any of their

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Subsidiaries (as specified by the relevant Borrower), provided that in no event

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shall (i) the aggregate amount of all Letter of Credit Liabilities, together with the aggregate principal amount of the Revolving Credit Loans, exceed the aggregate amount of the Revolving

Credit Commitments as in effect from time to time, (ii) the outstanding aggregate amount of all Letter of Credit Liabilities exceed \$100,000,000 and (iii) the expiration date of any Letter of Credit extend beyond the earlier of the date five Business Days prior to the Revolving Credit Commitment Termination Date and the date twelve months following the issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, twelve months after the then-current expiration date of such Letter of Credit, so long as such renewal or extension occurs within three months of such then-current expiration date). The Borrowers may request the Issuing Lender to issue Letters of Credit for the account of the Borrowers to support an obligation of an Affiliate of the Borrowers so long as the face amount of such Letter of Credit does not exceed the amount of Restricted Payments the Borrowers may then make pursuant to Section 8.09(d). The following additional provisions shall apply to Letters of Credit:

(a) The Borrowers shall give the Administrative Agent at least three Business Days' irrevocable prior notice (effective upon receipt) specifying the Business Day (which shall be no later than 30 days preceding the Revolving Credit Commitment Termination Date) each Letter of Credit is to be issued and the account party or parties therefor and describing in reasonable detail the proposed terms of such Letter of Credit (including the beneficiary thereof) and the nature of the transactions or obligations proposed to be supported thereby (including whether such Letter of Credit is to be a commercial letter of credit or a standby letter of credit). Upon receipt of any such notice, the Administrative Agent shall advise the Issuing Lender of the contents thereof.

(b) On each day during the period commencing with the issuance by the Issuing Lender of any Letter of Credit and until such Letter of Credit shall have expired or been terminated, the Revolving Credit Commitment of each Revolving Credit Lender shall be deemed to be utilized for all purposes of this Agreement in an amount equal to such Lender's Revolving Credit Commitment Percentage of the then undrawn face amount of such Letter of Credit. Each Revolving Credit Lender (other than the Issuing Lender) agrees that, upon the issuance of any Letter of Credit hereunder, it shall automatically acquire a participation in the Issuing Lender's liability under such Letter of Credit in an amount equal to such Lender's Revolving Credit Commitment Percentage of such liability, and each Revolving Credit Lender (other than the Issuing Lender) thereby shall absolutely, unconditionally and irrevocably assume, as primary obligor and not as surety, and shall be unconditionally obligated to the Issuing Lender to pay and discharge when due, its Revolving Credit Commitment Percentage of the Issuing Lender's liability under such Letter of Credit.

(c) Upon receipt from the beneficiary of any Letter of Credit of any demand for payment under such Letter of Credit, the Issuing Lender shall promptly notify the Borrowers (through the Administrative Agent) of the amount to be paid by the Issuing Lender as a result of such demand and the date on which payment is to be made by the

Issuing Lender to such beneficiary in respect of such demand. Notwithstanding the identity of the account party of any Letter of Credit, the Borrowers hereby jointly and severally unconditionally agree to pay and reimburse the Administrative Agent for account of the Issuing Lender for the amount of each demand for payment under such Letter of Credit that is in substantial compliance with the provisions of such Letter of Credit at or prior to the date on which payment is to be made by the Issuing Lender to the beneficiary thereunder, without presentment, demand, protest or other formalities of any kind.

(d) Forthwith upon its receipt of a notice referred to in paragraph (c) of this Section 2.03, the Borrowers shall advise the Administrative Agent whether or not the Borrowers intend to borrow hereunder to finance their obligation to reimburse the Issuing Lender for the amount of the related demand for payment and, if they do, submit a notice of such borrowing as provided in Section 4.05 hereof.

(e) Each Revolving Credit Lender (other than the Issuing Lender) shall pay to the Administrative Agent for account of the Issuing Lender at its principal office in Dollars and in immediately available funds, the amount of such Lender's Revolving Credit Commitment Percentage of any payment under a Letter of Credit upon notice by the Issuing Lender (through the Administrative Agent) to such Revolving Credit Lender requesting such payment and specifying such amount. Each such Revolving Credit Lender's obligation to make such payment to the Administrative Agent for account of the Issuing Lender under this paragraph (e), and the Issuing Lender's right to receive the same, shall be absolute and unconditional and shall not be affected by any circumstance whatsoever, including, without limitation, the failure of any other Revolving Credit Lender to make its payment under this paragraph (e), the financial condition of the Borrowers (or any other account party), the existence of any Default or the termination of the Commitments. Each such payment to the Issuing Lender shall be made without any offset, abatement, withholding or reduction whatsoever. If any Revolving Credit Lender shall default in its obligation to make any such payment to the Administrative Agent for account of the Issuing Lender, for so long as such default shall continue the Administrative Agent may at the request of the Issuing Lender withhold from any payments received by the Administrative Agent under this Agreement for account of such Revolving Credit Lender the amount so in default and, to the extent so withheld, pay the same to the Issuing Lender in satisfaction of such defaulted obligation.

(f) Upon the making of each payment by a Revolving Credit Lender to the Issuing Lender pursuant to paragraph (e) above in respect of any Letter of Credit, such Lender shall, automatically and without any further action on the part of the Administrative Agent, the Issuing Lender or such Lender, acquire (i) a participation in an amount equal to such payment in the Reimbursement Obligation owing to the Issuing

Lender by the Borrowers hereunder and under the Letter of Credit Documents relating to such Letter of Credit and (ii) a participation in a percentage equal to such Lender's Revolving Credit Commitment Percentage in any interest or other amounts payable by the Borrowers hereunder and under such Letter of Credit Documents in respect of such Reimbursement Obligation (other than the commissions, charges, costs and expenses payable to the Issuing Lender pursuant to paragraph (g) of this Section 2.03). Upon receipt by the Issuing Lender from or for account of the Borrowers of any payment in respect of any Reimbursement Obligation or any such interest or other amount (including by way of setoff or application of proceeds of any collateral security) the Issuing Lender shall promptly pay to the Administrative Agent for account of each Revolving Credit Lender entitled thereto, such Revolving Credit Lender's Revolving Credit Commitment Percentage of such payment, each such payment by the Issuing Lender to be made in the same money and funds in which received by the Issuing Lender. In the event any payment received by the Issuing Lender and so paid to the Revolving Credit Lenders hereunder is rescinded or must otherwise be returned by the Issuing Lender, each Revolving Credit Lender shall, upon the request of the Issuing Lender (through the Administrative Agent), repay to the Issuing Lender (through the Administrative Agent) the amount of such payment paid to such Lender, with interest at the rate specified in paragraph (j) of this Section 2.03.

(g) The Borrowers shall pay to the Administrative Agent for account of each Revolving Credit Lender (ratably in accordance with their respective Commitment Percentages) a letter of credit fee in respect of each Letter of Credit in an amount equal to the Applicable Margin, in effect from time to time, for Revolving Credit Loans that are Eurodollar Loans on the daily average undrawn face amount of such Letter of Credit for the period from and including the date of issuance of such Letter of Credit (i) in the case of a Letter of Credit that expires in accordance with its terms, to and including such expiration date and (ii) in the case of a Letter of Credit that is drawn in full or is otherwise terminated other than on the stated expiration date of such Letter of Credit, to but excluding the date such Letter of Credit is drawn in full or is terminated (such fee to be non-refundable, to be paid in arrears on each Quarterly Date and on the Revolving Credit Commitment Termination Date and to be calculated for any day after giving effect to any payments made under such Letter of Credit on such day).

In addition, the Borrowers shall pay to the Administrative Agent for account of the Issuing Lender a fronting fee in respect of each Letter of Credit in an amount equal to 1/4 of 1% per annum of the daily average undrawn face amount of such Letter of Credit for the period from and including the date of issuance of such Letter of Credit (i) in the case of a Letter of Credit that expires in accordance with its terms, to and including such expiration date and (ii) in the case of a Letter of Credit that is drawn in full or is otherwise terminated other than on the stated expiration date of such Letter of Credit, to

but excluding the date such Letter of Credit is drawn in full or is terminated (such fee to be non-refundable, to be paid in arrears on each Quarterly Date and on the Revolving Credit Commitment Termination Date and to be calculated for any day after giving effect to any payments made under such Letter of Credit on such day) plus all commissions, charges, costs and expenses in the amounts customarily charged by the Issuing Lender from time to time in like circumstances with respect to the issuance of each Letter of Credit and drawings and other transactions relating thereto.

(h) Promptly following the end of each calendar month, the Issuing Lender shall deliver (through the Administrative Agent) to each Revolving Credit Lender and the Borrowers a notice describing the aggregate amount of all Letters of Credit outstanding at the end of such month. Upon the request of any Revolving Credit Lender from time to time, the Issuing Lender shall deliver any other information reasonably requested by such Lender with respect to each Letter of Credit then outstanding.

(i) The issuance by the Issuing Lender of each Letter of Credit shall, in addition to the conditions precedent set forth in Section 6 hereof, be subject to the conditions precedent that (i) such Letter of Credit shall be in such form, contain such terms and support such transactions as shall be satisfactory to the Issuing Lender consistent with its then current practices and procedures with respect to letters of credit of the same type and (ii) the Borrowers shall have executed and delivered such applications, agreements and other instruments relating to such Letter of Credit as the Issuing Lender shall have reasonably requested consistent with its then current practices and procedures with respect to letters of credit of the same type, provided that in the event of any conflict between

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any such application, agreement or other instrument and the provisions of this Agreement or any Security Document, the provisions of this Agreement and the Security Documents shall control.

(j) To the extent that any Lender shall fail to pay any amount required to be paid pursuant to paragraph (e) or (f) of this Section 2.03 on the due date therefor, such Lender shall pay interest to the Issuing Lender (through the Administrative Agent) on such amount from and including such due date to but excluding the date such payment is made at a rate per annum equal to the Federal Funds Rate, provided that if such Lender shall

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fail to make such payment to the Issuing Lender within three Business Days of such due date, then, retroactively to the due date, such Lender shall be obligated to pay interest on such amount at the Post-Default Rate.

(k) The issuance by the Issuing Lender of any modification or supplement to any Letter of Credit hereunder shall be subject to the same conditions applicable under this Section 2.03 to the issuance of new Letters of Credit, and no such modification or supplement shall be issued hereunder unless either (i) the respective Letter of Credit

affected thereby would have complied with such conditions had it originally been issued hereunder in such modified or supplemented form or (ii) each Revolving Credit Lender shall have consented thereto.

(1) Pursuant to Section 2.03 of the Mediacom Southeast Credit Agreement, the Issuing Lender may from time to time have issued "Letters of Credit" (as defined therein). Each of the parties hereto agrees that any such "Letter of Credit" that shall be outstanding on the Closing Date shall constitute, on and after the Closing Date, a Letter of Credit for all purposes of this Agreement.

The Borrowers hereby indemnify and hold harmless each Revolving Credit Lender and the Administrative Agent from and against any and all claims and damages, losses, liabilities, costs or expenses that such Lender or the Administrative Agent may incur (or that may be claimed against such Lender or the Administrative Agent by any Person whatsoever) by reason of or in connection with the execution and delivery or transfer of or payment or refusal to pay by the Issuing Lender under any Letter of Credit; provided that the Borrowers shall

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not be required to indemnify any Lender or the Administrative Agent for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by (x) the willful misconduct or gross negligence of the Issuing Lender in determining whether a request presented under any Letter of Credit complied with the terms of such Letter of Credit or (y) in the case of the Issuing Lender, such Lender's failure to pay under any Letter of Credit after the presentation to it of a request strictly complying with the terms and conditions of such Letter of Credit. Nothing in this Section 2.03 is intended to limit the other obligations of the Borrowers, any Lender or the Administrative Agent under this Agreement.

2.04 Changes of Commitments.  
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(a) Subject to the last sentence of this Section 2.04(a), the aggregate amount of the Revolving Credit Commitments shall be automatically reduced to zero on the Revolving Credit Commitment Termination Date. In addition, the aggregate amount of the Revolving Credit Commitments shall be automatically reduced on each Revolving Credit Commitment Reduction Date set forth in column (A) below, (x) by an amount (subject to reduction pursuant to paragraph (c) below) equal to the amount set forth in column (B) below opposite such Revolving Credit Commitment Reduction Date, (y) to an amount (subject to reduction pursuant to paragraph (c) below) equal to the amount set forth in column (C) below opposite such Revolving Credit Commitment Reduction Date:



(A) Revolving Credit Commitment Reduction Date Falling on or Nearest to: -----	(B) Revolving Credit Commitments Reduced by the Following Amounts: -----	(C) Revolving Credit Commitments Reduced to the Following Amounts: -----
September 30, 2002	\$ 5,625,000	\$444,375,000
December 31, 2002	\$ 5,625,000	\$438,750,000
March 31, 2003	\$ 5,625,000	\$433,125,000
June 30, 2003	\$ 5,625,000	\$427,500,000
September 30, 2003	\$ 5,625,000	\$421,875,000
December 31, 2003	\$ 5,625,000	\$416,250,000
March 31, 2004	\$16,875,000	\$399,375,000
June 30, 2004	\$16,875,000	\$382,500,000
September 30, 2004	\$16,875,000	\$365,625,000
December 31, 2004	\$16,875,000	\$348,750,000
March 31, 2005	\$22,500,000	\$326,250,000
June 30, 2005	\$22,500,000	\$303,750,000
September 30, 2005	\$22,500,000	\$281,250,000
December 31, 2005	\$22,500,000	\$258,750,000
March 31, 2006	\$22,500,000	\$236,250,000
June 30, 2006	\$22,500,000	\$213,750,000
September 30, 2006	\$22,500,000	\$191,250,000
December 31, 2006	\$22,500,000	\$168,750,000
March 31, 2007	\$22,500,000	\$146,250,000
June 30, 2007	\$22,500,000	\$123,750,000
September 30, 2007	\$22,500,000	\$101,250,000
December 31, 2007	\$22,500,000	\$ 78,750,000
March 31, 2008	\$78,750,000	\$ 0

As provided for in the definition of "Revolving Credit Commitment Termination Date" in Section 1.01, if Mediacom does not refinance its 1998 Senior Notes prior to March 31, 2007, with new Indebtedness having a maturity no earlier than two years after the payment of all amounts due under this Agreement and on terms satisfactory to the Administrative Agent and the Majority Lenders, the Revolving Credit Commitments shall be terminated, and the entire principal amount of the Revolving Credit Loans then outstanding shall, as provided for in

Section 2.10(g) hereof, be paid in full, on the Revolving Credit Commitment Reduction Date falling on or nearest to June 30, 2007.

(b) The Borrowers shall have the right at any time or from time to time (i) so long as no Revolving Credit Loans or Letter of Credit Liabilities are outstanding, to terminate the Revolving Credit Commitments, (ii) so long as no Term Loans are outstanding, to terminate the Term Loan Commitments, (iii) so long as no Incremental Facility Loans of a Series are outstanding, to terminate the Incremental Facility Commitments of such Series and (iv) to reduce the aggregate unused amount of the Revolving Credit Commitments or Incremental Facility Commitments of any Series (for which purpose use of the Revolving Credit Commitments shall be deemed to include the aggregate amount of Letter of Credit Liabilities); provided that (x) the Borrowers shall give notice of each

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such termination or reduction as provided in Section 4.05 hereof, (y) each partial reduction shall be in an aggregate amount at least equal to \$1,000,000 (or a larger multiple of \$500,000) and (z) prior to the making of the initial Loans hereunder, each such reduction of Commitments shall be applied ratably to the Commitments of each Class.

(c) Each reduction in the aggregate amount of the Revolving Credit Commitments pursuant to paragraph (b) above, or pursuant to Section 2.10 hereof, on any date shall be applied to the reductions set forth in the schedule in paragraph (a) above ratably as follows: each such reduction shall result in an automatic and simultaneous reduction (but not below zero) of the respective amounts set forth in column (B) at the end of paragraph (a) above (ratably in accordance with the respective remaining amounts thereof, after giving effect to any prior reductions pursuant to this paragraph (c)), with appropriate reductions (but not below zero) being made to the respective amounts set forth in column (C) of said paragraph (a) after giving effect to such reduction of the amounts in said column (B).

(d) The aggregate amount of the Term Loan Commitments shall be automatically reduced to zero on the close of business on the Term Loan Commitment Termination Date. The aggregate amount of the Incremental Facility Commitments shall be automatically reduced to zero on the close of business on the last day of the Incremental Facility Availability Period.

(e) The Commitments once terminated or reduced may not be reinstated.

2.05 Commitment Fee. The Borrowers shall pay to the Administrative

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Agent for account of each Revolving Credit Lender a commitment fee on the daily average unused amount of such Lender's Revolving Credit Commitment (for which purpose (i) the aggregate amount of any Letter of Credit Liabilities shall be deemed to be a pro rata (based on the Revolving Credit Commitments) use of each Lender's Revolving Credit Commitment and (ii) any Reserved Commitment Amount shall be deemed to be unused), for the period from and including the date hereof to but not including the earlier of the date such Revolving Credit Commitment is terminated and the Revolving Credit Commitment Termination Date, at a rate per annum equal

to (x) 3/8 of 1% at any time the then-current Rate Ratio (determined pursuant to Section 3.03 hereof) is greater than 5.00 to 1 and (y) 1/4 of 1% at any time the then-current Rate Ratio (so determined) is equal to or less than 5.00 to 1. The Borrowers shall pay to the Administrative Agent for account of each Incremental Facility Lender of any Series a commitment fee in such amounts, and on such dates, as shall have been agreed to by the Borrowers and such Incremental Facility Lender upon the allocation of the Incremental Facility Commitment of such Series to such Lender pursuant to Section 2.01(c) hereof. Accrued commitment fee shall be payable on each Quarterly Date and on the earlier of the date the relevant Commitments are terminated and the Revolving Credit Commitment Termination Date or the Incremental Facility Commitment Termination Date, as the case may be.

2.06 Lending Offices. The Loans of each Type made by each Lender

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shall be made and maintained at such Lender's Applicable Lending Office for Loans of such Type.

2.07 Several Obligations; Remedies Independent. The failure of any

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Lender to make any Loan to be made by it on the date specified therefor shall not relieve any other Lender of its obligation to make its Loan on such date, but neither any Lender nor the Administrative Agent shall be responsible for the failure of any other Lender to make a Loan to be made by such other Lender, and (except as otherwise provided in Section 4.06 hereof) no Lender shall have any obligation to the Administrative Agent or any other Lender for the failure by such Lender to make any Loan required to be made by such Lender. Anything in this Agreement to the contrary notwithstanding, each Lender hereby agrees with each other Lender that no Lender shall take any action to protect or enforce its rights arising out of this Agreement (including, without limitation, exercising any rights of off-set) without first obtaining the prior written consent of the Administrative Agent or the Majority Lenders, it being the intent of the Lenders that any such action to protect or enforce rights under this Agreement shall be taken in concert and at the direction or with the consent of the Administrative Agent or the Majority Lenders and not individually by a single Lender.

2.08 Loan Accounts; Promissory Notes.

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(a) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrowers to such Lender resulting from each Loan made by such Lender to the Borrowers, including the amounts of principal and interest payable and paid to such Lender by the Borrowers from time to time hereunder.

(b) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder to the Borrowers, the Class and Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrowers to each Lender hereunder and (iii) the amount

of any sum received by the Administrative Agent hereunder from the Borrowers for the account of the Lenders and each Lender's share thereof.

(c) The entries made in the accounts maintained pursuant to paragraph (a) or (b) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrowers to repay the Loans in accordance with the terms of this Agreement.

(d) Any Lender may request that Loans of any Class made by it to the Borrowers be evidenced by a promissory note. In such event, the Borrowers shall prepare, execute and deliver to such Lender a promissory note payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the Administrative Agent. Thereafter, the Loans of the Borrowers evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 11.06 hereof) be represented by one or more promissory notes in such form payable to the order of the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

#### 2.09 Optional Prepayments and Conversions or Continuations of Loans.

Subject to Section 4.04 hereof, the Borrowers shall have the right to prepay Loans, or to Convert Loans of one Type into Loans of another Type or Continue Loans of one Type as Loans of the same Type, at any time or from time to time, provided that:

(a) the Borrowers shall give the Administrative Agent notice of each such prepayment, Conversion or Continuation as provided in Section 4.05 hereof (and, upon the date specified in any such notice of prepayment, the amount to be prepaid shall become due and payable hereunder);

(b) Eurodollar Loans may be prepaid or Converted at any time from time to time, provided that the Borrowers shall pay any amounts owing under Section 5.05 hereof in the event of any such prepayment or Conversion on any date other than the last day of an Interest Period for such Loans;

(c) prepayments of any Term Loan shall be effected in such manner so that the Term Loans (and, to the extent that Incremental Loans are outstanding, the Incremental Loans of all Series) are concurrently prepaid ratably in accordance with the respective outstanding principal amounts thereof and the aggregate principal amount of all such concurrent prepayments is at least equal to \$1,000,000 or a greater multiple of \$500,000;

(d) prepayments of the Term Loans and Incremental Facility Loans shall be applied to the remaining installments of such Loans ratably in accordance with the respective principal amounts thereof; and

(e) any Conversion or Continuation of Eurodollar Loans shall be subject to the provisions of Section 2.01(d) hereof.

Notwithstanding the foregoing, and without limiting the rights and remedies of the Lenders under Section 9 hereof, in the event that any Event of Default shall have occurred and be continuing, the Administrative Agent may (and at the request of the Majority Lenders shall) suspend the right of the Borrowers to Convert any Loan into a Eurodollar Loan, or to Continue any Loan as a Eurodollar Loan, in which event all Loans shall be Converted (on the last day(s) of the respective Interest Periods therefor) or Continued, as the case may be, as Base Rate Loans.

2.10 Mandatory Prepayments and Reductions of Commitments.  
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(a) Casualty Events. Upon the date 270 days following the receipt by  
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any Borrower or any of its Subsidiaries of the proceeds of insurance, condemnation award or other compensation in respect of any Casualty Event affecting any Property of any of the Borrowers or any of their Subsidiaries (or upon such earlier date as the Borrowers or any such Subsidiary, as the case may be, shall have determined not to repair or replace the Property affected by such Casualty Event), the Borrowers shall prepay the Loans (and/or provide cover for Letter of Credit Liabilities as specified in paragraph (f) below), and the Commitments shall be subject to automatic reduction, in an aggregate amount, if any, equal to 100% of the Net Available Proceeds of such Casualty Event not theretofore applied (or committed to be applied pursuant to executed construction contracts or equipment orders) to the repair or replacement of such Property, such prepayment to be effected in each case in the manner and to the extent specified in paragraph (e) of this Section 2.10. Notwithstanding the foregoing, the Borrowers shall not be required to make any prepayment (and/or provide cover for Letter of Credit Liabilities) under this paragraph (a), and the Commitments shall not be subject to automatic reduction, until the aggregate amount of the Net Available Proceeds that must be prepaid under this paragraph (a) (reduced by the amount of such Net Available Proceeds that has previously been applied to the prepayment of Loans or reduction of Commitments hereunder as a result of previous Casualty Events) exceeds \$10,000,000.

(b) Excess Cash Flow. Not later than the date 150 days after the end  
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of each fiscal year of the Borrowers (or, if earlier, 30 days after the delivery of the audited financial statements for such fiscal year pursuant to Section 8.01(b) hereof), commencing with the fiscal year ending on December 31, 2002, the Borrowers shall prepay the Loans (and/or provide cover for Letter of Credit Liabilities as specified in paragraph (f) below), and the Commitments shall be subject to automatic reduction, in an aggregate amount equal to the excess of (A) 50% of

Excess Cash Flow for such fiscal year over (B) the aggregate amount of voluntary prepayments of Term Loans and Incremental Facility Loans made during such fiscal year pursuant to Section 2.09 hereof (other than that portion, if any, of such prepayments applied to installments of the Term Loans and Incremental Facility Loans falling due in such fiscal year), such prepayment and reduction to be effected in each case in the manner and to the extent specified in paragraph (e) of this Section 2.10.

(c) Debt Issuances. Upon any Debt Issuance, the Borrowers shall

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prepay the Loans (and/or provide cover for Letter of Credit Liabilities as specified in paragraph (f) below), and the Commitments shall be subject to automatic reduction, in an aggregate amount equal to 100% of the Net Available Proceeds thereof, such prepayment and reduction to be effected in each case in the manner and to the extent specified in paragraph (e) of this Section 2.10.

(d) Sale of Assets. Without limiting the obligation of the Borrowers

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to obtain the consent of the Majority Lenders pursuant to Section 8.05 hereof to any Disposition not otherwise permitted hereunder, in the event that the Net Available Proceeds of any Disposition (herein, the "Current Disposition"), and

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of all prior Dispositions after the date hereof as to which a prepayment has not yet been made under this Section 2.10(d), shall exceed \$10,000,000 then, no later than five Business Days prior to the occurrence of the Current Disposition, the Borrowers will deliver to the Lenders a statement, certified by a Senior Officer, in form and detail satisfactory to the Administrative Agent, of the amount of the Net Available Proceeds of the Current Disposition and of all such prior Dispositions and will prepay the Loans (and/or provide cover for Letter of Credit Liabilities as specified in paragraph (f) below), and the Commitments shall be subject to automatic reduction, in an aggregate amount equal to 100% of the Net Available Proceeds of the Current Disposition and such prior Dispositions, such prepayment and reduction to be effected in each case in the manner and to the extent specified in paragraph (e) of this Section 2.10.

Notwithstanding the foregoing, the Borrowers shall not be required to make a prepayment pursuant to this paragraph (d) with respect to Net Available Proceeds from any Disposition in the event that the Borrowers advise the Administrative Agent at the time the Net Available Proceeds from such Disposition are received that they intend to reinvest such Net Available Proceeds in replacement assets pursuant to an Acquisition so long as

(x) such Net Available Proceeds are either (i) held by the Administrative Agent in the Collateral Account pending such reinvestment, in which event the Administrative Agent need not release such Net Available Proceeds except upon presentation of evidence satisfactory to it that such Net Available Proceeds are to be so reinvested in compliance with the provisions of this Agreement or (ii) applied by the Borrowers to the prepayment of Revolving Credit Loans hereunder (in which event the Borrowers agree to advise the Administrative Agent in writing at the time of such prepayment of Revolving

Credit Loans that such prepayment is being made from the proceeds of a Disposition and that, as contemplated by Section 2.01(a) hereof, a portion of the Revolving Credit Commitments hereunder equal to the amount of such prepayment gives rise to a Reserved Commitment Amount that shall be available hereunder only for purposes of making an acquisition under Section 8.05(d)(iv) hereof),

(y) the Net Available Proceeds from any Disposition are in fact so reinvested within 270 days of such Disposition (it being understood that, in the event Net Available Proceeds from more than one Disposition are paid into the Collateral Account or applied to the prepayment of Revolving Credit Loans as provided in clause (x) above, such Net Available Proceeds shall be deemed to be released (or, as the case may be, Revolving Credit Loans utilizing the Reserved Commitment Amount shall be deemed to be made) in the same order in which such Dispositions occurred and, accordingly, (A) any such Net Available Proceeds so held for more than 270 days shall be forthwith applied to the prepayment of Loans and reductions of Commitments as provided above and (B) any Reserved Commitment Amount that remains so unutilized for more than 270 days shall, subject to the satisfaction of the conditions precedent to such borrowing in Section 6.02 hereof, be utilized through the borrowing by the Borrowers of Revolving Credit Loans the proceeds of which shall be applied to the prepayment of Loans and reductions of Commitments as provided in paragraph (e) of this Section 2.10) and

(z) the aggregate amount of Net Available Proceeds (together with investment earnings thereon) so held at any time by the Administrative Agent pending reinvestment as contemplated by this sentence, together with the aggregate amount of the Reserved Commitment Amount, shall not at any time exceed \$40,000,000 or such greater amount as the Majority Lenders may otherwise agree.

As contemplated by Section 4.01 of the Pledge Agreement, nothing in this paragraph (d) shall be deemed to obligate the Administrative Agent to release any of such proceeds from the Collateral Account to the Borrowers for purposes of reinvestment as aforesaid upon the occurrence and during the continuance of any Event of Default.

(e) Application. Prepayments and reductions of Commitments described

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above in this Section 2.10 shall be applied to the Term Loans and Incremental Facility Loans of each Series then outstanding, and to the reduction of the Revolving Credit Commitments, ratably in accordance with the respective amounts of such Loans and Commitments and shall be applied:

(x) to the prepayment of the respective installments of the Term Loans and Incremental Facility Loans ratably in accordance with the respective principal amounts thereof and

(y) to the extent that, after giving effect to any such reduction of Revolving Credit Commitments, the sum of the aggregate outstanding principal amount of the Revolving Credit Loans and Letter of Credit Liabilities shall exceed the aggregate amount of the Revolving Credit Commitments, to the prepayment of Revolving Credit Loans (and to provide cover for Letter of Credit Liabilities as specified in paragraph (f) below), so that, after giving effect thereto, such sum does not exceed the aggregate amount of the Revolving Credit Commitments.

(f) Cover for Letter of Credit Liabilities. In the event that the

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Borrowers shall be required pursuant to this Section 2.10, to provide cover for Letter of Credit Liabilities, the Borrowers shall effect the same by paying to the Administrative Agent immediately available funds in an amount equal to the required amount, which funds shall be retained by the Administrative Agent in the Collateral Account (as provided therein as collateral security in the first instance for the Letter of Credit Liabilities) until such time as the Letters of Credit shall have been terminated and all of the Letter of Credit Liabilities paid in full.

(g) Change in Commitments. If at any time the aggregate outstanding

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amount of Revolving Credit Loans and Letter of Credit Liabilities exceeds the aggregate amount of the Revolving Credit Commitments then in effect, the Borrowers shall prepay the Revolving Credit Loans (and/or provide cover for Letter of Credit Liabilities as specified in paragraph (f) above) in such amounts as shall be necessary so that after giving effect to such prepayment (and cover), the aggregate outstanding amount of the Revolving Credit Loans and Letter of Credit Liabilities does not exceed the aggregate amount of the Revolving Credit Commitments, provided that any such prepayment shall be

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accompanied by any amounts payable under Section 5.05 hereof.

Section 3. Payments of Principal and Interest.

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3.01 Repayment of Loans.

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(a) The Borrowers hereby jointly and severally promise to pay to the Administrative Agent for account of each Lender the entire outstanding principal amount of such Lender's Revolving Credit Loans, and each Revolving Credit Loan shall mature, on the Revolving Credit Commitment Termination Date. In addition, if following any Revolving Credit Commitment Reduction Date the aggregate principal amount of the Revolving Credit Loans shall exceed the Revolving Credit Commitments, the Borrowers shall pay Revolving Credit Loans, and provide cover for Letter of Credit Liabilities as specified in Section 2.10(f), in an aggregate amount equal to such excess.

(b) Subject to the last sentence of this Section 3.01(b), the Borrowers hereby jointly and severally promise to pay to the Administrative Agent for account of the Term Loan



Lenders the principal of the Term Loans in twenty-five consecutive quarterly installments payable on the Principal Payment Dates as follows:

Principal Payment Date	Amount of Installment (\$)
September 30, 2002	\$ 250,000
December 31, 2002	\$ 250,000
March 31, 2003	\$ 250,000
June 30, 2003	\$ 250,000
September 30, 2003	\$ 250,000
December 31, 2003	\$ 250,000
March 31, 2004	\$ 250,000
June 30, 2004	\$ 250,000
September 30, 2004	\$ 250,000
December 31, 2004	\$ 250,000
March 31, 2005	\$ 250,000
June 30, 2005	\$ 250,000
September 30, 2005	\$ 250,000
December 31, 2005	\$ 250,000
March 31, 2006	\$ 250,000
June 30, 2006	\$ 250,000
September 30, 2006	\$ 250,000
December 31, 2006	\$ 250,000
March 31, 2007	\$ 250,000
June 30, 2007	\$ 250,000
September 30, 2007	\$ 250,000
December 31, 2007	\$ 250,000
March 31, 2008	\$ 250,000
June 30, 2008	\$ 250,000
September 30, 2008	\$94,000,000

If Mediacom does not refinance its 1998 Senior Notes prior to March 31, 2007, with new Indebtedness having a maturity no earlier than two years after the payment of all amounts due under this Agreement and on terms satisfactory to the Administrative Agent and the Majority

Lenders, the entire outstanding principal amount of the Term Loans shall be payable on September 30, 2007.

(c) The Borrowers hereby jointly and severally promise to pay to the Administrative Agent for account of the Incremental Facility Lenders of any Series the principal of the Incremental Facility Loans of such Series on the respective Principal Payment Dates agreed upon between the Borrowers and such Incremental Facility Lenders pursuant to Section 2.01(c) hereof at the time such Lenders become obligated to make such Incremental Facility Loans hereunder.

3.02 Interest. The Borrowers hereby jointly and severally promise to  
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pay to the Administrative Agent for account of each Lender interest on the unpaid principal amount of each Loan made by such Lender for the period from and including the date of such Loan to but excluding the date such Loan shall be paid in full, at the following rates per annum:

(a) during such periods as such Loan is a Base Rate Loan, the Base Rate (as in effect from time to time) plus the Applicable Margin and  
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(b) during such periods as such Loan is a Eurodollar Loan, for each Interest Period relating thereto, the Eurodollar Rate for such Loan for such Interest Period plus the Applicable Margin.  
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Notwithstanding the foregoing, the Borrowers jointly and severally promise to pay to the Administrative Agent for account of each Lender interest at the applicable Post-Default Rate on any principal of any Loan made by such Lender, on any Reimbursement Obligation held by such Lender and on any other amount payable by the Borrowers hereunder to or for account of such Lender, that shall not be paid in full when due (whether at stated maturity, by acceleration, by mandatory prepayment or otherwise), for the period from and including the due date thereof to but excluding the date the same is paid in full. Accrued interest on each Loan shall be payable (i) in the case of a Base Rate Loan, quarterly on the Quarterly Dates, (ii) in the case of a Eurodollar Loan, on the last day of each Interest Period therefor and, if such Interest Period is longer than three months, at three-month intervals following the first day of such Interest Period, (iii) in the case of any Eurodollar Loan, upon the payment, prepayment or Conversion thereof (but only on the principal amount so paid, prepaid or Converted) and (iv) in the case of all Loans, upon the payment or prepayment in full of the principal of the Loans, and the termination of the Commitments, hereunder, except that interest payable at the Post-Default Rate shall be payable from time to time on demand. Promptly after the determination of any interest rate provided for herein or any change therein, the Administrative Agent shall give notice thereof to the Lenders to which such interest is payable and to the Borrowers.

3.03 Determination of Applicable Margin.

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(a) The Applicable Margin for the period from the Closing Date to the date of the Triax Acquisition shall be determined based upon the certificate delivered pursuant to Section 6.01(1) hereof. The Applicable Margin for the period from and including the date of the Triax Acquisition to the day prior to the first Quarterly Date occurring after the date of the Triax Acquisition shall be determined based upon a Rate Ratio Certificate (computed on a pro forma basis, after giving effect to the borrowings to be made in connection with the Triax Acquisition), which Rate Ratio Certificate shall be delivered three or more days prior to the date of the Triax Acquisition. Thereafter, the Applicable Margin for each Quarterly Payment Period shall be determined based upon a Rate Ratio Certificate for such Quarterly Payment Period delivered by the Borrowers to the Lenders and the Administrative Agent under this Section 3.03. If the Rate Ratio Certificate for any Quarterly Payment Period is delivered to the Administrative Agent three or more days prior to the first day of such Quarterly Payment Period, any adjustment in the Applicable Margin required to be made, as shown in such Rate Ratio Certificate, shall be effective on the first day of such Quarterly Payment Period.

(b) If the Rate Ratio Certificate for any Quarterly Payment Period (or for the period from and including the date of the Triax Acquisition to the first Quarterly Payment Period occurring after the date of the Triax Acquisition) is delivered by the Borrowers to the Administrative Agent later than three days prior to the commencement of such Quarterly Payment Period (or the Triax Acquisition), then (i) any decrease in the Applicable Margin for such Quarterly Payment Period (or such period) shall not become effective on the first day of such Quarterly Payment Period (or such period) but shall instead become effective on the third day following receipt by the Administrative Agent of such Rate Ratio Certificate and (ii) any increase in the Applicable Margin for such Quarterly Payment Period (or such period) shall become effective retroactively from the first day of such Quarterly Payment Period (or such period).

(c) If it shall be determined at any time, on the basis of a certificate of a Senior Officer delivered pursuant to the last sentence of Section 8.01 hereof, that the Applicable Margin then in effect for the current Quarterly Payment Period, or any previous Quarterly Payment Period, is or was incorrect, and that a correction would have the effect of increasing the Applicable Margin, then the Applicable Margin shall be so increased effective retroactively from the first day of such Quarterly Payment Period, provided that

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in the event such certificate for any fiscal quarter is not delivered to the Lenders pursuant to said Section 8.01 within 60 days of the end of such fiscal quarter, then, unless the Borrowers shall deliver such certificate within 10 days after notice of such non-delivery shall be given by any Lender or the Administrative Agent to the Borrowers, the Applicable Margin for such Quarterly Payment Period shall be deemed to be the highest Applicable Margin provided for in the definition of such term in Section 1.01 hereof.

(d) In the event of any retroactive increase in the Applicable Margin for any Quarterly Payment Period pursuant to paragraph (a), (b) or (c) above, the amount of interest in respect of any Loan outstanding during all or any portion of such Quarterly Payment Period shall be recalculated using the Applicable Margin as so increased. On the Business Day immediately following receipt by the Borrowers of notice from the Administrative Agent of such increase, the Borrowers shall pay to the Administrative Agent, for account of the Lenders, an amount equal to the difference between (i) the amount of interest previously paid or payable by the Borrowers in respect of such Loan for such Quarterly Payment Period and (ii) the amount of interest in respect of such Loan as so recalculated for such Quarterly Payment Period.

Section 4. Payments; Pro Rata Treatment; Computations; Etc.  
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4.01 Payments.  
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(a) Except to the extent otherwise provided herein, all payments of principal, interest, Reimbursement Obligations and other amounts to be made by the Borrowers under this Agreement, and except to the extent otherwise provided therein, all payments to be made by the Borrowers under any other Loan Document shall be made in Dollars, in immediately available funds, without deduction, set-off or counterclaim, to the Administrative Agent at an account designated by the Administrative Agent to the Borrowers, not later than 1:00 p.m. New York time on the date on which such payment shall become due (each such payment made after such time on such due date to be deemed to have been made on the next succeeding Business Day).

(b) Any Lender for whose account any such payment is to be made may (but shall not be obligated to) debit the amount of any such payment that is not made by such time to any ordinary deposit account of the Borrowers with such Lender (with notice to the Borrowers and the Administrative Agent), provided -----  
that such Lender's failure to give such notice shall not affect the validity thereof.

(c) The Borrowers shall, at the time of making each payment under this Agreement for account of any Lender, specify to the Administrative Agent (which shall so notify the intended recipient(s) thereof) the Loans, Reimbursement Obligations or other amounts payable by the Borrowers hereunder to which such payment is to be applied (and in the event that the Borrowers fail to so specify, or if an Event of Default has occurred and is continuing, the Administrative Agent may distribute such payment to the Lenders for application in such manner as it or the Majority Lenders, subject to Section 4.02 hereof, may determine to be appropriate).

(d) Except to the extent otherwise provided in the last sentence of Section 2.03(e) hereof, each payment received by the Administrative Agent under this Agreement for account of any Lender shall be paid by the Administrative Agent promptly to such Lender, in immediately

available funds, for account of such Lender's Applicable Lending Office for the Loan or other obligation in respect of which such payment is made.

(e) If the due date of any payment under this Agreement would otherwise fall on a day that is not a Business Day, such date shall be extended to the next succeeding Business Day, and interest shall be payable for any principal so extended for the period of such extension.

4.02 Pro Rata Treatment. Except to the extent otherwise provided

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herein:

(a) each borrowing of Loans of a particular Class (including of a particular Series of Incremental Facility Loans) from the Lenders under Section 2.01 hereof shall be made from the relevant Lenders, each payment of commitment fee under Section 2.05 hereof in respect of Commitments of a particular Class shall be made for account of the relevant Lenders, and each termination or reduction of the amount of the Commitments of a particular Class under Section 2.04 hereof shall be applied to the respective Commitments of such Class of the relevant Lenders, pro rata according to the amounts of their respective Commitments of such Class;

(b) except as otherwise provided in Section 5.04 hereof, Eurodollar Loans of any Class (including of a particular Series of Incremental Facility Loans) having the same Interest Period shall be allocated pro rata among the relevant Lenders according to the amounts of their respective Revolving Credit, Term Loan and Incremental Facility Loan Commitments of the relevant Series (in the case of the making of Loans) or their respective Revolving Credit, Term and Incremental Facility Loans of the relevant Series (in the case of Conversions and Continuations of Loans);

(c) each payment or prepayment of principal of Revolving Credit, Term and Incremental Facility Loans by the Borrowers shall be made for account of the relevant Lenders pro rata in accordance with the respective unpaid principal amounts of the Loans of such Class held by them; and

(d) each payment of interest on Revolving Credit, Term and Incremental Facility Loans by the Borrowers shall be made for account of the relevant Lenders pro rata in accordance with the amounts of interest on such Loans then due and payable to the respective Lenders.

4.03 Computations. Interest on Eurodollar Loans shall be computed on

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the basis of a year of 360 days and actual days elapsed (including the first day but excluding the last day) occurring in the period for which payable and interest on Base Rate Loans and Reimbursement Obligations, commitment fee and letter of credit fees shall be computed on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed (including the first day but, except

as otherwise provided in Section 2.03(g) hereof, excluding the last day) occurring in the period for which payable. Notwithstanding the foregoing, for each day that the Base Rate is calculated by reference to the Federal Funds Rate, interest on Base Rate Loans shall be computed on the basis of a year of 360 days and actual days elapsed.

4.04 Minimum Amounts. Except for mandatory prepayments made pursuant

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to Section 2.10 hereof and Conversions or prepayments made pursuant to Section 5.04 hereof, each borrowing, Conversion and partial prepayment of principal of Base Rate Loans (other than prepayments of Term Loans, as to which the provisions of Section 2.09(c) hereof shall apply) shall be in an aggregate amount at least equal to \$100,000 or a larger multiple of \$100,000 and each borrowing, Conversion and partial prepayment of Eurodollar Loans (other than prepayments of Term Loans, as to which the provisions of Section 2.09(c) hereof shall apply) shall be in an aggregate amount at least equal to \$3,000,000 or a larger multiple of \$500,000 (borrowings, Conversions or prepayments of or into Loans of different Types or, in the case of Eurodollar Loans, having different Interest Periods at the same time hereunder to be deemed separate borrowings, Conversions and prepayments for purposes of the foregoing, one for each Type or Interest Period). If any Eurodollar Loans would otherwise be in a lesser principal amount for any period, such Loans shall be Base Rate Loans during such period.

4.05 Certain Notices. Notices by the Borrowers to the Administrative

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Agent of terminations or reductions of the Commitments, of borrowings, Conversions, Continuations and optional prepayments of Loans and of Classes of Loans, of Types of Loans and of the duration of Interest Periods shall be irrevocable and shall be effective only if received by the Administrative Agent not later than 1:00 p.m. New York time on the number of Business Days prior to the date of the relevant termination, reduction, borrowing, Conversion, Continuation or prepayment or the first day of such Interest Period specified below:

Notice -----	Number of Business Days Prior -----
Termination or reduction of Commitments	3
Borrowing or prepayment of, or Conversions into, Base Rate Loans	1
Borrowing or prepayment of, Conversions into, Continuations as, or duration of Interest Period for, Eurodollar Loans	3

Each such notice of termination or reduction shall specify the amount and the Class of the Commitments to be terminated or reduced. Each such notice of borrowing, Conversion, Continuation or optional prepayment shall specify the Class of Loans (including, if applicable, the particular Series of Incremental Facility Loans) to be borrowed, Converted, Continued or prepaid and the amount (subject to Section 4.04 hereof) and Type of each Loan to be borrowed, Converted, Continued or prepaid and the date of borrowing, Conversion, Continuation or optional prepayment (which shall be a Business Day). Each such notice of the duration of an Interest Period shall specify the Loans to which such Interest Period is to relate.

The Administrative Agent shall promptly notify the Lenders of the contents of each such notice. In the event that the Borrowers fail to select the Type of Loan, or the duration of any Interest Period for any Eurodollar Loan, within the time period and otherwise as provided in this Section 4.05, such Loan (if outstanding as a Eurodollar Loan) will be automatically Converted into a Base Rate Loan on the last day of the then current Interest Period for such Loan or (if outstanding as a Base Rate Loan) will remain as, or (if not then outstanding) will be made as, a Base Rate Loan.

4.06 Non-Receipt of Funds by the Administrative Agent. Unless the  
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Administrative Agent shall have been notified by a Lender or the Borrowers (the "Payor") prior to the date on which the Payor is to make payment to the  
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Administrative Agent of (in the case of a Lender) the proceeds of a Loan to be made by such Lender hereunder or (in the case of the Borrowers) a payment to the Administrative Agent for account of one or more of the Lenders hereunder (such payment being herein called the "Required Payment"), which notice shall be  
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effective upon receipt, that the Payor does not intend to make the Required Payment to the Administrative Agent, the Administrative Agent may assume that the Required Payment has

been made and may, in reliance upon such assumption (but shall not be required to), make the amount thereof available to the intended recipient(s) on such date; and, if the Payor has not in fact made the Required Payment to the Administrative Agent, the recipient(s) of such payment shall, on demand, repay to the Administrative Agent the amount so made available together with interest thereon in respect of each day during the period commencing on the date (the "Advance Date") such amount was so made available by the Administrative Agent

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until the date the Administrative Agent recovers such amount at a rate per annum equal to the Federal Funds Rate for such day and, if such recipient(s) shall fail promptly to make such payment, the Administrative Agent shall be entitled to recover such amount, on demand, from the Payor, together with interest as aforesaid, provided that if neither the recipient(s) nor the Payor shall return

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the Required Payment to the Administrative Agent within three Business Days of the Advance Date, then, retroactively to the Advance Date, the Payor and the recipient(s) shall each be obligated to pay interest on the Required Payment as follows:

(i) if the Required Payment shall represent a payment to be made by the Borrowers to the Lenders, the Borrowers and the recipient(s) shall each be obligated retroactively to the Advance Date to pay interest in respect of the Required Payment at the Post-Default Rate (without duplication of the obligation of the Borrowers under Section 3.02 hereof to pay interest on the Required Payment at the Post-Default Rate), it being understood that the return by the recipient(s) of the Required Payment to the Administrative Agent shall not limit such obligation of the Borrowers under said Section 3.02 to pay interest at the Post-Default Rate in respect of the Required Payment and

(ii) if the Required Payment shall represent proceeds of a Loan to be made by the Lenders to the Borrowers, the Payor and the Borrowers shall each be obligated retroactively to the Advance Date to pay interest in respect of the Required Payment pursuant to whichever of the rates specified in Section 3.02 hereof is applicable to the Type of such Loan, it being understood that the return by the Borrowers of the Required Payment to the Administrative Agent shall not limit any claim the Borrowers may have against the Payor in respect of such Required Payment.

4.07 Sharing of Payments, Etc.  
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(a) Each Borrower agrees that, in addition to (and without limitation of) any right of set-off, banker's lien or counterclaim a Lender may otherwise have, each Lender shall be entitled, at its option (to the fullest extent permitted by law), to set off and apply any deposit (general or special, time or demand, provisional or final), or other indebtedness, held by it for the credit or account of such Borrower at any of its offices, in Dollars or in any other currency, against any principal of or interest on any of such Lender's Loans, Reimbursement Obligations or any other amount payable to such Lender hereunder, that is not paid when due (regardless of



whether such deposit or other indebtedness are then due to such Borrower), in which case it shall promptly notify such Borrower and the Administrative Agent thereof, provided that such Lender's failure to give such notice shall not

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affect the validity thereof.

(b) If any Lender shall obtain from any Borrower payment of any principal of or interest on any Loan of any Class or Letter of Credit Liability owing to it or payment of any other amount under this Agreement or any other Loan Document through the exercise of any right of set-off, banker's lien or counterclaim or similar right or otherwise (other than from the Administrative Agent as provided herein), and, as a result of such payment, such Lender shall have received a greater percentage of the principal of or interest on the Loans of such Class or Letter of Credit Liabilities or such other amounts then due hereunder or thereunder by such Borrower to such Lender than the percentage received by any other Lender, it shall promptly purchase from such other Lenders participations in (or, if and to the extent specified by such Lender, direct interests in) the Loans of such Class or Letter of Credit Liabilities or such other amounts, respectively, owing to such other Lenders (or in interest due thereon, as the case may be) in such amounts, and make such other adjustments from time to time as shall be equitable, to the end that all the Lenders shall share the benefit of such excess payment (net of any expenses that may be incurred by such Lender in obtaining or preserving such excess payment) pro rata in accordance with the unpaid principal of and/or interest on the Loans of such Class or Letter of Credit Liabilities or such other amounts, respectively, owing to each of the Lenders. To such end all the Lenders shall make appropriate adjustments among themselves (by the resale of participations sold or otherwise) if such payment is rescinded or must otherwise be restored.

(c) Each Borrower agrees that any Lender so purchasing such a participation (or direct interest) may exercise all rights of set-off, banker's lien, counterclaim or similar rights with respect to such participation as fully as if such Lender were a direct holder of Loans or other amounts (as the case may be) owing to such Lender in the amount of such participation.

(d) Nothing contained herein shall require any Lender to exercise any such right or shall affect the right of any Lender to exercise, and retain the benefits of exercising, any such right with respect to any other indebtedness or obligation of the Borrowers. If, under any applicable bankruptcy, insolvency or other similar law, any Lender receives a secured claim in lieu of a set-off to which this Section 4.07 applies, such Lender shall, to the extent practicable, exercise its rights in respect of such secured claim in a manner consistent with the rights of the Lenders entitled under this Section 4.07 to share in the benefits of any recovery on such secured claim.

Section 5. Yield Protection, Etc.  
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5.01 Additional Costs.  
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(a) The Borrowers shall pay directly to each Lender from time to time such amounts as such Lender may determine to be necessary to compensate such Lender for any costs that such Lender determines are attributable to its making or maintaining of any Eurodollar Loans or its obligation to make any Eurodollar Loans hereunder, or any reduction in any amount receivable by such Lender hereunder in respect of any of such Loans or such obligation (such increases in costs and reductions in amounts receivable being herein called "Additional Costs"), resulting from any Regulatory Change that:  
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(i) shall subject any Lender (or its Applicable Lending Office for any of such Loans) to any tax, duty or other charge in respect of such Loans or changes the basis of taxation of any amounts payable to such Lender under this Agreement in respect of any of such Loans (excluding changes in the rate of tax on the overall net income of such Lender or of such Applicable Lending Office by the jurisdiction in which such Lender has its principal office or such Applicable Lending Office); or

(ii) imposes or modifies any reserve, special deposit or similar requirements (other than the Reserve Requirement utilized in the determination of the Eurodollar Rate for such Loan) relating to any extensions of credit or other assets of, or any deposits with or other liabilities of, such Lender (including, without limitation, any of such Loans or any deposits referred to in the definition of "Eurodollar Base Rate" in Section 1.01 hereof), or any commitment of such Lender (including, without limitation, the Commitments of such Lender hereunder); or

(iii) imposes any other condition affecting this Agreement (or any of such extensions of credit or liabilities) or its Commitments.

If any Lender requests compensation from the Borrowers under this Section 5.01(a), the Borrowers may, by notice to such Lender (with a copy to the Administrative Agent), suspend the obligation of such Lender thereafter to make or Continue Eurodollar Loans, or to Convert Base Rate Loans into Eurodollar Loans, until the Regulatory Change giving rise to such request ceases to be in effect (in which case the provisions of Section 5.04 hereof shall be applicable), provided that such suspension shall not affect the right of such  
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Lender to receive the compensation so requested.

(b) Without limiting the effect of the foregoing provisions of this Section 5.01 (but without duplication), the Borrowers shall pay directly to each Lender from time to time on

request such amounts as such Lender may determine to be necessary to compensate such Lender (or, without duplication, the bank holding company of which such Lender is a subsidiary) for any costs that it determines are attributable to the maintenance by such Lender (or any Applicable Lending Office or such bank holding company), pursuant to any law or regulation or any interpretation, directive or request (whether or not having the force of law and whether or not failure to comply therewith would be unlawful) of any court or governmental or monetary authority (i) following any Regulatory Change or (ii) implementing any risk-based capital guideline or other requirement (whether or not having the force of law and whether or not the failure to comply therewith would be unlawful) hereafter issued by any government or governmental or supervisory authority implementing at the national level the Basle Accord, of capital in respect of its Commitments or Loans (such compensation to include, without limitation, an amount equal to any reduction of the rate of return on assets or equity of such Lender (or any Applicable Lending Office or such bank holding company) to a level below that which such Lender (or any Applicable Lending Office or such bank holding company) could have achieved but for such law, regulation, interpretation, directive or request).

(c) Each Lender shall notify the Borrowers of any event occurring after the date hereof entitling such Lender to compensation under paragraph (a) or (b) of this Section 5.01 as promptly as practicable, but in any event within 45 days, after such Lender obtains actual knowledge thereof; provided that (i)

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if any Lender fails to give such notice within 45 days after it obtains actual knowledge of such an event, such Lender shall, with respect to compensation payable pursuant to this Section 5.01 in respect of any costs resulting from such event, only be entitled to payment under this Section 5.01 for costs incurred from and after the date 45 days prior to the date that such Lender does give such notice and (ii) each Lender will designate a different Applicable Lending Office for the Loans of such Lender affected by such event if such designation will avoid the need for, or reduce the amount of, such compensation and will not, in the sole opinion of such Lender, be disadvantageous to such Lender, except that such Lender shall have no obligation to designate an Applicable Lending Office located in the United States of America. Each Lender will furnish to the Borrowers a certificate setting forth the basis and amount of each request by such Lender for compensation under paragraph (a) or (b) of this Section 5.01. Determinations and allocations by any Lender for purposes of this Section 5.01 of the effect of any Regulatory Change pursuant to paragraph (a) of this Section 5.01, or of the effect of capital maintained pursuant to paragraph (b) of this Section 5.01, on its costs or rate of return of maintaining Loans or its obligation to make Loans, or on amounts receivable by it in respect of Loans, and of the amounts required to compensate such Lender under this Section 5.01, shall be conclusive, provided that such determinations

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and allocations are made on a reasonable basis.

5.02 Limitation on Types of Loans. Anything herein to the contrary

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notwithstanding, if, on or prior to the determination of any Eurodollar Base Rate for any Interest Period:

(a) the Administrative Agent determines, which determination shall be conclusive, that quotations of interest rates for the relevant deposits referred to in the definition of "Eurodollar Base Rate" in Section 1.01 hereof are not being provided in the relevant amounts or for the relevant maturities for purposes of determining rates of interest for Eurodollar Loans as provided herein; or

(b) if the related Loans are Revolving Credit Loans, the Majority Revolving Credit Lenders, if the related Loans are Term Loans, the Majority Term Loan Lenders, or if the related Loans are Incremental Facility Loans of any Series, the Majority Incremental Facility Lenders of such Series determine, which determination shall be conclusive, and notify the Administrative Agent that the relevant rates of interest referred to in the definition of "Eurodollar Base Rate" in Section 1.01 hereof upon the basis of which the rate of interest for Eurodollar Loans for such Interest Period is to be determined are not likely adequately to cover the cost to such Lenders of making or maintaining Eurodollar Loans for such Interest Period;

then the Administrative Agent shall give the Borrowers and each Lender prompt notice thereof and, so long as such condition remains in effect, the Lenders shall be under no obligation to make additional Eurodollar Loans, to Continue Eurodollar Loans or to Convert Base Rate Loans into Eurodollar Loans, and the Borrowers shall, on the last day(s) of the then current Interest Period(s) for the outstanding Eurodollar Loans, either prepay such Loans or Convert such Loans into Base Rate Loans in accordance with Section 2.09 hereof.

5.03 Illegality. Notwithstanding any other provision of this

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Agreement, in the event that it becomes unlawful for any Lender or its Applicable Lending Office to honor its obligation to make or maintain Eurodollar Loans hereunder (and, in the sole opinion of such Lender, the designation of a different Applicable Lending Office would either not avoid such unlawfulness or would be disadvantageous to such Lender), then such Lender shall promptly notify the Borrowers thereof (with a copy to the Administrative Agent) and such Lender's obligation to make or Continue, or to Convert Loans of any other Type into, Eurodollar Loans shall be suspended until such time as such Lender may again make and maintain Eurodollar Loans (in which case the provisions of Section 5.04 hereof shall be applicable).

5.04 Treatment of Affected Loans. If the obligation of any Lender to

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make Eurodollar Loans of any Class or to Continue, or to Convert Base Rate Loans into, Eurodollar Loans of any Class shall be suspended pursuant to Section 5.01 or 5.03 hereof, such Lender's Eurodollar Loans of such Class shall be automatically Converted into Base Rate Loans of such

Class on the last day(s) of the then current Interest Period(s) for Eurodollar Loans (or, in the case of a Conversion resulting from a circumstance described in Section 5.03 hereof, on such earlier date as such Lender may specify to the Borrowers with a copy to the Administrative Agent) and, unless and until such Lender gives notice as provided below that the circumstances specified in Section 5.01 or 5.03 hereof that gave rise to such Conversion no longer exist:

(a) to the extent that such Lender's Eurodollar Loans of such Class have been so Converted, all payments and prepayments of principal that would otherwise be applied to such Lender's Eurodollar Loans of such Class shall be applied instead to its Base Rate Loans of such Class; and

(b) all Loans of such Class that would otherwise be made or Continued by such Lender as Eurodollar Loans shall be made or Continued instead as Base Rate Loans, and all Base Rate Loans of such Class of such Lender that would otherwise be Converted into Eurodollar Loans shall remain as Base Rate Loans.

If such Lender gives notice to the Borrowers with a copy to the Administrative Agent that the circumstances specified in Section 5.01 or 5.03 hereof that gave rise to the Conversion of such Lender's Eurodollar Loans pursuant to this Section 5.04 no longer exist (which such Lender agrees to do promptly upon such circumstances ceasing to exist) at a time when Eurodollar Loans of the same Class made by other Lenders are outstanding, such Lender's Base Rate Loans of such Class shall be automatically Converted, on the first day(s) of the next succeeding Interest Period(s) for such outstanding Eurodollar Loans, to the extent necessary so that, after giving effect thereto, all Base Rate and Eurodollar Loans of such Class are allocated among the Lenders ratably (as to principal amounts, Types and Interest Periods) in accordance with their respective Commitments of such Class.

5.05 Compensation. The Borrowers shall pay to the Administrative Agent

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for account of each Lender, upon the request of such Lender through the Administrative Agent, such amount or amounts as shall be sufficient (in the reasonable opinion of such Lender) to compensate it for any loss, cost or expense that such Lender determines is attributable to:

(a) any payment, mandatory or optional prepayment or Conversion of a Eurodollar Loan made by such Lender for any reason (including, without limitation, the acceleration of the Loans pursuant to Section 9 hereof) on a date other than the last day of the Interest Period for such Loan; or

(b) any failure by the Borrowers for any reason (including, without limitation, the failure of any of the conditions precedent specified in Section 6 hereof to be satisfied) to borrow a Eurodollar Loan from such Lender on the date for such borrowing specified in the relevant notice of borrowing given pursuant to Section 2.02 hereof.

Without limiting the effect of the preceding sentence, such compensation shall include an amount equal to the excess, if any, of (i) the amount of interest that otherwise would have accrued on the principal amount so paid, prepaid, Converted or not borrowed for the period from the date of such payment, prepayment, Conversion or failure to borrow to the last day of the then current Interest Period for such Loan (or, in the case of a failure to borrow, the Interest Period for such Loan that would have commenced on the date specified for such borrowing) at the applicable rate of interest for such Loan provided for herein over (ii) the amount of interest that otherwise would have accrued on such principal amount at a rate per annum equal to the interest component of the amount such Lender would have bid in the London interbank market for Dollar deposits of leading banks in amounts comparable to such principal amount and with maturities comparable to such period (as reasonably determined by such Lender).

5.06 Additional Costs in Respect of Letters of Credit. Without

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limiting the obligations of the Borrowers under Section 5.01 hereof (but without duplication), if as a result of any Regulatory Change or any risk-based capital guideline or other requirement heretofore or hereafter issued by any government or governmental or supervisory authority implementing at the national level the Basle Accord there shall be imposed, modified or deemed applicable any tax, reserve, special deposit, capital adequacy or similar requirement against or with respect to or measured by reference to Letters of Credit issued or to be issued hereunder and the result shall be to increase the cost to any Lender or Lenders of issuing (or purchasing participations in) or maintaining its obligation hereunder to issue (or purchase participations in) any Letter of Credit hereunder or reduce any amount receivable by any Lender hereunder in respect of any Letter of Credit (which increases in cost, or reductions in amount receivable, shall be the result of such Lender's or Lenders' reasonable allocation of the aggregate of such increases or reductions resulting from such event), then, upon demand by such Lender or Lenders (through the Administrative Agent), the Borrowers shall pay immediately to the Administrative Agent for account of such Lender or Lenders, from time to time as specified by such Lender or Lenders (through the Administrative Agent), such additional amounts as shall be sufficient to compensate such Lender or Lenders (through the Administrative Agent) for such increased costs or reductions in amount. A statement as to such increased costs or reductions in amount incurred by any such Lender or Lenders, submitted by such Lender or Lenders to the Borrowers shall be conclusive in the absence of manifest error as to the amount thereof.

5.07 U.S. Taxes.

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(a) The Borrowers jointly and severally agree to pay to each Lender that is not a U.S. Person such additional amounts as are necessary in order that the net payment of any amount due to such non-U.S. Person hereunder after deduction for or withholding in respect of any U.S. Taxes imposed with respect to such payment (or in lieu thereof, payment of such U.S. Taxes by such non-U.S. Person), will not be less than the amount stated herein to be then

due and payable, provided that the foregoing obligation to pay such additional  
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amounts shall not apply:

(i) if such Lender is a "bank" within the meaning of Section 881(c)(3)(A) of the Code, to any payment to any Lender hereunder unless such Lender is, on the date hereof (or on the date it becomes a Lender hereunder as provided in Section 11.06(b) hereof) and on the date of any change in the Applicable Lending Office of such Lender, either entitled to submit a Form 1001 (relating to such Lender and entitling it to a complete exemption from withholding on all interest to be received by it hereunder in respect of the Loans) or a Form 4224 (relating to all interest to be received by such Lender hereunder in respect of the Loans), or (B) if such Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code and is entitled to claim exemption from U.S. Federal withholding tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest", a Form W-8, or any subsequent versions thereof or successors thereto (and, if such Non-U.S. Lender delivers a Form W-8, a certificate representing that such Non-U.S. Lender is not a bank for purposes of Section 881(c) of the Code, is not a 10-percent shareholder (within the meaning of Section 864(d)(4) of the Code)), properly completed and duly executed by such Non-U.S. Lender claiming complete exemption from, or a reduced rate of, U.S. Federal withholding tax on payments of interest by the Borrower under this Agreement and the other Loan Documents, or

(ii) to any U.S. Taxes imposed solely by reason of the failure by such non-U.S. Person (or, if such non-U.S. Person is not the beneficial owner of the relevant Loan, such beneficial owner) to comply with applicable certification, information, documentation or other reporting requirements concerning the nationality, residence, identity or connections with the United States of America of such non-U.S. Person (or beneficial owner, as the case may be) if such compliance is required by statute or regulation of the United States of America as a precondition to relief or exemption from such U.S. Taxes.

For the purposes of this Section 5.06(a), (A) "Form 1001" shall mean Form 1001  
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(Ownership, Exemption, or Reduced Rate Certificate) of the Department of the Treasury of the United States of America and (B) "Form 4224" shall mean Form

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4224 (Exemption from Withholding of Tax on Income Effectively Connected with the Conduct of a Trade or Business in the United States) of the Department of the Treasury of the United States of America (or in relation to either such Form such successor and related forms (including Form W-8EC1 or Form W-8BEN) as may from time to time be adopted by the relevant taxing authorities of the United States of America to document a claim to which such Form relates).

(b) Within 30 days after paying any amount to the Administrative Agent or any Lender from which it is required by law to make any deduction or withholding, and within 30 days after it is required by law to remit such deduction or withholding to any relevant taxing or other authority, the Borrowers shall deliver to the Administrative Agent for delivery to such non-U.S. Person evidence satisfactory to such Person of such deduction, withholding or payment (as the case may be).

5.08 Replacement of Lenders. If any Lender requests compensation

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pursuant to Section 5.01, 5.06 or 5.07 hereof, or any Lender's obligation to make or Continue, or to Convert Loans of any Type into, the other Type of Loan shall be suspended pursuant to Section 5.01 or 5.03 hereof (any such Lender requesting such compensation being herein called a "Requesting Lender"), the  
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Borrowers, upon three Business Days notice, may require that such Requesting Lender transfer all of its right, title and interest under this Agreement to any bank or other financial institution (a "Proposed Lender") identified by the  
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Borrowers that is reasonably satisfactory to the Administrative Agent (i) if such Proposed Lender agrees to assume all of the obligations of such Requesting Lender hereunder, and to purchase all of such Requesting Lender's Loans hereunder for consideration equal to the aggregate outstanding principal amount of such Requesting Lender's Loans, together with interest thereon to the date of such purchase, and satisfactory arrangements are made for payment to such Requesting Lender of all other amounts payable hereunder to such Requesting Lender on or prior to the date of such transfer (including any fees accrued hereunder and any amounts that would be payable under Section 5.05 hereof, as if all of such Requesting Lender's Loans were being prepaid in full on such date) and (ii) if such Requesting Lender has requested compensation pursuant to said Section 5.01, 5.06 or 5.07 hereof, such Proposed Lender's aggregate requested compensation, if any, pursuant to said Section 5.01, 5.06 or 5.07 with respect to such Requesting Lender's Loans is lower than that of the Requesting Lender. Subject to the provisions of Section 11.06(b) hereof, such Proposed Lender shall be a "Lender" for all purposes hereunder. Without prejudice to the survival of any other agreement of the Borrowers hereunder the agreements of the Borrowers contained in Sections 5.01, 5.06, 5.07 and 11.03 hereof (without duplication of any payments made to such Requesting Lender by the Borrowers or the Proposed Lender) shall survive for the benefit of such Requesting Lender under this Section 5.08 with respect to the time prior to such replacement.

Section 6. Conditions Precedent.

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6.01 Initial Extension of Credit. The obligation of any Lender to make

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its initial extension of credit hereunder (whether by making a Loan or issuing a Letter of Credit) is subject to the conditions precedent that (i) such extension of credit shall occur on or before September 30, 1999 and (ii) the Administrative Agent shall have received the following documents (with, in the case of clauses (a), (b), (c) and (d) below, sufficient copies for each Lender), each of which



shall be satisfactory to the Administrative Agent (and to the extent specified below, to each Lender) in form and substance:

(a) Organizational Documents. Certified copies of the Operating  
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Agreements and of the charter and by-laws (or equivalent documents) of each Obligor and of all limited liability company and corporate authority for each Obligor (including, without limitation, board of director resolutions, member approvals and evidence of incumbency, including specimen signatures, of officers of each Obligor) with respect to the execution, delivery and performance of the Basic Documents to which such Obligor is to be a party and each other document to be delivered by such Obligor from time to time in connection herewith and the extensions of credit hereunder (and the Administrative Agent and each Lender may conclusively rely on such certificate until it receives notice in writing from such Obligor to the contrary).

(b) Officer's Certificate. A certificate of a Senior Officer, dated  
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the Closing Date, to the effect set forth in the first sentence of Section 6.02 hereof.

(c) Opinion of Counsel to the Obligors. An opinion, dated the Closing  
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Date, of Cooperman Levitt Winikoff Lester & Newman, P.C., counsel to the Obligors, substantially in the form of Exhibit G hereto and covering such other matters as the Administrative Agent or any Lender may reasonably request (and the Borrowers hereby instructs such counsel to deliver such opinion to the Lenders and the Administrative Agent).

(d) Opinion of Special New York Counsel to Chase. An opinion, dated  
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the Closing Date, of Milbank, Tweed, Hadley & McCloy LLP, special New York counsel to Chase, substantially in the form of Exhibit H hereto (and Chase hereby instructs such counsel to deliver such opinion to the Lenders).

(e) Notes. Promissory notes for each Lender that shall have requested  
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the execution and delivery of a promissory note, on or prior to the Closing Date, pursuant to Section 2.08(d) hereof.

(f) Pledge Agreement. The Pledge Agreement, duly executed and  
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delivered by the Borrowers and the Administrative Agent. In addition, each such Obligor shall have taken such other action as the Administrative Agent shall have requested in order to perfect the security interests created pursuant to the Pledge Agreement, including, without limitation, delivering to the Administrative Agent, for filing, appropriately completed and duly executed copies of Uniform Commercial Code financing statements.

(g) Guarantee and Pledge Agreement. The Guarantee and Pledge

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Agreement, duly executed and delivered by Mediacom, the Manager and the Administrative Agent and the certificates (if any) evidencing the ownership interests in the Borrowers held by Mediacom and the Manager, accompanied by undated powers executed in blank. In addition, Mediacom and the Manager shall have taken such other action as the Administrative Agent shall have requested in order to perfect the security interests created pursuant to the Guarantee and Pledge Agreement, including, without limitation, delivering to the Administrative Agent, for filing, appropriately completed and duly executed copies of Uniform Commercial Code financing statements.

(h) Management Fee Subordination Agreement. The Management Fee

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Subordination Agreement, duly executed and delivered by the Manager, the Borrowers and the Administrative Agent.

(i) Affiliate Subordinated Indebtedness Subordination Agreements.

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Affiliate Subordinated Indebtedness Subordination Agreements, duly executed and delivered by the Borrowers, the Administrative Agent and by Mediacom and the Manager, respectively.

(j) Termination of Existing Credit Agreements. Evidence that (i) the

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principal of and interest on, and all other amounts owing under the Existing Credit Agreements (other than "Letters of Credit" thereunder which, as provided in Section 2.03(1) hereof, are being continued as Letters of Credit hereunder) are being paid in full with the proceeds of the initial Loans and the commitments thereunder terminated and (ii) to the extent the assets of the Borrowers and their Subsidiaries are subject to Liens not permitted hereunder, such Liens shall have been released (or arrangements for such release satisfactory to the Administrative Agent shall have been made).

(k) Approvals. Evidence of receipt of all material licenses, permits,

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approvals and consents, if any, required (or, in the discretion of the Administrative Agent, advisable) with respect to the continuing operation of the Borrowers and their Subsidiaries.

(l) Rate Ratio Certificate. A certificate of a Senior Officer, dated

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the Closing Date, setting forth, in reasonable detail, the calculation (and the basis for such calculation) of Rate Ratio as of such date.

(m) Conversion of Preferred Membership Interests. Evidence that the

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Borrowers shall have converted all of their Preferred Membership Interests into Affiliate Subordinated Indebtedness or that such conversion is being effected on the Closing Date.

(n) Other Documents. Such other documents as the Administrative Agent

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or any Lender or special New York counsel to Chase may reasonably request.

The obligation of any Lender to make its initial extension of credit hereunder is also subject to the payment by the Borrowers of such fees as the Borrowers shall have agreed to pay or deliver to any Lender or the Administrative Agent in connection herewith, including, without limitation, the reasonable fees and expenses of Milbank, Tweed, Hadley & McCloy LLP, special New York counsel to Chase, in connection with the negotiation, preparation, execution and delivery of this Agreement and the other Loan Documents and the extensions of credit hereunder (to the extent that statements for such fees and expenses have been delivered to the Borrowers).

6.02 Initial and Subsequent Extensions of Credit. The obligation of

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the Lenders to make any Loan or otherwise extend any credit to the Borrowers upon the occasion of each borrowing or other extension of credit hereunder (including the initial borrowing) is subject to the further conditions precedent that, both immediately prior to the making of such Loan or other extension of credit and also after giving effect thereto and to the intended use thereof:

(a) no Default shall have occurred and be continuing; and

(b) the representations and warranties made by the Borrowers in Section 7 hereof, and by each Obligor in the other Loan Documents to which it is a party, shall be true and complete on and as of the date of the making of such Loan or other extension of credit with the same force and effect as if made on and as of such date (or, if any such representation or warranty is expressly stated to have been made as of a specific date, as of such specific date).

Each notice of borrowing or request for the issuance of a Letter of Credit by the Borrowers hereunder shall constitute a certification by the Borrowers to the effect set forth in the preceding sentence (both as of the date of such notice or request and, unless the Borrowers otherwise notify the Administrative Agent prior to the date of such borrowing or issuance, as of the date of such borrowing or issuance).

Section 7. Representations and Warranties. The Borrowers represent

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and warrant to the Administrative Agent and the Lenders that:

7.01 Existence. Each Borrower and its Subsidiaries: (a) is a

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corporation, partnership, limited liability company or other entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization; (b) has all requisite corporate or other power, and has all material governmental licenses, authorizations, consents and approvals necessary to own its assets and carry on its business as now being or as proposed to be

conducted; and (c) is qualified to do business and is in good standing in all jurisdictions in which the nature of the business conducted by it makes such qualification necessary and where failure so to qualify could (either individually or in the aggregate) have a Material Adverse Effect.

7.02 Financial Condition. The Borrowers have heretofore furnished to

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each of the Lenders the following financial statements:

(i) audited financial statements of each Borrower and its respective Subsidiaries (or, in the case of Mediacom California, Mediacom Arizona and Mediacom Delaware, combined financial statements of such Borrowers and their Subsidiaries) for the fiscal years ended December 31, 1997 and December 31, 1998;

(ii) unaudited interim financial statements of each Borrower and its respective Subsidiaries (or, in the case of Mediacom California, Mediacom Arizona and Mediacom Delaware, combined financial statements of such Borrowers and their Subsidiaries) for the fiscal quarters ended March 31, 1999 and June 30, 1999, respectively; and

(iii) unaudited pro forma combined financial statements of the Borrowers and their Subsidiaries as at and for the fiscal quarter ended June 30, 1999.

All such financial statements are complete and correct and fairly present in all material respects the actual or pro forma (as the case may be) combined financial condition of the respective entities as at said respective dates and the actual or pro forma (as the case may be) results of their operations for the applicable periods ended on said respective dates, all in accordance with generally accepted accounting principles and practices applied on a consistent basis.

Since June 30, 1999, there has been no material adverse change in the combined financial condition, operations, business or prospects of the Borrowers and their Subsidiaries taken as a whole from that set forth in said pro forma financial statements as at said date referred to in clause (iii) above.

7.03 Litigation. There are no legal or arbitral proceedings, or any

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proceedings or investigations by or before any governmental or regulatory authority or agency, now pending or (to the knowledge of any Borrower) threatened against any Borrowers or any of its Subsidiaries, that, if adversely determined could (either individually or in the aggregate) have a Material Adverse Effect.

7.04 No Breach. None of the execution and delivery of this Agreement

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and the other Basic Documents, the consummation of the transactions herein and therein contemplated or compliance with the terms and provisions hereof and thereof will conflict with or result in a breach of, or require any consent under, the Operating Agreements, or any applicable law or

regulation, or any order, writ, injunction or decree of any court or governmental authority or agency, or any agreement or instrument to which any Borrower or any of its Subsidiaries is a party or by which any of them or any of their Property is bound or to which any of them is subject, or constitute a default under any such agreement or instrument, or (except for the Liens created pursuant to the Security Documents) result in the creation or imposition of any Lien upon any Borrower or any of its Subsidiaries pursuant to the terms of any such agreement or instrument.

7.05 Action. Each Borrower has all necessary limited liability

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company power, authority and legal right to execute, deliver and perform its obligations under each of the Basic Documents to which it is a party; the execution, delivery and performance by each Borrower of each of the Basic Documents to which it is a party have been duly authorized by all necessary limited liability company action on its part (including, without limitation, any required member approvals); and this Agreement has been duly and validly executed and delivered by each Borrower and constitutes, and the other Basic Documents to which it is a party when executed and delivered will constitute, its legal, valid and binding obligation, enforceable against each Borrower in accordance with its terms, except as such enforceability may be limited by (a) bankruptcy, insolvency, reorganization, moratorium or similar laws of general applicability affecting the enforcement of creditors' rights and (b) the application of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

7.06 Approvals. No authorizations, approvals or consents of, and no

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filings or registrations with, any governmental or regulatory authority or agency, or any securities exchange, are necessary for the execution, delivery or performance by any Borrower of this Agreement or any of the other Basic Documents to which it is a party or for the legality, validity or enforceability hereof or thereof, except for (i) filings and recordings in respect of the Liens created pursuant to the Security Documents and (ii) the exercise of remedies under the Security Documents may require prior approval of the FCC or the issuing municipalities or States under one or more of the Franchises.

7.07 ERISA. Each Plan, and, to the knowledge of each Borrower, each

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Multiemployer Plan, is in compliance in all material respects with, and has been administered in all material respects in compliance with, the applicable provisions of ERISA, the Code and any other Federal or State law, and no event or condition has occurred and is continuing as to which such Borrower would be under an obligation to furnish a report to the Lenders under Section 8.01(e) hereof.

7.08 Taxes. Each Borrower and each of its Subsidiaries has filed all

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Federal income tax returns and all other material tax returns and information statements that are required to be filed by them and have paid all taxes due pursuant to such returns or pursuant to any

assessment received by such Borrower or any of its Subsidiaries, except such taxes, if any, as are being contested in good faith and as to which adequate reserves have been set aside by such Borrower in accordance with GAAP. The charges, accruals and reserves on the books of the Borrowers and their Subsidiaries in respect of taxes and other governmental charges are, in the opinion of the Borrowers, adequate. None of the Borrowers has given or been requested to give a waiver of the statute of limitations relating to the payment of any Federal, state, local and foreign taxes or other impositions.

7.09 Investment Company Act. None of the Borrowers nor any of its

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Subsidiaries is an "investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended.

7.10 Public Utility Holding Company Act. None of the Borrowers nor

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any of its Subsidiaries is a "holding company", or an "affiliate" of a "holding company" or a "subsidiary company" of a "holding company", within the meaning of the Public Utility Holding Company Act of 1935, as amended.

7.11 Material Agreements and Liens.

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(a) Part A of Schedule II hereto sets forth (i) a complete and correct list of each credit agreement, loan agreement, indenture, purchase agreement, guarantee, letter of credit or other arrangement (other than the Loan Documents) providing for or otherwise relating to any Indebtedness or any extension of credit (or commitment for any extension of credit) to, or guarantee by, the Borrowers or any of their Subsidiaries, outstanding on the date hereof, or that (after giving effect to the transactions contemplated hereunder to occur on or before the Closing Date) will be outstanding on the Closing Date, the aggregate principal or face amount of which equals or exceeds (or may equal or exceed) \$1,000,000, and the aggregate principal or face amount outstanding or that may become outstanding under each such arrangement is correctly described in Part A of said Schedule II, and (ii) a statement of the aggregate amount of obligations in respect of surety and performance bonds backing pole rental or conduit attachments and the like, or backing obligations under Franchises, of the Borrowers or any of their Subsidiaries outstanding on the date hereof.

(b) Part B of Schedule II hereto is a complete and correct list of each Lien (other than the Liens created pursuant to the Security Documents) securing Indebtedness of any Person outstanding on the date hereof, the aggregate principal or face amount of which equals or exceeds (or may equal or exceed) \$1,000,000 and covering any Property of the Borrowers or any of their Subsidiaries, and the aggregate Indebtedness secured (or that may be secured) by each such Lien and the Property covered by each such Lien is correctly described in Part B of said Schedule II.

7.12 Environmental Matters. Each of the Borrowers and their

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Subsidiaries has obtained all environmental, health and safety permits, licenses and other authorizations required under all Environmental Laws to carry on its business as now being or as proposed to be conducted, except to the extent failure to have any such permit, license or authorization would not (either individually or in the aggregate) have a Material Adverse Effect. Each of such permits, licenses and authorizations is in full force and effect and each of the Borrowers and its Subsidiaries is in compliance with the terms and conditions thereof, and is also in compliance with all other limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules and timetables contained in any applicable Environmental Law or in any regulation, code, plan, order, decree, judgment, injunction, notice or demand letter issued, entered, promulgated or approved thereunder, except to the extent failure to comply therewith would not (either individually or in the aggregate) have a Material Adverse Effect. In addition, no notice, notification, demand, request for information, citation, summons or order has been issued, no complaint has been filed, no penalty has been assessed and, to the Borrowers' knowledge, no investigation or review is pending or threatened by any governmental or other entity with respect to any alleged failure by the Borrowers or any of their Subsidiaries to have any environmental, health or safety permit, license or other authorization required under any Environmental Law in connection with the conduct of the business of the Borrowers or any of their Subsidiaries or with respect to any generation, treatment, storage, recycling, transportation, discharge or disposal, or any Release of any Hazardous Materials generated by the Borrowers or any of their Subsidiaries. All environmental investigations, studies, audits, tests, reviews or other analyses conducted by or that are in the possession of the Borrowers or any of their Subsidiaries in relation to facts, circumstances or conditions at or affecting any site or facility now or previously owned, operated or leased by the Borrowers or any of their Subsidiaries and that could result in a Material Adverse Effect have been made available to the Lenders.

7.13 Capitalization. The Borrowers have heretofore delivered to the

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Lenders true and complete copies of the Operating Agreements. The only members of Mediacom California on the date hereof are Mediacom and Mediacom Management Corporation, the only member of Mediacom Delaware and Mediacom Southeast on the date hereof is Mediacom and the only members of Mediacom Arizona on the date hereof are Mediacom and Mediacom California. As of the date hereof, except for Sections 6.2 and 7.3 of the Mediacom Southeast Operating Agreement relating to Preferred Membership Interests, (x) there are no outstanding Equity Rights with respect to any of the Borrowers and (y) except for the redemption permitted pursuant to Section 8.09(f) hereof, there are no outstanding obligations of any of the Borrowers or any of their Subsidiaries to repurchase, redeem, or otherwise acquire any equity interests in the Borrowers nor are there any outstanding obligations of any Borrower or any of their Subsidiaries to make payments to any Person, such as "phantom stock" payments, where the amount thereof is calculated with reference to the fair market value or equity value of such Borrowers or any of their Subsidiaries.

7.14 Subsidiaries, Etc.  
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(a) As of the date hereof, none of the Borrowers has any Subsidiaries.

(b) Set forth in Schedule III hereto is a complete and correct list of all Investments (other than Investments of the type referred to in paragraphs (b), (c) and (e) of Section 8.08 hereof) held by the Borrowers or any of their Subsidiaries in any Person on the date hereof and, for each such Investment, (x) the identity of the Person or Persons holding such Investment and (y) the nature of such Investment. Except as disclosed in Schedule III hereto, each of the Borrowers and their Subsidiaries owns, free and clear of all Liens (other than the Liens created pursuant to the Security Documents), all such Investments.

(c) None of the Subsidiaries of the Borrowers is, on the date hereof, subject to any indenture, agreement, instrument or other arrangement of the type described in Section 8.18(d) hereof.

7.15 True and Complete Disclosure. The information, reports,  
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financial statements, exhibits and schedules (including the Information Memorandum) furnished in writing by or on behalf of the Borrowers to the Administrative Agent or any Lender in connection with the negotiation, preparation or delivery of this Agreement and the other Loan Documents or included herein or therein or delivered pursuant hereto or thereto, when taken as a whole do not contain any untrue statement of material fact or omit to state any material fact necessary to make the statements herein or therein, in light of the circumstances under which they were made, not misleading. All written information furnished after the date hereof by the Borrowers and their Subsidiaries to the Administrative Agent and the Lenders in connection with this Agreement and the other Loan Documents and the transactions contemplated hereby and thereby will be true, complete and accurate in every material respect, or (in the case of projections) based on reasonable estimates, on the date as of which such information is stated or certified. There is no fact known to the Borrowers that could reasonably be expected to have a Material Adverse Effect (other than facts affecting the cable television industry in general) that has not been disclosed herein, in the other Loan Documents or in a report, financial statement, exhibit, schedule, disclosure letter or other writing furnished to the Lenders for use in connection with the transactions contemplated hereby or thereby.

7.16 Franchises.  
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(a) Set forth in Schedule IV hereto is a complete and correct list of all Franchises (identified by issuing authority, franchisee and expiration date) owned by the Borrowers and their Subsidiaries on the date hereof.

(b) Each of the Borrowers and their Subsidiaries possesses or has the right to



use all such Franchises, and all copyrights, licenses, trademarks, service marks, trade names or other rights, including licenses and permits granted by the FCC, agreements with public utilities and microwave transmission companies, pole or conduit attachment, use, access or rental agreements and utility easements that are necessary for the conduct of the CATV Systems of the Borrowers and their Subsidiaries, except for such of the foregoing the absence of which could not have a Material Adverse Effect on the Borrowers or any of their Subsidiaries, and each of such Franchises, copyrights, licenses, patents, trademarks, service marks, trade names and rights is in full force and effect and no material default has occurred and is continuing thereunder. None of the Borrowers nor any of its Subsidiaries has received any notice from the granting body or any other governmental authority with respect to any breach of any covenant under, or any default with respect to, any Franchise. Complete and correct copies of all Franchises have heretofore been made available to the Administrative Agent.

7.17 The CATV Systems.

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(a) Each of the Borrowers and their Subsidiaries, and the CATV Systems owned by it, are in compliance in all material respects with all applicable federal, state and local laws, rules and regulations, including without limitation, the Communications Act, the Copyright Revision Act of 1976, and the rules and regulations of the FCC and the United States Copyright Office, including, without limitation, rules and laws governing system registration, use of aeronautical frequencies and signal carriage, equal employment opportunity, cumulative leakage index testing and reporting, signal leakage, and subscriber privacy, except to the extent that the failure to so comply with any of the foregoing could not (either individually or in the aggregate) reasonably be expected to have a Material Adverse Effect. Without limiting the generality of the foregoing except to the extent that the failure to comply with any of the following could not (either individually or in the aggregate) reasonably be expected to have a Material Adverse Effect and except as set forth in Schedule V hereto:

(i) the communities included in the areas covered by the Franchises have been registered with the FCC;

(ii) all of the annual performance tests on such CATV Systems required under the rules and regulations of the FCC have been performed and the results of such tests demonstrate satisfactory compliance with the applicable requirements being tested in all material respects;

(iii) such CATV Systems currently meet or exceed the technical standards set forth in the rules and regulations of the FCC, including, without limitation, the leakage limits contained in 47 C.F.R. Section 76.605(a)(11);

(iv) such CATV Systems are being operated in compliance with the provisions of 47 C.F.R. Sections 76.610 through 76.619 (mid-band and super-band signal carriage), including 47 C.F.R. Section 76.611 (compliance with the cumulative signal leakage index); and

(v) where required, appropriate authorizations from the FCC have been obtained for the use of all aeronautical frequencies in use in such CATV Systems and such CATV Systems are presently being operated in compliance with such authorizations (and all required certificates, permits and clearances from governmental agencies, including the Federal Aviation Administration, with respect to all towers, earth stations, business radios and frequencies utilized and carried by such CATV Systems have been obtained) .

(b) All notices, statements of account, supplements and other documents required under Section 111 of the Copyright Act of 1976 and under the rules of the Copyright Office with respect to the carriage of broadcast station signals by the CATV Systems (the "Copyright Filings") owned by the Borrowers and

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their Subsidiaries have been duly filed, and the proper amount of copyright fees have been paid on a timely basis, and each such CATV System qualifies for the compulsory license under Section 111 of the Copyright Act of 1976, except to the extent that the failure to so file or pay could not (either individually or in the aggregate) reasonably be expected to have a Material Adverse Effect, it being understood that this representation and warranty is given to the knowledge of the Borrowers with respect to periods prior to the ownership of such CATV Systems by the Borrowers and their Subsidiaries. To the knowledge of the Borrowers, there is no pending claim, action, demand or litigation by any other person with respect to the Copyright Filings or related royalty payments made by the CATV Systems.

(c) The carriage of all off-air signals by the CATV Systems owned by the Borrowers and their Subsidiaries is permitted by valid transmission consent agreements or by must-carry elections by broadcasters, or is otherwise permitted under applicable law, except to the extent the failure to obtain any of the foregoing could not (either individually or in the aggregate) reasonably be expected to have a Material Adverse Effect.

(d) The assets of the CATV Systems owned by the Borrowers and their Subsidiaries are adequate and sufficient in all material respects for all of the current operations of such CATV Systems.

7.18 Rate Regulation. Each of the Borrowers and their Subsidiaries

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have each reviewed and evaluated in detail the FCC rules currently in effect (the "Rate Regulation Rules") implementing the rate regulation provisions of the

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Cable Television Consumer Protection and Competition Act of 1992 (the "Rate  
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Regulation Act"). Based upon such review by the Borrowers and their

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Subsidiaries:

(i) except as set forth in Schedule V hereto, none the CATV Systems of the Borrowers is subject to effective competition as of the date hereof;

(ii) except as set forth in Schedule V hereto, no franchising authority has notified the Borrowers or any of their Subsidiaries of its application to be certified to regulate rates as provided in Section 76.910 of the Rate Regulation Rules;

(iii) except as set forth in Schedule V hereto, no franchising authority has notified the Borrowers or any of their Subsidiaries that it has been certified and has adopted regulations required to commence regulation as provided in Section 76.910(c)(2) of the Rate Regulation Rules;

(iv) to the knowledge of the Borrowers and except as set forth in Schedule V hereto, there are no pending cable service programming rate complaints filed with the FCC; and

(v) no reduction of rates or refunds to subscribers is required by an outstanding order of the FCC or any local franchising authority as of the date hereof under the Rate Regulation Act and the Rate Regulation Rules applicable to the CATV Systems of the Borrowers and their Subsidiaries.

7.19 Year 2000 Issues. Any reprogramming required to permit the

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proper functioning, in and following the year 2000, of (i) the Borrowers' material operating computer systems and (ii) material operating equipment containing embedded microchips (including systems and equipment supplied by others or, to the knowledge of the Borrowers, with which the Borrowers' material operating systems interface) and the testing of all such systems and equipment, as so reprogrammed, will be completed by September 30, 1999. The cost to the Borrowers of such reprogramming and testing and of the reasonably foreseeable consequences of year 2000 to the Borrowers (including reprogramming errors and the failure of others' systems or equipment) will not result in a Default or a Material Adverse Effect. Except for such of the reprogramming referred to in the preceding sentence as may be necessary, the computer and management information systems of the Borrowers and their Subsidiaries are and, with ordinary course upgrading and maintenance, will continue for the term of this Agreement to be, sufficient to permit the Borrowers to conduct their business without a Material Adverse Effect.

7.20 Use of Credit. None of the Borrowers or any of their

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Subsidiaries is engaged principally, or as one of their important activities, in the business of extending credit for the purpose, whether immediate, incidental or ultimate, of buying or carrying Margin Stock in violation of Regulations T, U or X.

Section 8. Covenants of the Borrowers. The Borrowers covenant and

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agree with the Lenders and the Administrative Agent that, so long as any  
Commitment, Loan or Letter of Credit Liability is outstanding and until payment  
in full of all amounts payable by the Borrowers hereunder:

8.01 Financial Statements Etc. The Borrowers shall deliver to each of

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the Lenders:

(a) as soon as available and in any event within 60 days after the  
end of each quarterly fiscal period of each fiscal year of the Borrowers,  
combined statements of income, retained earnings and cash flows of the  
Borrowers and their Subsidiaries for such period and for the period from  
the beginning of the respective fiscal year to the end of such period, and  
the related combined balance sheet of the Borrowers and their Subsidiaries  
as at the end of such period, setting forth in each case in comparative  
form the corresponding figures for the corresponding periods in the  
preceding fiscal year (except that, in the case of balance sheets, such  
comparison shall be to the last day of the prior fiscal year), accompanied  
by a certificate of a Senior Officer, which certificate shall state that  
said financial statements fairly present in all material respects the  
combined financial condition and results of operations of the Borrowers and  
their Subsidiaries in accordance with generally accepted accounting  
principles consistently applied as at the end of, and for, such period  
(subject to normal year-end audit adjustments);

(b) as soon as available and in any event within 120 days after the  
end of each fiscal year of the Borrowers, combined statements of income,  
retained earnings and cash flows of the Borrowers and their Subsidiaries  
for such fiscal year and the related combined balance sheet of the  
Borrowers and their Subsidiaries as at the end of such fiscal year, setting  
forth in each case in comparative form the corresponding combined figures  
for the preceding fiscal year and accompanied by an opinion thereon of  
independent certified public accountants of recognized national standing,  
which opinion shall state that said combined financial statements fairly  
present in all material respects the combined financial condition and  
results of operations of the Borrowers and their Subsidiaries as at the end  
of, and for, such fiscal year in accordance with generally accepted  
accounting principles, and a statement of such accountants to the effect  
that, in making the examination necessary for their opinion, nothing came  
to their attention that caused them to believe that the Borrowers were not  
in compliance with Sections 8.07, 8.08, 8.09, 8.10, 8.11, 8.12 or 8.15  
hereof, insofar as such Sections relate to accounting matters;

(c) promptly upon their becoming available, copies of all  
registration statements and regular periodic reports, if any, that the  
Borrowers shall have filed with the Securities

and Exchange Commission (or any governmental agency substituted therefor) or any national securities exchange;

(d) promptly upon the mailing thereof by the Borrowers to the members of the Borrowers generally, to holders of Affiliate Subordinated Indebtedness generally, or by Mediacom to the holders of its senior notes (if any), copies of all financial statements, reports and proxy statements so mailed;

(e) as soon as possible, and in any event within ten days after any Borrower knows or has reason to believe that any of the events or conditions specified below with respect to any Plan or Multiemployer Plan has occurred or exists, a statement signed by a Senior Officer setting forth details respecting such event or condition and the action, if any, that the Borrowers or their ERISA Affiliates propose to take with respect thereto (and a copy of any report or notice required to be filed with or given to the PBGC by the Borrowers or an ERISA Affiliate with respect to such event or condition):

(i) any reportable event, as defined in Section 4043(b) of ERISA and the regulations issued thereunder, with respect to a Plan, as to which the PBGC has not by regulation waived the requirement of Section 4043(a) of ERISA that it be notified within 30 days of the occurrence of such event (provided that a failure to meet the minimum ----- funding standard of Section 412 of the Code or Section 302 of ERISA, including, without limitation, the failure to make on or before its due date a required installment under Section 412(m) of the Code or Section 302(e) of ERISA, shall be a reportable event regardless of the issuance of any waivers in accordance with Section 412(d) of the Code); and any request for a waiver under Section 412(d) of the Code for any Plan;

(ii) the distribution under Section 4041 of ERISA of a notice of intent to terminate any Plan or any action taken by the Borrowers or an ERISA Affiliate to terminate any Plan;

(iii) the institution by the PBGC of proceedings under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan, or the receipt by the Borrowers or any ERISA Affiliate of a notice from a Multiemployer Plan that such action has been taken by the PBGC with respect to such Multiemployer Plan;

(iv) the complete or partial withdrawal from a Multiemployer Plan by the Borrowers or any ERISA Affiliate that results in liability under Section 4201 or 4204 of ERISA (including the obligation to satisfy secondary liability as a result of a purchaser default) or the receipt by any Borrower or any ERISA

Affiliate of notice from a Multiemployer Plan that it is in reorganization or insolvency pursuant to Section 4241 or 4245 of ERISA or that it intends to terminate or has terminated under Section 4041A of ERISA;

(v) the institution of a proceeding by a fiduciary of any Multiemployer Plan against the Borrowers or any ERISA Affiliate to enforce Section 515 of ERISA, which proceeding is not dismissed within 30 days; and

(vi) the adoption of an amendment to any Plan that, pursuant to Section 401(a)(29) of the Code or Section 307 of ERISA, would result in the loss of tax-exempt status of the trust of which such Plan is a part if the Borrowers or an ERISA Affiliate fails to timely provide security to the Plan in accordance with the provisions of said Sections;

(f) within 60 days of the end of each quarterly fiscal period of the Borrowers, a Quarterly Officer's Report as at the end of such period;

(g) promptly after any Borrower knows or has reason to believe that any Default has occurred, a notice of such Default describing the same in reasonable detail and, together with such notice or as soon thereafter as possible, a description of the action that the Borrowers have taken or propose to take with respect thereto; and

(h) from time to time such other information regarding the financial condition, operations, business or prospects of the Borrowers or any of their Subsidiaries (including, without limitation, any Plan or Multiemployer Plan and any reports or other information required to be filed under ERISA) as any Lender or the Administrative Agent may reasonably request.

The Borrowers will furnish to each Lender, at the time they furnish each set of financial statements pursuant to paragraph (a) or (b) above, a certificate of a Senior Officer (i) to the effect that no Default has occurred and is continuing (or, if any Default has occurred and is continuing, describing the same in reasonable detail and describing the action that the Borrowers have taken or proposes to take with respect thereto) and (ii) setting forth in reasonable detail the computations necessary to determine whether the Borrowers are in compliance with Sections 8.07, 8.08, 8.09, 8.10, 8.11, 8.12 and 8.15 hereof (including, without limitation, calculations demonstrating compliance with the requirements of Section 8.09(d)(ii) hereof after giving effect to any Capital Expenditure pursuant to Section 8.12(b) hereof) as of the end of the respective quarterly fiscal period or fiscal year.

8.02 Litigation. The Borrowers will promptly give to each Lender

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notice of all legal or arbitral proceedings, and of all proceedings or investigations by or before any

governmental or regulatory authority or agency, and any material development in respect of such legal or other proceedings, affecting the Borrowers or any of their Subsidiaries or any of their Franchises, except proceedings that, if adversely determined, would not (either individually or in the aggregate) have a Material Adverse Effect. Without limiting the generality of the foregoing, the Borrowers will give to each Lender (i) notice of the assertion of any Environmental Claim by any Person against, or with respect to the activities of, the Borrowers or any of their Subsidiaries and notice of any alleged violation of or non-compliance with any Environmental Laws or any permits, licenses or authorizations, other than any Environmental Claim or alleged violation that, if adversely determined, would not (either individually or in the aggregate) have a Material Adverse Effect and (ii) copies of any notices received by the Borrowers or any of their Subsidiaries under any Franchise of a material default by the Borrowers or any of their Subsidiaries in the performance of its obligations thereunder.

8.03 Existence, Etc. Each Borrower will, and will cause each of its

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Subsidiaries to:

(a) preserve and maintain its legal existence and all of its material rights, privileges, licenses and franchises (provided that nothing

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in this Section 8.03 shall prohibit any transaction expressly permitted under Section 8.05 hereof);

(b) comply with the requirements of all applicable laws, rules, regulations and orders of governmental or regulatory authorities if failure to comply with such requirements could (either individually or in the aggregate) have a Material Adverse Effect;

(c) pay and discharge all taxes, assessments and governmental charges or levies imposed on it or on its income or profits or on any of its Property prior to the date on which penalties attach thereto, except for any such tax, assessment, charge or levy the payment of which is being contested in good faith and by proper proceedings and against which adequate reserves are being maintained;

(d) maintain, in all material respects, all of its Properties used or useful in its business in good working order and condition, ordinary wear and tear excepted;

(e) keep adequate records and books of account, in which complete entries will be made in accordance with generally accepted accounting principles consistently applied; and

(f) permit representatives of any Lender or the Administrative Agent, during normal business hours, to examine, copy and make extracts from its books and records, to inspect any of its Properties, and to discuss its business and affairs with its officers, all to

the extent reasonably requested by such Lender or the Administrative Agent (as the case may be).

8.04 Insurance. Each Borrower will, and will cause each of its

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Subsidiaries to, maintain insurance with financially sound and reputable insurance companies, and with respect to Property and risks of a character usually maintained by Persons engaged in the same or similar business similarly situated, against loss, damage and liability of the kinds and in the amounts customarily maintained by such corporations, provided that each Borrower will in

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any event maintain (with respect to itself and each of its Subsidiaries) casualty insurance and insurance against claims for damages with respect to defamation, libel, slander, privacy or other similar injury to person or reputation (including misappropriation of personal likeness), in such amounts as are then customary for Persons engaged in the same or similar business similarly situated.

8.05 Prohibition of Fundamental Changes.

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(a) Restrictions on Merger. None of the Borrowers will nor will it

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permit any of its Subsidiaries to, enter into any transaction of merger or consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution).

(b) Restrictions on Acquisitions. None of the Borrowers will nor

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will it permit any of its Subsidiaries to, acquire any business or Property from, or capital stock of, or be a party to any acquisition of, any Person except for purchases of equipment, programming rights and other Property to be sold or used in the ordinary course of business, Investments permitted under Section 8.08(f) hereof, and Capital Expenditures permitted under Section 8.12 hereof.

(c) Restrictions on Sales and Other Dispositions. None of the

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Borrowers will nor will it permit any of its Subsidiaries to, convey, sell, lease, transfer or otherwise dispose of, in one transaction or a series of transactions, any part of its business or Property, whether now owned or hereafter acquired (including, without limitation, receivables and leasehold interests, but excluding (i) obsolete or worn-out Property, tools or equipment no longer used or useful in its business so long as the amount thereof sold in any single fiscal year by the Borrowers and their Subsidiaries shall not have a fair market value in excess of \$5,000,000 and (ii) any equipment, programming rights or other Property sold or disposed of in the ordinary course of business and on ordinary business terms).

(d) Certain Permitted Transactions. Notwithstanding the foregoing

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provisions of this Section 8.05:

(i) Intercompany Mergers and Consolidations. Any Borrower may be

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merged or consolidated with any other Borrower, and any Subsidiary of a Borrower may be merged or consolidated with or into: (x) such Borrower if such Borrower shall be the continuing



or surviving corporation or (y) any other such Subsidiary; provided that if  
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any such transaction shall be between a Subsidiary and a Wholly Owned  
Subsidiary, the Wholly Owned Subsidiary shall be the continuing or  
surviving corporation.

(ii) Intercompany Dispositions. Any Borrower may sell, lease,  
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transfer or otherwise dispose of any or all of its Property to any other  
Borrower, and any Subsidiary of a Borrower may sell, lease, transfer or  
otherwise dispose of any or all of its Property (upon voluntary liquidation  
or otherwise) to the Borrowers or a Wholly Owned Subsidiary of the  
Borrowers.

(iii) Permitted Dispositions. The Borrowers or any Wholly owned  
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Subsidiary of the Borrowers may enter into one or more transactions  
intended to trade (by means of either an exchange or a sale and subsequent  
purchase) one or more of the CATV Systems owned by the Borrowers and their  
Subsidiaries for one or more CATV Systems owned by any other Person, which  
transactions may be effected either by

(I) the Borrowers or such Wholly Owned Subsidiary selling one or  
more CATV Systems owned by it, and either depositing the Net Available  
Proceeds thereof into the Collateral Account, or prepaying Revolving  
Credit Loans (and creating a Reserved Commitment Amount), as  
contemplated by the second paragraph of Section 2.10(d) hereof, and  
then within 270 days acquiring one or more other CATV Systems or

(II) exchanging one or more CATV Systems, together with cash not  
exceeding 20% of the fair market value of such acquired CATV Systems,

so long as

(x) at the time of any such transactions and after giving  
effect thereto, no Default shall have occurred and be continuing and  
(B) after giving effect to such transaction the Borrowers shall be in  
compliance with Section 8.10 hereof (the determination of such  
compliance to be calculated on a pro forma basis, as at the end of and  
for the fiscal quarter most recently ended prior to the date of such  
transaction for which financial statements of the Borrowers and their  
Subsidiaries are available, under the assumption that such transaction  
shall have occurred, and any Indebtedness in connection therewith  
shall have been incurred, at the beginning of the applicable period,  
and under the assumption that interest for such period had been equal  
to the actual weighted average interest rate in effect for the Loans  
hereunder on the date of such transaction), and the Borrowers shall  
have delivered to the Administrative Agent a certificate of a Senior  
Officer showing such calculations in reasonable detail to demonstrate  
such compliance,

(y) with respect to any single exchange of CATV Systems pursuant to clause (II) above, the sum of the System Cash Flow for the period of four fiscal quarters ending on, or most recently ended prior to, the date of such exchange attributable to the CATV Systems being exchanged does not exceed more than 15% of System Cash Flow for such period and

(z) the sum of (A) the System Cash Flow for the period referred to in subclause (y) above plus (B) the System Cash Flow attributable  
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to all other CATV Systems previously exchanged pursuant to clause (II) above (whether during the period referred to in subclause (y) above, or prior thereto), does not exceed an amount equal to 35% of Adjusted System Cash Flow for the period referred to in subclause (y) above.

If, in connection with an exchange permitted under this subparagraph (iii), the Borrowers or Wholly Owned Subsidiary receives cash in excess of 20% the fair market value of the acquired CATV Systems, such exchange shall be permitted as a sale under this subparagraph (iii) and the cash received by the Borrowers in connection with such transaction shall be applied in accordance with Section 2.10(d).

(iv) Acquisitions. Any Borrower or a Wholly Owned Subsidiary of  
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such Borrower may acquire any business or Property from, or capital stock of, or be a party to any acquisition of, any Person, so long as:

(A) the aggregate Purchase Price of any individual such acquisition shall not exceed \$200,000,000;

(B) such acquisition (if by purchase of assets, merger or consolidation) shall be effected in such manner so that the acquired business, and the related assets, are owned either by a Borrower or a Wholly Owned Subsidiary of a Borrower and, if effected by merger or consolidation involving a Borrower, such Borrower shall be the continuing or surviving entity and, if effected by merger or consolidation involving a Wholly Owned Subsidiary of a Borrower, such Wholly Owned Subsidiary shall be the continuing or surviving entity;

(C) such acquisition (if by purchase of stock) shall be effected in such manner so that the acquired entity becomes a Wholly Owned Subsidiary of a Borrower;

(D) with respect to any acquisition involving an aggregate Purchase Price in excess of \$25,000,000, the Borrowers shall deliver to the Administrative Agent

(which shall promptly forward a copy to each Lender which requests one) (1) no later than five Business Days prior to the consummation of each such acquisition (or such earlier date as shall be five Business Days after the execution and delivery thereof), copies of the respective agreements or instruments pursuant to which such acquisition is to be consummated (including, without limitation, any related management, non-compete, employment, option or other material agreements), any schedules to such agreements or instruments and all other material ancillary documents to be executed or delivered in connection therewith and (2) promptly following request therefor (but in any event within three Business Days following such request), copies of such other information or documents relating to each such acquisition as the Administrative Agent shall have requested;

(E) with respect to any acquisition involving an aggregate Purchase Price in excess of \$25,000,000, the Administrative Agent shall have received (and shall promptly forward a copy thereof to each Lender which requests one) a letter (in the case of each legal opinion delivered to the Borrowers pursuant to such acquisition) from each Person delivering such opinion (which shall in any event include an opinion of special FCC counsel) authorizing reliance thereon by the Administrative Agent and the Lenders;

(F) with respect to any acquisition involving an aggregate Purchase Price in excess of \$25,000,000, the Borrowers shall have delivered to the Administrative Agent and the Lenders evidence satisfactory to the Administrative Agent and the Majority Lenders of receipt of all licenses, permits, approvals and consents, if any, required with respect to such acquisition (including, without limitation, the consents of the respective municipal franchising authorities to the acquisition of the respective CATV Systems being acquired (if any));

(G) the entire amount of the consideration payable by the Borrowers and their Subsidiaries in connection with such acquisition (other than customary post-closing adjustments and indemnity obligations, and other than Indebtedness incurred in connection with such acquisition that is permitted under paragraphs (c) or (f) of Section 8.07 hereof) shall be payable on the date of such acquisition;

(H) none of the Borrowers nor any of its Subsidiaries shall, in connection with such acquisition, assume or remain liable in respect of (x) any Indebtedness of the seller or sellers (except for Indebtedness permitted under Section 8.07(f) hereof) or (y) other obligations of the seller or sellers (except for obligations incurred in the ordinary course of business in operating the CATV System so

acquired and necessary or desirable to the continued operation of such CATV System);

(I) to the extent the assets purchased in such acquisition shall be subject to any Liens not permitted hereunder, such Liens shall have been released (or arrangements for such release satisfactory to the Administrative Agent shall have been made);

(J) to the extent applicable, the Borrowers shall have complied with the provisions of Section 8.18 hereof, including, without limitation, to the extent not theretofore delivered, delivery to the Administrative Agent of (x) the shares of stock or other ownership interests, accompanied by undated stock powers or other powers executed in blank, and (y) the agreements, instruments, opinions of counsel and other documents required under Section 8.18 hereof;

(K) after giving effect to such acquisition the Borrowers shall be in compliance with Section 8.10 hereof (the determination of such compliance to be calculated on a pro forma basis, as at the end of and for the fiscal quarter most recently ended prior to the date of such acquisition for which financial statements of the Borrowers and their Subsidiaries are available, under the assumption that such acquisition shall have occurred, and any Indebtedness in connection therewith shall have been incurred, at the beginning of the applicable period, and under the assumption that interest for such period had been equal to the actual weighted average interest rate in effect for the Loans hereunder on the date of such acquisition), and the Borrowers shall have delivered to the Administrative Agent a certificate of a Senior Officer showing such calculations in reasonable detail to demonstrate such compliance;

(L) immediately prior to such acquisition and after giving effect thereto, no Default shall have occurred and be continuing; and

(M) the Borrowers shall deliver such other documents and shall have taken such other action as the Majority Lenders or the Administrative Agent may request (which may include evidence that the Borrowers shall have received an equity contribution from Mediacom or the proceeds of the issuance of Affiliate Subordinated Indebtedness pursuant to documentation and in amounts in form and substance satisfactory to the Majority Lenders and the Administrative Agent).

8.06 Limitation on Liens. None of the Borrowers will, nor will it

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permit any of its Subsidiaries to, create, incur, assume or suffer to exist any Lien upon any of its Property, whether now owned or hereafter acquired, except:

(a) Liens created pursuant to the Security Documents;

(b) Liens in existence on the date hereof and listed in Part B of Schedule II hereto (or, to the extent not meeting the minimum thresholds for required listing on said Schedule II pursuant to Section 7.11 hereof, in an aggregate amount not exceeding \$10,000,000);

(c) Liens imposed by any governmental authority for taxes, assessments or charges not yet due or that are being contested in good faith and by appropriate proceedings if adequate reserves with respect thereto are maintained on the books of the Borrowers or the affected Subsidiaries, as the case may be, in accordance with GAAP;

(d) carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like Liens arising in the ordinary course of business that are not overdue for a period of more than 30 days or that are being contested in good faith and by appropriate proceedings and Liens securing judgments but only to the extent for an amount and for a period not resulting in an Event of Default under Section 9.01(i) hereof;

(e) pledges or deposits under worker's compensation, unemployment insurance and other social security legislation;

(f) deposits to secure the performance of bids, trade contracts (other than for Indebtedness), leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(g) easements, rights-of-way, restrictions and other similar encumbrances incurred in the ordinary course of business and encumbrances consisting of zoning restrictions, easements, licenses, restrictions on the use of Property or minor imperfections in title thereto that, in the aggregate, are not material in amount, and that do not in any case materially detract from the value of the Property subject thereto or interfere with the ordinary conduct of the business of the Borrowers or any of their Subsidiaries; and

(h) Liens upon real and/or tangible personal Property acquired after the date hereof (by purchase, construction or otherwise) by the Borrowers or any of their Subsidiaries and securing Indebtedness permitted under Section 8.07(f) hereof, each of which Liens either (A) existed on such Property before the time of its acquisition and was

not created in anticipation thereof or (B) was created solely for the purpose of securing Indebtedness representing, or incurred to finance, refinance or refund, the cost (including the cost of construction) of such Property; provided that (i) no such Lien shall extend to or cover any

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Property of a Borrower or any such Subsidiary other than the Property so acquired and improvements thereon and (ii) the principal amount of Indebtedness secured by any such Lien shall at no time exceed the fair market value (as determined in good faith by a Senior Officer) of such Property at the time it was acquired (by purchase, construction or otherwise).

8.07 Indebtedness. None of the Borrowers will, nor will it permit any

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of its Subsidiaries to, create, incur or suffer to exist any Indebtedness except:

(a) Indebtedness to the Lenders hereunder, including, without limitation, Incremental Facility Loans in an aggregate principal amount up to but not exceeding \$200,000,000;

(b) Indebtedness outstanding on the date hereof and listed in Part A of Schedule II hereto (or, to the extent not meeting the minimum thresholds for required listing on said Schedule II pursuant to Section 7.11 hereof, in an aggregate amount not exceeding \$10,000,000);

(c) Affiliate Subordinated Indebtedness incurred in accordance with Section 8.14 hereof ;

(d) Indebtedness of the Borrowers to any Subsidiary of the Borrowers, and of any Subsidiary of the Borrowers to the Borrowers or its other Subsidiaries;

(e) Indebtedness of the Borrowers and their Subsidiaries that is subordinated in right of payment to the obligations of the Borrowers and their Subsidiaries under the Loan Documents (and which contains terms, including in respect of interest, amortization, defaults, mandatory redemptions and prepayments, and covenants) that are in each case satisfactory to the Administrative Agent and the Majority Lenders; and

(f) additional Indebtedness of the Borrowers and their Subsidiaries (including, without limitation, Capital Lease Obligations and other Indebtedness secured by Liens permitted under Section 8.06(h) hereof) up to but not exceeding an aggregate amount of \$25,000,000 at any one time outstanding.

In addition to the foregoing, the Borrowers will not, nor will they permit their Subsidiaries to, incur or suffer to exist any obligations in an aggregate amount in excess of \$10,000,000 at any one time outstanding in respect of surety and performance bonds backing

pole rental or conduit attachments and the like, or backing obligations under Franchises, arising in the ordinary course of business of the CATV Systems of the Borrowers and their Subsidiaries.

8.08 Investments. The Borrowers will not, nor will they permit any of their Subsidiaries to, make or permit to remain outstanding any Investments except:

- (a) Investments outstanding on the date hereof and identified in Schedule III hereto;
- (b) operating deposit accounts with banks;
- (c) Permitted Investments;
- (d) subject to the last sentence of this Section 8.08, Investments by the Borrowers and their Subsidiaries in the Borrowers and their Subsidiaries;
- (e) Interest Rate Protection Agreements entered into in the ordinary course of business of the Borrowers and not for speculative purposes;
- (f) Investments by the Borrowers and their Subsidiaries consisting of acquisitions permitted under subparagraphs (iii) or (iv) of Section 8.05(d);
- (g) Investments consisting of the issuance of a Letter of Credit for the account of the Borrowers to support an obligation of an Affiliate of the Borrowers, in such amounts as would be permitted under Section 8.09(d)(ii) hereof; and
- (h) additional Investments (including, without limitation, Investments by the Borrowers or any of their Subsidiaries in Affiliates of the Borrowers), so long as (i) the aggregate amount of all such Investments shall not exceed \$100,000,000 and (ii) at the time of making such additional investments as contemplated by this Section 8.08(h) and after giving effect thereto, the Total Leverage Ratio shall be less than 5.75 to 1 or if lower, the applicable requirement at the time under Section 8.10(a) hereof.).

Without limiting the generality of the forgoing, the Borrowers will not create, or make any Investment in, any Subsidiary after the date hereof without the prior written consent of the Majority Lenders.

8.09 Restricted Payments. The Borrowers will not make any Restricted Payment at any time, provided that, so long as at the time thereof, and after giving effect thereto, no Default or Event of Default shall have occurred and be continuing, the Borrowers may make the

following Restricted Payments (subject, in each case, to the applicable conditions set forth below):

(a) the Borrowers may make Restricted Payments in cash to their members on or after April 12 of each fiscal year (the "current year") in an amount equal to the Tax Payment Amount for the immediately preceding fiscal year (the "prior year"), so long as at least fifteen days prior to making any such Restricted Payment, the Borrowers shall have delivered to each Lender (i) notification of the amount and proposed payment date of such Restricted Payment and (ii) a statement from the Borrowers' independent certified public accountants setting forth a detailed calculation of the Tax Payment Amount for the prior year and showing the amount of such Restricted Payment and all prior Restricted Payments;

(b) the Borrowers may make payments in cash in respect of Management Fees to the extent permitted under Section 8.11 hereof;

(c) the Borrowers may make payments in cash in respect of the interest on Affiliate Subordinated Indebtedness constituting Supplemental Capital or Cure Monies ;

(d) the Borrowers may make payments in cash in respect of the principal of Affiliate Subordinated Indebtedness and distributions in respect of the equity capital of the Borrowers and may request the issuance of Affiliate Letters of Credit (such payment and issuance being collectively called "Permitted Transactions"), so long as

(i) in the case of any Permitted Transaction consisting of a payment in respect of the principal of Affiliate Subordinated Indebtedness, or distribution in respect of equity capital, constituting Cure Monies, at least one complete fiscal quarter shall have elapsed subsequent to the last date upon which the Borrowers shall have utilized their cure rights under Section 9.02 hereof, without the occurrence of any Event of Default (and, for purposes hereof, unless the Borrowers indicate otherwise at the time of any such payment, such payment or distribution shall be deemed to be made first from Cure Monies and second from Supplemental Capital);

(ii) after giving effect to any Permitted Transaction during any fiscal quarter (the "current fiscal quarter") and to the making of any Capital Expenditures pursuant to Section 8.12(b) hereof during the current fiscal quarter, the Borrowers would (as at the last day of the most recent fiscal quarter immediately prior to the current fiscal quarter) have been in compliance on a pro forma basis with Section 8.10 hereof and the Total Leverage Ratio calculated on a pro forma basis is at the time less than 5.75 to 1 (or, if lower, the applicable



requirement at the time under Section 8.10(a) hereof), the determination of such compliance and such Total Leverage Ratio to be determined as if

(x) for purposes of calculating the Total Leverage Ratio, there were added to Indebtedness the sum (herein, the "Relevant Sum") of the amount of such Permitted Transaction plus the amount of all other Permitted Transactions made during the current fiscal quarter through the date of such Permitted Transaction, minus the amount of Special Reductions through such date plus the amount of any such Capital Expenditures, and

(y) for purposes of calculating the Interest Coverage Ratio and Pro Forma Debt Service Coverage Ratio, the Relevant Sum plus any Cure Monies received during the period for which the Interest Coverage Ratio or Pro Forma Debt Service Coverage Ratio is calculated represented additional principal of the Loans outstanding hereunder at all times during the respective fiscal quarter for which such Ratios are calculated and the amount of interest that would have been payable hereunder during such fiscal quarter was recalculated to take into account such additional principal;

(iii) after giving effect to distributions made in respect of the equity capital of any Borrower, the Equity Contribution Amount shall not be less than zero; and

(iv) the aggregate amount of Permitted Transactions as at any date (minus the aggregate amount of Special Reductions through such date), shall not exceed the Applicable Permitted Transaction Amount for such date;

(e) the Borrowers may make distributions in cash to Mediacom of (i) up to \$21,500,000 simultaneously with the acquisition of the stock of Zylstra Communications Corporation and (ii) up to \$239,500,000 simultaneously with the consummation of the Triax Acquisition from the proceeds of the Loans so long as the conditions specified in paragraph (d)(ii) are satisfied as if such distribution constituted a "Permitted Transaction"; and

(f) the Borrowers may convert all of their outstanding Preferred Membership Interests to Affiliate Subordinated Indebtedness on or before the Closing Date.

Nothing herein shall be deemed to prohibit the payment of dividends by any Subsidiary of a Borrower to such Borrower or to any other Subsidiary of such Borrower.

8.10 Certain Financial Covenants.  
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(a) Total Leverage Ratio. The Borrowers will not permit the Total  
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Leverage Ratio to exceed the following respective ratios at any time during the following respective periods:

Period -----	Total Leverage Ratio -----
From the Closing Date through December 31, 2000	6.00 to 1
From January 1, 2001 through December 31, 2001	5.75 to 1
From January 1, 2002 through December 31, 2002	5.50 to 1
From January 1, 2003 through December 31, 2003	4.75 to 1
From January 1, 2004 and at all times thereafter	4.50 to 1

(b) Interest Coverage Ratio. The Borrowers will not permit the  
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Interest Coverage Ratio to be less than the following respective ratios as at the last day of any fiscal quarter ending during the following respective periods:

Period -----	Ratio -----
From the Closing Date through December 31, 2000	1.40 to 1
From January 1, 2001 through December 31, 2001	1.50 to 1
From January 1, 2002 through December 31, 2002	1.60 to 1
From January 1, 2003 through December 31, 2003	1.80 to 1
From January 1, 2004 and at all times thereafter	2.00 to 1

(c) Pro Forma Debt Service Coverage Ratio. The Borrowers will not

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permit the Pro Forma Debt Service Coverage Ratio to be less than 1.15 to 1 at  
any time.

8.11 Management Fees. The Borrowers will not permit the aggregate

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amount of Management Fees accrued in respect of any fiscal year of the Borrowers  
to exceed 4.5% of the Gross Operating Revenue of the Borrowers and their  
Subsidiaries for such fiscal year. In addition, the Borrowers will not, as at  
the last day of the first, second and third fiscal quarters in any fiscal year,  
permit the amount of Management Fees paid during the portion of such fiscal year  
ending with such fiscal quarter to exceed 4.5% of the Gross Operating Revenue of  
the Borrowers and their Subsidiaries for such portion of such fiscal year (based  
upon the financial statements of the Borrowers provided pursuant to Section  
8.01(a) hereof), provided that in any event the Borrowers will not pay any

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Management Fees at any time following the occurrence and during the continuance  
of any Default. Any Management Fees that are accrued for any fiscal quarter (the  
"current fiscal quarter") but which are not paid during the current fiscal

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quarter may be paid at any time during the period of four fiscal quarters  
following the current fiscal quarter (and for these purposes any payment of  
Management Fees during such period shall be deemed to be applied to Management  
Fees in the order of the fiscal quarters in respect of which such Management  
Fees are accrued). Any Management Fees which may not be paid as a result of the  
limitations set forth in the forgoing provisions of this Section 8.11 shall be  
deferred and shall not be payable until the principal of and interest on the  
Loans, and all other amounts owing hereunder, shall have been paid in full. For  
purposes of this Section 8.11 "Gross Operating Revenue" shall mean the aggregate

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gross operating revenues derived by the Borrowers from their CATV Systems and  
from other telecommunications services as determined in accordance

with GAAP excluding, however, revenue or income derived by the Borrowers from any of the following sources: (i) from the sale of any asset of such CATV Systems not in the ordinary course of business, (ii) interest income, (iii) proceeds from the financing or refinancing of any Indebtedness of the Borrowers or any of their Subsidiaries and (iv) extraordinary gains in accordance with GAAP.

None of the Borrowers nor any of its Subsidiaries shall be obligated to pay Management Fees to any Person, unless the Borrowers and such Person shall have executed and delivered to the Administrative Agent a Management Fee Subordination Agreement, and none of the Borrowers nor any of its Subsidiaries shall pay Management Fees to any Person except to the extent permitted under the respective Management Fee Subordination Agreement to which such Person is a party.

None of the Borrowers nor any of its Subsidiaries shall employ or retain any executive management personnel (or pay any Person, other than the Manager, in respect of executive management personnel or matters, for the Borrowers or any of their Subsidiaries), it being the intention of the parties hereto that all executive management personnel required in connection with the business or operations of the Borrowers and their Subsidiaries shall be employees of the Manager (and that the Executive Compensation for such employees shall be covered by Management Fees payable hereunder). For purposes hereof, "executive management personnel" shall not include any individual (such as a system manager or a regional manager) who is employed solely in connection with the day-to-day operations of a CATV System or a Region.

8.12 Capital Expenditures.

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(a) Scheduled Capital Expenditures. The Borrowers will not permit

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the aggregate amount of Capital Expenditures to exceed the following respective amounts for the following respective Fiscal Periods of the Borrowers:

Fiscal Period Ending -----	Amount -----
December 31, 1999	\$30,000,000
December 31, 2000	\$53,900,000
December 31, 2001	\$56,100,000
December 31, 2002	\$52,200,000
December 31, 2003	\$39,200,000
December 31, 2004	\$26,100,000
December 31, 2005	\$25,300,000
December 31, 2006	\$24,600,000
December 31, 2007	\$24,500,000

provided that, the amounts set forth above for any Fiscal Period of the

Borrowers in which the Borrowers enter into an Acquisition pursuant to Section 8.05(d)(iv) shall be increased by such amount as the Borrowers shall propose in a notice to the Administrative Agent and the Lenders (which amount shall be based on a proposed budget and operating plan set forth in such notice) which increase shall become effective unless Requisite Lenders object to such amount, by notice to the Administrative Agent, within 10 Business Days following receipt of the Borrowers' notice. For purposes of this Section 8.12(a), "Requisite

Lenders" shall mean Lenders having at least 50% of the sum of (a) the aggregate

outstanding principal amount of the Term Loans or, if the Term Loans shall not have been made, the aggregate outstanding principal amount of the Term Loan Commitments plus (b) the aggregate outstanding principal amount of the

Incremental Facility Loans or, if the Incremental Facility Loans shall not have been made, the aggregate outstanding principal amount of the Incremental Facility Commitments plus (c) the sum of (i) the aggregate unused amount, if

any, of the Revolving Credit Commitments at such time plus (ii) the aggregate

outstanding principal amount of the Revolving Credit Loans at such time

If the aggregate amount of Capital Expenditures for any Fiscal Period of the Borrowers shall be less than the amount set forth opposite such Fiscal Period in the schedule above, then the shortfall shall be added to the amount of Capital Expenditures permitted for the immediately succeeding (but not any other) Fiscal Period and, for purposes hereof, the amount of Capital Expenditures made during any Fiscal Period shall be deemed to have been made first from the carryover from any previous Fiscal Period and last from the permitted amount for such Fiscal Period.

(b) Additional Capital Expenditures. In addition to the Capital

Expenditures permitted under paragraph (a) above, the Borrowers and their Subsidiaries may make Additional Capital Expenditures during any fiscal quarter in such amounts as would be permitted under Section 8.09(d)(ii) (in the case of a payment of principal of Affiliate Subordinated Indebtedness, as if such Capital Expenditure constituted a payment in respect of Supplemental Capital thereunder).

8.13 Interest Rate Protection Agreements. The Borrowers will within

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90 days of the Closing Date, enter into, and thereafter maintain in full force and effect, one or more Interest Rate Protection Agreements with one or more of the Lenders or their affiliates (and/or with a bank or other financial institution having capital, surplus and undivided profits of at least \$500,000,000), that effectively enables the Borrowers (in a manner satisfactory to the Majority Lenders) to protect themselves, in a manner and on terms reasonably satisfactory to the Majority Lenders, against adverse fluctuations in the three-month London interbank offered rates as to a notional principal amount which, together with that portion of the aggregate outstanding principal amount of Indebtedness of the Borrowers bearing a fixed rate of interest, shall in the aggregate be at least equal to 50% of the aggregate outstanding principal amount of the Indebtedness (including Affiliate Subordinated Indebtedness) of the Borrowers.

8.14 Affiliate and Additional Subordinated Indebtedness.

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(a) The Borrowers may at any time after the date hereof incur Affiliate Subordinated Indebtedness to Mediacom or one or more other Affiliates, so long as the proceeds of any such Affiliate Subordinated Indebtedness constituting Cure Monies are immediately applied to the reduction of the Revolving Credit Commitments and the prepayment of principal of the Term Loans and Incremental Facility Loans of each Series hereunder, applied ratably to the Revolving Credit Commitments, the Term Loans and the Incremental Facility Loans of each Series in accordance with the respective then-outstanding aggregate amounts of such Commitments and Loans (and to the simultaneous prepayment of the Revolving Credit Loans in an amount equal to such required reduction of Revolving Credit Commitments), provided that to the

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extent any such required prepayment of Revolving Credit Loans shall exceed the then-outstanding aggregate principal amount of Revolving Credit Loans, such excess shall be applied to the ratable prepayment of Term Loans and Incremental Facility Loans of each Series.

(b) The Borrowers will not, nor will they permit any of their Subsidiaries to, purchase, redeem, retire or otherwise acquire for value, or set apart any money for a sinking, defeasance or other analogous fund for the purchase, redemption, retirement or other acquisition of, or make any voluntary payment or prepayment of the principal of or interest on, or any other amount owing in respect of, any Affiliate Subordinated Indebtedness, except to the extent permitted under Section 8.09 hereof.

(c) The Borrowers will not, nor will they permit any of their Subsidiaries to, purchase, redeem, retire or otherwise acquire for value, or set apart any money for a sinking, defeasance or other analogous fund for the purchase, redemption, retirement or other acquisition of, or make any voluntary payment or prepayment of the principal of or interest on, or any other amount owing in respect of, any Indebtedness at any time issued pursuant to Section 8.07(e).

8.15 Lines of Business. The Borrowers will at all times ensure that

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not more than 15% of gross operating revenue of the Borrowers and their Subsidiaries for any fiscal year shall be derived from any line or lines of business activity other than the business of owning and operating CATV Systems and related communications businesses.

8.16 Transactions with Affiliates. Except as expressly permitted by

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this Agreement, none of the Borrowers will, nor will it permit any of its Subsidiaries to, directly or indirectly: (a) make any Investment in an Affiliate except for Investments permitted under Section 8.08(h), provided that, the

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monetary or business consideration arising therefrom would be substantially as advantageous to a Borrower and its Subsidiaries as the monetary or business consideration that would obtain in a comparable transaction with a Person not an Affiliate; (b) transfer, sell, lease, assign or otherwise dispose of any Property to an Affiliate; (c) merge into or consolidate with or purchase or acquire Property from an Affiliate; (d) make any contribution towards, or reimbursement for, any Federal income taxes payable by any member of a Borrower or any of its Subsidiaries in respect of income of a Borrower; or (e) enter into any other transaction directly or indirectly with or for the benefit of an Affiliate (including, without limitation, Guarantees and assumptions of obligations of an Affiliate); provided that

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(i) any Affiliate who is an individual may serve as a director, officer or employee of a Borrower or any of its Subsidiaries and receive reasonable compensation for his or her services in such capacity,

(ii) a Borrower and its Subsidiaries may enter into transactions (other than extensions of credit by such Borrower or any of its Subsidiaries to an Affiliate) providing for the leasing of Property, the rendering or receipt of services or the purchase or sale of equipment, programming rights, advertising time and other Property in the ordinary course of business if the monetary or business consideration arising therefrom would be substantially as advantageous to such Borrower and its Subsidiaries as the monetary or business consideration that would obtain in a comparable transaction with a Person not an Affiliate,

(iii) the Borrowers may enter into and perform their respective obligations under, the Management Agreements, and

(iv) the Borrowers and their Subsidiaries may pay to the Manager the aggregate amount of intercompany shared expenses payable to Mediacom that are allocated by Mediacom to the Borrowers and their Subsidiaries in accordance with Section 5.04 of the Guarantee and Pledge Agreement.

8.17 Use of Proceeds.

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(a) Revolving Credit Loans. The Borrowers will use the proceeds of

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the Revolving Credit Loans hereunder solely to (i) provide financing for Acquisitions and to pay the fees and expenses related thereto, (ii) make Restricted Payments, (iii) pay Management Fees, (iv) make Investments permitted under Section 8.08 hereof and (v) finance capital expenditures and working capital needs of the Borrowers and their Subsidiaries and acquisitions permitted hereunder (in each case in compliance with all applicable legal and regulatory requirements); provided that (x) any borrowing of Revolving Credit Loans hereunder that would constitute a utilization of any Reserved Commitment Amount shall be applied solely to make acquisitions permitted under Section 8.05(d)(iv) hereof, or to make prepayments of Loans under Section 2.10(d) hereof and (y) neither the Administrative Agent nor any Lender shall have any responsibility as to the use of any of such proceeds.

(b) Term Loans and Incremental Facility Loans. The Borrowers will use

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the proceeds of the Term Loans to refinance indebtedness outstanding under the Existing Credit Agreements, to make distributions to (or repay advances made to the Borrowers by) Mediacom, and, in the case of Mediacom Arizona, to effect the Apache Acquisition. The Borrowers will use the proceeds of the Incremental Facility Loans for general corporate purposes and to make Acquisitions.

8.18 Certain Obligations Respecting Subsidiaries; Further Assurances.

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(a) Subsidiary Guarantors. In the event that any Borrower or any of

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its Subsidiaries shall form or acquire any Subsidiary after the date hereof (after obtaining any necessary consent of the Lenders), such Borrower shall cause, and shall cause its Subsidiaries to cause, such Subsidiary to:

(i) execute and deliver to the Administrative Agent a Subsidiary Guarantee Agreement in the form of Exhibit E hereto (and, thereby, to become a "Subsidiary Guarantor", and an "Obligor" hereunder and a "Securing Party" under the Pledge Agreement);

(ii) deliver the shares of its stock or other ownership interests accompanied by undated stock powers or other powers executed in blank to the Administrative Agent, and to take other such action, as shall be necessary to create and perfect valid and enforceable first priority Liens (subject to Liens permitted under Section 8.06 hereof) on substantially all of the Property of such new Subsidiary as collateral security for the obligations of such new Subsidiary under the Subsidiary Guarantee Agreement, and



(iii) deliver such proof of corporate action, limited liability company action or partnership action, as the case may be, incumbency of officers, opinions of counsel and other documents as is consistent with those delivered by each Obligor pursuant to Section 6.01 hereof on the Closing Date or as the Administrative Agent shall have reasonably requested.

(b) Ownership of Subsidiaries. Each Borrower will, and will cause

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each of its Subsidiaries to, take such action from time to time as shall be necessary to ensure that each of its Subsidiaries is a Wholly Owned Subsidiary. In the event that any additional shares of stock or other ownership interests shall be issued by Subsidiary of a Borrower, such Borrower agrees forthwith to deliver to the Administrative Agent pursuant to the Pledge Agreement the certificates evidencing such shares of stock or other ownership interests, accompanied by undated stock or other powers executed in blank and to take such other action as the Administrative Agent shall request to perfect the security interest created therein pursuant to the Pledge Agreement.

(c) Further Assurances. Each Borrower will, and will cause each of

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its Subsidiaries to, take such action from time to time (including filing appropriate Uniform Commercial Code financing statements and executing and delivering such assignments, security agreements and other instruments) as shall be requested by the Administrative Agent to create, in favor of the Administrative Agent for the benefit of the Lenders, perfected security interests and Liens in shares of stock or other ownership interests of their Subsidiaries. In addition, the Borrowers will not issue additional equity interests ("Additional Equity Interests") after the date hereof to any Person (a

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"New Equity Owner") other than Mediacom unless such New Equity Owner shall:

(i) pledge such Additional Equity Interests to the Administrative Agent on behalf of the Lenders pursuant to a pledge agreement in substantially the form (other than negative covenants) of the Guarantee and Pledge Agreement and otherwise in form and substance satisfactory to the Administrative Agent;

(ii) deliver to the Administrative Agent any certificates evidencing the Additional Equity Interests accompanied by undated powers executed in blank;

(iii) deliver to the Administrative Agent such proof of corporate action, limited liability company, partnership or other action, as applicable, incumbency of officers, opinions of counsel and other documents as is consistent with those delivered by Mediacom and the Manager pursuant to Section 6.01 hereof on the Closing Date or as the Administrative Agent shall have reasonably requested; and

(iv) take other such additional action, as shall be necessary to create and perfect valid and enforceable first priority security interests in the Additional Equity Interests in favor of the Administrative Agent.

(d) Certain Restrictions. The Borrowers will not, and will not permit

any of their Subsidiaries to, directly or indirectly, enter into, incur or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition upon (a) the ability of the Borrowers or any Subsidiary to create, incur or permit to exist any Lien upon any of its property or assets securing the obligations of the Borrowers or any Subsidiary under any of the Loan Documents, or in respect of any Interest Rate Protection Agreement, or (b) the ability of any Subsidiary to pay dividends or other distributions with respect to any shares of its capital stock or other ownership interests or to make or repay loans or advances to the Borrowers or any Subsidiary or to Guarantee Indebtedness of the Borrowers or any Subsidiary under any of the Loan Documents; provided that (i) the foregoing shall not apply to restrictions and

conditions imposed by law or by any of the Loan Documents, (ii) the foregoing shall not apply to customary restrictions and conditions contained in agreements relating to the sale of a Subsidiary pending such sale, provided such

restrictions and conditions apply only to the Subsidiary that is to be sold and such sale is permitted hereunder, (iii) clause (a) of the foregoing shall not apply to restrictions or conditions imposed by any agreement relating to secured Indebtedness permitted by this Agreement or any other Loan Document if such restrictions or conditions apply only to the property or assets securing such Indebtedness and (iv) clause (a) of the foregoing shall not apply to customary provisions in leases and other contracts restricting the assignment thereof.

8.19 Modifications of Certain Documents. The Borrowers will not

consent to any modification, supplement or waiver of any of the provisions of any Management Agreement (other than modifications, supplements or waivers that do not alter any of the material rights or obligations of the Borrowers thereunder, it being understood that any modification of the management fee provisions thereof that would have the effect of increasing the management fees payable pursuant thereto shall be deemed material for purposes hereof), or any agreement, instrument or other document evidencing or relating to Affiliate Subordinated Indebtedness or Indebtedness permitted under Section 8.07(e) hereof without the prior consent of the Administrative Agent (with the approval of the Majority Lenders).

Section 9. Events of Default.

9.01 Events of Default. If one or more of the following events

(herein called "Events of Default") shall occur and be continuing:

(a) The Borrowers shall default in the payment when due (whether at stated maturity or upon mandatory or optional prepayment) of any principal of or interest on

any Loan or any Reimbursement Obligation, any fee or any other amount payable by them hereunder or under any other Loan Document; or

(b) Any Borrower or any Subsidiary of a Borrower shall default in the payment when due of any principal of or interest on any of its other Indebtedness aggregating \$5,000,000 or more; or any event specified in any note, agreement, indenture or other document evidencing or relating to any such Indebtedness shall occur if the effect of such event is to cause, or (without the lapse of time or the taking of any action, other than the giving of notice) to permit the holder or holders of such Indebtedness (or a trustee or agent on behalf of such holder or holders) to cause, such Indebtedness to become due, or to be prepaid in full (whether by redemption, purchase, offer to purchase or otherwise), prior to its stated maturity; or any Borrower shall default in the payment when due of any amount aggregating \$5,000,000 or more under any Interest Rate Protection Agreement; or any event specified in any Interest Rate Protection Agreement shall occur if the effect of such event is to cause, or (with the giving of any notice or the lapse of time or both) to permit, termination or liquidation payment or payments aggregating \$1,000,000 or more to become due; or

(c) Any representation, warranty or certification made or deemed made herein or in any other Loan Document (or in any modification or supplement hereto or thereto) by any Obligor, or any certificate furnished to any Lender or the Administrative Agent pursuant to the provisions hereof or thereof, shall prove to have been false or misleading as of the time made or furnished in any material respect; or

(d) Any Borrower shall default in the performance of any of its obligations under any of Sections 8.01(g), 8.05, 8.06, 8.07, 8.08, 8.09, 8.10, 8.11, 8.12, 8.14, 8.16, 8.18 or 8.19 hereof; or any Borrower shall default in the performance of any of its other obligations in this Agreement or any Obligor shall default in the performance of its obligations under any other Loan Document to which it is a party, and such default shall continue unremedied for a period of thirty or more days after notice thereof to the Borrowers by the Administrative Agent or any Lender (through the Administrative Agent); or

(e) Any Obligor shall admit in writing its inability to, or be generally unable to, pay its debts as such debts become due; or

(f) Any Obligor shall (i) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee, examiner or liquidator of itself or of all or a substantial part of its Property, (ii) make a general assignment for the benefit of its creditors, (iii) commence a voluntary case under the Bankruptcy Code, (iv) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency,

reorganization, liquidation, dissolution, arrangement or winding-up, or composition or readjustment of debts, (v) fail to controvert in a timely and appropriate manner, or acquiesce in writing to, any petition filed against it in an involuntary case under the Bankruptcy Code or (vi) take any corporate action for the purpose of effecting any of the foregoing; or

(g) A proceeding or case shall be commenced, without the application or consent of any Obligor, in any court of competent jurisdiction, seeking (i) its reorganization, liquidation, dissolution, arrangement or winding-up, or the composition or readjustment of its debts, (ii) the appointment of a receiver, custodian, trustee, examiner, liquidator or the like of such Obligor or of all or any substantial part of its Property or (iii) similar relief in respect of such Obligor under any law relating to bankruptcy, insolvency, reorganization, winding-up, or composition or adjustment of debts, and such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed and in effect, for a period of 60 or more days; or an order for relief against such Obligor shall be entered in an involuntary case under the Bankruptcy Code; or

(h) Any Borrower shall be terminated, dissolved or liquidated (as a matter of law or otherwise), or proceedings shall be commenced by a Borrower seeking the termination, dissolution or liquidation of a Borrower, or proceedings shall be commenced by any Person (other than the Borrowers) seeking the termination, dissolution or liquidation of a Borrower and such proceeding shall continue undismissed for a period of 60 or more days; or

(i) A final judgment or judgments for the payment of money of \$5,000,000 or more in the aggregate (exclusive of judgment amounts fully covered by insurance where the insurer has admitted liability in respect of such judgment) or of \$10,000,000 or more in the aggregate (regardless of insurance coverage) shall be rendered by one or more courts, administrative tribunals or other bodies having jurisdiction against the Borrowers or any of their Subsidiaries and the same shall not be discharged (or provision shall not be made for such discharge), or a stay of execution thereof shall not be procured, within 30 days from the date of entry thereof and the relevant Borrower or Subsidiary shall not, within said period of 30 days, or such longer period during which execution of the same shall have been stayed, appeal therefrom and cause the execution thereof to be stayed during such appeal; or

(j) An event or condition specified in Section 8.01(e) hereof shall occur or exist with respect to any Plan or Multiemployer Plan and, as a result of such event or condition, together with all other such events or conditions, the Borrowers or any ERISA Affiliate shall incur or in the opinion of the Majority Lenders shall be reasonably likely to

incur a liability to a Plan, a Multiemployer Plan or the PBGC (or any combination of the foregoing) that, in the determination of the Majority Lenders, would (either individually or in the aggregate) have a Material Adverse Effect; or

(k) A reasonable basis shall exist for the assertion against any Borrower or any of its Subsidiaries, or any predecessor in interest of any Borrower or any of its Subsidiaries or Affiliates, of (or there shall have been asserted against any Borrower or any of its Subsidiaries) an Environmental Claim that, in the judgment of the Majority Lenders is reasonably likely to be determined adversely to such Borrower or any of its Subsidiaries, and the amount thereof (either individually or in the aggregate) is reasonably likely to have a Material Adverse Effect (insofar as such amount is payable by such Borrower or any of its Subsidiaries but after deducting any portion thereof that is reasonably expected to be paid by other creditworthy Persons jointly and severally liable therefor); or

(l) Any one or more of the following events shall occur and be continuing:

(i) Rocco Commisso shall, by reason other than death or permanent disability, cease to be Chairman and Chief Executive Officer of the Manager (or, following a Qualified Public Offering, of Holdco), or if Rocco Commisso shall cease to be the Chairman and Chief Executive Officer of the Manager (or, as applicable, Holdco) by reason of death or permanent disability, a period of 120 days shall have elapsed without the appointment of a successor Chairman and Chief Executive Officer with a Person with knowledge and experience in the cable television industry reasonably acceptable to the Majority Lenders;

(ii) Mediacom Management Corporation or Mediacom shall cease to act as Manager of the Borrowers;

(iii) Mediacom, Mediacom Management Corporation and Mediacom California shall cease to own, collectively, 50.1% of the aggregate voting power of the ownership interests in each Borrower, provided that nothing in this paragraph shall affect the obligation of the Borrowers pursuant to Section 8.18(c) hereof, or of Mediacom pursuant to Section 6.04 of the Guarantee and Pledge Agreement, to ensure that Administrative Agent shall maintain on behalf of the Lenders at all times a pledge of 100% of the equity interests in the Borrowers;

(iv) any person or group (within the meaning of Rule 13d-5 under the Securities Exchange Act of 1934, as amended (the "Exchange

Act") and Section 13(d) and 14(d) of the Exchange Act) other than a

Commisso Entity or any entity controlled by or under common control with Chase Manhattan Capital Corporation or Morris Communications Corporation becomes, directly or

indirectly, in a single transaction or in a related series of transactions by way of merger, consolidation or other business combination or otherwise, the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act) of more than 25% of the aggregate voting power of the capital stock of Mediacom or after a Qualified Public Offering, Holdco, on a fully-diluted basis (in other words, giving effect to the exercise of any warrants, options and conversion and other rights);

(v) at any time prior to a Qualified Public Offering, the Commisso Entities shall sell, transfer or otherwise dispose of more than 20% of the aggregate equity interests in Mediacom held by them on the date hereof (excluding in any event any additional equity interests issued after the date hereof, including upon a revaluation after the date hereof as provided in the operating agreement for Mediacom, and excluding also any such transfer following the death or permanent disability of Rocco Commisso and any such transfer that consists of an exchange by the holders of the equity generally of Mediacom of their equity interests in Mediacom for equity interests in Holdco); or

(vi) at any time after a Qualified Public Offering, the Commisso Entities shall cease to own at least 50.1% of the aggregate voting power of the capital stock of Holdco on a fully-diluted basis (in other words, giving effect to the exercise of any warrants, options and conversion and other rights); or

(m) Except for Franchises that cover fewer than 10% of the Subscribers of the Borrowers and their Subsidiaries (determined as at the last day of the most recent fiscal quarter for which a Quarterly Officers' Report shall have been delivered) one or more Franchises relating to the CATV Systems of the Borrowers and their Subsidiaries shall be terminated or revoked such that the respective Borrower or Subsidiary is no longer able to operate such Franchises and retain the revenue received therefrom or the respective Borrower or Subsidiary or the grantors of such Franchises shall fail to renew such Franchises at the stated expiration thereof such that the respective Borrower or Subsidiary is no longer able to operate such Franchises and retain the revenue received therefrom; or

(n) The Liens created by the Security Documents shall at any time not constitute a valid and perfected Lien on the collateral intended to be covered thereby (to the extent perfection by filing, registration, recordation or possession is required herein or therein) in favor of the Administrative Agent, free and clear of all other Liens (other than Liens permitted under Section 8.06 hereof or under the respective Security Documents), or, except for expiration in accordance with its terms, any of the Security Documents shall for whatever reason be terminated or cease to be in full force and effect, or the enforceability thereof shall be contested by any Borrower; or

(o) Any Operating Agreement shall be modified in any manner that would adversely affect the obligations of the Borrowers, or the rights of the Lenders or the Administrative Agent, hereunder or under any of the other Loan Documents;

THEREUPON: (1) in the case of an Event of Default other than one referred to in clause (f) or (g) of this Section 9 with respect to any Borrower, the Administrative Agent shall, if instructed by the Majority Lenders, by notice to the Borrowers, terminate the Commitments and/or declare the principal amount then outstanding of, and the accrued interest on, the Loans, the Reimbursement Obligations and all other amounts payable by the Borrowers hereunder (including, without limitation, any amounts payable under Section 5.05 or 5.06 hereof) to be forthwith due and payable, whereupon such amounts shall be immediately due and payable without presentment, demand, protest or other formalities of any kind, all of which are hereby expressly waived by the Borrowers; and (2) in the case of the occurrence of an Event of Default referred to in clause (f) or (g) of this Section 9 with respect to any Borrower, the Commitments shall automatically be terminated and the principal amount then outstanding of, and the accrued interest on, the Loans, Reimbursement Obligations and all other amounts payable by the Borrowers hereunder (including, without limitation, any amounts payable under Section 5.05 or 5.06 hereof) shall automatically become immediately due and payable without presentment, demand, protest or other formalities of any kind, all of which are hereby expressly waived by the Borrowers.

In addition, upon the occurrence and during the continuance of any Event of Default (if the Administrative Agent has declared the principal amount then outstanding of, and accrued interest on, the Revolving Credit Loans and all other amounts payable by the Borrowers hereunder to be due and payable), the Borrowers agree that they shall, if requested by the Administrative Agent or the Majority Revolving Credit Lenders through the Administrative Agent (and, in the case of any Event of Default referred to in clause (f) or (g) of this Section 9 with respect to the Borrowers, forthwith, without any demand or the taking of any other action by the Administrative Agent or such Lenders) provide cover for the Letter of Credit Liabilities by paying to the Administrative Agent immediately available funds in an amount equal to the then aggregate undrawn face amount of all Letters of Credit, which funds shall be held by the Administrative Agent in the Collateral Account as collateral security in the first instance for the Letter of Credit Liabilities and be subject to withdrawal only as therein provided.

9.02 Certain Cure Rights.

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(a) Notwithstanding the provisions of Section 9.01 hereof, but without limiting the obligations of the Borrowers under Section 8.10(a) hereof, a breach by the Borrowers as of the last day of any fiscal quarter or any fiscal year of its obligations under said Section 8.10(a) shall not constitute an Event of Default hereunder (except for purposes of Section 6 hereof) until the date (the "Cut-Off Date") which is the earlier of the date thirty days after (a) the

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date the

financial statements for the Borrowers and their Subsidiaries with respect to such fiscal quarter or fiscal year, as the case may be, are delivered pursuant to Section 8.01(a) or 8.01(b) hereof or (b) the latest date on which such financial statements are required to be delivered pursuant to said Section 8.01(a) or 8.01(b), provided that, if following the last day of such fiscal

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quarter or fiscal year and prior to the Cut-Off Date, the Borrowers shall have received Cure Monies (and shall have applied the proceeds thereof to the prepayment of the Loans hereunder, which prepayment, in the case of Affiliate Subordinated Indebtedness, shall be effected in the manner provided in Section 8.14(a) hereof), or shall have prepaid the Loans hereunder from available cash, in an amount sufficient to bring the Borrowers into compliance with said Section 8.10(a) assuming that the Total Leverage Ratio, as of the last day of such fiscal quarter or fiscal year, as the case may be, were recalculated to subtract such prepayment from the aggregate outstanding amount of Indebtedness, then such breach or breaches shall be deemed to have been cured; provided, further, that

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breaches of Section 8.10 hereof (including pursuant to paragraph (b) below) may not be deemed to be cured pursuant to this Section 9.02 (x) more than three times during the term of this Agreement or (y) during consecutive fiscal quarters.

(b) Notwithstanding the provisions of Section 9.01 hereof, but without limiting the obligations of the Borrowers under Section 8.10(b) or 8.10(c) hereof, a breach by the Borrowers as of the last day of any fiscal quarter or any fiscal year of its obligations under said Section 8.10(b) or 8.10(c) shall not constitute an Event of Default hereunder (except for purposes of Section 6 hereof) until the date (the "Cut-Off Date") which is the earlier of

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the date thirty days after (a) the date the financial statements for the Borrowers and their Subsidiaries with respect to such fiscal quarter or fiscal year, as the case may be, are delivered pursuant to Section 8.01(a) or 8.01(b) hereof or (b) the latest date on which such financial statements are required to be delivered pursuant to said Section 8.01(a) or 8.01(b), provided that, if

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following the last day of such fiscal quarter or fiscal year and prior to the Cut-Off Date, the Borrowers shall have received Cure Monies (and shall have applied the proceeds thereof to the prepayment of the Loans hereunder, which prepayment, in the case of Affiliate Subordinated Indebtedness, shall be effected in the manner provided in Section 8.14(a) hereof), or shall have prepaid the Loans hereunder from available cash, in an amount sufficient to bring the Borrowers into compliance with said Section 8.10(b) or 8.10(c) assuming that the Interest Coverage Ratio and the Pro Forma Debt Service Coverage Ratio (as the case may be), as of the last day of such fiscal quarter or fiscal year, as the case may be, were recalculated to deduct from Interest Expense the aggregate amount of interest that would not have been required to be paid hereunder if such prepayment had been made on the first day of the period for which the Interest Coverage Ratio and the Pro Form Debt Service Coverage Ratio is determined under said Section 8.10(b) or 8.10(c), then such breach or breaches shall be deemed to have been cured; provided, further, that breaches of

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Section 8.10 hereof (including pursuant to paragraph (a) above) may not be deemed to be cured pursuant to this Section 9.02 (x) more than three times during the term of this Agreement or (y) during consecutive fiscal quarters.



Section 10. The Administrative Agent.  
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10.01 Appointment, Powers and Immunities. Each Lender hereby appoints  
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and authorizes the Administrative Agent to act as its agent hereunder and under the other Loan Documents with such powers as are specifically delegated to the Administrative Agent by the terms of this Agreement and under the other Loan Documents, together with such other powers as are reasonably incidental thereto. The Administrative Agent (which term as used in this sentence and in Section 10.05 and the first sentence of Section 10.06 hereof shall include reference to its affiliates and its own and its affiliates' officers, directors, employees and agents):

(a) shall have no duties or responsibilities except those expressly set forth in this Agreement and in the other Loan Documents, and shall not by reason of this Agreement or any other Loan Document be a trustee for any Lender;

(b) shall not be responsible to the Lenders for any recitals, statements, representations or warranties contained in this Agreement or in any other Loan Document, or in any certificate or other document referred to or provided for in, or received by any of them under, this Agreement or any other Loan Document, or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document or any other document referred to or provided for herein or therein or for any failure by the Borrowers or any other Person to perform any of its obligations hereunder or thereunder;

(c) shall not, except to the extent expressly instructed by the Majority Lenders with respect to the collateral security under the Security Documents, be required to initiate or conduct any litigation or collection proceedings hereunder or under any other Loan Document; and

(d) shall not be responsible for any action taken or omitted to be taken by it hereunder or under any other Loan Document or under any other document or instrument referred to or provided for herein or therein or in connection herewith or therewith, except for its own gross negligence or willful misconduct.

The Administrative Agent may employ agents and attorneys-in-fact and shall not be responsible for the negligence or misconduct of any such agents or attorneys-in-fact selected by it in good faith.

10.02 Reliance by Administrative Agent. The Administrative Agent  
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shall be entitled to rely upon any certification, notice or other communication (including, without limitation, any thereof by telephone, telecopy, telegram or cable) reasonably believed by it to be

genuine and correct and to have been signed or sent by or on behalf of the proper Person or Persons, and upon advice and statements of legal counsel, independent accountants and other experts selected by the Administrative Agent. As to any matters not expressly provided for by this Agreement or any other Loan Document, the Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, hereunder or thereunder in accordance with instructions given by the Majority Lenders or, if provided herein, in accordance with the instructions given by the Majority Revolving Credit Lenders, the Majority Term Loan Lenders, the Majority Incremental Facility Lenders of a Series or all of the Lenders as is required in such circumstance, and such instructions of such Lenders and any action taken or failure to act pursuant thereto shall be binding on all of the Lenders.

10.03 Defaults. The Administrative Agent shall not be deemed to have

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knowledge or notice of the occurrence of a Default unless the Administrative Agent has received notice from a Lender or the Borrowers specifying such Default and stating that such notice is a "Notice of Default". In the event that the Administrative Agent receives such a notice of the occurrence of a Default, the Administrative Agent shall give prompt notice thereof to the Lenders. The Administrative Agent shall (subject to Section 10.07 hereof) take such action with respect to such Default as shall be directed by the Majority Lenders or, if provided herein, the Majority Revolving Credit Lenders, the Majority Term Loan Lenders or the Majority Incremental Facility Lenders of a Series, provided that,

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unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default as it shall deem advisable in the best interest of the Lenders except to the extent that this Agreement expressly requires that such action be taken, or not be taken, only with the consent or upon the authorization of the Majority Lenders, the Majority Revolving Credit Lenders, the Majority Term Loan Lenders or the Majority Incremental Facility Lenders of a Series or all of the Lenders.

10.04 Rights as a Lender. With respect to its Commitments and the

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Loans made by it, Chase (and any successor acting as Administrative Agent) in its capacity as a Lender hereunder shall have the same rights and powers hereunder as any other Lender and may exercise the same as though it were not acting as the Administrative Agent, and the term "Lender" or "Lenders" shall, unless the context otherwise indicates, include the Administrative Agent in its individual capacity. Chase (and any successor acting as Administrative Agent) and its affiliates may (without having to account therefor to any Lender) accept deposits from, lend money to, make investments in and generally engage in any kind of banking, trust or other business with the Borrowers (and any of their Subsidiaries or Affiliates) as if it were not acting as the Administrative Agent, and Chase (and any such successor) and its affiliates may accept fees and other consideration from the Borrowers for services in connection with this Agreement or otherwise without having to account for the same to the Lenders.

10.05 Indemnification. The Lenders agree to indemnify the

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Administrative Agent (to the extent not reimbursed under Section 11.03 hereof, but without limiting the obligations of the Borrowers under said Section 11.03) ratably in accordance with the aggregate principal amount of the Loans and Reimbursement Obligations held by the Lenders (or, if no Loans or Reimbursement Obligations are at the time outstanding, ratably in accordance with their respective Commitments), for any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind and nature whatsoever that may be imposed on, incurred by or asserted against the Administrative Agent (including by any Lender) arising out of or by reason of any investigation in or in any way relating to or arising out of this Agreement or any other Loan Document any other documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby (including, without limitation, the costs and expenses that the Borrowers are obligated to pay under Section 11.03 hereof, but excluding, unless a Default has occurred and is continuing, normal administrative costs and expenses incident to the performance of its agency duties hereunder) or the enforcement of any of the terms hereof or thereof or of any such other documents, provided that no Lender shall be liable for any of the foregoing to the extent they arise from the gross negligence or willful misconduct of the party to be indemnified.

10.06 Non-Reliance on Administrative Agent and Other Lenders. Each

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Lender agrees that it has, independently and without reliance on the Administrative Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own credit analysis of the Borrowers and their Subsidiaries and decision to enter into this Agreement and that it will, independently and without reliance upon the Administrative Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own analysis and decisions in taking or not taking action under this Agreement or under any other Loan Document. The Administrative Agent shall not be required to keep itself informed as to the performance or observance by the Borrowers of this Agreement or any of the other Loan Documents or any other document referred to or provided for herein or therein or to inspect the Properties or books of the Borrowers or any of their Subsidiaries. Except for notices, reports and other documents and information expressly required to be furnished to the Lenders by the Administrative Agent hereunder or under the Security Documents, the Administrative Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the affairs, financial condition or business of the Borrowers or any of their Subsidiaries (or any of their affiliates) that may come into the possession of the Administrative Agent or any of its affiliates.

10.07 Failure to Act. Except for action expressly required of the

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Administrative Agent hereunder and under the other Loan Documents, the Administrative Agent shall in all cases be fully justified in failing or refusing to act hereunder or thereunder unless it shall receive further assurances to its satisfaction from the Lenders of their indemnification obligations under

Section 10.05 hereof against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action.

10.08 Resignation or Removal of Administrative Agent. Subject to the

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appointment and acceptance of a successor Administrative Agent as provided below, the Administrative Agent may resign at any time by giving five days prior notice thereof to the Lenders and the Borrowers, and the Administrative Agent may be removed at any time with or without cause by the Majority Lenders. Upon any such resignation or removal, the Majority Lenders shall have the right, in consultation with the Borrowers, to appoint a successor Administrative Agent. If no successor Administrative Agent shall have been so appointed by the Majority Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent's giving of notice of resignation or the Majority Lenders' removal of the retiring Administrative Agent, then the retiring Administrative Agent may, on behalf of the Lenders, in consultation with the Borrowers, appoint a successor Administrative Agent, that shall be a bank that has an office in New York, New York with a combined capital and surplus of at least \$500,000,000. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder. After any retiring Administrative Agent's resignation or removal hereunder as Administrative Agent, the provisions of this Section 10 shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as the Administrative Agent.

10.09 Consents under Other Loan Documents. Except as otherwise provided in Section 11.04 hereof with respect to this Agreement, the Administrative Agent may, with the prior consent of the Majority Lenders (but not otherwise), consent to any modification, supplement or waiver under any of the Loan Documents, provided that, without the prior consent of each Lender, the

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Administrative Agent shall not (except as provided herein or in the Security Documents) release all or substantially all of the Subsidiary Guarantors from their obligations under the Security Documents, or release all or substantially all of the collateral or otherwise terminate all or substantially all of the Liens under the Security Documents (taken as a whole), or agree to additional obligations being secured by all or substantially all such collateral security (unless the Lien for such additional obligations shall be junior to the Lien in favor of the other obligations secured by such Security Document, in which event the Administrative Agent may consent to such junior Lien provided that it  
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obtains the consent of the Majority Lenders thereto), alter the relative priorities of the obligations entitled to the benefits of all or substantially all of the Liens under the Security Documents, except that no such consent shall be required, and the Administrative Agent is hereby authorized, to release any Lien covering Property (and to release any Subsidiary Guarantor) that is the subject of either a disposition of Property permitted hereunder or a Disposition to which the Majority Lenders have consented.

Section 11. Miscellaneous.

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11.01 Waiver. No failure on the part of the Administrative Agent or

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any Lender to exercise and no delay in exercising, and no course of dealing with respect to, any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The remedies provided herein are cumulative and not exclusive of any remedies provided by law.

Each Borrower irrevocably waives, to the fullest extent permitted by applicable law, any claim that any action or proceeding commenced by the Administrative Agent or any Lender relating in any way to this Agreement should be dismissed or stayed by reason, or pending the resolution, of any action or proceeding commenced by a Borrower relating in any way to this Agreement whether or not commenced earlier. To the fullest extent permitted by applicable law, the Borrowers shall take all measures necessary for any such action or proceeding commenced by the Administrative Agent or any Lender to proceed to judgment prior to the entry of judgment in any such action or proceeding commenced by a Borrower.

11.02 Notices. All notices, requests and other communications

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provided for herein and under the Security Documents (including, without limitation, any modifications of, or waivers, requests or consents under, this Agreement) shall be given or made in writing (including, without limitation, by telecopy) delivered to the intended recipient at (i) in the case of the Borrowers and the Administrative Agent, at the "Address for Notices" specified below its name on the signature pages hereof and (ii) in the case of each of the Lenders, the address (or telecopy number) set forth in its Administrative Questionnaire; or, as to any party, at such other address as shall be designated by such party in a notice to each other party. Notwithstanding the foregoing, notices of borrowing, prepayment and Conversion of Loans pursuant to Section 4.05 hereof may be made by telephone, so long as the same are promptly confirmed in writing. Except as otherwise provided in this Agreement, all such communications shall be deemed to have been duly given when transmitted by telecopier or personally delivered or, in the case of a mailed notice, upon receipt, in each case given or addressed as aforesaid.

11.03 Expenses, Etc. The Borrowers jointly and severally agree to pay

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or reimburse each of the Lenders and the Administrative Agent for: (a) all reasonable out-of-pocket costs and expenses of the Administrative Agent (including, without limitation, the reasonable fees and expenses of Milbank, Tweed, Hadley & McCloy LLP, special New York counsel to Chase) in connection with (i) the negotiation, preparation, execution and delivery of this Agreement and the other Loan Documents and the extension of credit hereunder and (ii) the negotiation or preparation of any modification, supplement or waiver of any of the terms of this

Agreement or any of the other Loan Documents (whether or not consummated); (b) all reasonable out-of-pocket costs and expenses of the Lenders and the Administrative Agent (including, without limitation, the reasonable fees and expenses of legal counsel) in connection with (i) any Default and any enforcement or collection proceedings resulting therefrom, including, without limitation, all manner of participation in or other involvement with (x) bankruptcy, insolvency, receivership, foreclosure, winding up or liquidation proceedings, (y) judicial or regulatory proceedings and (z) workout, restructuring or other negotiations or proceedings (whether or not the workout, restructuring or transaction contemplated thereby is consummated) and (ii) the enforcement of this Section 11.03; and (c) all transfer, stamp, documentary or other similar taxes, assessments or charges levied by any governmental or revenue authority in respect of this Agreement or any of the other Loan Documents or any other document referred to herein or therein and all costs, expenses, taxes, assessments and other charges incurred in connection with any filing, registration, recording or perfection of any security interest contemplated by any Security Document or any other document referred to therein.

The Borrowers hereby jointly and severally agree to indemnify the Administrative Agent, each Lender, each of their affiliates and their respective directors, officers, employees, attorneys and agents from, and hold each of them harmless against, any and all losses, liabilities, claims, damages or expenses incurred by any of them (including, without limitation, any and all losses, liabilities, claims, damages or expenses incurred by the Administrative Agent to any Lender, whether or not the Administrative Agent or any Lender is a party thereto) arising out of or by reason of any investigation or litigation or other proceedings (including any threatened investigation or litigation or other proceedings) relating to the extensions of credit hereunder or any actual or proposed use by the Borrowers or any of their Subsidiaries of the proceeds of any of the extensions of credit hereunder, including, without limitation, the reasonable fees and disbursements of counsel incurred in connection with any such investigation or litigation or other proceedings (but excluding any such losses, liabilities, claims, damages or expenses incurred by reason of the gross negligence or willful misconduct of the Person to be indemnified).

11.04 Amendments, Etc. Except as otherwise expressly provided in this

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Agreement, any provision of this Agreement may be modified or supplemented only by an instrument in writing signed by the Borrowers and the Majority Lenders, or by the Borrowers and the Administrative Agent acting with the consent of the Majority Lenders, and any provision of this Agreement may be waived by the Majority Lenders or by the Administrative Agent acting with the consent of the Majority Lenders; provided that:  
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(a) no modification, supplement or waiver shall, unless by an instrument signed by all of the Lenders or by the Administrative Agent acting with the consent of all of the Lenders:

(i) increase, or extend the term of any of the Commitments, or extend the time or waive any requirement for the reduction or termination of any of the Commitments,

(ii) extend the date fixed for the payment of principal of or interest on any Loan, the Reimbursement Obligations or any fee hereunder,

(iii) reduce the amount of any such payment of principal,

(iv) reduce the rate at which interest is payable thereon or any fee is payable hereunder,

(v) alter the manner in which payments or prepayments of principal, interest or other amounts hereunder shall be applied, or provide that any Class of Loans or Lenders are subordinate in right of payment or have junior priority as to Collateral, as between the Lenders or Classes of Loans,

(vi) alter the terms of this Section 11.04,

(vii) modify the percentages set forth in the definition of the term "Majority Lenders", "Majority Revolving Credit Lenders", "Majority Term Loan Lenders" or "Majority Incremental Facility Lenders",

(viii) waive or amend any provision requiring the consent or approval of all Lenders; or

(ix) waive any of the conditions precedent set forth in Section 6.01 hereof; and

(b) any modification or supplement of Section 10 hereof, or of any of the rights or duties of the Administrative Agent hereunder, shall require the consent of the Administrative Agent.

Anything in this Agreement to the contrary notwithstanding, no waiver or modification of any provision of this Agreement that has the effect (either immediately or at some later time) of enabling the Borrowers to satisfy a condition precedent to the making of a Revolving Credit Loan, Term Loan or Incremental Facility Loan of any Series shall be effective against the Revolving Credit Lenders for the purposes of the Revolving Credit Commitments, the Term Loan Lenders for purposes of the Term Loan Commitments and Incremental Facility Commitments of such Series unless the Majority Revolving Credit Lenders or Majority Incremental Facility Lenders of such Series, as applicable, shall have concurred with such waiver

or modification, and no waiver or modification of any provision of this Agreement or any other Loan Document that could reasonably be expected to adversely affect the Lenders of any Class shall be effective against the Lenders of such Class unless the Majority Revolving Credit Lenders, Majority Term Loan Lenders or Majority Incremental Facility Lenders or the applicable Series, as the case may be, shall have concurred with such waiver or modification.

11.05 Successors and Assigns. This Agreement shall be binding upon  
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and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

11.06 Assignments and Participations.  
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(a) None of the Borrowers may assign any of its rights or obligations hereunder without the prior consent of all of the Lenders and the Administrative Agent.

(b) Each Lender may assign any of its Loans, its Commitments and, if such Lender is a Revolving Credit Lender, its Letter of Credit Interest (but only with the consent of, in the case of its outstanding Commitments, the Borrowers and the Administrative Agent and, in the case of the Revolving Credit Commitment or a Letter of Credit Interest, the Issuing Lender, which consents shall not be unreasonably withheld or delayed); provided that  
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(i) no such consent by the Borrowers or the Administrative Agent shall be required in the case of any assignment to another Lender, an affiliate or an Approved Fund of a Lender;

(ii) except to the extent the Borrowers and the Administrative Agent shall otherwise consent, any such partial assignment (other than to another Lender or an affiliate or an Approved Fund of a Lender) shall be in an amount at least equal to \$5,000,000;

(iii) each such assignment by a Lender of its Revolving Credit Loans or Revolving Credit Commitment or Letter of Credit Interest shall be made in such manner so that the same portion of its Revolving Credit Loans, Revolving Credit Commitment and Letter of Credit Interest is assigned to the respective assignee;

(iv) each such assignment by a Lender of its Term Loans or Term Loan Commitment shall be made in such manner so that the same portion of its Term Loans and Term Loan Commitment is assigned to the respective assignee;

(v) each such assignment by a Lender of its Incremental Facility Loans of any Series shall be made in such manner so that the same portion of its Incremental Facility Loans and Incremental Facility



Commitment of such Series is assigned to the respective assignee; and

(vi) upon each such assignment, the assignor and assignee shall deliver to the Borrowers, the Administrative Agent and the Issuing Lender an Assignment and Acceptance in the form of Exhibit A hereto and the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

Upon execution and delivery by the assignor and the assignee to the Borrowers, the Administrative Agent and the Issuing Lender of such Assignment and Acceptance, and upon consent thereto by the Borrowers, the Administrative Agent and the Issuing Lender to the extent required above, the assignee shall have, to the extent of such assignment (unless otherwise consented to by the Borrowers, the Administrative Agent and the Issuing Lender), the obligations, rights and benefits of a Lender hereunder holding the Commitment(s), Loans and, if applicable, Letter of Credit Interest (or portions thereof) assigned to it and specified in such Assignment and Acceptance (in addition to the Commitment(s), Loans and Letter of Credit Interest, if any, theretofore held by such assignee) and the assigning Lender shall, to the extent of such assignment, be released from the Commitment(s) (or portion(s) thereof) so assigned. Upon each such assignment the assigning Lender shall pay the Administrative Agent an assignment fee of \$3,500; provided, however, that no such fee shall be payable in the case

of an assignment to another Lender, an Affiliate of a Lender or an Approved Fund; and provided further that, in the case of contemporaneous assignments by a

Lender to more than one fund managed by the same investment advisor (which funds are not then Lenders hereunder), only a single such fee shall be payable for all such contemporaneous assignments.

(c) A Lender may sell or agree to sell to one or more other Persons (each a "Participant") a participation in all or any part of any Loans or Letter of Credit Interest held by it, or in its Commitments, provided that (i) such

Participant shall not have any rights or obligations under this Agreement or any other Loan Document (the Participant's rights against such Lender in respect of such participation to be those set forth in the agreements executed by such Lender in favor of the Participant) and (ii) such Lender shall promptly notify the Borrowers of the sale of such participation. All amounts payable by the Borrowers to any Lender under Section 5 hereof in respect of Loans and Letter of Credit Interests held by it, and its Commitments, shall be determined as if such Lender had not sold or agreed to sell any participations in such Loans, Letter of Credit Interest and Commitments, and as if such Lender were funding each of such Loan, Letter of Credit Interest and Commitments in the same way that it is funding the portion of such Loan, Letter of Credit Interest and Commitments in which no participations have been sold. In no event shall a Lender that sells a participation agree with the Participant to take or refrain from taking any action hereunder or under any other Loan Document except that such Lender may agree with the Participant that it will not, without the consent of the Participant, agree to (i) increase or extend the term of such Lender's related Commitment or extend the amount or

date of any scheduled reduction of such Commitment pursuant to Section 2.04 hereof, (ii) extend the date fixed for the payment of principal of or interest on the related Loan or Loans, Reimbursement Obligations or any portion of any fee hereunder payable to the Participant, (iii) reduce the amount of any such payment of principal, (iv) reduce the rate at which interest is payable thereon, or any fee hereunder payable to the Participant, to a level below the rate at which the Participant is entitled to receive such interest or fee or (v) consent to any modification, supplement or waiver hereof or of any of the other Loan Documents to the extent that the same, under Section 10.09 or Section 11.04 hereof, requires the consent of each Lender.

(d) In addition to the assignments and participations permitted under the foregoing provisions of this Section 11.06, any Lender may (without notice to the Borrowers, the Administrative Agent or any other Lender and without payment of any fee) (i) assign and pledge all or any portion of its Loans to any Federal Reserve Bank as collateral security pursuant to Regulation A and any Operating Circular issued by such Federal Reserve Lender and (ii) assign all or any portion of its rights under this Agreement and its Loans to an affiliate. Any Lender that is a fund that invests in bank loans may (without the consent of the Borrowers or the Administrative Agent) pledge all or any portion of its rights in connection with this Agreement to the trustee for holders of obligations owed, or securities issued, by such fund as security for such obligations or such securities, provided that any foreclosure or other exercise of remedies by such trustee shall be subject to the provisions of this Section 11.06 in all respects. No assignment or pledge described in this paragraph shall release the assigning Lender from its obligations hereunder.

(e) A Lender may furnish any information concerning the Borrowers or any of their Subsidiaries in the possession of such Lender from time to time to assignees and participants (including prospective assignees and participants), subject, however, to the provisions of Section 11.12(b) hereof.

(f) Anything in this Section 11.06 to the contrary notwithstanding, no Lender may assign or participate any interest in any Loan or Reimbursement Obligation held by it hereunder to the Borrowers or any of their Affiliates or Subsidiaries without the prior consent of each Lender.

(g) The Administrative Agent, acting for this purpose as an agent of the Borrowers, shall maintain at one of its offices in The City of New York a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amount of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be -----  
conclusive, and the Borrowers, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary.

The Register shall be available for inspection by the Borrowers and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(h) Upon its receipt of a duly completed Assignment and Acceptance executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) above, the Administrative Agent shall accept such Assignment and Acceptance and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(i) Notwithstanding anything to the contrary contained herein, any lender (a "Granting Lender") may grant to a special purpose funding vehicle (a "SPC"), identified as such in writing from time to time by the Granting Lender

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to the Administrative Agent and the Borrowers, the option to provide to the Borrowers all or any part of any Loan that such Granting Lender would otherwise be obligated to make to the Borrowers pursuant to this Agreement; provided that

-----  
(i) nothing herein shall constitute a commitment by any SPC to make any Loan, (ii) if an SPC elects not to exercise such option or otherwise fails to provide all or any part of such Loan, the Granting Lender shall be obligated to make such Loan pursuant to the terms hereof. The making of a Loan by an SPC hereunder shall utilize the Commitment of the Granting Lender to the same extent, and as if, such Loan were made by such Granting Lender. Each party hereto hereby agrees that no SPC shall be liable for any indemnity or similar payment obligation under this Agreement (all liability for which shall remain with the Granting Lender). In furtherance of the foregoing, each party hereto hereby agrees (which agreement shall survive the termination of this Agreement) that, prior to the date that is one year and one day after the payment in full of all outstanding commercial paper, or other senior indebtedness of any SPC, it will not institute against, or join any other person in instituting against, such SPC any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings under the laws of the United States or any State thereof in respect of claims arising out of this Agreement. In addition, notwithstanding anything to the contrary contained in this Section 11.06(i), any SPC may (i) with notice to, but without the prior written consent of, the Borrowers and the Administrative Agent and without paying any processing fee therefor, assign all or a portion of its interests in any Loans to the Granting Lender or to any financial institutions (consented to by the Borrowers and Administrative Agent) providing liquidity and/or credit support to or for the account of such SPC to support the funding or maintenance of Loans and (ii) disclose on a confidential basis any non-public information relating to its Loans to any rating agency, commercial paper dealer or provider of any surety, guarantee or credit or liquidity enhancement to such SPC.

11.07 Survival. The obligations of the Borrowers under Sections 5.01, 5.05, 5.06, 5.07 and 11.03 hereof, and the obligations of the Lenders under Section 10.05 hereof, shall

survive the repayment of the Loans and Reimbursement Obligations and the termination of the Commitments and, in the case of any Lender that may assign any interest in its Commitments, Loans or Letter of Credit Interest hereunder, shall survive the making of such assignment, notwithstanding that such assigning Lender may cease to be a "Lender" hereunder. In addition, each representation and warranty made, or deemed to be made by a notice of any extension of credit (whether by means of a Loan or a Letter of Credit), herein or pursuant hereto shall survive the making of such representation and warranty, and no Lender shall be deemed to have waived, by reason of making any extension of credit hereunder (whether by means of a Loan or a Letter of Credit), any Default that may arise by reason of such representation or warranty proving to have been false or misleading, notwithstanding that such Lender or the Administrative Agent may have had notice or knowledge or reason to believe that such representation or warranty was false or misleading at the time such extension of credit was made.

11.08 Captions. The table of contents and captions and section

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headings appearing herein are included solely for convenience of reference and are not intended to affect the interpretation of any provision of this Agreement.

11.09 Counterparts. This Agreement may be executed in any number of

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counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Agreement by signing any such counterpart.

11.10 Governing Law; Submission to Jurisdiction. This Agreement shall

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be governed by, and construed in accordance with, the law of the State of New York. Each Borrower hereby submits to the nonexclusive jurisdiction of the United States District Court for the Southern District of New York and of the Supreme Court of the State of New York sitting in New York County (including its Appellate Division), and of any other appellate court in the State of New York, for the purposes of all legal proceedings arising out of or relating to this Agreement or the transactions contemplated hereby. Each Borrower hereby irrevocably waives, to the fullest extent permitted by applicable law, any objection that it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient

11.11 Waiver of Jury Trial. EACH OF THE BORROWERS, THE ADMINISTRATIVE

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AGENT AND THE LENDERS HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

11.12 Treatment of Certain Information; Confidentiality.

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(a) The Borrowers acknowledge that from time to time financial advisory, investment banking and other services may be offered or provided to the Borrowers or one or more of their Subsidiaries (in connection with this Agreement or otherwise) by any Lender or by one or more subsidiaries or affiliates of such Lender and the Borrowers hereby authorize each Lender to share any information delivered to such Lender by the Borrowers and their Subsidiaries pursuant to this Agreement, or in connection with the decision of such Lender to enter into this Agreement, to any such subsidiary or affiliate, it being understood that any such subsidiary or affiliate receiving such information shall be bound by the provisions of paragraph (b) below as if it were a Lender hereunder. Such authorization shall survive the repayment of the Loans and Reimbursement Obligations and the termination of the Commitments.

(b) Each Lender and the Administrative Agent agrees (on behalf of itself and each of its affiliates, directors, officers, employees and representatives) to use reasonable precautions to keep confidential, in accordance with their customary procedures for handling confidential information of the same nature and in accordance with safe and sound banking practices, any non-public information supplied to it by any Obligor pursuant to this Agreement or any other Loan Document that is identified by the Borrowers as being confidential at the time the same is delivered to the Lenders or the Administrative Agent, provided that nothing herein shall limit the disclosure of

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any such information (i) after such information shall have become public (other than through a violation of this Section 11.12), (ii) to the extent required by statute, rule, regulation or judicial process, (iii) to counsel for any of the Lenders or the Administrative Agent, (iv) to bank examiners (or any other regulatory authority having jurisdiction over any Lender or the Administrative Agent), or to auditors or accountants, (v) to the Administrative Agent or any other Lender (or to Chase Securities Inc.), (vi) in connection with any litigation to which any one or more of the Lenders or the Administrative Agent is a party, or in connection with the enforcement of rights or remedies hereunder or under any other Loan Document, (vii) to a subsidiary or affiliate of such Lender as provided in paragraph (a) above or (viii) to any assignee or participant (or prospective assignee or participant) so long as such assignee or participant (or prospective assignee or participant) first executes and delivers to the respective Lender a Confidentiality Agreement substantially in the form of Exhibit I hereto (or executes and delivers to such Lender an acknowledgement to the effect that it is bound by the provisions of this Section 11.12(b), which acknowledgement may be included as part of the respective assignment or participation agreement pursuant to which such assignee or participant acquires an interest in the Loans or Letter of Credit Interest hereunder); provided,

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further, that obligations of any assignee that has executed a Confidentiality

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Agreement in the form of Exhibit I hereto shall be superseded by this Section 11.12 upon the date upon which such assignee becomes a Lender hereunder pursuant to Section 11.06(b) hereof.

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

MEDIACOM SOUTHEAST LLC  
MEDIACOM CALIFORNIA LLC  
MEDIACOM DELAWARE LLC  
MEDIACOM ARIZONA LLC

By MEDIACOM LLC, a Member

By: /s/ Rocco Commisso.

-----  
Title: Manager

Address for Notices:

c/o Mediacom LLC  
100 Crystal Road  
Middletown, New York 10941

Attention: Rocco B. Commisso

Telecopier No.: (914) 755-2839  
Telephone No.: (914) 696-2600

THE CHASE MANHATTAN BANK

By: /s/ Constance M. Coleman.

-----  
Title: Vice President

THE CHASE MANHATTAN BANK,  
as Administrative Agent

By: /s/ Constance M. Coleman.

-----  
Title: Vice President

Address for Notices to  
Chase as Administrative Agent:

The Chase Manhattan Bank  
Agent Bank Services  
1 Chase Manhattan Plaza  
New York, New York 10081

Telecopier No.: (212) 552-5700

Telephone No.: (212) 552-7440

BANK OF MONTREAL

By: /s/ Allegra Griffiths  
-----  
Name: Allegra Griffiths  
Title: Director

FIRST UNION NATIONAL BANK

By:/s/ Douglas E. Blackman  
-----  
Name: Douglas E. Blackman  
Title: Vice President

CIBC INC.

By: /s/ Tefta Ghilaga  
-----  
Name: Tefta Ghilaga  
Title: Executive Director  
CIBC World Markets Corp. As Agent

CREDIT SUISSE FIRST BOSTON

By: /s/ Kristin Lepri  
-----  
Name: Kristin Lepri  
Title: Associate

By: /s/ Todd C. Morgan  
-----  
Name: Todd C. Morgan  
Title: Director



DRESDNER BANK AG NEW YORK AND  
GRAND CAYMAN BRANCHES

By: /s/ Constance Loosemore  
-----  
Name: Constance Loosemore  
Title: Assistant Vice President

By: /s/ Jane A. Majeski  
-----  
Name: Jane A. Majeski  
Title: First Vice President

FLEET NATIONAL BANK

By: /s/ Eric S. Meyer  
-----  
Name: Eric S. Meyer  
Title: Vice President

MELLON BANK, N.A.

By: /s/ Raghunatha Reddy  
-----  
Name: Raghunatha Reddy  
Title: Lending Officer

PNC BANK, NATIONAL ASSOCIATION

By: /s/ John T. Wilden  
-----  
Name: John T. Wilden  
Title: Vice President

THE BANK OF NOVA SCOTIA

By: /s/ Vincent J. Fitzgerald, Jr.  
-----  
Name: Vincent J. Fitzgerald, Jr.  
Title: Authorized Signatory

SUNTRUST BANK, CENTRAL FLORIDA, N.A.

By: /s/ W. David Wisdom

-----  
Name: W. David Wisdom  
Title: Vice President

BANQUE NATIONALE DE PARIS

By: /s/ Gregg W. Bonardi

-----  
Name: Gregg W. Bonardi  
Title: Vice President

By: /s/ Stephanie Rogers

-----  
Name: Stephanie Rogers  
Title: Vice President

BANK OF AMERICA, N.A.

By: /s/ Todd Shipley

-----  
Name: Todd Shipley  
Title: Senior Vice President

THE FUJI BANK, LIMITED

By: /s/ Teiji Teramoto

-----  
Name: Teiji Teramoto  
Title: Vice President & Manager

MEES PIERSON CAPITAL CORP.

By: /s/ John C. Preneta

-----  
Name: John C. Preneta  
Title: Chief Credit and Risk Officer

By: /s/ Hendrik Vroege

-----  
Name: Hendrik Vroege  
Title: Managing Director

UNION BANK OF CALIFORNIA, N.A.

By: /s/ Stender E. Sweeney

-----  
Name: Stender E. Sweeney  
Title: Assistant Vice President

CITIBANK, N.A.

By: /s/ Nicolas T. Erni

-----  
Name: Nicolas T. Erni  
Title: Attorney in Fact

SOCIETE GENERALE

By: /s/ Robert G. Robin

-----  
Name: Robert G. Robin  
Title: Vice President

GENERAL ELECTRIC CAPITAL CORPORATION

By: /s/ Thomas P. Waters

-----  
Name: Thomas P. Waters  
Title: Duly Authorized Signatory

FLOATING RATE PORTFOLIO

By: INVESCO Senior Secured Management, Inc.,  
as attorney in fact

By:/s/ Anne M. McCarthy

-----  
Name: Anne M. McCarthy  
Title: Authorized Signatory

KZH-ING-1 LLC

By:/s/ Peter Chin

-----  
Name: Peter Chin  
Title: Authorized Agent

SCHEDULE I

Commitments

Lender -----	Revolving Credit Commitment -----	Term Loan Commitment -----
The Chase Manhattan Bank	\$ 41,000,000.00	\$ 62,500,000.00
First Union National Bank	37,000,000.00	4,000,000.00
Bank of Montreal	37,000,000.00	4,000,000.00
CIBC Inc.	30,000,000.00	0
Credit Suisse First Boston	30,000,000.00	0
Dresdner Bank AG New York and Grand Cayman Branches	30,000,000.00	0
Fleet National Bank	30,000,000.00	0
Mellon Bank, N.A.	30,000,000.00	0
PNC Bank, National Association	30,000,000.00	0
The Bank of Nova Scotia	30,000,000.00	0
SunTrust Bank, Central Florida, N.A.	20,000,000.00	3,000,000.00
Bank of America, N.A.	20,000,000.00	0
Citibank, N.A.	15,000,000.00	0
The Fuji Bank, Limited	15,000,000.00	0
Mees Pierson Capital Corp.	10,000,000.00	2,000,000.00
Societe Generale	15,000,000.00	0
Union Bank of California, N.A.	15,000,000.00	3,000,000.00
Banque Nationale de Paris	15,000,000.00	3,000,000.00
General Electric Capital Corporation	0	13,500,000.00
Floating Rate Portfolio	0	2,500,000.00
KZH-ING-1 LLC	0	2,500,000.00
Total	\$450,000,000.00 =====	\$100,000,000.00 =====

Material Agreements and Liens  
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[See Sections 7.11, 8.06(b) and 8.07(b)]

Part A - Material Agreements  
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Part B - Liens  
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Investments

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[See Sections 7.14 and 8.08(a)]

Franchises

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[See definition of "Franchises" in  
Section 1.01 and Section 7.16]



Certain Matters related to CATV Systems  
-----

[See definition of CATV Systems in Section 1.01 and Section 7.17]

Certain Adjustments to System Cash Flow  
-----

[See definition of "Adjusted System Cash Flow" in Section 1.01]

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MEDIACOM ILLINOIS LLC  
MEDIACOM INDIANA LLC  
MEDIACOM IOWA LLC  
MEDIACOM MINNESOTA LLC  
MEDIACOM WISCONSIN LLC  
ZYLSTRA COMMUNICATIONS CORP.

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CREDIT AGREEMENT

Dated as of November 5, 1999

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THE CHASE MANHATTAN BANK,  
as Administrative Agent

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CREDIT AGREEMENT dated as of November 5, 1999, between each of the following parties:

MEDIACOM ILLINOIS LLC, a limited liability company duly organized and validly existing under the laws of the State of Delaware ("Mediacom Illinois");

MEDIACOM INDIANA LLC, a limited liability company duly organized and validly existing under the laws of the State of Delaware ("Mediacom

Indiana"); MEDIACOM IOWA LLC, a limited liability company duly organized and validly existing under the laws of the State of Delaware ("Mediacom

Iowa"); MEDIACOM MINNESOTA LLC, a limited liability company duly organized

and validly existing under the laws of the State of Delaware ("Mediacom

Minnesota"); MEDIACOM WISCONSIN LLC, a limited liability company duly

organized and validly existing under the laws of the State of Delaware

("Mediacom Wisconsin"); and ZYLSTRA COMMUNICATIONS CORP., a corporation

validly existing under the laws of the State of Minnesota ("Zylstra", and,

together with Mediacom Illinois, Mediacom Indiana, Mediacom Iowa, Mediacom Minnesota and Mediacom Wisconsin, the "Borrowers");

each of the lenders that is a signatory hereto identified under the caption "Lenders" on the signature pages hereto and each lender that becomes a "Lender" after the date hereof pursuant to Section 11.06(b) hereof (individually, a "Lender" and, collectively, the "Lenders"); and

THE CHASE MANHATTAN BANK, a New York banking corporation, as administrative agent for the Lenders (in such capacity, together with its successors in such capacity, the "Administrative Agent").

The Borrowers have requested that the Lenders extend credit to them (by making loans and issuing letters of credit) in an aggregate principal or face amount not exceeding \$550,000,000 (which may, in the circumstances herein provided, be increased to \$750,000,000) at any one time outstanding to enable the Borrowers to finance the Triax Acquisition (as hereinafter defined) and to provide funds for additional acquisitions of cable televisions systems and for general corporate purposes. The Lenders are prepared to extend such credit on the terms and conditions hereof and, accordingly, the parties hereto agree as follows:

Section 1. Definitions and Accounting Matters.

1.01 Certain Defined Terms.

As used herein, the following terms shall have the following meanings (all terms defined in this Section 1.01 or in other provisions of this Agreement in the singular to have the same meanings when used in the plural and vice versa):

"Acquisition Agreements" shall mean, collectively, the Triax Acquisition Agreement and any Subsequent Acquisition Agreements.

Credit Agreement



"Acquisitions" shall mean, collectively, the Triax Acquisition and any  
-----  
Subsequent Acquisitions.

"Additional Capital Expenditures" shall mean Capital Expenditures made in  
-----  
accordance with the requirements of Section 8.12(b) hereof.

"Adjusted Operating Cash Flow" shall mean, for any period during which the  
-----  
Borrowers shall have consummated an Acquisition, the sum, for the Borrowers and  
their Subsidiaries (determined on a combined basis without duplication in  
accordance with GAAP), of the following, in each case determined under the  
assumption that such Acquisition had been consummated on the first day of such  
period: (i) Operating Cash Flow minus (ii) without duplication of the  
-----  
Management Fees actually paid during such period, the additional Management Fees  
that would have been paid during such period at a rate equal to the then  
applicable rate or percentage specified in the Management Agreement of the gross  
operating revenue of the Borrowers and their Subsidiaries for such period  
(determined, as specified above under the assumption that such Acquisition had  
been consummated on the first day of such period).

"Adjusted System Cash Flow" shall mean, for any period during which the  
-----  
Borrowers shall have consummated an Acquisition, the sum, for the Borrowers and  
their Subsidiaries (determined on a combined basis without duplication in  
accordance with GAAP), of the following, in each case determined under the  
assumption that such Acquisition had been consummated on the first day of such  
period: (i) System Cash Flow for such period plus (ii) the sum of (x) non-  
-----  
recurring expenses incurred by the relevant sellers prior to the actual closing  
of such Acquisition (to the extent such items were included as operating  
expenses in the determination of System Cash Flow for such period) and (y) in  
the case of the Triax Acquisition, the amounts set forth in Schedule VII hereto  
for such period, or, in the case of any Subsequent Acquisition, the amounts set  
forth in a statement of adjustments to System Cash Flow provided by the  
Borrowers in connection with such Subsequent Acquisition and acceptable to the  
Administrative Agent and Majority Lenders (in each case representing certain  
cost savings and programming cost increases in respect of the CATV Systems being  
acquired in such Acquisition).

"Administrative Questionnaire" shall mean an Administrative Questionnaire in a  
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form supplied by the Administrative Agent.

"Affiliate" shall mean any Person that directly or indirectly controls, or is  
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under common control with, or is controlled by, a Borrower and, if such Person  
is an individual, any member of the immediate family (including parents, spouse,  
children and siblings) of such individual and any trust whose principal  
beneficiary is such individual or one or more members

of such immediate family and any Person who is controlled by any such member or trust. As used in this definition, "control" (including, with its correlative

meanings, "controlled by" and "under common control with") shall mean

possession, directly or indirectly, of power to direct or cause the direction of management or policies (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise), provided that, in any

event, any Person that owns directly or indirectly securities having 5% or more of the voting power for the election of directors or other governing body of a corporation or 5% or more of the partnership or other ownership interests of any other Person (other than as a limited partner of such other Person) will be deemed to control such corporation or other Person. Notwithstanding the foregoing, (a) no individual shall be an Affiliate solely by reason of his or her being a director, officer or employee of any Borrower or any of its Subsidiaries and (b) none of the Borrowers or their Wholly Owned Subsidiaries shall be Affiliates.

"Affiliate Letters of Credit" shall mean Letters of Credit issued in

accordance with the requirements of Section 8.08(g) hereof.

"Affiliate Subordinated Indebtedness" shall mean Indebtedness to an Affiliate

(i) for which a Borrower is directly and primarily liable, (ii) in respect of which none of its Subsidiaries is contingently or otherwise obligated, (iii) that is subordinated to the obligations of the Borrowers to pay principal of and interest on the Loans, Reimbursement Obligations, fees and other amounts payable hereunder pursuant to an Affiliate Subordinated Indebtedness Subordination Agreement, (iv) that does not mature prior to December 31, 2009, and that is issued pursuant to documentation containing terms (including interest, covenants and events of default) in form and substance satisfactory to the Majority Lenders and (v) that states by its terms that principal and interest in respect thereof shall only be payable to the extent permitted under Section 8.09 hereof.

"Affiliate Subordinated Indebtedness Subordination Agreement" shall mean an

Affiliate Subordinated Indebtedness Subordination Agreement substantially in the form of Exhibit J hereto between any Person to whom a Borrower or any of its Subsidiaries may be obligated to pay Affiliate Subordinated Indebtedness, the Borrowers and the Administrative Agent, as the same shall be modified and supplemented and in effect from time to time.

"Apache Acquisition" shall mean the acquisition by Mediacom Arizona LLC, a

Subsidiary of Mediacom, of the Apache Junction, Arizona cable television system from Triax as part of the Triax Acquisition.

"Applicable Lending Office" shall mean, for each Lender and for each Type of

Loan, the "Lending Office" of such Lender (or of an affiliate of such Lender) designated for such Type of Loan in the Administrative Questionnaire submitted by such Lender or such other office of such Lender (or of an affiliate of such Lender) as such Lender may from time to time specify

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to the Administrative Agent and the Borrowers as the office by which its Loans of such Type are to be made and maintained.

"Applicable Margin" shall mean, with respect to (a) Term Loans that are Base

Rate Loans, (i) when the then-current Rate Ratio (determined pursuant to Section 3.03 hereof) is 5.00 to 1 or less, 1.50% per annum and (ii) at all other times, 1.75% per annum, (b) Term Loans that are Eurodollar Loans, (i) when the then-current Rate Ratio (determined pursuant to Section 3.03 hereof) is 5.00 to 1 or less, 2.50% per annum and (ii) at all other times, 2.75% per annum and (c) Revolving Credit Loans of any Type, the respective rates indicated below for Loans of such Type opposite the then-current Rate Ratio (determined pursuant to Section 3.03 hereof) indicated below (except that anything in this Agreement to the contrary notwithstanding, the Applicable Margin with respect to any Loans shall be 1.75% with respect to Base Rate Loans and 2.75% with respect to Eurodollar Loans during any period when an Event of Default shall have occurred and be continuing):

Range of Rate Ratio	Applicable Margin (% p.a.)	
	Base Rate Loans	Eurodollar Loans
Greater than 5.75 to 1	1.250%	2.250%
Greater than or equal to 5.50 to 1 but less than or equal to 5.75 to 1	1.000%	2.000%
Greater than or equal to 5.00 to 1 but less than 5.50 to 1	0.750%	1.750%
Greater than or equal to 4.50 but less than 5.00 to 1	0.500%	1.500%
Greater than or equal to 3.75 to 1 but less than 4.50 to 1	0.250%	1.250%
Greater than or equal to 3.00 to 1 but less than 3.75 to 1	0.250%	1.000%
Less than 3.00 to 1	0.000%	0.750%

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"Applicable Permitted Transaction Amount" shall mean, as at any date

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during any fiscal quarter during any Fiscal Period, the sum of (a) the Equity Contribution Amount and the outstanding principal amount of Affiliate Subordinated Indebtedness, as at the beginning of such fiscal quarter plus (b)

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the total cash equity capital contributions made, and the aggregate principal amount of Affiliate Subordinated Indebtedness advanced, to the Borrowers during the period (the "current period") commencing on the first day of such fiscal

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quarter through and including such date minus (c) the sum of (i) the aggregate

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amount of repayments of Affiliate Subordinated Indebtedness, and distributions in respect of equity capital, made during the current period plus (ii) the

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aggregate face amount of Affiliate Letters of Credit issued during the current period or during the period (the "prior period") commencing on the Closing Date

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through and including the last day of the fiscal quarter immediately preceding such fiscal quarter minus (iii) the aggregate amount of reductions in the

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undrawn face amount of Affiliate Letters of Credit (i.e. excluding reductions in such face amount that occur upon a drawing thereunder) during the current period or the prior period, together with the aggregate amount of Affiliate Letters of Credit that expire or are terminated during the current period or the prior period without being drawn.

"Approved Fund" means with respect to any Lender that is a fund that invests

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in commercial loans, any other fund that invests in commercial loans and is managed or advised by the same investment advisor as such Lender or by an Affiliate of such investment advisor.

"Assignment and Acceptance" means an assignment and acceptance entered into by

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a Lender and an assignee (with the consent of any party whose consent is required by Section 11.05 hereof), and accepted by the Administrative Agent, in the form of Exhibit A or any other form approved by the Administrative Agent.

"Bankruptcy Code" shall mean the Federal Bankruptcy Code of 1978, as amended

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from time to time.

"Base Rate" shall mean, for any day, a rate per annum equal to the higher of

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(a) the Federal Funds Rate for such day plus 1/2 of 1% and (b) the Prime Rate for such day. Each change in any interest rate provided for herein based upon the Base Rate resulting from a change in the Base Rate shall take effect at the time of such change in the Base Rate.

"Base Rate Loans" shall mean Loans that bear interest at rates based upon the

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Base Rate.

"Basic Documents" shall mean, collectively, this Agreement, the other Loan

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Documents and the Triax Acquisition Agreement.

Credit Agreement

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"Basic Subscribers" shall mean, as at any date, (a) Subscribers who subscribe

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to a CATV System at the regular basic monthly subscription rate for such CATV System to a single household Subscriber (exclusive of "secondary outlets", as such term is commonly understood in the cable television industry), plus (b) the  
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number of Subscribers determined by dividing the aggregate dollar monthly amount billed for basic service to bulk Subscribers (hotels, motels, apartment buildings, hospitals and the like) located in each Region by the weighted average of the regular basic monthly subscription rates for basic service charged by the CATV Systems in such Region.

"Basle Accord" shall mean the proposals for risk-based capital framework

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described by the Basle Committee on Banking Regulations and Supervisory Practices in its paper entitled "International Convergence of Capital Measurement and Capital Standards" dated July 1988, as amended, modified and supplemented and in effect from time to time or any replacement thereof.

"Business Day" shall mean any day (a) on which commercial banks are not

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authorized or required to close in New York City and (b) if such day relates to a borrowing of, a payment or prepayment of principal of or interest on, a Conversion of or into, or an Interest Period for, a Eurodollar Loan or a notice by a Borrower with respect to any such borrowing, payment, prepayment, Conversion or Interest Period, that is also a day on which dealings in Dollar deposits are carried out in the London interbank market.

"Capital Expenditures" shall mean, for any period, expenditures made by the

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Borrowers or any of their Subsidiaries to acquire or construct fixed assets, plant and equipment (including renewals, improvements and replacements, but excluding repairs and the Acquisitions) during such period computed in accordance with GAAP.

"Capital Lease Obligations" shall mean, for any Person, all obligations of

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such Person to pay rent or other amounts under a lease of (or other agreement conveying the right to use) Property to the extent such obligations are required to be classified and accounted for as a capital lease on a balance sheet of such Person under GAAP, and, for purposes of this Agreement, the amount of such obligations shall be the capitalized amount thereof, determined in accordance with GAAP.

"Casualty Event" shall mean, with respect to any Property of any Person, any

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loss of or damage to, or any condemnation or other taking of, such Property for which such Person or any of its Subsidiaries receives insurance proceeds, or proceeds of a condemnation award or other compensation.

"CATV System" shall mean any cable distribution system that receives broadcast

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signals by antennae, microwave transmission, satellite transmission or any other form of

Credit Agreement

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transmission and that amplifies such signals and distributes them to Persons who pay to receive such signals, but shall exclude wireless cable.

"Chase" shall mean The Chase Manhattan Bank.

"Class" shall have the meaning assigned to such term in Section 1.03 hereof.

"Closing Date" shall mean the date on which the initial extension of credit hereunder is made.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

"Collateral Account" shall have the meaning assigned to such term in the Pledge Agreement.

"Commisso Entity" shall mean, collectively, (i) Rocco Commisso, (ii) any entity controlled by Rocco Commisso and owned by Rocco Commisso, (iii) members of the immediate family of Rocco Commisso or (iv) trusts established for the benefit of Rocco Commisso or members of the immediate family of Rocco Commisso. Following a Qualified Public Offering, the term "Commisso Entity" shall also include any officer or employee of Holdco and Mediacom who owns shares of the capital stock of Holdco.

"Commitments" shall mean, collectively, the Revolving Credit Commitments, the Term Loan Commitments and the Incremental Facility Commitments (if any).

"Continue", "Continuation" and "Continued" shall refer to the continuation pursuant to Section 2.09 hereof of a Eurodollar Loan from one Interest Period to the next Interest Period.

"Convert", "Conversion" and "Converted" shall refer to a conversion pursuant to Section 2.09 hereof of one Type of Loans into another Type of Loans, which may be accompanied by the transfer by a Lender (at its sole discretion) of a Loan from one Applicable Lending Office to another.

"Cure Monies" shall mean proceeds of Affiliate Subordinated Indebtedness and/or equity contributions received by the Borrowers after the date hereof that, at the time the same are received by the Borrowers are identified by the Borrowers, in a certificate of a Senior Officer delivered by the Borrowers to the Administrative Agent within one Business Day of such receipt, as constituting "Cure Monies" for purposes of Section 9.02 hereof.

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"Debt Issuance" shall mean any issuance or sale by a Borrower or any of its

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Subsidiaries after the Closing Date of any debt securities, excluding, however,  
any Indebtedness incurred pursuant to Section 8.07(c) or 8.07(f) hereof.

"Debt Service" shall mean, for any period, the sum, for the Borrowers and

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their Subsidiaries (determined on a combined basis without duplication in  
accordance with GAAP), of the following: (a) in the case of Revolving Credit  
Loans under this Agreement, the aggregate amount of payments of principal of  
such Loans that, giving effect to Commitment reductions or terminations  
scheduled to be made during such period pursuant to Section 2.04(a) hereof, were  
required to be made pursuant to Section 3.01(a) hereof during such period plus

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(b) in the case of Term Loans and Incremental Facility Loans under this  
Agreement and all other Indebtedness (other than Revolving Credit Loans), all  
regularly scheduled payments or regularly scheduled prepayments of principal of  
such Indebtedness (including, without limitation, the principal component of any  
payments in respect of Capital Lease Obligations) made or payable during such  
period (other than the principal component of any payments in respect of  
Affiliate Subordinated Indebtedness) plus (c) all Interest Expense for such

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period.

"Default" shall mean an Event of Default or an event that with notice or lapse

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of time or both would become an Event of Default.

"Disposition" shall mean any sale, assignment, transfer or other disposition

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of any Property (whether now owned or hereafter acquired) by the Borrowers or  
any of their Subsidiaries to any other Person excluding any sale, assignment,  
transfer or other disposition of any Property sold or disposed of in the  
ordinary course of business and on ordinary business terms.

"Dollars" and "\$" shall mean lawful money of the United States of America.

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"Environmental Claim" shall mean, with respect to any Person, any written or

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oral notice, claim, demand or other communication (collectively, a "claim") by  
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any other Person alleging or asserting such Person's liability for investigatory  
costs, cleanup costs, governmental response costs, damages to natural resources  
or other Property, personal injuries, fines or penalties arising out of, based  
on or resulting from (i) the presence, or Release into the environment, of any  
Hazardous Material at any location, whether or not owned by such Person, or (ii)  
circumstances forming the basis of any violation, or alleged violation, of any  
Environmental Law. The term "Environmental Claim" shall include, without  
limitation, any claim by any governmental authority for enforcement, cleanup,  
removal, response, remedial or other actions or damages pursuant to any  
applicable Environmental Law, and any claim by any third party seeking damages,  
contribution, indemnification, cost recovery, compensation or injunctive relief  
resulting from the presence of Hazardous Materials or arising from alleged  
injury or threat of injury to health, safety or the environment.

Credit Agreement

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"Environmental Laws" shall mean any and all present and future Federal, state,

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local and foreign laws, rules or regulations, and any orders or decrees, in each case as now or hereafter in effect, relating to the regulation or protection of human health, safety or the environment or to emissions, discharges, releases or threatened releases of pollutants, contaminants, chemicals or toxic or hazardous substances or wastes into the indoor or outdoor environment, including, without limitation, ambient air, soil, surface water, ground water, wetlands, land or subsurface strata, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, chemicals or toxic or hazardous substances or wastes.

"Equity Contribution Amount" shall mean, as at any date of determination, (a)

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the aggregate amount of cash contributions made to the equity capital of the Borrowers during the period from and including the respective dates of organization in the case of the LLC Borrowers and, from and including the date of acquisition by Mediacom thereof, in the case of Zylstra, through and including such date of determination minus (b) the aggregate amount of  
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distributions made in respect of the equity capital of the Borrowers during such period.

"Equity Rights" shall mean, with respect to any Person, any subscriptions,

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options, warrants, commitments, preemptive rights or agreements of any kind (including, without limitation, any stockholders' or voting trust agreements) for the issuance, sale, registration or voting of, or securities convertible into, any additional shares of capital stock of any class or other ownership interests of any type in, such Person.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as

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amended from time to time.

"ERISA Affiliate" shall mean any corporation or trade or business that is a

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member of any group of organizations (i) described in Section 414(b) or (c) of the Code of which a Borrower is a member and (ii) solely for purposes of potential liability under Section 302(c)(11) of ERISA and Section 412(c)(11) of the Code and the lien created under Section 302(f) of ERISA and Section 412(n) of the Code, described in Section 414(m) or (o) of the Code of which a Borrower is a member.

"Eurodollar Base Rate" shall mean, for the Interest Period for any Eurodollar

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Loan, the rate appearing on Page 3750 of the Telerate Service (or on any successor or substitute page of such Service, or any successor to or substitute for such Service, providing rate quotations comparable to those currently provided on such page of such Service, as determined by the Administrative Agent from time to time for purposes of providing quotations of interest rates applicable to Dollar deposits in the London interbank market) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, as the rate

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for the offering of Dollar deposits with a maturity comparable to such Interest Period. In the event that such rate is not available at such time for any reason, then the Eurodollar Base Rate for such Interest Period shall be the rate at which Dollar deposits of \$5,000,000 and for a maturity comparable to such Interest Period are offered by the principal London office of the Administrative Agent in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period.

"Eurodollar Loans" shall mean Loans that bear interest at rates based on rates -----  
referred to in the definition of "Eurodollar Base Rate" in this Section 1.01.

"Eurodollar Rate" shall mean, for any Eurodollar Loan for any Interest Period -----  
therefor, a rate per annum (rounded upwards, if necessary, to the nearest 1/100 of 1%) determined by the Administrative Agent to be equal to the Eurodollar Base Rate for such Loan for such Interest Period divided by 1 minus the Reserve Requirement (if any) for such Loan for such Interest Period.

"Event of Default" shall have the meaning assigned to such term in Section 9 -----  
hereof.

"Excess Cash Flow" shall mean, for any period, the excess of (a) Operating -----  
Cash Flow for such period over (b) the sum of (i) Capital Expenditures made during such period plus (ii) the aggregate amount of Debt Service for such -----  
period plus (iii) in the case of the LLC Borrowers, the Tax Payment Amount for -----  
such period plus (iv) in the case of Zylstra, the aggregate amount of income -----  
taxes for such period (to the extent not deducted in determining Operating Cash Flow for such period) plus (v) any decreases (or minus any increases) in Working -----  
Capital from the first day to the last day of such period.

"Executive Compensation" shall mean, for any period, the aggregate amount of -----  
compensation (including, without limitation, salaries, withholding taxes, unemployment insurance contributions, pension, health and other benefits) of the Manager's executive management personnel during such period. For purposes hereof, "executive management personnel" shall not include any individual (such as a system manager) who is employed solely in connection with the day-to-day operations of a CATV System.

"FCC" shall mean the Federal Communications Commission or any governmental -----  
authority substituted therefor.

"Federal Funds Rate" shall mean, for any day, the rate per annum (rounded -----  
upwards, if necessary, to the nearest 1/100 of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by

Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day, provided that (a) if the

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day for which such rate is to be determined is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day and (b) if such rate is not so published for any Business Day, the Federal Funds Rate for such Business Day shall be the average rate charged to Chase on such Business Day on such transactions as determined by the Administrative Agent.

"Fiscal Period" means any fiscal year or the period from the Closing Date to  
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and including December 31, 1999.

"Franchise" shall mean a franchise, license, authorization or right by  
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contract or otherwise to construct, own, operate, promote, extend and/or otherwise exploit any CATV System operated or to be operated by the Borrowers or any of their Subsidiaries granted by any state, county, city, town, village or other local or state government authority or by the FCC. The term "Franchise" shall include each of the Franchises set forth on Schedule V hereto.

"GAAP" shall mean generally accepted accounting principles applied on a basis  
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consistent with those that, in accordance with the last sentence of Section 1.02(a) hereof, are to be used in making the calculations for purposes of determining compliance with this Agreement.

"Guarantee" shall mean a guarantee, an endorsement, a contingent agreement to  
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purchase or to furnish funds for the payment or maintenance of, or otherwise to be or become contingently liable under or with respect to, the Indebtedness, other obligations, net worth, working capital or earnings of any Person, or a guarantee of the payment of dividends or other distributions upon the stock or equity interests of any Person, or an agreement to purchase, sell or lease (as lessee or lessor) Property, products, materials, supplies or services primarily for the purpose of enabling a debtor to make payment of such debtor's obligations or an agreement to assure a creditor against loss, and including, without limitation, causing a bank or other financial institution to issue a letter of credit or other similar instrument for the benefit of another Person, but excluding endorsements for collection or deposit in the ordinary course of business. The terms "Guarantee" and "Guaranteed" used as a verb shall have a  
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correlative meaning.

"Guarantee and Pledge Agreement" shall mean a Guarantee and Pledge Agreement  
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substantially in the form of Exhibit D hereto between Mediacom, the Manager and the Administrative Agent, as the same shall be modified and supplemented and in effect from time to time.

"Hazardous Material" shall mean, collectively, (a) any petroleum or petroleum  
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products, flammable materials, explosives, radioactive materials, asbestos, urea formaldehyde foam insulation, and transformers or other equipment that contain polychlorinated biphenyls

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("PCB's"), (b) any chemicals or other materials or substances that are now or

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hereafter become defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials", "extremely hazardous wastes", "restricted hazardous wastes", "toxic substances", "toxic pollutants", "contaminants", "pollutants" or words of similar import under any Environmental Law and (c) any other chemical or other material or substance, exposure to which is now or hereafter prohibited, limited or regulated under any Environmental Law.

"Holdco" shall mean a corporation to be formed in connection with a Qualified  
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Public Offering, that will issue capital stock to the holders of equity interests in Mediacom in exchange for the equity interests held by such holders, and of which Mediacom will thereby become a Subsidiary.

"Incremental Facility Availability Period" shall mean the period from and  
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including the Closing Date to but excluding December 31, 2001 (or, if such date is not a Business Day, to but excluding the immediately preceding Business Day).

"Incremental Facility Commitment" shall mean, for each Incremental Facility  
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Lender, and for any Series thereof, the obligation of such Incremental Facility Lender to make Incremental Facility Loans of such Series (as the same may be reduced from time to time pursuant to Section 2.04 or 2.10 hereof or increased or reduced from time to time pursuant to assignments permitted under Section 11.06(b) hereof). The amount of each Lender's Incremental Facility Commitment of any Series shall be determined in accordance with the provisions of Section 2.01(c) hereof. The aggregate amount of the Incremental Facility Commitments of all Series shall not exceed \$200,000,000.

"Incremental Facility Lenders" shall mean, in respect of any Series of  
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Incremental Facility Loans, the Lenders from time to time holding Incremental Facility Loans and Incremental Facility Commitments of such Series after giving effect to any assignments thereof permitted by Section 11.06(b) hereof.

"Incremental Facility Loans" shall mean the loans provided for by Section  
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2.01(c) hereof, which may be Base Rate Loans and/or Eurodollar Loans.

"Indebtedness" shall mean, for any Person: (a) obligations created, issued or  
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incurred by such Person for borrowed money (whether by loan, the issuance and sale of debt securities or the sale of Property to another Person subject to an understanding or agreement, contingent or otherwise, to repurchase such Property from such Person), including, without limitation, Affiliate Subordinated Indebtedness; (b) obligations of such Person to pay the deferred purchase or acquisition price of Property or services, other than trade accounts payable (other than for borrowed money) arising, and accrued expenses incurred, in the ordinary course of business so long as such trade accounts payable are payable within 90 days of the date the

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respective goods are delivered or the respective services are rendered; (c) Indebtedness of others secured by a Lien on the Property of such Person, whether or not the respective indebtedness so secured has been assumed by such Person; (d) obligations of such Person in respect of letters of credit or similar instruments issued or accepted by banks and other financial institutions for account of such Person; (e) Capital Lease Obligations of such Person; and (f) Indebtedness of others Guaranteed by such Person; provided that Indebtedness

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shall exclude (i) obligations in respect of surety and performance bonds backing pole rental or conduit attachments and the like, or backing obligations under Franchises, arising in the ordinary course of business of the CATV Systems and related telecommunications services of the Borrowers and their Subsidiaries and (ii) all obligations in respect of Interest Rate Protection Agreements.

"Information Memorandum" shall mean the Confidential Information Memorandum  
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dated September, 1999 prepared in connection with the syndication of the credit facilities provided for in this Agreement.

"Interest Coverage Ratio" shall mean, as at any date, the ratio of (a)  
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Operating Cash Flow for the fiscal quarter ending on, or most recently ended prior to, such date to (b) Interest Expense for such fiscal quarter.

Notwithstanding the foregoing, the Interest Coverage Ratio for any fiscal quarter during which an Acquisition is consummated shall be deemed to be equal to the ratio of Adjusted Operating Cash Flow for such fiscal quarter to Interest Expense for such fiscal quarter.

"Interest Expense" shall mean, for any period, the sum, for the Borrowers and  
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their Subsidiaries (determined on a combined basis without duplication in accordance with GAAP), of the following: (a) all interest in respect of Indebtedness (including, without limitation, the interest component of any payments in respect of Capital Lease Obligations) accrued or capitalized during such period (whether or not actually paid during such period) and all commitment fees payable hereunder, but excluding all interest in respect of Affiliate Subordinated Indebtedness (to the extent not paid in cash during such period), plus (b) the net amount payable (or minus the net amount receivable) under  
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Interest Rate Protection Agreements during such period (whether or not actually paid or received during such period) plus (c) the aggregate amount of upfront or  
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one-time fees or expenses payable in respect of Interest Rate Protection Agreements to the extent such fees or expenses are amortized during such period.

Notwithstanding the foregoing, if during any period for which Interest Expense is being determined the Borrowers or any of their Subsidiaries shall have consummated any acquisition of any CATV System or other business, or consummated any Disposition, then, for all purposes of this Agreement, Interest Expense shall be determined on a pro forma basis as if such acquisition or Disposition had been made or consummated (and any related Indebtedness incurred or repaid) on the first day of such period.

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"Interest Period" shall mean, with respect to any Eurodollar Loan, each period

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commencing on the date such Eurodollar Loan is made or Converted from a Base Rate Loan or (in the event of a Continuation) the last day of the next preceding Interest Period for such Loan and ending on the numerically corresponding day in the first, second, third or sixth calendar month thereafter, as the Borrowers may select as provided in Section 4.05 hereof, except that each Interest Period that commences on the last Business Day of a calendar month (or on any day for which there is no numerically corresponding day in the appropriate subsequent calendar month) shall end on the last Business Day of the appropriate subsequent calendar month. Notwithstanding the foregoing:

(i) if any Interest Period for any Revolving Credit Loan would otherwise end after the Revolving Credit Commitment Termination Date, such Interest Period shall end on the Revolving Credit Commitment Termination Date;

(ii) no Interest Period for any Revolving Credit Loan may commence before and end after any Revolving Credit Commitment Reduction Date unless, after giving effect thereto, the aggregate principal amount of Revolving Credit Loans having Interest Periods that end after such Revolving Credit Commitment Reduction Date shall be equal to or less than the aggregate principal amount of Revolving Credit Loans scheduled to be outstanding after giving effect to the payments of principal required to be made on such Revolving Credit Commitment Reduction Date;

(iii) no Interest Period for any Term Loan may commence before and end after any Principal Payment Date unless, after giving effect thereto, the aggregate principal amount of the Term Loans having Interest Periods that end after such Principal Payment Date shall be equal to or less than the aggregate principal amount of the Term Loans scheduled to be outstanding after giving effect to the payments of principal required to be made on such Principal Payment Date;

(iv) no Interest Period for any Incremental Facility Loan of any Series may commence before and end after any Principal Payment Date unless, after giving effect thereto, the aggregate principal amount of the Incremental Facility Loans of such Series having Interest Periods that end after such Principal Payment Date shall be equal to or less than the aggregate principal amount of the Incremental Facility Loans of such Series scheduled to be outstanding after giving effect to the payments of principal required to be made on such Principal Payment Date;

(v) each Interest Period that would otherwise end on a day that is not a Business Day shall end on the next succeeding Business Day (or, if such next succeeding Business

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Day falls in the next succeeding calendar month, on the next preceding Business Day); and

(vi) notwithstanding clauses (i), (ii), (iii) and (iv) above, no Interest Period shall have a duration of less than one month and, if the Interest Period for any Eurodollar Loan would otherwise be a shorter period, such Loan shall not be available hereunder for such period.

"Interest Rate Protection Agreement" shall mean, for any Person, an interest

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rate swap, cap or collar agreement or similar arrangement between such Person and one or more financial institutions providing for the transfer or mitigation of interest risks either generally or under specific contingencies. For purposes hereof, the "credit exposure" at any time of any Person under an

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Interest Rate Protection Agreement to which such Person is a party shall be determined at such time in accordance with the standard methods of calculating credit exposure under similar arrangements as prescribed from time to time by the Administrative Agent, taking into account potential interest rate movements and the respective termination provisions and notional principal amount and term of such Interest Rate Protection Agreement.

"Investment" shall mean, for any Person: (a) the acquisition (whether for

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cash, Property, services or securities or otherwise) of capital stock, bonds, notes, debentures, partnership or other ownership interests or other securities of any other Person or any agreement to make any such acquisition (including, without limitation, any "short sale" or any sale of any securities at a time when such securities are not owned by the Person entering into such sale); (b) the making of any deposit with, or advance, loan or other extension of credit to, any other Person (including the purchase of Property from another Person subject to an understanding or agreement, contingent or otherwise, to resell such Property to such Person), but excluding any such advance, loan or extension of credit having a term not exceeding 90 days arising in connection with the sale of programming or advertising time by such Person in the ordinary course of business; (c) the entering into of any Guarantee of, or other contingent obligation with respect to, Indebtedness or other liability of any other Person and (without duplication) any amount committed to be advanced, lent or extended to such Person; or (d) the entering into of any Interest Rate Protection Agreement.

"Issuing Lender" shall mean Chase, as the issuer of Letters of Credit under

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Section 2.03 hereof, together with its successors and assigns in such capacity.

"Letter of Credit" shall have the meaning assigned to such term in Section

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2.03 hereof.

"Letter of Credit Documents" shall mean, with respect to any Letter of Credit,

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collectively, any application therefor and any other agreements, instruments, guarantees or other

Credit Agreement

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documents (whether general in application or applicable only to such Letter of Credit) governing or providing for (a) the rights and obligations of the parties concerned or at risk with respect to such Letter of Credit or (b) any collateral security for any of such obligations, each as the same may be modified and supplemented and in effect from time to time.

"Letter of Credit Interest" shall mean, for each Revolving Credit Lender, such  
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Lender's participation interest (or, in the case of the Issuing Lender, the Issuing Lender's retained interest) in the Issuing Lender's liability under Letters of Credit and such Lender's rights and interests in Reimbursement Obligations and fees, interest and other amounts payable in connection with Letters of Credit and Reimbursement Obligations.

"Letter of Credit Liability" shall mean, without duplication, at any time and  
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in respect of any Letter of Credit, the sum of (a) the undrawn face amount of such Letter of Credit plus (b) the aggregate unpaid principal amount of all

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Reimbursement Obligations of the Borrowers at such time due and payable in respect of all drawings made under such Letter of Credit. For purposes of this Agreement, a Revolving Credit Lender (other than the Issuing Lender) shall be deemed to hold a Letter of Credit Liability in an amount equal to its participation interest in the related Letter of Credit under Section 2.03 hereof, and the Issuing Lender shall be deemed to hold a Letter of Credit Liability in an amount equal to its retained interest in the related Letter of Credit after giving effect to the acquisition by the Revolving Credit Lenders other than the Issuing Lender of their participation interests under said Section 2.03.

"Lien" shall mean, with respect to any Property, any mortgage, lien, pledge,  
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charge, security interest or encumbrance of any kind in respect of such Property. For purposes of this Agreement and the other Loan Documents, a Person shall be deemed to own subject to a Lien any Property that it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement (other than an operating lease) relating to such Property.

"LLC Borrowers" shall mean, collectively, Mediacom Illinois, Mediacom Indiana,  
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Mediacom Iowa, Mediacom Minnesota and Mediacom Wisconsin.

"Loan Documents" shall mean, collectively, this Agreement, the Letter of  
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Credit Documents, the Security Documents, each Management Fee Subordination Agreement and each Affiliate Subordinated Indebtedness Subordination Agreement.

"Loans" shall mean, collectively, the Revolving Credit Loans, the Term Loans  
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and the Incremental Facility Loans.

Credit Agreement  
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"Majority Incremental Facility Lenders" shall mean, with respect to any Series

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of Incremental Facility Loans, Incremental Facility Lenders holding more than 50% of the aggregate outstanding principal amount of the Incremental Facility Loans of such Series or, if the Incremental Facility Loans shall not have been made, more than 50% of the Incremental Facility Commitments of such Series.

"Majority Lenders" shall mean, subject to the last paragraph of Section 11.04

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hereof, Lenders having more than 50% of the sum of (a) the aggregate outstanding principal amount of the Term Loans or, if the Term Loans shall not have been made, the aggregate outstanding principal amount of the Term Loan Commitments plus (b) the aggregate outstanding principal amount of the Incremental Facility Loans or, if the Incremental Facility Loans shall not have been made, the aggregate outstanding principal amount of the Incremental Facility Commitments plus (c) the sum of (i) the aggregate unused amount, if any, of the Revolving Credit Commitments at such time plus (ii) the aggregate amount of Letter of Credit Liabilities at such time plus (iii) the aggregate outstanding principal amount of the Revolving Credit Loans at such time.

"Majority Revolving Credit Lenders" shall mean Revolving Credit Lenders having

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more than 50% of the aggregate amount of the Revolving Credit Commitments or, if the Revolving Credit Commitments shall have terminated, Revolving Credit Lenders holding more than 50% of the sum of (a) the aggregate unpaid principal amount of the Revolving Credit Loans plus (b) the aggregate amount of all Letter of Credit Liabilities.

"Majority Term Loan Lenders" shall mean Term Loan Lenders holding more than

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50% of the aggregate outstanding principal amount of the Term Loans or, if the Term Loans shall not have been made, more than 50% of the Term Loan Commitments.

"Management Agreements" shall mean, collectively, (a) the Management Agreement

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dated as of October 15, 1999 between Mediacom Illinois and Mediacom Management Corporation, (b) the Management Agreement dated as of October 15, 1999 between Mediacom Indiana and Mediacom Management Corporation, (c) the Management Agreement dated as of October 15, 1999 between Mediacom Iowa and Mediacom Management Corporation, (d) the Management Agreement dated as of October 15, 1999 between Mediacom Minnesota and Mediacom Management Corporation, (e) the Management Agreement dated as of October 15, 1999 between Mediacom Wisconsin and Mediacom Management Corporation and (f) the Management Agreement dated as of October 15, 1999 between Zylstra and Mediacom Management Corporation, in each case as the same shall, subject to Section 8.19 hereof, be modified and supplemented and in effect from time to time.

"Management Fee Subordination Agreement" shall mean a Management Fee

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Subordination Agreement substantially in the form of Exhibit F hereto between the Manager (or,

Credit Agreement

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as contemplated by Section 8.11 hereof, any other Person to whom the Borrowers or any of their Subsidiaries may be obligated to pay Management Fees), the Borrowers and the Administrative Agent, as the same shall be modified and supplemented and in effect from time to time.

"Management Fees" shall mean, for any period, the sum of all fees, salaries

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and other compensation (including, without limitation, all Executive Compensation) paid or incurred by the Borrowers to Affiliates (other than Affiliates that are employees of the Borrowers and their Subsidiaries) in respect of services rendered in connection with the management or supervision of the Borrowers and their Subsidiaries, provided that Management Fees shall

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exclude the aggregate amount of intercompany shared expenses payable to Mediacom that are allocated by Mediacom to the Borrowers and their Subsidiaries in accordance with Section 5.04 of the Guarantee and Pledge Agreement (other than the allocated amount of Executive Compensation, which Executive Compensation shall in any event constitute Management Fees hereunder).

"Manager" shall mean Mediacom Management Corporation, or any successor in such

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capacity as manager of the Borrowers.

"Margin Stock" shall mean "margin stock" within the meaning of Regulations T,

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U and X.

"Material Adverse Effect" shall mean a material adverse effect on (a) the

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Property, business, operations, financial condition, prospects, liabilities or capitalization of the Borrowers and their Subsidiaries taken as a whole, (b) the ability of any Obligor to perform its obligations under any of the Loan Documents to which it is a party, (c) the validity or enforceability of any of the Loan Documents, (d) the rights and remedies of the Lenders and the Administrative Agent under any of the Loan Documents or (e) the timely payment of the principal of or interest on the Loans or the Reimbursement Obligations or other amounts payable in connection therewith.

"Mediacom" shall mean Mediacom LLC, a New York limited liability company.

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"Mediacom Illinois Operating Agreement" shall mean the Operating Agreement of

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Mediacom Illinois dated as of September 15, 1999, as the same shall, subject to Section 8.19 hereof, be modified and supplemented and in effect from time to time.

"Mediacom Indiana Operating Agreement" shall mean the Operating Agreement of

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Mediacom Indiana dated as of September 15, 1999, as the same shall, subject to Section 8.19 hereof, be modified and supplemented and in effect from time to time.

Credit Agreement

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"Mediacom Iowa Operating Agreement " shall mean the Operating Agreement of

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Mediacom Iowa dated as of September 15, 1999, as the same shall, subject to Section 8.19 hereof, be modified and supplemented and in effect from time to time.

"Mediacom Minnesota Operating Agreement" shall mean the Operating Agreement of

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Mediacom Minnesota dated as of September 15, 1999, as the same shall, subject to Section 8.19 hereof, be modified and supplemented and in effect from time to time.

"Mediacom Wisconsin Operating Agreement" shall mean the Operating Agreement of

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Mediacom Wisconsin dated as of September 15, 1999, as the same shall, subject to Section 8.19 hereof, be modified and supplemented and in effect from time to time.

"Multiemployer Plan" shall mean a multiemployer plan defined as such in

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Section 3(37) of ERISA to which contributions have been made by a Borrower or any ERISA Affiliate and that is covered by Title IV of ERISA.

"Net Available Proceeds" shall mean:

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(i) in the case of any Disposition, the amount of Net Cash Payments received in connection with such Disposition net of (A) in the case of the LLC Borrowers, the Tax Payment Amount, if any, attributable to such Disposition, (B) in the case of Zylstra, any income taxes payable by Zylstra or any of its Subsidiaries in respect of such Disposition and (C) in the case of any Borrower, any transfer taxes payable by the Borrowers or any of their Subsidiaries in respect of such Disposition;

(ii) in the case of any Casualty Event, the aggregate amount of proceeds of insurance, condemnation awards and other compensation received by the Borrowers and their Subsidiaries in respect of such Casualty Event net of (A) reasonable expenses incurred by the Borrowers and their Subsidiaries in connection therewith, (B) contractually required repayments of Indebtedness to the extent secured by a Lien on such Property, (C) in the case of the LLC Borrowers, the Tax Payment Amount, if any, attributable to such Casualty Event, (D) in the case of Zylstra, any income taxes payable by Zylstra or any of its Subsidiaries in respect of such Casualty Event and (E) in the case of any Borrower, any transfer taxes payable by the Borrowers or any of their Subsidiaries in respect of such Casualty Event; and

(iii) in the case of any Debt Issuance, the aggregate amount of all cash received by the Borrowers or any of their Subsidiaries in respect of such Debt Issuance, net of reasonable expenses incurred by the Borrowers and their Subsidiaries in connection therewith.

Credit Agreement

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"Net Cash Payments" shall mean, with respect to any Disposition, the aggregate

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amount of all cash payments, and the fair market value of any non-cash consideration, received by the Borrowers and their Subsidiaries directly or indirectly in connection with such Disposition; provided that (a) Net Cash

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Payments shall be net of the amount of any legal, accounting, broker, title and recording tax expenses, commissions, finders' fees and other fees and expenses paid by the Borrowers and their Subsidiaries in connection with such Disposition and (b) Net Cash Payments shall be net of any repayments by the Borrowers and their Subsidiaries of Indebtedness to the extent that (i) such Indebtedness is secured by a Lien on the Property that is the subject of such Disposition and (ii) the transferee of (or holder of a Lien on) such Property requires that such Indebtedness be repaid as a condition to the purchase of such Property.

"1998 Senior Notes" shall mean the 8-1/2% senior notes due 2008 in an

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aggregate principal amount of \$200,000,000 issued by Mediacom.

"Obligors" shall mean, collectively, the Borrowers, Mediacom, Mediacom

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Management Corporation and, effective upon execution and delivery of any Subsidiary Guarantee Agreement, each Subsidiary of the Borrowers so executing and delivering such Subsidiary Guarantee Agreement.

"Operating Agreements" shall mean, collectively, the Mediacom Illinois

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Operating Agreement, the Mediacom Indiana Operating Agreement, the Mediacom Iowa Operating Agreement, the Mediacom Minnesota Operating Agreement and the Mediacom Wisconsin Operating Agreement.

"Operating Cash Flow" shall mean, for any period, the sum, for the Borrowers

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and their Subsidiaries (determined on a combined basis without duplication in accordance with GAAP), of the following: (a) System Cash Flow minus (b)

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Management Fees paid during such period to the extent not exceeding the then applicable rate or percentage specified in the Management Agreement of the gross operating revenue of the Borrowers and their Subsidiaries for such period.

"Pay TV Units" shall mean the aggregate number of premium or pay television

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services to which Subscribers subscribe.

"PBGCC" shall mean the Pension Benefit Guaranty Corporation or any entity

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succeeding to any or all of its functions under ERISA.

"Permitted Investments" shall mean: (a) direct obligations of the United

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States of America, or of any agency thereof, or obligations guaranteed as to principal and interest by the United States of America, or of any agency thereof, in either case maturing not more than 90

Credit Agreement

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days from the date of acquisition thereof; (b) certificates of deposit issued by any bank or trust company organized under the laws of the United States of America or any state thereof and having capital, surplus and undivided profits of at least \$500,000,000, maturing not more than 90 days from the date of acquisition thereof; and (c) commercial paper rated A-1 or better or P-1 by Standard & Poor's Ratings Services, a division of McGraw-Hill Companies, Inc., or Moody's Investors Services, Inc., respectively, maturing not more than 90 days from the date of acquisition thereof; in each case so long as the same (x) provide for the payment of principal and interest (and not principal alone or interest alone) and (y) are not subject to any contingency regarding the payment of principal or interest.

"Person" shall mean any individual, corporation, company, voluntary

association, partnership, limited liability company, joint venture, trust, unincorporated organization or government (or any agency, instrumentality or political subdivision thereof).

"Plan" shall mean an employee benefit or other plan established or maintained

by the Borrowers or any ERISA Affiliates and that is covered by Title IV of ERISA, other than a Multiemployer Plan.

"Pledge Agreement" shall mean a Pledge Agreement substantially in the form of

Exhibit C hereto between the Borrowers, each of the additional parties, if any, that becomes a "Securing Party" thereunder, and the Administrative Agent, as the same shall be modified and supplemented and in effect from time to time.

"Post-Default Rate" shall mean a rate per annum equal to 2% plus the Base Rate

as in effect from time to time plus the Applicable Margin for Base Rate Loans, provided that, with respect to principal of a Eurodollar Loan that shall become due (whether at stated maturity, by acceleration, by optional or mandatory prepayment or otherwise) on a day other than the last day of the Interest Period therefor, the "Post-Default Rate" shall be, for the period from and including such due date to but excluding the last day of such Interest Period, 2% plus the interest rate for such Loan as provided in Section 3.02(b) hereof and, thereafter, the rate provided for above in this definition.

"Prime Rate" shall mean the rate of interest from time to time announced by

Chase at its principal office in New York City as its prime commercial lending rate.

"Principal Payment Dates" shall mean (a) in the case of the Term Loans, the

last Business Day of March, June, September and December of each year, commencing with September 30, 2002, through and, subject to the last sentence of Section 3.01(b), including December 31, 2008 and (b) in the case of Incremental Facility Loans of any Series, such dates as shall have been agreed upon between the Borrowers and the respective Incremental Facility

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Lenders of such Series pursuant to Section 2.01(c) hereof at the time such Lenders become obligated to make such Incremental Facility Loans hereunder.

"Pro Forma Debt Service Coverage Ratio" shall mean, as at any date, the ratio

of (a) the product of (x) Operating Cash Flow for the fiscal quarter ending on, or most recently ended prior to, such date times (y) four to (b) Debt Service

(other than payments in respect of Affiliate Subordinated Indebtedness) for the period of four consecutive fiscal quarters immediately following the last day of the most recently ended fiscal quarter, determined under the assumptions that (1) the rate of interest applicable to Indebtedness of the Borrowers and their Subsidiaries (other than Affiliate Subordinated Indebtedness) during such period will not change from the weighted average rate of interest in effect on such last day and (2) all regularly scheduled payments or regularly scheduled prepayments of principal of such Indebtedness required to be made during such period will be made when due (including, without limitation, the principal component of any payments in respect of Capital Lease Obligations).

Notwithstanding the foregoing, the Pro Forma Debt Service Coverage Ratio for any fiscal quarter during which an Acquisition is consummated shall be deemed to be equal to the ratio of (a) the product of (x) Adjusted Operating Cash Flow for such fiscal quarter times (y) four to (b) Debt Service (other than payments in

respect of Affiliate Subordinated Indebtedness) for the period of four consecutive fiscal quarters immediately following the last day of such fiscal quarter, determined on the assumptions set forth above.

"Property" shall mean any right or interest in or to property of any kind

whatsoever, whether real, personal or mixed and whether tangible or intangible.

"Purchase Price" shall mean, without duplication, with respect to any

Subsequent Acquisition, an amount equal to the sum of (i) the aggregate consideration, whether cash, Property or securities (including, without limitation, any Indebtedness incurred pursuant to paragraph (f) of Section 8.07 hereof), paid or delivered by the Borrowers and their Subsidiaries in connection with such acquisition plus (ii) the aggregate amount of liabilities of the

acquired business (net of current assets of the acquired business) that would be reflected on a balance sheet (if such were to be prepared) of the Borrowers and their Subsidiaries after giving effect to such acquisition.

"Qualified Public Offering" shall mean an offer or offerings of capital stock

of Holdco under one or more effective registration statements under the Securities Act of 1933, as amended, such that, after giving effect thereto, (a) at least 15% of the aggregate equity interests (without regard to voting rights) in Holdco on a fully diluted basis (i.e., giving effect to the exercise of any warrants, options and conversion and other rights) has been sold pursuant to such offerings and (b) such offerings result in aggregate cash proceeds being received by Holdco (and

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contributed by Holdco to Mediacom) of at least \$75,000,000 exclusive of underwriter's discounts and other expenses.

"Quarterly Dates" shall mean the twentieth day of January, April, July and

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October in each year, the first of which shall be the first such day after the date of this Agreement; provided that if any such day is not a Business Day,

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then such Quarterly Date shall be the next succeeding Business Day.

"Quarterly Officer's Report" shall mean a quarterly report of a Senior Officer

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with respect to Basic Subscribers, homes passed, revenues per Subscriber and Pay TV Units, substantially in the form of Exhibit B hereto.

"Quarterly Payment Period" shall mean each successive three-month period from

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and including a Quarterly Date (or, in the case of the initial Quarterly Payment Period, from and including the Closing Date) to but not including the next following Quarterly Date.

"Rate Ratio" shall mean, for any Quarterly Payment Period, the daily average

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of the Total Leverage Ratio during the fiscal quarter ending on, or most recently ended prior to, the first day of such Quarterly Payment Period, provided that (a) the Rate Ratio on the Closing Date shall be the Total Leverage

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Ratio on such date (computed on a pro forma basis after giving effect to the borrowings to be made to enable the Borrowers to effect the Triax Acquisition on the Closing Date) and (b) for purposes of determining the Rate Ratio for the period from and after the Closing Date until such time as one complete fiscal quarter shall have elapsed subsequent to the Closing Date, the daily average of the Total Leverage Ratio shall be determined only for the portion of such fiscal quarter commencing on the Closing Date.

"Rate Ratio Certificate" shall mean, for any Quarterly Payment Period, a

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certificate of a Senior Officer setting forth, in reasonable detail, the calculation (and the basis for such calculation) of the Rate Ratio for use in determining the Applicable Margin hereunder during such Quarterly Payment Period.

"Region" shall mean each geographic region into which the CATV Systems of the

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Borrowers and their Subsidiaries are divided for operating and management purposes.

"Register" shall have the meaning assigned to such term in Section 11.06(g)

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hereof.

"Regulations A, D, T, U and X" shall mean, respectively, Regulations A, D, T,

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U and X of the Board of Governors of the Federal Reserve System (or any successor), as the same may be modified and supplemented and in effect from time to time.

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"Regulatory Change" shall mean, with respect to any Lender, any change after

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the date hereof in Federal, state or foreign law or regulations (including, without limitation, Regulation D) or the adoption or making after such date of any interpretation, directive or request applying to a class of banks including such Lender of or under any Federal, state or foreign law or regulations (whether or not having the force of law and whether or not failure to comply therewith would be unlawful) by any court or governmental or monetary authority charged with the interpretation or administration thereof.

"Reimbursement Obligations" shall mean, at any time, the obligations of the

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Borrowers then outstanding, or that may thereafter arise in respect of all Letters of Credit then outstanding, to reimburse amounts paid by the Issuing Lender in respect of any drawings under a Letter of Credit.

"Release" shall mean any release, spill, emission, leaking, pumping,

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injection, deposit, disposal, discharge, dispersal, leaching or migration into the indoor or outdoor environment, including, without limitation, the movement of Hazardous Materials through ambient air, soil, surface water, ground water, wetlands, land or subsurface strata.

"Reserve Requirement" shall mean, for any Interest Period for any Eurodollar

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Loan, the average maximum rate at which reserves (including, without limitation, any marginal, supplemental or emergency reserves) are required to be maintained during such Interest Period under Regulation D by member banks of the Federal Reserve System in New York City with deposits exceeding one billion Dollars against "Eurocurrency liabilities" (as such term is used in Regulation D). Without limiting the effect of the foregoing, the Reserve Requirement shall include any other reserves required to be maintained by such member banks by reason of any Regulatory Change with respect to (i) any category of liabilities that includes deposits by reference to which the Eurodollar Base Rate is to be determined as provided in the definition of "Eurodollar Base Rate" in this Section 1.01 or (ii) any category of extensions of credit or other assets that includes Eurodollar Loans.

"Reserved Commitment Amount" shall have the meaning assigned to such term in

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Section 2.01(a) hereof.

"Restricted Payments" shall mean, collectively, (a) all distributions of the

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Borrowers (in cash, Property or obligations) on, or other payments or distributions on account of, or the setting apart of money for a sinking or other analogous fund for, or the purchase, redemption, retirement or other acquisition of, any portion of any ownership interest in the Borrowers or of any warrants, options or other rights to acquire any such ownership interest (or to make any payments to any Person, such as "phantom stock" payments, where the amount thereof is calculated with reference to fair market or equity value of the Borrowers or any of their Subsidiaries), (b) any payments made by a Borrower to any holders of any equity interests in the

Credit Agreement

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Borrowers that are designed to reimburse such holders for the payment of any taxes attributable to the operations of the Borrowers and their Subsidiaries, (c) any payments of principal of or interest on Affiliate Subordinated Indebtedness, (d) any payments in respect of Management Fees, and (e) any Affiliate Letters of Credit issued by the Issuing Lender for the account of the Borrowers.

"Revolving Credit Commitment" shall mean, as to each Revolving Credit Lender,  
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the obligation of such Lender to make Revolving Credit Loans, and to issue or participate in Letters of Credit pursuant to Section 2.03 hereof, in an aggregate principal or face amount at any one time outstanding up to but not exceeding the amount set forth opposite the name of such Lender on Schedule I hereto (as the same may be reduced from time to time pursuant to Section 2.04 or 2.10 hereof or increased or reduced from time to time pursuant to assignments permitted under Section 11.06(b) hereof). The original aggregate principal amount of the Revolving Credit Commitments is \$450,000,000.

"Revolving Credit Commitment Percentage" shall mean, with respect to any  
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Revolving Credit Lender, the ratio of (a) the amount of the Revolving Credit Commitment of such Lender to (b) the aggregate amount of the Revolving Credit Commitments of all of the Lenders.

"Revolving Credit Commitment Reduction Dates" shall mean the last Business Day  
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of March, June, September and December in each year, commencing with September 30, 2002, through and including June 30, 2008.

"Revolving Credit Commitment Termination Date" shall mean the Revolving Credit  
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Commitment Reduction Date falling on or nearest to June 30, 2008, provided that  
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if Mediacom does not refinance its 1998 Senior Notes prior to March 31, 2007, with new financing having a maturity no earlier than two years after the payment of all amounts due under this Agreement and on terms satisfactory to the Administrative Agent and the Majority Lenders, the Revolving Credit Termination Date shall mean the Revolving Credit Commitment Reduction Date falling on or nearest to September 30, 2007.

"Revolving Credit Lenders" shall mean (a) on the date hereof, the Lenders  
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having Revolving Credit Commitments on Schedule I hereto and (b) thereafter, the Lenders from time to time holding Revolving Credit Loans and Revolving Credit Commitments after giving effect to any assignments thereof permitted by Section 11.06(b) hereof.

"Revolving Credit Loans" shall mean the loans provided for in Section 2.01(a)  
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hereof, which may be Base Rate Loans and/or Eurodollar Loans.

Credit Agreement  
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"Security Documents" shall mean, collectively, the Pledge Agreement, the

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Guarantee and Pledge Agreement and the Subsidiary Guarantee Agreements, and all Uniform Commercial Code financing statements required by the Pledge Agreement, the Guarantee and Pledge Agreement and the Subsidiary Guarantee Agreements, to be filed with respect to the security interests created pursuant to the Pledge Agreement, the Guarantee and Pledge Agreement and the Subsidiary Guarantee Agreements.

"Senior Officer" shall mean an individual that (a) in the case of the LLC

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Borrowers, is the chairman, chief executive officer or chief financial officer of the Manager, acting for and on behalf of the LLC Borrowers, and (b) in the case of Zylstra, is the chairman, chief executive officer or chief financial officer of Zylstra. To the extent that, at any time, no single individual qualifies under both of the foregoing clauses (a) and (b) then, whenever in this Agreement reference is made to a statement, certificate, report or determination of a "Senior Officer", such statement, certificate or report shall be jointly signed, and such determination jointly made, by an individual meeting the criteria in said clause (a) and by an individual meeting the criteria in said clause (b).

"Series" has the meaning set forth in Section 2.01(c).

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"Special Reductions" shall mean, as at any date during any fiscal quarter, the

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aggregate amount of reductions during such fiscal quarter through such date in the undrawn face amount of Affiliate Letters of Credit issued during such fiscal quarter (i.e. excluding reductions in such face amount that occur upon a drawing under such Affiliate Letters of Credit), together with the aggregate amount of Affiliate Letters of Credit issued during such fiscal quarter that expire or are terminated during such fiscal quarter through such date without being drawn.

"Subscriber" shall mean a Person who subscribes to one or more of the cable

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television services of the Borrowers and their Subsidiaries and includes both Basic Subscribers and Persons who subscribe to Pay TV Units, but excluding each such Person who is pending disconnection for any reason or is delinquent in payment for such services for more than 60 days or who has not paid in full without discount at least one monthly bill generated in the ordinary course of business.

"Subsequent Acquisition Agreements" shall mean each agreement pursuant to

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which a Subsequent Acquisition shall be consummated, as the same shall, be modified and supplemented and in effect from time to time.

"Subsequent Acquisitions" shall mean any acquisition permitted under

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8.05(d)(v) hereof.

Credit Agreement

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"Subsidiary" shall mean, with respect to any Person, any corporation,

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partnership, limited liability company or other entity of which at least a majority of the securities or other ownership interests having by the terms thereof ordinary voting power to elect a majority of the board of directors or other persons performing similar functions of such corporation, partnership, limited liability company or other entity (irrespective of whether or not at the time securities or other ownership interests of any other class or classes of such corporation, partnership, limited liability company or other entity shall have or might have voting power by reason of the happening of any contingency) is at the time directly or indirectly owned or controlled by such Person or one or more Subsidiaries of such Person or by such Person and one or more Subsidiaries of such Person.

"Subsidiary Guarantee Agreement" shall mean a Subsidiary Guarantee Agreement

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substantially in the form of Exhibit E hereto by a Subsidiary of a Borrower in favor of the Administrative Agent, as the same shall be modified and supplemented and in effect from time to time.

"Subsidiary Guarantor" shall mean any Subsidiary of the Borrowers that

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executes and delivers a Subsidiary Guarantee Agreement.

"Supplemental Capital" shall mean (a) advances made by an Affiliate to the

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Borrowers constituting Affiliate Subordinated Indebtedness (excluding any Cure Monies) and (b) equity contributions by an Affiliate subsequent to the date of this Agreement (excluding any Cure Monies).

"System Cash Flow" shall mean, for any period, the sum, for the Borrowers and

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their Subsidiaries (determined on a combined basis without duplication in accordance with GAAP), of the following: (a) gross operating revenues for such period minus (b) all operating expenses for such period, including, without

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limitation, technical, programming and selling, general and administrative expenses, but excluding (to the extent included in operating expenses) income taxes, Management Fees, depreciation, amortization and interest expense (including, without limitation, all items included in Interest Expense), plus

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(c) any compensation received for management services provided by the Borrowers during such period in respect of any Franchises retained by (i) Triax pursuant to the Triax Acquisition Agreement and (ii) any Franchises retained by the seller pursuant to any Subsequent Acquisition Agreement during any such period plus (d) all Capital Expenditures made by Triax (or any such seller) in respect of Franchises retained during such period, provided that gross operating

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revenues and operating expenses for any period shall exclude all extraordinary and unusual items and all non-cash items. For the purposes of determining System Cash Flow, gross operating revenues will include revenues received in cash in respect of investments, so long as such investments are recurring (i.e. reasonably expected to continue for four or more fiscal quarters) and do not for any period

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exceed 20% of gross operating revenues for such period (not including (i) extraordinary items and (ii) such investment revenues).

Notwithstanding the foregoing, if during any period for which System Cash Flow is being determined the Borrowers or any of their Subsidiaries shall have consummated any acquisition of any CATV System or other business, or consummated any Disposition, then, for all purposes of this Agreement (other than for purposes of the definition of Excess Cash Flow), System Cash Flow shall be determined on a pro forma basis as if such acquisition or Disposition had been made or consummated on the first day of such period.

"Tax Payment Amount" shall mean, for any period, an amount not exceeding in

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the aggregate the amount of Federal, state and local income taxes the LLC Borrowers would otherwise have paid in the event they were corporations (other than "S corporations" within the meaning of Section 1361 of the Code) for such period and all prior periods.

"Term Loan Commitment" shall mean, as to each Term Loan Lender, the obligation

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of such Lender to make one or more Term Loans in an aggregate principal amount equal to the amount set opposite the name of such Lender on Schedule I hereto. The original aggregate principal amount of the Term Loan Commitments is \$100,000,000.

"Term Loan Lenders" shall mean (a) on the date hereof, the Lenders having Term

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Loan Commitments on Schedule I hereto and (b) thereafter, the Lenders from time to time holding Term Loans and Term Commitments after giving effect to any assignments thereof permitted by Section 11.06(b) hereof.

"Term Loans" shall mean the loans provided for by Section 2.01(b) hereof,

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which may be Base Rate Loans and/or Eurodollar Loans.

"Total Leverage Ratio" shall mean, as at any date, the ratio of (a) the

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aggregate amount of all Indebtedness of the Borrowers and their Subsidiaries (including, without limitation, Capital Lease Obligations, but excluding Affiliate Subordinated Indebtedness) as at such date to (b) the product of (x) System Cash Flow for the fiscal quarter ending on, or most recently ended prior to, such date times (y) four.  
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Notwithstanding the foregoing, the Total Leverage Ratio for any fiscal quarter during which an Acquisition is consummated shall be deemed to be equal to the ratio of (a) the aggregate amount of all Indebtedness of the Borrowers and their Subsidiaries (including, without limitation, Capital Lease Obligations, but excluding Affiliate Subordinated Indebtedness) as at the relevant date to (b) the product of Adjusted System Cash Flow for such fiscal quarter times four.  
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"Triax" shall mean Triax Midwest Associates, L.P., a limited partnership

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organized and existing under the laws of the State of Missouri.

"Triax Acquisition" shall mean the acquisition by the LLC Borrowers of the

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cable systems (other than the Apache Junction, Arizona cable system, which shall be acquired by Mediacom Arizona LLC) and related assets of Triax.

"Triax Acquisition Agreement " shall mean the Asset Purchase Agreement between

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Triax, as Seller, and Mediacom, as Buyer, dated April 29, 1999, as the same shall, subject to Section 8.19 hereof, be modified and supplemented and in effect from time to time.

"Triax Credit Agreement" shall mean the Amended and Restated Credit Agreement

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dated as of June 24, 1998 among Triax, the lenders party thereto, Bank of Montreal, Chicago Branch as Documentation Agent and Arranging Agent, Canadian Imperial Bank of Commerce as Syndication Agent and Arranging Agent, Chase Securities, Inc., as Arranging Agent, The Chase Manhattan Bank as Administrative Agent and General Electric Capital Corporation as Arranging Agent, as modified and supplemented and in effect on the date hereof.

"Type" shall have the meaning assigned to such term in Section 1.03 hereof.

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"U.S. Person" shall mean a citizen or resident of the United States of

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America, a corporation, partnership, limited liability company or other entity created or organized in or under any laws of the United States of America or any State thereof, or any estate or trust that is subject to Federal income taxation regardless of the source of its income.

"U.S. Taxes" shall mean any present or future tax, assessment or other charge

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or levy imposed by or on behalf of the United States of America or any taxing authority thereof.

"Wholly Owned Subsidiary" shall mean, with respect to any Person, any

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corporation, partnership, limited liability company or other entity of which all of the equity securities or other ownership interests (other than, in the case of a corporation, directors' qualifying shares) are directly or indirectly owned or controlled by such Person or one or more Wholly Owned Subsidiaries of such Person or by such Person and one or more Wholly Owned Subsidiaries of such Person.

"Working Capital" shall mean, as at such date, for the Borrowers and their

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Subsidiaries (determined on a combined basis without duplication in accordance with GAAP) (a) current assets (excluding cash and cash equivalents) minus (b) current liabilities (excluding the current portion of long term debt and of any installments of principal payable hereunder).

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1.02 Accounting Terms and Determinations.  
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(a) Except as otherwise expressly provided herein, all accounting terms used herein shall be interpreted, and all financial statements and certificates and reports as to financial matters required to be delivered to the Lenders hereunder shall (unless otherwise disclosed to the Lenders in writing at the time of delivery thereof in the manner described in paragraph (b) below) be prepared, in accordance with generally accepted accounting principles applied on a basis consistent with those used in the preparation of the latest financial statements furnished to the Lenders hereunder (which, prior to the delivery of the first financial statements under Section 8.01 hereof, shall mean the unaudited pro forma financial statements as at September 30, 1999, referred to in Section 7.02 hereof). All calculations made for the purposes of determining compliance with this Agreement shall (except as otherwise expressly provided herein) be made by application of generally accepted accounting principles applied on a basis consistent with those used in the preparation of the latest annual or quarterly financial statements furnished to the Lenders pursuant to Section 8.01 hereof (or, prior to the delivery of the first financial statements under Section 8.01 hereof, used in the preparation of the unaudited pro forma financial statements as at September 30, 1999 referred to in Section 7.02 hereof) unless

(i) the Borrowers shall have objected to determining such compliance on such basis at the time of delivery of such financial statements, or

(ii) the Majority Lenders shall so object in writing within 30 days after delivery of such financial statements,

in either of which events such calculations shall be made on a basis consistent with those used in the preparation of the latest financial statements as to which such objection shall not have been made (which, if objection is made in respect of the first financial statements delivered under Section 8.01 hereof, shall mean the unaudited financial statements referred to in Section 7.02 hereof).

(b) The Borrowers shall deliver to the Lenders at the same time as the delivery of any annual or quarterly financial statement under Section 8.01 hereof (i) a description in reasonable detail of any material variation between the application of accounting principles employed in the preparation of such statement and the application of accounting principles employed in the preparation of the next preceding annual or quarterly financial statements as to which no objection has been made in accordance with the last sentence of paragraph (a) above and (ii) reasonable estimates of the difference between such statements arising as a consequence thereof.

(c) To enable the ready and consistent determination of compliance with the covenants set forth in Section 8 hereof, none of the Borrowers will change the last day of its

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fiscal year from December 31, or the last days of the first three fiscal quarters in each of its fiscal years from March 31, June 30 and September 30 of each year, respectively.

1.03 Classes and Types of Loans. Loans hereunder are distinguished by

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"Class" and by "Type". The "Class" of a Loan (or of a Commitment to make a Loan) refers to whether such Loan is a Revolving Credit Loan, a Term Loan or an Incremental Facility Loan, each of which constitutes a Class. The "Type" of a Loan refers to whether such Loan is a Base Rate Loan or a Eurodollar Loan, each of which constitutes a Type. Loans may be identified by both Class and Type. Incremental Facility Loans and Incremental Facility Commitments shall be classified by Series, each of which shall be considered a separate Class.

1.04 Subsidiaries. None of the Borrowers has any Subsidiaries on the date

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hereof; reference in this Agreement to Subsidiaries of the Borrowers shall be deemed inapplicable until such time as the Majority Lenders shall consent to the creation of such Subsidiaries or such Subsidiaries shall in fact come into existence in accordance with the terms hereof.

1.05 Nature of Obligations of Borrowers. It is the intent of the parties

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hereto that the Borrowers shall be jointly and severally obligated hereunder and under the notes executed and delivered by the Borrowers pursuant to Section 2.08(d) hereof, as co-borrowers under this Agreement and as co-makers on such notes, in respect of the principal of and interest on, and all other amounts owing in respect of, the Loans and such notes.

Section 2. Commitments, Loans and Prepayments.

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2.01 Loans.

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(a) Revolving Credit Loans. Each Revolving Credit Lender severally agrees,

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on the terms and conditions of this Agreement, to make loans to the Borrowers in Dollars during the period from and including the Closing Date to but not including the Revolving Credit Commitment Termination Date in an aggregate principal amount at any one time outstanding up to but not exceeding the amount of the Revolving Credit Commitment of such Lender as in effect from time to time, provided that in no event shall the aggregate principal amount of all

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Revolving Credit Loans, together with the aggregate amount of all Letter of Credit Liabilities, exceed the aggregate amount of the Revolving Credit Commitments as in effect from time to time. Subject to the terms and conditions of this Agreement, during such period the Borrowers may borrow, repay and reborrow the amount of the Revolving Credit Commitments by means of Base Rate Loans and Eurodollar Loans and may Convert Revolving Credit Loans of one Type into Revolving Credit Loans of another Type (as provided in Section 2.09 hereof) or Continue Revolving Credit Loans of one Type as Revolving Credit Loans of the same Type (as provided

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in Section 2.09 hereof). Anything herein to the contrary notwithstanding, Revolving Credit Loans shall not be available hereunder unless the Term Loans are fully drawn.

Proceeds of Revolving Credit Loans shall be available for any use permitted under Section 8.17(a) hereof, provided that, in the event that as contemplated

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by Section 2.10(d) hereof, the Borrowers shall prepay Revolving Credit Loans from the proceeds of a Disposition hereunder, then an amount of Revolving Credit Commitments equal to the amount of such prepayment (herein the "Reserved

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Commitment Amount") shall be reserved and shall not be available for borrowings

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hereunder except and to the extent that the proceeds of such borrowings are to be applied to make Subsequent Acquisitions permitted under Section 8.05 hereof or to make prepayments of Loans under Section 2.10(d) hereof. The Borrowers agree, upon the occasion of any borrowing of Revolving Credit Loans hereunder that is to constitute a utilization of any Reserved Commitment Amount, to advise the Administrative Agent in writing of such fact at the time of such borrowing, identifying the amount of such borrowing that is to constitute such utilization, the Subsequent Acquisition in respect of which the proceeds of such borrowing are to be applied and the reduced Reserved Commitment Amount to be in effect after giving effect to such borrowing.

(b) Term Loans. Each Term Lender severally agrees, on the terms and

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conditions of this Agreement, to make term loans to the Borrowers in Dollars on the Closing Date in an aggregate principal amount equal to the amount of the Term Loan Commitment of such Lender. Subject to the terms and conditions of this Agreement, on the Closing Date the Borrowers may borrow the Term Loan Commitments by means of Base Rate Loans and Eurodollar Loans, and thereafter the Borrowers may Convert Term Loans of one Type into Term Loans of another Type (as provided in Section 2.09 hereof) or Continue Term Loans of one Type as Term Loans of the same Type (as provided in Section 2.09 hereof).

Proceeds of Term Loans hereunder shall be available for any use permitted under the first sentence of Section 8.17(b) hereof.

(c) Incremental Facility Loans. In addition to borrowings of Term Loans and

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Revolving Credit Loans provided above, at any time during the Incremental Facility Availability Period the Borrowers may from time to time request that the Lenders offer to enter into commitments to make additional term loans to the Borrowers hereunder, which commitment of any Lender shall not be less than \$10,000,000 and not greater than \$100,000,000. In the event that one or more of the Lenders offer, in their sole discretion, to enter into such commitments, and such Lenders and the Borrowers agree pursuant to an instrument in writing (the form and substance of which shall be satisfactory, and a copy of which shall be delivered, to the Administrative Agent and the Lenders making such Loans) as to the amount of such commitments that shall be allocated to the respective Lenders making such offers, the fees (if any) to be payable by the Borrowers in connection therewith and the amortization and interest

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rate to be applicable thereto, such Lenders shall become obligated to make Incremental Facility Loans under this Agreement in an amount equal to the amount of their respective Incremental Facility Commitments. The Incremental Facility Loans to be made pursuant to any such agreement between the Borrowers and one or more Lenders in response to any such request by the Borrowers shall be deemed to be a separate "Series" of Incremental Facility Loans for all purposes of this

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Agreement. Anything herein to the contrary notwithstanding, (i) the minimum aggregate principal amount of Incremental Facility Commitments entered into pursuant to any such request (and, accordingly, the minimum aggregate principal amount of any Series of Incremental Facility Loans) shall be \$25,000,000, (ii) the aggregate principal amount of all unused Incremental Facility Commitments and Incremental Facility Loans shall not exceed \$200,000,000 and (iii) in no event shall the final maturity date for the Incremental Facility Loans of any Series be earlier than the final Principal Payment Date for the Term Loans, nor shall the amortization for any Incremental Facility Loans of any Series be at a rate faster (i.e. earlier) than the rate of amortization of the Term Loans (the determination of whether or not such amortization is faster to be made by the Administrative Agent).

Proceeds of Incremental Facility Loans hereunder shall be available for any use permitted under the last sentence of Section 8.17(b) hereof.

(d) Limit on Eurodollar Loans. No more than seven separate Interest Periods

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in respect of Eurodollar Loans of a Class from each Lender may be outstanding at any one time.

2.02 Borrowings. The Borrowers shall give the Administrative Agent notice of

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each borrowing hereunder as provided in Section 4.05 hereof. Not later than 1:00 p.m. New York time on the date specified for each borrowing hereunder, each Lender shall make available the amount of the Loan or Loans to be made by it on such date to the Administrative Agent, at an account designated by the Administrative Agent to the Lenders, in immediately available funds, for account of the Borrowers. The amount so received by the Administrative Agent shall, subject to the terms and conditions of this Agreement, be made available to the Borrowers by depositing the same, in immediately available funds, in an account of the Borrowers designated by the Borrowers and maintained with Chase at its principal office.

2.03 Letters of Credit. Subject to the terms and conditions of this

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Agreement, the Revolving Credit Commitments may be utilized, upon the request of the Borrowers, in addition to the Revolving Credit Loans provided for by Section 2.01(a) hereof, by the issuance by the Issuing Lender of letters of credit (collectively, "Letters of Credit") for account of the Borrowers or any of their

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Subsidiaries (as specified by the relevant Borrower), provided that in no event

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shall (i) the aggregate amount of all Letter of Credit Liabilities, together with the aggregate principal amount of the Revolving Credit Loans, exceed the aggregate amount of the Revolving Credit Commitments as in effect from time to time, (ii) the outstanding aggregate amount of all Letter of Credit Liabilities exceed \$100,000,000 and (iii) the expiration date of any Letter of

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Credit extend beyond the earlier of the date five Business Days prior to the Revolving Credit Commitment Termination Date and the date twelve months following the issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, twelve months after the then-current expiration date of such Letter of Credit, so long as such renewal or extension occurs within three months of such then-current expiration date). The Borrowers may request the Issuing Lender to issue Letters of Credit for the account of the Borrowers to support an obligation of an Affiliate of the Borrowers so long as the face amount of such Letter of Credit does not exceed the amount of Restricted Payments the Borrowers may then make pursuant to Section 8.09(d). The following additional provisions shall apply to Letters of Credit:

- (a) The Borrowers shall give the Administrative Agent at least three Business Days' irrevocable prior notice (effective upon receipt) specifying the Business Day (which shall be no later than 30 days preceding the Revolving Credit Commitment Termination Date) each Letter of Credit is to be issued and the account party or parties therefor and describing in reasonable detail the proposed terms of such Letter of Credit (including the beneficiary thereof) and the nature of the transactions or obligations proposed to be supported thereby (including whether such Letter of Credit is to be a commercial letter of credit or a standby letter of credit). Upon receipt of any such notice, the Administrative Agent shall advise the Issuing Lender of the contents thereof.
- (b) On each day during the period commencing with the issuance by the Issuing Lender of any Letter of Credit and until such Letter of Credit shall have expired or been terminated, the Revolving Credit Commitment of each Revolving Credit Lender shall be deemed to be utilized for all purposes of this Agreement in an amount equal to such Lender's Revolving Credit Commitment Percentage of the then undrawn face amount of such Letter of Credit. Each Revolving Credit Lender (other than the Issuing Lender) agrees that, upon the issuance of any Letter of Credit hereunder, it shall automatically acquire a participation in the Issuing Lender's liability under such Letter of Credit in an amount equal to such Lender's Revolving Credit Commitment Percentage of such liability, and each Revolving Credit Lender (other than the Issuing Lender) thereby shall absolutely, unconditionally and irrevocably assume, as primary obligor and not as surety, and shall be unconditionally obligated to the Issuing Lender to pay and discharge when due, its Revolving Credit Commitment Percentage of the Issuing Lender's liability under such Letter of Credit.
- (c) Upon receipt from the beneficiary of any Letter of Credit of any demand for payment under such Letter of Credit, the Issuing Lender shall promptly notify the Borrowers (through the Administrative Agent) of the amount to be paid by the Issuing Lender as a result of such demand and the date on which payment is to be made by the Issuing Lender to such beneficiary in respect of such demand. Notwithstanding the identity of the account party of any Letter of Credit, the Borrowers hereby jointly and

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severally unconditionally agree to pay and reimburse the Administrative Agent for account of the Issuing Lender for the amount of each demand for payment under such Letter of Credit that is in substantial compliance with the provisions of such Letter of Credit at or prior to the date on which payment is to be made by the Issuing Lender to the beneficiary thereunder, without presentment, demand, protest or other formalities of any kind.

- (d) Forthwith upon its receipt of a notice referred to in paragraph (c) of this Section 2.03, the Borrowers shall advise the Administrative Agent whether or not the Borrowers intend to borrow hereunder to finance their obligation to reimburse the Issuing Lender for the amount of the related demand for payment and, if they do, submit a notice of such borrowing as provided in Section 4.05 hereof.
- (e) Each Revolving Credit Lender (other than the Issuing Lender) shall pay to the Administrative Agent for account of the Issuing Lender at its principal office in Dollars and in immediately available funds, the amount of such Lender's Revolving Credit Commitment Percentage of any payment under a Letter of Credit upon notice by the Issuing Lender (through the Administrative Agent) to such Revolving Credit Lender requesting such payment and specifying such amount. Each such Revolving Credit Lender's obligation to make such payment to the Administrative Agent for account of the Issuing Lender under this paragraph (e), and the Issuing Lender's right to receive the same, shall be absolute and unconditional and shall not be affected by any circumstance whatsoever, including, without limitation, the failure of any other Revolving Credit Lender to make its payment under this paragraph (e), the financial condition of the Borrowers (or any other account party), the existence of any Default or the termination of the Commitments. Each such payment to the Issuing Lender shall be made without any offset, abatement, withholding or reduction whatsoever. If any Revolving Credit Lender shall default in its obligation to make any such payment to the Administrative Agent for account of the Issuing Lender, for so long as such default shall continue the Administrative Agent may at the request of the Issuing Lender withhold from any payments received by the Administrative Agent under this Agreement for account of such Revolving Credit Lender the amount so in default and, to the extent so withheld, pay the same to the Issuing Lender in satisfaction of such defaulted obligation.
- (f) Upon the making of each payment by a Revolving Credit Lender to the Issuing Lender pursuant to paragraph (e) above in respect of any Letter of Credit, such Lender shall, automatically and without any further action on the part of the Administrative Agent, the Issuing Lender or such Lender, acquire (i) a participation in an amount equal to such payment in the Reimbursement Obligation owing to the Issuing Lender by the Borrowers hereunder and under the Letter of Credit Documents relating to such Letter of Credit and (ii) a participation in a percentage equal to such Lender's

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Revolving Credit Commitment Percentage in any interest or other amounts payable by the Borrowers hereunder and under such Letter of Credit Documents in respect of such Reimbursement Obligation (other than the commissions, charges, costs and expenses payable to the Issuing Lender pursuant to paragraph (g) of this Section 2.03). Upon receipt by the Issuing Lender from or for the account of the Borrowers of any payment in respect of any Reimbursement Obligation or any such interest or other amount (including by way of setoff or application of proceeds of any collateral security) the Issuing Lender shall promptly pay to the Administrative Agent for the account of each Revolving Credit Lender entitled thereto, such Revolving Credit Lender's Revolving Credit Commitment Percentage of such payment, each such payment by the Issuing Lender to be made in the same money and funds in which received by the Issuing Lender. In the event any payment received by the Issuing Lender and so paid to the Revolving Credit Lenders hereunder is rescinded or must otherwise be returned by the Issuing Lender, each Revolving Credit Lender shall, upon the request of the Issuing Lender (through the Administrative Agent), repay to the Issuing Lender (through the Administrative Agent) the amount of such payment paid to such Lender, with interest at the rate specified in paragraph (j) of this Section 2.03.

- (g) The Borrowers shall pay to the Administrative Agent for account of each Revolving Credit Lender (ratably in accordance with their respective Commitment Percentages) a letter of credit fee in respect of each Letter of Credit in an amount equal to the Applicable Margin, in effect from time to time, for Revolving Credit Loans that are Eurodollar Loans on the daily average undrawn face amount of such Letter of Credit for the period from and including the date of issuance of such Letter of Credit (i) in the case of a Letter of Credit that expires in accordance with its terms, to and including such expiration date and (ii) in the case of a Letter of Credit that is drawn in full or is otherwise terminated other than on the stated expiration date of such Letter of Credit, to but excluding the date such Letter of Credit is drawn in full or is terminated (such fee to be non-refundable, to be paid in arrears on each Quarterly Date and on the Revolving Credit Commitment Termination Date and to be calculated for any day after giving effect to any payments made under such Letter of Credit on such day).

In addition, the Borrowers shall pay to the Administrative Agent for account of the Issuing Lender a fronting fee in respect of each Letter of Credit in an amount equal to 1/4 of 1% per annum of the daily average undrawn face amount of such Letter of Credit for the period from and including the date of issuance of such Letter of Credit (i) in the case of a Letter of Credit that expires in accordance with its terms, to and including such expiration date and (ii) in the case of a Letter of Credit that is drawn in full or is otherwise terminated other than on the stated expiration date of such Letter of Credit, to but excluding the date such Letter of Credit is drawn in full or is terminated (such fee to be non-refundable, to be paid in arrears on each Quarterly Date and on the Revolving

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Credit Commitment Termination Date and to be calculated for any day after giving effect to any payments made under such Letter of Credit on such day) plus all commissions, charges, costs and expenses in the amounts customarily charged by the Issuing Lender from time to time in like circumstances with respect to the issuance of each Letter of Credit and drawings and other transactions relating thereto.

- (h) Promptly following the end of each calendar month, the Issuing Lender shall deliver (through the Administrative Agent) to each Revolving Credit Lender and the Borrowers a notice describing the aggregate amount of all Letters of Credit outstanding at the end of such month. Upon the request of any Revolving Credit Lender from time to time, the Issuing Lender shall deliver any other information reasonably requested by such Lender with respect to each Letter of Credit then outstanding.
- (i) The issuance by the Issuing Lender of each Letter of Credit shall, in addition to the conditions precedent set forth in Section 6 hereof, be subject to the conditions precedent that (i) such Letter of Credit shall be in such form, contain such terms and support such transactions as shall be satisfactory to the Issuing Lender consistent with its then current practices and procedures with respect to letters of credit of the same type and (ii) the Borrowers shall have executed and delivered such applications, agreements and other instruments relating to such Letter of Credit as the Issuing Lender shall have reasonably requested consistent with its then current practices and procedures with respect to letters of credit of the same type, provided that in the event of any conflict between any such  
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application, agreement or other instrument and the provisions of this Agreement or any Security Document, the provisions of this Agreement and the Security Documents shall control.
- (j) To the extent that any Lender shall fail to pay any amount required to be paid pursuant to paragraph (e) or (f) of this Section 2.03 on the due date therefor, such Lender shall pay interest to the Issuing Lender (through the Administrative Agent) on such amount from and including such due date to but excluding the date such payment is made at a rate per annum equal to the Federal Funds Rate, provided that if such Lender shall fail to make  
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such payment to the Issuing Lender within three Business Days of such due date, then, retroactively to the due date, such Lender shall be obligated to pay interest on such amount at the Post-Default Rate.
- (k) The issuance by the Issuing Lender of any modification or supplement to any Letter of Credit hereunder shall be subject to the same conditions applicable under this Section 2.03 to the issuance of new Letters of Credit, and no such modification or supplement shall be issued hereunder unless either (i) the respective Letter of Credit affected thereby would have complied with such conditions had it originally been issued

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hereunder in such modified or supplemented form or (ii) each Revolving Credit Lender shall have consented thereto.

- (1) Pursuant to the Triax Credit Agreement, Chase has issued various "Letters of Credit" for the account of Triax in an aggregate face amount outstanding on the date hereof approximately equal to \$405,750. As provided in Section 6.01(m) hereof, all Liens in favor of the lenders (or an agent for such lenders) under the Triax Credit Agreement on assets purchased in the Triax Acquisition are to be released (or arrangements for such release are to be made) on the Closing Date. In that connection, the Borrowers hereby agree, effective on the Closing Date, to assume all of the obligations of Triax under the Triax Credit Agreement in respect of such "Letters of Credit", and each of the Lenders hereunder (including the Issuing Lender hereunder) hereby agrees that, on the Closing Date, all such "Letters of Credit" under the Triax Credit Agreement shall automatically become Letters of Credit hereunder. To the extent that, in order to permit drawings under such Letters of Credit by the respective beneficiaries, it shall be necessary to change references in such Letters of Credit to become references to one or more of the Borrowers, the Issuing Lender is hereby authorized to execute and deliver appropriate amendments to such Letters of Credit.

The Borrowers hereby indemnify and hold harmless each Revolving Credit Lender and the Administrative Agent from and against any and all claims and damages, losses, liabilities, costs or expenses that such Lender or the Administrative Agent may incur (or that may be claimed against such Lender or the Administrative Agent by any Person whatsoever) by reason of or in connection with the execution and delivery or transfer of or payment or refusal to pay by the Issuing Lender under any Letter of Credit; provided that the Borrowers shall

not be required to indemnify any Lender or the Administrative Agent for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by (x) the willful misconduct or gross negligence of the Issuing Lender in determining whether a request presented under any Letter of Credit complied with the terms of such Letter of Credit or (y) in the case of the Issuing Lender, such Lender's failure to pay under any Letter of Credit after the presentation to it of a request strictly complying with the terms and conditions of such Letter of Credit. Nothing in this Section 2.03 is intended to limit the other obligations of the Borrowers, any Lender or the Administrative Agent under this Agreement.

2.04 Changes of Commitments.

- (a) Subject to the last sentence of this Section 2.04(a), the aggregate amount of the Revolving Credit Commitments shall be automatically reduced to zero on the Revolving Credit Commitment Termination Date. In addition, the aggregate amount of the Revolving Credit Commitments shall be automatically reduced on each Revolving Credit Commitment Reduction Date set forth in column (A) below, (x) by an amount (subject to reduction pursuant to

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paragraph (c) below) equal to the amount set forth in column (B) below opposite such Revolving Credit Commitment Reduction Date, (y) to an amount (subject to reduction pursuant to paragraph (c) below) equal to the amount set forth in column (C) below opposite such Revolving Credit Commitment Reduction Date:

(A) Revolving Credit Commitment Reduction Date Falling on or Nearest to: -----	(B) Revolving Credit Commitments Reduced by the Following Amounts: -----	(C) Revolving Credit Commitments Reduced to the Following Amounts: -----
September 30, 2002	5,625,000	444,375,000
December 31, 2002	5,625,000	438,750,000
March 31, 2003	5,625,000	433,125,000
June 30, 2003	5,625,000	427,500,000
September 30, 2003	5,625,000	421,875,000
December 31, 2003	5,625,000	416,250,000
March 31, 2004	16,875,000	399,375,000
June 30, 2004	16,875,000	382,500,000
September 30, 2004	16,875,000	365,625,000
December 31, 2004	16,875,000	348,750,000
March 31, 2005	22,500,000	326,250,000
June 30, 2005	22,500,000	303,750,000
September 30, 2005	22,500,000	281,250,000
December 31, 2005	22,500,000	258,750,000
March 31, 2006	22,500,000	236,250,000
June 30, 2006	22,500,000	213,750,000
September 30, 2006	22,500,000	191,250,000
December 31, 2006	22,500,000	168,750,000
March 31, 2007	22,500,000	146,250,000
June 30, 2007	22,500,000	123,750,000
September 30, 2007	22,500,000	101,250,000
December 31, 2007	22,500,000	78,750,000
March 31, 2008	39,375,000	39,375,000
June 30, 2008	39,375,000	0

Credit Agreement

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As provided for in the definition of "Revolving Credit Commitment Termination Date" in Section 1.01, if Mediacom does not refinance its 1998 Senior Notes prior to March 31, 2007, with new Indebtedness having a maturity no earlier than two years after the payment of all amounts due under this Agreement and on terms satisfactory to the Administrative Agent and the Majority Lenders, the Revolving Credit Commitments shall be terminated, and the entire principal amount of the Revolving Credit Loans then outstanding shall, as provided for in Section 2.10(g) hereof, be paid in full, on the Revolving Credit Commitment Reduction Date falling on or nearest to September 30, 2007.

(b) The Borrowers shall have the right at any time or from time to time (i) so long as no Revolving Credit Loans or Letter of Credit Liabilities are outstanding, to terminate the Revolving Credit Commitments, (ii) so long as no Term Loans are outstanding, to terminate the Term Loan Commitments, (iii) so long as no Incremental Facility Loans of a Series are outstanding, to terminate the Incremental Facility Commitments of such Series and (iv) to reduce the aggregate unused amount of the Revolving Credit Commitments or Incremental Facility Commitments of any Series (for which purpose use of the Revolving Credit Commitments shall be deemed to include the aggregate amount of Letter of Credit Liabilities); provided that (x) the Borrowers shall give notice of each

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such termination or reduction as provided in Section 4.05 hereof, (y) each partial reduction shall be in an aggregate amount at least equal to \$1,000,000 (or a larger multiple of \$500,000) and (z) prior to the making of the initial Loans hereunder, each such reduction of Commitments shall be applied ratably to the Commitments of each Class.

(c) Each reduction in the aggregate amount of the Revolving Credit Commitments pursuant to paragraph (b) above, or pursuant to Section 2.10 hereof, on any date shall be applied to the reductions set forth in the schedule in paragraph (a) above ratably as follows: each such reduction shall result in an automatic and simultaneous reduction (but not below zero) of the respective amounts set forth in column (B) at the end of paragraph (a) above (ratably in accordance with the respective remaining amounts thereof, after giving effect to any prior reductions pursuant to this paragraph (c)), with appropriate reductions (but not below zero) being made to the respective amounts set forth in column (C) of said paragraph (a) after giving effect to such reduction of the amounts in said column (B).

(d) The aggregate amount of the Term Loan Commitments shall be automatically reduced to zero on the close of business on the Closing Date. The aggregate amount of the Incremental Facility Commitments shall be automatically reduced to zero on the close of business on the last day of the Incremental Facility Availability Period.

(e) The Commitments once terminated or reduced may not be reinstated.

Credit Agreement  
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2.05 Commitment Fee. The Borrowers shall pay to the Administrative Agent for

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account of each Revolving Credit Lender a commitment fee on the daily average unused amount of such Lender's Revolving Credit Commitment (for which purpose (i) the aggregate amount of any Letter of Credit Liabilities shall be deemed to be a pro rata (based on the Revolving Credit Commitments) use of each Lender's Revolving Credit Commitment and (ii) any Reserved Commitment Amount shall be deemed to be unused), for the period from and including the date hereof to but not including the earlier of the date such Revolving Credit Commitment is terminated and the Revolving Credit Commitment Termination Date, at a rate per annum equal to (x) 3/8 of 1% at any time the then-current Rate Ratio (determined pursuant to Section 3.03 hereof) is greater than 5.00 to 1 and (y) 1/4 of 1% at any time the then-current Rate Ratio (so determined) is equal to or less than 5.00 to 1, provided that for the period from and including the date hereof to but excluding the Closing Date, such commitment fee shall be determined based on the assumption that the Rate Ratio is less than 5.00 to 1. The Borrowers shall pay to the Administrative Agent for account of each Incremental Facility Lender of any Series a commitment fee in such amounts, and on such dates, as shall have been agreed to by the Borrowers and such Incremental Facility Lender upon the allocation of the Incremental Facility Commitment of such Series to such Lender pursuant to Section 2.01(c) hereof. Accrued commitment fee shall be payable on each Quarterly Date and on the earlier of the date the relevant Commitments are terminated and the Revolving Credit Commitment Termination Date or the Incremental Facility Commitment Termination Date, as the case may be.

2.06 Lending Offices. The Loans of each Type made by each Lender shall be

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made and maintained at such Lender's Applicable Lending Office for Loans of such Type.

2.07 Several Obligations; Remedies Independent. The failure of any Lender to

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make any Loan to be made by it on the date specified therefor shall not relieve any other Lender of its obligation to make its Loan on such date, but neither any Lender nor the Administrative Agent shall be responsible for the failure of any other Lender to make a Loan to be made by such other Lender, and (except as otherwise provided in Section 4.06 hereof) no Lender shall have any obligation to the Administrative Agent or any other Lender for the failure by such Lender to make any Loan required to be made by such Lender. Anything in this Agreement to the contrary notwithstanding, each Lender hereby agrees with each other Lender that no Lender shall take any action to protect or enforce its rights arising out of this Agreement (including, without limitation, exercising any rights of off-set) without first obtaining the prior written consent of the Administrative Agent or the Majority Lenders, it being the intent of the Lenders that any such action to protect or enforce rights under this Agreement shall be taken in concert and at the direction or with the consent of the Administrative Agent or the Majority Lenders and not individually by a single Lender.

Credit Agreement

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2.08 Loan Accounts; Promissory Notes.

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(a) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrowers to such Lender resulting from each Loan made by such Lender to the Borrowers, including the amounts of principal and interest payable and paid to such Lender by the Borrowers from time to time hereunder.

(b) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder to the Borrowers, the Class and Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrowers to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder from the Borrowers for the account of the Lenders and each Lender's share thereof.

(c) The entries made in the accounts maintained pursuant to paragraph (a) or (b) of this Section shall be prima facie evidence of the existence and amounts

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of the obligations recorded therein; provided that the failure of any Lender or

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the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrowers to repay the Loans in accordance with the terms of this Agreement.

(d) Any Lender may request that Loans of any Class made by it to the Borrowers be evidenced by a promissory note. In such event, the Borrowers shall prepare, execute and deliver to such Lender a promissory note payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the Administrative Agent. Thereafter, the Loans of the Borrowers evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 11.06 hereof) be represented by one or more promissory notes in such form payable to the order of the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

2.09 Optional Prepayments and Conversions or Continuations of Loans. Subject

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to Section 4.04 hereof, the Borrowers shall have the right to prepay Loans, or to Convert Loans of one Type into Loans of another Type or Continue Loans of one Type as Loans of the same Type, at any time or from time to time, provided that:

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(a) the Borrowers shall give the Administrative Agent notice of each such prepayment, Conversion or Continuation as provided in Section 4.05 hereof (and, upon the date specified in any such notice of prepayment, the amount to be prepaid shall become due and payable hereunder);

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- (b) Eurodollar Loans may be prepaid or Converted at any time from time to time, provided that the Borrowers shall pay any amounts owing under Section 5.05 ----- hereof in the event of any such prepayment or Conversion on any date other than the last day of an Interest Period for such Loans;
- (c) prepayments of any Term Loan shall be effected in such manner so that the Term Loans (and, to the extent that Incremental Loans are outstanding, the Incremental Loans of all Series) are concurrently prepaid ratably in accordance with the respective outstanding principal amounts thereof and the aggregate principal amount of all such concurrent prepayments is at least equal to \$1,000,000 or a greater multiple of \$500,000;
- (d) prepayments of the Term Loans and Incremental Facility Loans shall be applied to the remaining installments of such Loans ratably in accordance with the respective principal amounts thereof; and
- (e) any Conversion or Continuation of Eurodollar Loans shall be subject to the provisions of Section 2.01(d) hereof.

Notwithstanding the foregoing, and without limiting the rights and remedies of the Lenders under Section 9 hereof, in the event that any Event of Default shall have occurred and be continuing, the Administrative Agent may (and at the request of the Majority Lenders shall) suspend the right of the Borrowers to Convert any Loan into a Eurodollar Loan, or to Continue any Loan as a Eurodollar Loan, in which event all Loans shall be Converted (on the last day(s) of the respective Interest Periods therefor) or Continued, as the case may be, as Base Rate Loans.

2.10 Mandatory Prepayments and Reductions of Commitments.  
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- (a) Casualty Events. Upon the date 270 days following the receipt by any -----

Borrower or any of its Subsidiaries of the proceeds of insurance, condemnation award or other compensation in respect of any Casualty Event affecting any Property of any of the Borrowers or any of their Subsidiaries (or upon such earlier date as the Borrowers or any such Subsidiary, as the case may be, shall have determined not to repair or replace the Property affected by such Casualty Event), the Borrowers shall prepay the Loans (and/or provide cover for Letter of Credit Liabilities as specified in paragraph (f) below), and the Commitments shall be subject to automatic reduction, in an aggregate amount, if any, equal to 100% of the Net Available Proceeds of such Casualty Event not theretofore applied (or committed to be applied pursuant to executed construction contracts or equipment orders) to the repair or replacement of such Property, such prepayment to be effected in each case in the manner and to the extent specified in paragraph (e) of this Section 2.10. Notwithstanding the foregoing, the Borrowers shall not be required to make any prepayment (and/or provide cover for Letter of Credit Liabilities) under this paragraph (a), and the Commitments shall not be subject to automatic reduction, until the

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aggregate amount of the Net Available Proceeds that must be prepaid under this paragraph (a) (reduced by the amount of such Net Available Proceeds that has previously been applied to the prepayment of Loans or reduction of Commitments hereunder as a result of previous Casualty Events) exceeds \$10,000,000.

(b) Excess Cash Flow. Not later than the date 150 days after the end of each

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fiscal year of the Borrowers (or, if earlier, 30 days after the delivery of the audited financial statements for such fiscal year pursuant to Section 8.01(b) hereof), commencing with the fiscal year ending on December 31, 2002, the Borrowers shall prepay the Loans (and/or provide cover for Letter of Credit Liabilities as specified in paragraph (f) below), and the Commitments shall be subject to automatic reduction, in an aggregate amount equal to the excess of (A) 50% of Excess Cash Flow for such fiscal year over (B) the aggregate amount of voluntary prepayments of Term Loans and Incremental Facility Loans made during such fiscal year pursuant to Section 2.09 hereof (other than that portion, if any, of such prepayments applied to installments of the Term Loans and Incremental Facility Loans falling due in such fiscal year), such prepayment and reduction to be effected in each case in the manner and to the extent specified in paragraph (e) of this Section 2.10.

(c) Debt Issuances. Upon any Debt Issuance, the Borrowers shall prepay the

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Loans (and/or provide cover for Letter of Credit Liabilities as specified in paragraph (f) below), and the Commitments shall be subject to automatic reduction, in an aggregate amount equal to 100% of the Net Available Proceeds thereof, such prepayment and reduction to be effected in each case in the manner and to the extent specified in paragraph (e) of this Section 2.10.

(d) Sale of Assets. Without limiting the obligation of the Borrowers to

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obtain the consent of the Majority Lenders pursuant to Section 8.05 hereof to any Disposition not otherwise permitted hereunder, in the event that the Net Available Proceeds of any Disposition (herein, the "Current Disposition"), and  
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of all prior Dispositions after the date hereof as to which a prepayment has not yet been made under this Section 2.10(d), shall exceed \$10,000,000 then, no later than five Business Days prior to the occurrence of the Current Disposition, the Borrowers will deliver to the Lenders a statement, certified by a Senior Officer, in form and detail satisfactory to the Administrative Agent, of the amount of the Net Available Proceeds of the Current Disposition and of all such prior Dispositions and will prepay the Loans (and/or provide cover for Letter of Credit Liabilities as specified in paragraph (f) below), and the Commitments shall be subject to automatic reduction, in an aggregate amount equal to 100% of the Net Available Proceeds of the Current Disposition and such prior Dispositions, such prepayment and reduction to be effected in each case in the manner and to the extent specified in paragraph (e) of this Section 2.10.

Notwithstanding the foregoing, the Borrowers shall not be required to make a prepayment pursuant to this paragraph (d) with respect to Net Available Proceeds from any

Disposition in the event that the Borrowers advise the Administrative Agent at the time the Net Available Proceeds from such Disposition are received that they intend to reinvest such Net Available Proceeds in replacement assets pursuant to an acquisition permitted under Section 8.05(d)(v) hereof so long as

- (x) such Net Available Proceeds are either (i) held by (A) the Administrative Agent or (B) as permitted under the Section 4.01 of the Pledge Agreement, a Qualified Intermediary (as defined thereunder), in the Collateral Account pending such reinvestment, in which event the Administrative Agent (or the Qualified Intermediary, as the case may be) need not release such Net Available Proceeds except upon presentation of evidence satisfactory to it that such Net Available Proceeds are to be so reinvested in compliance with the provisions of this Agreement or (ii) applied by the Borrowers to the prepayment of Revolving Credit Loans hereunder (in which event the Borrowers agree to advise the Administrative Agent in writing at the time of such prepayment of Revolving Credit Loans that such prepayment is being made from the proceeds of a Disposition and that, as contemplated by Section 2.01(a) hereof, a portion of the Revolving Credit Commitments hereunder equal to the amount of such prepayment gives rise to a Reserved Commitment Amount that shall be available hereunder only for purposes of making an acquisition under Section 8.05(d)(v) hereof),
- (y) the Net Available Proceeds from any Disposition are in fact so reinvested within 270 days of such Disposition (it being understood that, in the event Net Available Proceeds from more than one Disposition are paid into the Collateral Account or applied to the prepayment of Revolving Credit Loans as provided in clause (x) above, such Net Available Proceeds shall be deemed to be released (or, as the case may be, Revolving Credit Loans utilizing the Reserved Commitment Amount shall be deemed to be made) in the same order in which such Dispositions occurred and, accordingly, (A) any such Net Available Proceeds so held for more than 270 days shall be forthwith applied to the prepayment of Loans and reductions of Commitments as provided above and (B) any Reserved Commitment Amount that remains so unutilized for more than 270 days shall, subject to the satisfaction of the conditions precedent to such borrowing in Section 6.02 hereof, be utilized through the borrowing by the Borrowers of Revolving Credit Loans the proceeds of which shall be applied to the prepayment of Loans and reductions of Commitments as provided in paragraph (e) of this Section 2.10) and
- (z) the aggregate amount of Net Available Proceeds (together with investment earnings thereon) so held at any time by the Administrative Agent (or the Qualified Intermediary) pending reinvestment as contemplated by this sentence, together with the aggregate amount of the Reserved Commitment Amount, shall not at any time exceed \$40,000,000 or such greater amount as the Majority Lenders may otherwise agree.

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As contemplated by Section 4.01 of the Pledge Agreement, nothing in this paragraph (d) shall be deemed to obligate the Administrative Agent to release any of such proceeds from the Collateral Account to the Borrowers for purposes of reinvestment as aforesaid upon the occurrence and during the continuance of any Event of Default.

(e) Application. Prepayments and reductions of Commitments described above

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in this Section 2.10 shall be applied to the Term Loans and Incremental Facility Loans of each Series then outstanding, and to the reduction of the Revolving Credit Commitments, ratably in accordance with the respective amounts of such Loans and Commitments and shall be applied:

- (x) to the prepayment of the respective installments of the Term Loans and Incremental Facility Loans ratably in accordance with the respective principal amounts thereof and
- (y) to the extent that, after giving effect to any such reduction of Revolving Credit Commitments, the sum of the aggregate outstanding principal amount of the Revolving Credit Loans and Letter of Credit Liabilities shall exceed the aggregate amount of the Revolving Credit Commitments, to the prepayment of Revolving Credit Loans (and to provide cover for Letter of Credit Liabilities as specified in paragraph (f) below), so that, after giving effect thereto, such sum does not exceed the aggregate amount of the Revolving Credit Commitments.

(f) Cover for Letter of Credit Liabilities. In the event that the Borrowers

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shall be required pursuant to this Section 2.10, to provide cover for Letter of Credit Liabilities, the Borrowers shall effect the same by paying to the Administrative Agent immediately available funds in an amount equal to the required amount, which funds shall be retained by the Administrative Agent in the Collateral Account (as collateral security in the first instance for the Letter of Credit Liabilities) until such time as the Letters of Credit shall have been terminated and all of the Letter of Credit Liabilities paid in full.

(g) Change in Commitments. If at any time the aggregate outstanding amount

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of Revolving Credit Loans and Letter of Credit Liabilities exceeds the aggregate amount of the Revolving Credit Commitments then in effect, the Borrowers shall prepay the Revolving Credit Loans (and/or provide cover for Letter of Credit Liabilities as specified in paragraph (f) above) in such amounts as shall be necessary so that after giving effect to such prepayment (and cover), the aggregate outstanding amount of the Revolving Credit Loans and Letter of Credit Liabilities does not exceed the aggregate amount of the Revolving Credit Commitments, provided that any such prepayment shall be accompanied by any

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amounts payable under Section 5.05 hereof.

Credit Agreement

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Section 3. Payments of Principal and Interest.

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3.01 Repayment of Loans.

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(a) The Borrowers hereby jointly and severally promise to pay to the Administrative Agent for account of each Lender the entire outstanding principal amount of such Lender's Revolving Credit Loans, and each Revolving Credit Loan shall mature, on the Revolving Credit Commitment Termination Date. In addition, if following any Revolving Credit Commitment Reduction Date the aggregate principal amount of the Revolving Credit Loans shall exceed the Revolving Credit Commitments, the Borrowers shall pay Revolving Credit Loans, and provide cover for Letter of Credit Liabilities as specified in Section 2.10(f), in an aggregate amount equal to such excess.

(b) Subject to the last sentence of this Section 3.01(b), the Borrowers hereby jointly and severally promise to pay to the Administrative Agent for account of the Term Loan Lenders the principal of the Term Loans in twenty-six consecutive quarterly installments payable on the Principal Payment Dates as follows:

Principal Payment Date -----	Amount of Installment (\$) -----
September 30, 2002	125,000
December 31, 2002	125,000
March 31, 2003	250,000
June 30, 2003	250,000
September 30, 2003	250,000
December 31, 2003	250,000
March 31, 2004	250,000
June 30, 2004	250,000
September 30, 2004	250,000
December 31, 2004	250,000
March 31, 2005	250,000
June 30, 2005	250,000
September 30, 2005	250,000
December 31, 2005	250,000

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March 31, 2006	250,000
June 30, 2006	250,000
September 30, 2006	250,000
December 31, 2006	250,000
March 31, 2007	250,000
June 30, 2007	250,000
September 30, 2007	250,000
December 31, 2007	250,000
March 31, 2008	250,000
June 30, 2008	250,000
September 30, 2008	250,000
December 31, 2008	94,000,000

If Mediacom does not refinance its 1998 Senior Notes prior to March 31, 2007, with new Indebtedness having a maturity no earlier than two years after the payment of all amounts due under this Agreement and on terms satisfactory to the Administrative Agent and the Majority Lenders, the entire outstanding principal amount of the Term Loans shall be payable on December 31, 2007.

(c) The Borrowers hereby jointly and severally promise to pay to the Administrative Agent for account of the Incremental Facility Lenders of any Series the principal of the Incremental Facility Loans of such Series on the respective Principal Payment Dates agreed upon between the Borrowers and such Incremental Facility Lenders pursuant to Section 2.01(c) hereof at the time such Lenders become obligated to make such Incremental Facility Loans hereunder.

3.02 Interest. The Borrowers hereby jointly and severally promise to pay to -----  
the Administrative Agent for account of each Lender interest on the unpaid principal amount of each Loan made by such Lender for the period from and including the date of such Loan to but excluding the date such Loan shall be paid in full, at the following rates per annum:

- (a) during such periods as such Loan is a Base Rate Loan, the Base Rate (as in effect from time to time) plus the Applicable Margin and -----
- (b) during such periods as such Loan is a Eurodollar Loan, for each Interest Period relating thereto, the Eurodollar Rate for such Loan for such Interest Period plus the Applicable Margin.  
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Notwithstanding the foregoing, the Borrowers jointly and severally promise to pay to the Administrative Agent for account of each Lender interest at the applicable Post-Default Rate on any principal of any Loan made by such Lender, on any Reimbursement Obligation held by such Lender and on any other amount payable by the Borrowers hereunder to or for account of such Lender, that shall not be paid in full when due (whether at stated maturity, by acceleration, by mandatory prepayment or otherwise), for the period from and including the due date thereof to but excluding the date the same is paid in full. Accrued interest on each Loan shall be payable (i) in the case of a Base Rate Loan, quarterly on the Quarterly Dates, (ii) in the case of a Eurodollar Loan, on the last day of each Interest Period therefor and, if such Interest Period is longer than three months, at three-month intervals following the first day of such Interest Period, (iii) in the case of any Eurodollar Loan, upon the payment, prepayment or Conversion thereof (but only on the principal amount so paid, prepaid or Converted) and (iv) in the case of all Loans, upon the payment or prepayment in full of the principal of the Loans, and the termination of the Commitments, hereunder, except that interest payable at the Post-Default Rate shall be payable from time to time on demand. Promptly after the determination of any interest rate provided for herein or any change therein, the Administrative Agent shall give notice thereof to the Lenders to which such interest is payable and to the Borrowers.

3.03 Determination of Applicable Margin.  
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(a) The Applicable Margin for the period from the Closing Date to the day prior to the first Quarterly Date shall be determined based upon the certificate delivered pursuant to Section 6.01(o) hereof. Thereafter, the Applicable Margin for each Quarterly Payment Period shall be determined based upon a Rate Ratio Certificate for such Quarterly Payment Period delivered by the Borrowers to the Lenders and the Administrative Agent under this Section 3.03. If the Rate Ratio Certificate for any Quarterly Payment Period is delivered to the Administrative Agent three or more days prior to the first day of such Quarterly Payment Period, any adjustment in the Applicable Margin required to be made, as shown in such Rate Ratio Certificate, shall be effective on the first day of such Quarterly Payment Period.

(b) If the Rate Ratio Certificate for any Quarterly Payment Period is delivered by the Borrowers to the Administrative Agent later than three days prior to the commencement of such Quarterly Payment Period, then (i) any decrease in the Applicable Margin for such Quarterly Payment Period shall not become effective on the first day of such Quarterly Payment Period but shall instead become effective on the third day following receipt by the Administrative Agent of such Rate Ratio Certificate and (ii) any increase in the Applicable Margin for such Quarterly Payment Period shall become effective retroactively from the first day of such Quarterly Payment Period.

(c) If it shall be determined at any time, on the basis of a certificate of a Senior Officer delivered pursuant to the last sentence of Section 8.01 hereof, that the Applicable Margin



then in effect for the current Quarterly Payment Period, or any previous Quarterly Payment Period, is or was incorrect, and that a correction would have the effect of increasing the Applicable Margin, then the Applicable Margin shall be so increased effective retroactively from the first day of such Quarterly Payment Period, provided that in the event such certificate for any fiscal

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quarter is not delivered to the Lenders pursuant to said Section 8.01 within 60 days of the end of such fiscal quarter, then, unless the Borrowers shall deliver such certificate within 10 days after notice of such non-delivery shall be given by any Lender or the Administrative Agent to the Borrowers, the Applicable Margin for such Quarterly Payment Period shall be deemed to be the highest Applicable Margin provided for in the definition of such term in Section 1.01 hereof.

(d) In the event of any retroactive increase in the Applicable Margin for any Quarterly Payment Period pursuant to paragraph (a), (b) or (c) above, the amount of interest in respect of any Loan outstanding during all or any portion of such Quarterly Payment Period shall be recalculated using the Applicable Margin as so increased. On the Business Day immediately following receipt by the Borrowers of notice from the Administrative Agent of such increase, the Borrowers shall pay to the Administrative Agent, for account of the Lenders, an amount equal to the difference between (i) the amount of interest previously paid or payable by the Borrowers in respect of such Loan for such Quarterly Payment Period and (ii) the amount of interest in respect of such Loan as so recalculated for such Quarterly Payment Period.

Section 4. Payments; Pro Rata Treatment; Computations; Etc.

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4.01 Payments.

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(a) Except to the extent otherwise provided herein, all payments of principal, interest, Reimbursement Obligations and other amounts to be made by the Borrowers under this Agreement, and except to the extent otherwise provided therein, all payments to be made by the Borrowers under any other Loan Document shall be made in Dollars, in immediately available funds, without deduction, set-off or counterclaim, to the Administrative Agent at an account designated by the Administrative Agent to the Borrowers, not later than 1:00 p.m. New York time on the date on which such payment shall become due (each such payment made after such time on such due date to be deemed to have been made on the next succeeding Business Day).

(b) Any Lender for whose account any such payment is to be made may (but shall not be obligated to) debit the amount of any such payment that is not made by such time to any ordinary deposit account of the Borrowers with such Lender (with notice to the Borrowers and the Administrative Agent), provided that such

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Lender's failure to give such notice shall not affect the validity thereof.

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(c) The Borrowers shall, at the time of making each payment under this Agreement for account of any Lender, specify to the Administrative Agent (which shall so notify the intended recipient(s) thereof) the Loans, Reimbursement Obligations or other amounts payable by the Borrowers hereunder to which such payment is to be applied (and in the event that the Borrowers fail to so specify, or if an Event of Default has occurred and is continuing, the Administrative Agent may distribute such payment to the Lenders for application in such manner as it or the Majority Lenders, subject to Section 4.02 hereof, may determine to be appropriate).

(d) Except to the extent otherwise provided in the last sentence of Section 2.03(e) hereof, each payment received by the Administrative Agent under this Agreement for account of any Lender shall be paid by the Administrative Agent promptly to such Lender, in immediately available funds, for account of such Lender's Applicable Lending Office for the Loan or other obligation in respect of which such payment is made.

(e) If the due date of any payment under this Agreement would otherwise fall on a day that is not a Business Day, such date shall be extended to the next succeeding Business Day, and interest shall be payable for any principal so extended for the period of such extension.

4.02 Pro Rata Treatment. Except to the extent otherwise provided herein:

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- (a) each borrowing of Loans of a particular Class (including of a particular Series of Incremental Facility Loans) from the Lenders under Section 2.01 hereof shall be made from the relevant Lenders, each payment of commitment fee under Section 2.05 hereof in respect of Commitments of a particular Class shall be made for account of the relevant Lenders, and each termination or reduction of the amount of the Commitments of a particular Class under Section 2.04 hereof shall be applied to the respective Commitments of such Class of the relevant Lenders, pro rata according to the amounts of their respective Commitments of such Class;
- (b) except as otherwise provided in Section 5.04 hereof, Eurodollar Loans of any Class (including of a particular Series of Incremental Facility Loans) having the same Interest Period shall be allocated pro rata among the relevant Lenders according to the amounts of their respective Revolving Credit, Term Loan and Incremental Facility Loan Commitments of the relevant Series (in the case of the making of Loans) or their respective Revolving Credit, Term and Incremental Facility Loans of the relevant Series (in the case of Conversions and Continuations of Loans);
- (c) each payment or prepayment of principal of Revolving Credit, Term and Incremental Facility Loans by the Borrowers shall be made for account of the relevant Lenders pro rata in accordance with the respective unpaid principal amounts of the Loans of such Class held by them; and

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(d) each payment of interest on Revolving Credit, Term and Incremental Facility Loans by the Borrowers shall be made for account of the relevant Lenders pro rata in accordance with the amounts of interest on such Loans then due and payable to the respective Lenders.

4.03 Computations. Interest on Eurodollar Loans shall be computed on the

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basis of a year of 360 days and actual days elapsed (including the first day but excluding the last day) occurring in the period for which payable and interest on Base Rate Loans and Reimbursement Obligations, commitment fee and letter of credit fees shall be computed on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed (including the first day but, except as otherwise provided in Section 2.03(g) hereof, excluding the last day) occurring in the period for which payable. Notwithstanding the foregoing, for each day that the Base Rate is calculated by reference to the Federal Funds Rate, interest on Base Rate Loans shall be computed on the basis of a year of 360 days and actual days elapsed.

4.04 Minimum Amounts. Except for mandatory prepayments made pursuant to

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Section 2.10 hereof and Conversions or prepayments made pursuant to Section 5.04 hereof, each borrowing, Conversion and partial prepayment of principal of Base Rate Loans (other than prepayments of Term Loans, as to which the provisions of Section 2.09(c) hereof shall apply) shall be in an aggregate amount at least equal to \$100,000 or a larger multiple of \$100,000 and each borrowing, Conversion and partial prepayment of Eurodollar Loans (other than prepayments of Term Loans, as to which the provisions of Section 2.09(c) hereof shall apply) shall be in an aggregate amount at least equal to \$3,000,000 or a larger multiple of \$500,000 (borrowings, Conversions or prepayments of or into Loans of different Types or, in the case of Eurodollar Loans, having different Interest Periods at the same time hereunder to be deemed separate borrowings, Conversions and prepayments for purposes of the foregoing, one for each Type or Interest Period). If any Eurodollar Loans would otherwise be in a lesser principal amount for any period, such Loans shall be Base Rate Loans during such period.

4.05 Certain Notices. Notices by the Borrowers to the Administrative Agent

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of terminations or reductions of the Commitments, of borrowings, Conversions, Continuations and optional prepayments of Loans and of Classes of Loans, of Types of Loans and of the duration of Interest Periods shall be irrevocable and shall be effective only if received by the Administrative Agent not later than 1:00 p.m. New York time on the number of Business Days prior to the date of the relevant termination, reduction, borrowing, Conversion, Continuation or prepayment or the first day of such Interest Period specified below:

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Notice -----	Number of Business Days Prior -----
Termination or reduction of Commitments	3
Borrowing or prepayment of, or Conversions into, Base Rate Loans	1
Borrowing or prepayment of, Conversions into, Continuations as, or duration of Interest Period for, Eurodollar Loans	3

Each such notice of termination or reduction shall specify the amount and the Class of the Commitments to be terminated or reduced. Each such notice of borrowing, Conversion, Continuation or optional prepayment shall specify the Class of Loans (including, if applicable, the particular Series of Incremental Facility Loans) to be borrowed, Converted, Continued or prepaid and the amount (subject to Section 4.04 hereof) and Type of each Loan to be borrowed, Converted, Continued or prepaid and the date of borrowing, Conversion, Continuation or optional prepayment (which shall be a Business Day). Each such notice of the duration of an Interest Period shall specify the Loans to which such Interest Period is to relate.

The Administrative Agent shall promptly notify the Lenders of the contents of each such notice. In the event that the Borrowers fail to select the Type of Loan, or the duration of any Interest Period for any Eurodollar Loan, within the time period and otherwise as provided in this Section 4.05, such Loan (if outstanding as a Eurodollar Loan) will be automatically Converted into a Base Rate Loan on the last day of the then current Interest Period for such Loan or (if outstanding as a Base Rate Loan) will remain as, or (if not then outstanding) will be made as, a Base Rate Loan.

4.06 Non-Receipt of Funds by the Administrative Agent. Unless the  
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Administrative Agent shall have been notified by a Lender or the Borrowers (the "Payor") prior to the date on which the Payor is to make payment to the  
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Administrative Agent of (in the case of a Lender) the proceeds of a Loan to be made by such Lender hereunder or (in the case of the Borrowers) a payment to the Administrative Agent for account of one or more of the Lenders hereunder (such payment being herein called the "Required Payment"), which notice shall be  
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effective upon receipt, that the Payor does not intend to make the Required Payment to the Administrative Agent, the Administrative Agent may assume that the Required Payment has

Credit Agreement  
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been made and may, in reliance upon such assumption (but shall not be required to), make the amount thereof available to the intended recipient(s) on such date; and, if the Payor has not in fact made the Required Payment to the Administrative Agent, the recipient(s) of such payment shall, on demand, repay to the Administrative Agent the amount so made available together with interest thereon in respect of each day during the period commencing on the date (the "Advance Date") such amount was so made available by the Administrative Agent

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until the date the Administrative Agent recovers such amount at a rate per annum equal to the Federal Funds Rate for such day and, if such recipient(s) shall fail promptly to make such payment, the Administrative Agent shall be entitled to recover such amount, on demand, from the Payor, together with interest as aforesaid, provided that if neither the recipient(s) nor the Payor shall return

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the Required Payment to the Administrative Agent within three Business Days of the Advance Date, then, retroactively to the Advance Date, the Payor and the recipient(s) shall each be obligated to pay interest on the Required Payment as follows:

(i) if the Required Payment shall represent a payment to be made by the Borrowers to the Lenders, the Borrowers and the recipient(s) shall each be obligated retroactively to the Advance Date to pay interest in respect of the Required Payment at the Post-Default Rate (without duplication of the obligation of the Borrowers under Section 3.02 hereof to pay interest on the Required Payment at the Post-Default Rate), it being understood that the return by the recipient(s) of the Required Payment to the Administrative Agent shall not limit such obligation of the Borrowers under said Section 3.02 to pay interest at the Post-Default Rate in respect of the Required Payment and

(ii) if the Required Payment shall represent proceeds of a Loan to be made by the Lenders to the Borrowers, the Payor and the Borrowers shall each be obligated retroactively to the Advance Date to pay interest in respect of the Required Payment pursuant to whichever of the rates specified in Section 3.02 hereof is applicable to the Type of such Loan, it being understood that the return by the Borrowers of the Required Payment to the Administrative Agent shall not limit any claim the Borrowers may have against the Payor in respect of such Required Payment.

4.07 Sharing of Payments, Etc.  
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(a) Each Borrower agrees that, in addition to (and without limitation of) any right of set-off, banker's lien or counterclaim a Lender may otherwise have, each Lender shall be entitled, at its option (to the fullest extent permitted by law), to set off and apply any deposit (general or special, time or demand, provisional or final), or other indebtedness, held by it for the credit or account of such Borrower at any of its offices, in Dollars or in any other currency, against any principal of or interest on any of such Lender's Loans, Reimbursement Obligations or any other amount payable to such Lender hereunder, that is not paid when due (regardless of

whether such deposit or other indebtedness are then due to such Borrower), in which case it shall promptly notify such Borrower and the Administrative Agent thereof, provided that such Lender's failure to give such notice shall not

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affect the validity thereof.

(b) If any Lender shall obtain from any Borrower payment of any principal of or interest on any Loan of any Class or Letter of Credit Liability owing to it or payment of any other amount under this Agreement or any other Loan Document through the exercise of any right of set-off, banker's lien or counterclaim or similar right or otherwise (other than from the Administrative Agent as provided herein), and, as a result of such payment, such Lender shall have received a greater percentage of the principal of or interest on the Loans of such Class or Letter of Credit Liabilities or such other amounts then due hereunder or thereunder by such Borrower to such Lender than the percentage received by any other Lender, it shall promptly purchase from such other Lenders participations in (or, if and to the extent specified by such Lender, direct interests in) the Loans of such Class or Letter of Credit Liabilities or such other amounts, respectively, owing to such other Lenders (or in interest due thereon, as the case may be) in such amounts, and make such other adjustments from time to time as shall be equitable, to the end that all the Lenders shall share the benefit of such excess payment (net of any expenses that may be incurred by such Lender in obtaining or preserving such excess payment) pro rata in accordance with the unpaid principal of and/or interest on the Loans of such Class or Letter of Credit Liabilities or such other amounts, respectively, owing to each of the Lenders. To such end all the Lenders shall make appropriate adjustments among themselves (by the resale of participations sold or otherwise) if such payment is rescinded or must otherwise be restored.

(c) Each Borrower agrees that any Lender so purchasing such a participation (or direct interest) may exercise all rights of set-off, banker's lien, counterclaim or similar rights with respect to such participation as fully as if such Lender were a direct holder of Loans or other amounts (as the case may be) owing to such Lender in the amount of such participation.

(d) Nothing contained herein shall require any Lender to exercise any such right or shall affect the right of any Lender to exercise, and retain the benefits of exercising, any such right with respect to any other indebtedness or obligation of the Borrowers. If, under any applicable bankruptcy, insolvency or other similar law, any Lender receives a secured claim in lieu of a set-off to which this Section 4.07 applies, such Lender shall, to the extent practicable, exercise its rights in respect of such secured claim in a manner consistent with the rights of the Lenders entitled under this Section 4.07 to share in the benefits of any recovery on such secured claim.

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Section 5. Yield Protection, Etc.

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5.01 Additional Costs.

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(a) The Borrowers shall pay directly to each Lender from time to time such amounts as such Lender may determine to be necessary to compensate such Lender for any costs that such Lender determines are attributable to its making or maintaining of any Eurodollar Loans or its obligation to make any Eurodollar Loans hereunder, or any reduction in any amount receivable by such Lender hereunder in respect of any of such Loans or such obligation (such increases in costs and reductions in amounts receivable being herein called "Additional Costs"), resulting from any Regulatory Change that:

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(i) shall subject any Lender (or its Applicable Lending Office for any of such Loans) to any tax, duty or other charge in respect of such Loans or changes the basis of taxation of any amounts payable to such Lender under this Agreement in respect of any of such Loans (excluding changes in the rate of tax on the overall net income of such Lender or of such Applicable Lending Office by the jurisdiction in which such Lender has its principal office or such Applicable Lending Office); or

(ii) imposes or modifies any reserve, special deposit or similar requirements (other than the Reserve Requirement utilized in the determination of the Eurodollar Rate for such Loan) relating to any extensions of credit or other assets of, or any deposits with or other liabilities of, such Lender (including, without limitation, any of such Loans or any deposits referred to in the definition of "Eurodollar Base Rate" in Section 1.01 hereof), or any commitment of such Lender (including, without limitation, the Commitments of such Lender hereunder); or

(iii) imposes any other condition affecting this Agreement (or any of such extensions of credit or liabilities) or its Commitments.

If any Lender requests compensation from the Borrowers under this Section 5.01(a), the Borrowers may, by notice to such Lender (with a copy to the Administrative Agent), suspend the obligation of such Lender thereafter to make or Continue Eurodollar Loans, or to Convert Base Rate Loans into Eurodollar Loans, until the Regulatory Change giving rise to such request ceases to be in effect (in which case the provisions of Section 5.04 hereof shall be applicable), provided that such suspension shall not affect the right of such

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Lender to receive the compensation so requested.

(b) Without limiting the effect of the foregoing provisions of this Section 5.01 (but without duplication), the Borrowers shall pay directly to each Lender from time to time on

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request such amounts as such Lender may determine to be necessary to compensate such Lender (or, without duplication, the bank holding company of which such Lender is a subsidiary) for any costs that it determines are attributable to the maintenance by such Lender (or any Applicable Lending Office or such bank holding company), pursuant to any law or regulation or any interpretation, directive or request (whether or not having the force of law and whether or not failure to comply therewith would be unlawful) of any court or governmental or monetary authority (i) following any Regulatory Change or (ii) implementing any risk-based capital guideline or other requirement (whether or not having the force of law and whether or not the failure to comply therewith would be unlawful) hereafter issued by any government or governmental or supervisory authority implementing at the national level the Basle Accord, of capital in respect of its Commitments or Loans (such compensation to include, without limitation, an amount equal to any reduction of the rate of return on assets or equity of such Lender (or any Applicable Lending Office or such bank holding company) to a level below that which such Lender (or any Applicable Lending Office or such bank holding company) could have achieved but for such law, regulation, interpretation, directive or request).

(c) Each Lender shall notify the Borrowers of any event occurring after the date hereof entitling such Lender to compensation under paragraph (a) or (b) of this Section 5.01 as promptly as practicable, but in any event within 45 days, after such Lender obtains actual knowledge thereof; provided that (i) if any

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Lender fails to give such notice within 45 days after it obtains actual knowledge of such an event, such Lender shall, with respect to compensation payable pursuant to this Section 5.01 in respect of any costs resulting from such event, only be entitled to payment under this Section 5.01 for costs incurred from and after the date 45 days prior to the date that such Lender does give such notice and (ii) each Lender will designate a different Applicable Lending Office for the Loans of such Lender affected by such event if such designation will avoid the need for, or reduce the amount of, such compensation and will not, in the sole opinion of such Lender, be disadvantageous to such Lender, except that such Lender shall have no obligation to designate an Applicable Lending Office located in the United States of America. Each Lender will furnish to the Borrowers a certificate setting forth the basis and amount of each request by such Lender for compensation under paragraph (a) or (b) of this Section 5.01. Determinations and allocations by any Lender for purposes of this Section 5.01 of the effect of any Regulatory Change pursuant to paragraph (a) of this Section 5.01, or of the effect of capital maintained pursuant to paragraph (b) of this Section 5.01, on its costs or rate of return of maintaining Loans or its obligation to make Loans, or on amounts receivable by it in respect of Loans, and of the amounts required to compensate such Lender under this Section 5.01, shall be conclusive, provided that such determinations

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and allocations are made on a reasonable basis.

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5.02 Limitation on Types of Loans. Anything herein to the contrary

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notwithstanding, if, on or prior to the determination of any Eurodollar Base Rate for any Interest Period:

- (a) the Administrative Agent determines, which determination shall be conclusive, that quotations of interest rates for the relevant deposits referred to in the definition of "Eurodollar Base Rate" in Section 1.01 hereof are not being provided in the relevant amounts or for the relevant maturities for purposes of determining rates of interest for Eurodollar Loans as provided herein; or
- (b) if the related Loans are Revolving Credit Loans, the Majority Revolving Credit Lenders, if the related Loans are Term Loans, the Majority Term Loan Lenders, or if the related Loans are Incremental Facility Loans of any Series, the Majority Incremental Facility Lenders of such Series determine, which determination shall be conclusive, and notify the Administrative Agent that the relevant rates of interest referred to in the definition of "Eurodollar Base Rate" in Section 1.01 hereof upon the basis of which the rate of interest for Eurodollar Loans for such Interest Period is to be determined are not likely adequately to cover the cost to such Lenders of making or maintaining Eurodollar Loans for such Interest Period;

then the Administrative Agent shall give the Borrowers and each Lender prompt notice thereof and, so long as such condition remains in effect, the Lenders shall be under no obligation to make additional Eurodollar Loans, to Continue Eurodollar Loans or to Convert Base Rate Loans into Eurodollar Loans, and the Borrowers shall, on the last day(s) of the then current Interest Period(s) for the outstanding Eurodollar Loans, either prepay such Loans or Convert such Loans into Base Rate Loans in accordance with Section 2.09 hereof.

5.03 Illegality. Notwithstanding any other provision of this Agreement, in

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the event that it becomes unlawful for any Lender or its Applicable Lending Office to honor its obligation to make or maintain Eurodollar Loans hereunder (and, in the sole opinion of such Lender, the designation of a different Applicable Lending Office would either not avoid such unlawfulness or would be disadvantageous to such Lender), then such Lender shall promptly notify the Borrowers thereof (with a copy to the Administrative Agent) and such Lender's obligation to make or Continue, or to Convert Loans of any other Type into, Eurodollar Loans shall be suspended until such time as such Lender may again make and maintain Eurodollar Loans (in which case the provisions of Section 5.04 hereof shall be applicable).

5.04 Treatment of Affected Loans. If the obligation of any Lender to make

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Eurodollar Loans of any Class or to Continue, or to Convert Base Rate Loans into, Eurodollar Loans of any Class shall be suspended pursuant to Section 5.01 or 5.03 hereof, such Lender's Eurodollar Loans of such Class shall be automatically Converted into Base Rate Loans of such

Class on the last day(s) of the then current Interest Period(s) for Eurodollar Loans (or, in the case of a Conversion resulting from a circumstance described in Section 5.03 hereof, on such earlier date as such Lender may specify to the Borrowers with a copy to the Administrative Agent) and, unless and until such Lender gives notice as provided below that the circumstances specified in Section 5.01 or 5.03 hereof that gave rise to such Conversion no longer exist:

- (a) to the extent that such Lender's Eurodollar Loans of such Class have been so Converted, all payments and prepayments of principal that would otherwise be applied to such Lender's Eurodollar Loans of such Class shall be applied instead to its Base Rate Loans of such Class; and
- (b) all Loans of such Class that would otherwise be made or Continued by such Lender as Eurodollar Loans shall be made or Continued instead as Base Rate Loans, and all Base Rate Loans of such Class of such Lender that would otherwise be Converted into Eurodollar Loans shall remain as Base Rate Loans.

If such Lender gives notice to the Borrowers with a copy to the Administrative Agent that the circumstances specified in Section 5.01 or 5.03 hereof that gave rise to the Conversion of such Lender's Eurodollar Loans pursuant to this Section 5.04 no longer exist (which such Lender agrees to do promptly upon such circumstances ceasing to exist) at a time when Eurodollar Loans of the same Class made by other Lenders are outstanding, such Lender's Base Rate Loans of such Class shall be automatically Converted, on the first day(s) of the next succeeding Interest Period(s) for such outstanding Eurodollar Loans, to the extent necessary so that, after giving effect thereto, all Base Rate and Eurodollar Loans of such Class are allocated among the Lenders ratably (as to principal amounts, Types and Interest Periods) in accordance with their respective Commitments of such Class.

5.05 Compensation. The Borrowers shall pay to the Administrative Agent for

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account of each Lender, upon the request of such Lender through the Administrative Agent, such amount or amounts as shall be sufficient (in the reasonable opinion of such Lender) to compensate it for any loss, cost or expense that such Lender determines is attributable to:

- (a) any payment, mandatory or optional prepayment or Conversion of a Eurodollar Loan made by such Lender for any reason (including, without limitation, the acceleration of the Loans pursuant to Section 9 hereof) on a date other than the last day of the Interest Period for such Loan; or
- (b) any failure by the Borrowers for any reason (including, without limitation, the failure of any of the conditions precedent specified in Section 6 hereof to be satisfied) to borrow a Eurodollar Loan from such Lender on the date for such borrowing specified in the relevant notice of borrowing given pursuant to Section 2.02 hereof.

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Without limiting the effect of the preceding sentence, such compensation shall include an amount equal to the excess, if any, of (i) the amount of interest that otherwise would have accrued on the principal amount so paid, prepaid, Converted or not borrowed for the period from the date of such payment, prepayment, Conversion or failure to borrow to the last day of the then current Interest Period for such Loan (or, in the case of a failure to borrow, the Interest Period for such Loan that would have commenced on the date specified for such borrowing) at the applicable rate of interest for such Loan provided for herein over (ii) the amount of interest that otherwise would have accrued on such principal amount at a rate per annum equal to the interest component of the amount such Lender would have bid in the London interbank market for Dollar deposits of leading banks in amounts comparable to such principal amount and with maturities comparable to such period (as reasonably determined by such Lender).

5.06 Additional Costs in Respect of Letters of Credit. Without limiting the

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obligations of the Borrowers under Section 5.01 hereof (but without duplication), if as a result of any Regulatory Change or any risk-based capital guideline or other requirement heretofore or hereafter issued by any government or governmental or supervisory authority implementing at the national level the Basle Accord there shall be imposed, modified or deemed applicable any tax, reserve, special deposit, capital adequacy or similar requirement against or with respect to or measured by reference to Letters of Credit issued or to be issued hereunder and the result shall be to increase the cost to any Lender or Lenders of issuing (or purchasing participations in) or maintaining its obligation hereunder to issue (or purchase participations in) any Letter of Credit hereunder or reduce any amount receivable by any Lender hereunder in respect of any Letter of Credit (which increases in cost, or reductions in amount receivable, shall be the result of such Lender's or Lenders' reasonable allocation of the aggregate of such increases or reductions resulting from such event), then, upon demand by such Lender or Lenders (through the Administrative Agent), the Borrowers shall pay immediately to the Administrative Agent for account of such Lender or Lenders, from time to time as specified by such Lender or Lenders (through the Administrative Agent), such additional amounts as shall be sufficient to compensate such Lender or Lenders (through the Administrative Agent) for such increased costs or reductions in amount. A statement as to such increased costs or reductions in amount incurred by any such Lender or Lenders, submitted by such Lender or Lenders to the Borrowers shall be conclusive in the absence of manifest error as to the amount thereof.

5.07 U.S. Taxes.

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(a) The Borrowers jointly and severally agree to pay to each Lender that is not a U.S. Person such additional amounts as are necessary in order that the net payment of any amount due to such non-U.S. Person hereunder after deduction for or withholding in respect of any U.S. Taxes imposed with respect to such payment (or in lieu thereof, payment of such U.S. Taxes by such non-U.S. Person), will not be less than the amount stated herein to be then

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due and payable, provided that the foregoing obligation to pay such additional  
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amounts shall not apply:

(i) if such Lender is a "bank" within the meaning of Section 881(c)(3)(A) of the Code, to any payment to any Lender hereunder unless such Lender is, on the date hereof (or on the date it becomes a Lender hereunder as provided in Section 11.06(b) hereof) and on the date of any change in the Applicable Lending Office of such Lender, either entitled to submit a Form 1001 (relating to such Lender and entitling it to a complete exemption from withholding on all interest to be received by it hereunder in respect of the Loans) or a Form 4224 (relating to all interest to be received by such Lender hereunder in respect of the Loans), or (B) if such Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code and is entitled to claim exemption from U.S. Federal withholding tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest", a Form W-8, or any subsequent versions thereof or successors thereto (and, if such Non-U.S. Lender delivers a Form W-8, a certificate representing that such Non-U.S. Lender is not a bank for purposes of Section 881(c) of the Code, is not a 10-percent shareholder (within the meaning of Section 864(d)(4) of the Code)), properly completed and duly executed by such Non-U.S. Lender claiming complete exemption from, or a reduced rate of, U.S. Federal withholding tax on payments of interest by the Borrower under this Agreement and the other Loan Documents, or

(ii) to any U.S. Taxes imposed solely by reason of the failure by such non-U.S. Person (or, if such non-U.S. Person is not the beneficial owner of the relevant Loan, such beneficial owner) to comply with applicable certification, information, documentation or other reporting requirements concerning the nationality, residence, identity or connections with the United States of America of such non-U.S. Person (or beneficial owner, as the case may be) if such compliance is required by statute or regulation of the United States of America as a precondition to relief or exemption from such U.S. Taxes.

For the purposes of this Section 5.06(a), (A) "Form 1001" shall mean Form 1001

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(Ownership, Exemption, or Reduced Rate Certificate) of the Department of the Treasury of the United States of America and (B) "Form 4224" shall mean Form

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4224 (Exemption from Withholding of Tax on Income Effectively Connected with the Conduct of a Trade or Business in the United States) of the Department of the Treasury of the United States of America (or in relation to either such Form such successor and related forms (including Form W-8EC1 or Form W-8BEN) as may from time to time be adopted by the relevant taxing authorities of the United States of America to document a claim to which such Form relates).

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(b) Within 30 days after paying any amount to the Administrative Agent or any Lender from which it is required by law to make any deduction or withholding, and within 30 days after it is required by law to remit such deduction or withholding to any relevant taxing or other authority, the Borrowers shall deliver to the Administrative Agent for delivery to such non-U.S. Person evidence satisfactory to such Person of such deduction, withholding or payment (as the case may be).

5.08 Replacement of Lenders. If any Lender requests compensation pursuant to

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Section 5.01, 5.06 or 5.07 hereof, or any Lender's obligation to make or Continue, or to Convert Loans of any Type into, the other Type of Loan shall be suspended pursuant to Section 5.01 or 5.03 hereof (any such Lender requesting such compensation being herein called a "Requesting Lender"), the Borrowers,

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upon three Business Days notice, may require that such Requesting Lender transfer all of its right, title and interest under this Agreement to any bank or other financial institution (a "Proposed Lender") identified by the Borrowers

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that is reasonably satisfactory to the Administrative Agent (i) if such Proposed Lender agrees to assume all of the obligations of such Requesting Lender hereunder, and to purchase all of such Requesting Lender's Loans hereunder for consideration equal to the aggregate outstanding principal amount of such Requesting Lender's Loans, together with interest thereon to the date of such purchase, and satisfactory arrangements are made for payment to such Requesting Lender of all other amounts payable hereunder to such Requesting Lender on or prior to the date of such transfer (including any fees accrued hereunder and any amounts that would be payable under Section 5.05 hereof, as if all of such Requesting Lender's Loans were being prepaid in full on such date) and (ii) if such Requesting Lender has requested compensation pursuant to said Section 5.01, 5.06 or 5.07 hereof, such Proposed Lender's aggregate requested compensation, if any, pursuant to said Section 5.01, 5.06 or 5.07 with respect to such Requesting Lender's Loans is lower than that of the Requesting Lender. Subject to the provisions of Section 11.06(b) hereof, such Proposed Lender shall be a "Lender" for all purposes hereunder. Without prejudice to the survival of any other agreement of the Borrowers hereunder the agreements of the Borrowers contained in Sections 5.01, 5.06, 5.07 and 11.03 hereof (without duplication of any payments made to such Requesting Lender by the Borrowers or the Proposed Lender) shall survive for the benefit of such Requesting Lender under this Section 5.08 with respect to the time prior to such replacement.

Section 6. Conditions Precedent.

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6.01 Initial Extension of Credit. The obligation of any Lender to make its

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initial extension of credit hereunder (whether by making a Loan or issuing a Letter of Credit) is subject to the conditions precedent that (i) such extension of credit shall occur on or before December 31, 1999 and (ii) the Administrative Agent shall have received the following documents (with, in the case of clauses (a), (b), (c) and (d) below, sufficient copies for each Lender), each of which

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shall be satisfactory to the Administrative Agent (and to the extent specified below, to each Lender) in form and substance:

- (a) Organizational Documents. Certified copies of the Operating Agreements and -----  
of the charter and by-laws (or equivalent documents) of each Obligor and of all limited liability company and corporate authority for each Obligor (including, without limitation, board of director and shareholder resolutions, member approvals and evidence of incumbency, including specimen signatures, of officers of each Obligor) with respect to the execution, delivery and performance of the Basic Documents to which such Obligor is to be a party and each other document to be delivered by such Obligor from time to time in connection herewith and the extensions of credit hereunder (and the Administrative Agent and each Lender may conclusively rely on such certificate until it receives notice in writing from such Obligor to the contrary).
- (b) Officer's Certificate. A certificate of a Senior Officer, dated the -----  
Closing Date, to the effect set forth in the first sentence of Section 6.02 hereof.
- (c) Opinion of Counsel to the Obligors. An opinion, dated the Closing Date, of -----  
Cooperman Levitt Winikoff Lester & Newman, P.C., counsel to the Obligors, substantially in the form of Exhibit G hereto and covering such other matters as the Administrative Agent or any Lender may reasonably request (and the Borrowers hereby instruct such counsel to deliver such opinion to the Lenders and the Administrative Agent).
- (d) Opinion of Special New York Counsel to Chase. An opinion, dated the -----  
Closing Date, of Milbank, Tweed, Hadley & McCloy LLP, special New York counsel to Chase, substantially in the form of Exhibit H hereto (and Chase hereby instructs such counsel to deliver such opinion to the Lenders).
- (e) Notes. Promissory notes for each Lender that shall have requested the -----  
execution and delivery of a promissory note, on or prior to the Closing Date, pursuant to Section 2.08(d) hereof.
- (f) Pledge Agreement. The Pledge Agreement, duly executed and delivered by the -----  
Borrowers and the Administrative Agent. In addition, each such Obligor shall have taken such other action as the Administrative Agent shall have requested in order to perfect the security interests created pursuant to the Pledge Agreement, including, without limitation, delivering to the Administrative Agent, for filing, appropriately completed and duly executed copies of Uniform Commercial Code financing statements.

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(g) Guarantee and Pledge Agreement. The Guarantee and Pledge Agreement, duly -----  
executed and delivered by Mediacom, the Manager and the Administrative Agent and the certificates (if any) evidencing the ownership interests in the Borrowers held by Mediacom and the Manager, accompanied by undated powers executed in blank. In addition, Mediacom and the Manager shall have taken such other action as the Administrative Agent shall have requested in order to perfect the security interests created pursuant to the Guarantee and Pledge Agreement, including, without limitation, delivering to the Administrative Agent, for filing, appropriately completed and duly executed copies of Uniform Commercial Code financing statements.

(h) Management Fee Subordination Agreement. The Management Fee -----  
Subordination Agreement, duly executed and delivered by the Manager, the Borrowers and the Administrative Agent.

(i) Affiliate Subordinated Indebtedness Subordination Agreements. -----  
The Affiliate Subordinated Indebtedness Subordination Agreement, duly executed and delivered by the Borrowers, the Administrative Agent and by Mediacom.

(j) Investment by Mediacom. The Lenders shall have received evidence that the -----  
Borrowers shall have received cash proceeds from Mediacom (i) in an amount of not less than \$228,500,000 in respect of the equity capital of the Borrowers and (ii) in an amount of not less than \$105,000,000 in respect of Affiliate Subordinated Indebtedness advanced by Mediacom to the Borrowers, in each case upon terms satisfactory to the Lenders.

(k) Triax Acquisition. Evidence that (x) Mediacom shall have assigned all of -----  
its rights to acquire the CATV Systems to be sold by Triax under the Triax Acquisition Agreement to the LLC Borrowers (except that the rights to acquire the CATV System in Apache Junction, Arizona, shall be assigned to Mediacom Arizona LLC), (y) concurrently with the initial extension of credit, the Triax Acquisition will be duly consummated by the LLC Borrowers for an aggregate purchase price not exceeding \$740,000,000 (subject to purchase price adjustments as set forth in the Triax Acquisition Agreement) in all material respects in accordance with the terms of the Triax Acquisition Agreement, including the schedules and exhibits thereto (and no material provision thereof shall have been waived, amended, supplemented or otherwise modified in any material respect without the consent of the Majority Lenders) and (z) the number of Equivalent Basic Subscribers (as defined in the Triax Acquisition Agreement) served by Retained Franchises (as so defined) shall not exceed 3% of the Subscriber Threshold (as so defined); and the Administrative Agent shall have received a certificate of a Senior Officer to such effect, together with (in the case of each legal opinion being delivered to the LLC Borrowers pursuant thereto) a letter from each Person delivering such opinion

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(which shall in any event include an opinion of special FCC counsel) authorizing reliance thereon by the Administrative Agent and the Lenders.

- (l) Apache Acquisition. Evidence that Mediacom Arizona LLC, concurrently with -----  
the initial extension of credit, shall purchase the Apache Junction, Arizona cable television system from Triax pursuant to the Triax Acquisition Agreement for \$20,000,000 in cash.
- (m) Triax Credit Agreement. Evidence that, to the extent the assets purchased -----  
in the Triax Acquisition shall be subject to any Liens in favor of the lenders (or an agent for such lenders) under the Triax Credit Agreement, such Liens shall have been released (or arrangements for such release satisfactory to the Administrative Agent shall have been made).
- (n) Approvals. Evidence of receipt of all material licenses, permits, -----  
approvals and consents, if any, required (or, in the reasonable discretion of the Administrative Agent, advisable) with respect to the Triax Acquisition (including, without limitation, the consents of the respective municipal franchising authorities to the acquisition of the CATV Systems being acquired by the LLC Borrowers pursuant to the Triax Acquisition, exclusive of those pertaining to Retained Franchises).
- (o) Rate Ratio Certificate. A certificate of a Senior Officer, dated the -----  
Closing Date, setting forth, in reasonable detail, the calculation (and the basis for such calculation) of Rate Ratio as of such date.
- (p) Other Documents. Such other documents as the Administrative Agent or any -----  
Lender or special New York counsel to Chase may reasonably request.

The obligation of any Lender to make its initial extension of credit hereunder is also subject to the payment by the Borrowers of such fees as the Borrowers shall have agreed to pay or deliver to any Lender or the Administrative Agent in connection herewith, including, without limitation, the reasonable fees and expenses of Milbank, Tweed, Hadley & McCloy LLP, special New York counsel to Chase, in connection with the negotiation, preparation, execution and delivery of this Agreement and the other Loan Documents and the extensions of credit hereunder (to the extent that statements for such fees and expenses have been delivered to the Borrowers).

6.02 Initial and Subsequent Extensions of Credit. The obligation of the -----

Lenders to make any Loan or otherwise extend any credit to the Borrowers upon the occasion of each borrowing or other extension of credit hereunder (including the initial borrowing) is subject to the further conditions precedent that, both immediately prior to the making of such Loan or other extension of credit and also after giving effect thereto and to the intended use thereof:

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- (a) no Default shall have occurred and be continuing; and
- (b) the representations and warranties made by the Borrowers in Section 7 hereof, and by each Obligor in the other Loan Documents to which it is a party, shall be true and complete on and as of the date of the making of such Loan or other extension of credit with the same force and effect as if made on and as of such date (or, if any such representation or warranty is expressly stated to have been made as of a specific date, as of such specific date).

Each notice of borrowing or request for the issuance of a Letter of Credit by the Borrowers hereunder shall constitute a certification by the Borrowers to the effect set forth in the preceding sentence (both as of the date of such notice or request and, unless the Borrowers otherwise notify the Administrative Agent prior to the date of such borrowing or issuance, as of the date of such borrowing or issuance).

Section 7. Representations and Warranties. The Borrowers represent and  
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warrant to the Administrative Agent and the Lenders that:

7.01 Existence. Each Borrower and its Subsidiaries: (a) is a corporation,  
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partnership, limited liability company or other entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization; (b) has all requisite corporate or other power, and has all material governmental licenses, authorizations, consents and approvals necessary to own its assets and carry on its business as now being or as proposed to be conducted; and (c) is qualified to do business and is in good standing in all jurisdictions in which the nature of the business conducted by it makes such qualification necessary and where failure so to qualify could (either individually or in the aggregate) have a Material Adverse Effect.

7.02 Financial Condition. The Borrowers have heretofore furnished to each of  
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the Lenders the following financial statements:

- (i) the audited financial statements of Triax, including balance sheets, as of December 31, 1997 and 1998, and the related audited statements of operation and cash flow for the years ended on said respective dates, in each case certified by Arthur Andersen, LLP;
- (ii) the unaudited financial statements of Triax, including balance sheets, as of June 30, 1999, and the related unaudited statements of operation and cash flow for the and six-month period ended on said date; and

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(iii) an unaudited pro forma combined balance sheet and calculation of Adjusted System Cash Flow of the Borrowers and their Subsidiaries as at and for the fiscal quarter ended September 30, 1999 prepared under the assumption that the Triax Acquisition had occurred on July 1, 1999.

All such financial statements fairly present in all material respects the actual or pro forma (as the case may be) individual or combined financial condition of the respective entities as at said respective dates and the actual or pro forma (as the case may be) individual or combined results of their operations for the applicable periods ended on said respective dates, all in accordance with generally accepted accounting principles and practices applied on a consistent basis. As of the date hereof, there are no material contingent liabilities, material liabilities for taxes, unusual forward or long-term commitments or unrealized or anticipated material losses from any unfavorable commitments of Triax, or any of the CATV Systems to be acquired pursuant to the Triax Acquisition Agreement, except as referred to or reflected or provided for in said unaudited financial statements as at June 30, 1999.

Since June 30, 1999, there has been no material adverse change in the combined financial condition, operations, business or prospects of the Borrowers and their Subsidiaries taken as a whole from that set forth in said pro forma financial statements as at said date referred to in clause (iii) above.

7.03 Litigation. There are no legal or arbitral proceedings, or any

proceedings or investigations by or before any governmental or regulatory authority or agency, now pending or (to the knowledge of any Borrower) threatened against any Borrower or any of its Subsidiaries, or against Triax (and in respect of which the Borrowers would be obligated after giving effect to the Triax Acquisition) that, if adversely determined could (either individually or in the aggregate) reasonably be expected to have a Material Adverse Effect.

7.04 No Breach. None of the execution and delivery of this Agreement and the

other Basic Documents, the consummation of the transactions herein and therein contemplated or compliance with the terms and provisions hereof and thereof will conflict with or result in a breach of, or require any consent under, the Operating Agreements, or (except for the authorizations, approvals, consents, filings and registrations contemplated by the Triax Acquisition Agreement (each of which shall have been made or obtained on or before the Triax Acquisition is consummated, to the extent required by the Triax Acquisition Agreement to be obtained before such date, except (a) for Retained Franchises and (b) that orders of the FCC may not have become final under the rules and regulations of the FCC) any applicable law or regulation, or any order, writ, injunction or decree of any court or governmental authority or agency, or any agreement or instrument to which any Borrower or any of its Subsidiaries is a party or by which any of them or any of their Property is bound or to which any of them is subject, or constitute a default under any such agreement or instrument, or (except for the Liens

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created pursuant to the Security Documents) result in the creation or imposition of any Lien upon any Borrower or any of its Subsidiaries pursuant to the terms of any such agreement or instrument.

7.05 Action. Each Borrower has all necessary corporate or limited liability

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company power, authority and legal right to execute, deliver and perform its obligations under each of the Basic Documents to which it is a party; the execution, delivery and performance by each Borrower of each of the Basic Documents to which it is a party have been duly authorized by all necessary corporate or limited liability company action on its part (including, without limitation, any required shareholder or member approvals); and this Agreement has been duly and validly executed and delivered by each Borrower and constitutes, and the other Basic Documents to which it is a party when executed and delivered will constitute, its legal, valid and binding obligation, enforceable against each Borrower in accordance with its terms, except as such enforceability may be limited by (a) bankruptcy, insolvency, reorganization, moratorium or similar laws of general applicability affecting the enforcement of creditors' rights and (b) the application of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

7.06 Approvals. No authorizations, approvals or consents of, and no filings

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or registrations with, any governmental or regulatory authority or agency, or any securities exchange, are necessary for the execution, delivery or performance by any Borrower of this Agreement or any of the other Basic Documents to which it is a party or for the legality, validity or enforceability hereof or thereof, except for (i) filings and recordings in respect of the Liens created pursuant to the Security Documents, (ii) the authorizations, approvals, consents, filings and registrations contemplated by the Triax Acquisition Agreement (each of which shall have been made or obtained on or before the Triax Acquisition is consummated, to the extent required by the Triax Acquisition Agreement to be obtained before such date, except (a) for Retained Franchises and (b) that orders of the FCC may not have become final under the rules and regulations of the FCC) and (iii) the exercise of remedies under the Security Documents may require prior approval of the FCC or the issuing municipalities or States under one or more of the Franchises.

7.07 ERISA. Each Plan, and, to the knowledge of each Borrower, each

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Multiemployer Plan, is in compliance in all material respects with, and has been administered in all material respects in compliance with, the applicable provisions of ERISA, the Code and any other Federal or State law, and no event or condition has occurred and is continuing as to which such Borrower would be under an obligation to furnish a report to the Lenders under Section 8.01(e) hereof.

7.08 Taxes. Except as set forth in Schedule II hereto, each Borrower and

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each of its Subsidiaries has filed all Federal income tax returns and all other material tax returns and

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information statements that are required to be filed by them and have paid all taxes due pursuant to such returns or pursuant to any assessment received by such Borrower or any of its Subsidiaries, except such taxes, if any, as are being contested in good faith and as to which adequate reserves have been set aside by such Borrower in accordance with GAAP. The charges, accruals and reserves on the books of the Borrowers and their Subsidiaries in respect of taxes and other governmental charges are, in the opinion of the Borrowers, adequate. None of the Borrowers has given or been requested to give a waiver of the statute of limitations relating to the payment of any Federal, state, local and foreign taxes or other impositions.

7.09 Investment Company Act. None of the Borrowers nor any of its

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Subsidiaries is an "investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended.

7.10 Public Utility Holding Company Act. None of the Borrowers nor any of

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its Subsidiaries is a "holding company", or an "affiliate" of a "holding company" or a "subsidiary company" of a "holding company", within the meaning of the Public Utility Holding Company Act of 1935, as amended.

7.11 Material Agreements and Liens.

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(a) Part A of Schedule III hereto sets forth (i) a complete and correct list of each credit agreement, loan agreement, indenture, purchase agreement, guarantee, letter of credit or other arrangement (other than the Loan Documents) providing for or otherwise relating to any Indebtedness or any extension of credit (or commitment for any extension of credit) to, or guarantee by, the Borrowers or any of their Subsidiaries, outstanding on the date hereof, or that (after giving effect to the transactions contemplated hereunder to occur on or before the Closing Date) will be outstanding on the Closing Date, the aggregate principal or face amount of which equals or exceeds (or may equal or exceed) \$1,000,000, and the aggregate principal or face amount outstanding or that may become outstanding under each such arrangement is correctly described in Part A of said Schedule III, and (ii) a statement of the aggregate amount of obligations in respect of surety and performance bonds backing pole rental or conduit attachments and the like, or backing obligations under Franchises, of the Borrowers or any of their Subsidiaries outstanding on the date hereof.

(b) Part B of Schedule III hereto is a complete and correct list of each Lien (other than the Liens created pursuant to the Security Documents) securing Indebtedness of any Person outstanding on the date hereof, or that (after giving effect to the transactions contemplated hereunder to occur on the Closing Date) will be outstanding on the Closing Date, the aggregate principal or face amount of which equals or exceeds (or may equal or exceed) \$1,000,000 and covering any Property of the Borrowers or any of their Subsidiaries, and the aggregate

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Indebtedness secured (or that may be secured) by each such Lien and the Property covered by each such Lien is correctly described in Part B of said Schedule III.

7.12 Environmental Matters. Each of the Borrowers and their Subsidiaries has

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obtained all environmental, health and safety permits, licenses and other authorizations required under all Environmental Laws to carry on its business as now being or as proposed to be conducted, except to the extent failure to have any such permit, license or authorization would not (either individually or in the aggregate) have a Material Adverse Effect. Each of such permits, licenses and authorizations is in full force and effect and each of the Borrowers and its Subsidiaries is in compliance with the terms and conditions thereof, and is also in compliance with all other limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules and timetables contained in any applicable Environmental Law or in any regulation, code, plan, order, decree, judgment, injunction, notice or demand letter issued, entered, promulgated or approved thereunder, except to the extent failure to comply therewith would not (either individually or in the aggregate) have a Material Adverse Effect. In addition, no notice, notification, demand, request for information, citation, summons or order has been issued, no complaint has been filed, no penalty has been assessed and, to the Borrowers' knowledge, no investigation or review is pending or threatened by any governmental or other entity with respect to any alleged failure by the Borrowers or any of their Subsidiaries to have any environmental, health or safety permit, license or other authorization required under any Environmental Law in connection with the conduct of the business of the Borrowers or any of their Subsidiaries or with respect to any generation, treatment, storage, recycling, transportation, discharge or disposal, or any Release of any Hazardous Materials generated by the Borrowers or any of their Subsidiaries. All environmental investigations, studies, audits, tests, reviews or other analyses conducted by or that are in the possession of the Borrowers or any of their Subsidiaries in relation to facts, circumstances or conditions at or affecting any site or facility now or previously owned, operated or leased by the Borrowers or any of their Subsidiaries and that could result in a Material Adverse Effect have been made available to the Lenders.

7.13 Capitalization. The Borrowers have heretofore delivered to the Lenders

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true and complete copies of the Operating Agreements. The only member of the LLC Borrowers on the date hereof is Mediacom. Zylstra is a Wholly-Owned Subsidiary of Mediacom. As of the date hereof, there are no outstanding Equity Rights with respect to any of the Borrowers and there are no outstanding obligations of any of the Borrowers or any of their Subsidiaries to repurchase, redeem, or otherwise acquire any equity interests in the Borrowers nor are there any outstanding obligations of any Borrower or any of their Subsidiaries to make payments to any Person, such as "phantom stock" payments, where the amount thereof is calculated with reference to the fair market value or equity value of such Borrowers or any of their Subsidiaries.

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7.14 Subsidiaries, Etc.

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(a) As of the date hereof, none of the Borrowers has any Subsidiaries.

(b) Set forth in Schedule IV hereto is a complete and correct list of all Investments (other than Investments of the type referred to in paragraphs (b), (c) and (e) of Section 8.08 hereof) held by the Borrowers or any of their Subsidiaries in any Person on the date hereof and, for each such Investment, (x) the identity of the Person or Persons holding such Investment and (y) the nature of such Investment. Except as disclosed in Schedule IV hereto, each of the Borrowers and their Subsidiaries owns, free and clear of all Liens (other than the Liens created pursuant to the Security Documents), all such Investments.

(c) None of the Subsidiaries of the Borrowers is, on the date hereof, subject to any indenture, agreement, instrument or other arrangement of the type described in Section 8.18(d) hereof.

7.15 True and Complete Disclosure. The information, reports, financial

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statements, exhibits and schedules (including the Information Memorandum) furnished in writing by or on behalf of the Borrowers to the Administrative Agent or any Lender in connection with the negotiation, preparation or delivery of this Agreement and the other Loan Documents or included herein or therein or delivered pursuant hereto or thereto, when taken as a whole do not contain any untrue statement of material fact or omit to state any material fact necessary to make the statements herein or therein, in light of the circumstances under which they were made, not misleading. All written information furnished after the date hereof by the Borrowers and their Subsidiaries to the Administrative Agent and the Lenders in connection with this Agreement and the other Loan Documents and the transactions contemplated hereby and thereby will be true, complete and accurate in every material respect, or (in the case of projections) based on reasonable estimates, on the date as of which such information is stated or certified. There is no fact known to the Borrowers that could reasonably be expected to have a Material Adverse Effect (other than facts affecting the cable television industry in general) that has not been disclosed herein, in the other Loan Documents or in a report, financial statement, exhibit, schedule, disclosure letter or other writing furnished to the Lenders for use in connection with the transactions contemplated hereby or thereby.

7.16 Franchises.

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(a) Set forth in Schedule V hereto is a complete and correct list of all Franchises (identified by issuing authority, franchisee and expiration date) (i) owned by the Borrowers and their Subsidiaries on the date hereof or (ii) that, with the exception of any Retained Franchises (as defined in the Triax Acquisition Agreement), will be owned by the Borrowers and their Subsidiaries on the Closing Date (after giving effect to the Triax Acquisition).

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(b) Each of the Borrowers and their Subsidiaries possesses or has the right to use, or will possess or will have the right to use on the Closing Date (after giving effect to the Triax Acquisition) all such Franchises, and all copyrights, licenses, trademarks, service marks, trade names or other rights, including licenses and permits granted by the FCC, agreements with public utilities and microwave transmission companies, pole or conduit attachment, use, access or rental agreements and utility easements that are necessary for the conduct of the CATV Systems of the Borrowers and their Subsidiaries, except for such of the foregoing the absence of which could not reasonably be expected to have a Material Adverse Effect on the Borrowers or any of their Subsidiaries, and each of such Franchises, copyrights, licenses, patents, trademarks, service marks, trade names and rights is (or on the Closing Date will be) in full force and effect and no material default has occurred and is continuing thereunder. None of the Borrowers, any of its Subsidiaries or (to the knowledge of the Borrowers) Triax has received any notice from the granting body or any other governmental authority with respect to any breach of any covenant under, or any default with respect to, any Franchise which could reasonably be expected to have a Material Adverse Effect. Complete and correct copies of all Franchises have heretofore been made available to the Administrative Agent.

7.17 The CATV Systems.

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(a) Each of the Borrowers and their Subsidiaries, and, (after giving effect to the transactions contemplated hereunder to occur on the Closing Date) the CATV Systems to be owned by it, are in compliance in all material respects with all applicable federal, state and local laws, rules and regulations, including without limitation, the Communications Act, the Copyright Revision Act of 1976, and the rules and regulations of the FCC and the United States Copyright Office, including, without limitation, rules and laws governing system registration, use of aeronautical frequencies and signal carriage, equal employment opportunity, cumulative leakage index testing and reporting, signal leakage, and subscriber privacy, except to the extent that the failure to so comply with any of the foregoing could not (either individually or in the aggregate) reasonably be expected to have a Material Adverse Effect. Without limiting the generality of the foregoing except to the extent that the failure to comply with any of the following could not (either individually or in the aggregate) reasonably be expected to have a Material Adverse Effect and except as set forth in Schedule VI hereto:

(i) the communities included in the areas covered by the Franchises have been registered with the FCC;

(ii) all of the annual performance tests on such CATV Systems required under the rules and regulations of the FCC have been performed and the results of such tests demonstrate satisfactory compliance with the applicable requirements being tested in all material respects;

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(iii) to the knowledge of the Borrowers, such CATV Systems currently meet or exceed the technical standards set forth in the rules and regulations of the FCC, including, without limitation, the leakage limits contained in 47 C.F.R. Section 76.605(a)(11);

(iv) to the knowledge of the Borrowers, such CATV Systems are being operated in compliance with the provisions of 47 C.F.R. Sections 76.610 through 76.619 (mid-band and super-band signal carriage), including 47 C.F.R. Section 76.611 (compliance with the cumulative signal leakage index); and

(v) to the knowledge of the Borrowers, where required, appropriate authorizations from the FCC have been obtained for the use of all aeronautical frequencies in use in such CATV Systems and such CATV Systems are presently being operated in compliance with such authorizations (and all required certificates, permits and clearances from governmental agencies, including the Federal Aviation Administration, with respect to all towers, earth stations, business radios and frequencies utilized and carried by such CATV Systems have been obtained).

(b) To the knowledge of the Borrowers, all notices, statements of account, supplements and other documents required under Section 111 of the Copyright Act of 1976 and under the rules of the Copyright Office with respect to the carriage of broadcast station signals by the CATV Systems (the "Copyright Filings") owned

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or to be owned by the Borrowers and their Subsidiaries (after giving effect to the transactions contemplated hereunder to occur on the Closing Date) have been duly filed, and the proper amount of copyright fees have been paid on a timely basis, and each such CATV System qualifies for the compulsory license under Section 111 of the Copyright Act of 1976, except to the extent that the failure to so file or pay could not (either individually or in the aggregate) reasonably be expected to have a Material Adverse Effect. To the knowledge of the Borrowers, there is no pending claim, action, demand or litigation by any other person with respect to the Copyright Filings or related royalty payments made by the CATV Systems.

(c) The carriage of all off-air signals by the CATV Systems owned or to be owned by the Borrowers and their Subsidiaries (after giving effect to the transactions contemplated hereunder to occur on the Closing Date) is permitted by valid transmission consent agreements or by must-carry elections by broadcasters, or is otherwise permitted under applicable law, except to the extent the failure to obtain any of the foregoing could not (either individually or in the aggregate) reasonably be expected to have a Material Adverse Effect.

(d) The assets of the CATV Systems owned or to be owned by the Borrowers and their Subsidiaries (after giving effect to the transactions contemplated hereunder to occur on the

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Closing Date) are adequate and sufficient in all material respects for all of the current operations of such CATV Systems.

7.18 Rate Regulation. Each of the Borrowers and their Subsidiaries have each reviewed and evaluated in detail the FCC rules currently in effect (the "Rate Regulation Rules") implementing the rate regulation provisions of the Cable Television Consumer Protection and Competition Act of 1992 (the "Rate Regulation Act"). Based upon such review by the Borrowers and their Subsidiaries with respect to the CATV Systems owned and to be owned (after giving effect to the transactions contemplated hereunder to occur on or before the Closing Date):

(i) except as set forth in Schedule VI hereto, to the knowledge of the Borrowers, none of such CATV Systems is subject to effective competition as of the date hereof;

(ii) except as set forth in Schedule VI hereto, no franchising authority has notified the Borrowers or any of their Subsidiaries of its application to be certified to regulate rates as provided in Section 76.910 of the Rate Regulation Rules;

(iii) except as set forth in Schedule VI hereto, no franchising authority has notified the Borrowers or any of their Subsidiaries that it has been certified and has adopted regulations required to commence regulation as provided in Section 76.910(c)(2) of the Rate Regulation Rules;

(iv) to the knowledge of the Borrowers and except as set forth in Schedule VI hereto, there are no pending cable service programming rate complaints filed with the FCC; and

(v) no reduction of rates or refunds to subscribers is required by an outstanding order of the FCC or any local franchising authority as of the date hereof under the Rate Regulation Act and the Rate Regulation Rules applicable to the CATV Systems of the Borrowers and their Subsidiaries.

7.19 Year 2000 Issues. To the knowledge of the Borrowers, any reprogramming required to permit the proper functioning, in and following the year 2000, of (i) the Borrowers' material operating computer systems and (ii) material operating equipment containing embedded microchips (including systems and equipment supplied by others or, to the knowledge of the Borrowers, with which the Borrowers' material operating systems interface) and the testing of all such systems and equipment, as so reprogrammed, is expected to be completed by November 30, 1999. To the knowledge of the Borrowers, the cost to the Borrowers of such reprogramming and testing and of the reasonably foreseeable consequences of year 2000 to the Borrowers (including reprogramming errors and the failure of others' systems or equipment) will not result in a

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Default or a Material Adverse Effect. Except for such of the reprogramming referred to in the preceding sentence as may be necessary, the computer and management information systems of the Borrowers and their Subsidiaries are and, with ordinary course upgrading and maintenance, will continue for the term of this Agreement to be, sufficient to permit the Borrowers to conduct their business without a Material Adverse Effect.

7.20 Triax Acquisition Agreement. The Borrowers have heretofore delivered to

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the Administrative Agent a complete and correct copy of the Triax Acquisition Agreement, as in effect on the date hereof, including all schedules, exhibits and annexes thereto. The Triax Acquisition Agreement has been duly executed and delivered by each party thereto and is in full force and effect and, to the knowledge of the Borrowers, no party is in default in any material respect of any of its obligations thereunder.

7.21 Use of Credit. None of the Borrowers or any of their Subsidiaries is

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engaged principally, or as one of their important activities, in the business of extending credit for the purpose, whether immediate, incidental or ultimate, of buying or carrying Margin Stock in violation of Regulations T, U or X.

Section 8. Covenants of the Borrowers. The Borrowers covenant and agree with

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the Lenders and the Administrative Agent that, so long as any Commitment, Loan or Letter of Credit Liability is outstanding and until payment in full of all amounts payable by the Borrowers hereunder:

8.01 Financial Statements Etc. The Borrowers shall deliver to each of the

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Lenders:

- (a) as soon as available and in any event within 60 days after the end of each quarterly fiscal period of each fiscal year of the Borrowers, combined statements of income, retained earnings and cash flows of the Borrowers and their Subsidiaries for such period and for the period from the beginning of the respective fiscal year to the end of such period, and the related combined balance sheet of the Borrowers and their Subsidiaries as at the end of such period, setting forth in each case in comparative form the corresponding figures for the corresponding periods in the preceding fiscal year (except that, in the case of balance sheets, such comparison shall be to the last day of the prior fiscal year), accompanied by a certificate of a Senior Officer, which certificate shall state that said financial statements fairly present in all material respects the combined financial condition and results of operations of the Borrowers and their Subsidiaries in accordance with generally accepted accounting principles consistently applied as at the end of, and for, such period (subject to normal year-end audit adjustments);

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- (b) as soon as available and in any event within 120 days after the end of each fiscal year of the Borrowers, combined statements of income, retained earnings and cash flows of the Borrowers and their Subsidiaries for such fiscal year and the related combined balance sheet of the Borrowers and their Subsidiaries as at the end of such fiscal year, setting forth in each case in comparative form the corresponding combined figures for the preceding fiscal year and accompanied by an opinion thereon of independent certified public accountants of recognized national standing, which opinion shall state that said combined financial statements fairly present in all material respects the combined financial condition and results of operations of the Borrowers and their Subsidiaries as at the end of, and for, such fiscal year in accordance with generally accepted accounting principles, and a statement of such accountants to the effect that, in making the examination necessary for their opinion, nothing came to their attention that caused them to believe that the Borrowers were not in compliance with Sections 8.07, 8.08, 8.09, 8.10, 8.11, 8.12 or 8.15 hereof, insofar as such Sections relate to accounting matters;
- (c) promptly upon their becoming available, copies of all registration statements and regular periodic reports, if any, that the Borrowers shall have filed with the Securities and Exchange Commission (or any governmental agency substituted therefor) or any national securities exchange;
- (d) promptly upon the mailing thereof by the Borrowers to the shareholders or members of the Borrowers generally, to holders of Affiliate Subordinated Indebtedness generally, or by Mediacom to the holders of its senior notes (if any), copies of all financial statements, reports and proxy statements so mailed;
- (e) as soon as possible, and in any event within ten days after any Borrower knows or has reason to believe that any of the events or conditions specified below with respect to any Plan or Multiemployer Plan has occurred or exists, a statement signed by a Senior Officer setting forth details respecting such event or condition and the action, if any, that the Borrowers or their ERISA Affiliates propose to take with respect thereto (and a copy of any report or notice required to be filed with or given to the PBGC by the Borrowers or an ERISA Affiliate with respect to such event or condition):
  - (i) any reportable event, as defined in Section 4043(b) of ERISA and the regulations issued thereunder, with respect to a Plan, as to which the PBGC has not by regulation waived the requirement of Section 4043(a) of ERISA that it be notified within 30 days of the occurrence of such event (provided that a failure to meet the minimum ----- funding standard of Section 412 of the Code or Section 302 of ERISA, including, without limitation, the failure to make on or before its due date a required installment under Section 412(m) of the Code or Section 302(e) of

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ERISA, shall be a reportable event regardless of the issuance of any waivers in accordance with Section 412(d) of the Code); and any request for a waiver under Section 412(d) of the Code for any Plan;

(ii) the distribution under Section 4041 of ERISA of a notice of intent to terminate any Plan or any action taken by the Borrowers or an ERISA Affiliate to terminate any Plan;

(iii) the institution by the PBGC of proceedings under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan, or the receipt by the Borrowers or any ERISA Affiliate of a notice from a Multiemployer Plan that such action has been taken by the PBGC with respect to such Multiemployer Plan;

(iv) the complete or partial withdrawal from a Multiemployer Plan by the Borrowers or any ERISA Affiliate that results in liability under Section 4201 or 4204 of ERISA (including the obligation to satisfy secondary liability as a result of a purchaser default) or the receipt by any Borrower or any ERISA Affiliate of notice from a Multiemployer Plan that it is in reorganization or insolvency pursuant to Section 4241 or 4245 of ERISA or that it intends to terminate or has terminated under Section 4041A of ERISA;

(v) the institution of a proceeding by a fiduciary of any Multiemployer Plan against the Borrowers or any ERISA Affiliate to enforce Section 515 of ERISA, which proceeding is not dismissed within 30 days; and

(vi) the adoption of an amendment to any Plan that, pursuant to Section 401(a)(29) of the Code or Section 307 of ERISA, would result in the loss of tax-exempt status of the trust of which such Plan is a part if the Borrowers or an ERISA Affiliate fails to timely provide security to the Plan in accordance with the provisions of said Sections;

- (f) within 60 days of the end of each quarterly fiscal period of the Borrowers, a Quarterly Officer's Report as at the end of such period;
- (g) promptly after any Borrower knows or has reason to believe that any Default has occurred, a notice of such Default describing the same in reasonable detail and, together with such notice or as soon thereafter as possible, a description of the action that the Borrowers have taken or propose to take with respect thereto; and

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- (h) from time to time such other information regarding the financial condition, operations, business or prospects of the Borrowers or any of their Subsidiaries (including, without limitation, any Plan or Multiemployer Plan and any reports or other information required to be filed under ERISA) as any Lender or the Administrative Agent may reasonably request.

The Borrowers will furnish to each Lender, at the time they furnish each set of financial statements pursuant to paragraph (a) or (b) above, a certificate of a Senior Officer (i) to the effect that no Default has occurred and is continuing (or, if any Default has occurred and is continuing, describing the same in reasonable detail and describing the action that the Borrowers have taken or proposes to take with respect thereto) and (ii) setting forth in reasonable detail the computations necessary to determine whether the Borrowers are in compliance with Sections 8.07, 8.08, 8.09, 8.10, 8.11, 8.12 and 8.15 hereof (including, without limitation, calculations demonstrating compliance with the requirements of Section 8.09(d)(ii) hereof after giving effect to any Capital Expenditure pursuant to Section 8.12(b) hereof) as of the end of the respective quarterly fiscal period or fiscal year.

8.02 Litigation. The Borrowers will promptly give to each Lender notice of

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all legal or arbitral proceedings, and of all proceedings or investigations by or before any governmental or regulatory authority or agency, and any material development in respect of such legal or other proceedings, affecting the Borrowers or any of their Subsidiaries or any of their Franchises, except proceedings that, if adversely determined, would not (either individually or in the aggregate) have a Material Adverse Effect. Without limiting the generality of the foregoing, the Borrowers will give to each Lender (i) notice of the assertion of any Environmental Claim by any Person against, or with respect to the activities of, the Borrowers or any of their Subsidiaries and notice of any alleged violation of or non-compliance with any Environmental Laws or any permits, licenses or authorizations, other than any Environmental Claim or alleged violation that, if adversely determined, would not (either individually or in the aggregate) have a Material Adverse Effect and (ii) copies of any notices received by the Borrowers or any of their Subsidiaries under any Franchise of a material default by the Borrowers or any of their Subsidiaries in the performance of its obligations thereunder.

8.03 Existence, Etc. Each Borrower will, and will cause each of its

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Subsidiaries to:

- (a) preserve and maintain its legal existence and all of its material rights, privileges, licenses and franchises (provided that nothing in this Section

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8.03 shall prohibit any transaction expressly permitted under Section 8.05 hereof);

- (b) comply with the requirements of all applicable laws, rules, regulations and orders of governmental or regulatory authorities if failure to comply with such

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requirements could (either individually or in the aggregate) have a Material Adverse Effect;

- (c) pay and discharge all taxes, assessments and governmental charges or levies imposed on it or on its income or profits or on any of its Property prior to the date on which penalties attach thereto, except for any such tax, assessment, charge or levy the payment of which is being contested in good faith and by proper proceedings and against which adequate reserves are being maintained;
- (d) maintain, in all material respects, all of its Properties used or useful in its business in good working order and condition, ordinary wear and tear excepted;
- (e) keep adequate records and books of account, in which complete entries will be made in accordance with generally accepted accounting principles consistently applied; and
- (f) permit representatives of any Lender or the Administrative Agent, during normal business hours, to examine, copy and make extracts from its books and records, to inspect any of its Properties, and to discuss its business and affairs with its officers, all to the extent reasonably requested by such Lender or the Administrative Agent (as the case may be).

8.04 Insurance. Each Borrower will, and will cause each of its Subsidiaries

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to, maintain insurance with financially sound and reputable insurance companies, and with respect to Property and risks of a character usually maintained by Persons engaged in the same or similar business similarly situated, against loss, damage and liability of the kinds and in the amounts customarily maintained by such corporations, provided that each Borrower will in any event

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maintain (with respect to itself and each of its Subsidiaries) casualty insurance and insurance against claims for damages with respect to defamation, libel, slander, privacy or other similar injury to person or reputation (including misappropriation of personal likeness), in such amounts as are then customary for Persons engaged in the same or similar business similarly situated.

8.05 Prohibition of Fundamental Changes.

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(a) Restrictions on Merger. None of the Borrowers will nor will it permit  
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any of its Subsidiaries to, enter into any transaction of merger or consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution).

(b) Restrictions on Acquisitions. None of the Borrowers will nor will it  
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permit any of its Subsidiaries to, acquire any business or Property from, or capital stock of, or be a party to any acquisition of, any Person except for purchases of equipment, programming rights and

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other Property to be sold or used in the ordinary course of business, Investments permitted under Section 8.08(f) hereof, and Capital Expenditures permitted under Section 8.12 hereof.

(c) Restrictions on Sales and Other Dispositions. None of the Borrowers will

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nor will it permit any of its Subsidiaries to, convey, sell, lease, transfer or otherwise dispose of, in one transaction or a series of transactions, any part of its business or Property, whether now owned or hereafter acquired (including, without limitation, receivables and leasehold interests, but excluding (i) obsolete or worn-out Property, tools or equipment no longer used or useful in its business so long as the amount thereof sold in any single fiscal year by the Borrowers and their Subsidiaries shall not have a fair market value in excess of \$5,000,000 and (ii) any equipment, programming rights or other Property sold or disposed of in the ordinary course of business and on ordinary business terms).

(d) Certain Permitted Transactions. Notwithstanding the foregoing provisions  
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of this Section 8.05:

(i) Intercompany Mergers and Consolidations. Any Borrower may

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be merged or consolidated with any other Borrower, and any Subsidiary of a Borrower may be merged or consolidated with or into: (x) such Borrower if such Borrower shall be the continuing or surviving corporation or (y) any other such Subsidiary; provided that if any such transaction shall be

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between a Subsidiary and a Wholly Owned Subsidiary, the Wholly Owned Subsidiary shall be the continuing or surviving corporation.

(ii) Intercompany Dispositions. Any Borrower may sell, lease,

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transfer or otherwise dispose of any or all of its Property to any other Borrower, and any Subsidiary of a Borrower may sell, lease, transfer or otherwise dispose of any or all of its Property (upon voluntary liquidation or otherwise) to the Borrowers or a Wholly Owned Subsidiary of the Borrowers.

(iii) Triax Acquisition. The LLC Borrowers may consummate the

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Triax Acquisition, so long as the same is consummated in all material respects in accordance with the Triax Acquisition Agreement.

(iv) Permitted Dispositions. The Borrowers or any Wholly Owned

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Subsidiary of the Borrowers may enter into one or more transactions intended to trade (by means of either an exchange or a sale and subsequent purchase) one or more of the CATV Systems owned by the Borrowers and their Subsidiaries for one or more CATV Systems owned by any other Person, which transactions may be effected either by

(I) the Borrowers or such Wholly Owned Subsidiary selling one or more CATV Systems owned by it, and either depositing the Net Available Proceeds

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thereof into the Collateral Account, or prepaying Revolving Credit Loans (and creating a Reserved Commitment Amount), as contemplated by the second paragraph of Section 2.10(d) hereof, and then within 270 days acquiring one or more other CATV Systems or

(II) exchanging one or more CATV Systems, together with cash not exceeding 20% of the fair market value of such acquired CATV Systems,

so long as

(x) (A) at the time of any such transactions and after giving effect thereto, no Default shall have occurred and be continuing and (B) after giving effect to such transaction the Borrowers shall be in compliance with Section 8.10 hereof (the determination of such compliance to be calculated on a pro forma basis, as at the end of and for the fiscal quarter most recently ended prior to the date of such transaction for which financial statements of the Borrowers and their Subsidiaries are available, under the assumption that such transaction shall have occurred, and any Indebtedness in connection therewith shall have been incurred, at the beginning of the applicable period, and under the assumption that interest for such period had been equal to the actual weighted average interest rate in effect for the Loans hereunder on the date of such transaction), and the Borrowers shall have delivered to the Administrative Agent a certificate of a Senior Officer showing such calculations in reasonable detail to demonstrate such compliance,

(y) with respect to any single exchange of CATV Systems pursuant to clause (II) above, the sum of the System Cash Flow for the period of four fiscal quarters ending on, or most recently ended prior to, the date of such exchange attributable to the CATV Systems being exchanged does not exceed more than 15% of System Cash Flow for such period and

(z) the sum of (A) the System Cash Flow for the period referred to in subclause (y) above plus (B) the System Cash Flow attributable

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to all other CATV Systems previously exchanged pursuant to clause (II) above (whether during the period referred to in subclause (y) above, or prior thereto), does not exceed an amount equal to 35% of Adjusted System Cash Flow for the period referred to in subclause (y) above.

If, in connection with an exchange permitted under this subparagraph (iv), the Borrowers or Wholly Owned Subsidiary receives cash in excess of 20% the fair market value of the acquired CATV Systems, such exchange shall be permitted as a sale under this

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subparagraph (iii) and the cash received by the Borrowers in connection with such transaction shall be applied in accordance with Section 2.10(d).

(v) Subsequent Acquisitions. Any Borrower or a Wholly Owned  
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Subsidiary of such Borrower may acquire any business or Property from, or capital stock of, or be a party to any acquisition of, any Person, so long as:

- (A) the aggregate Purchase Price of any individual such acquisition shall not exceed \$200,000,000;
- (B) such acquisition (if by purchase of assets, merger or consolidation) shall be effected in such manner so that the acquired business, and the related assets, are owned either by a Borrower or a Wholly Owned Subsidiary of a Borrower and, if effected by merger or consolidation involving a Borrower, such Borrower shall be the continuing or surviving entity and, if effected by merger or consolidation involving a Wholly Owned Subsidiary of a Borrower, such Wholly Owned Subsidiary shall be the continuing or surviving entity;
- (C) such acquisition (if by purchase of stock) shall be effected in such manner so that the acquired entity becomes a Wholly Owned Subsidiary of a Borrower;
- (D) with respect to any acquisition involving an aggregate Purchase Price in excess of \$25,000,000, the Borrowers shall deliver to the Administrative Agent (which shall promptly forward a copy to each Lender which requests one) (1) no later than five Business Days prior to the consummation of each such acquisition (or such earlier date as shall be five Business Days after the execution and delivery thereof), copies of the respective agreements or instruments pursuant to which such acquisition is to be consummated (including, without limitation, any related management, non-compete, employment, option or other material agreements), any schedules to such agreements or instruments and all other material ancillary documents to be executed or delivered in connection therewith and (2) promptly following request therefor (but in any event within three Business Days following such request), copies of such other information or documents relating to each such acquisition as the Administrative Agent shall have requested;
- (E) with respect to any acquisition involving an aggregate Purchase Price in excess of \$25,000,000, the Administrative Agent shall have received (and shall promptly forward a copy thereof to each Lender which requests one) a letter (in the case of each legal opinion delivered to the Borrowers pursuant to such

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acquisition) from each Person delivering such opinion (which shall in any event include an opinion of special FCC counsel) authorizing reliance thereon by the Administrative Agent and the Lenders;

- (F) with respect to any acquisition involving an aggregate Purchase Price in excess of \$25,000,000, the Borrowers shall have delivered to the Administrative Agent and the Lenders evidence satisfactory to the Administrative Agent and the Majority Lenders of receipt of all licenses, permits, approvals and consents, if any, required with respect to such acquisition (including, without limitation, the consents of the respective municipal franchising authorities to the acquisition of the respective CATV Systems being acquired (if any));
- (G) the entire amount of the consideration payable by the Borrowers and their Subsidiaries in connection with such acquisition (other than customary post-closing adjustments and indemnity obligations, and other than Indebtedness incurred in connection with such acquisition that is permitted under paragraphs (c) or (f) of Section 8.07 hereof) shall be payable on the date of such acquisition;
- (H) none of the Borrowers nor any of its Subsidiaries shall, in connection with such acquisition, assume or remain liable in respect of (x) any Indebtedness of the seller or sellers (except for Indebtedness permitted under Section 8.07(f) hereof) or (y) other obligations of the seller or sellers (except for obligations incurred in the ordinary course of business in operating the CATV System so acquired and necessary or desirable to the continued operation of such CATV System);
- (I) to the extent the assets purchased in such acquisition shall be subject to any Liens not permitted hereunder, such Liens shall have been released (or arrangements for such release satisfactory to the Administrative Agent shall have been made);
- (J) to the extent applicable, the Borrowers shall have complied with the provisions of Section 8.18 hereof, including, without limitation, to the extent not theretofore delivered, delivery to the Administrative Agent of (x) the shares of stock or other ownership interests, accompanied by undated stock powers or other powers executed in blank, and (y) the agreements, instruments, opinions of counsel and other documents required under Section 8.18 hereof;
- (K) after giving effect to such acquisition the Borrowers shall be in compliance with Section 8.10 hereof (the determination of such compliance to be calculated on a pro forma basis, as at the end of and for the fiscal quarter most

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recently ended prior to the date of such acquisition for which financial statements of the Borrowers and their Subsidiaries are available, under the assumption that such acquisition shall have occurred, and any Indebtedness in connection therewith shall have been incurred, at the beginning of the applicable period, and under the assumption that interest for such period had been equal to the actual weighted average interest rate in effect for the Loans hereunder on the date of such acquisition), and the Borrowers shall have delivered to the Administrative Agent a certificate of a Senior Officer showing such calculations in reasonable detail to demonstrate such compliance;

- (L) immediately prior to such acquisition and after giving effect thereto, no Default shall have occurred and be continuing; and
- (M) the Borrowers shall deliver such other documents and shall have taken such other action as the Majority Lenders or the Administrative Agent may request (which may include evidence that the Borrowers shall have received an equity contribution from Mediacom or the proceeds of the issuance of Affiliate Subordinated Indebtedness pursuant to documentation and in amounts in form and substance satisfactory to the Majority Lenders and the Administrative Agent).

8.06 Limitation on Liens. None of the Borrowers will, nor will it permit any

of its Subsidiaries to, create, incur, assume or suffer to exist any Lien upon any of its Property, whether now owned or hereafter acquired, except:

- (a) Liens created pursuant to the Security Documents;
- (b) Liens in existence on the date hereof and listed in Part B of Schedule III hereto (or, to the extent not meeting the minimum thresholds for required listing on said Schedule III pursuant to Section 7.11 hereof, in an aggregate amount not exceeding \$10,000,000);
- (c) Liens imposed by any governmental authority for taxes, assessments or charges not yet due or that are being contested in good faith and by appropriate proceedings if adequate reserves with respect thereto are maintained on the books of the Borrowers or the affected Subsidiaries, as the case may be, in accordance with GAAP;
- (d) carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like Liens arising in the ordinary course of business that are not overdue for a period of more than 30 days or that are being contested in good faith and by appropriate proceedings and Liens securing judgments but only to the extent for an amount and for a period not resulting in an Event of Default under Section 9.01(i) hereof;

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- (e) pledges or deposits under worker's compensation, unemployment insurance and other social security legislation;
- (f) deposits to secure the performance of bids, trade contracts (other than for Indebtedness), leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;
- (g) easements, rights-of-way, restrictions and other similar encumbrances incurred in the ordinary course of business and encumbrances consisting of zoning restrictions, easements, licenses, restrictions on the use of Property or minor imperfections in title thereto that, in the aggregate, are not material in amount, and that do not in any case materially detract from the value of the Property subject thereto or interfere with the ordinary conduct of the business of the Borrowers or any of their Subsidiaries; and
- (h) Liens upon real and/or tangible personal Property acquired after the date hereof (by purchase, construction or otherwise) by the Borrowers or any of their Subsidiaries and securing Indebtedness permitted under Section 8.07(f) hereof, each of which Liens either (A) existed on such Property before the time of its acquisition and was not created in anticipation thereof or (B) was created solely for the purpose of securing Indebtedness representing, or incurred to finance, refinance or refund, the cost (including the cost of construction) of such Property; provided that (i) no  
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such Lien shall extend to or cover any Property of a Borrower or any such Subsidiary other than the Property so acquired and improvements thereon and (ii) the principal amount of Indebtedness secured by any such Lien shall at no time exceed the fair market value (as determined in good faith by a Senior Officer) of such Property at the time it was acquired (by purchase, construction or otherwise).

8.07 Indebtedness. None of the Borrowers will, nor will it permit any of its  
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Subsidiaries to, create, incur or suffer to exist any Indebtedness except:

- (a) Indebtedness to the Lenders hereunder, including, without limitation, Incremental Facility Loans in an aggregate principal amount up to but not exceeding \$200,000,000;
- (b) Indebtedness outstanding on the date hereof and listed in Part A of Schedule III hereto (or, to the extent not meeting the minimum thresholds for required listing on said Schedule III pursuant to Section 7.11 hereof, in an aggregate amount not exceeding \$10,000,000);

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- (c) Affiliate Subordinated Indebtedness incurred in accordance with Section 8.14 hereof;
- (d) Indebtedness of the Borrowers to any Subsidiary of the Borrowers, and of any Subsidiary of the Borrowers to the Borrowers or its other Subsidiaries;
- (e) Indebtedness of the Borrowers and their Subsidiaries that is subordinated in right of payment to the obligations of the Borrowers and their Subsidiaries under the Loan Documents (and which contains terms, including in respect of interest, amortization, defaults, mandatory redemptions and prepayments, and covenants) that are in each case satisfactory to the Administrative Agent and the Majority Lenders; and
- (f) additional Indebtedness of the Borrowers and their Subsidiaries (including, without limitation, Capital Lease Obligations and other Indebtedness secured by Liens permitted under Section 8.06(h) hereof) up to but not exceeding an aggregate amount of \$25,000,000 at any one time outstanding.

In addition to the foregoing, the Borrowers will not, nor will they permit their Subsidiaries to, incur or suffer to exist any obligations in an aggregate amount in excess of \$10,000,000 at any one time outstanding in respect of surety and performance bonds backing pole rental or conduit attachments and the like, or backing obligations under Franchises, arising in the ordinary course of business of the CATV Systems of the Borrowers and their Subsidiaries.

8.08 Investments. The Borrowers will not, nor will they permit any of their  
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Subsidiaries to, make or permit to remain outstanding any Investments except:

- (a) Investments outstanding on the date hereof and identified in Schedule IV hereto;
- (b) operating deposit accounts with banks;
- (c) Permitted Investments;
- (d) subject to the last sentence of this Section 8.08, Investments by the Borrowers and their Subsidiaries in the Borrowers and their Subsidiaries;
- (e) Interest Rate Protection Agreements entered into in the ordinary course of business of the Borrowers and not for speculative purposes;
- (f) Investments by the Borrowers and their Subsidiaries consisting of acquisitions permitted under subparagraphs (iv) or (v) of Section 8.05(d);

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- (g) Investments consisting of the issuance of a Letter of Credit for the account of the Borrowers to support an obligation of an Affiliate of the Borrowers, in such amounts as would be permitted under Section 8.09(d)(ii) hereof; and
- (h) additional Investments (including, without limitation, Investments by the Borrowers or any of their Subsidiaries in Affiliates of the Borrowers), so long as (i) the aggregate amount of all such Investments shall not exceed \$100,000,000 and (ii) at the time of making such additional investments as contemplated by this Section 8.08(h) and after giving effect thereto, the Total Leverage Ratio shall be less than 5.75 to 1 or if lower, the applicable requirement at the time under Section 8.10(a) hereof.).

Without limiting the generality of the forgoing, the Borrowers will not create, or make any Investment in, any Subsidiary after the date hereof without the prior written consent of the Majority Lenders.

8.09 Restricted Payments. The Borrowers will not make any Restricted Payment

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at any time, provided that, so long as at the time thereof, and after giving

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effect thereto, no Default or Event of Default shall have occurred and be continuing, the Borrowers may make the following Restricted Payments (subject, in each case, to the applicable conditions set forth below):

- (a) the LLC Borrowers may make Restricted Payments in cash to their members on or after April 12 of each fiscal year (the "current year") in an amount  
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equal to the Tax Payment Amount for the immediately preceding fiscal year (the "prior year"), so long as at least fifteen days prior to making any  
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such Restricted Payment, the Borrowers shall have delivered to each Lender (i) notification of the amount and proposed payment date of such Restricted Payment and (ii) a statement from the Borrowers' independent certified public accountants setting forth a detailed calculation of the Tax Payment Amount for the prior year and showing the amount of such Restricted Payment and all prior Restricted Payments;
- (b) the Borrowers may make payments in cash in respect of Management Fees to the extent permitted under Section 8.11 hereof;
- (c) the Borrowers may make payments in cash in respect of the interest on Affiliate Subordinated Indebtedness constituting Supplemental Capital or Cure Monies; and
- (d) the Borrowers may make payments in cash in respect of the principal of Affiliate Subordinated Indebtedness and distributions in respect of the equity capital of

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the Borrowers and may request the issuance of Affiliate Letters of Credit (such payment and issuance being collectively called "Permitted Transactions"), so long as

(i) in the case of any Permitted Transaction consisting of a payment in respect of the principal of Affiliate Subordinated Indebtedness, or distribution in respect of equity capital, constituting Cure Monies, at least one complete fiscal quarter shall have elapsed subsequent to the last date upon which the Borrowers shall have utilized their cure rights under Section 9.02 hereof, without the occurrence of any Event of Default (and, for purposes hereof, unless the Borrowers indicate otherwise at the time of any such payment, such payment or distribution shall be deemed to be made first from Cure Monies and second from Supplemental Capital);

(ii) after giving effect to any Permitted Transaction during any fiscal quarter (the "current fiscal quarter") and to the making of any Capital Expenditures pursuant to Section 8.12(b) hereof during the current fiscal quarter, the Borrowers would (as at the last day of the most recent fiscal quarter immediately prior to the current fiscal quarter) have been in compliance on a pro forma basis with Section 8.10 hereof and the Total Leverage Ratio calculated on a pro forma basis is at the time less than 5.75 to 1 (or, if lower, the applicable requirement at the time under Section 8.10(a) hereof), the determination of such compliance and such Total Leverage Ratio to be determined as if

(x) for purposes of calculating the Total Leverage Ratio, there were added to Indebtedness the sum (herein, the "Relevant Sum") of the amount of such Permitted Transaction plus the amount of all other Permitted Transactions made during the current fiscal quarter through the date of such Permitted Transaction, minus the amount of Special Reductions through such date plus the amount of any such Capital Expenditures, and

(y) for purposes of calculating the Interest Coverage Ratio and Pro Forma Debt Service Coverage Ratio, the Relevant Sum plus any Cure Monies received during the period for which the Interest Coverage Ratio or Pro Forma Debt Service Coverage Ratio is calculated represented additional principal of the Loans outstanding hereunder at all times during the respective fiscal quarter for which such Ratios are calculated and the amount of interest that would have been payable hereunder during such fiscal quarter was recalculated to take into account such additional principal;

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(iii) after giving effect to distributions made in respect of the equity capital of any Borrower, the Equity Contribution Amount shall not be less than zero; and

(iv) the aggregate amount of Permitted Transactions as at any date (minus the aggregate amount of Special Reductions through such date), shall not exceed the Applicable Permitted Transaction Amount for such date.

Nothing herein shall be deemed to prohibit the payment of dividends by any Subsidiary of a Borrower to such Borrower or to any other Subsidiary of such Borrower.

8.10 Certain Financial Covenants.  
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(a) Total Leverage Ratio. The Borrowers will not permit the Total Leverage Ratio to exceed the following respective ratios at any time during the following respective periods:

Period -----	Total Leverage Ratio -----
From the Closing Date through December 31, 2000	6.00 to 1
From January 1, 2001 through December 31, 2001	5.75 to 1
From January 1, 2002 through December 31, 2002	5.50 to 1
From January 1, 2003 through December 31, 2003	4.75 to 1
From January 1, 2004 and at all times thereafter	4.50 to 1

(b) Interest Coverage Ratio. The Borrowers will not permit the Interest Coverage Ratio to be less than the following respective ratios as at the last day of any fiscal quarter ending during the following respective periods:

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Period -----	Ratio -----
From the Closing Date through December 31, 2000	1.40 to 1
From January 1, 2001 through December 31, 2001	1.50 to 1
From January 1, 2002 through December 31, 2002	1.60 to 1
From January 1, 2003 through December 31, 2003	1.80 to 1
From January 1, 2004 and at all times thereafter	2.00 to 1

(c) Pro Forma Debt Service Coverage Ratio. The Borrowers will not permit the

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Pro Forma Debt Service Coverage Ratio to be less than 1.15 to 1 at any time.

8.11 Management Fees. The Borrowers will not permit the aggregate amount of

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Management Fees accrued in respect of any fiscal year of the Borrowers to exceed 4.5% of the Gross Operating Revenue of the Borrowers and their Subsidiaries for such fiscal year. In addition, the Borrowers will not, as at the last day of the first, second and third fiscal quarters in any fiscal year, permit the amount of Management Fees paid during the portion of such fiscal year ending with such fiscal quarter to exceed 4.5% of the Gross Operating Revenue of the Borrowers and their Subsidiaries for such portion of such fiscal year (based upon the financial statements of the Borrowers provided pursuant to Section 8.01(a) hereof), provided that in any event the Borrowers will not pay any Management

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Fees at any time following the occurrence and during the continuance of any Default. Any Management Fees that are accrued for any fiscal quarter (the "current fiscal quarter") but which are not paid during the current fiscal

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quarter may be paid at any time during the period of four fiscal quarters following the current fiscal quarter (and for these purposes any payment of Management Fees during such period shall be deemed to be applied to Management Fees in the order of the fiscal quarters in respect of which such Management Fees are accrued). Any Management Fees which may not be paid as a result of the limitations set forth in the forgoing provisions of this Section 8.11 shall be deferred and shall not be payable until the principal of and interest on the Loans, and all other amounts owing hereunder, shall have been paid in full. For purposes of this Section 8.11 "Gross Operating Revenue" shall mean the aggregate

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gross operating revenues derived by the Borrowers from their CATV Systems and from other telecommunications services as determined in accordance

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with GAAP excluding, however, revenue or income derived by the Borrowers from any of the following sources: (i) from the sale of any asset of such CATV Systems not in the ordinary course of business, (ii) interest income, (iii) proceeds from the financing or refinancing of any Indebtedness of the Borrowers or any of their Subsidiaries and (iv) extraordinary gains in accordance with GAAP.

None of the Borrowers nor any of its Subsidiaries shall be obligated to pay Management Fees to any Person, unless the Borrowers and such Person shall have executed and delivered to the Administrative Agent a Management Fee Subordination Agreement, and none of the Borrowers nor any of its Subsidiaries shall pay Management Fees to any Person except to the extent permitted under the respective Management Fee Subordination Agreement to which such Person is a party.

None of the Borrowers nor any of its Subsidiaries shall employ or retain any executive management personnel (or pay any Person, other than the Manager, in respect of executive management personnel or matters, for the Borrowers or any of their Subsidiaries), it being the intention of the parties hereto that all executive management personnel required in connection with the business or operations of the Borrowers and their Subsidiaries shall be employees of the Manager (and that the Executive Compensation for such employees shall be covered by Management Fees payable hereunder). For purposes hereof, "executive management personnel" shall not include any individual (such as a system manager or a regional manager) who is employed solely in connection with the day-to-day operations of a CATV System or a Region.

8.12 Capital Expenditures.  
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(a) Scheduled Capital Expenditures. The Borrowers will not permit the  
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aggregate amount of Capital Expenditures to exceed the following respective amounts for the following respective Fiscal Periods of the Borrowers:

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Fiscal Period Ending -----	Amount -----
December 31, 1999	\$10,000,000
December 31, 2000	\$67,000,000
December 31, 2001	\$82,000,000
December 31, 2002	\$81,000,000
December 31, 2003	\$47,000,000
December 31, 2004	\$23,000,000
December 31, 2005	\$21,000,000
December 31, 2006	\$20,000,000
December 31, 2007	\$19,000,000

provided that, the amounts set forth above for any Fiscal Period of the

Borrowers in which the Borrowers enter into a Subsequent Acquisition pursuant to Section 8.05(d)(v) shall be increased by such amount as the Borrowers shall propose in a notice to the Administrative Agent and the Lenders (which amount shall be based on a proposed budget and operating plan set forth in such notice) which increase shall become effective unless Requisite Lenders object to such amount, by notice to the Administrative Agent, within 10 Business Days following receipt of the Borrowers' notice. For purposes of this Section 8.12(a), "Requisite Lenders" shall mean Lenders having at least 50% of the sum of (a) the

aggregate outstanding principal amount of the Term Loans or, if the Term Loans shall not have been made, the aggregate outstanding principal amount of the Term Loan Commitments plus (b) the aggregate outstanding principal amount of the

Incremental Facility Loans or, if the Incremental Facility Loans shall not have been made, the aggregate outstanding principal amount of the Incremental Facility Commitments plus (c) the sum of (i) the aggregate unused amount, if

any, of the Revolving Credit Commitments at such time plus (ii) the aggregate amount of Letter of Credit Liabilities at such time plus (iii) the aggregate outstanding principal amount of the Revolving Credit Loans at such time

If the aggregate amount of Capital Expenditures for any Fiscal Period of the Borrowers shall be less than the amount set forth opposite such Fiscal Period in the schedule above, then the shortfall shall be added to the amount of Capital Expenditures permitted for the immediately succeeding (but not any other) Fiscal Period and, for purposes hereof, the amount of Capital Expenditures made during any Fiscal Period shall be deemed to have been made first from the carryover from any previous Fiscal Period and last from the permitted amount for such Fiscal Period.

(b) Additional Capital Expenditures. In addition to the Capital Expenditures

permitted under paragraph (a) above, the Borrowers and their Subsidiaries may make Additional Capital Expenditures during any fiscal quarter in such amounts as would be permitted under Section 8.09(d)(ii) (in the case of a payment of principal of Affiliate Subordinated Indebtedness,

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as if such Capital Expenditure constituted a payment in respect of Supplemental Capital thereunder).

8.13 Interest Rate Protection Agreements. The Borrowers will within 90 days  
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of the Closing Date, enter into, and thereafter maintain in full force and effect, one or more Interest Rate Protection Agreements with one or more of the Lenders or their affiliates (and/or with a bank or other financial institution having capital, surplus and undivided profits of at least \$500,000,000), that effectively enables the Borrowers (in a manner satisfactory to the Majority Lenders) to protect themselves, in a manner and on terms reasonably satisfactory to the Majority Lenders, against adverse fluctuations in the three-month London interbank offered rates as to a notional principal amount which, together with that portion of the aggregate outstanding principal amount of Indebtedness of the Borrowers bearing a fixed rate of interest, shall in the aggregate be at least equal to 50% of the aggregate outstanding principal amount of the Indebtedness (including Affiliate Subordinated Indebtedness) of the Borrowers.

8.14 Affiliate and Additional Subordinated Indebtedness.  
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(a) The Borrowers may at any time after the date hereof incur Affiliate Subordinated Indebtedness to Mediacom or one or more other Affiliates, so long as the proceeds of any such Affiliate Subordinated Indebtedness constituting Cure Monies are immediately applied to the reduction of the Revolving Credit Commitments and the prepayment of principal of the Term Loans and Incremental Facility Loans of each Series hereunder, applied ratably to the Revolving Credit Commitments, the Term Loans and the Incremental Facility Loans of each Series in accordance with the respective then-outstanding aggregate amounts of such Commitments and Loans (and to the simultaneous prepayment of the Revolving Credit Loans in an amount equal to such required reduction of Revolving Credit Commitments), provided that to the extent any such required prepayment of  
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Revolving Credit Loans shall exceed the then-outstanding aggregate principal amount of Revolving Credit Loans, such excess shall be applied to the ratable prepayment of Term Loans and Incremental Facility Loans of each Series.

(b) The Borrowers will not, nor will they permit any of their Subsidiaries to, purchase, redeem, retire or otherwise acquire for value, or set apart any money for a sinking, defeasance or other analogous fund for the purchase, redemption, retirement or other acquisition of, or make any voluntary payment or prepayment of the principal of or interest on, or any other amount owing in respect of, any Affiliate Subordinated Indebtedness, except to the extent permitted under Section 8.09 hereof.

(c) The Borrowers will not, nor will they permit any of their Subsidiaries to, purchase, redeem, retire or otherwise acquire for value, or set apart any money for a sinking, defeasance or other analogous fund for the purchase, redemption, retirement or other acquisition

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of, or make any voluntary payment or prepayment of the principal of or interest on, or any other amount owing in respect of, any Indebtedness at any time issued pursuant to Section 8.07(e).

8.15 Lines of Business. The Borrowers will at all times ensure that not more than 15% of gross operating revenue of the Borrowers and their Subsidiaries for any fiscal year shall be derived from any line or lines of business activity other than the business of owning and operating CATV Systems and related communications businesses.

8.16 Transactions with Affiliates. Except as expressly permitted by this Agreement, none of the Borrowers will, nor will it permit any of its Subsidiaries to, directly or indirectly: (a) make any Investment in an Affiliate except for Investments permitted under Section 8.08(h), provided that, the monetary or business consideration arising therefrom would be substantially as advantageous to a Borrower and its Subsidiaries as the monetary or business consideration that would obtain in a comparable transaction with a Person not an Affiliate; (b) transfer, sell, lease, assign or otherwise dispose of any Property to an Affiliate; (c) merge into or consolidate with or purchase or acquire Property from an Affiliate; (d) make any contribution towards, or reimbursement for, any Federal income taxes payable by any shareholder or member of a Borrower or any of its Subsidiaries in respect of income of a Borrower; or (e) enter into any other transaction directly or indirectly with or for the benefit of an Affiliate (including, without limitation, Guarantees and assumptions of obligations of an Affiliate); provided that

(i) any Affiliate who is an individual may serve as a director, officer or employee of a Borrower or any of its Subsidiaries and receive reasonable compensation for his or her services in such capacity,

(ii) a Borrower and its Subsidiaries may enter into transactions (other than extensions of credit by such Borrower or any of its Subsidiaries to an Affiliate) providing for the leasing of Property, the rendering or receipt of services or the purchase or sale of equipment, programming rights, advertising time and other Property in the ordinary course of business if the monetary or business consideration arising therefrom would be substantially as advantageous to such Borrower and its Subsidiaries as the monetary or business consideration that would obtain in a comparable transaction with a Person not an Affiliate,

(iii) the Borrowers may enter into and perform their respective obligations under, the Management Agreements, and

(iv) the Borrowers and their Subsidiaries may pay to the Manager the aggregate amount of intercompany shared expenses payable to Mediacom that are allocated by Mediacom to the Borrowers and their Subsidiaries in accordance with Section 5.04 of the Guarantee and Pledge Agreement.

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8.17 Use of Proceeds.

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(a) Revolving Credit Loans. The Borrowers will use the proceeds of the

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Revolving Credit Loans hereunder solely to (i) provide financing for the Triax Acquisition and Subsequent Acquisitions and to pay the fees and expenses related thereto, (ii) make Restricted Payments, (iii) pay Management Fees, (iv) make Investments permitted under Section 8.08 hereof and (v) finance capital expenditures and working capital needs of the Borrowers and their Subsidiaries and acquisitions permitted hereunder (in each case in compliance with all applicable legal and regulatory requirements); provided that (x) any borrowing

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of Revolving Credit Loans hereunder that would constitute a utilization of any Reserved Commitment Amount shall be applied solely to make acquisitions permitted under Section 8.05(d)(v) hereof, or to make prepayments of Loans under Section 2.10(d) hereof and (y) neither the Administrative Agent nor any Lender shall have any responsibility as to the use of any of such proceeds.

(b) Term Loans and Incremental Facility Loans. The Borrowers will use the

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proceeds of the Term Loans to finance the Triax Acquisition and to pay fees and expenses related thereto. The Borrowers will use the proceeds of the Incremental Facility Loans for general business purposes and to make Subsequent Acquisitions.

8.18 Certain Obligations Respecting Subsidiaries; Further Assurances.

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(a) Subsidiary Guarantors. In the event that any Borrower or any of its

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Subsidiaries shall form or acquire any Subsidiary after the date hereof (after obtaining any necessary consent of the Lenders), such Borrower shall cause, and shall cause its Subsidiaries to cause, such Subsidiary to:

(i) execute and deliver to the Administrative Agent a Subsidiary Guarantee Agreement in the form of Exhibit E hereto (and, thereby, to become a "Subsidiary Guarantor", and an "Obligor" hereunder and a "Securing Party" under the Pledge Agreement);

(ii) deliver the shares of its stock or other ownership interests accompanied by undated stock powers or other powers executed in blank to the Administrative Agent, and to take other such action, as shall be necessary to create and perfect valid and enforceable first priority Liens (subject to Liens permitted under Section 8.06 hereof) on substantially all of the Property of such new Subsidiary as collateral security for the obligations of such new Subsidiary under the Subsidiary Guarantee Agreement, and

(iii) deliver such proof of corporate action, limited liability company action or partnership action, as the case may be, incumbency of officers, opinions of counsel and

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other documents as is consistent with those delivered by each Obligor pursuant to Section 6.01 hereof on the Closing Date or as the Administrative Agent shall have reasonably requested.

(b) Ownership of Subsidiaries. Each Borrower will, and will cause each of

its Subsidiaries to, take such action from time to time as shall be necessary to ensure that each of its Subsidiaries is a Wholly Owned Subsidiary. In the event that any additional shares of stock or other ownership interests shall be issued by Subsidiary of a Borrower, such Borrower agrees forthwith to deliver to the Administrative Agent pursuant to the Pledge Agreement the certificates evidencing such shares of stock or other ownership interests, accompanied by undated stock or other powers executed in blank and to take such other action as the Administrative Agent shall request to perfect the security interest created therein pursuant to the Pledge Agreement.

(c) Further Assurances. Each Borrower will, and will cause each of its

Subsidiaries to, take such action from time to time (including filing appropriate Uniform Commercial Code financing statements and executing and delivering such assignments, security agreements and other instruments) as shall be requested by the Administrative Agent to create, in favor of the Administrative Agent for the benefit of the Lenders, perfected security interests and Liens in shares of stock or other ownership interests of their Subsidiaries. In addition, the Borrowers will not issue additional equity interests ("Additional Equity Interests") after the date hereof to any Person (a

"New Equity Owner") other than Mediacom unless such New Equity Owner shall:

- (i) pledge such Additional Equity Interests to the Administrative Agent on behalf of the Lenders pursuant to a pledge agreement in substantially the form (other than negative covenants) of the Guarantee and Pledge Agreement and otherwise in form and substance satisfactory to the Administrative Agent;
- (ii) deliver to the Administrative Agent any certificates evidencing the Additional Equity Interests accompanied by undated powers executed in blank;
- (iii) deliver to the Administrative Agent such proof of corporate action, limited liability company, partnership or other action, as applicable, incumbency of officers, opinions of counsel and other documents as is consistent with those delivered by Mediacom and the Manager pursuant to Section 6.01 hereof on the Closing Date or as the Administrative Agent shall have reasonably requested; and,
- (iv) take other such additional action, as shall be necessary to create and perfect valid and enforceable first priority security interests in the Additional Equity Interests in favor of the Administrative Agent.

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(d) Certain Restrictions. The Borrowers will not, and will not permit any of

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their Subsidiaries to, directly or indirectly, enter into, incur or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition upon (a) the ability of the Borrowers or any Subsidiary to create, incur or permit to exist any Lien upon any of its property or assets securing the obligations of the Borrowers or any Subsidiary under any of the Loan Documents, or in respect of any Interest Rate Protection Agreement, or (b) the ability of any Subsidiary to pay dividends or other distributions with respect to any shares of its capital stock or other ownership interests or to make or repay loans or advances to the Borrowers or any Subsidiary or to Guarantee Indebtedness of the Borrowers or any Subsidiary under any of the Loan Documents; provided that (i) the foregoing shall not apply to restrictions and conditions  
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imposed by law or by any of the Loan Documents, (ii) the foregoing shall not apply to customary restrictions and conditions contained in agreements relating to the sale of a Subsidiary pending such sale, provided such restrictions and  
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conditions apply only to the Subsidiary that is to be sold and such sale is permitted hereunder, (iii) clause (a) of the foregoing shall not apply to restrictions or conditions imposed by any agreement relating to secured Indebtedness permitted by this Agreement or any other Loan Document if such restrictions or conditions apply only to the property or assets securing such Indebtedness and (iv) clause (a) of the foregoing shall not apply to customary provisions in leases and other contracts restricting the assignment thereof.

8.19 Modifications of Certain Documents. The Borrowers will not consent to

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any modification, supplement or waiver of any of the provisions of any Management Agreement (other than modifications, supplements or waivers that do not alter any of the material rights or obligations of the Borrowers thereunder, it being understood that any modification of the management fee provisions thereof that would have the effect of increasing the management fees payable pursuant thereto shall be deemed material for purposes hereof), the Triax Acquisition Agreement (other than modifications, supplements or waivers that do not alter in any material respect the rights of the Borrowers thereunder) or any agreement, instrument or other document evidencing or relating to Affiliate Subordinated Indebtedness or Indebtedness permitted under Section 8.07(e) hereof without the prior consent of the Administrative Agent (with the approval of the Majority Lenders).

Section 9. Events of Default.  
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9.01 Events of Default. If one or more of the following events (herein  
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called "Events of Default") shall occur and be continuing:  
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(a) The Borrowers shall default in the payment when due (whether at stated maturity or upon mandatory or optional prepayment) of any principal or interest on

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any Loan or any Reimbursement Obligation, any fee or any other amount payable by them hereunder or under any other Loan Document; or

- (b) Any Borrower or any Subsidiary of a Borrower shall default in the payment when due of any principal of or interest on any of its other Indebtedness aggregating \$5,000,000 or more; or any event specified in any note, agreement, indenture or other document evidencing or relating to any such Indebtedness shall occur if the effect of such event is to cause, or (without the lapse of time or the taking of any action, other than the giving of notice) to permit the holder or holders of such Indebtedness (or a trustee or agent on behalf of such holder or holders) to cause, such Indebtedness to become due, or to be prepaid in full (whether by redemption, purchase, offer to purchase or otherwise), prior to its stated maturity; or any Borrower shall default in the payment when due of any amount aggregating \$5,000,000 or more under any Interest Rate Protection Agreement; or any event specified in any Interest Rate Protection Agreement shall occur if the effect of such event is to cause, or (with the giving of any notice or the lapse of time or both) to permit, termination or liquidation payment or payments aggregating \$1,000,000 or more to become due; or
- (c) Any representation, warranty or certification made or deemed made herein or in any other Loan Document (or in any modification or supplement hereto or thereto) by any Obligor, or any certificate furnished to any Lender or the Administrative Agent pursuant to the provisions hereof or thereof, shall prove to have been false or misleading as of the time made or furnished in any material respect; or
- (d) Any Borrower shall default in the performance of any of its obligations under any of Sections 8.01(g), 8.05, 8.06, 8.07, 8.08, 8.09, 8.10, 8.11, 8.12, 8.14, 8.16, 8.18 or 8.19 hereof; or any Borrower shall default in the performance of any of its other obligations in this Agreement or any Obligor shall default in the performance of its obligations under any other Loan Document to which it is a party, and such default shall continue unremedied for a period of thirty or more days after notice thereof to the Borrowers by the Administrative Agent or any Lender (through the Administrative Agent); or
- (e) Any Obligor shall admit in writing its inability to, or be generally unable to, pay its debts as such debts become due; or
- (f) Any Obligor shall (i) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee, examiner or liquidator of itself or of all or a substantial part of its Property, (ii) make a general assignment for the benefit of its creditors, (iii) commence a voluntary case under the Bankruptcy Code, (iv) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency,

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reorganization, liquidation, dissolution, arrangement or winding-up, or composition or readjustment of debts, (v) fail to controvert in a timely and appropriate manner, or acquiesce in writing to, any petition filed against it in an involuntary case under the Bankruptcy Code or (vi) take any corporate action for the purpose of effecting any of the foregoing; or

- (g) A proceeding or case shall be commenced, without the application or consent of any Obligor, in any court of competent jurisdiction, seeking (i) its reorganization, liquidation, dissolution, arrangement or winding-up, or the composition or readjustment of its debts, (ii) the appointment of a receiver, custodian, trustee, examiner, liquidator or the like of such Obligor or of all or any substantial part of its Property or (iii) similar relief in respect of such Obligor under any law relating to bankruptcy, insolvency, reorganization, winding-up, or composition or adjustment of debts, and such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed and in effect, for a period of 60 or more days; or an order for relief against such Obligor shall be entered in an involuntary case under the Bankruptcy Code; or
- (h) Any Borrower shall be terminated, dissolved or liquidated (as a matter of law or otherwise), or proceedings shall be commenced by a Borrower seeking the termination, dissolution or liquidation of a Borrower, or proceedings shall be commenced by any Person (other than the Borrowers) seeking the termination, dissolution or liquidation of a Borrower and such proceeding shall continue undismissed for a period of 60 or more days; or
- (i) A final judgment or judgments for the payment of money of \$5,000,000 or more in the aggregate (exclusive of judgment amounts fully covered by insurance where the insurer has admitted liability in respect of such judgment) or of \$10,000,000 or more in the aggregate (regardless of insurance coverage) shall be rendered by one or more courts, administrative tribunals or other bodies having jurisdiction against the Borrowers or any of their Subsidiaries and the same shall not be discharged (or provision shall not be made for such discharge), or a stay of execution thereof shall not be procured, within 30 days from the date of entry thereof and the relevant Borrower or Subsidiary shall not, within said period of 30 days, or such longer period during which execution of the same shall have been stayed, appeal therefrom and cause the execution thereof to be stayed during such appeal; or
- (j) An event or condition specified in Section 8.01(e) hereof shall occur or exist with respect to any Plan or Multiemployer Plan and, as a result of such event or condition, together with all other such events or conditions, the Borrowers or any ERISA Affiliate shall incur or in the opinion of the Majority Lenders shall be reasonably likely to

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incur a liability to a Plan, a Multiemployer Plan or the PBGC (or any combination of the foregoing) that, in the determination of the Majority Lenders, would (either individually or in the aggregate) have a Material Adverse Effect; or

(k) A reasonable basis shall exist for the assertion against any Borrower or any of its Subsidiaries, or any predecessor in interest of any Borrower or any of its Subsidiaries or Affiliates, of (or there shall have been asserted against any Borrower or any of its Subsidiaries) an Environmental Claim that, in the judgment of the Majority Lenders is reasonably likely to be determined adversely to such Borrower or any of its Subsidiaries, and the amount thereof (either individually or in the aggregate) is reasonably likely to have a Material Adverse Effect (insofar as such amount is payable by such Borrower or any of its Subsidiaries but after deducting any portion thereof that is reasonably expected to be paid by other creditworthy Persons jointly and severally liable therefor); or

(l) Any one or more of the following events shall occur and be continuing:

(i) Rocco Commisso shall, by reason other than death or permanent disability, cease to be Chairman and Chief Executive Officer of the Manager and Zylstra (or, following a Qualified Public Offering, of Holdco), or if Rocco Commisso shall cease to be the Chairman and Chief Executive Officer of the Manager and Zylstra (or, as applicable, Holdco) by reason of death or permanent disability, a period of 120 days shall have elapsed without the appointment of a successor Chairman and Chief Executive Officer with a Person with knowledge and experience in the cable television industry reasonably acceptable to the Majority Lenders;

(ii) Mediacom Management Corporation or Mediacom shall cease to act as Manager of the LLC Borrowers;

(iii) Mediacom and Mediacom Management Corporation shall cease to own, collectively, 50.1% of the aggregate voting power of the ownership interests in each Borrower, provided that nothing in this paragraph shall affect the obligation of the Borrowers pursuant to Section 8.18(c) hereof, or of Mediacom pursuant to Section 6.04 of the Guarantee and Pledge Agreement, to ensure that Administrative Agent shall maintain on behalf of the Lenders at all times a pledge of 100% of the equity interests in the Borrowers;

(iv) any person or group (within the meaning of Rule 13d-5 under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and Section 13(d) and 14(d) of the Exchange Act) other than a  
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Commisso Entity or any entity controlled by or under common control with Chase Manhattan Capital

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Corporation or Morris Communications Corporation becomes, directly or indirectly, in a single transaction or in a related series of transactions by way of merger, consolidation or other business combination or otherwise, the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act) of more than 25% of the aggregate voting power of the capital stock of Mediacom or after a Qualified Public Offering, Holdco on a fully-diluted basis (in other words, giving effect to the exercise of any warrants, options and conversion and other rights);

(v) at any time prior to a Qualified Public Offering, the Commisso Entities shall sell, transfer or otherwise dispose of more than 20% of the aggregate equity interests in Mediacom held by them on the date hereof (excluding in any event any additional equity interests issued after the date hereof, including upon a revaluation after the date hereof as provided in the operating agreement for Mediacom, and excluding also any such transfer following the death or permanent disability of Rocco Commisso and any such transfer that consists of an exchange by the holders of the equity generally of Mediacom of their equity interests in Mediacom for equity interests in Holdco); or

(vi) at any time after a Qualified Public Offering, the Commisso Entities shall cease to own at least 50.1% of the aggregate voting power of the capital stock of Holdco on a fully-diluted basis (in other words, giving effect to the exercise of any warrants, options and conversion and other rights); or

(m) Except for Franchises that cover fewer than 10% of the Subscribers of the Borrowers and their Subsidiaries (determined as at the last day of the most recent fiscal quarter for which a Quarterly Officers' Report shall have been delivered) one or more Franchises relating to the CATV Systems of the Borrowers and their Subsidiaries shall be terminated or revoked such that the respective Borrower or Subsidiary is no longer able to operate such Franchises and retain the revenue received therefrom or the respective Borrower or Subsidiary or the grantors of such Franchises shall fail to renew such Franchises at the stated expiration thereof such that the respective Borrower or Subsidiary is no longer able to operate such Franchises and retain the revenue received therefrom; or

(n) The Liens created by the Security Documents shall at any time not constitute a valid and perfected Lien on the collateral intended to be covered thereby (to the extent perfection by filing, registration, recordation or possession is required herein or therein) in favor of the Administrative Agent, free and clear of all other Liens (other than Liens permitted under Section 8.06 hereof or under the respective Security Documents), or, except for expiration in accordance with its terms, any of the Security Documents shall for whatever reason be terminated or cease to be in full force and effect, or the enforceability thereof shall be contested by any Borrower; or

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- (o) Any Operating Agreement shall be modified in any manner that would adversely affect the obligations of the Borrowers, or the rights of the Lenders or the Administrative Agent, hereunder or under any of the other Loan Documents;

THEREUPON: (1) in the case of an Event of Default other than one referred to in clause (f) or (g) of this Section 9.01 with respect to any Borrower, the Administrative Agent shall, if instructed by the Majority Lenders, by notice to the Borrowers, terminate the Commitments and/or declare the principal amount then outstanding of, and the accrued interest on, the Loans, the Reimbursement Obligations and all other amounts payable by the Borrowers hereunder (including, without limitation, any amounts payable under Section 5.05 or 5.06 hereof) to be forthwith due and payable, whereupon such amounts shall be immediately due and payable without presentment, demand, protest or other formalities of any kind, all of which are hereby expressly waived by the Borrowers; and (2) in the case of the occurrence of an Event of Default referred to in clause (f) or (g) of this Section 9.01 with respect to any Borrower, the Commitments shall automatically be terminated and the principal amount then outstanding of, and the accrued interest on, the Loans, Reimbursement Obligations and all other amounts payable by the Borrowers hereunder (including, without limitation, any amounts payable under Section 5.05 or 5.06 hereof) shall automatically become immediately due and payable without presentment, demand, protest or other formalities of any kind, all of which are hereby expressly waived by the Borrowers.

In addition, upon the occurrence and during the continuance of any Event of Default (if the Administrative Agent has declared the principal amount then outstanding of, and accrued interest on, the Revolving Credit Loans and all other amounts payable by the Borrowers hereunder to be due and payable), the Borrowers agree that they shall, if requested by the Administrative Agent or the Majority Revolving Credit Lenders through the Administrative Agent (and, in the case of any Event of Default referred to in clause (f) or (g) of this Section 9.01 with respect to the Borrowers, forthwith, without any demand or the taking of any other action by the Administrative Agent or such Lenders) provide cover for the Letter of Credit Liabilities by paying to the Administrative Agent immediately available funds in an amount equal to the then aggregate undrawn face amount of all Letters of Credit, which funds shall be held by the Administrative Agent in the Collateral Account as collateral security in the first instance for the Letter of Credit Liabilities and be subject to withdrawal only as therein provided.

9.02 Certain Cure Rights.  
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- (a) Notwithstanding the provisions of Section 9.01 hereof, but without limiting the obligations of the Borrowers under Section 8.10(a) hereof, a breach by the Borrowers as of the last day of any fiscal quarter or any fiscal year of its obligations under said Section 8.10(a) shall not constitute an Event of Default hereunder (except for purposes of Section 6 hereof) until

the date (for purposes of this clause (a), the "Cut-Off Date") which is the  
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earlier of the date thirty days after (a) the date the financial statements for  
the Borrowers and their Subsidiaries with respect to such fiscal quarter or  
fiscal year, as the case may be, are delivered pursuant to Section 8.01(a) or  
8.01(b) hereof or (b) the latest date on which such financial statements are  
required to be delivered pursuant to said Section 8.01(a) or 8.01(b), provided

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that, if following the last day of such fiscal quarter or fiscal year and prior  
to the Cut-Off Date, the Borrowers shall have received Cure Monies (and shall  
have applied the proceeds thereof to the prepayment of the Loans hereunder,  
which prepayment, in the case of Affiliate Subordinated Indebtedness, shall be  
effected in the manner provided in Section 8.14(a) hereof), or shall have  
prepaid the Loans hereunder from available cash, in an amount sufficient to  
bring the Borrowers into compliance with said Section 8.10(a) assuming that the  
Total Leverage Ratio, as of the last day of such fiscal quarter or fiscal year,  
as the case may be, were recalculated to subtract such prepayment from the  
aggregate outstanding amount of Indebtedness, then such breach or breaches shall  
be deemed to have been cured; provided, further, that breaches of Section 8.10

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hereof (including pursuant to paragraph (b) below) may not be deemed to be cured  
pursuant to this Section 9.02 (x) more than three times during the term of this  
Agreement or (y) during consecutive fiscal quarters.

(b) Notwithstanding the provisions of Section 9.01 hereof, but without  
limiting the obligations of the Borrowers under Section 8.10(b) or 8.10(c)  
hereof, a breach by the Borrowers as of the last day of any fiscal quarter or  
any fiscal year of its obligations under said Section 8.10(b) or 8.10(c) shall  
not constitute an Event of Default hereunder (except for purposes of Section 6  
hereof) until the date (for purposes of this clause (b), the "Cut-Off Date")

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which is the earlier of the date thirty days after (a) the date the financial  
statements for the Borrowers and their Subsidiaries with respect to such fiscal  
quarter or fiscal year, as the case may be, are delivered pursuant to Section  
8.01(a) or 8.01(b) hereof or (b) the latest date on which such financial  
statements are required to be delivered pursuant to said Section 8.01(a) or  
8.01(b), provided that, if following the last day of such fiscal quarter or

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fiscal year and prior to the Cut-Off Date, the Borrowers shall have received  
Cure Monies (and shall have applied the proceeds thereof to the prepayment of  
the Loans hereunder, which prepayment, in the case of Affiliate Subordinated  
Indebtedness, shall be effected in the manner provided in Section 8.14(a)  
hereof), or shall have prepaid the Loans hereunder from available cash, in an  
amount sufficient to bring the Borrowers into compliance with said Section  
8.10(b) or 8.10(c) assuming that the Interest Coverage Ratio and the Pro Forma  
Debt Service Coverage Ratio (as the case may be), as of the last day of such  
fiscal quarter or fiscal year, as the case may be, were recalculated to deduct  
from Interest Expense the aggregate amount of interest that would not have been  
required to be paid hereunder if such prepayment had been made on the first day  
of the period for which the Interest Coverage Ratio and the Pro Form Debt  
Service Coverage Ratio is determined under said Section 8.10(b) or 8.10(c), then  
such breach or breaches shall be deemed to have been cured; provided, further,

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that breaches of Section 8.10 hereof (including pursuant to paragraph (a) above)  
may not be deemed to be cured pursuant to this Section 9.02 (x) more than three  
times during the term of this Agreement or (y) during consecutive fiscal  
quarters.

Credit Agreement  
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Section 10. The Administrative Agent.  
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10.01 Appointment, Powers and Immunities. Each Lender hereby appoints and  
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authorizes the Administrative Agent to act as its agent hereunder and under the other Loan Documents with such powers as are specifically delegated to the Administrative Agent by the terms of this Agreement and under the other Loan Documents, together with such other powers as are reasonably incidental thereto. The Administrative Agent (which term as used in this sentence and in Section 10.05 and the first sentence of Section 10.06 hereof shall include reference to its affiliates and its own and its affiliates' officers, directors, employees and agents):

- (a) shall have no duties or responsibilities except those expressly set forth in this Agreement and in the other Loan Documents, and shall not by reason of this Agreement or any other Loan Document be a trustee for any Lender;
- (b) shall not be responsible to the Lenders for any recitals, statements, representations or warranties contained in this Agreement or in any other Loan Document, or in any certificate or other document referred to or provided for in, or received by any of them under, this Agreement or any other Loan Document, or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document or any other document referred to or provided for herein or therein or for any failure by the Borrowers or any other Person to perform any of its obligations hereunder or thereunder;
- (c) shall not, except to the extent expressly instructed by the Majority Lenders with respect to the collateral security under the Security Documents, be required to initiate or conduct any litigation or collection proceedings hereunder or under any other Loan Document; and
- (d) shall not be responsible for any action taken or omitted to be taken by it hereunder or under any other Loan Document or under any other document or instrument referred to or provided for herein or therein or in connection herewith or therewith, except for its own gross negligence or willful misconduct.

The Administrative Agent may employ agents and attorneys-in-fact and shall not be responsible for the negligence or misconduct of any such agents or attorneys-in-fact selected by it in good faith.

10.02 Reliance by Administrative Agent. The Administrative Agent shall be  
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entitled to rely upon any certification, notice or other communication (including, without

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limitation, any thereof by telephone, telecopy, telegram or cable) reasonably believed by it to be genuine and correct and to have been signed or sent by or on behalf of the proper Person or Persons, and upon advice and statements of legal counsel, independent accountants and other experts selected by the Administrative Agent. As to any matters not expressly provided for by this Agreement or any other Loan Document, the Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, hereunder or thereunder in accordance with instructions given by the Majority Lenders or, if provided herein, in accordance with the instructions given by the Majority Revolving Credit Lenders, the Majority Term Loan Lenders, the Majority Incremental Facility Lenders of a Series or all of the Lenders as is required in such circumstance, and such instructions of such Lenders and any action taken or failure to act pursuant thereto shall be binding on all of the Lenders.

10.03 Defaults. The Administrative Agent shall not be deemed to have

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knowledge or notice of the occurrence of a Default unless the Administrative Agent has received notice from a Lender or the Borrowers specifying such Default and stating that such notice is a "Notice of Default". In the event that the Administrative Agent receives such a notice of the occurrence of a Default, the Administrative Agent shall give prompt notice thereof to the Lenders. The Administrative Agent shall (subject to Section 10.07 hereof) take such action with respect to such Default as shall be directed by the Majority Lenders or, if provided herein, the Majority Revolving Credit Lenders, the Majority Term Loan Lenders or the Majority Incremental Facility Lenders of a Series, provided that,

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unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default as it shall deem advisable in the best interest of the Lenders except to the extent that this Agreement expressly requires that such action be taken, or not be taken, only with the consent or upon the authorization of the Majority Lenders, the Majority Revolving Credit Lenders, the Majority Term Loan Lenders or the Majority Incremental Facility Lenders of a Series or all of the Lenders.

10.04 Rights as a Lender. With respect to its Commitments and the Loans made

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by it, Chase (and any successor acting as Administrative Agent) in its capacity as a Lender hereunder shall have the same rights and powers hereunder as any other Lender and may exercise the same as though it were not acting as the Administrative Agent, and the term "Lender" or "Lenders" shall, unless the context otherwise indicates, include the Administrative Agent in its individual capacity. Chase (and any successor acting as Administrative Agent) and its affiliates may (without having to account therefor to any Lender) accept deposits from, lend money to, make investments in and generally engage in any kind of banking, trust or other business with the Borrowers (and any of their Subsidiaries or Affiliates) as if it were not acting as the Administrative Agent, and Chase (and any such successor) and its affiliates may accept fees and other consideration from the Borrowers for services in connection with this Agreement or otherwise without having to account for the same to the Lenders.

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10.05 Indemnification. The Lenders agree to indemnify the Administrative

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Agent (to the extent not reimbursed under Section 11.03 hereof, but without limiting the obligations of the Borrowers under said Section 11.03) ratably in accordance with the aggregate principal amount of the Loans and Letter of Credit Liabilities held by the Lenders (or, if no Loans or Letter of Credit Liabilities are at the time outstanding, ratably in accordance with their respective Commitments), for any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind and nature whatsoever that may be imposed on, incurred by or asserted against the Administrative Agent (including by any Lender) arising out of or by reason of any investigation in or in any way relating to or arising out of this Agreement or any other Loan Document any other documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby (including, without limitation, the costs and expenses that the Borrowers are obligated to pay under Section 11.03 hereof, but excluding, unless a Default has occurred and is continuing, normal administrative costs and expenses incident to the performance of its agency duties hereunder) or the enforcement of any of the terms hereof or thereof or of any such other documents, provided that no Lender shall be liable for any of the foregoing to the extent they arise from the gross negligence or willful misconduct of the party to be indemnified.

10.06 Non-Reliance on Administrative Agent and Other Lenders. Each Lender

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agrees that it has, independently and without reliance on the Administrative Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own credit analysis of the Borrowers and their Subsidiaries and decision to enter into this Agreement and that it will, independently and without reliance upon the Administrative Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own analysis and decisions in taking or not taking action under this Agreement or under any other Loan Document. The Administrative Agent shall not be required to keep itself informed as to the performance or observance by the Borrowers of this Agreement or any of the other Loan Documents or any other document referred to or provided for herein or therein or to inspect the Properties or books of the Borrowers or any of their Subsidiaries. Except for notices, reports and other documents and information expressly required to be furnished to the Lenders by the Administrative Agent hereunder or under the Security Documents, the Administrative Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the affairs, financial condition or business of the Borrowers or any of their Subsidiaries (or any of their affiliates) that may come into the possession of the Administrative Agent or any of its affiliates.

10.07 Failure to Act. Except for action expressly required of the

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Administrative Agent hereunder and under the other Loan Documents, the Administrative Agent shall in all cases be fully justified in failing or refusing to act hereunder or thereunder unless it shall receive further assurances to its satisfaction from the Lenders of their indemnification obligations under

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Section 10.05 hereof against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action.

10.08 Resignation or Removal of Administrative Agent. Subject to the  
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appointment and acceptance of a successor Administrative Agent as provided below, the Administrative Agent may resign at any time by giving five days prior notice thereof to the Lenders and the Borrowers, and the Administrative Agent may be removed at any time with or without cause by the Majority Lenders. Upon any such resignation or removal, the Majority Lenders shall have the right, in consultation with the Borrowers, to appoint a successor Administrative Agent. If no successor Administrative Agent shall have been so appointed by the Majority Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent's giving of notice of resignation or the Majority Lenders' removal of the retiring Administrative Agent, then the retiring Administrative Agent may, on behalf of the Lenders, in consultation with the Borrowers, appoint a successor Administrative Agent, that shall be a bank that has an office in New York, New York with a combined capital and surplus of at least \$500,000,000. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder. After any retiring Administrative Agent's resignation or removal hereunder as Administrative Agent, the provisions of this Section 10 shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as the Administrative Agent.

10.09 Consents under Other Loan Documents. Except as otherwise provided in  
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Section 11.04 hereof with respect to this Agreement, the Administrative Agent may, with the prior consent of the Majority Lenders (but not otherwise), consent to any modification, supplement or waiver under any of the Loan Documents, provided that, without the prior consent of each Lender, the Administrative Agent shall not (except as provided herein or in the Security Documents) release all or substantially all of the Subsidiary Guarantors from their obligations under the Security Documents, or release all or substantially all of the collateral or otherwise terminate all or substantially all of the Liens under the Security Documents (taken as a whole), or agree to additional obligations being secured by all or substantially all such collateral security (unless the Lien for such additional obligations shall be junior to the Lien in favor of the other obligations secured by such Security Document, in which event the Administrative Agent may consent to such junior Lien provided that it obtains the consent of the Majority Lenders thereto), alter the relative priorities of the obligations entitled to the benefits of all or substantially all of the Liens under the Security Documents, except that no such consent shall be required, and the Administrative Agent is hereby authorized, to release any Lien covering Property (and to release any Subsidiary Guarantor) that is the subject of either a disposition of Property permitted hereunder or a Disposition to which the Majority Lenders have consented.

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Section 11. Miscellaneous.

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11.01 Waiver. No failure on the part of the Administrative Agent or any

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Lender to exercise and no delay in exercising, and no course of dealing with respect to, any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The remedies provided herein are cumulative and not exclusive of any remedies provided by law.

Each Borrower irrevocably waives, to the fullest extent permitted by applicable law, any claim that any action or proceeding commenced by the Administrative Agent or any Lender relating in any way to this Agreement should be dismissed or stayed by reason, or pending the resolution, of any action or proceeding commenced by a Borrower relating in any way to this Agreement whether or not commenced earlier. To the fullest extent permitted by applicable law, the Borrowers shall take all measures necessary for any such action or proceeding commenced by the Administrative Agent or any Lender to proceed to judgment prior to the entry of judgment in any such action or proceeding commenced by a Borrower.

11.02 Notices. All notices, requests and other communications provided for

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herein and under the Security Documents (including, without limitation, any modifications of, or waivers, requests or consents under, this Agreement) shall be given or made in writing (including, without limitation, by telecopy) delivered to the intended recipient at (i) in the case of the Borrowers and the Administrative Agent, at the "Address for Notices" specified below its name on the signature pages hereof and (ii) in the case of each of the Lenders, the address (or telecopy number) set forth in its Administrative Questionnaire; or, as to any party, at such other address as shall be designated by such party in a notice to each other party. Notwithstanding the foregoing, notices of borrowing, prepayment and Conversion of Loans pursuant to Section 4.05 hereof may be made by telephone, so long as the same are promptly confirmed in writing. Except as otherwise provided in this Agreement, all such communications shall be deemed to have been duly given when transmitted by telecopier or personally delivered or, in the case of a mailed notice, upon receipt, in each case given or addressed as aforesaid.

11.03 Expenses, Etc. The Borrowers jointly and severally agree to pay or

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reimburse each of the Lenders and the Administrative Agent for: (a) all reasonable out-of-pocket costs and expenses of the Administrative Agent (including, without limitation, the reasonable fees and expenses of Milbank, Tweed, Hadley & McCloy LLP, special New York counsel to Chase) in connection with (i) the negotiation, preparation, execution and delivery of this Agreement and the other Loan Documents and the extension of credit hereunder and (ii) the negotiation or preparation of any modification, supplement or waiver of any of the terms of this

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Agreement or any of the other Loan Documents (whether or not consummated); (b) all reasonable out-of-pocket costs and expenses of the Lenders and the Administrative Agent (including, without limitation, the reasonable fees and expenses of legal counsel) in connection with (i) any Default and any enforcement or collection proceedings resulting therefrom, including, without limitation, all manner of participation in or other involvement with (x) bankruptcy, insolvency, receivership, foreclosure, winding up or liquidation proceedings, (y) judicial or regulatory proceedings and (z) workout, restructuring or other negotiations or proceedings (whether or not the workout, restructuring or transaction contemplated thereby is consummated) and (ii) the enforcement of this Section 11.03; and (c) all transfer, stamp, documentary or other similar taxes, assessments or charges levied by any governmental or revenue authority in respect of this Agreement or any of the other Loan Documents or any other document referred to herein or therein and all costs, expenses, taxes, assessments and other charges incurred in connection with any filing, registration, recording or perfection of any security interest contemplated by any Security Document or any other document referred to therein.

The Borrowers hereby jointly and severally agree to indemnify the Administrative Agent, each Lender, each of their affiliates and their respective directors, officers, employees, attorneys and agents from, and hold each of them harmless against, any and all losses, liabilities, claims, damages or expenses incurred by any of them (including, without limitation, any and all losses, liabilities, claims, damages or expenses incurred by the Administrative Agent to any Lender, whether or not the Administrative Agent or any Lender is a party thereto) arising out of or by reason of any investigation or litigation or other proceedings (including any threatened investigation or litigation or other proceedings) relating to the extensions of credit hereunder or any actual or proposed use by the Borrowers or any of their Subsidiaries of the proceeds of any of the extensions of credit hereunder, including, without limitation, the reasonable fees and disbursements of counsel incurred in connection with any such investigation or litigation or other proceedings (but excluding any such losses, liabilities, claims, damages or expenses incurred by reason of the gross negligence or willful misconduct of the Person to be indemnified).

11.04 Amendments, Etc. Except as otherwise expressly provided in this

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Agreement, any provision of this Agreement may be modified or supplemented only by an instrument in writing signed by the Borrowers and the Majority Lenders, or by the Borrowers and the Administrative Agent acting with the consent of the Majority Lenders, and any provision of this Agreement may be waived by the Majority Lenders or by the Administrative Agent acting with the consent of the Majority Lenders; provided that:  
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(a) no modification, supplement or waiver shall, unless by an instrument signed by all of the Lenders or by the Administrative Agent acting with the consent of all of the Lenders:

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- (i) increase, or extend the term of any of the Commitments, or extend the time or waive any requirement for the reduction or termination of any of the Commitments,
  - (ii) extend the date fixed for the payment of principal of or interest on any Loan, the Reimbursement Obligations or any fee hereunder,
  - (iii) reduce the amount of any such payment of principal,
  - (iv) reduce the rate at which interest is payable thereon or any fee is payable hereunder,
  - (v) alter the manner in which payments or prepayments of principal, interest or other amounts hereunder shall be applied, or provide that any Class of Loans or Lenders are subordinate in right of payment or have junior priority as to Collateral, as between the Lenders or Classes of Loans,
  - (vi) alter the terms of this Section 11.04,
  - (vii) modify the percentages set forth in the definition of the term "Majority Lenders", "Majority Revolving Credit Lenders", "Majority Term Loan Lenders" or "Majority Incremental Facility Lenders",
  - (viii) waive or amend any provision requiring the consent or approval of all Lenders, or
  - (ix) waive any of the conditions precedent set forth in Section 6.01 hereof; and
- (b) any modification or supplement of Section 10 hereof, or of any of the rights or duties of the Administrative Agent hereunder, shall require the consent of the Administrative Agent.

Anything in this Agreement to the contrary notwithstanding, no waiver or modification of any provision of this Agreement that has the effect (either immediately or at some later time) of enabling the Borrowers to satisfy a condition precedent to the making of a Revolving Credit Loan or Incremental Facility Loan of any Series shall be effective against the Revolving Credit Lenders for the purposes of the Revolving Credit Commitments and Incremental Facility Commitments of such Series unless the Majority Revolving Credit Lenders or Majority Incremental Facility Lenders of such Series, as applicable, shall have concurred with such waiver or modification, and no waiver or modification of any provision of this Agreement

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or any other Loan Document that could reasonably be expected to adversely affect the Lenders of any Class shall be effective against the Lenders of such Class unless the Majority Revolving Credit Lenders, Majority Term Loan Lenders or Majority Incremental Facility Lenders or the applicable Series, as the case may be, shall have concurred with such waiver or modification.

11.05 Successors and Assigns. This Agreement shall be binding upon and inure

to the benefit of the parties hereto and their respective successors and permitted assigns.

11.06 Assignments and Participations.

(a) None of the Borrowers may assign any of its rights or obligations hereunder without the prior consent of all of the Lenders and the Administrative Agent.

(b) Each Lender may assign any of its Loans, its Commitments and, if such Lender is a Revolving Credit Lender, its Letter of Credit Interest (but only with the consent of, in the case of its outstanding Commitments, the Borrowers and the Administrative Agent and, in the case of the Revolving Credit Commitment or a Letter of Credit Interest, the Issuing Lender, which consents shall not be unreasonably withheld or delayed); provided that

(i) no such consent by the Borrowers or the Administrative Agent shall be required in the case of any assignment to another Lender, an affiliate of a Lender or an Approved Fund of a Lender;

(ii) except to the extent the Borrowers and the Administrative Agent shall otherwise consent, any such partial assignment (other than to another Lender or an affiliate or an Approved Fund of a Lender) shall be in an amount at least equal to \$5,000,000;

(iii) each such assignment by a Lender of its Revolving Credit Loans or Revolving Credit Commitment or Letter of Credit Interest shall be made in such manner so that the same portion of its Revolving Credit Loans, Revolving Credit Commitment and Letter of Credit Interest is assigned to the respective assignee;

(iv) each such assignment by a Lender of its Term Loans or Term Loan Commitment shall be made in such manner so that the same portion of its Term Loans and Term Loan Commitment is assigned to the respective assignee;

(v) each such assignment by a Lender of its Incremental Facility Loans of any Series shall be made in such manner so that the same portion of its Incremental Facility Loans and Incremental Facility Commitment of such Series is assigned to the respective assignee; and

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(vi) upon each such assignment, the assignor and assignee shall deliver to the Borrowers, the Administrative Agent and the Issuing Lender an Assignment and Acceptance in the form of Exhibit A hereto and the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

Upon execution and delivery by the assignor and the assignee to the Borrowers, the Administrative Agent and the Issuing Lender of such Assignment and Acceptance, and upon consent thereto by the Borrowers, the Administrative Agent and the Issuing Lender to the extent required above, the assignee shall have, to the extent of such assignment (unless otherwise consented to by the Borrowers, the Administrative Agent and the Issuing Lender), the obligations, rights and benefits of a Lender hereunder holding the Commitment(s), Loans and, if applicable, Letter of Credit Interest (or portions thereof) assigned to it and specified in such Assignment and Acceptance (in addition to the Commitment(s), Loans and Letter of Credit Interest, if any, theretofore held by such assignee) and the assigning Lender shall, to the extent of such assignment, be released from the Commitment(s) (or portion(s) thereof) so assigned. Upon each such assignment the assigning Lender shall pay the Administrative Agent an assignment fee of \$3,500; provided, however, that no such fee shall be payable in the case

of an assignment to another Lender, an Affiliate of a Lender or an Approved Fund; and provided further that, in the case of contemporaneous assignments by a

Lender to more than one fund managed by the same investment advisor (which funds are not then Lenders hereunder), only a single such fee shall be payable for all such contemporaneous assignments.

(c) A Lender may sell or agree to sell to one or more other Persons (each a "Participant") a participation in all or any part of any Loans or Letter of

Credit Interest held by it, or in its Commitments, provided that (i) such

Participant shall not have any rights or obligations under this Agreement or any other Loan Document (the Participant's rights against such Lender in respect of such participation to be those set forth in the agreements executed by such Lender in favor of the Participant) and (ii) such Lender shall promptly notify the Borrowers of the sale of such participation. All amounts payable by the Borrowers to any Lender under Section 5 hereof in respect of Loans and Letter of Credit Interests held by it, and its Commitments, shall be determined as if such Lender had not sold or agreed to sell any participations in such Loans, Letter of Credit Interest and Commitments, and as if such Lender were funding each of such Loan, Letter of Credit Interest and Commitments in the same way that it is funding the portion of such Loan, Letter of Credit Interest and Commitments in which no participations have been sold. In no event shall a Lender that sells a participation agree with the Participant to take or refrain from taking any action hereunder or under any other Loan Document except that such Lender may agree with the Participant that it will not, without the consent of the Participant, agree to (i) increase or extend the term of such Lender's related Commitment or extend the amount or date of any scheduled reduction of such Commitment pursuant to Section 2.04 hereof, (ii) extend the date fixed for the payment of principal of or interest on the related Loan or Loans,

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Reimbursement Obligations or any portion of any fee hereunder payable to the Participant, (iii) reduce the amount of any such payment of principal, (iv) reduce the rate at which interest is payable thereon, or any fee hereunder payable to the Participant, to a level below the rate at which the Participant is entitled to receive such interest or fee or (v) consent to any modification, supplement or waiver hereof or of any of the other Loan Documents to the extent that the same, under Section 10.09 or Section 11.04 hereof, requires the consent of each Lender.

(d) In addition to the assignments and participations permitted under the foregoing provisions of this Section 11.06, any Lender may (without notice to the Borrowers, the Administrative Agent or any other Lender and without payment of any fee) (i) assign and pledge all or any portion of its Loans to any Federal Reserve Bank as collateral security pursuant to Regulation A and any Operating Circular issued by such Federal Reserve Lender and (ii) assign all or any portion of its rights under this Agreement and its Loans to an affiliate. Any Lender that is a fund that invests in bank loans may (without the consent of the Borrowers or the Administrative Agent) pledge all or any portion of its rights in connection with this Agreement to the trustee for holders of obligations owed, or securities issued, by such fund as security for such obligations or such securities, provided that any foreclosure or other exercise of remedies by such trustee shall be subject to the provisions of this Section 11.06 in all respects. No assignment or pledge described in this paragraph shall release the assigning Lender from its obligations hereunder.

(e) A Lender may furnish any information concerning the Borrowers or any of their Subsidiaries in the possession of such Lender from time to time to assignees and participants (including prospective assignees and participants), subject, however, to the provisions of Section 11.12(b) hereof.

(f) Anything in this Section 11.06 to the contrary notwithstanding, no Lender may assign or participate any interest in any Loan or Reimbursement Obligation held by it hereunder to the Borrowers or any of their Affiliates or Subsidiaries without the prior consent of each Lender.

(g) The Administrative Agent, acting for this purpose as an agent of the Borrowers, shall maintain at one of its offices in The City of New York a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amount of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be

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conclusive, and the Borrowers, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrowers and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

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(h) Upon its receipt of a duly completed Assignment and Acceptance executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) above, the Administrative Agent shall accept such Assignment and Acceptance and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(i) Notwithstanding anything to the contrary contained herein, any lender (a "Granting Lender") may grant to a special purpose funding vehicle (a "SPC"),  
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identified as such in writing from time to time by the Granting Lender to the Administrative Agent and the Borrowers, the option to provide to the Borrowers all or any part of any Loan that such Granting Lender would otherwise be obligated to make to the Borrowers pursuant to this Agreement; provided that (i)

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nothing herein shall constitute a commitment by any SPC to make any Loan, (ii) if an SPC elects not to exercise such option or otherwise fails to provide all or any part of such Loan, the Granting Lender shall be obligated to make such Loan pursuant to the terms hereof. The making of a Loan by an SPC hereunder shall utilize the Commitment of the Granting Lender to the same extent, and as if, such Loan were made by such Granting Lender. Each party hereto hereby agrees that no SPC shall be liable for any indemnity or similar payment obligation under this Agreement (all liability for which shall remain with the Granting Lender). In furtherance of the foregoing, each party hereto hereby agrees (which agreement shall survive the termination of this Agreement) that, prior to the date that is one year and one day after the payment in full of all outstanding commercial paper, or other senior indebtedness of any SPC, it will not institute against, or join any other person in instituting against, such SPC any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings under the laws of the United States or any State thereof in respect of claims arising out of this Agreement. In addition, notwithstanding anything to the contrary contained in this Section 11.06(i), any SPC may (i) with notice to, but without the prior written consent of, the Borrowers and the Administrative Agent and without paying any processing fee therefor, assign all or a portion of its interests in any Loans to the Granting Lender or to any financial institutions (consented to by the Borrowers and Administrative Agent) providing liquidity and/or credit support to or for the account of such SPC to support the funding or maintenance of Loans and (ii) disclose on a confidential basis any non-public information relating to its Loans to any rating agency, commercial paper dealer or provider of any surety, guarantee or credit or liquidity enhancement to such SPC.

11.07 Survival. The obligations of the Borrowers under Sections 5.01, 5.05,  
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5.06, 5.07 and 11.03 hereof, and the obligations of the Lenders under Section 10.05 hereof, shall survive the repayment of the Loans and Reimbursement Obligations and the termination of the Commitments and, in the case of any Lender that may assign any interest in its Commitments,

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Loans or Letter of Credit Interest hereunder, shall survive the making of such assignment, notwithstanding that such assigning Lender may cease to be a "Lender" hereunder. In addition, each representation and warranty made, or deemed to be made by a notice of any extension of credit (whether by means of a Loan or a Letter of Credit), herein or pursuant hereto shall survive the making of such representation and warranty, and no Lender shall be deemed to have waived, by reason of making any extension of credit hereunder (whether by means of a Loan or a Letter of Credit), any Default that may arise by reason of such representation or warranty proving to have been false or misleading, notwithstanding that such Lender or the Administrative Agent may have had notice or knowledge or reason to believe that such representation or warranty was false or misleading at the time such extension of credit was made.

11.08 Captions. The table of contents and captions and section headings  
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appearing herein are included solely for convenience of reference and are not intended to affect the interpretation of any provision of this Agreement.

11.09 Counterparts. This Agreement may be executed in any number of  
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counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Agreement by signing any such counterpart.

11.10 Governing Law; Submission to Jurisdiction. This Agreement shall be  
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governed by, and construed in accordance with, the law of the State of New York. Each Borrower hereby submits to the nonexclusive jurisdiction of the United States District Court for the Southern District of New York and of the Supreme Court of the State of New York sitting in New York County (including its Appellate Division), and of any other appellate court in the State of New York, for the purposes of all legal proceedings arising out of or relating to this Agreement or the transactions contemplated hereby. Each Borrower hereby irrevocably waives, to the fullest extent permitted by applicable law, any objection that it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum.

11.11 Waiver of Jury Trial. EACH OF THE BORROWERS, THE ADMINISTRATIVE AGENT  
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AND THE LENDERS HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

11.12 Treatment of Certain Information; Confidentiality.  
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(a) The Borrowers acknowledge that from time to time financial advisory, investment banking and other services may be offered or provided to the Borrowers or one or

more of their Subsidiaries (in connection with this Agreement or otherwise) by any Lender or by one or more subsidiaries or affiliates of such Lender and the Borrowers hereby authorize each Lender to share any information delivered to such Lender by the Borrowers and their Subsidiaries pursuant to this Agreement, or in connection with the decision of such Lender to enter into this Agreement, to any such subsidiary or affiliate, it being understood that any such subsidiary or affiliate receiving such information shall be bound by the provisions of paragraph (b) below as if it were a Lender hereunder. Such authorization shall survive the repayment of the Loans and Reimbursement Obligations and the termination of the Commitments.

(b) Each Lender and the Administrative Agent agrees (on behalf of itself and each of its affiliates, directors, officers, employees and representatives) to use reasonable precautions to keep confidential, in accordance with their customary procedures for handling confidential information of the same nature and in accordance with safe and sound banking practices, any non-public information supplied to it by any Obligor pursuant to this Agreement or any other Loan Document that is identified by the Borrowers as being confidential at the time the same is delivered to the Lenders or the Administrative Agent, provided that nothing herein shall limit the disclosure of any such information

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(i) after such information shall have become public (other than through a violation of this Section 11.12), (ii) to the extent required by statute, rule, regulation or judicial process, (iii) to counsel for any of the Lenders or the Administrative Agent, (iv) to bank examiners (or any other regulatory authority having jurisdiction over any Lender or the Administrative Agent), or to auditors or accountants, (v) to the Administrative Agent or any other Lender (or to Chase Securities Inc.), (vi) in connection with any litigation to which any one or more of the Lenders or the Administrative Agent is a party, or in connection with the enforcement of rights or remedies hereunder or under any other Loan Document, (vii) to a subsidiary or affiliate of such Lender as provided in paragraph (a) above, (viii) to any direct or indirect contractual counterparty in swap agreements or such counterparty's professional advisor or (ix) to any assignee or participant (or prospective assignee or participant) so long as such assignee or participant (or prospective assignee or participant) first executes and delivers to the respective Lender a Confidentiality Agreement substantially in the form of Exhibit I hereto (or executes and delivers to such Lender an acknowledgement to the effect that it is bound by the provisions of this Section 11.12(b), which acknowledgement may be included as part of the respective assignment or participation agreement pursuant to which such assignee or participant acquires an interest in the Loans or Letter of Credit Interest hereunder); provided, further, that obligations of any assignee that has

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executed a Confidentiality Agreement in the form of Exhibit I hereto shall be superseded by this Section 11.12 upon the date upon which such assignee becomes a Lender hereunder pursuant to Section 11.06(b) hereof.

Credit Agreement

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

MEDIACOM ILLINOIS LLC  
MEDIACOM INDIANA LLC  
MEDIACOM IOWA LLC  
MEDIACOM MINNESOTA LLC  
MEDIACOM WISCONSIN LLC

By MEDIACOM LLC, a Member

By: /s/  
-----  
Name:  
Title:

ZYLSTRA COMMUNICATIONS CORP.

By: /s/  
-----  
Name:  
Title:

c/o Mediacom LLC  
100 Crystal Road  
Middletown, New York 10941

Attention: Rocco B. Commisso

Telecopier No.: (914) 695-2889  
Telephone No.: (914) 695-2600

Credit Agreement  
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THE CHASE MANHATTAN BANK,  
individually and as Administrative Agent

By: /s/  
-----  
Name: Constance Coleman  
Title: Vice President

Address for Notices to  
Chase as Administrative Agent:

The Chase Manhattan Bank  
Agent Bank Services  
1 Chase Manhattan Plaza  
New York, New York 10081

Telecopier No.: (212) 552-5700

Telephone No.: (212) 552-7440

CIBC INC.

By: /s/  
-----  
Name:  
Title:

MELLON BANK, N.A.

By: /s/  
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Name:  
Title:

Credit Agreement  
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BANK OF MONTREAL

By: /s/  
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Name:  
Title:

FIRST UNION NATIONAL BANK

By: /s/  
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Name:  
Title:

CREDIT SUISSE FIRST BOSTON

By: /s/  
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Name:  
Title:

By: /s/  
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Name:  
Title:

DRESDNER BANK AG NEW YORK AND  
GRAND CAYMAN BRANCHES

By: /s/  
-----  
Name:  
Title:

FLEET NATIONAL BANK

By: /s/  
-----  
Name:  
Title:

Credit Agreement  
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PNC BANK, NATIONAL ASSOCIATION

By: /s/  
-----  
Name:  
Title:

THE BANK OF NOVA SCOTIA

By: /s/  
-----  
Name:  
Title:

SUNTRUST BANK, CENTRAL FLORIDA, N.A.

By: /s/  
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Name:  
Title:

BANK OF AMERICA, N.A.

By: /s/  
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Name:  
Title:

THE FUJI BANK, LIMITED

By: /s/  
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Name:  
Title:

Credit Agreement  
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MEES PIERSON CAPITAL CORP.

By: /s/  
-----  
Name:  
Title:

By: /s/  
-----  
Name:  
Title:

UNION BANK OF CALIFORNIA, N.A.

By: /s/  
-----  
Name:  
Title:

CITIBANK, N.A.

By: /s/  
-----  
Name:  
Title:

SOCIETE GENERALE

By: /s/  
-----  
Name:  
Title:

Credit Agreement

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GENERAL ELECTRIC CAPITAL CORPORATION

By: /s/  
-----  
Name:  
Title:

CREDIT AGRICOLE INDOSUEZ

By: /s/  
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Name:  
Title:

By: /s/  
-----  
Name:  
Title:

KZH SOLEIL LLC

By: /s/  
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Name:  
Title:

KZH SOLEIL-2 LLC

By: /s/  
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Name:  
Title:

Credit Agreement  
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SCHEDULE I

Commitments		
Lender	Revolving Credit Commitment	Term Loan Commitment
- - - - -	- - - - -	- - - - -
The Chase Manhattan Bank	\$ 36,000,000.00	\$ 18,000,000.00
CIBC Inc.	33,000,000.00	3,000,000.00
Mellon Bank, N.A.	33,000,000.00	
First Union National Bank	26,000,000.00	5,000,000.00
Bank of Montreal	26,000,000.00	5,000,000.00
Credit Suisse First Boston	26,000,000.00	
Dresdner Bank AG New York and Grand Cayman Branches	26,000,000.00	
Fleet National Bank	26,000,000.00	
PNC Bank, National Association	26,000,000.00	
The Bank of Nova Scotia	26,000,000.00	
SunTrust Bank, Central Florida, N.A.	26,000,000.00	5,000,000.00
Bank of America, N.A.	26,000,000.00	5,000,000.00
Citibank, N.A.	26,000,000.00	
Societe Generale	26,000,000.00	
Union Bank of California, N.A.	26,000,000.00	10,000,000.00
Credit Agricole Indosuez	16,000,000.00	4,000,000.00
The Fuji Bank, Limited	10,000,000.00	5,000,000.00
Mees Pierson Capital Corp.	10,000,000.00	5,000,000.00
General Electric Capital Corporation		15,000,000.00
KZH SOLEIL LLC		10,000,000.00
KZH SOLEIL-2 LLC		10,000,000.00
Total	\$450,000,000.00	\$100,000,000.00
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Schedule I  
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SCHEDULE II

Taxes

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[See Section 7.08]

Schedule II

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SCHEDULE III

Material Agreements and Liens  
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[See Sections 7.11, 8.06(b) and 8.07(b)]

Part A - Material Agreements  
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Part B - Liens  
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Schedule III  
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SCHEDULE IV

Investments

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[See Sections 7.14 and 8.08(a)]

Schedule IV

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SCHEDULE V

Franchises

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[See definition of "Franchises" in  
Section 1.01 and Section 7.16]

Schedule V

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SCHEDULE VI

Certain Matters related to CATV Systems  
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[See definition of CATV Systems in Section 1.01 and Section 7.17]

Schedule VI  
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SCHEDULE VII

Certain Adjustments to System Cash Flow

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[See definition of "Adjusted System Cash Flow" in Section 1.01]

Schedule VII

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Subsidiaries of Mediacom Communications Corporation

Subsidiary	State of Incorporation Or Organization	Names under which subsidiary does business
Mediacom LLC	New York	
Mediacom Arizona LLC	Delaware	Mediacom Arizona Cable Network LLC
Mediacom California LLC	Delaware	Mediacom California LLC
Mediacom Capital Corporation	New York	Mediacom Capital Corporation
Mediacom Delaware LLC	Delaware	Mediacom Delaware LLC
		Maryland Mediacom Delaware LLC
Mediacom Illinois LLC	Delaware	Mediacom Illinois LLC
Mediacom Indiana LLC	Delaware	Mediacom Indiana LLC
Mediacom Iowa LLC	Delaware	Mediacom Iowa LLC
Mediacom Minnesota LLC	Delaware	Mediacom Minnesota LLC
Mediacom Southeast LLC	Delaware	Mediacom Southeast LLC
Mediacom Wisconsin LLC	Delaware	Mediacom Wisconsin LLC
Zylstra Communications Corporation	Minnesota	Zylstra Communications Corporation

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the use of our report (and to all references to our Firm) included in or made a part of this registration statement.

/s/ Arthur Andersen LLP

Stamford, Connecticut  
November 10, 1999

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the use of our report (and to all references to our Firm) included in or made a part of this registration statement.

/s/ Arthur Andersen LLP

Denver, Colorado  
November 10, 1999

CONSENT OF INDEPENDENT ACCOUNTANTS

The Board of Directors  
Cablevision Systems Corporation

We consent to the inclusion of our report dated March 20, 1998, on the consolidated balance sheets of U.S. Cable Television Group, L.P. and subsidiaries as of December 31, 1997 and 1996, and the related consolidated statements of operations and partners' capital (deficiency) and cash flows for the year ended December 31, 1997, and for the periods from January 1, 1996 to August 12, 1996, and August 13, 1996 to December 31, 1996, in the registration statement on Form S-1 and related prospectus of Mediacom Communications Corporation. We also consent to the inclusion of our report dated April 1, 1997, except as to Note 11 which is as of January 23, 1998, on the consolidated balance sheets of U.S. Cable Television Group, L.P. and subsidiaries as of December 31, 1996 and 1995 and the related consolidated statements of operations and partners' capital (deficiency) and cash flows for the periods from January 1, 1996 to August 12, 1996, and August 13, 1996 to December 31, 1996, and for the years ended December 31, 1995 and 1994, in the registration statement on Form S-1 and related prospectus of Mediacom Communications Corporation and to the reference to our firm under the heading "Experts" in the registration statement and related prospectus. Such reports include an explanatory paragraph related to a change in cost basis of the consolidated financial information as a result of a redemption of certain limited and general partnership interests effective August 13, 1996.

/s/ KPMG LLP

Melville, New York  
November 10, 1999