BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION OF MEDIACOM DELAWARE LLC, FOR THE COMMENCEMENT OF PROCEEDINGS PURSUANT TO 47 U.S.C. § 546 REGARDING THE RENEWAL OF THE CABLE TELEVISION FRANCHISE TO SERVE CERTAIN UNINCORPORATED AREAS OF SUSSEX COUNTY, DELAWARE (FILED OCTOBER 17, 2013)	)	PSC DOCKET NO. 13-431

ORDER NO. 8883

RENEWAL OF CABLE TELEVISION FRANCHISE

This 3rd day of May, 2016, the Public Service Commission, for the reasons set forth below, enters the following Order which renews the Cable Television Franchise now held by Mediacom Delaware LLC, for an additional term of fifteen years subject to the terms and conditions as specified in this Order.

PROCEDURAL HISTORY AND ORDER GRANTING RENEWAL

A. Background

1. Mediacom Delaware LLC ("Mediacom"), presently holds a franchise ("the Franchise") from the Public Service Commission ("PSC" or "Commission") to provide cable television service within a franchise territory in certain unincorporated areas of southern Sussex County. The Franchise had originally been encompassed within a consolidated franchise granted to Simmons Communications Company, LP, in 1991. PSC Order No. 3282 (June 18, 1991). One year later, the

Commission split that larger franchise into two separate franchises and approved the transfer of the resulting Franchise for the southern area to American Cable TV Investors 5, Ltd ("ACTV"). See PSC Order No. 3427 (June 9, 1992). In 1997, the Commission approved the transfer of the ACTV franchise to Mediacom. See PSC Order No. 4505 (May 27, 1997). The Franchise was renewed for fifteen years expiring on June 10, 2016. See PSC Order No. 5499 (July 11, 2000). The Franchise will expire on June 10, 2016, but includes a provision granting the franchisee the option to request renewal of the Franchise for an additional period not to exceed fifteen years. See PSC Order No. 3427, ¶ III(1)(a)-(b) (June 18, 1991). See 26 *Del. C.* § 604(4) (requiring a provision in the Franchise providing for the right of renewal after public hearing reviewing franchisee's performance and current qualifications).

2. On October 17, 2013, Mediacom filed a letter with the Commission invoking the formal multi-step process for renewing a cable television system franchise as outlined in 47 U.S.C. § 546(a)-(d). As described in more detail in PSC Order No. 8527 (February 6, 2014), the Commission thereafter held three publicly-noticed public comment sessions to help the Commission identify future cable-related community needs and interests and to review Mediacom's performance under its current franchise. See 47 U.S.C. § 546(a). At those public comment sessions, which were held on December 4, 2015 at the Millsboro American Legion Post 28, on December 9, 2015 at the Bethany Beach Fire Department, and on August 10, 2015 at the Bethany Beach Town Hall, Mediacom described: (a) the network system improvements it had made to

the cable system; (b) the increased channel offerings and new digital services it now offered; (c) the triple play service offering; and (d) addressed the service complaints of the attendees. Comments, both written and verbal, were received at the public comment sessions. Some of the comments were positive, and some were critical of the service provided by Mediacom. See Hearing Examiner's Report on Public Comments attached as EXHIBIT A.

3. Prior to the completion of the initial "identification and assessment" stage of the formal renewal process, Mediacom tendered a renewal proposal pursuant to the alternative informal renewal procedures permitted under the provisions of 47 U.S.C. § 546(h). That provision permits a cable system operator to submit a proposal for the renewal of the franchise outside the three-step process set forth in 47 U.S.C. § 546(a)-(d) and allows the franchising authority, after affording the public both notice and the opportunity for comment, to then either grant or deny such alternative proposal. Mediacom's alternative proposal revised the current Franchise. These changes are shown in "redline" format in EXHIBIT B attached hereto and summarized as follows: Since the system is now digital, Sections 4(m) and (n)) are obsolete. These sections deal with analog signals and parental control which can be setup by the subscriber through the television. Section 6(iv) is being deleted because it would require Mediacom to produce information about any legal proceedings outside the Commission's jurisdiction. In Section 9(b), the word "uninterruptible" is added to make the sentence read "full uninterruptible thirty (30) day period" and the percentage of fees to

be refunded to the customer changed from 25% to 10%. This provides clarification when a refund is due and most subscribers have more than just cable service so the refund would be comparable to refund in the previous Franchise. In Section 9, the Company added language concerning consistency with Section 626 of the Cable Act and in Section 11, the Company added language that it was in accordance with FCC regulations related to the Emergency Alert System. Staff has reviewed these revisions and recommends that these changes be included in the Franchise Agreement attached as EXHIBIT C to this Order.

4. Notice was published in the Delaware State News and in the Cape Gazette on April 15, 2016 that the Commission would consider the alternative renewal proposal at a public evidentiary hearing to be held on May 3, 2016.

5. The Commission sat to consider the alternative renewal proposal at a public hearing during its regularly scheduled meeting on May 3, 2016.

6. At the conclusion of the hearing on May 3, 2016, the Commission determined to accept the alternative proposal tendered by Mediacom and renew the present Franchise for an extended period of fifteen years, subject to the conditions contained herein.

B. Legal Authority

7. The Commission is empowered to grant franchises to cable television systems operating in the unincorporated areas of the State of Delaware. 26 *Del. C.* §§ 601-616. Moreover, under current state law, the Commission may renew a previously-granted cable system franchise after conducting a public hearing for the sole purpose of

reviewing the cable operator's performance and current qualifications. See 26 *Del. C.* § 604(4).

C. Approval of Franchise Extension

8. The Commission accepts Mediacom's proposal to extend the present Franchise for an additional fifteen years under the revised terms and conditions as set forth in the Franchise Agreement, attached hereto in final form as EXHIBIT C. The Commission does so for several reasons. First, Mediacom has been operating the system for the past fifteen years and it has the financial resources, managerial experience, and operational capabilities to continue to adequately operate the cable system. Second, since its acquisition of the system, Mediacom has made system upgrades and increased the number of television channel offerings. Third, the various public hearings did not reveal any significant public opposition to such renewal.

9. However, based upon the public comments, as summarized in EXHIBIT A, that identified recurring issues with picture quality, service reliability, and customer service, and Staff's recommendation, the Commission accepts Mediacom's proposal but also imposes additional monitoring of these issues, as detailed below, for a period of one year. After one year, Mediacom shall be bound only by the reporting requirements in Section 6 of the Franchise Agreement.

9. The Commission accepts Mediacom's proposal to extend the present Franchise for an additional fifteen years under the revised terms and conditions as set forth in the Franchise Agreement, attached hereto in final form as EXHIBIT C, with the explicit understanding that the renewed franchise shall not be construed to

undermine the obligations imposed on Mediacom by any applicable federal and state law. Thus, any omission in the Franchise Agreement regarding an obligation or restraint imposed by state or federal law shall not be construed to relieve Mediacom from complying with that statutory requirement. Similarly, any inconsistency in the Franchise Agreement with the obligations or restrictions imposed by federal or state law (or regulations adopted by the Commission to implement such laws) cannot survive, and must necessarily yield to, the statutory or regulatory obligation. See 26 *Del. C.* § 605(6).

NOW, THEREFORE, IN CONSIDERATION OF THE ABOVE, IT IS HEREBY ORDERED BY THE AFFIRMATIVE VOTE OF NOT FEWER THAN THREE COMMISSIONERS:

1. The Commission renews, for an additional term of fifteen years, ending June 10, 2031, the non-exclusive Franchise presently authorizing Mediacom Delaware LLC, to operate a cable television system under the terms and conditions contained in the Franchise Agreement attached hereto as EXHIBIT C and as further set forth below.

2. Mediacom Delaware LLC shall submit to the Commission, on a monthly basis (beginning June 1, 2016), for a period of one year from the date of this Order, the following information for the preceding month associated with its cable television service:

- Number of subscribers
- Number of subscribers who disconnected
- Number of subscriber service interruption complaints resulting in a trouble call, type of complaint, and the length of time to resolve complaint

- Average wait time for customer service calls
- Number of dropped or disconnected customer service calls from any telephone number provided by a customer with cable television service within the Franchise area
- Number of repeat service calls
- Number of outages and length of outages
- Time between service request and truck/roll
- Number of picture quality issues that were addressed

3. The Commission reserves the jurisdiction and authority to enter such further Orders in this matter as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:

_____
Chair

_____
Commissioner

_____
Commissioner

_____
Commissioner

_____
Commissioner

ATTEST:

_____

Secretary

EXHIBIT A

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION OF MEDIACOM DELAWARE LLC FOR THE COMMENCEMENT OF PROCEEDINGS PURSUANT TO 47 U.S.C. §546 REGARDING THE RENEWAL OF THE CABLE TELEVISION FRANCHISE TO SERVE CERTAIN UNINCORPORATED AREAS OF SUSSEX COUNTY, DELAWARE (FILED OCTOBER 17, 2013)	)	PSC DOCKET NO. 13-431

HEARING EXAMINER'S REPORT ON PUBLIC COMMENTS

R. Campbell Hay, duly appointed Hearing Examiner in this Docket pursuant to 26 Del. C. §502 and 29 Del. C. ch. 101 and by Public Service Commission Order No. 8527 dated February 6, 2014[1], reports to the Public Service Commission as follows:

I. BACKGROUND

On October 17, 2013, Mediacom Delaware LLC ("Mediacom" or "Company") filed an application with the Delaware Public Service Commission ("Commission")to commence proceedings, pursuant to 47 USC §546, to renew its cable television franchise currently serving certain unincorporated areas of Sussex County, Delaware.

Mediacom is the current holder of a fifteen (15) year cable television franchise ("Franchise") issued by the Commission in July, 2000 by Commission Order No. 5499 to provide cable television service in certain unincorporated areas of Sussex County ("Franchise Territory"). The Franchise is set to expire on June 10, 2016, but includes a provision granting Mediacom an option to request renewal for an additional period not to exceed fifteen (15) years.

On February 6, 2014, the Commission opened this docket for consideration of the possible renewal of the Franchise. The Commission required that two (2) evening public comment sessions be held at appropriate locations within the Franchise Territory for the purpose of (a) identifying the future cable-related community needs and interests; and (b) reviewing the performance of the cable operator under the Franchise during the current Franchise term.

[1] Commission Order 8527 was erroneously dated February 6, 2013. The Order and the Commission Meeting in which the Order was adopted actually occurred on February 6, 2014.

II. JURISDICTION

Under Del. C. §201(b), "the Commission shall have exclusive original jurisdiction and regulation of every cable television system outside the boundaries of incorporated municipalities...."

Del. C. §202(i)(1) states, "[n]otwithstanding any other provision of law to the contrary, the Commission shall have no jurisdiction or regulatory authority over... IP-enabled service..., including but not limited to, the imposition of regulatory fees, certification requirements, rates, terms or other conditions of service.

"IP-enabled service" is defined in Del. C. §202(i)(3) as "a service, capability, functionality or application provided using Internet protocol, or any successor protocol, that enables an end user to send or receive a communication in Internet protocol format or any successor format, regardless of whether the communication is voice, data or video."

Mediacom is both a cable television system and an internet service provider. In accordance with the aforementioned statutes, the Commission only has jurisdiction over cable television systems. Although several public comments were received regarding internet service, only those regarding Mediacom's cable system and service may be considered by the Commission.

III. PUBLIC COMMENTS

In addition to three (3) written comments received by the Commission, there were three (3) duly noticed[2] Public Comment Sessions (PCS) held for this docket.

The first PCS was held in Millsboro, DE at the Millsboro American Legion Post 28, 31768 Legion Road on December 4, 2014. Seven (7) members of the public commented on Mediacom's service and the application for franchise renewal.

The second PCS was held in Bethany Beach, DE at the Bethany Beach Fire Department, Station 70, 215 Hollywood Street on December 9, 2014. Three (3) members of the public commented.

The third PCS was held in Bethany Beach, DE at the Bethany Beach Town Hall, 214 Garfield Parkway on August 10, 2015. No members of the public attended this PCS.

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[2] The December comment sessions in Millsboro and Bethany Beach were noticed in The Delaware State News on November 19 & 20, 2014. The December comment sessions were noticed in The Sussex Countian on November 27 & December 4, 2014. The August comment session in Bethany Beach was noticed in The Sussex Countian on July 16, 2015. The August session was noticed in the Cape Gazette on July 21, 2015. The August session was noticed in the Delaware State News on July 21, 2015.

A. Written Comments

a. Written Comment 1

The first written comment was submitted by a couple whom only spend weekends in Mediacom's service area.[3] The comment states that technicians are not typically available on weekends. In addition, the commenter states that a service call is necessary every weekend to restore service.

b. Written Comment 2

The second written comment was submitted by a customer who spends half the year in Mediacom's service area and half the year in Florida. The commenter states that he has been overcharged for "off-season" service[4] by Mediacom. The commenter wrote that he contacted Mediacom and was told that he was overcharged for six (6) months of service and a refund was issued; however, the following year the commenter was overcharged again. He states that it appeared that his monthly bill had the correct service listed with an incorrect price[5] and that he was told by a Mediacom representative that he should cancel his service each season, which includes having a technician come to collect the equipment. He states that he was further told to schedule another technician visit when he returns to Mediacom's service area to reinstall the equipment and reconnect service.

c. Written Comment 3

The third written comment was submitted on behalf of the commenter's business and stems from an informal online complaint to the Commission initially regarding unreliable internet service. Charmaine Johnson, who at the time was an Investigator for the Commission responded to the complaint by explaining to the commenter the Commission has no jurisdiction over internet service providers and that the commenter should contact the Federal Communication Commission (FCC). Ms. Johnson forwarded the complaint to Mediacom.

The commenter states that he was told by the FCC that internet service provider complaints are to be handled by the state. Ms. Johnson reiterated the fact that the Commission has no jurisdiction over internet service providers.

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[3] As stated in Commission Order No. 5499, Mediacom's service area is certain unincorporated areas of Sussex County, DE.

[4] "Off-season" service means that service is billed at a lower rate for certain months when the customer is not residing at the location within Mediacom's service area.

[5] Specifically, the commenter states that for six (6) months his bill listed the service as "Vacation Basic" and for the other six (6) months his bill listed the service as "Broadcast Basic." Each service listed the same monthly cost of $66.99. It appears from the comment that he was told by a Mediacom representative that the "Vacation Basic" service should have been approximately half the amount of the "Broadcast Basic" service.

In his final email, the commenter stated that he objects to renewing Mediacom's franchise because of "very poor and unreliable" service, including cable service.

B. Millsboro American Legion Post 28

a. Comment 1

The first comment at the Millsboro PCS was in reference to broadband service; therefore, will not be discussed.

b. Comment 2

The next comment was positive regarding Mediacom service. The commenter stated that service is good and he "loves" the technicians. As to calling customer support, he stated that he has received good service.

c. Comment 3

The third commenter in Millsboro stated that Mediacom's service was poor in comparison to Comcast or Verizon. He stated that for the first one and one half (1 ½) years he had Mediacom cable service he called customer service at least once a week. He further stated that he has made approximately fifty (50) calls to Mediacom, none of which were less than thirty (30) minutes long. He stated that he received conflicting information from technicians. For example, a technician brought in an electrician to wire his modem to the cable box which, as the commenter stated, a subsequent technician said was unnecessary.

The commenter also stated that he doesn't feel that Mediacom has been responsive when called. He said that calls are not returned in a timely manner and when calls are answered he has to speak to multiple representatives to resolve issues.

d. Comment 4

The next commenter first discussed issues with customer support. He stated that wait times on the telephone are too long and service calls are not scheduled in a timely manner. In one instance, he stated that he was told it would be thirty (30) days before a technician could be dispatched.

The commenter also discussed the cable system quality. He said that the television picture is pixilated and sometimes "goes black." He also stated that the television sound turns off intermittently. The commenter opposes a fifteen (15) year franchise renewal.

e. Comment 5

The next commenter stated that the service "goes down" at least once a day. She stated that she has had more problems with Mediacom

service than she has had with other cable companies she has subscribed to. She opposes a fifteen (15) year franchise renewal.

f. Comment 6

This commenter discussed the issues she has with "pixeling, tiling, and lost words." While she stated that the customer support representatives and technicians have always been nice, she does not support franchise renewal because of the technical problems with the service.

g. Comment 7

The next comment was in regards to internet service and will not be discussed.

h. Comment 8

The final commenter in Millsboro stated that it took over six (6) months to get the cable in her new home to work and that she was billed for the months she had no service. She stated that she had to make six (6) visits to the Mediacom office to return faulty equipment. The commenter also cited inconsistent information from customer support representatives.

C. Bethany Beach Fire Department Station 70

a. Comment 1

The first commenter stated that she has had problems on a "continual basis." She did not discuss the specifics of the problems; however, did mention that she has contacted Mediacom customer service several times and that a technician has been out annually to check the lines.

b. Comment 2

State Senator Gerald W. Hocker of the 20th Senatorial District commented on his own behalf and on behalf of his constituents. Senator Hocker stated that his personal experience as a Mediacom customer has been positive. He noted that he has several accounts, both residential and commercial and has "no complaints, no problems."

On behalf of his constituents, Senator Hocker requested that Mediacom offer a "skinny" package.[6] He stated that he, at one time, proposed legislation that would require Mediacom to offer such a package, but the proposal was withdrawn due to the fact that the

[6] A "skinny" package or "skinny" bundle is described in Federal Communications Commission MB Docket No. 15-216 as, essentially, an offering that would allow customers to purchase video programming a la carte.

Federal Communications Commission, and not the State, had jurisdiction over such programming options.

c. Comment 3

The final commenter in this session stated that she has been frustrated since she moved to the area (approximately eighteen (18) months) with the service she has received from Mediacom.

D. Bethany Beach Town Hall

No members of the public attended this session.

IV. DISCUSSION

Mediacom's petition for renewal is subject, at the Federal level, to 47 USC §546. Paragraph (a)(1) of this section states: "A franchising authority may, on its own initiative during the 6-month period which begins with the 36th month before the franchise expiration, commence a proceeding which affords the public in the franchise area appropriate notice and participation for the purpose of (A) identifying the future cable-related community needs and interests, and (B) reviewing the performance of the cable operator under the franchise during the then current franchise term."

Under 26 Del.C. §604(4), "[t]he duration of the franchise...shall be 15 years or such other maximum term as the Federal Communications Commission will allow with rights of renewal in the franchisee for the maximum term allowed by the Federal Communications Commission upon application to the Commission not later than 6 months prior to the expiration of the current term of the franchise and upon a public hearing for the sole purpose of reviewing the franchisee's performance and current qualifications....

In addition, 26 Del.C. §604(6) and (8) require the franchisee not to interrupt service except for a good cause and requires that repairs be made promptly and that the franchisee promptly attempt to resolve complaints and to maintain records of such complaints for one (1) year.

The majority of comments were generally focused on three categories. First, concerns regarding picture quality and reliability; Second, concerns regarding customer service representatives knowledge and ability to help resolve issues, in addition to general responsiveness; Third, concerns regarding internet service. Because the Commission has no jurisdiction over internet service providers, only the first two categories may be considered.

There were two commenters who were happy with their service. As for other commenters, it appears that Mediacom is, generally, timely in its response to issues; however, the issues seem to be ongoing and not resolved in a timely fashion. There were also multiple comments regarding insufficient knowledge of the customer service staff and multiple incidents of being transferred to several different

representatives. In some cases, different customer service representatives provided conflicting information.

February 11, 2016

Respectfully submitted,

Hearing Examiner

EXHIBIT B

RENEWED CABLE TELEVISION SYSTEM FRANCHISE

FOR MEDIACOM DELAWARE, LLC

I. INTRODUCTION

Mediacom Delaware, LLC ("Mediacom"), presently holds a franchise (the "Franchise") from the Public Service Commission ("PSC" or "Commission") to provide cable television service within a franchise area in southern Sussex County. The Franchise, originally granted in 1991 and transferred to Mediacom in 1997, will expire on June 10, 2001. See PSC Orders Nos. 3427 (June 9, 1992) (bifurcated Franchise) and 4505 (May 27, 1997) (transfer to Mediacom). Under the terms of the Franchise, it may be renewed for a term of up to fifteen (15) years. PSC Order No. 3427, ¶ III(1)(a) (June 9, 1992).

In PSC Order No. 5499 (July 11, 2000), the Commission approved extending the terms and conditions of the present Franchise Agreement for an additional term of fifteen (15) years, or until June 10, 2016. ~~This renewed Franchise implements that renewal.~~

In PSC Order No. [ ] ( ), the Commission approved extending the terms and conditions of the present Franchise for an additional term of fifteen (15) years, or until June 10, 2031. This renewed Franchise implements that renewal.

II. DEFINITIONS: - AS USED HEREIN[1]

[1]When not inconsistent with the context, words used in the present tense include the future, words in the plural include the singular, and vice versa. The word "shall" is always mandatory.

1. "PSC" or "COMMISSION" means the Delaware Public Service Commission.

2. "FRANCHISE" means authorization lawfully adopted or agreed to by the PSC pursuant to 26 Del. C. Chapter 1, Subchapter VI, or renewal thereof (including a renewal which has been granted subject to § 626 [47 U.S.C. § 546] of the Cable Communications Policy Act of 1984) to construct or operate a cable television system or systems, in whole or in part, within a county of the State of Delaware.

3. "FRANCHISEE" means the entity to which the franchise is granted or renewed. As used herein, the term refers to and means Mediacom Delaware, LLC, a limited liability company under the laws of Delaware.

4. "FCC" means the Federal Communications Commission, a federal regulatory agency, as constituted by the Communications Act of 1934, as amended, or any successor agency created by the United States Congress.

5. "PERSON" means any individual, firm, partnership, association, joint stock company, trust, government entity, corporation, company, or organization of any kind.

6. "BASIC CABLE SERVICE" means any service tier that includes retransmissions of local television broadcast signals.

7. "CABLE CHANNEL" or "CHANNEL" means a portion of the electromagnetic frequency spectrum which is used in a cable system and which is capable of delivering a television channel (as television channel is defined by FCC regulation).

8. "AFFILIATE," when used in relation to any person, means another person who owns or controls, is owned or controlled by, or is under common ownership or control with such person.

9. "CABLE OPERATOR" means any person or group of persons who provides cable service over a cable system and directly or through one or more affiliates owns a significant interest in such cable system, or who otherwise controls or is responsible for, through any arrangement, the management and operation of such a cable system.

10. "CABLE SERVICE" means the one-way transmission to subscribers of video programming or other programming service, and subscriber interaction, if any, which is required for the selection of such video programming or other programming service.

11. "CABLE SYSTEM" means a facility, consisting of a set of closed transmission paths and associated signal generation, reception, and control equipment that is designed to provide cable service, including video programming, and which is provided to multiple subscribers within a community, but such term does not include: (a) a facility that serves only to retransmit the television signals of one or more television broadcast stations; (b) a facility that serves only subscribers in one or more multiple unit dwellings under common ownership, control, or management, unless such facility or facilities uses any public right-of-way; (c) a facility of a common carrier which is subject, in whole or in part, to the provisions of Title II of the Communications Act of 1934, except that such facility shall be considered a cable system to the extent such facility is used in the transmission of video programming directly to subscribers; or

(d) any facilities of any electric utility used solely for operating its electric system.

12. "OTHER PROGRAMMING SERVICE" means information that a cable operator makes available to all subscribers generally.

13. "PUBLIC, EDUCATIONAL, OR GOVERNMENTAL ACCESS FACILITIES" or "PEG" means channel capacity designated for public, educational, or governmental use, and facilities and equipment for the use of such channel capacity.

14. "SERVICE TIER" means a category of cable service or other services provided by a cable operator and for which a separate rate is charged by the cable operator.

15. "VIDEO PROGRAMMING" means programming provided by, or generally considered comparable to programming provided by, a television broadcast station.

16. "GROSS SUBSCRIPTION RECEIPTS" means, and shall include, basic monthly service charges for cable television service provided outside the boundaries of incorporated municipalities which, on June 28, 1974, had the power, either express or implied, to grant franchises for cable television systems, but shall not include moneys received as installation charges, charges for reconnection, inspection, repairs, or modifications of any installation, or local, state or federal taxes relating thereto, or money received from: (a) sale of advertising time on cable channels; (b) rental or deposits on equipment or facilities; (c) the furnishing of special, premium, or pay-per-view programming not covered by the basic monthly service charge; (d) the furnishing of other duly authorized communications

services either by private contract or as a carrier, including by way of example, but not limited to, leasing of channels; burglar alarm, AM or FM radio broadcasts; data transmission, information storage and retrieval; facsimile reproduction services; shopping service channels; and (e) any source other than directly from the carriage of television signals.

17. "FORCE MAJEURE" means a situation where the franchisee is prevented or delayed in the performance of any of its obligations under this franchise by reasons of Acts of God, floods, fires, hurricanes, tornadoes, earthquakes, or other unavoidable casualty, acts of public enemy, insurrection, war, riot, sabotage, vandalism, strikes, boycotts, lock-outs, labor disputes, shortage of labor, epidemic, freight embargoes, shortages or unavailability of materials or supplies, unusually severe weather conditions, or other similar event beyond the reasonable control of the franchisee. In the event such situations occur, the franchisee shall have a reasonable time, under the circumstances, to perform its obligation under the franchise or to procure a substitute for such obligation which is satisfactory to the PSC.

18. "TARIFF" means the operational rules, regulations, and rates under which the franchisee operates, and which the franchisee must file with the Commission and, which may, in public proceedings, be changed from time to time in the same manner as public utility tariffs provided, however, that the rate portion of such tariffs shall be only informational so long as the Commission is federally preempted from regulation of the rates of cable television systems.

III. TERMS AND CONDITIONS

As of the effective date hereof, franchisee is hereby granted a renewed non-exclusive franchise to operate a cable system to serve the area described in attached Exhibit "A" and shown on the attached map identified as Exhibit "B" (the "Franchise Area"), said grant being expressly subject to the following terms and conditions which the grantee agrees to accept and honor:

1. Terms of the Franchise

(a) The term of this renewed franchise shall be for a period of fifteen years commencing upon the date of the franchise ~~previously~~ granted in PSC Order No. ~~3427~~ (~~June 9, 1992~~) expires. Thus, the effective date of this renewed franchise shall be June 10, 20~~01~~16 and it shall expire on June 10, 20~~16~~31. The franchisee shall have the option within the last thirty-six (36) months of this renewed franchise to request further renewal of this franchise for an additional period not-to-exceed fifteen (15) years.

(b) Should the franchisee seek further renewal of this franchise, the PSC shall conduct a full, open, and public renewal proceeding, upon prior notice, and shall provide an opportunity for all interested persons to be heard. The decision to renew, or to decline to renew, will be in accordance with the renewal provisions in § 626 [47 U.S.C. § 546] of the Cable Act. Should this franchise be renewed by the PSC, all of the terms and provisions contained herein shall be controlling during the renewal period, except to the extent that such terms and

provisions are modified by the PSC, or unless this franchise is superseded by a new franchise. Should the franchisee not seek renewal of the franchise, it shall remove all of its facilities from all public rights-of-way and facilities provided that such removal is reasonably deemed necessary for the public safety. Such removal shall be performed by the franchisee at such time and in the manner prescribed by order of the PSC.

(c) Consistent with 26 Del. C. § 612, the PSC hereby awards and grants to franchisee, for the term and upon the covenants and conditions contained herein, permission to use and occupy the public highways, streets, roads, public ways, and compatible easements within the boundaries of the franchise area as described in Exhibits "A" and "B" hereto, for the purpose of installing, operating, and maintaining a cable system.

2. Property Damage and Public Liability Insurance

(a) The franchisee shall carry, and at all times maintain, property damage and liability insurance with a responsible insurance company qualified and duly licensed to do business in the State of Delaware. The minimum amount of such insurance for bodily injury, death, and property damage shall be One Hundred Thousand Dollars ($100,000) for each person and Three Hundred Thousand Dollars ($300,000) for each occurrence. The failure to carry and maintain such insurance in the requisite amounts may result in termination of the franchise, provided that the PSC provides the franchisee with written notice of default and gives the franchisee a reasonable time, in no event to exceed thirty (30) days, to cure such default.

(b) Copies of Certificates of Insurance evidencing such insurance policies shall be filed with the PSC within ninety (90) days after the effective date hereof, together with written evidence of the payment of the required premium. Proof of payment of the required premium and annual certification of the effectiveness of such insurance, both of which may be evidenced by Certificates of Insurance or sworn affidavit, shall be filed with the PSC during the term of this franchise. The amount of coverage provided by such insurance policies shall be automatically increased by the franchisee every three (3) years by a percentage at least equal to the average percentage increase in the National Consumer Price Index over the preceding three (3) years, provided that any such increase shall not exceed fifteen

percent (15%) of the coverage then in effect, and provided further that no such increase shall be necessary if the amount of coverage provided by the franchisee's insurance policies then exceeds the minimum amounts referenced in subsection 2(a) above, as such minimums would be increased by the foregoing increases in the CPI from the original date hereof.

3. System Construction and Technical Standards

(a) Construction, installation, and all maintenance of the cable system shall be performed in an orderly and workmanlike manner. All cables and wires shall be installed, where possible, parallel with electric and telephone lines. Multiple cable configurations shall be arranged in parallel and bundled with due respect for engineering considerations. Good engineering practices shall be followed at all times. The cable system shall be constructed, installed, operated, and maintained in a manner consistent with the National Electric Code and the National Electric Safety Code as such codes shall, from time to time, be amended, and all applicable laws, ordinances, construction standards, governmental requirements and FCC technical standards which, as the same may from time to time be amended, are, by this reference, hereby fully incorporated into this franchise.

(b) The franchisee shall render efficient cable service, make repairs promptly, and interrupt cable service only for good cause and for the shortest time reasonably possible. Such interruptions shall, to the extent reasonably possible, be

preceded by notice and shall occur during periods of minimum system use.

(c) The franchisee shall not allow its cable system or other operations to interfere with the lawful reception of communications by persons not served by the cable system, nor shall the cable system interfere with, obstruct, or hinder in any manner, the operation of other communication systems.

(d) In all portions of the franchise area where all of the cables, wires, and other facilities of public utilities are placed underground after the date hereof, the franchisee shall place all of its wires, cables, and facilities underground to the extent reasonably possible. Where aerial facilities are available for pole attachment, they may be used by the franchisee.

(e) The franchisee shall maintain on file maps or plots showing all existing streets or subdivisions served by the cable system. Such maps or plots shall be updated at least annually. Access to such maps or plots shall be afforded to the PSC by the franchisee upon request.

4. Customer Service and Information

(a) The franchisee shall promptly resolve service and billing complaints. Such resolution shall, to the extent possible, be accomplished within five (5) days from the receipt of the complaint. The franchisee shall maintain records pertaining to complaints for a period of three (3) years from the date of the complaint and shall record thereon the action taken on the complaint.

(b) The franchisee shall maintain a business office reasonably accessible to the public in the area in which it provides cable service. The office shall be open and adequately staffed to receive all inquiries or complaints from subscribers during normal business-hours, Monday through Friday each week, public holidays excepted. Additional office hours shall be scheduled as necessary to accommodate the demands for franchisee's cable service.

(c) Not less than once a year, the franchisee shall provide to each customer, and each new subscriber shall receive at the time of installation, a written description of all cable services offered, including the rates and terms for such services. Such explanation shall include the availability of the parental lock-out device, installation procedures, refund policy, and a discussion of the privacy rights of subscribers.

(d) The franchisee shall report in writing to the PSC as to the nature of any and all written complaints which are not

resolved within thirty (30) working days from the receipt of the complaint.

(e) The franchisee shall fully cooperate with the PSC, its agents, employees and representatives in reasonable testing of the cable system for compliance with applicable rules, regulations, and technical standards at the franchisee's expense.

(f) The franchisee shall not unreasonably discriminate in the provision of its cable service among or between any similarly situated subscribers or potential subscribers or PEG users.

(g) The franchisee agrees to fully comply with all applicable state, federal, and local laws and regulations relating to non-discrimination which, by this reference, are incorporated herein.

(h) Thirty (30) days prior to implementing any changes in or amendments to its informational tariffs, franchisee shall file a copy of such changes or amendments with the Commission. Nothing herein shall preclude the franchisee from implementing any such changes or amendments after the expiration of thirty (30) days referred to above, nor shall anything herein preclude the Commission, either prior to or after such thirty (30) day period, from reviewing any such changes or amendments and taking appropriate action with respect thereto in accordance with applicable law.

(i) The cable system operated under the authority of this franchise shall operate twenty-four (24) hours a day subject

to available programming. The franchisee shall issue a pro rata credit to affected subscribers for outages of twenty-four (24) consecutive hours caused by defective equipment supplied or maintained by the franchisee. No refund or credit shall be required where the outage is a result of misuse of equipment by the subscriber, defective equipment not provided by the franchisee, Force Majeure, or where the franchisee is not notified of the outage within a reasonable time thereof, or is denied or unable to gain access to the subscriber's premises.

(j) The franchisee shall maintain a separate toll-free telephone number within the franchise area to accept complaints twenty-four (24) hours a day, seven (7) days a week, and shall maintain for not less than twelve (12) months a written log of all incoming telephone complaints so received.

(k) The franchisee shall not disconnect cable service for non-payment until at least-thirty (30) days after the due date of the bill for which cable service disconnection is contemplated. The thirty (30) day period shall include ten (10) days written notice to the delinquent subscriber of the intent to disconnect. Such notice shall also specify the steps required to avoid termination of service.

(l) The franchisee shall not abandon in whole or in part, any significant portion of its franchise service area except pursuant to Order of the PSC.

(m) ~~In order to establish a reference point and an audit track of the picture quality and RF signal levels for~~

~~subscriber service, the franchisee shall use the following procedures:~~

~~(i) Service call forms shall provide for recording signal levels at the subscriber's television set;~~

~~(ii) The service technician(s) will provide the requested data for each service call;~~

~~(iii) The work orders will be reviewed regularly by the franchisee's service personnel. If signal levels fall below the levels required by FCC technical standards, which are incorporated into this franchise, as a result of defects in the franchisee's equipment, the franchisee shall take all necessary steps to restore carrier-to-noise signal quality level within a reasonable time, but in no event to exceed thirty (30) days, or such lesser period as such pertinent federal regulations may require.~~

~~(n) The franchisee shall permit subscribers to connect video cassette recorders to the cable system. The franchisee shall permit, where technically feasible and where system security is not thereby impaired, the utilization of cable-ready or cable-compatible television receivers for cable service. The franchisee shall permit subscribers, where technically feasible and without impairing system security, to purchase compatible converters of their own for use for cable~~

~~reception without charge of a security fee, although the franchisee may charge installation and repair fees. Nothing herein shall permit a subscriber to obtain cable service from the cable system without proper authorization from the franchisee and the payment of the appropriate fees for that service received.~~

5. Subscriber Privacy

(a) The franchisee shall at all times be, and remain in strict compliance with, § 631 of the Cable Act [47 U.S.C. § 551], as the same may from time to time be amended, regarding the protection of subscriber privacy. ~~Any willful violation thereof shall, in addition to any penalties or remedies available to the subscriber, be deemed to be a material breach of this franchise, which may result in the termination of the franchise or the invocation of liquidated damages as hereinafter provided.~~

~~(b) The franchisee shall provide to any subscriber who so requests a parental control or lock-out device enabling the subscriber to lock-out both the audio and/or the video portion of any channel provided by the franchisee. The franchisee shall make such device available, at its option, either by lease (rental) or sale to its subscribers.~~

6. Reports by Franchisee to the PSC

(a) During the term of the franchise, the franchisee shall maintain its records in accordance with generally accepted accounting principles and, shall, on the basis of such records, prepare and file with the PSC on April 30th of each year, or by

such other date as the PSC Executive Director may authorize in writing, the following reports:

(i) A summary of the prior twelve (12) months activity in the development of the cable system, including new services added, total number of subscribers, subscribers added, and subscribers disconnected;

(ii) A twelve (12) month financial statement of revenues received for cable service provided under the franchise, including specifically stated revenue to Gross Subscription Receipts.

(iii) A report, under oath, attesting to compliance with all technical standards then required by the FCC in sufficient detail to enable the PSC to ascertain that such technical standards are being achieved and maintained. If the cable system is not, or has not, at any time within the preceding twelve (12) month period been in full compliance with such standards, the report shall so state and specify how the deficiency will be or was corrected; and

~~(iv) A report to the PSC regarding any and all proceedings within which the franchisee is a party before any state or federal court, regulatory body, or agency which may reasonably be expected to affect cable service provided~~

~~pursuant to this franchise. Copies of relevant pleadings, applications, reports, etc., shall be provided by the franchisee to the PSC upon request.~~

7. Performance Bond

(a) The franchisee shall file with the PSC a performance bond or other surety device acceptable to the PSC in the amount of Ten Thousand Dollars ($10,000), which shall be maintained for the duration of the term of this franchise as security for the performance and discharge of all obligations of the franchisee under this franchise. Said bond with surety approved by the PSC, or letter of credit, or other irrevocable surety device running to the State of Delaware shall be conditioned upon faithful performance of all terms of this franchise and the law, and shall specify that in the event the franchisee fails to faithfully perform, or is in default under any of its obligations, then in such event and provided that franchisee has been given notice of such default and an opportunity to cure of not less than thirty (30) days, the obligor shall make good or otherwise meet the obligations of this franchise and the law up to the limit of the undertaking. The failure of the franchisee to establish and maintain the full amount of either the performance bond, or other acceptable surety device, for the term of this franchise shall constitute a material breach hereof.

8. Remedy for Breach; PSC Fees

(a) A material breach of this franchise shall be grounds for the institution of a proceeding by the PSC to consider the revocation of the franchise, provided that the PSC has given the franchisee written notice of the alleged material breach and a reasonable opportunity to cure and, thereafter, the franchisee fails to substantially cure said alleged material breach.

(b) In the event that the cable system fails to meet any applicable performance standard in the franchisee tariff or incorporated into its franchise for a full uninterrupted thirty (30) day period after written notice (with the exception of a Force Majeure situation, the declaration of such a situation being agreed to by both the PSC and the franchisee), the franchisee agrees that all fees to affected subscribers will be reduced by at least ten ~~twenty-five percent~~ percent (~~25~~10%) until all performance standards are met. The PSC shall notify the franchisee of the required reduction in writing thirty (30) days prior to the date the reduction shall begin.

(c) The PSC shall not be deemed to have waived its right to demand the franchisee's compliance with any of the franchise terms solely by its failure to demand compliance on one or more occasions. No waiver by the PSC of any breach by the franchisee of any provision of this franchise shall be construed as a continuing waiver of any subsequent breach or breaches of any provision or provisions, or as a waiver of the provision itself.

(d) All fees and charges payable by the franchisee to the PSC shall be limited to, and not exceed, the amount permissible under 26 Del. C. § 610 or § 22 of the Cable Act [47 U.S.C. § 542], whichever is less.

9. Technological Advancements; Franchise Renegotiation

(a) The Franchisee and the PSC agree that the provision of Cable Service is a rapidly changing field which, in the near future, may see significant regulatory, technological, financial, marketing, and legal changes. Therefore, in addition to the rights of the Franchisee under § 625 of the Cable Act [47 U.S.C. § 545], and in order to provide for a maximum degree of flexibility in this franchise, and to help achieve a situation where the cable television needs of the franchise area are adequately accommodated, the PSC may, within one hundred eighty (180) days from each fifth year anniversary of the date of this franchise, institute public proceedings upon due notice to the franchisee and the public, for the purpose of determining the extent to which the cable system is then meeting the needs of the area it serves, consistent with the terms and conditions hereof and in light of the costs of implementing any suggested changes in accordance with the provisions of section 626 of the Cable Act in existence of this effective date of this Franchise.

(b) To the extent that such proceedings disclose possible cable system improvements, advances, or services which appear to the PSC and the franchisee to be reasonable and appropriate for possible implementation on a system-wide basis, the franchisee shall, within one hundred twenty ~~ninety~~ (~~90~~120) days of the franchisee's receipt of a written request from the PSC to consider such cable system improvements, advances, or services, provide to the PSC a good faith analysis of the costs

and benefits from the provision of such of those cable system improvements, advances, or services, if any, should in fact be implemented by the franchisee, with due regard to customers expressed preferences, the economic and technological feasibility of the improvements, advances, or services, the amount of investment necessary to implement such improvements, and the opportunity to earn a fair return on such investment.

(c) Notwithstanding the foregoing, the PSC shall have the right upon its own motion, during the term of this franchise or any extension hereof, to recommend suggested system changes and/or improvements, advances, and new services. Both the franchisee and PSC shall negotiate in good faith with respect to which of such system changes, improvements, advances, or services, if any, should in fact be implemented by the franchisee with due regard to customers' expressed preferences, the economic and technological feasibility of the system improvements, advances, or services, the amount of investment necessary to implement such improvements all considered under the standards for renewal in accordance with Section 626 of the Cable Act. ~~, and the opportunity to earn a fair return on such investments.~~

(d) Notwithstanding § 625 of the Cable Act [47 U.S.C. § 545], the PSC may permit the franchisee, upon application to the PSC, to amend or modify this Agreement when, and as necessary, to enable the franchisee to take advantage of developments in the field of telecommunications and transmission of data and television and radio signals which will afford the

franchisee an opportunity to provide more efficient, effective, and/or economical service.

(e) In the event that any or all of the provisions of the Cable Act are amended, this franchise shall be interpreted in a manner not inconsistent with the Cable Act as amended. If any provision or provisions of the Cable Act is or are repealed, then the franchisee shall be governed by the Delaware Cable Television Act, 26 Del. C. §§ 601 et seq. to the extent applicable and not inconsistent with the existing provisions of the Cable Act. If no provision of the Delaware Cable Television Act is applicable, then the Public Service Commission may formulate appropriate rules and regulations after due notice and an opportunity to be heard by the franchisee.

(f) In the event that the FCC departs from an established rule or interpretation existing at the time of the renewal of this franchise, or the FCC adopts a new rule or interpretation during the time period covered by this renewal, the PSC shall review the franchise and, after due notice and an opportunity to be heard, make any changes necessary to bring this franchise into compliance with any such rule or interpretation provided that such rule or interpretation is mandated by law.

10. Line Extension Policy and Trenching Cable

(a) The franchisee shall provide cable service to any new residential subscribers within the franchise area where there are at least twenty (20) existing occupied residential dwellings with electric service per proposed cable plant mile, or where

there are less than twenty (20) of the above; there are at least fifteen (15) prospective customers who agree to take service for at least one year. For the purpose of any such calculation, the distance to be traversed by the cable plant from the franchisee's then nearest activated trunk line to the respective unserved area shall be included therein.

(b) In areas of lesser density, the franchisee shall offer a cost sharing arrangement with potential single unit residential subscribers as follows:

(i) On request of any potential subscriber desiring cable service, the franchisee shall prepare a feasibility study to determine the cost of the plant extension required to provide cable service to each subscriber from the closest point where activated distribution or feeder cable is located in the franchisee's cable system. The potential subscriber may be charged for any such study in accordance with the franchisee's tariffs;

(ii) A portion of the cost of construction shall be paid by subscribers served by the line extension, which portion shall be equal to the total actual cost of construction multiplied by a fraction, the numerator of which is equal to twenty (20) minus the average number of occupied single unit residential dwellings with electric

service passed per mile of line extension, and the denominator of which is twenty (20). Such amount shall be equally divided among all persons who become subscribers as a result of the line extension; and

(iii) During the three (3) year period following the commencement of cable service from such a line extension, if additional persons within the area of the line extension choose to subscribe to the franchisee's cable service, such persons shall be assessed a pro rata portion of the original total amount of the shared construction cost assessed against the original contributing customers served by the extension and pro rata refunds of such additional contributions shall be made to the original contributors or their assignees. The pro rata refunds of such additional contributions payable to the original contributors or their assignees under this paragraph shall be paid by the franchisee to the original contributors or their assignees at least once a year, subject to the franchisee's receipt of such additional contributions.

(c) Subject to Paragraph 10(a) above, in situations where public utilities are to be placed underground, and the developer or property owner gives the franchisee sixty (60) days

written notice by certified mail of the particular date or dates on which open trenching will be available for the installation of cable, conduit, pedestals and/or vaults and laterals, the franchisee will be required to bear the cost of new trenching if, after a five-day period from the availability date or dates on which notice is given, the trench has been closed without cable being installed therein.

11. Public, Educational, and Governmental Access("PEG")

(a) The franchisee shall make available one (1) channel for PEG on a system-wide basis, provided that demonstrated need for such PEG channel exists as evidenced by the written request of trained and responsible personnel from PEG groups for the activated use of one (1) PEG channel for PEG purposes for a period of not less than eight (8) continuous hours of original programming per calendar week or not less than four (4) such consecutive weeks, and provided further that this requirement shall not necessitate the rebuilding of the cable system or the elimination of any existing video programming or other programming service. This PEG channel may be shared for PEG programming with PEG channels in other franchises operated by the franchisee or in accordance with Section III, 11(f) herein below.

(b) In order to develop and promote PEG access programming for the cable system within the franchise area, the franchisee agrees to provide funding for production equipment in the amount of $2,500.00, or equivalent amount in the equipment

itself to be used by the franchisee within the next five (5) years for such purposes. As a part of its undertaking, the franchisee agrees to offer reasonable training for responsible personnel from PEG groups in the operation and use of such production equipment.

(c) The franchisee shall furnish at its own cost one (1) standard Basic Cable Service outlet to each public school within reasonable proximity of existing or extended cable lines for educational purposes upon request by the public school system; to fire stations within the franchise area upon request; and to a reasonable number of designated locations which may, from time to time, be designated by the PSC for the monitoring of performance of the cable system. Nothing herein shall prevent the franchisee from voluntarily providing cable service without cost to other educational, public, or charitable institutions, and for reasonable promotional undertakings.

(d) Upon request of the PSC, the franchisee shall make available its facilities to the federal, state, county, or local governmental units for use in the case of any emergency or disaster in accordance with FCC regulations related to the Emergency Alert System.

(e) The provision of PEG services and the dedication of channels for commercial use shall be in accordance with the Cable Act as the same may, from time to time, be amended, and in accordance with the terms of any provisions of this franchise.

(f) Consistent with the provisions of § 612 of the Cable Act [47 U.S.C. § 531], the franchisee may use channel capacity designated for PEG use for the provision of other cable services, if such channel capacity is not being used for PEG purposes. The franchisee must notify the PSC in writing of its intent to use such channel capacity for other cable services; how much of the PEG designated capacity it intends to use for the provision of such other cable services; and the date on which it will begin to use the PEG designated capacity for other cable services. The franchisee may only use PEG-designated capacity for other cable services if it has no excess channel capacity by which such cable services can be provided. Upon the request of a PEG entity for channel capacity, the franchisee must surrender such channel capacity for use by the requesting entity. The franchisee must notify the PSC in writing that a PEG entity has requested use of the designated channel capacity and must indicate which channel capacity will be allocated to that entity. The franchisee shall have a reasonable time, but in no event to exceed ninety (90) days, to close its use of the channel capacity to be allocated to the PEG entity. The franchisee shall also be required to cease its use of PEG-designated channel capacity despite the lack of any PEG entity's request for capacity, if sufficient capacity subsequently becomes available on the franchisee's cable system.

12. Reservation of Rights

Notwithstanding the foregoing, the franchisee expressly reserves all and waives none of its rights guaranteed under both federal and Delaware constitutional, statutory and common law, and regulations applicable thereto.

13. Severability

If any section, subsection, sentence, clause, phrase, or any other portion of this franchise is held invalid, unlawful, or unconstitutional by federal or state court or administrative agency of competent jurisdiction, including but not limited to the FCC, such section, subsection, sentence, clause, phrase, or portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions of the franchise.

14. Effective Date

The expiration date of this franchise is June 10, 2016~~31~~. The effective date shall be June 10, 2001~~16~~.

15. Service Territory

The service territory covered by this franchise is as described on the map and description attached hereto as Exhibits "A" and "B" respectively.

THIS FRANCHISE IS ACCEPTED AND AGREED TO BY MEDIACOM DELAWARE, LLC, THIS _____ DAY OF ~~[~~JULY, 2000~~]~~

BY:_____
Title:

EXHIBIT "A": A MAP OF THE SERVICE TERRITORY COVERED BY THE FRANCHISE AS DESCRIBED IN EXHIBIT "B"

EXHIBIT "B"

ALL THAT certain portion of southeastern Sussex County, Delaware, as contained within the following boundaries: beginning at Cape Henlopen State Park; thence leaving from said State Park in a southwesterly direction along Route 9 from Lewes to Laurel and along Route 24 from Laurel to that point at which Route 24 intersects the western boundary of the state; thence south along the said western boundary to the Mason-Dixon monument located at the southwestern corner of the state; thence east along the said southern boundary of the state to the point at which the southern boundary intersects the coastline of the Atlantic Ocean; thence in a northerly direction along the said coastline to the point of beginning.

EXHIBIT C

RENEWED CABLE TELEVISION SYSTEM FRANCHISE

FOR MEDIACOM DELAWARE, LLC

I. INTRODUCTION

Mediacom Delaware, LLC ("Mediacom"), presently holds a franchise (the "Franchise") from the Public Service Commission ("PSC" or "Commission") to provide cable television service within a franchise area in southern Sussex County. The Franchise, originally granted in 1991 and transferred to Mediacom in 1997, will expire on June 10, 2001. See PSC Orders Nos. 3427 (June 9, 1992) (bifurcated Franchise) and 4505 (May 27, 1997) (transfer to Mediacom). Under the terms of the Franchise, it may be renewed for a term of up to fifteen (15) years. PSC Order No. 3427, ¶ III(1)(a) (June 9, 1992). In PSC Order No. 5499 (July 11, 2000), the Commission approved extending the terms and conditions of the present Franchise Agreement for an additional term of fifteen (15) years, or until June 10, 2016.

In PSC Order No. [ ] ( ), the Commission approved extending the terms and conditions of the present Franchise for an additional term of fifteen (15) years, or until June 10, 2031. This renewed Franchise implements that renewal.

II. DEFINITIONS: - AS USED HEREIN[1]

[1]When not inconsistent with the context, words used in the present tense include the future, words in the plural include the singular, and vice versa. The word "shall" is always mandatory.

1. "PSC" or "COMMISSION" means the Delaware Public Service Commission.2. "FRANCHISE" means authorization lawfully adopted or agreed to by the PSC pursuant to 26 Del. C. Chapter 1, Subchapter VI, or renewal thereof (including a renewal which has been granted subject to § 626 [47 U.S.C. § 546] of the Cable Communications Policy Act of 1984) to construct or operate a cable television system or systems, in whole or in part, within a county of the State of Delaware.

3. "FRANCHISEE" means the entity to which the franchise is granted or renewed. As used herein, the term refers to and means Mediacom Delaware, LLC, a limited liability company under the laws of Delaware.

4. "FCC" means the Federal Communications Commission, a federal regulatory agency, as constituted by the Communications Act of 1934, as amended, or any successor agency created by the United States Congress.

5. "PERSON" means any individual, firm, partnership, association, joint stock company, trust, government entity, corporation, company, or organization of any kind.

6. "BASIC CABLE SERVICE" means any service tier that includes retransmissions of local television broadcast signals.

7. "CABLE CHANNEL" or "CHANNEL" means a portion of the electromagnetic frequency spectrum which is used in a cable system and which is capable of delivering a television channel (as television channel is defined by FCC regulation).

8. "AFFILIATE," when used in relation to any person, means another person who owns or controls, is owned or controlled by, or is under common ownership or control with such person.

9. "CABLE OPERATOR" means any person or group of persons who provides cable service over a cable system and directly or through one or more affiliates owns a significant interest in such cable system, or who otherwise controls or is responsible for, through any arrangement, the management and operation of such a cable system.

10. "CABLE SERVICE" means the one-way transmission to subscribers of video programming or other programming service, and subscriber interaction, if any, which is required for the selection of such video programming or other programming service.

11. "CABLE SYSTEM" means a facility, consisting of a set of closed transmission paths and associated signal generation, reception, and control equipment that is designed to provide cable service, including video programming, and which is provided to multiple subscribers within a community, but such term does not include: (a) a facility that serves only to retransmit the television signals of one or more television broadcast stations; (b) a facility that serves only subscribers in one or more multiple unit dwellings under common ownership, control, or management, unless such facility or facilities uses any public right-of-way; (c) a facility of a common carrier which is subject, in whole or in part, to the provisions of Title II of the Communications Act of 1934, except that such facility shall be considered a cable system to the extent such facility is used in the transmission of video programming directly to subscribers; or (d) any facilities of any electric utility used solely for operating its electric system.

12. "OTHER PROGRAMMING SERVICE" means information that a cable operator makes available to all subscribers generally.

13. "PUBLIC, EDUCATIONAL, OR GOVERNMENTAL ACCESS FACILITIES" or "PEG" means channel capacity designated for public, educational, or governmental use, and facilities and equipment for the use of such channel capacity.

14. "SERVICE TIER" means a category of cable service or other services provided by a cable operator and for which a separate rate is charged by the cable operator.

15. "VIDEO PROGRAMMING" means programming provided by, or generally considered comparable to programming provided by, a television broadcast station.

16. "GROSS SUBSCRIPTION RECEIPTS" means, and shall include, basic monthly service charges for cable television service provided outside the boundaries of incorporated municipalities which, on June 28, 1974, had the power, either express or implied, to grant franchises for cable television systems, but shall not include moneys received as installation charges, charges for reconnection, inspection, repairs, or modifications of any installation, or local, state or federal taxes relating thereto, or money received from: (a) sale of advertising time on cable channels; (b) rental or deposits on equipment or facilities; (c) the furnishing of special, premium, or pay-per-view programming not covered by the basic monthly service charge; (d) the furnishing of other duly authorized communications services either by private contract or as a carrier, including by way of example, but not limited to, leasing of channels; burglar alarm, AM or FM radio broadcasts; data transmission, information storage and retrieval; facsimile reproduction services;

shopping service channels; and (e) any source other than directly from the carriage of television signals.

17. "FORCE MAJEURE" means a situation where the franchisee is prevented or delayed in the performance of any of its obligations under this franchise by reasons of Acts of God, floods, fires, hurricanes, tornadoes, earthquakes, or other unavoidable casualty, acts of public enemy, insurrection, war, riot, sabotage, vandalism, strikes, boycotts, lock-outs, labor disputes, shortage of labor, epidemic, freight embargoes, shortages or unavailability of materials or supplies, unusually severe weather conditions, or other similar event beyond the reasonable control of the franchisee. In the event such situations occur, the franchisee shall have a reasonable time, under the circumstances, to perform its obligation under the franchise or to procure a substitute for such obligation which is satisfactory to the PSC.

18. "TARIFF" means the operational rules, regulations, and rates under which the franchisee operates, and which the franchisee must file with the Commission and, which may, in public proceedings, be changed from time to time in the same manner as public utility tariffs provided, however, that the rate portion of such tariffs shall be only informational so long as the Commission is federally preempted from regulation of the rates of cable television systems.

III. TERMS AND CONDITIONS

As of the effective date hereof, franchisee is hereby granted a renewed non-exclusive franchise to operate a cable system to serve the area described in attached Exhibit "A" and shown on the attached map

identified as Exhibit "B" (the "Franchise Area"), said grant being expressly subject to the following terms and conditions which the grantee agrees to accept and honor:

1. Terms of the Franchise

(a) The term of this renewed franchise shall be for a period of fifteen years commencing upon the date of the franchise granted in PSC Order No. () expires. Thus, the effective date of this renewed franchise shall be June 10, 2016 and it shall expire on June 10, 2031. The franchisee shall have the option within the last thirty-six (36) months of this renewed franchise to request further renewal of this franchise for an additional period not-to-exceed fifteen (15) years.

(b) Should the franchisee seek further renewal of this franchise, the PSC shall conduct a full, open, and public renewal proceeding, upon prior notice, and shall provide an opportunity for all interested persons to be heard. The decision to renew, or to decline to renew, will be in accordance with the renewal provisions in § 626 [47 U.S.C. § 546] of the Cable Act. Should this franchise be renewed by the PSC, all of the terms and provisions contained herein shall be controlling during the renewal period, except to the extent that such terms and provisions are modified by the PSC, or unless this franchise is superseded by a new franchise. Should the franchisee not seek renewal of the franchise, it shall remove all of its facilities from all public rights-of-way and facilities provided that such removal is reasonably deemed necessary for the public safety. Such removal

shall be performed by the franchisee at such time and in the manner prescribed by order of the PSC.

(c) Consistent with 26 Del. C. § 612, the PSC hereby awards and grants to franchisee, for the term and upon the covenants and conditions contained herein, permission to use and occupy the public highways, streets, roads, public ways, and compatible easements within the boundaries of the franchise area as described in Exhibits "A" and "B" hereto, for the purpose of installing, operating, and maintaining a cable system.

2. Property Damage and Public Liability Insurance

(a) The franchisee shall carry, and at all times maintain, property damage and liability insurance with a responsible insurance company qualified and duly licensed to do business in the State of Delaware. The minimum amount of such insurance for bodily injury, death, and property damage shall be One Hundred Thousand Dollars ($100,000) for each person and Three Hundred Thousand Dollars ($300,000) for each occurrence. The failure to carry and maintain such insurance in the requisite amounts may result in termination of the franchise, provided that the PSC provides the franchisee with written notice of default and gives the franchisee a reasonable time, in no event to exceed thirty (30) days, to cure such default.

(b) Copies of Certificates of Insurance evidencing such insurance policies shall be filed with the PSC within ninety (90) days after the effective date hereof, together with written evidence of the payment of the required premium. Proof of payment of the required premium and annual certification of the effectiveness of such insurance, both of which may be evidenced by Certificates of Insurance or sworn affidavit, shall be filed with the PSC during the term of this franchise. The amount of coverage provided by such insurance policies shall be automatically increased by the franchisee every three (3) years by a percentage at least equal to the average percentage increase in the National Consumer Price Index over the preceding three (3) years, provided that any such increase shall not exceed fifteen percent (15%) of

the coverage then in effect, and provided further that no such increase shall be necessary if the amount of coverage provided by the franchisee's insurance policies then exceeds the minimum amounts referenced in subsection 2(a) above, as such minimums would be increased by the foregoing increases in the CPI from the original date hereof.

3. System Construction and Technical Standards

(a) Construction, installation, and all maintenance of the cable system shall be performed in an orderly and workmanlike manner. All cables and wires shall be installed, where possible, parallel with electric and telephone lines. Multiple cable configurations shall be arranged in parallel and bundled with due respect for engineering considerations. Good engineering practices shall be followed at all times. The cable system shall be constructed, installed, operated, and maintained in a manner consistent with the National Electric Code and the National Electric Safety Code as such codes shall, from time to time, be amended, and all applicable laws, ordinances, construction standards, governmental requirements and FCC technical standards which, as the same may from time to time be amended, are, by this reference, hereby fully incorporated into this franchise.

(b) The franchisee shall render efficient cable service, make repairs promptly, and interrupt cable service only for good cause and for the shortest time reasonably possible. Such interruptions shall, to the extent reasonably possible, be preceded by notice and shall occur during periods of minimum system use.

(c) The franchisee shall not allow its cable system or other operations to interfere with the lawful reception of communications by persons not served by the cable system, nor shall the cable system interfere with, obstruct, or hinder in any manner, the operation of other communication systems.

(d) In all portions of the franchise area where all of the cables, wires, and other facilities of public utilities are placed underground after the date hereof, the franchisee shall place all of its wires, cables, and facilities underground to the extent reasonably possible. Where aerial facilities are available for pole attachment, they may be used by the franchisee.

(e) The franchisee shall maintain on file maps or plots showing all existing streets or subdivisions served by the cable system. Such maps or plots shall be updated at least annually. Access to such maps or plots shall be afforded to the PSC by the franchisee upon request.

4. Customer Service and Information

(a) The franchisee shall promptly resolve service and billing complaints. Such resolution shall, to the extent possible, be accomplished within five (5) days from the receipt of the complaint. The franchisee shall maintain records pertaining to complaints for a period of three (3) years from the date of the complaint and shall record thereon the action taken on the complaint.

(b) The franchisee shall maintain a business office reasonably accessible to the public in the area in which it provides cable service. The office shall be open and adequately staffed to receive all inquiries or complaints from subscribers during normal business-hours, Monday through Friday each week, public holidays excepted. Additional office hours shall be scheduled as necessary to accommodate the demands for franchisee's cable service.

(c) Not less than once a year, the franchisee shall provide to each customer, and each new subscriber shall receive at the time of installation, a written description of all cable services offered, including the rates and terms for such services. Such explanation shall include the availability of the parental lock-out device, installation procedures, refund policy, and a discussion of the privacy rights of subscribers.

(d) The franchisee shall report in writing to the PSC as to the nature of any and all written complaints which are not resolved within thirty (30) working days from the receipt of the complaint.

(e) The franchisee shall fully cooperate with the PSC, its agents, employees and representatives in reasonable testing of the cable system for compliance with applicable rules, regulations, and technical standards at the franchisee's expense.

(f) The franchisee shall not unreasonably discriminate in the provision of its cable service among or between any similarly situated subscribers or potential subscribers or PEG users.

(g) The franchisee agrees to fully comply with all applicable state, federal, and local laws and regulations relating to non-discrimination which, by this reference, are incorporated herein.

(h) Thirty (30) days prior to implementing any changes in or amendments to its informational tariffs, franchisee shall file a copy of such changes or amendments with the Commission. Nothing herein shall preclude the franchisee from implementing any such changes or amendments after the expiration of thirty (30) days referred to above, nor shall anything herein preclude the Commission, either prior to or after such thirty (30) day period, from reviewing any such changes or amendments and taking appropriate action with respect thereto in accordance with applicable law.

(i) The cable system operated under the authority of this franchise shall operate twenty-four (24) hours a day subject to available programming. The franchisee shall issue a pro rata credit to affected subscribers for outages of twenty-four (24) consecutive hours caused by defective equipment supplied or

maintained by the franchisee. No refund or credit shall be required where the outage is a result of misuse of equipment by the subscriber, defective equipment not provided by the franchisee, Force Majeure, or where the franchisee is not notified of the outage within a reasonable time thereof, or is denied or unable to gain access to the subscriber's premises.

(j) The franchisee shall maintain a separate toll-free telephone number within the franchise area to accept complaints twenty-four (24) hours a day, seven (7) days a week, and shall maintain for not less than twelve (12) months a written log of all incoming telephone complaints so received.

(k) The franchisee shall not disconnect cable service for non-payment until at least-thirty (30) days after the due date of the bill for which cable service disconnection is contemplated. The thirty (30) day period shall include ten (10) days written notice to the delinquent subscriber of the intent to disconnect. Such notice shall also specify the steps required to avoid termination of service.

(l) The franchisee shall not abandon in whole or in part, any significant portion of its franchise service area except pursuant to Order of the PSC.

(m)

5. Subscriber Privacy

(a) The franchisee shall at all times be, and remain in strict compliance with, § 631 of the Cable Act [47 U.S.C. § 551],

as the same may from time to time be amended, regarding the protection of subscriber privacy.

6. Reports by Franchisee to the PSC

(a) During the term of the franchise, the franchisee shall maintain its records in accordance with generally accepted accounting principles and, shall, on the basis of such records, prepare and file with the PSC on April 30th of each year, or by such other date as the PSC Executive Director may authorize in writing, the following reports:

(i) A summary of the prior twelve (12) months activity in the development of the cable system, including new services added, total number of subscribers, subscribers added, and subscribers disconnected;

(ii) A twelve (12) month financial statement of revenues received for cable service provided under the franchise, including specifically stated revenue to Gross Subscription Receipts.

(iii) A report, under oath, attesting to compliance with all technical standards then required by the FCC in sufficient detail to enable the PSC to ascertain that such technical standards are being achieved and maintained. If the cable system is not, or has not, at any time within the preceding twelve (12) month period been in full

compliance with such standards, the report shall so state and specify how the deficiency will be or was corrected; and

7. Performance Bond

(a) The franchisee shall file with the PSC a performance bond or other surety device acceptable to the PSC in the amount of Ten Thousand Dollars ($10,000), which shall be maintained for the duration of the term of this franchise as security for the performance and discharge of all obligations of the franchisee under this franchise. Said bond with surety approved by the PSC, or letter of credit, or other irrevocable surety device running to the State of Delaware shall be conditioned upon faithful performance of all terms of this franchise and the law, and shall specify that in the event the franchisee fails to faithfully perform, or is in default under any of its obligations, then in such event and provided that franchisee has been given notice of such default and an opportunity to cure of not less than thirty (30) days, the obligor shall make good or otherwise meet the obligations of this franchise and the law up to the limit of the undertaking. The failure of the franchisee to establish and maintain the full amount of either the performance bond, or other acceptable surety device, for the term of this franchise shall constitute a material breach hereof.

8. Remedy for Breach; PSC Fees

(a) A material breach of this franchise shall be grounds for the institution of a proceeding by the PSC to consider the revocation of the franchise, provided that the PSC has given the franchisee written notice of the alleged material breach and a reasonable opportunity to cure and, thereafter, the franchisee fails to substantially cure said alleged material breach.

(b) In the event that the cable system fails to meet any applicable performance standard in the franchisee tariff or incorporated into its franchise for a full uninterrupted thirty (30) day period after written notice (with the exception of a Force Majeure situation, the declaration of such a situation being agreed to by both the PSC and the franchisee), the franchisee agrees that all fees to affected subscribers will be reduced by at least ten percent (10%) until all performance standards are met. The PSC shall notify the franchisee of the required reduction in writing thirty (30) days prior to the date the reduction shall begin.

(c) The PSC shall not be deemed to have waived its right to demand the franchisee's compliance with any of the franchise terms solely by its failure to demand compliance on one or more occasions. No waiver by the PSC of any breach by the franchisee of any provision of this franchise shall be construed as a continuing waiver of any subsequent breach or breaches of any provision or provisions, or as a waiver of the provision itself.

(d) All fees and charges payable by the franchisee to the PSC shall be limited to, and not exceed, the amount permissible

under 26 Del. C. § 610 or § 22 of the Cable Act [47 U.S.C. § 542], whichever is less.

9. Technological Advancements; Franchise Renegotiation

(a) The Franchisee and the PSC agree that the provision of Cable Service is a rapidly changing field which, in the near future, may see significant regulatory, technological, financial, marketing, and legal changes. Therefore, in addition to the rights of the Franchisee under § 625 of the Cable Act [47 U.S.C. § 545], and in order to provide for a maximum degree of flexibility in this franchise, and to help achieve a situation where the cable television needs of the franchise area are adequately accommodated, the PSC may, within one hundred eighty (180) days from each fifth year anniversary of the date of this franchise, institute public proceedings upon due notice to the franchisee and the public, for the purpose of determining the extent to which the cable system is then meeting the needs of the area it serves, consistent with the terms and conditions hereof and in light of the costs of implementing any suggested changes in accordance with the provisions of section 626 of the Cable Act in existence of this effective date of this Franchise.

(b) To the extent that such proceedings disclose possible cable system improvements, advances, or services which appear to the PSC and the franchisee to be reasonable and appropriate for possible implementation on a system-wide basis, the franchisee shall, within one hundred twenty (120) days of the franchisee's receipt of a written request from the PSC to consider such cable system improvements, advances, or services, provide to the PSC a good faith analysis of the costs and benefits from the

provision of such of those cable system improvements, advances, or services, if any, should in fact be implemented by the franchisee, with due regard to customers expressed preferences, the economic and technological feasibility of the improvements, advances, or services, the amount of investment necessary to implement such improvements, and the opportunity to earn a fair return on such investment.

(c) Notwithstanding the foregoing, the PSC shall have the right upon its own motion, during the term of this franchise or any extension hereof, to recommend suggested system changes and/or improvements, advances, and new services. Both the franchisee and PSC shall negotiate in good faith with respect to which of such system changes, improvements, advances, or services, if any, should in fact be implemented by the franchisee with due regard to customers' expressed preferences, the economic and technological feasibility of the system improvements, advances, or services, the amount of investment necessary to implement such improvements all considered under the standards for renewal in accordance with Section 626 of the Cable Act. (d)

Notwithstanding § 625 of the Cable Act [47 U.S.C. § 545], the PSC may permit the franchisee, upon application to the PSC, to amend or modify this Agreement when, and as necessary, to enable the franchisee to take advantage of developments in the field of telecommunications and transmission of data and television and radio signals which will afford the franchisee an opportunity to provide more efficient, effective, and/or economical service.

(e) In the event that any or all of the provisions of the Cable Act are amended, this franchise shall be interpreted in a manner not inconsistent with the Cable Act as amended. If any provision or provisions of the Cable Act is or are repealed, then the franchisee shall be governed by the Delaware Cable Television Act, 26 Del. C. §§ 601 et seq. to the extent applicable and not inconsistent with the existing provisions of the Cable Act. If no provision of the Delaware Cable Television Act is applicable, then the Public Service Commission may formulate appropriate rules and regulations after due notice and an opportunity to be heard by the franchisee.

(f) In the event that the FCC departs from an established rule or interpretation existing at the time of the renewal of this franchise, or the FCC adopts a new rule or interpretation during the time period covered by this renewal, the PSC shall review the franchise and, after due notice and an opportunity to be heard, make any changes necessary to bring this franchise into compliance with any such rule or interpretation provided that such rule or interpretation is mandated by law.

10. Line Extension Policy and Trenching Cable

(a) The franchisee shall provide cable service to any new residential subscribers within the franchise area where there are at least twenty (20) existing occupied residential dwellings with electric service per proposed cable plant mile, or where there are less than twenty (20) of the above; there are at least fifteen (15) prospective customers who agree to take service for at least

one year. For the purpose of any such calculation, the distance to be traversed by the cable plant from the franchisee's then nearest activated trunk line to the respective unserved area shall be included therein.

(b) In areas of lesser density, the franchisee shall offer a cost sharing arrangement with potential single unit residential subscribers as follows:

(i) On request of any potential subscriber desiring cable service, the franchisee shall prepare a feasibility study to determine the cost of the plant extension required to provide cable service to each subscriber from the closest point where activated distribution or feeder cable is located in the franchisee's cable system. The potential subscriber may be charged for any such study in accordance with the franchisee's tariffs;

(ii) A portion of the cost of construction shall be paid by subscribers served by the line extension, which portion shall be equal to the total actual cost of construction multiplied by a fraction, the numerator of which is equal to twenty (20) minus the average number of occupied single unit residential dwellings with electric service passed per mile of line extension, and the denominator of which is twenty (20). Such amount shall be equally divided among all persons who

become subscribers as a result of the line extension; and

(iii) During the three (3) year period following the commencement of cable service from such a line extension, if additional persons within the area of the line extension choose to subscribe to the franchisee's cable service, such persons shall be assessed a pro rata portion of the original total amount of the shared construction cost assessed against the original contributing customers served by the extension and pro rata refunds of such additional contributions shall be made to the original contributors or their assignees. The pro rata refunds of such additional contributions payable to the original contributors or their assignees under this paragraph shall be paid by the franchisee to the original contributors or their assignees at least once a year, subject to the franchisee's receipt of such additional contributions.

(c) Subject to Paragraph 10(a) above, in situations where public utilities are to be placed underground, and the developer or property owner gives the franchisee sixty (60) days written notice by certified mail of the particular date or dates on which open trenching will be available for the installation of cable, conduit, pedestals and/or vaults and laterals, the

franchisee will be required to bear the cost of new trenching if, after a five-day period from the availability date or dates on which notice is given, the trench has been closed without cable being installed therein.

11. Public, Educational, and Governmental Access("PEG")

(a) The franchisee shall make available one (1) channel for PEG on a system-wide basis, provided that demonstrated need for such PEG channel exists as evidenced by the written request of trained and responsible personnel from PEG groups for the activated use of one (1) PEG channel for PEG purposes for a period of not less than eight (8) continuous hours of original programming per calendar week or not less than four (4) such consecutive weeks, and provided further that this requirement shall not necessitate the rebuilding of the cable system or the elimination of any existing video programming or other programming service. This PEG channel may be shared for PEG programming with PEG channels in other franchises operated by the franchisee or in accordance with Section III, 11(f) herein below.

(b) In order to develop and promote PEG access programming for the cable system within the franchise area, the franchisee agrees to provide funding for production equipment in the amount of $2,500.00, or equivalent amount in the equipment itself to be used by the franchisee within the next five (5) years for such purposes. As a part of its undertaking, the franchisee agrees to offer reasonable training for responsible personnel from PEG groups in the operation and use of such production equipment.

(c) The franchisee shall furnish at its own cost one (1) standard Basic Cable Service outlet to each public school within reasonable proximity of existing or extended cable lines for educational purposes upon request by the public school system; to fire stations within the franchise area upon request; and to a reasonable number of designated locations which may, from time to time, be designated by the PSC for the monitoring of performance of the cable system. Nothing herein shall prevent the franchisee from voluntarily providing cable service without cost to other educational, public, or charitable institutions, and for reasonable promotional undertakings.

(d) Upon request of the PSC, the franchisee shall make available its facilities to the federal, state, county, or local governmental units for use in the case of any emergency or disaster in accordance with FCC regulations related to the Emergency Alert System.

(e) The provision of PEG services and the dedication of channels for commercial use shall be in accordance with the Cable Act as the same may, from time to time, be amended, and in accordance with the terms of any provisions of this franchise.

(f) Consistent with the provisions of § 612 of the Cable Act [47 U.S.C. § 531], the franchisee may use channel capacity designated for PEG use for the provision of other cable services, if such channel capacity is not being used for PEG purposes. The franchisee must notify the PSC in writing of its intent to use such channel capacity for other cable services; how much of the PEG

designated capacity it intends to use for the provision of such other cable services; and the date on which it will begin to use the PEG designated capacity for other cable services. The franchisee may only use PEG-designated capacity for other cable services if it has no excess channel capacity by which such cable services can be provided. Upon the request of a PEG entity for channel capacity, the franchisee must surrender such channel capacity for use by the requesting entity. The franchisee must notify the PSC in writing that a PEG entity has requested use of the designated channel capacity and must indicate which channel capacity will be allocated to that entity. The franchisee shall have a reasonable time, but in no event to exceed ninety (90) days, to close its use of the channel capacity to be allocated to the PEG entity. The franchisee shall also be required to cease its use of PEG-designated channel capacity despite the lack of any PEG entity's request for capacity, if sufficient capacity subsequently becomes available on the franchisee's cable system.

12. Reservation of Rights

Notwithstanding the foregoing, the franchisee expressly reserves all and waives none of its rights guaranteed under both federal and Delaware constitutional, statutory and common law, and regulations applicable thereto.

13. Severability

If any section, subsection, sentence, clause, phrase, or any other portion of this franchise is held invalid, unlawful, or unconstitutional by federal or state court or administrative agency of

competent jurisdiction, including but not limited to the FCC, such section, subsection, sentence, clause, phrase, or portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions of the franchise.

14. Effective Date

The expiration date of this franchise is June 10, 2031. The effective date shall be June 10, 2016.

15. Service Territory

The service territory covered by this franchise is as described on the map and description attached hereto as Exhibits "A" and "B" respectively.

THIS FRANCHISE IS ACCEPTED AND AGREED TO BY MEDIACOM DELAWARE, LLC, THIS _____ DAY OF _____.

BY:_____
Title:

EXHIBIT "A": A MAP OF THE SERVICE TERRITORY COVERED BY THE FRANCHISE AS DESCRIBED IN EXHIBIT "B"

EXHIBIT "A"

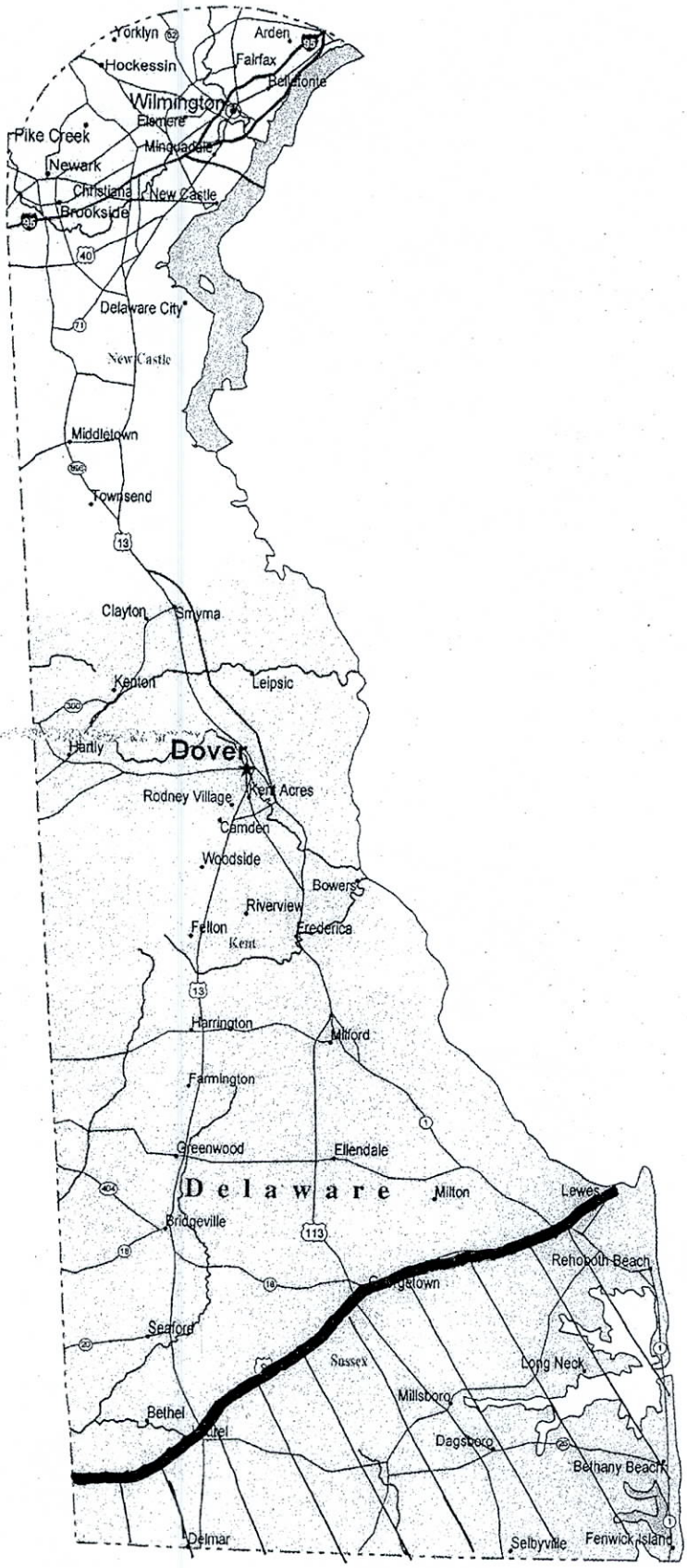
Yorklyn
Arden
Hockessin
Fairfax
Bellefonte
Wilmington
Elsmere
Pike Creek
Mingo Addie
Newark
Christiana
New Castle
Brookside
Delaware City
New Castle
Middletown
Townsend
Clayton
Smyrna
Kenton
Leipsic
Hartly
Dover
Rodney Village
Kent Acres
Camden
Woodside
Bowers
Riverview
Felton
Frederica
Kent
Harrington
Milford
Farmington
Greenwood
Ellendale
Delaware
Milton
Lewes
Bridgeville
Rehoboth Beach
Georgetown
Seaford
Sussex
Long Neck
Millsboro
Bethel
Dagsboro
Bethany Beach
Delmar
Selbyville
Fenwick Island

EXHIBIT "B"

ALL THAT certain portion of southeastern Sussex County, Delaware, as contained within the following boundaries: beginning at Cape Henlopen State Park; thence leaving from said State Park in a southwesterly direction along Route 9 from Lewes to Laurel and along Route 24 from Laurel to that point at which Route 24 intersects the western boundary of the state; thence south along the said western boundary to the Mason-Dixon monument located at the southwestern corner of the state; thence east along the said southern boundary of the state to the point at which the southern boundary intersects the coastline of the Atlantic Ocean; thence in a northerly direction along the said coastline to the point of beginning.