UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	)	Chapter 11 Cases
Adelphia Communications Corporation, et al.,	)	Case No. 02-41729 (REG)
Debtors.	)	Jointly Administered

SECOND DISCLOSURE STATEMENT SUPPLEMENT
RELATING TO FIFTH AMENDED JOINT CHAPTER 11 PLAN
FOR ADELPHIA COMMUNICATIONS CORPORATION AND CERTAIN AFFILIATED DEBTORS

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Dated as of October 16, 2006

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* None of the position statements represent the position of the Proponents. The Proponents make no representation or warranty as to the accuracy of any information included in the position statements and disclaim any responsibility therefor. Similarly, the Bankruptcy Court's approval of this Second Disclosure Statement Supplement does NOT represent a finding as to the reasonableness of any of the assumptions, arguments, assertions or likelihood of any of the outcomes presented in the position statements or other exhibits.

Nothing contained in the Disclosure Statement, the Disclosure Statement Supplement, dated April 28, 2006 (the "First Disclosure Statement Supplement") or this Second Disclosure Statement Supplement shall constitute an offer, acceptance or legally binding obligation of the Debtors, the Creditors Committee or any other person, including Time Warner Cable Inc. ("TWC"), the cable subsidiary of Time Warner Inc. ("Time Warner"), Comcast Corporation ("Comcast") and their respective affiliates. Future developments relating to the matters described herein may require modifications, additions or deletions to this Second Disclosure Statement Supplement.

This Second Disclosure Statement Supplement does not describe all material events that have occurred with respect to the Company or the transactions consummated pursuant to the Purchase Agreements since the filing of the Disclosure Statement on November 21, 2005 or since the filing of the First Disclosure Statement Supplement on April 28, 2006. To read about such events, you can review the Company's public filings at www.sec.gov. Except as set forth herein, in the Disclosure Statement or in the First Disclosure Statement Supplement, all statements in the Disclosure Statement continue to be made only as of November 21, 2005 and all statements made in the First Disclosure Statement Supplement continue to be made only as of April 28, 2006.

Except as otherwise indicated, the statements in this Second Disclosure Statement Supplement are made as of the date on the cover page, and the delivery of this Second Disclosure Statement Supplement does not imply that the information contained in this Second Disclosure Statement Supplement is correct at any time after such date. Any estimates of claims or interests in this Second Disclosure Statement Supplement may vary from the final amounts of claims or interests allowed by the Bankruptcy Court.

NOTE REGARDING TIME WARNER RESTATEMENT

On August 17, 2006, Time Warner filed a Current Report on Form 8-K (the "TW Restatement 8-K") with the Securities and Exchange Commission reporting, among other things, that "on August 15, 2006, [Time Warner] determined it will restate its consolidated financial results for each of the years ended December 31, 2000 through December 31, 2005 and for the six months ended June 30, 2006. [Time Warner] also has determined that investors should not rely on the [Time Warner's] consolidated financial statements for those periods pending that restatement." In addition, Time Warner indicated that investors should no longer rely on any audit reports of Ernst & Young LLP, its independent auditor, for those periods. On September 13, 2006, Time Warner filed an amendment to its Annual Report on Form 10-K for the year ended December 31, 2005 and amendments to its Quarterly Reports on Form 10-Q for the quarters ended March 31, 2006 and June 30, 2006 (collectively the "TW Amended Reports") , which contain the restated financial statements of Time Warner. The TW Restatement 8-K disclosed that Time Warner Cable, of which the Debtors own approximately 16% of the common equity, was involved in certain of the transactions giving rise to the restatement, and that Time Warner Cable will "recognize reduced cable programming costs over the life of the related cable programming affiliation agreements (which range from 10 to 12 years), which has the effect of increasing earnings during certain of the restated and in future periods." The TW Amended Reports contain similar disclosure concerning Time Warner Cable. Neither the TW Restatement 8-K nor the TW Amended Reports provides a quantitative estimate of the effects of the restatement on the financial statements of Time Warner Cable. Holders of Claims against and Equity Interests in the Debtors are encouraged to review the TW Amended Reports in their entirety for further information regarding the restated financial statements.

As a result of the restatement reflected in the TW Amended Reports: (1) the historical and pro forma financial statements contained in the Disclosure Statement and First Disclosure Statement Supplement are not incorporated by reference into this Second Disclosure Statement Supplement; and (2) holders of Claims against and Equity Interests in the Debtors should not rely on such financial statements of Time Warner Cable in deciding whether to vote to accept or reject the Plan. Neither Time Warner Inc. nor any of its affiliates have provided information for inclusion in this Second Disclosure Statement Supplement. See Section V of this Second Disclosure Statement Supplement, titled "Updated Valuation of TWC Equity," and Section VII.A of this Second Disclosure Statement Supplement, titled "Additional Risk Factors – General Risks."

IMPORTANT NOTICE

Only documents, including the Disclosure Statement, the Disclosure Statement Supplement, dated April 28, 2006 (the "First Disclosure Statement Supplement"), this Second Disclosure Statement Supplement and their related documents, that are approved by the Bankruptcy Court pursuant to section 1125(b) of title 11 of the United States Code (the "Bankruptcy Code") may be used in connection with soliciting votes on the Plan. No statements have been authorized by the Bankruptcy Court concerning Adelphia Communications Corporation ("ACC") and certain of its affiliates and subsidiaries that are debtors and debtors in possession (collectively, with ACC but not the JV Debtors (as defined below), the "Debtors"), TWC, Comcast, their respective affiliates or business operations or the value of their respective assets, except as explicitly set forth in the Disclosure Statement, the First Disclosure Statement Supplement and this Second Disclosure Statement Supplement.

Please refer to the Plan, the Disclosure Statement or the First Disclosure Statement Supplement for definitions of the capitalized terms that are used but not defined in this Second Disclosure Statement Supplement. An index of terms defined in this Second Disclosure Statement Supplement is provided in Appendix A.

The Proponents reserve the right to file amendments and/or supplements to the Plan, the Disclosure Statement, the First Disclosure Statement Supplement and this Second Disclosure Statement Supplement from time to time. The Proponents urge you to read, except as otherwise noted, the Disclosure Statement, the First Disclosure Statement Supplement and this Second Disclosure Statement Supplement carefully for a discussion of voting instructions, recovery information, classification of claims, the history of the Debtors and the Reorganization Cases, the Debtors' and TWC's businesses, properties and results of operations, historical and projected financial results and a summary and analysis of the Plan.

The Plan and the Disclosure Statement, as supplemented by the First Disclosure Statement Supplement and this Second Disclosure Statement Supplement, are not required to be prepared in accordance with the requirements of federal or state securities laws or other applicable non-bankruptcy law. Any approval by the Bankruptcy Court of this Second Disclosure Statement Supplement as containing "adequate information" will not constitute endorsement of the Plan by the Bankruptcy Court, and none of the Securities and Exchange Commission (the "SEC"), any state securities commission or similar public, governmental or regulatory authority has approved the Disclosure Statement, the First Disclosure Statement Supplement, this Second Disclosure Statement Supplement, the Plan or the securities offered under the Plan, or has passed on the accuracy or adequacy of the statements in the Disclosure Statement, the First Disclosure Statement Supplement or this Second Disclosure Statement Supplement. Any representation to the contrary is a criminal offense. Persons trading in or otherwise purchasing, selling or transferring securities of the Debtors or TWC should evaluate the Disclosure Statement, the First Disclosure Statement Supplement and this Second Disclosure Statement Supplement in light of the purposes for which they were prepared.

The Disclosure Statement, the First Disclosure Statement Supplement and this Second Disclosure Statement Supplement together contain only a summary of the Plan and certain other documents, including the Purchase Agreements. They are not intended to replace a careful and detailed review and analysis of the Plan and such other documents, including the Purchase Agreements, but only to aid and supplement such review. The Disclosure Statement, the First Disclosure Statement Supplement and this Second Disclosure Statement Supplement are qualified in their entirety by reference to the Plan, any supplemental documents to the Plan (as has been or may be further supplemented or amended, collectively, the "Plan Documents") and the exhibits attached hereto and thereto and the agreements and documents described herein and therein. If there is a conflict between the Plan and the Disclosure Statement, as supplemented by the First Disclosure Statement Supplement and this Second Disclosure Statement Supplement, the provisions of the Plan will govern. The rights of ACC, TWC, Comcast and their respective affiliates pursuant to the Purchase Agreements, the TWC/Comcast Agreements and the other agreements related thereto that are described herein, as applicable, are subject to the terms of the Purchase Agreements, the TWC/Comcast Agreements and such other related agreements, and nothing in the Disclosure Statement, as supplemented by the First Disclosure Statement Supplement and this Second Disclosure Statement Supplement, shall (i) constitute a consent or waiver by any of ACC, TWC, Comcast or their respective affiliates under such agreements, (ii)

amend, limit, abrogate or otherwise modify the rights, benefits or obligations of any of ACC, TWC, Comcast or their respective affiliates under such agreements or (iii) entitle any person (other than the parties thereto) to any rights under such agreements. You are encouraged to review the full text of the Plan and the Plan Documents and to read carefully the entire Disclosure Statement, as supplemented by the First Disclosure Statement Supplement and this Second Disclosure Statement Supplement, including all exhibits hereto and thereto, before deciding how to vote with respect to the Plan.

The Purchase Agreements were attached to the Disclosure Statement to provide you with information regarding their terms. Except for their status as the contractual documents that establish and govern the legal relations among the parties thereto with respect to the transactions contemplated by the Purchase Agreements, those documents are not intended to be a source of factual, business or operational information about the parties. The representations, warranties and covenants made by the parties in each of the Purchase Agreements are qualified, including by information in disclosure schedules that the parties exchanged in connection with the execution of such Purchase Agreements. Representations and warranties may be used as a tool to allocate risks between the respective parties to the Purchase Agreements, including where the parties do not have complete knowledge of all facts. You are not a third party beneficiary under the Purchase Agreements and should not rely on the representations, warranties and covenants or any descriptions thereof as characterizations of the actual state of facts or condition of TWC, Comcast, ACC or any of their respective affiliates.

THE INFORMATION CONTAINED IN THE DISCLOSURE STATEMENT AND THE FIRST DISCLOSURE STATEMENT SUPPLEMENT REGARDING TWC AND ITS AFFILIATES HAS BEEN PROVIDED BY TIME WARNER NY CABLE LLC ("TW NY") AND THE INFORMATION REGARDING THE TRANSACTIONS AMONG TWC AND ITS AFFILIATES AND COMCAST AND ITS AFFILIATES HAS BEEN PROVIDED BY TW NY AND/OR COMCAST, AS APPLICABLE, IN EACH CASE SPECIFICALLY FOR INCLUSION IN THE DISCLOSURE STATEMENT AND THE FIRST DISCLOSURE STATEMENT SUPPLEMENT. THE COMPANY PROVIDES NO ASSURANCES AS TO THE ACCURACY OF THIS INFORMATION.

You should not construe the Disclosure Statement, the First Disclosure Statement Supplement or this Second Disclosure Statement Supplement as providing any legal, business, financial or tax advice, and you should consult with your own legal, business, financial and tax advisors regarding the transactions contemplated by the Plan.

TO ENSURE COMPLIANCE WITH INTERNAL REVENUE SERVICE CIRCULAR 230, YOU ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THE DISCLOSURE STATEMENT, IN THE FIRST DISCLOSURE STATEMENT SUPPLEMENT OR IN THIS SECOND DISCLOSURE STATEMENT SUPPLEMENT IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON BY YOU, FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON YOU UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS WRITTEN IN CONNECTION WITH THE SOLICITATION OF VOTES IN FAVOR OF THE PLAN; AND (C) YOU SHOULD SEEK ADVICE BASED ON YOUR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

As to contested matters, adversary proceedings and other actions or threatened actions, this Second Disclosure Statement Supplement is not, and is in no event to be construed as, an admission or stipulation of the Proponents. Instead, this Second Disclosure Statement Supplement is, and is for all purposes to be construed as, solely and exclusively a statement made by the Proponents in settlement negotiations.

THE DEBTORS AND THE CREDITORS COMMITTEE, AS CO-PROPONENTS OF THE PLAN, URGE HOLDERS OF CLAIMS AND EQUITY INTERESTS TO VOTE TO ACCEPT THE PLAN.

EACH OF THE BANK PROPONENTS, AS CO-PROPONENTS OF THE PLAN WITH RESPECT TO THE CLASSIFICATION AND TREATMENT OF BANK CLAIMS IN THEIR RESPECTIVE PREPETITION CREDIT AGREEMENTS, URGES ALL HOLDERS OF BANK CLAIMS IN THEIR RESPECTIVE PREPETITION CREDIT AGREEMENTS TO VOTE TO ACCEPT THE PLAN.

CAUTIONARY NOTE

The Disclosure Statement, the First Disclosure Statement Supplement and this Second Disclosure Statement Supplement include forward-looking statements. All statements regarding the expected future financial position, results of operations, cash flows, business strategy, budgets, projected costs, capital expenditures, network upgrades, products and services, competitive positions, growth opportunities, plans and objectives of management for future operations (as applicable) of ACC and its subsidiaries and affiliates ("Adelphia") and TWC and its affiliates, statements that include words such as "anticipate," "if," "believe," "plan," "estimate," "expect," "intend," "may," "could," "should," "will," and other similar expressions are forward-looking statements. Such forward-looking statements are inherently uncertain, and readers must recognize that actual results may differ materially from Adelphia's, and, as applicable, TWC's expectations. Neither Adelphia nor TWC undertakes a duty to update such forward-looking statements.

Factors that may cause actual results to differ materially from those in the forward-looking statements include the risk factors set forth in Section XI of the Disclosure Statement, Section VI of the First Disclosure Statement Supplement, Section VII of this Second Disclosure Statement Supplement and the following:

- **Adelphia's pending bankruptcy proceeding, including the possible failure of Adelphia's stakeholders to approve the Plan, the possible failure of the Plan to be confirmed by the Bankruptcy Court and the possible failure, if the Plan is confirmed, of the occurrence of the Plan's conditions to effectiveness including the ability to obtain a sufficient ACC Effective Date Settlement Distribution;**
- **the risk that shares of TWC Class A Common Stock will not be registered under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as contemplated in the Disclosure Statement, the First Disclosure Statement Supplement and herein;**
- **results of litigation (including government investigations) against Adelphia or TWC and its affiliates;**
- **the ability of the Contingent Value Vehicle to obtain recoveries in prosecuting litigation contributed to it; and**
- **the ability of TWC, now that the Sale Transaction (defined herein) has been consummated, to execute its business plan and growth strategy, maintain its subscribers, and maintain its financial conditions and results of operations due to competition, the potential failure to realize the benefits of the Sale Transaction, technological changes, dependence on third parties for inputs necessary to TWC's business, and government regulation applicable to TWC's business.**

Many of these factors are outside of Adelphia's, the Proponents' and TWC's control.

I. INTRODUCTION

A. SECOND DISCLOSURE STATEMENT SUPPLEMENT AND VOTING

This Second Disclosure Statement Supplement is being submitted pursuant to section 1125 of the Bankruptcy Code to certain holders of Claims against and Equity Interests in the Debtors in connection with: (1) the solicitation of acceptances of the Plan, which has been jointly proposed by the Debtors, the Creditors Committee and, as to the classification and treatment of Bank Claims under their respective Prepetition Credit Agreements, the Bank Proponents (collectively, to such extent, the "Proponents"), from holders of Claims against and Equity Interests in the Debtors; and (2) the hearing to consider confirmation of the Plan (the "Confirmation Hearing").

Attached as exhibits to this Second Disclosure Statement Supplement are:

- The Plan (Exhibit X);
- Second Disclosure Statement Supplement Order (Exhibit Y);
- FV Stipulation (Exhibit Z);
- FrontierVision Committee Statement (Exhibit AA);*
- Arahova Committee Statement (Exhibit BB);*
- ACC Settling Parties' Statement (Exhibit CC);*
- Committee II Statement (Exhibit DD);*
- Trade Claims Committee Statement (Exhibit EE);*
- Bank of America Statement (Exhibit FF);*
- ACC Bondholder Group Statement (Exhibit GG);*
- Copy of Plan Agreement (Exhibit HH);
- Copy of ACC Proposed Term Sheet (Exhibit II);
- Copy of Plan Support Agreement (Exhibit JJ);
- List of ACC Debtors (Schedule I); and
- List of Subsidiary Debtors (Schedule II).

The votes of all holders of impaired Claims against and Equity Interests in the Debtors are being solicited in connection with the Plan because the classes of Claims designated for purposes of voting and distribution have changed. The Plan now contemplates the "Global Compromise" described below and embodied in the Plan, as well as a proposed settlement with respect to the treatment of Bank Claims, and the Proponents have determined it is appropriate to solicit the votes of such holders.

Each holder of a Claim or Equity Interest being solicited to vote on the Plan should read the Disclosure Statement, the First Disclosure Statement Supplement, this Second Disclosure Statement Supplement, the Plan and the exhibits attached hereto and thereto and the agreements and documents described herein and therein, the Second Disclosure Statement Supplement Order and the instructions accompanying the ballot in their entirety before voting on the Plan. These documents contain important information concerning the classification of Claims and Equity

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Interests for voting purposes and the tabulation of votes. No solicitation of votes to accept the Plan may be made except pursuant to section 1125 of the Bankruptcy Code.

Who is Proposing the Plan?

The Debtors and the Creditors Committee are co-Proponents of the Plan. The Bank Proponents, are co-Proponents of the Plan with respect to the classification and treatment of Bank Claims in their respective Prepetition Credit Agreements.

Procedures for Voting on the Plan

Who is entitled to vote on the Plan? Holders of Claims and Equity Interests in the Classes listed below (the "Voting Classes"), who held such Claims and Equity Interests as of October 18, 2006 (the "Record Date") may cast votes in favor of or against the Plan.

The following Classes are impaired by the Plan and therefore entitled to vote to accept or reject the Plan:

- ACC Senior Notes Claims;
- ACC Trade Claims;
- ACC Other Unsecured Claims;
- ACC Subordinated Notes Claims;
- ACC Existing Securities Law Claims;
- ACC Preferred Stock Interests;
- ACC Common Stock Interests;
- ACC Subsidiary Equity Interests;*
- Century Bank Administrative Agent Claims Class;*
- Century Bank Non-Administrative Agent Claims Class; *
- Century Bank Syndicate Claims Class; *
- Century Wachovia Claims Class; *
- Century BMO Claims Class; *
- FrontierVision Bank Claims Class; *
- Olympus Bank Administrative Agent Claims Class; *
- Olympus Bank Non-Administrative Agent Claims Class; *
- Olympus Bank Syndicate Claims Class; *
- Olympus Wachovia Claims Class; *
- Olympus BOFA Claims Class; *
- UCA Bank Administrative Agent Claims Class; *
- UCA Bank Non-Administrative Agent Claims Class; *
- UCA Bank Syndicate Claims Class; *
- UCA BMO Claims Class; *
- UCA BOFA Claims Class; *
- Subsidiary Debtor Trade Claims;
- Subsidiary Debtor Other Unsecured Claims;
- Arahova Notes Claims;
- FPL Notes Claims;
- FrontierVision Opco Notes Claims;
- FrontierVision Holdco Notes Claims;
- Olympus Notes Claims;
- Subsidiary Debtor Existing Securities Law Claims; and
- Subsidiary Debtor Equity Interests. *

* The Proponents reserve the right to classify and seek an order of the Bankruptcy Court designating these Claims and/or Equity Interests (as applicable) as unimpaired and not entitled to vote, and any impairment designation contained herein shall have no probative value with respect to any request for such classification order.

When does the vote need to be received? The deadline for the receipt by the Voting Agent of properly completed ballots (or, in the case of securities held through an intermediary, the master ballot cast on your behalf) is 4:00 p.m. (prevailing New York time) on November 27, 2006 (the "Voting Deadline"). In the case of securities held through an intermediary, the deadline for receipt by your intermediary of your voting instructions is 4:00 p.m. (prevailing New York time) on November 20, 2006, or such other date as may be set by your intermediary, so that master ballots can be prepared and received by the Voting Deadline. The Voting Deadline is subject to extension as provided in the Second Supplement Disclosure Statement Order.

If I previously voted on the November Plan, the April Plan or the JV Plan, must I vote again on the Plan for my vote to count? Yes. Only the votes of holders of Claims and Equity Interests that timely submit ballots on the Plan will be counted. In addition, the Debtors and the Creditors Committee requested that the Bankruptcy Court adopt a presumption that, if no holder of a Claim or Equity Interest in a Class with Claims or Equity Interests eligible to vote timely submits a ballot, then the applicable Class will be deemed to have accepted the Plan. Accordingly, if you do not wish such presumption to take effect with respect to any Class for which you hold Claims or Equity Interests, you should submit a ballot for any such Class.

Whom should I contact if I have questions or need a ballot? You may contact the Balloting Agent at Bankruptcy Services, LLC, 757 Third Avenue, 3rd Floor, New York, NY 10017 or 1-877-332-6276 with questions or requests related to voting on the Plan.

When is there an ACC Senior Notes Claims Accepting Class?

The existence of an ACC Senior Notes Claims Accepting Class will determine the recoveries to holders of Arahova Notes and creditors of the ACC Debtors. An "ACC Senior Notes Claims Accepting Class" will exist upon the affirmative acceptance of the Plan by Class ACC-3 (ACC Senior Notes Claims), determined in accordance with section 1126 of the Bankruptcy Code, provided however, that solely for purposes of determining the treatment to be provided to the holders of Claims in Classes ACC-3 (ACC Senior Notes Claims), ACC-4 (ACC Trade Claims, ACC-5 (ACC Other Unsecured Claims) and SD-6 (Arahova Notes Claims), all ACC Senior Notes Claims owned, controlled or managed (directly or indirectly) by any Settlement Party (or any constituent member of any Settlement Party that is a committee or ad hoc committee) or any party to the Plan Support Agreement as of October 11, 2006 or later acquired or that become subject to such party's control or management at any time thereafter (whether or not such ACC Senior Note Claim is subsequently sold, transferred or assigned) will be deemed to have voted to accept the Plan, regardless of whether the holders of such ACC Senior Note Claims actually voted to accept the Plan and without regard to whether the Holders of more than one-half in number of the Allowed Claims in Class ACC-3 actually voting in respect of the Plan voted to accept the Plan. Notwithstanding the foregoing, if a court of competent jurisdiction determines that the deeming of votes for purposes of treatment as provided in the preceding sentence is unenforceable and, as a result thereof (and without regard to whether the holders of more than one-half in number of the Allowed Claims in Class ACC-3 actually voting in respect of the Plan voted to accept the Plan), Class ACC-3 is determined to have not accepted the Plan, the holders of ACC Senior Note Claims in Class ACC-3 will nonetheless be entitled to receive the treatment provided hereunder as if an ACC Senior Notes Claims Accepting Class existed if the reason for the failure of the Class to accept the Plan (i) was, in whole or in part, the result of either (x) a material breach of the Plan Support Agreement by any non-ACC Settling Party, or (y) Huff or any constituent member of Committee II or their respective successors, if any, not submitting votes in respect of their ACC Senior Note Claims accepting the Plan, and (ii) was not the result of either (x) a material breach of the Plan Support Agreement by any ACC Settling Party, or (y) ACC Settling Parties or their respective successors, if any, failing to submit votes in respect of their ACC Senior Notes Claims accepting the Plan in an amount equal to or greater than the shortfall in the dollar amount of votes needed to create an accepting Class.

When and where is the Confirmation Hearing and what is the deadline for objections?

- Pursuant to section 1128 of the Bankruptcy Code, the Confirmation Hearing will commence on December 7, 2006 at 9:45 a.m. (prevailing New York time), before the Honorable Robert E. Gerber, United States Bankruptcy Judge, at the United States Bankruptcy Court for the Southern District of New York, Room 621, Alexander Hamilton Customs House, One Bowling Green, New York, New York 10004.

- Any objection to confirmation of the Plan must be filed and served in accordance with the Second Disclosure Statement Supplement Order on or before 4:00 p.m. (prevailing New York time) on November 24, 2006, unless otherwise agreed to by the Debtors and the Creditors Committee.

- Objections to confirmation of the Plan are governed by Rule 9014 of the Federal Rules of Bankruptcy Procedure ("Bankruptcy Rules"). Any objection to confirmation must be made in writing and specify in detail the name and address of the objector, all grounds for the objection and the amount and description of the Claim or Equity Interest held by the objector.

B. STATEMENT OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF THE DEBTORS, AS PLAN CO-PROPONENT

It is well-known to the Adelphia creditor body that disputes regarding the allocation of assets and liabilities between and among various Debtors and the setting of appropriate levels of creditor recoveries have inflicted a massive strain on these Chapter 11 Cases. The Plan fully and finally resolves all inter-creditor issues and provides creditors with a clear path to receiving distributions upon their claims in a timely fashion. As the body statutorily charged with advancing unsecured creditor interests, the Creditors Committee is pleased to be a co-Proponent of the Plan and urges all unsecured creditors to vote to accept it. In the view of the Creditors Committee, the Plan maximizes distributions to unsecured creditors, minimizes significant material risks and delays attendant thereto, and preserves for unsecured creditors the ability to realize additional recoveries through the pursuit of estate Causes of Action by the Contingent Value Vehicle.

The capital structure of the Debtors is enormously complex and controversial. The Creditors Committee has observed firsthand how those complexities have spawned seemingly ever-expanding litigation and acrimony between and among classes of unsecured creditors, bringing these Chapter 11 Cases to the brink of paralysis. As recently as this past spring, it appeared that there was no reorganization structure that could satisfy the starkly competing requirements and positions of multiple adverse parties.

Beginning in March 2006, representatives of certain conflicting classes of unsecured claims began negotiating under the invaluable supervision of Bankruptcy Judge Cecelia Morris, the monitor appointed by Bankruptcy Judge Robert Gerber. The Creditors Committee observed firsthand the ferocity with which representatives of ACC Senior Notes, Arahova Notes, FrontierVision Notes and others – each armed with experienced and able advisors and unfettered access to all necessary (and confidential) information – advocated their respective cases. For nearly three months, negotiations ensued slowly, methodically and with each side conceding points with the utmost reluctance. On June 21, 2006, those negotiations culminated in the execution of a term sheet which was later joined in, on succeeding occasions, by certain members of the ACC Senior Noteholders Committee, by the Ad Hoc Committee of Trade Claims, the Creditors Committee and the Debtors. The term sheet, as amended to reflect the joinder of those additional parties, provides the key terms for the Plan. The Proponents were able to reach additional compromises and agreements after execution of the term sheet with other significant parties in interest, including the Bank Proponents, representatives of holders of Olympus Parent Notes, the FPL Note and certain holders of ACC Senior Notes not party to the Plan Agreement (namely OZ Management, L.L.C., C.P. Management, LLC and Satellite Asset Management, L.P. (collectively, the "Additional ACC Settling Parties")). The Creditors Committee believes that the Plan embodies such compromises and agreements.

The Creditors Committee invites unsecured creditors to view the recovery analysis in this Second Disclosure Statement Supplement in comparison to the recovery analysis under the initial approved Disclosure Statement (which did not contemplate a settlement of inter-debtor disputes). The wide swings in potential recoveries under the earlier structure have been replaced with projected recoveries which are far more certain and predictable and, ultimately, in the view of the Creditors Committee, more beneficial for all parties. The Creditors Committee views confirmation of the Plan as a far superior alternative to the incremental costs, delays and uncertainties of continued litigation and, again, urges all unsecured creditors to vote to accept the Plan.

C. OVERVIEW OF THE PLAN AGREEMENT AND BANK SETTLEMENT EMBODIED IN THE PLAN

This Second Disclosure Statement Supplement, together with the Plan, is the product of months of intensive and complex negotiations between and among many interested parties, including: certain holders of ACC Senior Notes (namely, Tudor Investment Corporation and Highfields Capital (the "Initial ACC Settling Parties" and, collectively with the Additional ACC Settling Parties, the "ACC Settling Parties")) who are members of the ACC Senior Noteholders Committee (but who executed the Plan Agreement in their individual capacities); the ad hoc committee of holders of ACC Senior Notes and Arahova Notes ("Committee II"); the ad hoc Committee of Arahova Noteholders (the "Arahova Noteholders Committee"); the ad hoc Committee of holders of FrontierVision Opco Notes Claims and FrontierVision Holdco Notes Claims (the "FrontierVision Committee"); W.R. Huff Asset Management Co., L.L.C. ("Huff") (collectively, the "Creditor Parties"); the ad hoc Committee of trade claims against the Subsidiary Debtors (the "Subsidiary Trade Committee") and ACC Debtors (the "Parent Trade

Committee"); the ad hoc Committee of Olympus Noteholders (the "Olympus Noteholders Committee"); the ad hoc Committee of FPL Noteholders (the "FPL Noteholders Committee"); the administrative agents for the Olympus Credit Agreement and the UCA Credit Agreement (collectively, the "Bank Proponents"); the Additional ACC Settling Parties; and representatives of the Debtors and the Official Committee of Unsecured Creditors (the "Creditors Committee").

The Plan, if confirmed, will fully and finally resolve numerous complex inter-creditor and inter-Debtor issues, including: (1) the substantive consolidation of any of the Debtors; (2) the alleged fraudulent transfer claims associated with historical movements of subsidiaries within the corporate structure; (3) the amounts, allowance, relative priority and treatment of all Intercompany Claims; (4) the allocation of the benefits and burdens associated with the Government Settlement Agreements; (5) the allocation of DIP Lender Claims; (6) the allocation of the CVV Distributions from the Contingent Value Vehicle; (7) the allocation of the value received from the Purchase Agreements; (8) the valuation of the TWC Class A Common Stock issued in connection with the Sale Transaction (defined herein), and the methodology to govern such valuation; (9) the rate at which post-petition interest is paid to holders of certain claims; (10) the allocation of the proceeds of certain litigation described in the Plan (the "Designated Litigation"); and (11) the allocation of the administrative expenses, including overhead and restructuring costs, incurred by the Debtors both pre-petition and post-petition (the "Inter-Creditor Dispute"). The settlement of these issues was embodied in an agreement (the "Plan Agreement") reached by the Creditor Parties, the Debtors, and the Creditors Committee, and includes, among other things, the transfer of $1.08 billion (as described below, if there is an ACC Senior Notes Claims Accepting Class, this amount will be increased to $1.13 billion as a result of additional negotiations between certain of the creditor parties to the Plan Agreement and the Additional ACC Settling Parties) to the unsecured creditors of the ACC Debtors from the distributions otherwise payable to the unsecured creditors of the Subsidiary Debtors, with the possibility of repayment of much of such funds from various contingent sources, including certain proceeds of a litigation trust to be established under the Plan to pursue claims against third parties that are alleged to have damaged the Debtors. See Section I.F. of this Second Disclosure Statement Supplement, titled "The Plan Agreement," for more information about the Plan Agreement.

This Second Disclosure Statement Supplement, together with the Plan, is also the product of significant negotiations between and among the Creditors Committee, the Debtors, and the Banks, including the Agent Banks, On September 11, 2006, the Debtors, the Creditors Committee, the Settlement Parties and the Bank Proponents (who are comprised of the Administrative Agents under the UCA Prepetition Credit Agreement and the Olympus Prepetition Credit Agreement solely as to the classification and treatment of Bank Claims under their respective facilities) reached an agreement concerning the treatment afforded Bank Claims under the Plan. The Plan, if confirmed, will fully and finally resolve numerous issues relating to such treatment, including: (1) the amount of funds, if any, reserved for the payment of indemnification obligations allegedly owed by certain Debtors to the Banks post-Effective Date; (2) whether the funds to be distributed to the Banks for the payment of principal and pre-petition accrued interest on the Bank Claims should be paid on the Effective Date or reserved in full in cash pending the Allowance of the Bank Claims; (3) whether the funds reserved for the payment of post-Effective Date indemnifiable claims to fees and costs of the Banks should be paid on a current basis or paid only upon Allowance; and (4) the treatment of Defensive Claims. The settlement of these issues is embodied in the Plan and provides for, among other things, payment of the principal and pre-petition accrued interest under the Co-Borrowing Credit Agreements to the extent that each applicable Class of Bank Claims votes in favor of the Plan, subject to disgorgement and the creation of a Co-Borrowing Bank Litigation Fund containing $75 million ($40 to $75 million of which will be funded by the Debtors, depending on the voting of the Classes of Bank Syndicate Claims).

Each of the Debtors, the Creditors Committee and the Bank Proponents (who are comprised of Wachovia Bank, National Association, as Administrative Agent under the UCA Credit Agreement (solely as to the classification and the treatment of Bank Claims under the UCA Credit Agreement), and Bank of Montreal, as Administrative Agent under the Olympus Credit Agreement (solely as to the classification and the treatment of Bank Claims under the Olympus Credit Agreement) strongly urges all holders of Claims and Equity Interests (including the holders of Bank Claims) to vote for and support the Plan. With respect to the Inter-Creditor Dispute, the Debtors and the Creditors Committee believe that the Plan, which embodies the Plan Agreement, represents a fair allocation of value and is in the best interests of the holders of Claims against and Equity Interests in each of the Debtors, as it maximizes the value of distributions, accelerates the timing of such distributions, and resolves litigation that would have been time consuming, expensive and damaging to the Debtors' estates. Although the Plan Agreement was subject to, among

others, the condition that the Plan be consummated by September 15, 2006, pursuant to the Plan Support Agreement, each of the Settlement Parties that are party thereto has agreed to extend such date to December 22, 2006 (and the Creditors Committee has informed the Debtors that the Settlement Parties not party to the Plan Support Agreement also have consented to this extension). See Section I.F.3 of this Second Disclosure Statement Supplement, titled "Rationale Behind and Basis for the Plan Agreement and Plan Support Agreement," for more information about the rationale for the Plan Agreement and Plan Support Agreement. In addition, with respect to Bank Claims, the Plan now incorporates within its Plan treatment provisions and other sections provisions that have been heavily negotiated and agreed to by the Debtors, the Creditors Committee and the Bank Proponents, and the Proponents believe the proposed compromise embedded within these provisions represents a fair and reasonable compromise of the disputes that existed with respect to the treatment of Bank Claims. See Section I.F.3, of this Second Disclosure Statement Supplement, titled "Rationale Behind and Basis for the Plan Agreement and Plan Support Agreement" for more information about the rationale for the Bank Settlement. See Section III.D.5.c of this Second Disclosure Statement Supplement and Section 5.2(c) of the Plan for more information about the treatment of the Bank Claims under the Plan.

D. EVENTS CONCERNING PRIOR PLANS AND THE SALE TRANSACTION

In the Spring of 2004, upon the urging of numerous constituencies, including the Statutory Committees, the Debtors and JV Debtors announced their intention to pursue a dual-track process to determine whether it was in the best interests of their stakeholders to emerge from chapter 11 on a traditional stand-alone plan of reorganization basis or through a sale of all or substantially all of their assets. Ultimately, after a lengthy and thorough market test and bidding process, the Debtors and JV Debtors (collectively, the "Company") determined that a sale of their assets would maximize value to their stakeholders.

On April 20, 2005, ACC entered into definitive sale agreements (the "Purchase Agreements") with TW NY and Comcast and, together with TW NY, the "Buyers") pursuant to which the Buyers agreed to purchase substantially all of the Debtors' U.S. assets, including their equity in the JV Debtors, for approximately $12.7 billion in cash and an approximately 16% interest in Time Warner Cable, Inc. (the "Sale Transaction"). At that time, the Buyers desired and the Purchase Agreements required that the Sale Transaction be implemented pursuant to a plan of reorganization on or before July 31, 2006 (the "Outside Date").

On November 21, 2005, after several previous iterations of a plan of reorganization had been filed with the Bankruptcy Court, certain of the Debtors filed their Fourth Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code, dated November 21, 2005, which provided for, among other things, the consummation of the Sale Transaction (the "November Plan"). On November 23, 2005, the Bankruptcy Court entered an order (the "Disclosure Statement Order") approving the disclosure statement related to the November Plan (the "Disclosure Statement") as containing "adequate information" in accordance with section 1125 of the Bankruptcy Code. Solicitation of votes with respect to the November Plan commenced on or about December 5, 2005, and the hearing to consider confirmation of the November Plan was originally scheduled to begin on February 5, 2006.

Certain active creditor groups took issue with various aspects of the November Plan and over 50 objections to the confirmation of the November Plan were filed, including objections by all of the formal and *ad hoc* committees in these cases. Moreover, a multitude of stakeholders stated their intention to oppose vigorously any attempt by the Company to seek to confirm the November Plan over their rejecting vote. Further complicating matters, a number of the objections asserted diametrically opposed positions, demonstrating a lack of common ground among the Debtors' stakeholders. As a result, in many cases, the Company could not amend the November Plan to assuage the concerns of one creditor faction without further alienating another. Moreover, once the Company submitted the November Plan to their creditors for a vote, it became clear that the November Plan was at risk of being rejected by one or more classes of creditors.

In light of these difficulties, the Company tried a different approach to provide the adverse parties with an alternative that would assure a resolution of these cases and a closing prior to the Outside Date to avoid triggering a termination right of each Buyer and other associated negative consequences. In April 2006, the Company sought and obtained an order of the Bankruptcy Court (the "April 6th Order") authorizing the Company to propose amendments to the November Plan to provide certain creditors with a choice between (a) several potential settlements (each, a "Potential Settlement") of the Inter-Creditor Dispute, or (b) a holdback of distributions pending

the completion of the judicially-supervised framework designed to resolve the Inter-Creditor Dispute (the "Resolution Process"). The Company hoped that this approach would cause creditors to emerge from their previously entrenched positions in favor of consensus.

Thereafter, the Bankruptcy Court entered an order (the "First Supplemental DS Order") approving the First Disclosure Statement Supplement with respect to the Company's Modified Fourth Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code, dated April 28, 2006 (the "April Plan"). The First Disclosure Statement Supplement described the Potential Settlements embodied within the April Plan and otherwise contained additional disclosure necessary to allow creditors and holders of equity interests to make an informed voting judgment with respect to the April Plan. Unfortunately, a significant constituency declared the Potential Settlements "dead on arrival," and announced (both publicly and privately) its intent to reject any version of the April Plan embodying the Potential Settlements.

By the end of May 2006, with negotiations ongoing, the Company, with the agreement of the Buyers and the support of many of the Company's creditor constituencies, determined it was appropriate to seek to implement the Sale Transaction through a combination of a sale pursuant to Section 363 of the Bankruptcy Code for most of the Debtors and a simplified plan for the JV Debtors -- with the goal of closing the Sale Transaction prior to the Outside Date to lock in a substantial premium and maximize value for all stakeholders. In furtherance of this approach, on May 26, 2006 the Company filed a motion (the "363 Motion") seeking authority to, among other things, (a) consummate the Sale Transaction for the all of the Debtors other than the JV Debtors pursuant to section 363 of the Bankruptcy Code, and (b) take certain steps necessary to consummate the sale of the Debtors' equity interests in the JV Debtors to Comcast by discharging the liabilities of the joint ventures and their subsidiaries pursuant to a simplified version of the April Plan in accordance with the terms of the Comcast Purchase Agreement.

On June 6, 2006, the Company filed a modified plan of reorganization (as confirmed by the JV Confirmation Order, the "JV Plan") for the Parnassos Debtors and the Century-TCI Debtors (as defined in the JV Plan, the "JV Debtors"). The JV Plan is a simplified version of the April Plan, with all debtor groups other than the Century-TCI Debtor Group and the Parnassos Debtor Group (each as defined in the April Plan) excluded, and included certain changes to reflect, among other things, the revised Sale Transaction, a negotiated settlement with the Bank Lenders under the Century-TCI and Parnassos Prepetition Credit Agreements, and certain clarifications. In general, the JV Plan provides that all creditors of the JV Debtors will receive payment, in full, in Cash of their allowed claims.

Prior to the hearing to consider confirmation of the JV Plan (the "JV Confirmation Hearing"), the Company entered into and the Bankruptcy Court approved a stipulation with various parties that preserved the parties' rights in connection with the Inter-Creditor Dispute while also ensuring the ability of the Company to make all distributions required under the JV Plan. On June 28, 2006, the Court entered an order granting the 363 Motion and on June 29, 2006, the Bankruptcy Court entered the JV Confirmation Order.

Effective July 31, 2006 (the "Sale Effective Date"), the Debtors completed the Sale Transaction. Proceeds from the Sale Transaction consisted of Cash in the approximate amount of $12.7 billion and 155,913,430 shares of TWC Class A Common Stock (the "TWC Class A Common Stock"), which represent approximately 16% of the outstanding equity securities of TWC as of the Sale Effective Date. The aggregate purchase price is subject to certain post-closing adjustments. On the Sale Effective Date, a portion of the aggregate purchase price, consisting of $503,278,945 of Cash and 6,148,283 shares of TWC Class A Common Stock were deposited in an escrow to secure ACC's indemnification obligations and any post-closing purchase price adjustments due to the Buyers from ACC. See the Sections of this Second Disclosure Statement Supplement titled "Cautionary Note Regarding Time Warner Restatement", "V. Updated Valuation of TWC Equity", and "VII. Additional Risk Factors." Concurrent with the closing of the Sale Transaction, the DIP Facility was repaid and the JV Plan was consummated, resulting in the repayment in full of, or funding of reserves for, approximately $1.7 billion of indebtedness of the JV Debtors. The Plan contemplates that claims remaining to be paid under the JV Plan would be paid from reserves transferred to the Plan Administrator under the Plan, who would thereafter be responsible for implementing both the JV Plan and the Plan.

E. THE RESOLUTION PROCESS

As described in Section IV.D.1.b. of the Disclosure Statement, titled "The Inter-Creditor Dispute," and in Section I.C. of the First Disclosure Statement Supplement, on or about August 5, 2005, the Bankruptcy Court entered an order pursuant to which parties in interest were provided a judicial framework to resolve the Inter-Creditor Dispute (the "Resolution Process Order"). That order provided certain creditor constituencies which timely noticed their intent to participate the ability to litigate issues framed in the Inter-Creditor Dispute in a series of six hearings scheduled in the first quarter of 2006. The Resolution Process Order further provided that the Debtors were not precluded "from seeking to compromise one or more of the Dispute Issues (either by separate motion or in connection with a proposed plan of reorganization) . . . and nothing herein shall prejudice the rights of any Participant to object to any such compromise and/or to assert that the Debtors have no authority to compromise such disputes." (Resolution Process Order ¶ 12(a)). The Resolution Process Order also provided that the Debtors were not precluded "from taking a position with respect to any Dispute Issues, including, without limitation, in a plan of reorganization or otherwise." *Id.* ¶ 12(b). Subsequent to the entry of the Resolution Process Order and in connection with further proceedings in the Chapter 11 Cases (including hearings to consider approval of the Disclosure Statement and motions filed by the Arahova Noteholders Committee, which were denied by the Bankruptcy Court in large part, to require the appointment of a trustee, disqualify the Debtors' bankruptcy counsel from representing any of the Debtors in connection with the Inter-Creditor Dispute, and to terminate certain of the Debtors' exclusivity periods), the Bankruptcy Court formally required the Debtors to remain neutral in the Inter-Creditor Dispute (which role the Debtors and their professionals already had assumed in order to avoid any allegation or appearance of impropriety). The Bankruptcy Court's denial (in substantial part) of the Arahova motions (and the District Court's affirmance of such denial) was based, in part, on the Debtors having already acted neutrally. The Proponents believe that the filing and prosecution of this Second Disclosure Statement Supplement and the Plan is appropriate and consistent with applicable law and orders of the Bankruptcy Court. Nevertheless, the Debtors' proposal and prosecution of the Plan is subject in all respects to entry of an order of the Bankruptcy Court approving this Second Disclosure Statement Supplement and authorizing the Debtors to propose and seek votes in respect to the Plan.

It was originally contemplated that hearings with respect to the Inter-Creditor Dispute would commence on January 31, 2006 and conclude on or about March 7, 2006. The hearings on these matters, however, have taken much longer than anticipated. The Bankruptcy Court began conducting hearings on the character and treatment of Intercompany Claims on January 31, 2006, and, thus far, the Bankruptcy Court has held more than 20 days of hearings on these issues. In April 2006, the Company requested, and the Bankruptcy Court granted, an adjournment of the Resolution Process hearings in large part to permit the Company to focus on consummating the Sale Transaction. Since then, there have been no further hearings on the Inter-Creditor Dispute. At the time when the hearings were adjourned, the parties were in the middle of the second of the six sets of hearings.

F. THE PLAN AGREEMENT

1. Events Leading to the Plan Agreement.

Recognizing the strain that the Resolution Process was putting on the Debtors' personnel, operations and finances, in February 2006, in a chambers conference, the Bankruptcy Court ordered the parties to the Resolution Process to attend weekly, mandatory negotiation sessions: one day per week with lawyers and principals and one day per week with principals only. Negotiation sessions were held over several months without a settlement being reached. During the course of such negotiations, there were some concerns raised as to whether certain negotiating parties were negotiating in good faith. To assuage such concerns, and in an attempt to improve the chances of a settlement, in March 2006, the Bankruptcy Court appointed the Honorable Cecilia Morris, United States Bankruptcy Judge for the Southern District of New York, as a monitor (the "Monitor") of the settlement negotiations. The Monitor met at length with representatives of the negotiating parties in Poughkeepsie, New York, and New York, New York on numerous occasions, and participated in several telephonic meetings with the negotiating parties. Those discussions led to an agreement in principal whereby creditors of certain Subsidiary Debtors would transfer value that they might otherwise have been entitled to ACC creditors, with a right to earn back such transferred value, in exchange for a final resolution of the Inter-Creditor Dispute. This agreement in principal formed the framework adopted in the Plan Agreement. Although the Monitor expended substantial time hearing the arguments of parties to

the dispute, the Monitor was not required to, and, upon information and belief, did not, independently evaluate the merits of the Inter-Creditor Dispute.

At a chambers conference on May 23, 2006, the Bankruptcy Court asked if any of the parties in attendance, including representatives of the Banks (as defined below), had any objection to the Bankruptcy Court receiving a report from the Monitor concerning the settlement negotiations. No party in attendance offered any objection. The Administrative Agents have stated that the request of the Bankruptcy Court regarding communication with the Monitor was not perceived by the representatives of the Bank Lenders in attendance at that chambers conference as being directed to the Bank Lenders because the Bank Lenders had not been invited to attend the meetings with the Monitor. Thereafter, and as an initial result of the settlement negotiations, on June 21, 2006, the Monitor submitted a report (the "Monitor's Report") to the Court that included a term sheet (the "Original Term Sheet") that embodied the Monitor's observations of the state of the settlement negotiations.

In the Monitor's Report, the Monitor stated that:

> [f]rom my observations and from my perspective, this proposed term sheet is beneficial to and in the best interests of all parties, and it is a better alternative to (i) the plans that have been filed by the Debtors with the Court….and (iii) continuing proceedings under the Motion in Aid Process.

The Original Term Sheet was executed by Huff, Huff's counsel, certain members of the Arahova Noteholders Committee, counsel to the Arahova Noteholders Committee, certain members of Committee II, counsel to Committee II, certain members of the FrontierVision Committee and counsel to the FronterVision Committee. The Original Term Sheet was not executed by any ACC Settling Party, the ACC Settling Parties' counsel or the ad hoc committees of (i) ACC senior noteholders (the "ACC Senior Noteholders Committee"), (ii) Olympus Noteholders Committee, (iii) the FPL Noteholders Committee, or (iv) the Subsidiary Trade Committee or Parent Trade Committee. It also was not executed by any of the bank agents or lenders, who were not part of the Monitor process, the Company or the Creditors Committee.

Upon information and belief, the signatories to the Original Term Sheet desired to gain additional support for the Original Term Sheet, including support from the ACC Senior Noteholders Committee. Further negotiations ensued. As a part of such negotiations, according to certain of the Creditor Parties, counsel to the ACC Senior Noteholders Committee presented a proposed amended term sheet (the "ACC Proposed Term Sheet") authorized by and acceptable to all four restricted members of the ACC Senior Noteholders Committee, including the two members that are the Initial ACC Settling Parties. Economically, according to certain of the Creditor Parties, the proposal sought a transfer of value from Subsidiary Debtors to ACC which appears to have been within approximately $50 million of the treatment afforded the holders of ACC Senior Notes under the Plan Agreement. (An ad hoc committee comprised of certain holders of ACC Senior Notes (the "ACC Bondholder Group"), including certain members of the ACC Senior Noteholders Committee, asserts that the disparity was much greater and actually a multiple of such amount, in excess of $500 million.) With respect to this dispute, in a September 21, 2006 decision, the Bankruptcy Court authorized the Proponents to attach to this Second Disclosure Statement Supplement a copy of the ACC Proposed Term Sheet as a point of comparison to the Plan Agreement. Accordingly, copies of the Plan Agreement and the ACC Proposed Term Sheet are annexed hereto as Exhibits HH and II, respectively.

On July 7, 2006, after additional negotiations amongst several parties, the parties to the Original Term Sheet, the Creditors Committee and certain members of the ACC Senior Noteholders Committee (identified herein as the "Initial ACC Settling Parties") executed a modified term sheet based on the Original Term Sheet. After additional negotiations, effective July 21, 2006, ACC on behalf of all Debtors (and subject to Bankruptcy Court approval) entered into the Plan Agreement with the Initial ACC Settling Parties, representatives of Committee II, representatives of the Arahova Noteholders Committee, representatives of the FrontierVision Committee, Huff, representatives of the Subsidiary Trade Committee and representatives of the Creditors Committee. The Plan Agreement was filed with the SEC as an exhibit to the Debtors' Form 8-K dated July 24, 2006.

The Plan Agreement, in the view of the parties thereto, was the product of an arm's length negotiation among sophisticated parties and their counsel, including the Initial ACC Settling Parties. Each of the Initial ACC Settling Party executed the Plan Agreement in its individual capacity and not in a fiduciary capacity. As members of the

Creditors Committee, such ACC Settling Parties also supported the Creditors Committee's decisions (a) to execute the Plan Agreement and (b) to co-propose the Plan.

The ACC Bondholder Group has asserted that no party authorized to litigate ACC's claims in the Inter-Creditor Dispute has agreed to the settlement embodied in the Plan Agreement. Accordingly, the ACC Bondholder Group does not believe that the settlement is entitled to the deference accorded to a settlement by a non-conflicted trustee or debtor in possession who has evaluated the merits of the Inter-Creditor Dispute.

Although the Olympus Noteholders Committee and the FPL Noteholders Committee are not parties to the Plan Agreement, as explained below, such committees have informed the Proponents that the Plan now includes treatment and other provisions acceptable to them.

Moreover, following hearings that took place in September 2006 to consider approval of this Second Disclosure Statement Supplement, additional negotiations took place with the Additional ACC Settling Parties (OZ Management, L.L.C., C.P. Management, LLC and Satellite Asset Management, L.P.) who are holders of ACC Senior Notes, and such parties now also support confirmation of the Plan.

The Banks are not parties to the Plan Agreement, did not participate in the negotiations which led to the Plan Agreement and assert that they were unaware of the terms of the Plan Agreement prior to its filing. Nevertheless, as explained below, the Administrative Agents under the UCA and Olympus Prepetition Credit Agreements support the Plan with respect to the classification and treatment of Bank Claims under the respective bank facilities.

2. Description of the Plan Agreement.

The Plan Agreement was designed to form the basis of an amended plan of reorganization for the Debtors that includes a proposed global compromise and settlement of all disputes among the holders of Claims against and Equity Interests in the Debtors, not all of whom are parties to the Plan Agreement. The Debtors' obligations under the Plan Agreement are subject to the entry by the Bankruptcy Court of an order approving a disclosure statement with respect to the Plan and authorizing the Debtors to propose the Plan as provided in the Plan Agreement. Neither the Debtors nor the Creditors Committee became a Proponent of the Plan based on an evaluation of the merits of the Inter-Creditor Dispute. However, for the reasons set forth elsewhere herein, both the Debtors and the Creditors Committee strongly urge creditors and shareholders to vote to accept the Plan.

Following the execution of the Plan Agreement, the parties thereto began the preparation of a plan of reorganization to embody the terms of the Plan Agreement. As expected, this led to additional discussions and negotiations among the parties and certain changes to the terms set forth therein, which have been incorporated in the Plan and, in certain cases, are reflected in the Plan Support Agreement. Accordingly, the terms and provisions of the Plan differ in certain respects from those in the Plan Agreement and the following description of the Plan Agreement should be read in this context.

The Plan Agreement contemplates that the Debtors and the Creditors Committee, as co-Proponents, would file the Plan under which all holders of Allowed Claims against the Subsidiary Debtors would receive payment in full (through a combination of Cash and TWC Class A Common Stock) of all principal and accrued interest (at various rates specified in the Plan Agreement) through the Plan's Effective Date, subject to specified "give-ups" in varying amounts of Plan Consideration which would in the aggregate amount to $1.08 billion (it should be noted that such amount will be increased to $1.13 billion in the event that there is an ACC Senior Notes Claims Accepting Class), and would be transferred to the creditors of the ACC Debtors. The "give-ups" under the Plan Agreement include: (i) $750 million from amounts otherwise allocable to the Arahova Notes; (ii) $85 million from amounts otherwise allocable to the FrontierVision Opco Notes and the FrontierVision Holdco Notes; (iii) $30 million from amounts otherwise allocable to the Olympus Notes and the FPL Note (the holders of which are not party to the Plan Agreement) (it should be noted that under the Plan as filed this amount will aggregate $22.2 million); (iv) $39.2 million from amounts otherwise allocable to Subsidiary Debtor Trade Claims; and (v) $6.8 million from amounts otherwise allocable to Subsidiary Debtor Other Unsecured Claims. Creditors of the Subsidiary Debtors, including holders of the Olympus Notes and the FPL Note under the Plan as filed, would have the ability to be repaid these "give-ups" (plus interest at specified rates) from the Contingent Value Vehicle and, in certain cases, releases from specified reserves. In addition, $175 million that was otherwise designated to fund an indemnification

reserve in favor of the Bank Lenders under the April Plan would also be transferred to the creditors of the ACC Debtors (as described below, the Bank Lenders are not party to the Plan Agreement although, as described below, at least $55.5 million of this amount has been earmarked to fund indemnification reserves in favor of Bank Lenders).

The Plan Agreement also contemplates that the creditors of the ACC Debtors will receive, in addition to the $1.08 billion (which amount will be increased to $1.13 billion in the event there is an ACC Senior Notes Claims Accepting Class) of give-ups described above, (1) the residual sale consideration after funding all other distributions and reserves under the Plan, and (2) interests in the Contingent Value Vehicle as described in the Plan Agreement. Because the value of the Debtors' estates is insufficient to provide any distributions to holders of junior Claims and Equity Interests, the Plan Agreement does not contemplate a distribution to junior creditors and Equity Interest holders on account of their junior Claims and/or Equity Interests under the Plan. However, in order to facilitate a consensual confirmation of the Plan, the senior bondholders and other senior unsecured creditors that accept the Plan will be deemed to have agreed to provide junior CVV Interests to holders in each class of junior Claims and Equity Interests that votes to accept the Plan. Such CVV Interests, if issued, shall be junior and subordinate in all respects to payment in full of all principal, accrued pre- and post petition interest (including non-cumulative dividends on the CVV Interests) and fees and expenses payable in accordance with the terms of the Plan.

Although the Plan Agreement further contemplates that the Creditors Committee would be the sole Proponent of the Plan with respect to the treatment of Claims of the Debtors' prepetition lenders (the "Banks") under the Plan, as a result of the agreement among the Creditors Committee and the Bank Proponents with respect to the treatment afforded Banks under the Plan (the "Bank Settlement") the Debtors and the Creditors Committee, with the agreement of the Creditor Parties, are Proponents for all provisions of the Plan. The Plan Agreement contemplates that all Bank Claims (both Agent and Non-Agent) would be Disputed Claims under the Plan, and would be subject to disallowance in whole or in part. Unless and until otherwise Allowed, the Plan Agreement proposes that no Bank would receive any distributions under the Plan, and the liens and/or security interests securing such Claims would be transferred to and attach to the proceeds of the Sale Transaction, in an amount sufficient to pay in full the maximum amount of the Disputed Bank Claims as determined by the Bankruptcy Court. Pending resolution of the Disputed Bank Claims, the Plan Agreement contemplates that the Sale Transaction proceeds subject to such liens will be retained by the Debtors. The Plan Agreement provides that if a Disputed Bank Claim were Allowed, the holder of such Claim would receive a Cash distribution sufficient to give it the full amount to which such holder is entitled under the Bankruptcy Code with respect to such Allowed Claim. The Plan Agreement also provides that agents to the Banks (collectively, the "Agent Banks") electing such treatment would be entitled to recover reasonable attorneys' fees through the Effective Date as determined by a Final Order or by mutual agreement among the Agent Bank, the Creditors Committee, the ACC Settling Parties, Committee II, and Huff and that the Plan will not provide the Banks with any amounts for reimbursement or payment of their fees or expenses until the Bank Claims become Allowed Claims. Pending allowance of the Bank Claims, the Plan Agreement contemplates that the Debtors (subject to any limitations imposed by order of the Bankruptcy Court) and/or the Creditors Committee (and their applicable successors under the Plan) would pursue objections to all such claims under all applicable provisions of the Bankruptcy Code, including among others, all applicable provisions of section 502, including subsection (d).

As a result of the proposed Bank Settlement, the treatment of the Bank Claims in the Plan is different than was provided for in the Plan Agreement. Among other things, the Plan provides that holders of Bank Claims, if their Class votes to accept the Plan, (a) would have their Claims Provisionally Allowed and (b) would receive Payment in Full in Cash on the Effective Date of their pro rata share of all outstanding principal and all accrued interest at the non-default interest rate in effect at the Commencement Date of the Chapter 11 Cases, subject to disgorgement upon the entry of a Final Order directing the return of some or all of such distribution. The Plan also provides that all Bank Lenders in an Accepting Bank Class will be deemed to have waived any claim or entitlement to additional interest, post-Effective Date fees and expenses (except for specified rights to share in a Litigation Indemnification Fund as described below), and/or any affirmative recovery with regard to indemnification against any Debtor Party. Under the Plan, holders of Bank Claims are classified as either holders of Administrative Agent Claims, Non-Administrative Agent Claims or Syndicate Bank Claims. Wachovia, BOFA and BMO are also classified separately in recognition of their roles as agents with respect to various Co-Borrowing Credit Agreements. The classification of Bank Claims as Administrative Agent Claims, Non-Administrative Agent Claims or Syndicate Bank Claims is relevant for determining (a) the amount of the Litigation Indemnification Fund in which such Bank Claim shares and (b) whether such Bank Claim shares in the $35 million aggregate contribution to the Co-Borrowing Bank Litigation Indemnification Fund (which is held back only from distributions in respect of Syndicate Bank Claims in the event

the Syndicate Bank Claim Classes vote to accept the Plan in exchange for, among other things, the provisions of the Plan providing that Administrative Agents will not withhold Plan Distributions from any Accepting Bank Class of Bank Lenders and will release Bank Lenders in any accepting Class of Syndicate Bank Claims from any obligation for reimbursement and indemnification of expenses under the applicable Prepetition Credit Agreement). Under the Plan, Bank Claims relating to pre-Effective Date fees will be Provisionally Allowed and paid in full in cash on the Initial Distribution Date, subject to the Debtors' receipt of invoices (or as applicable, estimates) therefor and right to object thereto in accordance with the procedures specified in Section 5.2(c)(ii)(B) of the Plan.

The Ad Hoc Committee of Non-Agent Secured Lenders asserts that the Banks are not being paid in full under the Plan because, it asserts, the funds reserved to indemnify the Banks are insufficient and the Banks are not entitled to a contract rate of interest post-Effective Date if the distributions to be made to the Banks are escrowed. The Creditors Committee disputes these assertions.

The Plan Agreement also contemplates the creation of a true-up reserve (the "True-Up Reserve") of the TWC Class A Common Stock (or Cash to the extent there is not sufficient stock available) by withholding amounts otherwise payable in respect of initial Effective Date distributions pending a market valuation of such stock (the "Market Value"). Subject to certain limitations, the True-Up Reserve is intended to be sufficient to permit the upward or downward adjustment of the total number of shares received by creditors of the Subsidiary Debtors based upon a Market Value of the TWC Class A Common Stock that is up to fifteen percent (which was subsequently increased to twenty percent under the Plan) higher or lower than the Deemed Value used for initial Distributions under the Plan (the "True-Up Mechanism"). The Plan Agreement contains provisions that govern the determination of the Market Value, which have been modified in certain respects and incorporated into the Plan.

The Plan Agreement also provides that the Plan will provide for reasonable compensation and reimbursement of all fees and expenses that have been properly documented for the FrontierVision Committee, the Arahova Noteholders Committee, the Initial ACC Settling Parties, Committee II, the Parent Trade Committee, the Subsidiary Trade Committee, Huff and the respective indenture trustees of the FrontierVision Holdco Notes, the FrontierVision Opco Notes, the ACC Senior Notes and the Arahova Notes. The Plan Agreement also contains provisions that allocate the fees and expenses of a particular committee to a particular Debtor or Debtors. The Plan as filed includes the foregoing fee reimbursement provisions as well as similar provisions for the Olympus Noteholders Committee, the FPL Noteholders Committee and the Additional ACC Settling Parties.

The Plan Agreement is conditioned upon the Effective Date of the Plan occurring no later than September 15, 2006. Conditions to the Effective Date of the Plan required by the Plan Agreement, as supplemented by the Plan Support Agreement, would also include material completion of the distribution of TWC Class A Common Stock to creditors prior to September 15, 2006, and the distribution to creditors of the ACC Debtors on the Effective Date or immediately thereafter of Plan Consideration of at least $1.08 billion which amount will be increased to $1.13 billion in the event that there is an ACC Senior Notes Claims Accepting Class (before deducting the True-Up Reserve) (the "Settlement Consideration Condition"). Pursuant to the Plan Support Agreement, each of the Settlement Parties that are party thereto has agreed to extend the September 15 deadline to December 22, 2006 (and the Creditors Committee has informed the Debtors that the Settlement Parties not party to the Plan Support Agreement also have consented to this extension).

To assist in transition-related matters, the Plan Agreement also provides for the appointment of a committee designee of the Creditors Committee, who would work with representatives of the Debtors prior to and after consummation of the Sale Transaction. The Creditors Committee filed a motion seeking to retain Quest Turnaround Advisors, LLC ("Quest") as committee designee. Pursuant to the Plan, Quest has also been designated as the candidate for the Plan Administrator by the Creditors Committee.

If the Plan is not confirmed, the Plan Agreement will be null and void and of no force and effect. The terms of the Plan Agreement will have no impact on the terms of the Plan, once the Plan is confirmed.

3. Rationale Behind and Basis for the Plan Agreement and Plan Support Agreement.

As discussed in section IV.D.1.b of the Disclosure Statement and Section I.A. of this Second Disclosure Statement Supplement, the Inter-Creditor Dispute involves substantial disputes between creditors of different

Debtors and could impact substantially the recoveries of various creditors, including holders of: (a) Arahova Notes; (b) Subsidiary Debtor Trade Claims; (c) FrontierVision Holdco Notes; (d) FrontierVision Opco Notes; (e) ACC Senior Notes; (f) ACC Trade Claims; (g) Olympus Parent Notes; and (h) the FPL Note. The Plan Agreement represents an arrangement whereby creditors agree to accept less than what might be available should the Resolution Process be litigated to a conclusion. As set forth below, the Debtors, the Creditors Committee and the Settlement Parties believe that the Plan generates a far better alternative in light of the costs and uncertainties of proceeding with litigation of the Resolution Process (discussed below), which costs and uncertainties could significantly outweigh the benefits of continued litigation for any of the parties to the Resolution Process. Specifically, were the Resolution Process to be litigated to conclusion before the Bankruptcy Court, a considerable number of additional hearings would need to be held – likely extending over a period of months (and perhaps, with appeals, years)– and additional discovery may need to be conducted. The continuation to a litigated conclusion of the Resolution Process over such a period would impose a considerable strain on the Debtors' remaining personnel, a number of whom may be critical witnesses. Such strain, in the context of the diminished responsibilities of such personnel in the wake of the closing of the Sale Transaction, likely would jeopardize the Debtors' ability to retain such key personnel and undermine the Debtors' ability to manage their assets and perform their remaining functions, including negotiating with Time Warner and Comcast over purchase price adjustments, filing numerous amended tax returns and conducting estate litigation with third parties. Continued testimony in the Resolution Process also presents the risk that the Debtors' ability to prosecute and/or defend such third-party litigation will be prejudiced. Moreover, the mere passage of time occasioned by the months necessary to complete the litigation of the Resolution Process, together with the incidental costs to the Debtors' estates of the litigation itself, would drain the Debtors' estates of considerable funds. Because the Debtors' operations have largely ceased, they have no material operating revenues to offset their expenses which include normal operating charges such as rent and payroll as well as significant interest expenses and professional fees. Should the Resolution Process continue, those costs will be borne by one or more Debtor estates, thereby diminishing materially the amount of assets available for distribution to creditors. By resolving the Inter-Creditor Dispute through the Plan, the parties to the Plan Agreement will avoid such negative effects upon the Debtors' Estates and the Debtors' creditors.

Moreover, by resolving their differences, the Creditor Parties to the Plan Agreement are sparing themselves and their respective constituencies the considerable risks and uncertainty attendant to litigating to judicial conclusion each of the issues and disputes that comprise the Inter-Creditor Dispute. Huff, the FrontierVision Committee, the Arahova Noteholders Committee, the Initial ACC Settling Parties, and Committee II have strongly-held and differing views concerning the likely judicially determined outcome of these disputes, if they were to be litigated. The views of certain of such parties are set forth in the position statements attached hereto as Exhibits AA to GG. By settling, each of the Creditor Parties to the Plan Agreement and the Plan Support Agreement has managed its downside exposure to an adverse judicial outcome.

For all of the foregoing reasons, the parties to the Plan Agreement, including the Debtors, the Creditors Committee, the FrontierVision Committee, the Arahova Noteholders Committee, the Initial ACC Settling Parties, the Subsidiary Trade Committee, Committee II and Huff, believe that the Plan Agreement represents a fair and appropriate compromise of the Inter-Creditor Dispute, is the product of intensive litigation and hard bargaining among the parties, and is in the very best interests of the Debtors, their estates and the Debtors' unsecured creditors.

On September 11, 2006, the Creditors Committee, on behalf of the Settlement Parties and the Debtors, announced that a settlement had been reached with the Olympus Noteholders Committee, the FPL Noteholders Committee and the Bank Proponents, which superseded several aspects of the Plan Agreement and has been embodied in the Plan. In summary, the terms of the settlement with (a) the FPL Noteholders Committee is that the "give up" of $10 million set forth in the Plan Agreement will be reduced in the Plan to $6.2 million and legal fees and expenses of the FPL Noteholders Committee will be paid, up to $4 million (the "give-up" (plus the difference between default and contract interest) may be repaid from the Contingent Value Vehicle); and (b) the Olympus Noteholders Committees is that the "give up" of $20 million set forth in the Plan Agreement will be reduced in the Plan to $16 million, which, together with the fees and expenses of the Olympus Parties, may be repaid from the Contingent Value Vehicle.

Moreover, as a result of additional negotiations that have since taken place with the Additional ACC Settling Parties, the Plan (in contrast to the Plan Agreement) now also provides for $1.13 billion in "give-ups" (as opposed to $1.08 billion under the Plan Agreement) in the event that there is an ACC Senior Notes Claims Accepting Class. In

this regard, on October 11, 2006, the Proponents, Committee II, Huff, the Arahova Noteholders Committee, Appaloosa Management LP, Deutsche Bank Securities Inc., the Initial ACC Settling Parties and the Additional ACC Settling Parties (collectively, the "PSA Parties") entered into a Plan Support Agreement (the "Plan Support Agreement"), a copy of which (excluding exhibits) is annexed hereto as Exhibit JJ. The Plan Support Agreement sets forth the terms on which the PSA Parties will support the Plan. In general, through the agreements reached in connection with the Plan Support Agreement, the PSA Parties agreed, in addition to increasing the Settlement Consideration Condition from $1.08 billion to $1.13 billion in the event that there is an ACC Senior Notes Claims Accepting Class, that the Deemed Value of the TWC Class A Common Stock also would be increased from $4.85 billion to $5.1 billion (and, if there is an ACC Senior Notes Claims Accepting Class, to $5.4 billion), both subject to the True-Up Mechanism embodied in the Plan (pursuant to the Plan Support Agreement the True Up differential has been increased from fifteen percent to twenty percent). In addition to the foregoing, as a result of the Plan Support Agreement, if there is an ACC Senior Notes Claims Accepting Class, the allocations of CVV Distributions in excess of $1.165 billion will be changed to, among other things, increase the percentage allocated to CVV Series ACC-1, ACC-2 and ACC-3 Interests and to increase the dollar cap on the CVV Series Arahova Interests to reflect the Additional Incremental ACC Settlement Consideration.

Pursuant and subject to the Plan Support Agreement, each PSA Party also agreed, to the extent applicable, to: (i) support the Plan; (ii) promptly vote to accept the Plan; (iii) refrain from objecting to, or taking actions that may be detrimental to, confirmation of the Plan; and (iv) encourage its constituents (i.e., ad hoc committees to which it is a member and other members thereof) to support the Plan and agree to vote to accept the Plan. The PSA Parties also acknowledged that, unless extended in writing by the PSA Parties, the deadline for the Effective Date will be December 22, 2006.

Under the Plan Support Agreement, the PSA Parties also agreed that no modification or change to the Plan may be made that is adverse to any PSA Party (an "Adverse Change") in its capacity as a holder or representative of Claims, without the written consent of the adversely affected PSA Party. In the event an Adverse Change is made pursuant to an order of the Bankruptcy Court, however, the affected Party shall be released from its obligations under the Plan Support Agreement and such a party may request to change any vote previously cast with respect to the Plan.

As discussed in more detail herein, the terms of the proposed Bank Settlement provide that holders of Bank Claims will be separated into "subclasses" for voting purposes corresponding to each Credit Agreement, with such subclasses comprised of holders of Administrative Agent Claims, non-Administrative Agent Claims and non-agent syndicate lender Claims. Subject to any disgorgement order and any change in treatment as a result of a new "most favored nations" clause added for Accepting Bank Classes under the Additional Terms, the FrontierVision Banks will be entitled to a $4 million (at least $5.5 million under the most favored nations clause) Litigation Indemnification Fund of which $1 million (all of which under the most favored nations clause) will be funded on a current basis. Accepting Classes of Co-Borrowing Banks will be entitled to share in an up to $75 million Co-Borrowing Bank litigation indemnification fund. The Co-Borrowing Bank Litigation Indemnification Fund will be funded up to a maximum amount of $75 million, and the fund will not be "topped up" if ultimate fee claims exceed this amount. If all Bank Syndicate Claims Classes are Accepting Bank Classes, $35 million of the amount of the litigation indemnification fund will be funded from withholdings from distributions to holders of non-agent syndicate lender Claims (in exchange for, among other things, the provisions of the Plan providing that Administrative Agents will not withhold Plan Distributions from any Accepting Bank Class of Bank Lenders and will release Bank Lenders in any accepting Class of Syndicate Bank Claims or in the case of the FrontierVision Credit Agreement, in the FrontierVision Bank Claims Class from any obligation for reimbursement and indemnification of expenses under the applicable Prepetition Credit Agreement).

G. THE FRONTIERVISION BANK STIPULATION

On July 27, 2006, the Debtors, JPMorgan Chase Bank, N.A. ("JPMC"), in its capacity as administrative agent under the FrontierVision Credit Agreement (as defined below), and the Creditors Committee entered into a stipulation and consent order (the "FV Stipulation"). The FV Stipulation was approved by the Bankruptcy Court on July 28, 2006.

Pursuant to the terms of the FV Stipulation, on July 31, 2006, JPMC's appeal (the "Appeal") of the June 28, 2006 order of the Bankruptcy Court granting the 363 Motion (the "Sale Order") was withdrawn and dismissed with prejudice.

In exchange for JPMC's withdrawal of the Appeal, the Creditors Committee and the Debtors agreed to changes to the treatment of Bank Lender claims held by the FrontierVision Banks (as defined below) that was specified in the Plan Agreement, which changes will provide for certain treatment for the Claims held by FrontierVision Banks, including, without limitation, (i) terms substantially similar to those set forth in the JV Plan with respect to financial assurance requirements in connection with distributions to the FrontierVision Banks, (ii) if the FrontierVision Banks accept the Plan, the Payment in Full in Cash on the Effective Date of the Plan, of any principal and interest owing under the Second Amended and Restated Credit Agreement (the "FrontierVision Credit Agreement"), dated as of December 19, 1997, among FrontierVision Operating Partners, L.P. and the lenders from time to time party thereto (the "FrontierVision Banks"), (iii) if the FrontierVision Banks accept the Plan, the provision to the FrontierVision Banks, on the Effective Date of the Plan, of a $4,000,000 litigation indemnification fund, $1,000,000 of which will be available for the payment, on a current basis up to that amount, of the post-Effective Date fee claims of the FrontierVision Banks and $3,000,000 of which will not be immediately released to the FrontierVision Banks and will only be released to the FrontierVision Banks if the FrontierVision Banks' claims are allowed by a Final Order of the Bankruptcy Court or by agreement of the parties, (iv) if JPMC and the FrontierVision Banks vote to accept the Plan, each FrontierVision Lender will be deemed to have waived, as of the Effective Date of the Plan, any right to affirmatively assert reimbursement or indemnification claims (to the extent not contemplated by the litigation indemnification fund referenced in clause (iii) above), and (v) if the FrontierVision Banks do not vote to accept the Plan, then the parties reserve all rights, claims and defenses with respect to any chapter 11 plan of reorganization.

The FV Stipulation also provides that if any chapter 11 plan for any Debtor (other than those for which the JV Plan was confirmed) provides for the current payment of more than 25% of the total funds in the respective litigation indemnification funds established for the Bank Lender post-Effective Date fee claims with respect to the credit agreement dated April 14, 2000, between and among certain of the Debtors, Bank of America, N.A. and The Chase Manhattan Bank, as co-administrative agents, and the financial institutions party thereto, as amended (the "Century Credit Agreement"), the credit agreement dated September 28, 2001, between and among certain of the Debtors, Bank of Montreal, as administrative agent, and the financial institutions party thereto, as amended (the "Olympus Credit Agreement"), and the credit agreement dated May 6, 1999, between and among certain of the Debtors, Wachovia Bank, N.A., as administrative agent, and the financial institutions party thereto, as amended (the "UCA Credit Agreement"), then the Bank Lender post-Effective Date fee claims under the Plan for the FrontierVision Banks will be paid currently to the same extent and on the same basis. In addition, if any chapter 11 plan of reorganization for any Debtor provides for a litigation indemnification fund in an amount that exceeds $29,000,000 for the bank lender post-Effective Date fee claims under the Century Credit Agreement, Olympus Credit Agreement and UCA Credit Agreement, then the amount provided for the litigation indemnification fund for the FrontierVision Banks under the Plan will be the greater of (i) $4,000,000 and (ii) the Grossed-Up Fund (as defined in and calculated pursuant to the FV Stipulation annexed hereto as Exhibit Z) (less $4,000,000 if the litigation indemnification fund for the FrontierVision Banks under the Plan has already been funded with $4,000,000). The FrontierVision Banks also receive liens on the proceeds of their collateral upon the Sale Transaction Closing.

Pursuant to the FV Stipulation, on the Effective Date of the Plan (if the FrontierVision Banks have voted to accept the Plan), JPMC shall withdraw its appeal on behalf of the FrontierVision Banks from the Bankruptcy Court's decision (Docket No. 10853) denying the FrontierVision Banks' claim for Grid Interest under the FrontierVision Credit Agreement.

Pursuant to the FV Stipulation, during the period between the Sale Effective Date and the Effective Date of the Plan, the FrontierVision Banks will continue to be paid interest on a current-pay basis as set forth in, and in accordance with, the order approving the debtor-in-possession credit facility entered into by ACC and certain of its subsidiaries on March 17, 2006 (the "DIP Facility").

H. BAR DATE

Pursuant to Rule 3003(c)(3) of the Bankruptcy Rules, on October 24, 2003, the Bankruptcy Court entered an order (the "Initial Bar Date Order") fixing January 9, 2004 at 5:00 p.m. (New York City time) (the "Initial Bar

Date") as the date by which proofs of claim were required to be filed against the Debtors that had Chapter 11 cases pending at that time (the "Initial Debtors"). In accordance with the Initial Bar Date Order, on November 13, 2003, a proof of claim form and a notice regarding the Initial Bar Date and the Initial Bar Date Order were mailed to, among others, all creditors listed on the Initial Debtors' schedules of liabilities and executory contracts. A proof of claim form, a notice regarding the Initial Bar Date and the Initial Bar Date Order also were mailed, in accordance with the Initial Bar Date Order to, among others, the members of the Statutory Committees and all persons and entities who requested notice pursuant to Rule 2002 of the Bankruptcy Rules as of the entry of the Initial Bar Date Order. Pursuant to Rule 3003(c)(3) of the Bankruptcy Code, the Bankruptcy Court entered orders, dated October 12, 2005, November 16, 2005 and March 31, 2006 (collectively, the "Affiliated Bar Date Orders"), establishing deadlines by which proofs of claim were required to be filed against (a) 15 Debtors that filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code on October 6, 2005 (collectively, the "October 6 Filers"), (b) Palm Beach Group Cable, Inc. ("Palm Beach"), and (c) 21 Debtors that filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code on March 31, 2006 (collectively, the "RME Debtors"), respectively. The Bankruptcy Court order dated March 31, 2006 also established a second deadline for filing proofs of claim against three Initial Debtors: ACC Operations, Inc.; ACC Investment Holdings, Inc.; and ACC Holdings II, LLC (collectively, the "Supplementary Bar Date Debtors"). Such supplementary deadline was established because the Debtors determined that certain of the Supplementary Bar Date Debtors' creditors may not have received notice of the Initial Bar Date. The deadline to file proofs of claim against the October 6 Filers was November 14, 2005 at 5:00 p.m. (New York City time), Palm Beach was December 20, 2005 at 5:00 p.m. (New York City time), and the RME Debtors and the Supplementary Bar Date Debtors was May 1, 2006 at 5:00 p.m. (New York City time) (collectively, the "Affiliated Bar Dates"). In accordance with the Affiliated Bar Date Orders, on or about October 14, 2005, November 17, 2005 and April 5, 2006, proof of claim forms and notices regarding the Affiliated Bar Dates and the Affiliated Bar Date Orders were mailed to, among others, all creditors listed on the applicable Debtors' Schedules. Proof of claim forms, notices regarding the Affiliated Bar Dates and the Affiliated Bar Date Orders also were mailed, in accordance with such orders to, among others, the members of the Statutory Committees and all persons and entities who request notice pursuant to Rule 2002 of the Bankruptcy Rules as of the entry of the Affiliated Bar Date Orders. Generally, the Bar Date Orders provided that if a creditor's proof of claim was required to be, but was not, timely asserted by the applicable bar date, such creditor shall be forever barred, estopped and enjoined from asserting such claim against any of the Debtors, or filing a proof of claim with respect thereto.

I. SUBSEQUENT LITIGATION

By motion dated August 11, 2006, the ACC Bondholder Group filed a motion and related memorandum of law requesting that the Bankruptcy Court (i) unseal certain specified documents (specifically, certain pleadings filed in connection with the status conference held on July 6, 2006 to address the status of the Monitor discussions and the Original Term Sheet, as well as the hearing transcript for such conference), (ii) unseal all information relating to the Monitor process and all pleadings thereafter filed and thereafter held that relate or implicate negotiations or proposals in respect of a reorganization or liquidation plan for the Debtors, and (iii) order that all remaining Inter-Creditor Disputes be adjudicated in accordance with the Resolution Process Order (collectively, the "Unseal Motion"). In the Unseal Motion, the ACC Bondholder Group asserts, among other things, that the Plan Agreement is an improper attempt to end the Inter-Creditor Dispute, that the Debtors have violated their neutrality by agreeing to propose a plan that incorporates the terms of the Plan Agreement, and that the disclosure of the requested items is required and in the best interests of the Debtors' estates. Both the Debtors and the Creditors Committee strongly believe that their actions have been entirely appropriate and fair and, with respect to the Debtors, do not violate any applicable law or court order, and filed objections to the Unseal Motion. The hearing to consider the Unseal Motion took place on September 11, 2006. The Bankruptcy Court issued a bench decision on September 19, 2006 (the "Bench Decision") granting, in part, such motion. The Bench Decision granted the request to unseal certain documents (subject to the rights of the Debtors to redact or withhold material that otherwise would be unsealed to excise material whose disclosure would be damaging to the Debtors' estates), but otherwise denied authorization for disclosure of nonpublic matter relating to the settlement negotiation process.

On August 17, 2006, the ACC Bondholder Group also filed a motion with the Bankruptcy Court seeking entry of an order pursuant to sections 105(a) and 1121(d) of the Bankruptcy Code terminating the exclusive periods during which the Debtors may file and solicit acceptances of a chapter 11 plan (the "Exclusive Periods") and related disclosure statement (the "ACC Exclusivity Termination Motion"), in order to file a competing chapter 11 plan for the Debtors' Estates (the "Potential ACC Bondholder Group Plan"). A description of the terms of the Potential

ACC Bondholder Group Plan is included as an exhibit to the ACC Exclusivity Termination Motion. On August 25, 2006, certain Banks and Administrative Agents also filed motions to terminate the Exclusive Periods or, alternatively, to convert certain of the Debtors' cases to Chapter 7 (the "Bank Motions"). The Debtors and the Creditors Committee, and most of the Settlement Parties, filed objections to these motions. The hearing to consider the ACC Exclusivity Termination Motion took place on September 11, 2006. The Bankruptcy Court denied the ACC Exclusivity Termination Motion in the Bench Decision. On October 10, 2006, the Bankruptcy Court issued a decision on a motion by the ACC Bondholder Group for reconsideration and/or clarification of three limited aspects of the Bench Decision. In that decision, the Bankruptcy Court denied the ACC Bondholder Group's motion for reconsideration of the ACC Exclusivity Termination Motion and generally clarified that: (i) while discussions of settlement proposals were appropriate to include in the Second Disclosure Statement Supplement, it had not yet ruled whether a rejected settlement offer made by representatives of the ACC Noteholders' Committee would be admissible at a Confirmation Hearing and that all parties rights were reserved in that regard; (ii) although its determination that the negotiation process that led to the Global Settlement was not unlawful or illegitimate was not based on an evidentiary hearing, it was based on heretofore undisputed facts, but to the extent "the ACC Bondholder Group can bring facts heretofore unknown to me to my attention, or which might cause me to believe that the heretofore undisputed facts upon which I ruled were in fact inaccurate, it can indeed present them, and they will be duly considered"; and (iii) the communications between the Monitor and the Bankruptcy Court will not be considered as evidence at the Confirmation Hearing or any hearing to approve the settlement embodied in the Plan. The hearing to consider the Bank Motions has been adjourned without date.

On September 22, 2006, the ACC Bondholder Group filed a motion seeking an order of the Bankruptcy Court directing the Debtors to pay all Bank Claims. Although the ACC Bondholder Group sought an expedited determination of this motion, on September 26, 2006, the Bankruptcy Court denied the request for an expedited hearing, instead determining that it was more appropriate that solicitation of votes on the Plan first occur as the issues raised by the motion could become moot in the event the Plan is confirmed. On October 6, 2006, the ACC Bondholder Group filed a motion for reconsideration of this ruling, which motion has not yet been fully briefed or determined by the Bankruptcy Court.

J. THE ACC NOTEHOLDER LETTER AND RELATED DISCOVERY

As set forth in the First Disclosure Statement Supplement (See DSS-7-8), in April 2006, Huff filed an expedited motion (the "Huff WSJ Motion") for an order directing depositions of and the production of documents from, among others, the signatories of the ACC Noteholder Letter (as defined in the First Disclosure Statement Supplement), which was the subject of an article in the Wall Street Journal. On May 17, 2006, the Bankruptcy Court entered an Order Pursuant to Rule 2004 of the Federal Rules of Bankruptcy Procedure Directing Document Production and Taking of Depositions (the "WSJ Discovery Order"). On September 12, 2006, the Bankruptcy Court modified the WSJ Discovery Order pursuant to Bankruptcy Rule 9024 and Rule 60(b) of the Federal Rules of Civil Procedure to provide that further discovery under the WSJ Discovery Order would only be permitted, after notice and a hearing, upon order of the Bankruptcy Court. Pursuant to the Plan, the Proponents may pursue Distribution Remedies (as defined below) against any Person. The Proponents, in the absence of material additional information, do not intend to pursue Distribution Remedies against any Person who is not referenced in the Huff WSJ Motion. The Proponents have determined that they are not going to pursue Distribution Remedies against the ACC Settling Parties who are referenced in the Huff WSJ Motion.

The Bankruptcy Court has advised that to the extent a party seeks to take adverse actions against holders of Claims and/or Equity Interests, including, but not limited to, designating votes, subordinating claims, withholding or objecting to distributions or taking discovery ("Distribution Remedies"), such actions will be carefully scrutinized by the Bankruptcy Court. The Bankruptcy Court further advised that, if one or more Distribution Remedies is sought without a satisfactory basis in fact or law, it will award sanctions against the moving party under Bankruptcy Rule 9011, Rule 11 of the Federal Rules of Civil Procedure and/or other applicable law.

II. SUMMARY OF PLAN OF REORGANIZATION RECOVERIES

Generally, under the terms of the Plan:

A. PLAN TREATMENT

- *Global Compromise.* The treatment of Claims against and Equity Interests in the Debtors under the Plan represents (i) the settlement and compromise of the Inter-Creditor Dispute pursuant to the settlement described in the Plan Agreement, as subsequently amended, and (ii) the classification and treatment of the Bank Claims pursuant to the proposed Bank Settlement.

- *Grouping of Debtors*.

    - The Plan groups: (1) the ACC Debtors together solely for purposes of describing treatment under the Plan, confirmation of the Plan and making Plan Distributions in respect of Claims against and Equity Interests in the ACC Debtors under the Plan, and (2) the Subsidiary Debtors together solely for purposes of describing treatment under the Plan, confirmation of the Plan and making Plan Distributions in respect of Claims against and Equity Interests in the Subsidiary Debtors under the Plan. The grouping of the Debtors does not affect any Debtor's status as a separate legal entity, change the organizational structure of the Debtors' business enterprise, constitute a change of control of any Debtor for any purpose, cause a merger or consolidation of any legal entities, or cause the transfer of any assets. Except as otherwise provided by or permitted in the Plan, all Debtors will continue to exist as separate legal entities.

    - The Proponents reserve the right to seek to substantively consolidate any two or more Debtors, provided that such substantive consolidation does not materially and adversely impact the amount of the distributions to any Person under the Plan.

- *Claims Against Subsidiary Debtors (other than Bank Claims)*.

    - *General*. Allowed Claims against the Subsidiary Debtors will be Paid in Full, including simple interest (at 8% per annum for Trade Claims and Other Unsecured Claims, and otherwise at the Applicable Contract Rate, except that the CVV interests issuable in respect of FPL Note Claims entitle holders to distributions (if any) in an amount reflecting accrued Default Rate Interest) from the Commencement Date through the Effective Date, subject (x) to specified "give-ups" in varying amounts of Plan Consideration which will be transferred to the creditors of the ACC Debtors and (y) the deduction of fees payable to various ad hoc committees associated with each Class. Creditors of the Subsidiary Debtors may be repaid these "give-ups" (plus interest at specified rates) and deducted fees from recoveries obtained by the Contingent Value Vehicle (if any) and, in certain cases, releases from Identified Sources.

    - *Give-Ups*. The "give-ups" set forth in the Plan *include*:

        (i) $750 million ($800 million in the event that there is an ACC Senior Notes Claims Accepting Class resulting from either such class voting to accept the Plan or voting or deemed to be voting in certain amounts as specified in the Plan) from amounts otherwise allocable to the Arahova Notes;

        (ii) $85 million from amounts otherwise allocable to the FrontierVision Holdco Notes;

        (iii) $16 million from amounts otherwise allocable to the Olympus Notes;

        (iv) $6.2 million from amounts otherwise allocable to the FPL Note;

        (v) $39.2 million from amounts otherwise allocable to Subsidiary Debtor Trade Claims; and

(vi) $6.8 million from amounts otherwise allocable to Subsidiary Debtor Other Unsecured Claims.

- *Closing Condition*. The Plan is conditioned on the Plan Administrator, as of the Effective Date or immediately thereafter being in a position to distribute to the holders of Claims against the ACC Debtors the ACC Effective Date Settlement Distribution of $1.08 billion (or if there is an ACC Senior Notes Claims Accepting Class, $1.13 billion), comprised of (i) the Initial ACC Settlement Consideration, the Arahova Initial Advance, the Arahova Additional Settlement Give Up and, if applicable, the Additional Incremental ACC Settlement Consideration, and (ii) proceeds from Identified Sources (in excess of amounts necessary to satisfy the Arahova Initial Advance Rights) and Third Party Give Ups, provided that the amounts specified in clause (ii) will be, in the aggregate, at least $270 million.

- *True Up Reserve*. A True-Up Reserve will also be created to adjust the number of shares of TWC Class A Common Stock to be issued to creditors of the Subsidiary Debtors to reflect an up to 20% increase or decrease in the value of the TWC Class A Common Stock during the period that is 60 days after the Effective Date.

- *Claims Against and Equity Interests in ACC Debtors*.

  - *Senior ACC Creditors*. Senior creditors of the ACC Debtors holding Allowed Claims will receive: (1) the $1.08 billion (which amount will be increased to $1.13 billion in the event that that there is an ACC Senior Notes Claims Accepting Class) of settlement consideration described above (unless the Settlement Consideration Condition is waived); (2) the residual sale consideration after funding all other distributions and reserves under the Plan; (3) proceeds from Remaining Assets; and (4) interests in the Contingent Value Vehicle.

  - *Others*. Holders of ACC Subordinated Note Claims, ACC Existing Securities Law Claims, Preferred Stock Interests and Equity Interests in ACC will not receive any distributions, unless the senior creditors in the ACC Debtors vote to accept the Plan and such holders also vote to accept the Plan, in which case they would receive junior interests in the Contingent Value Vehicle.

- *Bank Claims*.

  - *General*. All Bank Claims are deemed to be Disputed and are subject to disallowance in whole or in part.

  - *Accepting Bank Classes*. Notwithstanding their status as Disputed Claims, each Class of Bank Claims will have the right, by accepting the Plan, to have their claims Provisionally Allowed and to receive Payment in Full in Cash on the Effective Date of all outstanding principal and all accrued interest at the non-default interest rate calculated as set forth in the DIP Order, subject to (a) disgorgement of any such distributions upon the entry of a Final Order directing the return of some or all of such distribution and (b) for Bank Claims in the Syndicate Claims Classes that are not also treated as Administrative Agent Claims or Non-Administrative Agent Claims under the Plan, a withholding of a pro rata share (based on the principal amount of such claims) of the $35 million portion of the LIF that is being funded by the Bank Claim holders (in exchange for, among other things, the provisions of the Plan providing that Administrative Agents in the Administrative Agent Classes and the FrontierVision Bank Claims Class will not withhold Plan Distributions from any Accepting Bank Class and will release Bank Lenders in the Bank Syndicate Claims Class and the FrontierVision Banks Claims Class in any such accepting class from any obligation for reimbursement and indemnification of expenses under the applicable Prepetition Credit Agreement). Any Class of Bank Claims accepting the Plan will be deemed to have waived (w) any objection to confirmation of the Plan, (x) any Claim or entitlement to additional interest (including through their irrevocable withdrawal of the appeal of the Bankruptcy Court's decision on grid interest rights), (y) post-Effective Date fees and expenses (provided that (i) such holders will be entitled to payment of fees and expenses from their respective LIFs as described below and (ii) such waived claims for fees and expenses may be asserted as Defensive Claims), and/or

(z) any affirmative recovery for indemnification, and will be deemed to have agreed to comply with any disgorgement order directed to it. Bank Claims relating to pre-Effective Date fees will be Provisionally Allowed and paid in full in cash on the Initial Distribution Date, subject to the Debtors' receipt of invoices (or, as applicable, estimates) therefor and right to object thereto in accordance with the procedures specified in Section 5.2(c)(ii)(B) of the Plan. Subject to any disgorgement order and any change in treatment as a result of a "most favored nations" clause for accepting Classes of Bank Claims, the FrontierVision Banks will be entitled to a $4 million (at least $5.5 million under the most favored nations clause) litigation indemnification fund of which $1 million (all of which under the most favored nations clause) will be paid on a current basis. Accepting Classes of Co-Borrowing Banks will be entitled to share in an up to $75 million (or pro rata portion if less than all of the Co-Borrowing Bank Classes accept) litigation indemnification fund, which would be allocated to separate funds as follows: (x) each of Class SD 3CA, SD 3OA, and SD 3UA will be entitled to a separate LIF of $20 million, with (i) all Bank Lender Post-Effective Date Fee Claims of Wachovia in Classes SD 3CWach and SD 3OWach also payable from the LIF allocated to Wachovia in Class SD 3UA, (ii) all Bank Lender Post-Effective Date Fee Claims of BMO in Classes SD 3CBMO and SD 3UBMO also payable from the LIF allocated to BMO in Class SD 3OA, and (iii) all Bank Lender Post-Effective Date Fee Claims of BOFA in Classes SD 3OBOFA and SD 3UBOFA also payable from the LIF allocated to BOFA in Class SD 3CA; (y) Classes SD 3CN, SD 3ON, and SD 3UN collectively will be entitled to a single LIF of $12 million in the aggregate, subject to reduction by $4 million for each Bank Non-Administrative Agent Claims Class that is a Non-Accepting Bank Class (the fund set forth in this clause (y), the "Non-Administrative Agents LIF"), and (z) Classes SD 3CS, SD 3OS, and SD 3US collectively will be entitled to a single LIF of $3 million in the aggregate, subject to reduction by $1 million for each Bank Syndicate Claims Class that is a Non-Accepting Bank Class (the fund set forth in this clause (z), the "Bank Syndicate LIF"), provided however, (i) the Non-Administrative Agents LIF will be sub-allocated, evenly per capita, among each of the Non-Administrative Agents in Accepting Bank Classes and (ii) the Non-Administrative Agents LIF and the Bank Syndicate LIF will be administered according to the terms of protocols to be developed in consultation with the Non-Administrative Agent known to the Proponents to have appeared in the Chapter 11 Cases and the Ad Hoc Committee of Non-Agent Secured Lenders respectively, and to be contained in a supplement to the Plan which will be filed with the Bankruptcy Court and served on counsel for the holders of Claims in Classes set forth in (y) and (z) (and known by the Proponents to have filed a notice of appearance in these Chapter 11 Cases) at least 5 days prior to the Voting Deadline; such that if all Classes of Bank Claims are Accepting Bank Classes the Co-Borrowing Bank Litigation Fund would be $75 million. Each LIF will be increased by the interest earned on the funds in such LIF, minus any applicable taxes and fees.

- *Non-Accepting Bank Classes*. As to any Class of Bank Claims that is not an Accepting Bank Class, each holder of a Bank Claim in such Class will receive, subject to disgorgement in accordance with the Plan: (1) except to the extent the Holdback Motion is granted, (A) Payment in Full in Cash on the Effective Date of all outstanding principal and accrued interest at the non-default interest rate calculated as set forth in the DIP Order with respect to such Non-Accepting Bank Class, and (B) with respect to its Bank Fee Claims and Bank Lender Post-Effective Date Fee Claims, payment as when and to the extent set forth in a Final Order of the Bankruptcy Court and (2) its pro rata share of an LIF (a "Non-Accepting Bank Class LIF") that will be the sole source of payment for Bank Lender Post-Effective Date Fee Claims with respect to such Class, determined in accordance with the Estimation Motion.

B. SUMMARY RECOVERY TABLE

The following table briefly summarizes the classification and treatment of Claims and Equity Interests under the Plan. The summary also identifies the Classes that are entitled to vote on the Plan under the Bankruptcy Code. This summary assumes that no adjustments are made as a result of the True-Up Mechanism. This summary is qualified in its entirety by reference to the Plan, the Plan Documents and the exhibits attached hereto and thereto and the agreements and documents described herein and therein.

IMPORTANT NOTE ON VALUE OF TWC CLASS A COMMON STOCK

The estimated recoveries to holders of Claims and Equity Interests set forth in this Second Disclosure Statement Supplement are computed based on an aggregate deemed value of the shares of TWC Class A Common Stock of $5.1 billion (which will be increased to $5.4 billion in the event that there is an ACC Senior Notes Claims Accepting Class), as agreed by the parties to the Plan Support Agreement. Such valuation was an integral part of the negotiations between the Creditor Parties and the Additional ACC Settling Parties, and resolves such parties' divergent views of the value of the TWC Class A Common Stock without the complexities, costs or risks associated with resolving such valuation through litigation. See Section V of this Second Disclosure Statement Supplement, titled "Updated Valuation of TWC Equity," for a more complete discussion of the basis of such valuation. Due to the inherent substantial uncertainty in any predictions of the equity value of TWC, such estimate of equity value of TWC will not necessarily be indicative of the actual equity value of TWC, or the prices at which shares of TWC Class A Common Stock may trade at any time, which may be significantly higher or lower than the estimate contained in this section. See the Section of this Second Disclosure Statement Supplement titled "Note Regarding Time Warner Restatement" and Section V of this Second Disclosure Statement Supplement, titled "Updated Valuation of TWC Equity." See also the risk factors in Section XI.D. of the Disclosure Statement, titled "Risk Factors Relating to the Value of TWC Class A Common Stock," Section VI of the First Disclosure Statement Supplement, titled "Additional Risk Factors" and Section VII of this Second Disclosure Statement Supplement, titled "Additional Risk Factors." The distribution of Plan Consideration is also subject to a True-Up Mechanism that is designed to adjust the distribution to the holders of Subsidiary Debtor Claims to reflect an increase or decrease of up to 20% in the weighted average price of the TWC Class A Common Stock during a 60 day test period 60 days after the Effective Date. See Section V of this Second Disclosure Statement Supplement, titled "Updated Valuation of TWC Equity."

The ACC Bondholder Group asserts that the $4.85 billion Deemed Value of the TWC Class A Common Stock under the prior draft of the Plan, as well as the $5.1 billion to $5.4 billion Deemed Value of the TWC Class A Common Stock in the current Plan, is based upon an arbitrary valuation and inconsistent with current market prices of comparable enterprises. Based upon its review of comparable enterprises, the ACC Bondholder Group asserts that the Deemed Value should be between $6.3 billion and $7.3 billion based on current market conditions. The ACC Bondholder Group further asserts that the arbitrary Deemed Value, as well as the cap on the ability to adjust the Deemed Value in Section 10.12 of the Plan, allow Arahova Noteholders to further enhance their recoveries by effectively granting them an in-the-money call option on TWC Class A Common Stock should the value thereof reach $5.57 billion under the prior draft of the Plan, now $6.12 billion under the current Plan ($6.48 billion if there is an ACC Senior Notes Claims Accepting Class). The Debtors and the Creditors Committee dispute these assertions.

IMPORTANT NOTE ON ESTIMATES

The estimates in the tables and summaries in this Second Disclosure Statement Supplement may differ materially from actual distributions under the Plan. These differences may be due to a number of factors, including:

- the value of the shares of TWC Class A Common Stock to be received in the Sale Transaction, which shares may have a trading value greater or less than the Deemed Value (or the 20%) range for adjustments that is part of the True-Up Mechanism), which is the value given to such shares for purposes of the estimates in this Second Disclosure Statement Supplement, which shares could change in value based on a large number of factors, many of which are outside the control of the Debtors or TWC;
- the magnitude of any purchase price adjustments under the Purchase Agreements;
- the ability of the Debtors to perform the Government Settlement Agreements;
- the asserted or estimated amounts of Allowed Claims and Equity Interests, and the existence and ultimate resolution of Disputed Claims and Equity Interests;
- the amount of, and timing and amount of releases, if any, from, reserves, escrows and holdbacks;
- the magnitude of professional fees of various ad hoc committees to be allocated to certain Classes of Claims;
- the level of costs incurred by the Estates in implementing the Plan, which could increase significantly as a result of matters outside the Proponents' control; and
- the timing of the Debtors' emergence from bankruptcy.

Statements regarding projected amounts of Allowed Claims or Equity Interests or distributions (or the value of such distributions) are estimates by the Debtors based on current information and are not representations or commitments as to the accuracy of these amounts. See Section XI of the Disclosure Statement, titled "Risk Factors," Section VI of the First Disclosure Statement Supplement, titled "Additional Risk Factors," and Section VII of this Second Disclosure Statement Supplement, titled "Additional Risk Factors," for a discussion of factors that may affect the value of recoveries under the Plan.

SUMMARY OF CLASSIFICATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS UNDER THE PLAN

Type of Claim or Equity Interest	**Estimated Total Claims, excluding postpetition interest** (in millions)	**Treatment/ Currency/Payment**	**Estimated Recovery on Effective Date**[1]	**Estimated Total Recovery**[1]	**Voting Status**
GENERAL					
Administrative / Priority Expense Claims	$932	Payment in Full in Cash on the later of: • the Effective Date, • the date such Claim is Allowed, or • pursuant to the terms of the Claim.	100%	100%	N/A
Tax Claims	$112	Payment in Full in Cash on the later of: • the Effective Date, or • the date such Claim is Allowed.	110%	110%	N/A

Type of Claim or Equity Interest	Estimated Total Claims, excluding postpetition interest (in millions)	Treatment/ Currency/Payment	Estimated Recovery on Effective Date[1]	Estimated Total Recovery[1]	Voting Status
SUBSIDIARY DEBTORS					
Subsidiary Debtor Priority Claims Class	<$1	Payment in Full in Cash on the later of: • the Effective Date, or • the date such Claim is Allowed.	100%	100%	N/A
Subsidiary Debtor Secured Claims Class	$57	Payment in Full in Cash, plus accrued postpetition interest from the Commencement Date through the Effective Date, at the Applicable Contract Rate	138%	138%	Unimpaired; not entitled to vote.
Century Bank Claims Administrative Agent Claims Class	$154	Payment in Full in Cash, subject to (i) disgorgement, and (ii) if the Class is not an Accepting Bank Class, the Holdback Motion. Payment of pre-Effective Date fees in full subject to the procedures set forth in the Plan. Payment of post-Effective Date fees from corresponding LIF of $20 million, or if the Class is not an Accepting Bank Class, in the amount determined pursuant to the Estimation Motion. [2]	100%	100%	Impaired; entitled to vote.[3]
Century Bank Claims Non-Administrative Agent Claims Class	$529	Payment in Full in Cash, subject to (i) disgorgement, and (ii) if the Class is not an Accepting Bank Class, the Holdback Motion. Payment of pre-Effective Date fees in full subject to the procedures set forth in the Plan. Payment of post-Effective Date Fees from single LIF consisting of an aggregate of $12 million allocated to the Bank Non-Administrative Agent Claims Classes, subject to a reduction by $4 million for each Bank Non-Administrative Agent Claims Class that is a Non-Accepting Bank Class, or if the Class is not an Accepting Bank Class, in the amount determined pursuant to the Estimation Motion. [2]	100%	100%	Impaired; entitled to vote.[3]
Century Bank Syndicate Claims Class	$1,797	Payment in Full in Cash, subject to (i) disgorgement, (ii) if the Class is an Accepting Bank Class, the LIF Contribution, and (iii) if the Class is not an Accepting Bank Class, the Holdback Motion. Payment of pre-Effective Date fees in full subject to the procedures set forth in the Plan. Payment of post-Effective Date Fees from single LIF consisting of an aggregate of $3 million allocated to the Bank Syndicate Claims Classes, subject to a reduction by $1 million for each Bank Syndicate Claims Class that is a Non-Accepting Bank Class, or if the Class is not an Accepting Bank Class, in the amount determined pursuant to the Estimation Motion. [2]	99%	99%	Impaired; entitled to vote.[3]

Type of Claim or Equity Interest	Estimated Total Claims, excluding postpetition interest (in millions)	Treatment/ Currency/Payment	Estimated Recovery on Effective Date[1]	Estimated Total Recovery[1]	Voting Status
Century Wachovia Claims Class	<$1	Payment in Full in Cash, subject to (i) disgorgement, and (ii) if the Class is not an Accepting Bank Class, the Holdback Motion. Payment of pre-Effective Date fees in full subject to the procedures set forth in the Plan. Payment of post-Effective Date Fees from LIF allocated to Wachovia in UCA Bank Claims Administrative Agent Claims Class, or if the Class is not an Accepting Bank Class, in the amount determined pursuant to the Estimation Motion. [2]	100%	100%	Impaired; entitled to vote.[3]
Century BMO Claims Class	<$1	Payment in Full in Cash, subject to (i) disgorgement, and (ii) if the Class is not an Accepting Bank Class, the Holdback Motion. Payment of pre-Effective Date fees in full subject to the procedures set forth in the Plan. Payment of post-Effective Date Fees from LIF allocated to BMO in Olympus Bank Claims Administrative Agent Claims Class, or if the Class is not an Accepting Bank Class, in the amount determined pursuant to the Estimation Motion. [2]	100%	100%	Impaired; entitled to vote.[3]
FrontierVision Bank Claims Class	$617	Payment in Full in Cash, subject to (i) disgorgement, and (ii) if the Class is not an Accepting Bank Class, the Holdback Motion. Payment of pre-Effective Date fees in full subject to the procedures set forth in the Plan. Payment of post-Effective Date Fees from corresponding LIF of $4 million (subject to the "most favored nations" clause), or if the Class is not an Accepting Bank Class, in the amount determined pursuant to the Estimation Motion. [2]	100%	100%	Impaired; entitled to vote.[3]
Olympus Bank Claims Administrative Agent Claims Class	$61	Payment in Full in Cash, subject to (i) disgorgement, and (ii) if the Class is not an Accepting Bank Class, the Holdback Motion. Payment of pre-Effective Date fees in full subject to the procedures set forth in the Plan. Payment of post-Effective Date Fees from corresponding LIF of $20 million, or if the Class is not an Accepting Bank Class, in the amount determined pursuant to the Estimation Motion. [2]	100%	100%	Impaired; entitled to vote.[3]
Olympus Bank Claims Non-Administrative Agent Claims Class	$291	Payment in Full in Cash, subject to (i) disgorgement, and (ii) if the Class is not an Accepting Bank Class, the Holdback Motion. Payment of pre-Effective Date fees in full subject to the procedures set forth in the Plan. Payment of post-Effective Date Fees from single LIF consisting of an aggregate of $12 million allocated to the Bank Non-Administrative Agent Claims Classes, subject to a reduction by $4 million for each Bank Non-Administrative Agent Claims Class that is a Non-Accepting Bank Class, or if the Class is not an Accepting Bank Class, in the amount determined pursuant to the Estimation Motion. [2]	100%	100%	Impaired; entitled to vote.[3]

Type of Claim or Equity Interest	Estimated Total Claims, excluding postpetition interest (in millions)	Treatment/ Currency/Payment	Estimated Recovery on Effective Date[1]	Estimated Total Recovery[1]	Voting Status
Olympus Bank Syndicate Claims Class	$871	Payment in Full in Cash, subject to (i) disgorgement, (ii) if the Class is an Accepting Bank Class, the LIF Contribution, and (iii) if the Class is not an Accepting Bank Class, the Holdback Motion. Payment of pre-Effective Date fees in full subject to the procedures set forth in the Plan. Payment of post-Effective Date Fees from single LIF consisting of an aggregate of $3 million allocated to the Bank Syndicate Claims Classes, subject to a reduction by $1 million for each Bank Syndicate Claims Class that is a Non-Accepting Bank Class, or if the Class is not an Accepting Bank Class, in the amount determined pursuant to the Estimation Motion. [2]	99%	99%	Impaired; entitled to vote.[3]
Olympus Wachovia Claims Class	<$1	Payment in Full in Cash, subject to (i) disgorgement, and (ii) if the Class is not an Accepting Bank Class, the Holdback Motion. Payment of pre-Effective Date fees in full subject to the procedures set forth in the Plan. Payment of post-Effective Date Fees from LIF allocated to Wachovia in UCA Bank Claims Administrative Agent Claims Class, or if the Class is not an Accepting Bank Class, in the amount determined pursuant to the Estimation Motion. [2]	100%	100%	Impaired; entitled to vote.[3]
Olympus BOFA Claims Class	$42	Payment in Full in Cash, subject to (i) disgorgement, and (ii) if the Class is not an Accepting Bank Class, the Holdback Motion. Payment of pre-Effective Date fees in full subject to the procedures set forth in the Plan. Payment of post-Effective Date Fees from LIF allocated to BOFA in Century Bank Claims Administrative Agent Claims Class, or if the Class is not an Accepting Bank Class, in the amount determined pursuant to the Estimation Motion. [2]	100%	100%	Impaired; entitled to vote.[3]
UCA Bank Claims Administrative Agent Claims Class	$22	Payment in Full in Cash, subject to (i) disgorgement, and (ii) if the Class is not an Accepting Bank Class, the Holdback Motion. Payment of pre-Effective Date fees in full subject to the procedures set forth in the Plan. Payment of post-Effective Date Fees from corresponding LIF of $20 million, or if the Class is not an Accepting Bank Class, in the amount determined pursuant to the Estimation Motion. [2]	100%	100%	Impaired; entitled to vote.[3]

Type of Claim or Equity Interest	Estimated Total Claims, excluding postpetition interest (in millions)	Treatment/ Currency/Payment	Estimated Recovery on Effective Date[1]	Estimated Total Recovery[1]	Voting Status
UCA Bank Claims Non-Administrative Agent Claims Class	$241	Payment in Full in Cash, subject to (i) disgorgement, and (ii) if the Class is not an Accepting Bank Class, the Holdback Motion. Payment of pre-Effective Date fees in full subject to the procedures set forth in the Plan. Payment of post-Effective Date Fees from single LIF consisting of an aggregate of $12 million allocated to the Bank Non-Administrative Agent Claims Classes, subject to a reduction by $4 million for each Bank Non-Administrative Agent Claims Class that is a Non-Accepting Bank Class, or if the Class is not an Accepting Bank Class, in the amount determined pursuant to the Estimation Motion. [2]	100%	100%	Impaired; entitled to vote.[3]
UCA Bank Syndicate Claims Class	$500	Payment in Full in Cash, subject to (i) disgorgement, (ii) if the Class is an Accepting Bank Class, the LIF Contribution, and (iii) if the Class is not an Accepting Bank Class, the Holdback Motion. Payment of pre-Effective Date fees in full subject to the procedures set forth in the Plan. Payment of post-Effective Date Fees from single LIF consisting of an aggregate of $3 million allocated to the Bank Syndicate Claims Classes, subject to a reduction by $1 million for each Bank Syndicate Claims Class that is a Non-Accepting Bank Class, or if the Class is not an Accepting Bank Class, in the amount determined pursuant to the Estimation Motion. [2]	99%	99%	Impaired; entitled to vote.[3]
UCA BMO Claims Class	$32	Payment in Full in Cash, subject to (i) disgorgement,[2] and (ii) if the Class is not an Accepting Bank Class, the Holdback Motion. Payment of pre-Effective Date fees in full subject to the procedures set forth in the Plan. Payment of post-Effective Date Fees from LIF allocated to BMO in Century Bank Claims Administrative Agent Claims Class, or if the Class is not an Accepting Bank Class, in the amount determined pursuant to an Estimation Motion.	100%	100%	Impaired; entitled to vote.[3]
UCA BOFA Claims Class	$36	Payment in Full in Cash, subject to (i) disgorgement,[2] and (ii) if the Class is not an Accepting Bank Class, the Holdback Motion. Payment of pre-Effective Date fees in full subject to the procedures set forth in the Plan. Payment of post-Effective Date Fees from LIF allocated to BOFA in Olympus Bank Claims Administrative Agent Claims Class, or if the Class is not an Accepting Bank Class, in the amount determined pursuant to an Estimation Motion.	100%	100%	Impaired; entitled to vote.[3]

Type of Claim or Equity Interest	Estimated Total Claims, excluding postpetition interest (in millions)	Treatment/ Currency/Payment	Estimated Recovery on Effective Date[1]	Estimated Total Recovery[1]	Voting Status
Subsidiary Debtor Trade Claims Class[4]	$367	An amount equal to Payment in Full, including postpetition interest at the rate of 8% per annum, less $39.2 million, less the Subsidiary Debtor Fees,[6] subject to the Subsidiary Trade Claims Earn Back.[5] Currency on the Effective Date – Pro Rata Share of Cash and TWC Class A Common Stock. Anticipated currency if there is no ACC Senior Notes Claims Accepting Class 41% Cash 94% TWC Stock or if there is an ACC Senior Notes Claims Accepting Class 40% Cash 94% TWC stock	134%	134%	Impaired; entitled to vote.
Subsidiary Debtor Other Unsecured Claims Class[4,7]	$137	An amount equal to payment in full, including postpetition interest at the rate of 8% per annum, less $6.8 million, less the allocated Subsidiary Debtor Fees,[6] subject to the Subsidiary Other Unsecured Earn Back.[8] Currency on the Effective Date – Pro Rata Share of Cash and TWC Class A Common Stock. Anticipated currency if there is no ACC Senior Notes Claims Accepting Class 38% Cash 82% TWC Stock or if there is an ACC Senior Notes Claims Accepting Class 37% Cash 83% TWC stock	120%	120%	Impaired; entitled to vote.
Arahova Notes Class	$1,744	(1) An amount equal to Payment in Full, including postpetition interest at the Applicable Contract Rate, less $750 million (or if there is an ACC Senior Notes Claims Accepting Class, $800 million), less the Arahova Fees, subject to repayment of the Arahova Initial Advance.[9] Currency on the Effective Date – Pro Rata Share of Cash and TWC Class A Common Stock. Anticipated currency if there is no ACC Senior Notes Claims Accepting Class 42% Cash 54% TWC Stock or if there is an ACC Senior Notes Claims Accepting Class 42% Cash 52% TWC Stock (2) CVV Series Arahova Interests[12]	96%[10] or, if there is an ACC Senior Notes Claims Accepting Class, 93%	102%[11] or, if there is an ACC Senior Notes Claims Accepting Class, 99%	Impaired; entitled to vote.

Type of Claim or Equity Interest	Estimated Total Claims, excluding postpetition interest (in millions)	Treatment/ Currency/Payment	Estimated Recovery on Effective Date[1]	Estimated Total Recovery[1]	Voting Status
FPL Notes Class	$127	(1) An amount equal to Payment in Full, including postpetition interest at the Applicable Contract Rate, less $6.2 million. Currency on the Effective Date – Pro Rata Share of Cash and TWC Class A Common Stock. Anticipated currency if there is no ACC Senior Notes Claims Accepting Class 39% Cash 84% TWC Stock or if there is an ACC Senior Notes Claims Accepting Class 38% Cash 85% TWC stock (2) CVV Series FPL Interests	122%	122%[11]	Impaired; entitled to vote.
FrontierVision Opco Notes Class	$204	An amount equal to Payment in Full, including postpetition interest at the Applicable Contract Rate less 20% of the FrontierVision Fees Currency on the Effective Date – Pro Rata Share of Cash and TWC Class A Common Stock. Anticipated currency if there is no ACC Senior Notes Claims Accepting Class 45% Cash 104% TWC Stock or if there is an ACC Senior Notes Claims Accepting Class 44% Cash 105% TWC stock	149%[13]	149%	Impaired; entitled to vote.
FrontierVision Holdco Notes Class	$339	(1) An amount equal to Payment in Full, including postpetition interest at the Applicable Contract Rate, less $85 million, less 80% of the FrontierVision Fees Currency on the Effective Date – Pro Rata Share of Cash and TWC Class A Common Stock. Anticipated currency if there is no ACC Senior Notes Claims Accepting Class 46% Cash 81% TWC Stock or if there is an ACC Senior Notes Claims Accepting Class 45% Cash 82% TWC stock (2) CVV Series FrontierVision Interests	127%[13]	127%[11]	Impaired; entitled to vote.

Type of Claim or Equity Interest	Estimated Total Claims, excluding postpetition interest (in millions)	Treatment/ Currency/Payment	Estimated Recovery on Effective Date[1]	Estimated Total Recovery[1]	Voting Status
Olympus Notes Class	$213	(1) An amount equal to Payment in Full, including postpetition interest at the Applicable Contract Rate, less $16 million, less the Olympus Fees Currency on the Effective Date – Pro Rata Share of Cash and TWC Class A Common Stock. Anticipated currency if there is no ACC Senior Notes Claims Accepting Class 45% Cash 95% TWC Stock or if there is an ACC Senior Notes Claims Accepting Class 44% Cash 96% TWC stock (2) CVV Series Olympus Interests	140%	140%[11]	Impaired; entitled to vote.
Subsidiary Debtor Existing Securities Laws Claims Class[12]	Unknown[14]	If the Class accepts, CVV Series ESL Interests, otherwise no distribution	N/A	Unknown[11]	Impaired; entitled to vote.
Subsidiary Debtor Equity Interests	N/A	Reinstated	N/A	N/A	Impaired; entitled to vote.
ACC DEBTORS					
ACC Debtors Priority Claims Class	<$1	Payment in Full in Cash on the later of: • the Effective Date, or • the date such Claim is Allowed.	100%	100%	N/A
ACC Debtors Secured Claims Class	<$1	Payment in Full in Cash, plus accrued postpetition interest from the Commencement Date through the Effective Date, at the Applicable Contract Rate	136%	136%	Unimpaired; not entitled to vote.

Type of Claim or Equity Interest	Estimated Total Claims, excluding postpetition interest (in millions)	Treatment/ Currency/Payment	Estimated Recovery on Effective Date[1]	Estimated Total Recovery[1]	Voting Status
ACC Senior Notes Class	$5,110	(1) An amount equal to the ACC Senior Notes Allocable Portion and the ACC Subordinated Notes Allocable Portion of (a) $1.08 billion, (or, if there is an ACC Senior Notes Claims Accepting Class, $1.13 billion) plus (b) all remaining Plan Consideration Currency –on Effective Date, 100% TWC Class A Common Stock, later distributions will include Cash and stock. (2) CVV Series ACC-1 Interests[11]	If there is an ACC Senior Notes Claims Accepting Class 47%/47%[15] If there is no ACC Senior Notes Claims Accepting Class 41%/41%[15]	If there is an ACC Senior Notes Claims Accepting Class 69%/69%[11, 15] If there is no ACC Senior Notes Claims Accepting Class 63%/63%[15]	Impaired; entitled to vote.
ACC Trade Claims Class	$282	(1) An amount equal to the ACC Trade Allocable Portion of (a) $1.08 billion, (or, if there is an ACC Senior Notes Claims Accepting Class, $1.13 billion) plus (b) all remaining Plan Consideration Currency –on Effective Date, 100% TWC Class A Common Stock, later distributions will include Cash and stock. (2) CVV Series ACC-2 Interests[12]	If there is an ACC Senior Notes Claims Accepting Class 34%/36%[15] If there is no ACC Senior Notes Claims Accepting Class 30%/32%[15]	If there is an ACC Senior Notes Claims Accepting Class 50%/54%[11, 15] If there is no ACC Senior Notes Claims Accepting Class 45%/49%[15]	Impaired; entitled to vote.
ACC Other Unsecured Claims Class[7]	$128	(1) An amount equal to the ACC Other Unsecured Allocable Portion of (a) $1.08 billion, (or, i if there is an ACC Senior Notes Claims Accepting Class, $1.13 billion) plus (b) all remaining Plan Consideration Currency –on Effective Date, 100% TWC Class A Common Stock, later distributions will include Cash and stock. (2) CVV Series ACC-3 Interests[12]	If there is an ACC Senior Notes Claims Accepting Class 34%/36%[15] If there is no ACC Senior Notes Claims Accepting Class 30%/32%[15]	If there is an ACC Senior Notes Claims Accepting Class 50%/54%[11, 15] If there is no ACC Senior Notes Claims Accepting Class 45%/49%[15]	Impaired; entitled to vote.
ACC Subordinated Notes Claims Class	$2,032[15]	If the Class accepts, CVV Series ACC-4 Interests, otherwise no distribution	N/A	Unknown[11]	Impaired; entitled to vote.
ACC Existing Securities Law Claims Class	Unknown[14]	If the Class accepts, and all senior Classes against ACC Debtors vote to accept, CVV Series ACC-5 Interests, otherwise no distribution	N/A	Unknown [11]	Impaired; entitled to vote.

Type of Claim or Equity Interest	Estimated Total Claims, excluding postpetition interest (in millions)	Treatment/ Currency/Payment	Estimated Recovery on Effective Date[1]	Estimated Total Recovery[1]	Voting Status
ACC Preferred Stock Interests	$1,674[16] and Unknown[14]	If the Class accepts, and all senior Classes against ACC Debtors vote to accept, CVV Series ACC-6 Interests, otherwise no distribution	N/A	Unknown [11]	Impaired; entitled to vote.
ACC Common Stock Interests	N/A	If the Class accepts, and all Senior Classes against ACC Debtors vote to accept, CVV Series ACC-7 Interests, otherwise no distribution	N/A	Unknown [11]	Impaired; entitled to vote.
ACC Subsidiary Equity Interests	N/A	Reinstated	N/A	N/A	Impaired; entitled to vote.

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1 The Estimated Recovery on Effective Date and Estimated Total Recovery are calculated by dividing the estimated Deemed Value of the Plan Consideration to be distributed by the Estimated Total Claims. The Estimated Total Claims represent the Debtors' estimate based on available information and their analysis of the total Claims in such Class ultimately likely to be Allowed. All Plan estimates are based on an assumed Effective Date of December 22, 2006. There can be no assurance that the Effective Date will occur on December 22, 2006, if at all. With respect to Plan Consideration other than Cash, the fair market value of the Plan Consideration on the date of distribution may be different from the estimated value, described in Section V of this Second Disclosure Statement Supplement, titled "Updated Valuation of TWC Equity," used for purposes of this calculation. These estimates do not give effect to the True-Up Mechanism. See "Important Note on Deemed Value of TWC Stock" in Section II and the Risk Factors included in Sections XI.A and XI.D of the Disclosure Statement, Section VI of the First Disclosure Statement Supplement and Section VII of this Second Disclosure Statement Supplement, titled "Additional Risk Factors." The impact of Administrative Claims that have not yet been asserted or were asserted too late to determine the extent to which they are ultimately likely to be Allowed is not reflected. The latter category includes a claim for damages of $130 million based on alleged patent infringement asserted by Rembrandt Technologies LP. The Company disputes such claim and intends to vigorously defend against it. The timing of the recovery, amounts of Claims Allowed, amounts of reserves ultimately released and actual total recovery may vary substantially from the estimates set forth in this chart. To the extent a Claim is Allowed only after the Effective Date, this estimate represents an estimate of the recovery after the time of Allowance in accordance with the timing of payment provided under the Plan.

2 Each Class of Bank Claims will have the right to elect, by accepting the Plan, to receive Payment in Full in Cash on the Effective Date of all outstanding principal and all accrued interest at the non-default interest rate calculated as set forth in the DIP Order, subject to disgorgement upon the entry of a Final Order directing the return of some or all of such distribution. Estimated recoveries for Classes of Bank Claims do not include amounts payable to such Classes that are being allocated to LIFs. Any Bank in an Accepting Bank Class will be deemed to have waived any claim or entitlement to additional interest, post-Effective Date fees and expenses (provided that such Claims for fees and expenses may be asserted as Defensive Claims), and/or indemnification, subject in the case of the FrontierVision Banks a $4 million litigation indemnification fund (subject to the "most favored nations" clause) and in the case of the Co-Borrowing Bank Claims Classes to a $75 million litigation indemnification fund (or pro rata smaller fund if less than all of the Co-Borrowing Bank Claims Classes accept the Plan).

3 Notwithstanding the designation of the Bank Claims as impaired, the Creditors Committee reserves the right to seek an order of the Bankruptcy Court determining that such Claims are unimpaired.

4 The "Estimated Recovery on the Effective Date" and the "Estimated Total Recovery," respectively, for (a) Debtors whose chapter 11 petitions were filed prior to March 31, 2006 is 136% and 136% (for Subsidiary Debtor Trade Claims) and 121% and 121% (for Subsidiary Debtor Other Unsecured Claims), and (b) Debtors whose chapter 11 petitions were filed on March 31, 2006 is 106% and 106% (for Subsidiary Debtor Trade Claims) and 105% and 105% (for Subsidiary Debtor Other Unsecured Claims).

5 The Subsidiary Trade Claims Earn Back is the amount by which the reserves for Disputed Subsidiary Trade Claims are released from such reserve such that the sum of the distributions with respect to the Subsidiary Debtor Trade Claims under the Plan and "Trade Claims" under the JV Plan and the reserves for Disputed Trade Claims under the Plan and "Disputed Trade Claims" under the JV Plan are less than $746.4 million plus 8% interest from August 1, 2006 to the Effective Date, not to exceed $39.2 million, plus simple interest from the Effective Date at the rate of 5% per annum. The Estimated Recovery on Effective Date and Estimated Total Recovery assume the payment of the Subsidiary Trade Claims Earnback in full on the Effective Date.

6 Based on the estimate that no Subsidiary Debtors Fees are allocated to such Class.

7 To the extent that a Claim in one of these Classes is an Insured Claim, instead of the treatment listed in the chart, such Insured Claim will be paid from the proceeds of insurance in the ordinary course of business.

8 The Subsidiary Other Unsecured Earn Back is the amount by which the reserves for Disputed Subsidiary Other Unsecured Claims are released such that the sum of the distributions with respect to the Subsidiary Debtor Other Unsecured Claims under the Plan and "Other Unsecured Claims" under the JV Plan and the reserves for Disputed Other Unsecured Claims under the Plan and "Disputed Other Unsecured Claims" under the JV Plan are less than $196 million plus 8% interest from August 1, 2006 to the Effective Date, not to exceed $6.8 million, plus simple interest from the Effective Date at the rate of 5% per annum.

9 A repayment of $25 million is assumed as of the Effective Date from the Litigation Prosecution Fund and an additional $100 million is assumed to be repaid in total recovery.

10 Based on the estimate that $44 million in Arahova Fees are allocated to such Class.

11 Recoveries (if any) on distributions from the Contingent Value Vehicle are dependent on recoveries from the Causes of Action transferred to the Contingent Value Vehicle, are uncertain, cannot be determined at this time and thus are not included in this chart.

12 The respective rights of the CVV Series Arahova Interests and CVV Series ACC-1, ACC-2 and ACC-3 Interests differ depending on whether or not there is an ACC Senior Notes Accepting Class. See Section II.C.

13 Based on the estimate that $1 million and $4 million in FrontierVision Fees are allocated to the FrontierVision Opco Notes Class and FrontierVision Holdco Notes Class, respectively.

14 The estimated amount of these Existing Securities Law Claims cannot be determined at this time. Estimated Recovery does not include the amount, if any, available from the Restitution Fund.

15 The recovery in this Chart to holders of Allowed ACC Senior Notes Claims, ACC Trade Claims, ACC Other Unsecured Claims and ACC Subordinated Notes Claims are calculated assuming that the recoveries otherwise payable to the holders of ACC Subordinated Notes Claims are "paid over" to the holders of ACC Senior Notes Claims through enforcement of applicable subordination provisions. On April 6, 2006, the Bankruptcy Court announced its decision on the record of a hearing that the subordination provisions for the ACC Subordinated Notes were enforceable in the context of the April Plan. The Proponents believe that the subordination provisions are equally enforceable in the context of the Plan. Two different recovery percentages are presented in the chart, because recoveries to holders of Allowed ACC Senior Notes Claims, ACC Trade Claims and ACC Other Unsecured Claims will vary depending on whether the ACC Subordinated Notes purportedly held by Rigas Persons that were forfeited to the Government for transfer to the Debtors (the "Forfeited Notes") are deemed to be outstanding for purposes of calculating the "payover" to ACC Senior Note Claims. The first percentage presented is calculated based on the assumption that the Forfeited Notes are outstanding and the second percentage is calculated based on the assumption that the Forfeited Notes are not outstanding. Assuming the Forfeited Notes are excluded from the ACC Subordinated Notes Claims for purposes of the "payover" to the ACC Senior Notes Class, the Estimated Total Claims for the ACC Subordinated Notes Class would be $1,459 million.

16 Represents the liquidation preference plus accrued but unpaid dividends to the Commencement Date.

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C. SAMPLE CVV PRIORITY CHART

The following four tables briefly summarize the relative rights to distribution of the different Series of CVV Interests based on certain assumptions made by the Debtors and Creditors Committee for purposes of illustration (which assumptions are not necessarily indicative of the likely outcome of events). The first set of two tables assumes there is not an ACC Senior Notes Claims Accepting Class and the second set of two tables assumes there is an ACC Senior Notes Claims Accepting Class. The first sample table in each set is calculated based on the assumption that the Forfeited Notes are outstanding and the second sample table in each set is calculated based on the assumption that the Forfeited Notes are not outstanding. These assumptions include: the Allowed Amount of Claims in various Classes are as set forth in Section II.B of this Second Disclosure Statement Supplement; that the Arahova Initial Advance is repaid from Identified Sources, but that there are not additional Identified Sources available to satisfy the ACC Deficiency; that the Effective Date occurs on December 22, 2006; and that all CVV Distributions and releases of escrows, holdbacks and reserves occur on the second anniversary of the Effective Date. The thresholds at which the relative rights change are dependent on a large number of variables, including the timing of recoveries in the Designated Litigation, the fees of various ad hoc committees allocated to certain Classes of Claims, and the timing and amount of releases of reserves, escrows and holdbacks. This summary is qualified in its entirety by reference to the Plan, the Plan Documents and the exhibits attached hereto and thereto and the agreements and documents described herein and therein. See the Risk Factor titled "The estimated recoveries included in Section II of this Second Disclosure Statement Supplement are estimates only and actual recoveries may be greater or less than those set forth in such Section" in Section VII.A. of this Second Disclosure Statement Supplement.

SAMPLE RELATIVE RIGHT TO DISTRIBUTION CHART ASSUMING NO ACC SENIOR NOTES CLAIMS ACCEPTING CLASS AND FORFEITED NOTES ARE OUTSTANDING FOR PAYOVER PURPOSES

	Percentage of CVV Distribution to which the Series of Interests is Entitled							
Threshold at which Relative Rights to Distribution Change	**Series RF**	**Series Arahova**	**Series Frontier Vision**	**Series FPL**	**Series Olympus**	**Series ACC-1**	**Series ACC-2**	**Series ACC-3**
First $230 million of CVV Distributions.	50.000%	22.949%	1.250%	0.352%	2.500%	21.701%	0.857%	0.390%
Until Series Olympus has received aggregate distributions of $16 million (the Olympus give-up) plus the Olympus Fees, plus accrued post-Effective Date dividends of 8.9% per annum (estimated to be the next $282 million of CVV Distributions, for estimated aggregate CVV Distributions of $512 million).	N/A	45.898%	2.500%	0.705%	5.000%	43.403%	1.715%	0.780%
Until cumulative CVV Distribution is $1,165 million.	N/A	48.398%	2.500%	0.705%	N/A	45.770%	1.808%	0.822%
Until the cumulative distribution to the Series Arahova Interests equals $575 million plus the Arahova Fees (estimated to be the next $500 million of CVV Distributions, for estimated aggregate CVV Distributions of $1,665 million).	N/A	24.199%	2.500%	0.705%	N/A	68.655%	2.713%	1.234%
Until the accrued post-Effective Date dividends of 8.9% per annum on $575 million plus the Arahova Fees are paid in full (estimated to be the next $569 million of CVV Distributions, for estimated aggregate CVV Distributions of $2,235 million).	N/A	19.359%	2.500%	0.705%	N/A	73.232%	2.894%	1.316%
Until Series FPL has received aggregate distributions of $6.2 million (the FPL give-up) plus default interest plus accrued post-Effective Date dividends of 8.9% per annum (estimated to be the next $2,167 million of CVV Distributions, for estimated aggregate CVV Distributions of $4,402 million).	N/A	N/A	2.500%	0.705%	N/A	91.540%	3.617%	1.645%

	Percentage of CVV Distribution to which the Series of Interests is Entitled							
Threshold at which Relative Rights to Distribution Change	**Series RF**	**Series Arahova**	**Series Frontier Vision**	**Series FPL**	**Series Olympus**	**Series ACC-1**	**Series ACC-2**	**Series ACC-3**
Until Series FrontierVision has received aggregate distributions equal to the sum of (1) $85 million (the FrontierVision give up) plus accrued post-Effective Date dividends of 8.9% per annum, and (2) 80% of the FrontierVision Fees (estimated to be the next $176 million of CVV Distributions, for estimated aggregate CVV Distributions of $4,578 million).	N/A	N/A	2.500%	N/A	N/A	92.200%	3.643%	1.657%
Until the Holders of Claims in Class ACC Notes have been paid in full including Case Contract Interest and accrued post-Effective Date dividends of 8.9% per annum (estimated to be the next $1,506 million of CVV Distributions, for estimated aggregate CVV Distributions of $6,084 million).	N/A	N/A	N/A	N/A	N/A	94.564%	3.737%	1.699%
Until the Holders of Claims in Classes ACC Trade and ACC Other Unsecured have been paid in full including Case 8% Interest and accrued post-Effective Date dividends of 8.9% per annum (estimated to be the next $145 million of CVV Distributions, for estimated aggregate CVV Distributions of $6,229 million).	N/A	N/A	N/A	N/A	N/A	N/A	68.742%	31.258%
Until the additional distribution to the Series Arahova Interests equals $50 million plus accrued post-Effective Date dividends of 5%, plus the amount of the Arahova Initial Advance not repaid from Identified Sources (estimated to be the next $55 million of CVV Distributions, for estimated aggregate CVV Distributions of $6,284 million).	N/A	100.000%	N/A	N/A	N/A	N/A	N/A	N/A

SAMPLE RELATIVE RIGHT TO DISTRIBUTION CHART ASSUMING NO ACC SENIOR NOTES CLAIMS ACCEPTING CLASS AND FORFEITED NOTES ARE NOT OUTSTANDING FOR PAYOVER PURPOSES

	Percentage of CVV Distribution to which the Series of Interests is Entitled							
Threshold at which Relative Rights to Distribution Change	**Series RF**	**Series Arahova**	**Series Frontier Vision**	**Series FPL**	**Series Olympus**	**Series ACC-1**	**Series ACC-2**	**Series ACC-3**
First $230 million of CVV Distributions.	50.000%	22.949%	1.250%	0.352%	2.500%	21.599%	0.928%	0.422%
Until Series Olympus has received aggregate distributions of $16 million (the Olympus give-up) plus the Olympus Fees, plus accrued post-Effective Date dividends of 8.9% per annum (estimated to be the next $282 million of CVV Distributions, for estimated aggregate CVV Distributions of $512 million).	N/A	45.898%	2.500%	0.705%	5.000%	43.198%	1.856%	0.844%
Until cumulative CVV Distribution is $1,165 million.	N/A	48.398%	2.500%	0.705%	N/A	45.551%	1.957%	0.890%
Until the cumulative distribution to the Series Arahova Interests equals $575 million plus the Arahova Fees (estimated to be the next $500 million of CVV Distributions, for estimated aggregate CVV Distributions of $1,665 million).	N/A	24.199%	2.500%	0.705%	N/A	68.327%	2.935%	1.335%
Until the accrued post-Effective Date dividends of 8.9% per annum on $575 million plus the Arahova Fees are paid in full (estimated to be the next $569 million of CVV Distributions, for estimated aggregate CVV Distributions of $2,235 million).	N/A	19.359%	2.500%	0.705%	N/A	72.882%	3.131%	1.424%
Until Series FPL has received aggregate distributions of $6.2 million (the FPL give-up) plus default interest plus accrued post-Effective Date dividends of 8.9% per annum (estimated to be the next $2,167 million of CVV Distributions, for estimated aggregate CVV Distributions of $4,402 million).	N/A	N/A	2.500%	0.705%	N/A	91.102%	3.914%	1.780%

	Percentage of CVV Distribution to which the Series of Interests is Entitled							
Threshold at which Relative Rights to Distribution Change	**Series RF**	**Series Arahova**	**Series Frontier Vision**	**Series FPL**	**Series Olympus**	**Series ACC-1**	**Series ACC-2**	**Series ACC-3**
Until Series FrontierVision has received aggregate distributions equal to the sum of (1) $85 million (the FrontierVision give up) plus accrued post-Effective Date dividends of 8.9% per annum, and (2) 80% of the FrontierVision Fees (estimated to be the next $176 million of CVV Distributions, for estimated aggregate CVV Distributions of $4,578 million).	N/A	N/A	2.500%	N/A	N/A	91.765%	3.942%	1.793%
Until the Holders of Claims in Class ACC Notes have been paid in full including Case Contract Interest and accrued post-Effective Date dividends of 8.9% per annum (estimated to be the next $1,549 million of CVV Distributions, for estimated aggregate CVV Distributions of $6,127 million).	N/A	N/A	N/A	N/A	N/A	94.118%	4.043%	1.838%
Until the Holders of Claims in Classes ACC Trade and ACC Other Unsecured have been paid in full including Case 8% Interest and accrued post-Effective Date dividends of 8.9% per annum (estimated to be the next $102 million of CVV Distributions, for estimated aggregate CVV Distributions of $6,229 million).	N/A	N/A	N/A	N/A	N/A	N/A	68.742%	31.258%
Until the additional distribution to the Series Arahova Interests equals $50 million plus accrued post-Effective Date dividends of 5%, plus the amount of the Arahova Initial Advance not repaid from Identified Sources (estimated to be the next $55 million of CVV Distributions, for estimated aggregate CVV Distributions of $6,284 million).	N/A	100.000%	N/A	N/A	N/A	N/A	N/A	N/A

SAMPLE RELATIVE RIGHT TO DISTRIBUTION CHART ASSUMING THAT THERE IS AN ACC SENIOR NOTES CLAIMS ACCEPTING CLASS AND FORFEITED NOTES ARE OUTSTANDING FOR PAYOVER PURPOSES

	Percentage of CVV Distribution to which the Series of Interests is Entitled							
Threshold at which Relative Rights to Distribution Change	**Series RF**	**Series Arahova**	**Series Frontier Vision**	**Series FPL**	**Series Olympus**	**Series ACC-1**	**Series ACC-2**	**Series ACC-3**
First $230 million of CVV Distributions.	50.000%	22.949%	1.250%	0.352%	2.500%	21.701%	0.857%	0.390%
Until Series Olympus has received aggregate distributions of $16 million (the Olympus give-up) plus the Olympus Fees, plus accrued post-Effective Date dividends of 8.9% per annum (estimated to be the next $282 million of CVV Distributions, for estimated aggregate CVV Distributions of $512 million).	N/A	45.898%	2.500%	0.705%	5.000%	43.403%	1.715%	0.780%
Until cumulative CVV Distribution is $1,165 million.	N/A	48.398%	2.500%	0.705%	N/A	45.767%	1.808%	0.822%
Until the cumulative distribution to the Series Arahova Interests equals $625 million plus the Arahova Fees plus accrued post-Effective Date dividends of 8.9% per annum (estimated to be the next $1,999 million of CVV Distributions, for estimated aggregate CVV Distributions of $3,164 million).	N/A	14.519%	2.500%	0.705%	N/A	77.804%	3.074%	1.398%
Until Series FPL has received aggregate distributions of $6.2 million (the FPL give-up) plus default interest plus accrued post-Effective Date dividends of 8.9% per annum (estimated to be the next $1,238 million of CVV Distributions, for estimated aggregate CVV Distributions of $4,402 million).	N/A	N/A	2.500%	0.705%	N/A	91.534%	3.617%	1.645%

	Percentage of CVV Distribution to which the Series of Interests is Entitled							
Threshold at which Relative Rights to Distribution Change	**Series RF**	**Series Arahova**	**Series Frontier Vision**	**Series FPL**	**Series Olympus**	**Series ACC-1**	**Series ACC-2**	**Series ACC-3**
Until Series FrontierVision has received aggregate distributions equal to the sum of (1) $85 million (the FrontierVision give up) plus accrued post-Effective Date dividends of 8.9% per annum, and (2) 80% of the FrontierVision Fees (estimated to be the next $176 million of CVV Distributions, for estimated aggregate CVV Distributions of $4,578 million).	N/A	N/A	2.500%	N/A	N/A	92.200%	3.643%	1.657%
Until the Holders of Claims in Class ACC Notes have been paid in full including Case Contract Interest and accrued post-Effective Date dividends of 8.9% per annum (estimated to be the next $1,189 million of CVV Distributions, for estimated aggregate CVV Distributions of $5,767 million).	N/A	N/A	N/A	N/A	N/A	94.564%	3.737%	1.699%
Until the Holders of Claims in Classes ACC Trade and ACC Other Unsecured have been paid in full including Case 8% Interest and accrued post-Effective Date dividends of 8.9% per annum (estimated to be the next $145 million of CVV Distributions, for estimated aggregate CVV Distributions of $5,912 million).	N/A	N/A	N/A	N/A	N/A	N/A	68.742%	31.258%
Until the additional distribution to the Series Arahova Interests equals $50 million plus accrued post-Effective Date dividends of 5%, plus the amount of the Arahova Initial Advance not repaid from Identified Sources (estimated to be the next $55 million of CVV Distributions, for estimated aggregate CVV Distributions of $5,967 million).	N/A	100.000%	N/A	N/A	N/A	N/A	N/A	N/A

SAMPLE RELATIVE RIGHT TO DISTRIBUTION CHART ASSUMING THAT THERE IS AN ACC SENIOR NOTES CLAIMS ACCEPTING CLASS AND FORFEITED NOTES ARE NOT OUTSTANDING FOR PAYOVER PURPOSES

	Percentage of CVV Distribution to which the Series of Interests is Entitled							
Threshold at which Relative Rights to Distribution Change	**Series RF**	**Series Arahova**	**Series Frontier Vision**	**Series FPL**	**Series Olympus**	**Series ACC-1**	**Series ACC-2**	**Series ACC-3**
First $230 million of CVV Distributions.	50.000%	22.949%	1.250%	0.352%	2.500%	21.599%	0.928%	0.422%
Until Series Olympus has received aggregate distributions of $16 million (the Olympus give-up) plus the Olympus Fees, plus accrued post-Effective Date dividends of 8.9% per annum (estimated to be the next $282 million of CVV Distributions, for estimated aggregate CVV Distributions of $512 million).	N/A	45.898%	2.500%	0.705%	5.000%	43.198%	1.856%	0.844%
Until cumulative CVV Distribution is $1,165 million.	N/A	48.398%	2.500%	0.705%	N/A	45.551%	1.957%	0.890%
Until the cumulative distribution to the Series Arahova Interests equals $625 million plus the Arahova Fees plus accrued post-Effective Date dividends of 8.9% per annum (estimated to be the next $1,999 million of CVV Distributions, for estimated aggregate CVV Distributions of 3,164 million).	N/A	14.519%	2.500%	0.705%	N/A	77.437%	3.327%	1.513%
Until Series FPL has received aggregate distributions of $6.2 million (the FPL give-up) plus default interest plus accrued post-Effective Date dividends of 8.9% per annum (estimated to be the next $1,238 million of CVV Distributions, for estimated aggregate CVV Distributions of $4,402 million).	N/A	N/A	2.500%	0.705%	N/A	91.102%	3.914%	1.780%

	Percentage of CVV Distribution to which the Series of Interests is Entitled							
Threshold at which Relative Rights to Distribution Change	**Series RF**	**Series Arahova**	**Series Frontier Vision**	**Series FPL**	**Series Olympus**	**Series ACC-1**	**Series ACC-2**	**Series ACC-3**
Until Series FrontierVision has received aggregate distributions equal to the sum of (1) $85 million (the FrontierVision give up) plus accrued post-Effective Date dividends of 8.9% per annum, and (2) 80% of the FrontierVision Fees (estimated to be the next $176 million of CVV Distributions, for estimated aggregate CVV Distributions of $4,578 million).	N/A	N/A	2.500%	N/A	N/A	91.765%	3.942%	1.793%
Until the Holders of Claims in Class ACC Notes have been paid in full including Case Contract Interest and accrued post-Effective Date dividends of 8.9% per annum (estimated to be the next $1,232 million of CVV Distributions, for estimated aggregate CVV Distributions of $5,810 million).	N/A	N/A	N/A	N/A	N/A	94.118%	4.043%	1.838%
Until the Holders of Claims in Classes ACC Trade and ACC Other Unsecured have been paid in full including Case 8% Interest and accrued post-Effective Date dividends of 8.9% per annum (estimated to be the next $102 million of CVV Distributions, for estimated aggregate CVV Distributions of $5,912 million).	N/A	N/A	N/A	N/A	N/A	N/A	68.742%	31.258%
Until the additional distribution to the Series Arahova Interests equals $50 million plus accrued post-Effective Date dividends of 5%, plus the amount of the Arahova Initial Advance not repaid from Identified Sources (estimated to be the next $55 million of CVV Distributions, for estimated aggregate CVV Distributions of $5,967 million).	N/A	100.000%	N/A	N/A	N/A	N/A	N/A	N/A

After the last of the foregoing thresholds is met in any of the preceding tables, the remaining CVV Distributions will be distributed in the following order of priority:

- Series ESL Interests until paid in full with Case 8% Interest and post-Effective Date dividends of 8.9%, then
- Series ACC-4 Interests until paid in full with Case Contract Interest and post-Effective Date dividends of 8.9%, then
- Series ACC-5 Interests until paid in full with Case 8% Interest and post-Effective Date dividends of 8.9%, then
- Series ACC-6 Interests until paid in full with Case 8% Interest or Case Contract Interest, as the case may be, and post-Effective Date dividends of 8.9%, then
- Series ACC-7 Interests.

To the extent any of the Classes corresponding to the foregoing interests does not vote to accept the Plan, then CVV Interests will not be issued to such Class and any junior class (regardless of whether such junior Class accepts or rejects the Plan) and any remaining CVV Distributions will be allocated pro rata between the Series ACC-1, ACC-2 and ACC-3 Interests.

D. SENSITIVITY ANALYSIS

As noted above, the recovery estimates set forth in Section II.B of this Second Disclosure Statement Supplement (i) assume that the value of the TWC Class A Common Stock distributed under the Plan is $5.1 billion (increased to $5.4 billion if there is an ACC Senior Notes Claims Accepting Class) and (ii) ascribe no value to the CVV Interests. As described elsewhere in this Second Disclosure Statement Supplement, the Plan contains a True-Up Mechanism based on a market valuation of the TWC Class A Common Stock. The ultimate value of the recoveries to holders of Claims will be impacted by, among other factors, the effect of the True-Up Mechanism and the value and timing of distributions from the Contingent Value Vehicle.

To assist creditors in evaluating the Plan, four sets of sensitivity tables are set forth below that illustrate the potential impact these variables have on the estimated total recoveries set forth in this Second Disclosure Statement Supplement.

The first set of tables (Chart 1, Chart 2, Chart 3 and Chart 4) shows the impact the True-Up Mechanism would have on recoveries with respect to holders of Claims against the ACC Debtors, assuming the market value of TWC Class A Common Stock is up to twenty percent higher or lower than the initial Deemed Value and are calculated based on the assumption that the Forfeited Notes are outstanding for purposes of determining the "pay over" from the ACC Subordinated Notes to the ACC Senior Notes. As a result of the True-Up Mechanism, there would be no effect on the dollar value of the recoveries to creditors of the Subsidiary Debtors for a market value of TWC Class A Common Stock that is up to twenty percent higher or lower than the Deemed Value. (1)

Chart 1

ACC Senior Notes Total Recovery Sensitivity to Stock Valuation ($5.1 billion Deemed Value)

	Assumed Premium / (Discount) to Deemed Value						
	(20%)	(13%)	(7%)	0%	7%	13%	20%
	Implied Stock Valuation Range *(millions)*						
	$4,080	$4,420	$4,760	$5,100	$5,440	$5,780	$6,120
Total Recovery	46.6%	52.2%	57.8%	63.4%	69.0%	74.6%	80.2%

Assumptions for Chart 1 Analysis:

1 - Assumes that the stock revaluation occurs during the Test Period and the True-Up does take effect.

Chart 2

ACC Trade and Other Unsecured Total Recovery Sensitivity to Stock Valuation ($5.1 billion Deemed Value)

	Assumed Premium / (Discount) to Deemed Value						
	(20%)	(13%)	(7%)	0%	7%	13%	20%
	Implied Stock Valuation Range *(millions)*						
	$4,080	$4,420	$4,760	$5,100	$5,440	$5,780	$6,120
Total Recovery	33.3%	37.3%	41.3%	45.3%	49.3%	53.4%	57.4%

Assumptions for Chart 2 Analysis:

1 - Assumes that the stock revaluation occurs during the Test Period and the True-Up does take effect.

Chart 3

ACC Senior Notes Total Recovery Sensitivity to Stock Valuation ($5.4 billion Deemed Value)

	Assumed Premium / (Discount) to Deemed Value						
	(20%)	(13%)	(7%)	0%	7%	13%	20%
	Implied Stock Valuation Range *(millions)*						
	$4,320	$4,680	$5,040	$5,400	$5,760	$6,120	$6,480
Total Recovery	51.2%	57.2%	63.2%	69.1%	75.1%	81.0%	87.0%

Assumptions for Chart 3 Analysis:

1 - Assumes that the stock revaluation occurs during the Test Period and the True-Up does take effect.

Chart 4

ACC Trade and Other Unsecured Total Recovery Sensitivity to Stock Valuation ($5.4 billion Deemed Value)

	Assumed Premium / (Discount) to Deemed Value						
	(20%)	(13%)	(7%)	0%	7%	13%	20%
	Implied Stock Valuation Range *(millions)*						
	$4,320	$4,680	$5,040	$5,400	$5,760	$6,120	$6,480
Total Recovery	36.7%	40.9%	45.2%	49.5%	53.7%	58.0%	62.2%

Assumptions for Chart 4 Analysis:

1 - Assumes that the stock revaluation occurs during the Test Period and the True-Up does take effect.

The second set of tables (Chart 5, Chart 6, Chart 7 and Chart 8) shows the same analysis as the first set of tables but are calculated based on the assumption that the Forfeited Notes are not outstanding for purposes of determining the "pay over" from the ACC Subordinated Notes to the ACC Senior Notes. (1)

Chart 5

ACC Senior Notes Total Recovery Sensitivity to Stock Valuation ($5.1 billion Deemed Value)

	Assumed Premium / (Discount) to Deemed Value						
	(20%)	(13%)	(7%)	0%	7%	13%	20%
	Implied Stock Valuation Range *(millions)*						
	$4,080	$4,420	$4,760	$5,100	$5,440	$5,780	$6,120
Total Recovery	46.3%	51.9%	57.5%	63.1%	68.6%	74.2%	79.8%

Assumptions for Chart 5 Analysis:

1 - Assumes that the stock revaluation occurs during the Test Period and the True-Up does take effect.

Chart 6

ACC Trade and Other Unsecured Total Recovery Sensitivity to Stock Valuation ($5.1 billion Deemed Value)

	Assumed Premium / (Discount) to Deemed Value						
	(20%)	(13%)	(7%)	0%	7%	13%	20%
	Implied Stock Valuation Range *(millions)*						
	$4,080	$4,420	$4,760	$5,100	$5,440	$5,780	$6,120
Total Recovery	36.1%	40.4%	44.7%	49.1%	53.4%	57.7%	62.1%

Assumptions for Chart 6 Analysis:

1 - Assumes that the stock revaluation occurs during the Test Period and the True-Up does take effect.

Chart 7

ACC Senior Notes Total Recovery Sensitivity to Stock Valuation ($5.4 billion Deemed Value)

	Assumed Premium / (Discount) to Deemed Value						
	(20%)	(13%)	(7%)	0%	7%	13%	20%
	Implied Stock Valuation Range *(millions)*						
	$4,320	$4,680	$5,040	$5,400	$5,760	$6,120	$6,480
Total Recovery	51.0%	56.9%	62.9%	68.8%	74.7%	80.6%	86.6%

Assumptions for Chart 7 Analysis:

1 - Assumes that the stock revaluation occurs during the Test Period and the True-Up does take effect.

Chart 8

ACC Trade and Other Unsecured Total Recovery Sensitivity to Stock Valuation ($5.4 billion Deemed Value)

	Assumed Premium / (Discount) to Deemed Value						
	(20%)	(13%)	(7%)	0%	7%	13%	20%
	Implied Stock Valuation Range *(millions)*						
	$4,320	$4,680	$5,040	$5,400	$5,760	$6,120	$6,480
Total Recovery	39.7%	44.3%	48.9%	53.5%	58.1%	62.7%	67.3%

Assumptions for Chart 8 Analysis:

1 - Assumes that the stock revaluation occurs during the Test Period and the True-Up does take effect.

The third set of tables (Chart 9, Chart 10, Chart 11, Chart 12, Chart 13, Chart 14, Chart 15, Chart 16 and Chart 17) illustrates the estimated aggregate recovery to creditors, including recoveries from the CVV Interests under a range of assumed values for the Contingent Value Vehicle and a range of assumed timings of Contingent Value Vehicle distributions. The third set of tables are calculated based on the assumption that the Forfeited Notes are outstanding for purposes of determining the "pay over" from the ACC Subordinated Notes to the ACC Senior Notes. For Classes where treatment is affected by an ACC Senior Notes Claims Accepting Class, treatment is shown for both where an ACC Senior Notes Claims Accepting Class exists and where it does not. (2)

Chart 9

Ft. Myers FPL Note Total Recovery Sensitivity to CVV Valuation and Distribution Date

		Range of Hypothetical Distribution Dates			
		12/31/2006	12/31/2007	12/31/2008	12/31/2009
	$0	122.5%	122.5%	122.5%	122.5%
	$500	124.6%	124.3%	124.1%	123.9%
Assumed	$1,000	127.4%	126.7%	126.2%	125.7%
CVV	$1,500	130.1%	129.1%	128.3%	127.5%
Valuation	$2,000	132.9%	131.5%	130.3%	129.3%
(millions)	$2,500	135.6%	133.9%	132.4%	131.1%
	$3,000	138.4%	136.3%	134.5%	132.9%
	$4,000	141.3%	140.3%	138.7%	136.6%
	$5,000	141.3%	140.3%	139.2%	138.1%

Assumptions for Chart 9 Analysis:

1 - Assumes all Contingent Value Vehicle proceeds are distributed on a single date, or are treated as such for the accrual of interest.

2 - An illustrative discount rate of 15% is used to discount future distributions from the Contingent Value Vehicle to the Effective Date.

Chart 10

Olympus Notes Total Recovery Sensitivity to CVV Valuation and Distribution Date

		Range of Hypothetical Distribution Dates			
		12/31/2006	12/31/2007	12/31/2008	12/31/2009
	$0	139.7%	139.7%	139.7%	139.7%
	$500	147.7%	147.3%	146.6%	145.7%
Assumed	$1,000	147.7%	147.3%	146.8%	146.4%
CVV	$1,500	147.7%	147.3%	146.8%	146.4%
Valuation	$2,000	147.7%	147.3%	146.8%	146.4%
(millions)	$2,500	147.7%	147.3%	146.8%	146.4%
	$3,000	147.7%	147.3%	146.8%	146.4%
	$4,000	147.7%	147.3%	146.8%	146.4%
	$5,000	147.7%	147.3%	146.8%	146.4%

Assumptions for Chart 10 Analysis:

1 - Assumes all Contingent Value Vehicle proceeds are distributed on a single date, or are treated as such for the accrual of interest.

2 - An illustrative discount rate of 15% is used to discount future distributions from the Contingent Value Vehicle to the Effective Date.

Chart 11

FrontierVision Holdco Notes Total Recovery Sensitivity to CVV Valuation and Distribution Date

		Range of Hypothetical Distribution Dates			
		12/31/2006	12/31/2007	12/31/2008	12/31/2009
	$0	127.0%	127.0%	127.0%	127.0%
	$500	129.8%	129.5%	129.1%	128.9%
Assumed	$1,000	133.5%	132.7%	131.9%	131.3%
CVV	$1,500	137.2%	135.8%	134.7%	133.7%
Valuation	$2,000	140.8%	139.0%	137.5%	136.1%
(millions)	$2,500	144.5%	142.2%	140.2%	138.5%
	$3,000	148.2%	145.4%	143.0%	140.9%
	$4,000	153.3%	151.8%	148.6%	145.8%
	$5,000	153.3%	151.9%	150.4%	148.9%

Assumptions for Chart 11 Analysis:

1 - Assumes all Contingent Value Vehicle proceeds are distributed on a single date, or are treated as such for the accrual of interest.

2 - An illustrative discount rate of 15% is used to discount future distributions from the Contingent Value Vehicle to the Effective Date.

Chart 12

Arahova Notes Total Recovery Sensitivity to CVV Valuation and Distribution Date ($5.1 billion Deemed Value)

		Range of Hypothetical Distribution Dates			
		12/31/2006	12/31/2007	12/31/2008	12/31/2009
	$0	101.7%	101.7%	101.7%	101.7%
	$500	111.9%	110.5%	109.3%	108.4%
Assumed	$1,000	125.7%	122.5%	119.8%	117.4%
CVV	$1,500	134.9%	130.5%	126.7%	123.4%
Valuation	$2,000	137.2%	135.1%	130.8%	127.0%
(millions)	$2,500	137.2%	135.3%	133.3%	130.6%
	$3,000	137.2%	135.3%	133.3%	131.3%
	$4,000	137.2%	135.3%	133.3%	131.3%
	$5,000	137.2%	135.3%	133.3%	131.3%

Assumptions for Chart 12 Analysis:

1 - Assumes all Contingent Value Vehicle proceeds are distributed on a single date, or are treated as such for the accrual of interest.

2 - An illustrative discount rate of 15% is used to discount future distributions from the Contingent Value Vehicle to the Effective Date.

Chart 13

Arahova Notes Total Recovery Sensitivity to CVV Valuation and Distribution Date ($5.4 billion Deemed Value)

		Range of Hypothetical Distribution Dates			
		12/31/2006	12/31/2007	12/31/2008	12/31/2009
Assumed CVV Valuation *(millions)*	$0	98.8%	98.8%	98.8%	98.8%
	$500	109.0%	107.6%	106.5%	105.5%
	$1,000	122.8%	119.7%	116.9%	114.5%
	$1,500	130.2%	126.1%	122.5%	119.4%
	$2,000	134.3%	129.7%	125.6%	122.1%
	$2,500	137.2%	133.2%	128.7%	124.8%
	$3,000	137.2%	135.1%	131.8%	127.5%
	$4,000	137.2%	135.1%	133.0%	130.8%
	$5,000	137.2%	135.1%	133.0%	130.8%

Assumptions for Chart 13 Analysis:

1 - Assumes all Contingent Value Vehicle proceeds are distributed on a single date, or are treated as such for the accrual of interest.

2 - An illustrative discount rate of 15% is used to discount future distributions from the Contingent Value Vehicle to the Effective Date.

Chart 14

ACC Senior Notes Total Recovery Sensitivity to CVV Valuation and Distribution Date ($5.1 billion Deemed Value)

		Range of Hypothetical Distribution Dates			
		12/31/2006	12/31/2007	12/31/2008	12/31/2009
Assumed CVV Valuation *(millions)*	$0	63.4%	63.4%	63.4%	63.4%
	$500	66.7%	66.2%	65.8%	65.5%
	$1,000	71.1%	70.1%	69.2%	68.4%
	$1,500	77.1%	75.3%	73.7%	72.4%
	$2,000	85.3%	81.6%	79.2%	77.1%
	$2,500	94.2%	89.3%	85.1%	81.8%
	$3,000	103.1%	97.0%	91.8%	87.4%
	$4,000	121.2%	112.6%	105.3%	99.2%
	$5,000	139.6%	128.6%	119.2%	111.1%

Assumptions for Chart 14 Analysis:

1 - Assumes all Contingent Value Vehicle proceeds are distributed on a single date, or are treated as such for the accrual of interest.

2 - An illustrative discount rate of 15% is used to discount future distributions from the Contingent Value Vehicle to the Effective Date.

Chart 15

ACC Senior Notes Total Recovery Sensitivity to CVV Valuation and Distribution Date ($5.4 billion Deemed Value)

		Range of Hypothetical Distribution Dates			
		12/31/2006	12/31/2007	12/31/2008	12/31/2009
	$0	69.1%	69.1%	69.1%	69.1%
	$500	72.4%	72.0%	71.6%	71.3%
Assumed	$1,000	76.9%	75.8%	75.0%	74.2%
CVV	$1,500	83.4%	81.5%	79.9%	78.5%
Valuation	$2,000	91.0%	88.1%	85.6%	83.5%
(millions)	$2,500	99.0%	94.8%	91.4%	88.5%
	$3,000	107.9%	101.9%	97.1%	93.5%
	$4,000	126.0%	117.4%	110.3%	104.2%
	$5,000	142.9%	133.3%	124.1%	116.0%

Assumptions for Chart 15 Analysis:

1 - Assumes all Contingent Value Vehicle proceeds are distributed on a single date, or are treated as such for the accrual of interest.

2 - An illustrative discount rate of 15% is used to discount future distributions from the Contingent Value Vehicle to the Effective Date.

Chart 16

ACC Trade and Other Unsecured Total Recovery Sensitivity to CVV Valuation and Distribution Date ($5.1 billion Deemed Value)

		Range of Hypothetical Distribution Dates			
		12/31/2006	12/31/2007	12/31/2008	12/31/2009
	$0	45.3%	45.3%	45.3%	45.3%
	$500	47.7%	47.4%	47.1%	46.9%
Assumed	$1,000	50.9%	50.1%	49.5%	49.0%
CVV	$1,500	55.1%	53.9%	52.7%	51.8%
Valuation	$2,000	61.0%	58.4%	56.6%	55.2%
(millions)	$2,500	67.4%	63.9%	60.9%	58.5%
	$3,000	73.8%	69.4%	65.7%	62.6%
	$4,000	86.7%	80.5%	75.4%	71.0%
	$5,000	99.9%	92.0%	85.3%	79.5%

Assumptions for Chart 16 Analysis:

1 - Assumes all Contingent Value Vehicle proceeds are distributed on a single date, or are treated as such for the accrual of interest.

2 - An illustrative discount rate of 15% is used to discount future distributions from the Contingent Value Vehicle to the Effective Date.

Chart 17

ACC Trade and Other Unsecured Total Recovery Sensitivity to CVV Valuation and Distribution Date ($5.4 billion Deemed Value)

		Range of Hypothetical Distribution Dates			
		12/31/2006	12/31/2007	12/31/2008	12/31/2009
	$0	49.5%	49.5%	49.5%	49.5%
	$500	51.8%	51.5%	51.2%	51.0%
Assumed	$1,000	55.0%	54.3%	53.6%	53.1%
CVV	$1,500	59.7%	58.3%	57.2%	56.2%
Valuation	$2,000	65.1%	63.1%	61.3%	59.7%
(millions)	$2,500	70.8%	67.8%	65.4%	63.3%
	$3,000	77.2%	72.9%	69.5%	66.9%
	$4,000	90.1%	84.0%	78.9%	74.5%
	$5,000	103.3%	95.5%	88.8%	83.0%

Assumptions for Chart 10 Analysis:

1 - Assumes all Contingent Value Vehicle proceeds are distributed on a single date, or are treated as such for the accrual of interest.

2 - An illustrative discount rate of 15% is used to discount future distributions from the Contingent Value Vehicle to the Effective Date.

The fourth set of tables (Chart 18, Chart 19, Chart 20 and Chart 21) shows the same analysis as the third set of tables but are calculated based on the assumption that the Forfeited Notes are not outstanding for purposes of determining the "pay over" from the ACC Subordinated Notes to the ACC Senior Notes. (2)

Chart 18

ACC Senior Notes Total Recovery Sensitivity to CVV Valuation and Distribution Date ($5.1 billion Deemed Value)

		Range of Hypothetical Distribution Dates			
		12/31/2006	12/31/2007	12/31/2008	12/31/2009
	$0	63.1%	63.1%	63.1%	63.1%
	$500	66.3%	65.9%	65.5%	65.2%
Assumed	$1,000	70.8%	69.8%	68.9%	68.1%
CVV	$1,500	76.7%	74.9%	73.4%	72.0%
Valuation	$2,000	84.9%	81.1%	78.7%	76.6%
(millions)	$2,500	93.7%	88.8%	84.7%	81.3%
	$3,000	102.6%	96.6%	91.4%	87.0%
	$4,000	120.6%	112.0%	104.8%	98.7%
	$5,000	138.9%	128.0%	118.6%	110.5%

Assumptions for Chart 18 Analysis:

1 - Assumes all Contingent Value Vehicle proceeds are distributed on a single date, or are treated as such for the accrual of interest.

2 - An illustrative discount rate of 15% is used to discount future distributions from the Contingent Value Vehicle to the Effective Date.

Chart 19

ACC Senior Notes Total Recovery Sensitivity to CVV Valuation and Distribution Date ($5.4 billion Deemed Value)

		Range of Hypothetical Distribution Dates			
		12/31/2006	12/31/2007	12/31/2008	12/31/2009
	$0	68.8%	68.8%	68.8%	68.8%
	$500	72.1%	71.6%	71.2%	70.9%
Assumed	$1,000	76.5%	75.5%	74.6%	73.8%
CVV	$1,500	83.0%	81.2%	79.5%	78.1%
Valuation	$2,000	90.6%	87.7%	85.2%	83.1%
(millions)	$2,500	98.5%	94.3%	91.0%	88.1%
	$3,000	107.4%	101.4%	96.7%	93.0%
	$4,000	125.4%	116.9%	109.7%	103.7%
	$5,000	142.9%	132.8%	123.5%	115.5%

Assumptions for Chart 19 Analysis:

1 - Assumes all Contingent Value Vehicle proceeds are distributed on a single date, or are treated as such for the accrual of interest.

2 - An illustrative discount rate of 15% is used to discount future distributions from the Contingent Value Vehicle to the Effective Date.

Chart 20

ACC Trade and Other Unsecured Total Recovery Sensitivity to CVV Valuation and Distribution Date ($5.1 billion Deemed Value)

		Range of Hypothetical Distribution Dates			
		12/31/2006	12/31/2007	12/31/2008	12/31/2009
	$0	49.1%	49.1%	49.1%	49.1%
	$500	51.6%	51.3%	51.0%	50.7%
Assumed	$1,000	55.1%	54.3%	53.6%	53.0%
CVV	$1,500	59.7%	58.3%	57.1%	56.0%
Valuation	$2,000	66.0%	63.1%	61.2%	59.6%
(millions)	$2,500	72.9%	69.1%	65.9%	63.2%
	$3,000	79.8%	75.1%	71.1%	67.7%
	$4,000	93.8%	87.1%	81.6%	76.8%
	$5,000	108.1%	99.6%	92.3%	86.0%

Assumptions for Chart 20 Analysis:

1 - Assumes all Contingent Value Vehicle proceeds are distributed on a single date, or are treated as such for the accrual of interest.

2 - An illustrative discount rate of 15% is used to discount future distributions from the Contingent Value Vehicle to the Effective Date.

Chart 21

ACC Trade and Other Unsecured Total Recovery Sensitivity to CVV Valuation and Distribution Date ($5.4 billion Deemed Value)

		Range of Hypothetical Distribution Dates			
		12/31/2006	12/31/2007	12/31/2008	12/31/2009
Assumed CVV Valuation *(millions)*	$0	53.5%	53.5%	53.5%	53.5%
	$500	56.1%	55.7%	55.4%	55.2%
	$1,000	59.5%	58.7%	58.0%	57.4%
	$1,500	64.6%	63.1%	61.9%	60.8%
	$2,000	70.5%	68.2%	66.3%	64.6%
	$2,500	76.7%	73.4%	70.8%	68.5%
	$3,000	83.6%	78.9%	75.2%	72.4%
	$4,000	97.5%	90.9%	85.4%	80.6%
	$5,000	111.8%	103.3%	96.1%	89.8%

Assumptions for Chart 21 Analysis:

1 - Assumes all Contingent Value Vehicle proceeds are distributed on a single date, or are treated as such for the accrual of interest.

2 - An illustrative discount rate of 15% is used to discount future distributions from the Contingent Value Vehicle to the Effective Date.

Notes:

1. Charts 1, 2, 3, 4, 5, 6, 7 and 8 do not show the impact of potential distributions from the Contingent Value Vehicle or other effects from changes in valuation of the TWC Class A Common Stock.

2. Charts 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20 and 21 assume that the TWC Class A Common Stock trades at its initial Deemed Value.

III. THE PLAN OF REORGANIZATION

This Second Disclosure Statement Supplement contains only a summary of the Plan, a copy of which is attached hereto as Exhibit W. It is not intended to replace a careful and detailed review and analysis of the Plan, but only to aid and supplement such review. This Second Disclosure Statement Supplement is qualified in its entirety by the Plan and the Plan Documents. If there is a conflict between the Plan and this Second Disclosure Statement Supplement, the provisions of the Plan will govern. You are encouraged to review the full text of the Plan and the Plan Documents and to read carefully the entire Second Disclosure Statement Supplement, including all exhibits, before deciding how to vote with respect to the Plan.

A. FORMATION OF DEBTOR GROUPS FOR CONVENIENCE PURPOSES

The Plan (a) groups the ACC Debtors together solely for purposes of describing treatment under the Plan, confirmation of the Plan and making Plan Distributions in respect of Claims against and Equity Interests in the ACC Debtors under the Plan, and (b) groups the Subsidiary Debtors together solely for purposes of describing treatment under the Plan, confirmation of the Plan and making Plan Distributions in respect of Claims against and Equity Interests in the Subsidiary Debtors under the Plan. Such groupings will not affect any Debtor's status as a separate legal entity, change the organizational structure of the Debtors' business enterprise, constitute a change of control of any Debtor for any purpose, cause a merger or consolidation of any legal entities, nor cause the transfer of any assets; and, except as otherwise provided by or permitted in the Plan, all Debtors will continue to exist as separate legal entities. Notwithstanding the foregoing, the Proponents reserve the right to seek to substantively consolidate any two or more Debtors, provided that such substantive consolidation does not materially and adversely impact the amount of the distributions to any Person under the Plan.

B. CLASSIFICATION OF CLAIMS AND INTERESTS

For purposes of organization, voting and all confirmation matters (except as otherwise specifically provided in the Plan), all Claims, other than Administrative Claims and Tax Claims, and all Equity Interests in the Debtors will be classified as set forth below:

1. ACC Debtors' Claims and Equity Interests

a) ACC Priority Claims Class (Class ACC 1).

The ACC Priority Claims Class consists of all Priority Claims against an ACC Debtor.

b) ACC Secured Claims Class (Class ACC 2).

The ACC Secured Claims Class consists of all Secured Claims against an ACC Debtor. Although Secured Claims against the ACC Debtors have been placed in one category with respect to each such Debtor Group for purposes of nomenclature, each such Secured Claim, to the extent secured by different Liens or security interests than other Secured Claims, will be treated as in a separate class from such other Secured Claims for purposes of voting on the Plan and receiving Plan Distributions (to be designated as ACC Secured Claims Class 1, ACC Secured Claims Class 2, ACC Secured Claims Class 3, etc.; or similar convention).

c) ACC Senior Notes Claims Class (Class ACC 3).

The ACC Senior Notes Claims Class consists of all Claims (excluding ACC Existing Securities Law Claims) against an ACC Debtor arising under or pursuant to an ACC Senior Note.

d) ACC Trade Claims Class (Class ACC 4).

The ACC Trade Claims Class consists of all Trade Claims against an ACC Debtor.

e) ACC Other Unsecured Claims Class (Class ACC 5).

The ACC Other Unsecured Claims Class consists of all Other Secured Claims against an ACC Debtor.

f) ACC Subordinated Notes Claims Class (Class ACC 6).

The ACC Subordinated Notes Claims Class consists of all Claims (excluding ACC Subordinated Notes Existing Securities Law Claims) against an ACC Debtor arising under or pursuant to an ACC Subordinated Note.

g) ACC Existing Securities Law Claims Class (Class ACC 7).

The ACC Existing Securities Law Claims Class consists of all Existing Securities Laws Claims against an ACC Debtor arising on account of ACC Senior Notes or ACC Subordinated Notes.

h) ACC Preferred Stock Interests Class (Class ACC 8).

The ACC Preferred Stock Interests Class consists of all Equity Interests, Claims or rights to liquidation preference in ACC arising from shares of ACC Preferred Stock or any ACC Existing Securities Laws Claim against ACC arising from shares of ACC Preferred Stock.

i) ACC Common Stock Interests Class (Class ACC 9).

The ACC Common Stock Interests Class consists of all Claims or other entitlements arising out of the ownership interest in shares of ACC Common Stock or other Equity Interests in ACC (other than ACC Preferred Stock), including any Existing Securities Laws Claims against ACC arising from shares of ACC Common Stock.

j) ACC Subsidiary Equity Interests Class (Class ACC 10).

The ACC Subsidiary Equity Interests Class consists of all Equity Interests or entitlements arising out of the ownership interests in shares of the stock of an ACC Debtor other than ACC.

2. Subsidiary Debtor Claims and Equity Interests

a) Subsidiary Debtor Priority Claims Class (Class SD 1).

The Subsidiary Debtor Priority Claims Class consists of all Priority Claims against a Subsidiary Debtor.

b) Subsidiary Debtor Secured Claims Class (Class SD 2).

The Subsidiary Debtor Secured Claims Class consists of all Secured Claims against a Subsidiary Debtor. Although Secured Claims against the Subsidiary Debtors have been placed in one category with respect to each such Debtor Group for purposes of nomenclature, each such Secured Claim, to the extent secured by different Liens or security interests than other Secured Claims, will be treated as in a separate class from such other Secured Claims for purposes of voting on the Plan and receiving Plan Distributions (to be designated as Subsidiary Debtor Secured Claims Class 1, Subsidiary Debtor Secured Claims Class 2, Subsidiary Debtor Secured Claims Class 3, etc. or similar convention).

c) Bank Claims Classes.

(1) Century

(A) Century Bank Administrative Agent Claims Class (Class SD 3CA (Century Admin)).

The Century Bank Administrative Agent Claims Class consists of all Century Bank Claims against a Subsidiary Debtor held by the Administrative Agent under the Century Credit Agreement.

(B) Century Bank Non-Administrative Agent Claims Class (Class SD 3CN (Century Non-Admin)).

The Century Bank Non-Administrative Agent Claims Class consists of all Century Bank Claims against a Subsidiary Debtor held by either (x) the Non-Administrative Agents under the Century Credit Agreement, or (y) a Person who is a Non-Administrative Agent under any other Co-Borrowing Credit Agreement, and, in either case, is not an Administrative Agent under any Co-Borrowing Credit Agreement.

(C) Century Bank Syndicate Claims Class (Class SD 3CS (Century Syndicate)).

The Century Bank Syndicate Claims Class consists of all Century Bank Claims against a Subsidiary Debtor held by Bank Lenders who are neither Administrative Agents nor Non-Administrative Agents under the Century Credit Agreement or any other Co-Borrowing Credit Agreement.

(D) Century Wachovia Claims Class (Class SD 3CWach (Century Wachovia)).

The Century Wachovia Claims Class consists of all Century Bank Claims against a Subsidiary Debtor held by Wachovia.

(E) Century BMO Claims Class (Class SD 3CBMO (Century BMO)).

The Century BMO Claims Class consists of all Century Bank Claims against a Subsidiary Debtor held by BMO.

(2) FrontierVision Bank Claims Class (Class SD 3 (FV))

The FrontierVision Bank Claims Class consists of all FrontierVision Bank Claims against a Subsidiary Debtor.

(3) Olympus

(A) Olympus Bank Administrative Agent Claims Class (Class SD 3OA (Olympus Admin)).

The Olympus Bank Administrative Agent Claims Class consists of all Olympus Bank Claims against a Subsidiary Debtor held by the Administrative Agent under the Olympus Credit Agreement.

(B) Olympus Bank Non-Administrative Agent Claims Class (Class SD 3ON (Olympus Non-Admin)).

The Olympus Bank Non-Administrative Agent Claims Class consists of all Olympus Bank Claims against a Subsidiary Debtor held by either (x) the Non-Administrative Agents under the Olympus Credit Agreement, or (y) a Person who is a Non-Administrative Agent under any other Co-Borrowing Credit Agreement, and, in each case, is not an Administrative Agent under any Co-Borrowing Credit Agreement.

(C) Olympus Bank Syndicate Claims Class (Class SD 3OS (Olympus Syndicate)).

The Olympus Bank Syndicate Claims Class consists of all Olympus Bank Claims against a Subsidiary Debtor held by Bank Lenders who are neither Administrative Agents nor Non-Administrative Agents under the Olympus Credit Agreement or any other Co-Borrowing Credit Agreement.

(D) Olympus Wachovia Claims Class (Class SD 3OWach (Olympus Wachovia)).

The Olympus Wachovia Claims Class consists of all Olympus Bank Claims against a Subsidiary Debtor held by Wachovia.

(E) Olympus BOFA Claims Class (Class SD 3OBOFA (Olympus BOFA)).

The Olympus BOFA Claims Class consists of all Olympus Bank Claims against a Subsidiary Debtor held by BOFA.

(4) UCA

(A) UCA Bank Administrative Agent Claims Class (Class SD 3UA (UCA Admin)).

The UCA Bank Administrative Agent Claims Class consists of all UCA Bank Claims against a Subsidiary Debtor held by the Administrative Agent under the UCA Credit Agreement.

(B) UCA Bank Non-Administrative Agent Claims Class (Class SD 3UN (UCA Non-Admin)).

The UCA Bank Non-Administrative Agent Claims Class consists of all UCA Bank Claims against a Subsidiary Debtor held by either (x) the Non-Administrative Agents under the UCA Credit Agreement, or (y) a Person who is a Non-Administrative Agent under any other Co-Borrowing Credit Agreement, and, in each case, is not an Administrative Agent under any Co-Borrowing Credit Agreement.

(C) UCA Bank Syndicate Claims Class (Class SD 3US (UCA Syndicate)).

The UCA Bank Syndicate Claims Class consists of all UCA Bank Claims against a Subsidiary Debtor held by Bank Lenders who are neither Administrative Agents nor Non-Administrative Agents under the UCA Credit Agreement or any other Co-Borrowing Credit Agreement.

(D) UCA BMO Claims Class (Class SD 3UBMO (UCA BMO)).

The UCA BMO Claims Class consists of all UCA Bank Claims against a Subsidiary Debtor held by BMO.

(E) UCA BOFA Claims Class (Class SD 3UBOFA (UCA BOFA)).

The UCA BOFA Claims Class consists of all UCA Bank Claims against a Subsidiary Debtor held by BOFA.

d) Subsidiary Debtor Trade Claims Class (Class SD 4).

The Subsidiary Debtor Trade Claims Class consists of all Trade Claims against a Subsidiary Debtor.

e) Subsidiary Debtor Other Unsecured Claims Class (Class SD 5).

The Subsidiary Debtor Other Unsecured Claims Class consists of all Other Unsecured Claims against a Subsidiary Debtor.

f) Arahova Notes Claims Class (Class SD 6).

The Arahova Notes Claims Class consists of all Claims (excluding Existing Securities Law Claims) against a Debtor arising pursuant to an Arahova Note.

g) FPL Note Claims Class (Class SD 7).

The FPL Note Claims Class consists of all Claims (excluding Existing Securities Law Claims) against a Debtor arising under or pursuant to the FPL Note.

h) FrontierVision Holdco Notes Claims Class (Class SD 8).

The FrontierVision Holdco Notes Claims Class consists of all Claims (excluding Existing Securities Law Claims) against a Debtor arising pursuant to a FrontierVision Holdco Note.

i) FrontierVision Opco Notes Claims Class (Class SD 9).

The FrontierVision Opco Notes Claims Class consists of all Claims (excluding Existing Securities Law Claims) against a Debtor arising pursuant to a FrontierVision Opco Note.

j) Olympus Notes Claims Class (Class SD 10).

The Olympus Notes Claims Class consists of all Claims (excluding Existing Securities Law Claims) against a Debtor arising pursuant to an Olympus Parent Note.

k) Subsidiary Debtor Existing Securities Laws Claims Class (Class SD 11).

The Subsidiary Debtor Existing Securities Laws Claims Class consists of all Existing Securities Laws Claims against a Subsidiary Debtor.

l) Subsidiary Debtor Equity Interests Class (Class SD 12).

The Subsidiary Debtor Equity Interests Class consists of all interests arising out of the ownership interest in shares of the stock of a Subsidiary Debtor.

C. IMPAIRMENT

All Classes of Claims and Equity Interests are impaired under the Plan, other than ACC Priority Claims, Subsidiary Debtor Priority Claims, ACC Secured Claims and the Subsidiary Debtor Secured Claims. Notwithstanding the initial designation of the Bank Claims, the ACC Subsidiary Equity Interests and the Subsidiary Debtor Equity Interests as impaired, the Creditors Committee may seek a determination from the Bankruptcy Court that the Bank Claims are unimpaired pursuant to Section 5.2(c) of the Plan. The Debtors and/or Creditors Committee may also seek a determination by the Bankruptcy Court that the ACC Subsidiary Equity Interests and the Subsidiary Debtor Equity Interests are unimpaired. All impaired Classes are entitled to vote to accept or reject the Plan.

D. TREATMENT OF CLAIMS AND INTERESTS

1. Payment in Full, Deemed Value and Pro Rata Share

Distributions under the Plan are based on the concepts of the "Deemed Value" of such distributions and "Payment in Full" of a Claim. Under the Plan, "Payment in Full" means that Plan Consideration in the form of payment in Cash and/or shares of TWC Class A Common Stock, as applicable, and/or other consideration in an aggregate amount with Deemed Value equal to the Allowed amount of a Claim has been distributed with respect to such Allowed Claim. The "Deemed Value" of distributions under the Plan is equal to: (a) with respect to Cash, the

amount of such Cash; (b) with respect to each share of TWC Class A Common Stock (i) if there is an ACC Senior Notes Claims Accepting Class, (x) prior to the determination of the Market Value, $34.63 (which amount is equal to $5.40 billion *divided by* the aggregate number of shares of TWC Class A Common Stock issued pursuant to the TW Purchase Agreement, prior to any purchase price adjustments, which was 155,913,430), and (y) from and after the Test Period under the True-Up Mechanism, the Market Value which will not exceed $41.56 (which amount is equal to 120% of $34.63) or be less than $27.70 (which amount is equal to 80% of $34.63), or (ii) if there is no ACC Senior Notes Claims Accepting Class, and subject to Section 7.4 of the Plan, (x) prior to the determination of the Market Value, $32.71 (which amount is equal to $5.10 billion *divided by* the aggregate number of shares of TWC Class A Common Stock issued pursuant to the TW Purchase Agreement, prior to any purchase price adjustments, which was 155,913,430), and (y) from and after the Test Period under the True-Up Mechanism, the Market Value which will not exceed $39.25 (which amount is equal to 120% of $32.71) or be less than $26.17 (which amount is equal to 80% of $32.71); and (c) with respect to any other distribution under the Plan, such value as reasonably agreed to by the Plan Administrator and the recipient of such distribution, or, in the absence of an agreement, as determined by the Bankruptcy Court.

Distributions under the Plan also are based on the concept of "Pro Rata Share." "Pro Rata Share" is a holder's Allowed Claims plus Case Contract Interest or, if the class of Claims is entitled thereto, Case 8% Interest (each as defined below), to the extent payable under the Plan, or Equity Interests, *divided by* the aggregate amount of Allowed Claims or Equity Interests plus Case Contract Interest or Case 8% Interest, as the case may be, plus the aggregate amount of Maximum Exposure of Disputed Claims or Equity Interests.

2. Rights to Interest

As described below, the Plan provides that certain Classes of Claims under the Plan are entitled to either "Case Contract Interest," "Case 8% Interest" or interest at the "Applicable Contract Rate." Under the Plan, the "Applicable Contract Rate" is the non-default, simple (non-compounding) rate of interest payable under the agreement or instrument giving rise to an Allowed Claim. Under the Plan, "Case Contract Interest" is simple non-compounding non-default contract rate interest on a Claim or Claims at the Applicable Contract Rate from the Commencement Date up to but not including the Effective Date. "Case 8% Interest" is simple interest on a Claim or Claims at 8% per annum from the Commencement Date up to but not including the Effective Date.

3. Administrative Claims.

All Administrative Claims will be treated as follows:

a) Time for Filing Administrative Claims.

The holder of an Administrative Claim, other than (i) a Fee Claim, a Settlement Party Fee Claim, an FPL Fee Claim or an Olympus Fee Claim, (ii) a liability incurred and payable in the ordinary course of business by a Debtor, (iii) an Administrative Claim that has been Allowed on or before the Effective Date, (iv) Claims of the Buyers under the Sale Transaction Documents (but excluding Retained Claims), (v) expense or liability incurred in the ordinary course of the Debtors' businesses on or after the Effective Date; (vi) ordinary course professionals retained by the Debtors pursuant to an order(s) of the Bankruptcy Court, (vii) expenses, liabilities or obligations of the type described in Section 16.23 of the Plan, and claims for indemnification, contribution, or advancement of expenses pursuant to (1) any Debtor's certificate of incorporation, by-laws, partnership agreement, limited liability company agreement or similar organizational document or (2) any indemnification or contribution agreement approved by the Bankruptcy Court; (viii) Administrative Claims arising, in the ordinary course of business, out of the employment of individuals from and after the Commencement Date; (ix) any Administrative Claim arising outside of the ordinary course of business out of the employment of individuals from and after the Commencement Date of a type (or pursuant to an employee benefit plan or program) approved by the Bankruptcy Court; or (x) fees of the United States Trustee arising under 28 U.S.C. § 1930, must file with the Bankruptcy Court and serve on the Debtors, the Statutory Committees and the Office of the United States Trustee, notice of such Administrative Claim within forty (40) days after service of Notice of Confirmation. Such notice must include at a minimum (A) the name of the Debtor(s) that are purported to be liable for the Administrative Claim, (B) the name of the holder of the Administrative Claim, (C) the amount of the Administrative Claim, (D) the basis of the Administrative Claim, and (E) supporting documentation for the Administrative Claim. **Failure to file and serve such notice timely and properly will result in the Administrative Claim being forever barred and discharged**.

b) Time for Filing Fee Claims.

Each Professional Person who holds or asserts a Fee Claim, other than ordinary course professionals retained by the Debtors pursuant to an order(s) of the Bankruptcy Court, will be required to file with the Bankruptcy Court, and serve on all parties required to receive notice, a Fee Application within forty-five (45) days after the Effective Date. **The failure to file timely and serve such Fee Application will result in the Fee Claim being forever barred, discharged and Disallowed**.

c) Allowance of Administrative Claims/Fee Claims.

An Administrative Claim (other than a Fee Claim, a Settlement Party Fee Claim, an FPL Fee Claim or an Olympus Fee Claim) with respect to which notice has been properly filed and served pursuant to Section 6.2(a) of the Plan will become an Allowed Administrative Claim if no objection is filed within thirty (30) days after the later of (i) the Effective Date, or (ii) the date of service of the applicable notice of Administrative Claim or such later date as may be approved by the Bankruptcy Court on motion of a party in interest, without notice or a hearing. If an objection is filed within such 30-day period (or any extension thereof), the Administrative Claim will become an Allowed Administrative Claim only to the extent (x) agreed to by the Plan Administrator and the holders of such Claim or (y) allowed by Final Order. A Fee Claim in respect of which a Fee Application has been properly filed and served pursuant to Section 6.2(b) of the Plan will be payable to the extent approved by order of the Bankruptcy Court.

d) Reimbursement and Allocation of Settlement Party Fees and Expenses.

Each of (i) the Olympus Parties, with respect to the reasonable fees and expenses of one counsel acting on their behalf incurred up to and including the Effective Date (the "Olympus Fee Claims"), (ii) the FPL Committee, with respect to their reasonable fees and expenses incurred up to and including the Effective Date, provided, however, the fees and expenses of the FPL Committee will not exceed $4 million (the "FPL Fee Claims"), (iii) the Settlement Parties (other than the ACC Settling Parties), with respect to their reasonable fees and expenses incurred up to and including the Effective Date, (iv) the ACC Committee, with respect to its reasonable fees and expenses incurred prior to June 28, 2006, and (v) the ACC Settling Parties with respect to their reasonable fees and expenses incurred (including the fees and expenses incurred by other professional persons in connection with the Chapter 11 Cases for which the ACC Settling Parties request reimbursement) on and after June 28, 2006 up to and including the Effective Date, will receive reimbursement of their reasonable fees and expenses incurred in connection with the Chapter 11 Cases as Administrative Claims (other than the fees and expenses of the Creditors Committee, the Olympus Fee Claims and the FPL Fee Claims, the "Settlement Party Fee Claims"). The Settlement Parties, the FPL Committee and the Olympus Parties will comply with any procedures required by the Bankruptcy Court in connection with seeking reimbursement of Settlement Party Fee Claims, FPL Fee Claims or Olympus Fee Claims.

The cost of the payment of Settlement Party Fee Claims made in accordance herewith will be allocated among the Debtors as follows:

(1) The Arahova Notes Claims Class will be allocated (i) all of the Arahova Noteholders Committee's reasonable Settlement Party Fee Claims, (ii) one-third of Committee II's reasonable Settlement Party Fee Claims, and (iii) a percentage of Huff's reasonable Settlement Party Fee Claims, such percentage being based upon Huff's holdings of Arahova Notes on the Confirmation Date relative to its holdings of ACC Senior Notes on the Confirmation Date (the "Arahova Fees").

(2) The FrontierVision Opco Notes Claims Class and the FrontierVision Holdco Notes Claims Class will be allocated all reasonable Settlement Party Fee Claims of the FrontierVision Committee in excess of $5 million (the "FrontierVision Fees"), as provided in Sections 5.2(h) and (i) of the Plan, respectively.

(3) The Olympus Notes Claims Class will be allocated all of the Olympus Fee Claims (the "Olympus Fees").

(4) Each of the Subsidiary Debtor Trade Claims Class and Subsidiary Other Unsecured Claims Class will be allocated a pro rata share (based upon the aggregate dollar amount of Allowed Claims in such Classes) of all of the

reasonable Settlement Party Fee Claims of the Subsidiary Trade Committee and the ACC Trade Committee in excess of $5 million (the "Subsidiary Debtors Fees").

(5) All Settlement Party Fee Claims and the FPL Fee Claims not otherwise allocated pursuant to Subsections (1), (2), (3), or (4) above will be paid as Administrative Claims and allocated in a manner that does not dilute the recoveries of holders of Claims against Subsidiary Debtors.

For the purposes of making initial distributions, the Plan Administrator will estimate Settlement Party Fee Claims, the FPL Fee Claims and the Olympus Fee Claims as of the Effective Date, pending Allowance of such Settlement Party Fee Claims, FPL Fee Claims and Olympus Fee Claims. In connection therewith, prior to the Effective Date, and at a time set by the Plan Administrator, the holders of Settlement Party Fee Claims, FPL Fee Claims and Olympus Fee Claims will provide estimates thereof and such estimates will constitute the maximum amount of such Settlement Party Fee Claims, FPL Fee Claims or Olympus Fee Claims, as the case may be. **The failure to timely provide such estimate will cause such Settlement Party Fee Claim, FPL Fee Claims or Olympus Fee Claims to be forever barred, discharged and Disallowed.** Unless objected to by the Plan Administrator, a Settlement Party, the FPL Committee or the Olympus Parties on the grounds that such fees are unreasonable within thirty (30) days of the receipt of detailed invoices from each party seeking reimbursement pursuant to Section 6.2(d)(i) of the Plan, and except to the extent ordered by the Bankruptcy Court, claims for reimbursement of fees and expenses pursuant to Section 6.2(d)(i) of the Plan will be deemed Allowed Claims. The Allowance of any claims for the reimbursement of fees or expenses to the extent objected to and not otherwise resolved consensually by the Plan Administrator, the objecting Settlement Party, FPL Committee or Olympus Parties will be subject to further order of the Bankruptcy Court. The excess of any reserves established for the estimates of Settlement Party Fee Claims, FPL Fee Claims or Olympus Fee Claims over the Allowed amounts of Settlement Party Fee Claims, FPL Fee Claims or Olympus Fee Claims, as the case may be, will be distributed to the holders of Allowed Claims, or reserved for Disputed Claims, in the Class whose distributions initially were reduced by the applicable Settlement Party Fee Claims, FPL Fee Claims or Olympus Fee Claims, as the case may be, consistent with the Plan.

The Office of the United States Trustee has asserted that the Plan provides for allowance of Settlement Party Fee Claims in violation of section 503(b) of the Bankruptcy Code and reimbursement of fees and expenses of Settlement Parties upon mere notice. The United States Trustee also has asserted that the allowance of these types of claims, as well as Trustee Fee Claims (discussed in subsection (f) below), should be subject to an application process and hearing.

The Arahova Fees are estimated to be, as of the Effective Date, approximately $44 million. The FrontierVision Opco and Holdco Fees are estimated to be, as of the Effective Date, approximately $1 million and $4 million, respectively. The Olympus Fees are estimated to be, as of the Effective Date, approximately $1 million. The remainder of the Settlement Party Fee Claims are allocated to the ACC Debtors pursuant to Section 6.2(d)(ii)(A) of the Plan and are estimated to be, as of the Effective Date, approximately $37 million, comprised of the fees of Indenture Trustees for various Subsidiary Debtors and ACC Debtors, the FPL Fees, the Subsidiary Debtor Fees, and the portion of the Settlement Party Fee Claims of Huff and Committee II allocated to the ACC Debtors as described above.

e) Payment of Allowed Administrative Claims.

On the Initial Distribution Date, each holder of an Allowed Administrative Claim will receive (i) the amount of such holder's Allowed Administrative Claim in Cash, or (ii) such other treatment as may be agreed upon in writing by the Plan Administrator and such holder; provided, that such treatment will not provide a return to such holder having a present value as of the Effective Date in excess of such holder's Allowed Administrative Claim; provided, further, that an Allowed Administrative Claim representing a liability incurred in the ordinary course of business of the Debtors may be paid at the Debtors' election in the ordinary course of business.

f) Indenture Trustees.

In full satisfaction of Allowed Trustee Fee Claims, including to the extent such Allowed Trustee Fee Claims are secured by any Charging Liens under the Indentures, on the Initial Distribution Date the Plan Administrator will

distribute to the holders of Allowed Trustee Fee Claims Cash equal to the amount of (i) the Allowed Trustee Fee Claims submitted to the Creditors Committee and the other Settlement Parties, for fees and expenses through the Confirmation Date, and (ii) any Allowed Trustee Fee Claims incurred between the Confirmation Date and the Effective Date, provided, however, that no distribution will be payable hereunder with respect to Claims to which the Creditors Committee or a Settlement Party will have objected within the later of (x) three days prior to the Effective Date and (y) twenty (20) days of receipt of the request for payment.

As a condition to receiving payment thereof, each holder of a Trustee Fee Claim will deliver to the Creditors Committee and the other Settlement Parties written copies of invoices in respect of such claims, with narrative descriptions of the services rendered (including appropriate redactions to preserve privileged matters) and itemization of expenses incurred in such detail and with such supporting documentation as is reasonably requested by the Creditors Committee. A Trustee Fee Claim will be deemed Allowed except to the extent the Creditors Committee or at least one of the other Settlement Parties timely objects. If the Creditors Committee or at least one of the other Settlement Parties timely objects to the request for payment of the Trustee Fee Claims, the undisputed amount of any Trustee Fee Claims with respect to which such objection(s) are pending will be Allowed and paid by the Plan Administrator on the Initial Distribution Date or as soon thereafter as any such Trustee Fee Claims are Allowed. The Plan Administrator will not be required to make any payments with respect to the disputed portion of a Trustee Fee Claim as to which the Creditors Committee or at least one of the other Settlement Parties has objected until resolved by the objector(s) or determined by the Bankruptcy Court. In the event such objector(s) are unable to resolve a dispute as to a Trustee Fee Claim, the Indenture Trustee may, in its sole discretion, elect to (i) submit any such dispute to the Bankruptcy Court for resolution by application requesting payment of the disputed portion of the Trustee Fee Claims in accordance with the reasonableness standard (and not subject to the requirements of sections 503(b)(3) and (4) of the Bankruptcy Code, which will not apply) or (ii) assert its Charging Lien (to the extent such lien exists under the Indenture) to obtain payment of a disputed portion of the Trustee Fee Claim in lieu of Bankruptcy Court resolution described in subsection (i).

Subject to Section 10.14 of the Plan, Claims of Indenture Trustees for indemnification under the Indentures or otherwise and for fees incurred prior to the Commencement Date will be treated as Other Unsecured Claims against the Debtor(s) that issued the debt securities for which such Indenture Trustee is trustee. The Indenture Trustees for the Arahova Notes, the FrontierVision Holdco Notes, the ACC Senior Notes and the Olympus Parent Notes have informed the Creditors Committee that they are not aware of such claims of such Indenture Trustees for indemnification under their Indentures as of the date hereof.

Subject to Section 10.14 of the Plan, nothing in the Plan will be deemed to impair, extinguish or negatively impact the Charging Lien.

g) ML Media Claims.

Under the Plan, Administrative Claims include, without limitation, any Claims for indemnification pursuant to and in accordance with the ML Media Settlement Agreement by and among ML Media Partners, L.P., the post-confirmation bankruptcy estate of Century/ML Cable Venture, ACC and Century Communications Corporation resolving proofs of claim and Adversary Proceeding No. 02-02544, and the May 22, 2006 order of the Bankruptcy Court approving the ML Media Settlement Agreement.

h) Manner of Distribution.

A distribution pursuant to the Plan to an Agent will be deemed equivalent to a distribution under the Plan directly to the holders of the Allowed Claims that such Agent represents, and the Debtors will not be required to make any further distribution under the Plan on account of such Claims, irrespective of any deduction, setoff, withholding, assertion of charging lien rights or other action taken by such Agent. The Agents will not be required to give any bond or surety or other security for the performance of their duties unless otherwise ordered by the Bankruptcy Court; and in the event that such parties are so otherwise ordered, all costs and expenses of procuring any such bond or surety will be paid by the Debtors.

Each Agent will, in turn, promptly administer distributions made for the benefit of the holders of the Claims with respect to which it acts as Agent to the extent not inconsistent with the Plan subject to and in accordance with

the provisions of the applicable agreement; provided, however, that no Agent will be obligated to make, and no Agent or holder of a Bank Claim will have any liability with respect to any non-payment of, a distribution to any Designated Holder while such holder remains a Designated Holder (it being understood that the ratable distribution and sharing provisions of the Prepetition Credit Agreements (and the rights of lenders thereunder) will not otherwise be deemed amended hereby). No Agent will have any liability (under Section 550 of the Bankruptcy Code or otherwise) with respect to any distributions actually made to holders of Bank Claims, or any distributions withheld from any Designated Holder, in accordance with this provision.

4. ACC Debtors' Claims and Equity Interests

Under the Plan, the Classes of Claims against the ACC Debtors and Equity Interests in ACC and the ACC Subsidiary Equity Interests will be treated as follows (subject to the True-Up with respect to Plan Distributions of TWC Class A Common Stock described below):

a) ACC Priority Claims.

Each holder of an Allowed ACC Priority Claim will be unimpaired under the Plan, and, pursuant to section 1124 of the Bankruptcy Code, all of the legal, equitable and contractual rights to which such Claim entitles such holder in respect of such Claim will be fully reinstated and retained, and such Allowed ACC Priority Claim (including any amounts to which such holder is entitled pursuant to section 1124(2) of the Bankruptcy Code) will be Paid in Full in accordance with such reinstated rights on the Initial Distribution Date or the first Subsequent Distribution Date after which such ACC Priority Claim becomes Allowed.

b) ACC Secured Claims.

(i) General Treatment. Each holder of an Allowed ACC Secured Claim will (A) receive on the Initial Distribution Date or on the first Subsequent Distribution Date after which such ACC Secured Claim becomes Allowed, a Cash payment equal to the sum of (1) the principal amount of such holder's Allowed ACC Secured Claim and (2) accrued postpetition interest from the Commencement Date up to but not including the Effective Date, at (i) the Applicable Contract Rate, (ii) an interest rate agreed to by the Proponents (or after the Effective Date, the Plan Administrator) and such holder, (iii) an interest rate previously agreed to by the Debtors and such holder and as previously approved by the Bankruptcy Court, or (iv) if no agreement can be reached, as determined by the Bankruptcy Court after notice and hearing as sufficient to render such Claim unimpaired, or (B) to the extent applicable, be authorized to seek implementation of any valid right of setoff permitted under section 553 of the Bankruptcy Code, in either case in full satisfaction of such holder's Allowed ACC Secured Claim.

(ii) Alternative Consensual Treatment. Notwithstanding any other provision in Section 5.1(b) of the Plan, the Proponents (or after the Effective Date, the Plan Administrator) and any holder of an Allowed ACC Secured Claim may agree to any alternate treatment of such ACC Secured Claim; provided that such treatment will not provide a return to such holder having a present value as of the Effective Date in excess of the amount payable under Section 5.1(b)(i) of the Plan.

c) ACC Senior Notes Claims.

(i) Subject to Section 16.21 of the Plan, the ACC Senior Notes Claims will be deemed Allowed in the aggregate amount of $5,109,693,748, of which $4,936,847,118 represents principal and $172,846,630 represents interest accrued through the Commencement Date. Each holder of an Allowed ACC Senior Notes Claim will receive on the Initial Distribution Date and/or on a Subsequent Distribution Date thereafter in full satisfaction of such holder's Allowed ACC Senior Notes Claim:

- a Pro Rata Share of:

  (i) the ACC Senior Notes Allocable Portion, plus the ACC Subordinated Notes Allocable Portion, of:

    (a) the "Initial ACC Settlement Consideration," which consists of $635 million of Plan Consideration to be paid pursuant to the Global Settlement; plus

    (b) the "Incremental ACC Settlement Consideration," which consists of:

(1) that aspect of the Global Settlement involving any combination of the following: (i) up to $30 million from the Olympus Notes Give Up and the FPL Give Up; [1] (ii) $25 million from the FrontierVision Notes Claims Give Up, in addition to $60 million that has already been included in the Initial ACC Settlement Consideration from the FrontierVision Note Claims Give Up; (iii) $39.2 million from the Subsidiary Debtor Trade Give Up; (iv) $6.8 million from the Subsidiary Debtor Other Unsecured Claims Give Up; and (v) up to $175 million formerly reserved by the Debtors to pay certain Bank Claims); [2]

(2) that aspect of the Global Settlement that provides an added advance of $125 million of Plan Consideration from the stakeholders of Arahova to, or reserved for, the stakeholders of ACC;

(3) that aspect of the Global Settlement involving a give up of $50 million of Plan Consideration by the stakeholders of Arahova to the stakeholders of the ACC Debtors; and

(4) the additional value from Identified Sources in excess of the amount necessary to satisfy the Arahova Initial Advance Rights; plus

(c) any Remaining Assets; plus

(d) if there is an ACC Senior Notes Claims Accepting Class as provided in Section 7.2 of the Plan, the "Additional Incremental ACC Settlement Consideration," which consists of that aspect of the Global Settlement involving an additional give up of $50 million of Plan Consideration by the stakeholders of Arahova to the stakeholders of the ACC Debtors; and

(ii) CVV Series ACC-1 Interests.

An "ACC Senior Notes Claims Accepting Class" will exist upon the affirmative acceptance of the Plan by Class ACC-3 (ACC Senior Notes Claims), determined in accordance with section 1126 of the Bankruptcy Code, provided however, that solely for purposes of determining the acceptance of the Plan by Class ACC-3 (ACC Senior Notes Claims) and the treatment to be provided to the holders of Claims in Classes ACC-3 (ACC Senior Notes Claims), ACC-4 (ACC Trade Claims, ACC-5 (ACC Other Unsecured Claims) and SD-6 (Arahova Notes Claims), all ACC Senior Notes Claims owned, controlled or managed (directly or indirectly) by any Settlement Party (or any constituent member of any Settlement Party that is a committee or ad hoc committee) or any party to the Plan Support Agreement as of October 11, 2006 or later acquired or that become subject to such party's control or management at any time thereafter (whether or not such ACC Senior Note Claim is subsequently sold, transferred or assigned) will be deemed to have voted to accept the Plan, regardless of whether the holders of such ACC Senior Note Claims actually voted to accept the Plan and without regard to whether the Holders of more than one-half in number of the Allowed Claims in Class ACC-3 actually voting in respect of the Plan voted to accept the Plan. Notwithstanding the foregoing, if a court of competent jurisdiction determines that the deeming of votes as provided in the preceding sentence is unenforceable and, as a result thereof (and without regard to whether the holders of more than one-half in number of the Allowed Claims in Class ACC-3 actually voting in respect of the Plan voted to accept the Plan), Class ACC-3 is determined to have not accepted the Plan, the holders of ACC Senior Note Claims in Class ACC-3 will nonetheless be entitled to receive the treatment provided hereunder as if an ACC Senior Notes Claims Accepting Class existed if the reason for the failure of the Class to accept the Plan (i) was, in whole or in part, the result of either (x) a material breach of the Plan Support Agreement by any non-ACC Settling Party, or (y) Huff or any constituent member of Committee II or their respective successors, if any, not submitting votes in

[1] Under the Plan, the Olympus Notes Give Up is limited to $16 million and the FPL Give Up is limited to $6.2 million.

[2] As described in Sections I.F.2 and VII.A of this Second Disclosure Statement Supplement, at least $55.5 million of this amount has been earmarked to fund indemnification reserves in favor of Bank Lenders.

respect of their ACC Senior Note Claims accepting the Plan, and (ii) was not the result of either (x) a material breach of the Plan Support Agreement by any ACC Settling Party, or (y) ACC Settling Parties or their respective successors, if any, failing to submit votes in respect of their ACC Senior Notes Claims accepting the Plan in an amount equal to or greater than the shortfall in the dollar amount of votes needed to create an accepting Class.

There are two matters concerning the definition of ACC Senior Notes Claims Accepting Class which should be noted. First, whether or not Class ACC-3 (comprised of ACC Senior Notes Claims) votes to accept the Plan for purposes of sections 1129(a)(8) and 1129(b) of the Bankruptcy Code will be determined strictly in accordance with section 1126 of the Bankruptcy Code. Accordingly, if, based upon the results of voting, it is determined that Class ACC-3 has voted to reject the Plan, the Proponents will be required to meet the requirements of section 1129(b) in order to obtain confirmation of the Plan. Second, the Plan now provides that the holders of ACC Senior Notes will receive certain enhanced treatment if Class ACC-3 votes to accept the Plan (i.e., at least $1.13 billion in distributable value on the Effective Date, a higher percentage of CVV Distributions after the first $1.165 billion of such CVV Distributions and a higher Deemed Value for the TWC Class A Common Stock), and lesser treatment if it does not. In connection with the negotiation of amendments to the Plan providing for the prospect of enhanced treatment and the related Plan Support Agreement, the ACC Settling Parties desired to safeguard against the potential risk that the other Settlement Parties to the Plan Support Agreement that hold significant amounts of ACC Senior Notes would not vote to accept the Plan, thereby adversely impacting the prospects for holders of ACC Senior Notes to receive the enhanced treatment. Accordingly, the Settlement Parties agreed that, solely for purposes of determining the treatment afforded to Class ACC-3 (and not the acceptance of such class pursuant to sections 1129(a)(8) and 1129(b)), all ACC Senior Note Claims held by any party to the Plan Support Agreement, including Huff or any constituent member of Committee II, will be considered as having voted to accept the Plan (whether or not such Claims were voted in such manner).

Under the Plan, the ACC Senior Notes Allocable Portion is the ratio determined by *dividing* (w) the aggregate amount of all Allowed ACC Senior Notes Claims and the estimated Allowed amount for all Disputed ACC Senior Notes Claims as of the date on which any relevant distribution is to be made *by* (x) the ACC Total Claims. The ACC Subordinated Notes Allocable Portion is the ratio determined by *dividing* (y) the aggregate amount of all Allowed ACC Subordinated Notes Claims and the estimated Allowed amount for all Disputed ACC Subordinated Notes Claims as of the date on which any relevant distribution is to be made *by* (z) the ACC Total Claims. "Remaining Assets" under the Plan include all Cash including the proceeds from the distribution sale, receipt and/or liquidation, as applicable, of, property, assets, stock, reserves, receivables, escrowed amounts, litigation (other than the Causes of Action transferred to Contingent Value Vehicle), and TWC Class A Common Stock remaining after the satisfaction of Claims against and Equity Interests in the Subsidiary Debtors and the ACC Debtors, in each case to the extent expressly provided in the Plan, and the funding of all escrows, holdbacks, funds and reserves contemplated by the Plan.

(ii) Each CVV Series ACC-1 Interest will entitle its holder to receive a Pro Rata Share, after payment of the amounts distributable in respect of CVV Series RF Interests and CVV Interests distributable pursuant to Sections 5.2(g), (i) and (j) of the Plan, of the ACC Senior Notes Allocable Portion and the ACC Subordinated Notes Allocable Portion of the following:

> (A) if there is an ACC Senior Notes Claims Accepting Class: (x) fifty percent of all CVV Distributions up to aggregate CVV Distributions of $1,165,000,000.00, plus (y) eighty-five percent of all CVV Distributions in excess of aggregate CVV Distributions of $1,165,000,000.00 until the holders of CVV Series Arahova Interests have received in the aggregate $625 million plus an amount equal to the Arahova Fees and the Arahova CVV Dividend, plus (z) thereafter, one hundred percent of all CVV Distributions until the holders of CVV Series ACC-1 Interests have received the full amount of the ACC Senior Notes Deficiency plus post-Effective Date accrued and non-cumulative dividends thereon at a rate of 8.9% per annum; or
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> (B) if there is no ACC Senior Notes Claims Accepting Class: (w) fifty percent of all CVV Distributions up to aggregate CVV Distributions of $1,165,000,000.00, plus (x) seventy-five percent of all CVV Distributions in excess of aggregate CVV Distributions of $1,165,000,000 until the holders of CVV Series Arahova Interests have received in the aggregate $575 million plus an amount equal to the Arahova Fees, plus (y) eighty percent of all remaining CVV Distributions until the Arahova CVV Dividend has been paid and fully satisfied, plus (z) thereafter, one hundred percent of all additional CVV Distributions until the holders of CVV Series ACC-1Interests have received the full amount of the ACC Senior Notes Deficiency plus post-Effective Date accrued and non-cumulative dividends thereon at a rate of 8.9% per annum.

(iii) Section 8.5 of the Plan contemplates that the Settlement Parties (which do not include the Debtors) shall undertake steps to cause the United States Government to distribute the maximum amount of the Government Settlement for the account and benefit of holders of Claims in the ACC Senior Notes Claims Class on account of their ACC Senior Notes Claims. Bankruptcy Court approval, if any, of a plan containing this provision does not, however, change the fact that the distribution of the Restitution Fund shall be conducted pursuant to the Government Settlement Agreements, which provides that the Government will disperse the Restitution Fund to victims in such forms and amounts as determined by the Attorney General and the SEC in their sole discretion, subject to any applicable court process. Accordingly, Section 8.5 of the Plan further provides that the Plan will not alter any rights and obligations of any of the parties subject to the Government Settlement Agreements, including without limitation the rights of the United States of America to designate recipients of the Restitution Fund and the obligations of the Debtors to make all distributions and/or transfers contemplated under the Government Settlement Agreements, as such rights and obligations are set forth in the Government Settlement Agreements. Further, the Bankruptcy Court has ruled that it will act in accordance with the mandate of the Second Circuit Court of Appeals in connection with the appeal of the Government Settlement Agreements pending before it and that, unless and until the Second Circuit Court of Appeals rules to the contrary, the Bankruptcy Court believes it is within the sole discretion of the Government to determine how and to whom to distribute the Restitution Fund. The Bankruptcy Court has emphasized that it is not taking any position on, or attempting to influence in any way, the exercise by the DOJ and the SEC of the responsibilities they have under law or the Government Settlement Agreements.

The Debtors and the Creditors Committee note that the Plan Agreement provides, with respect to the $715 million Government Settlement, that the Settlement Parties believe, consistent with the absolute rule of priority, that the $715 million should be distributed to holders of the ACC Senior Notes Claims, the Arahova Notes Claims, the FrontierVision Notes Claims, the Olympus Notes Claims and holders of ACC Trade Claims. As per the terms of the Plan Agreement, the Debtors have agreed to facilitate discussions between the Settlement Parties and the Government in connection with the Settlement Parties' efforts to obtain the consent of the Government for the $715 million to be distributed as provided in the Plan Agreement. In this respect, the Plan Agreement states that the Debtors shall (to the extent permitted by the letter agreement with the U.S. Department of Justice, dated April 25, 2005 (which provides that the Government will provide the Debtors with a reasonable opportunity to present any views concerning the Restitution Fund before final distribution decisions are made)) advocate that the Government distribute the Restitution Fund as provided in the Plan Agreement.

d) ACC Trade Claims.

(i) Each holder of an Allowed ACC Trade Claim will receive on the Initial Distribution Date and/or on a Subsequent Distribution Date thereafter, in full satisfaction of such holder's Allowed ACC Trade Claim, a Pro Rata Share of (i) the ACC Trade Allocable Portion of: (a) the Initial ACC Settlement Consideration; plus (b) the Incremental ACC Settlement Consideration; plus (c) any Remaining Assets; plus (d) if there is an ACC Senior Notes Claims Accepting Class, the Additional Incremental ACC Settlement Consideration, and (ii) CVV Series ACC-2 Interests. The "ACC Trade Allocable Portion" is the ratio determined by *dividing* (x) the aggregate amount of all Allowed ACC Trade Claims and the estimated Allowed amount for all Disputed ACC Trade Claims as of the date on which any relevant distribution is to be made *by* (y) the ACC Total Claims.

(ii) Each CVV Series ACC-2 Interest will entitle its holder to receive a Pro Rata Share, after payment of the amounts distributable in respect of CVV Series RF Interests and CVV Interests distributable pursuant to Sections 5.2(g), (i) and (j) of the Plan, of the ACC Trade Allocable Portion of the following:

> (A) if there is an ACC Senior Notes Claims Accepting Class: (x) fifty percent of all CVV Distributions up to aggregate CVV Distributions of $1,165,000,000.00, plus (y) eighty-five percent of all CVV Distributions in excess of aggregate CVV Distributions of $1,165,000,000.00 until the holders of CVV Series Arahova Interests have received in the aggregate $625 million plus an amount equal to the Arahova Fees and the Arahova CVV Dividend, plus (z) thereafter, one hundred percent of all CVV Distributions until the holders of CVV Series ACC-2 Interests have received the full amount of the ACC Trade Deficiency plus post-Effective Date accrued and non-cumulative dividends thereon at a rate of 8.9% per annum; or
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> (B) if there is no ACC Senior Notes Claims Accepting Class: (w) fifty percent of all CVV Distributions up to aggregate CVV Distributions of $1,165,000,000.00, plus (x) seventy-five percent of all CVV Distributions in excess of aggregate CVV Distributions of $1,165,000,000 until the holders of CVV Series Arahova Interests have received in the aggregate $575 million plus an amount equal to the Arahova Fees,

plus (y) eighty percent of all remaining CVV Distributions until the Arahova CVV Dividend has been paid and fully satisfied, plus (z) thereafter, one hundred percent of all additional CVV Distributions until the holders of CVV Series ACC-2 Interests have received the full amount of the ACC Trade Deficiency plus post-Effective Date accrued and non-cumulative dividends thereon at a rate of 8.9% per annum.

e) ACC Other Unsecured Claims.

(i) Each holder of an Allowed ACC Other Unsecured Claim will receive on the Initial Distribution Date and/or on a Subsequent Distribution Date thereafter, in full satisfaction of such holder's Allowed ACC Other Unsecured Claim, a Pro Rata Share of (i) the ACC Other Unsecured Allocable Portion (the ratio determined by *dividing* (i) the aggregate amount of all Allowed ACC Other Unsecured Claims and the estimated Allowed amount for all Disputed ACC Other Unsecured Claims as of the date on which any relevant distribution is to be made *by* (ii) the ACC Total Claims) of: (a) the Initial ACC Settlement Consideration; plus (b) the Incremental ACC Settlement Consideration; plus (c) any Remaining Assets; plus (d) if there is an ACC Senior Notes Claims Accepting Class, the Additional Incremental ACC Settlement Consideration, and (ii) CVV Series ACC-3 Interests.

(ii) Each CVV Series ACC-3 Interest will entitle its holder to receive a Pro Rata Share, after payment of the amounts distributable in respect of CVV Series RF Interests and CVV Interests distributable pursuant to Sections 5.2(g), (i) and (j) of the Plan, of the ACC Other Unsecured Allocable Portion of the following:

(A) if there is an ACC Senior Notes Claims Accepting Class: (x) fifty percent of all CVV Distributions up to aggregate distributions of $1,165,000,000.00, plus (y) eighty-five percent of all CVV Distributions in excess of aggregate CVV Distributions of $1,165,000,000.00 until the holders of CVV Series Arahova Interests have received in the aggregate $625 million plus an amount equal to the Arahova Fees and the Arahova CVV Dividend, plus (z) thereafter, one hundred percent of all CVV Distributions until the holders of CVV Series ACC-3 Interests have received the full amount of the ACC Other Unsecured Deficiency plus post-Effective Date accrued and non-cumulative dividends thereon at a rate of 8.9% per annum; or

(B) if there is no ACC Senior Notes Claims Accepting Class: (w) fifty percent of all CVV Distributions up to aggregate CVV Distributions of $1,165,000,000.00, plus (x) seventy-five percent of all CVV Distributions in excess of aggregate CVV Distributions of $1,165,000,000 until the holders of CVV Series Arahova Interests have received in the aggregate $575 million plus an amount equal to the Arahova Fees, plus (y) eighty percent of all remaining CVV Distributions until the Arahova CVV Dividend has been paid and fully satisfied, plus (z) thereafter, one hundred percent of all additional CVV Distributions until the holders of CVV Series ACC-3 Interests have received the full amount of the ACC Other Unsecured Deficiency plus post-Effective Date accrued and non-cumulative dividends thereon at a rate of 8.9% per annum.

f) ACC Subordinated Notes Claims.

(i) In recognition and as a result of the enforcement of the contractual subordination rights of the holders of ACC Senior Notes Claims against the holders of ACC Subordinated Notes Claims, the holders of the ACC Subordinated Notes Claims are not entitled to a distribution, and the ACC Subordinated Notes Allocable Portion of: (i) the Initial ACC Settlement Consideration; plus (ii) the Incremental ACC Settlement Consideration; plus (iii) any Remaining Assets; plus (iv) if there is an ACC Senior Notes Claims Accepting Class, the Additional Incremental ACC Settlement Consideration will be distributed to the holders of Allowed ACC Senior Notes Claims as set forth in Section 5.1(c) of the Plan and the holders of ACC Subordinated Notes Claims will not be entitled to receive a distribution therefrom; provided, however, that as part of the compromise and settlement embodied in the Plan, if the holders of Allowed ACC Subordinated Notes Claims vote in number and amount sufficient to cause the ACC Subordinated Notes Claims Class to accept the Plan, and if the ACC Senior Notes Claims Class, the ACC Trade Claims, and ACC Other Unsecured Claims Class accept the Plan, each holder of an Allowed ACC Subordinated Notes Claim will receive on the Initial Distribution Date and/or on a Subsequent Distribution Date thereafter in full satisfaction of such holder's Allowed ACC Subordinated Notes Claim a Pro Rata Share of CVV Series ACC-4 Interests.

(ii) Each CVV Series ACC-4 Interest will entitle its holder to receive a Pro Rata Share, or the number of CVV Series ACC-4 Interests held by a holder *divided by* the aggregate number of all outstanding CVV Interests for Series

ACC-4, of any CVV Distributions remaining once CVV Series ESL Interests, if in existence, would be entitled to payment and, if any such holders are in existence, after they have received Payment in Full and accrued Case Contract Interest, plus post-Effective Date accrued and non-cumulative dividends thereon at a rate of 8.9% per annum until the holders of CVV Series ACC-4 Interests have received the full amount of their Allowed Claims plus Case Contract Interest plus post-Effective Date accrued and non-cumulative dividends thereon at the rate of 8.9% per annum.

g) ACC Existing Securities Laws Claims.

(i) Holders of ACC Existing Securities Laws Claims will not be entitled to any distribution in respect of their Claims; provided, however, as part of the compromise and settlement embodied in the Plan, that if the holders of Allowed ACC Existing Securities Laws Claims vote in number and amount sufficient to cause the ACC Existing Securities Laws Claims Class to accept the Plan and if the ACC Senior Notes Claims Class, ACC Trade Claims Class, ACC Other Unsecured Claims Class and ACC Subordinated Notes Claims Class accept the Plan, each holder of an Allowed ACC Existing Securities Laws Claim will receive on the Initial Distribution Date and/or on a Subsequent Distribution Date thereafter in full satisfaction of such holder's Allowed ACC Existing Securities Laws Claim a Pro Rata Share of CVV Series ACC-5 Interests.

(ii) Each CVV Series ACC-5 Interest will entitle its holder to receive a Pro Rata Share of any CVV Distributions remaining after the holders of CVV Series ACC-4 Interests have received Payment in Full plus Case Contract Interest plus post-Effective Date accrued and non-cumulative dividends thereon at a rate of 8.9% per annum until the holders of CVV Series ACC-5 Interests have received the full amount of their Allowed Claims plus Case 8% Interest plus post Effective Date accrued and non-cumulative dividends thereon at the rate of 8.9% per annum.

h) ACC Preferred Stock Interests.

(i) ACC Preferred Stock Interests will be cancelled and holders of ACC Preferred Stock Interests will not be entitled to any distribution in respect of such interests; provided, however, that, as part of the settlement and compromise embodied in the Plan, if the holders of Allowed ACC Preferred Stock Interests vote in a number sufficient to cause the ACC Preferred Stock Interests Class to accept the Plan and the ACC Existing Securities Laws Claims Class has voted to accept the Plan and if the ACC Senior Note Claims Class, ACC Trade Claims Class, ACC Other Unsecured Claims Class and ACC Subordinated Notes Claims Class accept the Plan, each holder of an Allowed ACC Preferred Stock Interest will receive on the Initial Distribution Date and/or on a Subsequent Distribution Date thereafter in full satisfaction of such holder's Allowed ACC Preferred Stock Interest a Pro Rata Share of CVV Series ACC-6 Interests.

(ii) Each CVV Series ACC-6 Interest will entitle its holder to receive a Pro Rata Share of any CVV Distributions remaining, after the holders of CVV Series ACC-5 Interests have received Payment in Full and accrued Case 8% Interest, plus post-Effective Date accrued and non-cumulative dividends thereon at a rate of 8.9% per annum. CVV Distributions to holders of CVV Series ACC-6 Interests will be made in accordance with the relative priorities established by the Liquidation Preferences governing the shares of ACC Preferred Stock and the Bankruptcy Code until such holders receive the amounts set forth in Section 5.1(i)(ii) of the Plan. CVV Series ACC-6 Interests may be subdivided into different sub-series to reflect such relative priorities.

i) ACC Common Stock Interests.

(i) ACC Common Stock Interests will be cancelled and holders of ACC Common Stock Interests will not be entitled to any distribution in respect of such interests; provided, however, that, as part of the settlement and compromise embodied in the Plan, if the holders of Allowed ACC Common Stock Interests vote in a number sufficient to cause the ACC Common Stock Interests Class to accept the Plan and the ACC Existing Securities Laws Claims Class, ACC Preferred Stock Interests Class, ACC Senior Notes Claims Class, ACC Trade Claims Class, ACC Other Unsecured Claims Class, and ACC Subordinated Notes Claims Class have each voted to accept the Plan, each holder of an Allowed ACC Common Stock Interest will receive on the Initial Distribution Date and/or on a Subsequent Distribution Date thereafter in full satisfaction of such holder's Allowed ACC Common Stock Interest a Pro Rata Share of CVV Series ACC-7 Interest.

(ii) Each CVV Series ACC-7 Interest will entitle its holder to receive a pro rata share (as determined by the Bankruptcy Court) of any CVV Distributions remaining, after all holders of CVV Series ACC-6 Interests have

received the full Allowed amount of their ACC Preferred Stock Interests pursuant to the applicable Liquidation Preference (including amounts payable in respect of such Liquidation Preference thereunder and accrued, but unpaid, dividends as of the Commencement Date allocable thereto).

j) Alternative to Distributions for CVV Series ESL, ACC-4, ACC-5, ACC-6 and ACC-7 Interests.

To the extent that the holders of Allowed ACC Subordinated Notes Claims, ACC Existing Securities Laws Claims, Allowed ACC Preferred Stock Interests or Allowed ACC Common Stock Interests fail to meet the conditions precedent described in the Plan to receiving CVV Interests hereunder, and any of the CVV Series ACC-4, CVV Series ACC-5, CVV Series ACC-6 or CVV Series ACC-7 Interests are not issued under the Plan, such non-issued CVV Interests will be terminated and be of no force and effect. Any CVV Distributions allocable to such non-issued CVV Interests will be allocated Pro Rata to the holders of CVV Series ACC-1, CVV Series ACC-2, and CVV Series ACC-3 Interests.

Certain parties in interest have objected to the provisions of the Plan providing for distributions to certain Classes only if they and certain identified other Classes vote to accept the Plan, and have asserted that, in their view, such provisions render the Plan non-confirmable. The Debtors and the Creditors Committee disagree with this assertion, which will be decided at the Confirmation Hearing if pressed by such parties in interest.

k) ACC Subsidiary Equity Interests Class.

Allowed ACC Subsidiary Equity Interests will be impaired under the Plan, and any distributions that the holders of such Equity Interests otherwise would have received on account of such Equity Interests will be used to satisfy the obligations of such holders under the Plan.

5. Subsidiary Debtors' Claims and Equity Interests

The Classes of Claims against the Subsidiary Debtors and Equity Interests in the Subsidiary Debtors, subject to the True-Up with respect to Plan Distributions of TWC Class A Common Stock under the Plan, will be treated under the Plan as follows:

a) Subsidiary Debtor Priority Claims.

Each holder of an Allowed Subsidiary Debtor Priority Claim will be unimpaired under the Plan, and, pursuant to section 1124 of the Bankruptcy Code, all of the legal, equitable and contractual rights to which such Claim entitles such holder in respect of such Claim will be fully reinstated and retained, and such Allowed Subsidiary Debtor Priority Claims (including any amounts to which such holder is entitled pursuant to section 1124(2) of the Bankruptcy Code) will be Paid in Full in accordance with such reinstated rights on the Initial Distribution Date or the first Subsequent Distribution Date after which such Subsidiary Debtor Priority Claim becomes Allowed.

b) Subsidiary Debtor Secured Claims.

General Treatment. Each holder of an Allowed Subsidiary Debtor Secured Claim will (A) receive on the Initial Distribution Date or on the first Subsequent Distribution Date after which such Subsidiary Debtor Secured Claim becomes Allowed, a Cash payment equal to the sum of (1) the principal amount of such holder's Allowed Subsidiary Debtor Secured Claim and (2) accrued postpetition interest from the Commencement Date up to but not including the Effective Date, at (i) the Applicable Contract Rate, (ii) an interest rate agreed to by the Proponents (or after the Effective Date, the Plan Administrator) and such holder, (iii) an interest rate previously agreed to by the Debtors and the holder and as previously approved by the Bankruptcy Court, or (iv) if no agreement can be reached, as determined by the Bankruptcy Court after notice and a hearing as sufficient to render such Claim unimpaired, or (B) to the extent applicable, be authorized to seek implementation of any valid right of setoff permitted under section 553 of the Bankruptcy Code in either case in full satisfaction of such holder's Subsidiary Debtor Secured Claim.

Alternative Consensual Treatment. Notwithstanding any other provision in Section 5.2(b) of the Plan, the Proponents (or after the Effective Date, the Plan Administrator) and any holder of an Allowed Subsidiary Debtor Secured Claim may agree to any alternate treatment of such Allowed Subsidiary Debtor Secured Claim; provided,

that such treatment will not provide a return to such holder having a present value as of the Effective Date in excess of the amount payable under Section 5.2(b)(i) of the Plan.

c) Bank Claims.

(i) Disputed Claims. Except to the extent Provisionally Allowed, Bank Claims are Disputed and subject to being Disallowed, in whole or in part. A Bank Claim may only be Allowed (as distinguished from Provisionally Allowed) by (i) agreement between the CVV Trustee, subject to the terms and provisions of the CVV Declaration, and the holder of a Bank Claim; or (ii) a Final Order of the Bankruptcy Court or other court of competent jurisdiction.

(ii) Consensual Treatment. Subject to subsections (iv), (v) and (viii) of Section 5.2(c) of the Plan:

(A) General. Each holder of Bank Claims in a Class of Bank Claims that accepts the Plan as provided in Section 7.2 of the Plan (an "Accepting Bank Class") will have its Bank Claim Provisionally Allowed and will receive: (x) with respect to its Bank Claim for principal and interest such holder's Pro Rata Share of Payment in Full in Cash on the Effective Date of (I) all outstanding principal and all accrued interest accrued to and including the Effective Date at the non-default interest rate calculated as set forth in the DIP Order with respect to such Accepting Bank Class, (II) less in the case of the Century Bank Syndicate Claims Class, the Olympus Bank Syndicate Bank Claims Class and the UCA Bank Syndicate Bank Claims Class, such Classes' LIF Contribution, and (y) Bank Fee Claims for fees and expenses actually billed and accrued and not pre-billed for future anticipated services as provided for in (B) below. If any Syndicate Claims Class is a Non-Accepting Class, the portion of the LIF Contribution that otherwise would have been paid by such Syndicate Claims Class will be paid instead by the Debtors.

"LIF Contribution" means, as to each Bank Lender in a Bank Syndicate Claims Class that is an Accepting Bank Class, such Bank Lender's pro rata share of $35 million based upon such Bank Lender's percentage interest in the aggregate principal amount of all Claims in the Bank Syndicate Claims Classes.

(B) Bank Fee Claims. Bank Fee Claims will be Provisionally Allowed and paid in full in cash on the Initial Distribution Date subject to the provisions set forth in the Plan, which are described below. At a time set by the Debtors at least 30 days prior to the Effective Date, the holders of Bank Fee Claims will provide the Debtors, to the extent not already delivered, invoices with narrative descriptions of the services rendered (including appropriate redactions to preserve privileged matters) and itemization of expenses with respect to Bank Fee Claims incurred prior to the month end preceding such date and estimates thereof to and including the Effective Date. Such estimates will be reconciled against the actual amounts of Bank Fee Claims incurred over the relevant time period, with the foregoing estimated amounts being paid on the Initial Distribution Date and with appropriate refunds or additional payments, as the case may be, to be made within 60 days of the Effective Date or such other date as provided in the Plan, as the parties may agree or as the Bankruptcy Court may order. Unless objected to by the Debtors through Willkie Farr & Gallagher LLP (who will have the sole right to make such objections as to an Accepting Bank Class) or any party in interest (as to any Class of Bank Claims that is a Non-Accepting Bank Class) prior to the Effective Date (or after the Effective Date with respect to invoices for previously estimated fees) solely on the grounds that such fees are unreasonable (and any such objection must be made in writing to the relevant Bank Lender and must specifically identify the time charges or expenses objected to), the invoices for Bank Fee Claims actually incurred and submitted prior to the deadline set forth in the first sentence of this subsection (B) will be deemed Allowed and paid on the Initial Distribution Date; provided, however, that all fees and expenses of any nature paid at any time to an Administrative Agent in an Administrative Agent Class that is an Accepting Bank Class prior to the Effective Date by the Debtors under the DIP Order and/or the Stipulation and Agreed Order Between Debtors and Certain Pre-Petition Lenders With Respect to the Continued Use of Cash Collateral, dated July 31, 2006, in accordance with the terms thereof will not be subject to reasonableness objections. No objections to the allowance and payment of Bank Fee Claims will be permitted with respect to an Accepting Bank Class except for objections based solely on reasonableness grounds made in accordance with Section 5.2(c)(ii)(B) of the Plan. Following the Effective Date, each holder of a Bank Fee Claim may deliver to the Debtor (care of Willkie Farr & Gallagher LLP) invoices with narrative descriptions of the services rendered (including appropriate redactions to preserve privileged matters) and itemization of expenses with respect to Bank Fee Claims for which estimates were previously provided. The Debtor through Willkie Farr & Gallagher LLP (or such other counsel as will be retained by the Debtors with the consent of the holder of a Bank Fee Claim subject to dispute) will, within 30 days of receipt of said invoices, notify the Person seeking reimbursement of any dispute with respect to such invoice (which dispute

will be limited to reasonableness objections). The Plan Administrator will not be required to make any payments with respect to a disputed Bank Fee Claim pending resolution of such dispute by the parties or the Bankruptcy Court; provided, however, that if a Bank Fee Claim is disputed in part, the Plan Administrator will pay that portion of a Bank Fee Claim that is not disputed as soon as reasonably practicable. The Plan Administrator will reserve in an interest bearing escrow account the full amount of any Bank Fee Claim subject to dispute and not otherwise paid. The disputed portion of any Bank Fee Claim to the extent not otherwise resolved consensually by the Debtors will be subject to further order of the Bankruptcy Court. The disputed portion of a Bank Fee Claim will be paid as soon as reasonably practical after resolution of such dispute by the parties or the Bankruptcy Court, with any net after-tax interest earned on such disputed portion from the date of notice of the dispute to the date of payment, with interest following the distribution of the disputed amount. The excess of any reserves established for the estimates of Bank Fee Claims over the amounts of Bank Fee Claims ultimately paid will constitute Remaining Assets.

A "Bank Fee Claim" is that portion of a Bank Claim against a Debtor for reimbursement of reasonable fees, costs or expenses (including in respect of legal and other professional fees and expenses incurred in connection with the Chapter 11 Cases, the enforcement of Bank Claims and the defense of the Bank Actions or the Securities Class Action (or any other action or proceeding) and the prosecution of the Defensive Claims and Bank Third Party Claims which are incurred up to and including the Effective Date. For the avoidance of doubt, Bank Fee Claims will not include: (i) Claims for any liability of the holders of a Bank Claim on any judgment entered or settlement reached in connection with the Bank Actions or the Securities Class Action (or any other action or proceeding), or (ii) Claims for any amount incurred from and after the Effective Date.

(C) Certain Agreements and Releases. Each Accepting Bank Class, and solely with regard to subsection (x)(II) below, each holder of a Claim in such Class, will be deemed to have (x) waived (I) any objection to confirmation of the Plan and (II) any claim or entitlement to (A) additional interest or Grid Interest (and will be deemed to have irrevocably withdrawn and dismissed the Grid Interest Appeal with prejudice and without costs), (B) Bank Lender Post-Effective Date Fees Claims except as provided in subsection (iii) below (provided that any Bank Lender Post-Effective Date Fee Claims in excess of those paid will continue to constitute Defensive Claims, subject to reasonableness objections), and/or (C) any affirmative recovery with regard to indemnification against any Debtor Party, and (y) agreed to comply with any Disgorgement Order directed to it. In consideration for the treatment set forth in the Plan, each Administrative Agent in an Administrative Agent Class or the FrontierVision Bank Claims Class that is an Accepting Bank Class, with respect to its Prepetition Credit Agreement : (a) will not withhold any Plan Distributions from any Accepting Bank Class with respect to such Prepetition Credit Agreement (the "No Withholding Agreement"), and (b) on the Effective Date will, only if such Class is an Accepting Bank Class, release the Bank Lenders in the Bank Syndicate Claims Class with respect to such Prepetition Credit Agreement or in the case of the FrontierVision Credit Agreement, the FrontierVision Bank Claims Class from any obligation for reimbursement and indemnification of expenses (but not other liabilities, if any) (the "Bank Fee Release"). With respect to each Accepting Bank Class, each of the Holdback Motion and the Estimation Motion will be withdrawn with prejudice and without costs.

(D) Payment. All payments to holders of Bank Claims, whether prior to or during the Chapter 11 Cases pursuant to this Section: (i) will be neutral and without prejudice to the prosecution and defense of the Bank Actions, provided, however, for the avoidance of doubt, that said neutrality and non-prejudice will not preclude or limit any factual arguments regarding solvency or insolvency or similar consequences evidenced by, or relating to, said payments; (ii) with respect to Bank Fee Claims and Bank Lender Post-Effective Date Fee Claims, will be paid directly to the holder of such Bank Claim and (iii) notwithstanding anything otherwise to the contrary in the Prepetition Credit Agreements, with respect to principal and interest will (x) if the Administrative Agent is in an Accepting Bank Class be paid directly to the Administrative Agent for the applicable Prepetition Credit Agreement for further payment to the applicable holder of an Allowed Bank Claim without any withholding or deduction therefrom, otherwise (y) be paid directly to the applicable holder of the Allowed Bank Claim, to the extent that payment directly to such holder is authorized by the Bankruptcy Court in the Confirmation Order or otherwise. The Administrative Agent under the Century Credit Agreement has asserted that the Plan cannot provide for payments to be made directly to the Bank Lenders. Instead, payments must be made to the Bank Lenders through the Agent Banks. The Creditors Committee disagrees with this assertion.

(iii) Litigation Indemnification Fund. Subject to subsections (iv), (v) and (viii) of this Section 5.2(c) of the Plan:

(A) FrontierVision. If the FrontierVision Bank Claims Class votes to accept the Plan, then, in addition to the treatment provided in subsection (ii) hereof, the Plan Administrator will establish the fund

("FrontierVision Litigation Fund") required by the FrontierVision Banks Consent Order, in the amount of $4 million (subject to the Most Favored Nations Clause) in cash which will be used solely to pay FrontierVision Bank Post-Effective Date Fee Claims and any taxes with respect to such funds from interest earned on such funds. The fund will be paid in accordance with the procedures set forth in subsection (iii)(B)(2).

(B) Other Classes of Bank Claims.

(1) Funding of the LIF. Each remaining Class of Bank Claims that is an Accepting Bank Class will be entitled to a fund as set forth in this Subsection (B) (each an "LIF" and collectively, the "Co-Borrowing Bank Litigation Fund") which will be the sole source of payment for Bank Lender Post-Effective Date Fee Claims with respect to such Class. Each LIF will initially be funded as follows: (x) each of Class SD 3CA, SD 3OA, and SD 3UA will be entitled to a separate LIF of $20 million, with (i) all Bank Lender Post-Effective Date Fee Claims of Wachovia in Classes SD 3CWach and SD 3OWach also payable from the LIF allocated to Wachovia in Class SD 3UA, (ii) all Bank Lender Post-Effective Date Fee Claims of BMO in Classes SD 3CBMO and SD 3UBMO also payable from the LIF allocated to BMO in Class SD 3OA, and (iii) all Bank Lender Post-Effective Date Fee Claims of BOFA in Classes SD 3OBOFA and SD 3UBOFA also payable from the LIF allocated to BOFA in Class SD 3CA; (y) Classes SD 3CN, SD 3ON, and SD 3UN collectively will be entitled to a single LIF of $12 million in the aggregate, subject to reduction by $4 million for each Bank Non-Administrative Agent Claims Class that is a Non-Accepting Bank Class, and (z) Classes SD 3CS, SD 3OS, and SD 3US collectively will be entitled to a single LIF of $3 million in the aggregate, subject to reduction by $1 million for each Bank Syndicate Claims Class that is a Non-Accepting Bank Class, provided however, (i) the Non-Administrative Agents LIF will be sub-allocated, evenly, among each of the
Non-Administrative Agents in Accepting Bank Classes and (ii) the Non-Administrative Agents LIF and the Bank Syndicate LIF will be administered according to the terms of protocols to be developed in consultation with the Non-Administrative Agents known to the Proponents to have appeared in the Chapter 11 Cases and the Ad Hoc Committee of Non-Agent Secured Lenders respectively, and to be contained in a supplement to the Plan which will be filed with the Bankruptcy Court and served on counsel for the holders of Claims in Classes set forth in (y) and (z) (and known by the Proponents to have filed a notice of appearance in these Chapter 11 Cases) at least five (5) days prior to the Voting Deadline, such that if all Classes of Bank Claims are Accepting Bank Classes the Co-Borrowing Bank Litigation Fund would be $75 million. Each LIF will be increased by the interest earned on the funds in such LIF, minus any applicable taxes and fees.

A "Bank Lender Post-Effective Date Fee Claim" is that portion of a Bank Claim against a Debtor for reimbursement of reasonable fees, costs or expenses (including in respect of legal and other professional fees and expenses incurred in connection with the Chapter 11 Cases, the enforcement of the Bank Claims, the defense of the Bank Actions or the Securities Class Action (or any other action or proceeding) and the prosecution of the Defensive Claims and the Bank Third-Party Claims) which are incurred after the Effective Date. The Bank Lender Post-Effective Date Fee Claims will not include (x) any Claims for indemnification for any liability of the holder of a Bank Claim on any judgment entered or settlement reached in connection with the Bank Actions or the Securities Class Action (or any other action or proceeding), or (y) Claims incurred with respect to Dismissed Bank Actions from and after the date the applicable Bank Action became a Dismissed Bank Action (the date being the date of final adjudication or entry of a Final Order and without regard to any earlier date as of which such dismissal or release may be effective), other than fees, costs and expenses incurred in response to third party discovery.

(2) Submission of Bank Lender Post-Effective Date Fee Claims. Each holder of a Bank Claim seeking payment of Bank Lender Post-Effective Date Fee Claims will deliver to an estate representative acceptable to all Proponents copies of fee and expense invoices with narrative descriptions of the services rendered (redacted to preserve privilege matters) and itemization of expenses at least 30 days prior to the date of requested payment. Payment from the LIF allocated to such holder of a Bank Claim will be made upon the expiration of such 30 day period, absent written notice by the estate representative of a dispute. Payment disputes will be limited to matters of reasonableness and resolved consensually or by submission to a neutral, third-party designated pursuant to the Plan and acceptable to all Proponents.

(3) Release of Funds from an LIF. The LIF amounts allocated pursuant to clause (1) above will be held in separate interest bearing escrow accounts by the parties to whom such LIF amounts are allocated, and will be used by such parties to provide for the ongoing and prompt, current reimbursement of their

Bank Lender Post-Effective Date Fee Claims (it being understood that such reimbursement will occur in accordance with the Plan, notwithstanding the pendency of the Bank Actions, the Securities Class Action or any other action or proceeding). The escrow account will bear the cost of taxes on interest earned. If a Final Order is entered that releases all pending Claims and Causes of Action against a party to whom an LIF has been allocated, then to the extent the amount in such LIF exceeds the amount of Bank Lender Post-Effective Date Fee Claims of the party to whom such LIF is allocated, such excess amount will be applied as follows:

(a) If such LIF corresponds to an Administrative Agent Class, first, to the remaining LIFs allocated to the other Accepting Administrative Agent Classes (in equal amounts, if the excess is to be divided among two such LIFs), second, to the LIF corresponding to the Non-Agent Lenders up to the aggregate amount of the LIF Contribution to the extent not previously reimbursed, and then to the LIF for the Accepting Non-Administrative Agents Claims Class or Classes;

(b) If such LIF corresponds to the Non-Administrative Agents, to the LIFs for the Accepting Administrative Agent Class or Classes (in equal amounts, if the excess is to be divided among two such LIFs);

(c) If such LIF corresponds to the Non-Agent Lenders, to the Non-Agent Lenders Pro Rata to repay the unreimbursed LIF Contribution of such Non-Agent Lenders up to the aggregate amount of the LIF Contribution; and

(d) any excess, remaining after clauses (a) to (c), to the Contingent Value Vehicle.

The Ad Hoc Committee of Certain Non-Agent Lenders asserts that the Debtors are obligated to indemnify the Banks from claims arising in connection with Prepetition Credit Agreements and to reimburse the Banks for costs associated with enforcing such obligations, unless the Banks committed gross negligence or willful misconduct. Pursuant to Section 16.3(d)(viii) of the Plan, the claims of the Debtors' equity security holders against the Banks are released to the extent that such claims would result in indemnification claims by the Banks against the Debtors. As set forth in the Estimation Motion, the Creditors Committee believes that all such indemnification claims should be estimated at $0. Nevertheless, in order to achieve a consensual plan, the Plan provides for a Co-Borrowing Bank Litigation Fund of up to $75 million and a FrontierVision Litigation Fund of $4 million (subject to a "most favored nations" clause) to fund certain potential indemnification obligations.

The Ad Hoc Committee of Certain Non-Agent Lenders asserts that there is a risk that the Agent Banks may have claims against the Non-Agent Banks to the extent that their fees and expenses post-Effective Date exceed the amount of the Co-Borrowing Bank Litigation Fund.

The Administrative Agent under the Century Credit Agreement has asserted that the $75 million to be deposited in the Co-Borrowing Bank Litigation Fund will be insufficient to satisfy the fee and expense reimbursement Claims of the Century Bank Lenders. The Creditors Committee disagrees with this assertion.

(iv) Disgorgement. Notwithstanding anything contained in the Plan to the contrary, in the event that either a compromise and settlement or an order or judgment with respect to a Designated Litigation provides for a full or partial waiver, subordination or disallowance of a defendant's Claim or Claims (including post petition interest, Bank Fee Claims and Bank Lender Post-Effective Date Fee Claims) against one or more of the Debtors (a "Disgorgement Order") and if, as a result of such Disgorgement Order such defendant will have received under the Plan a distribution in an amount (the "Excess Amount") greater than that to which such defendant would have been entitled had such Disgorgement Order been enforced prior to the Effective Date, then, subject to the terms of such compromise and settlement or order or judgment (i) such defendant will promptly pay such Excess Amount, including interest thereon at the Prime Rate to the date of payment, in immediately available funds to the CVV Trustee, which Excess Amount will not be distributed or applied by the CVV Trustee prior to such Disgorgement Order becoming a Final Order, and (ii) if such defendant will fail to make such payment, then, in addition to the rights of the Plan Administrator and/or the applicable Debtor(s) to enforce such settlement or order or judgment, the Plan Administrator or the Debtors, as applicable, will withhold future Plan Distributions payable to such defendant (including any payments in respect of debt, equity or other securities issued to such defendant under the Plan) up to

the amount of the unpaid Excess Amount (with interest thereon at the Prime Rate) and will pay such withheld distributions over to the CVV Trustee. Notwithstanding the foregoing, unless otherwise provided in such compromise and settlement or order or judgment, such defendant will retain its pro rata right to a distribution of any transfer avoided, if any, under section 502 (h) of the Bankruptcy Code pursuant and subject to the Plan and will be entitled to net such claim against any amounts to be paid under a Disgorgement Order.

In the event such an order or judgment is reversed in full or in part on appeal and such reversal is a Final Order, and, as a result, the CVV Trustee is holding funds previously disgorged that must be returned to the defendant that disgorged such funds, the CVV Trustee will return such funds with any interest earned on such funds while in the CVV Trustee's possession minus any applicable taxes and fees.

(v) Adequate Assurance of Ability to Satisfy Disgorgement Obligations. As a condition to receiving payment of a distribution with respect to a Bank Claim, each holder of an applicable Bank Claim will deliver to the Plan Administrator (for purposes of this section, references to the Plan Administrator with respect to any time prior to the time the Plan Administrator is authorized to act on behalf of the Debtors, will mean the Creditors Committee, with the assistance of the Debtors) evidence reasonably satisfactory to the Plan Administrator of the holder's ability to disgorge any distributions received with respect to the Bank Claim if it is ultimately determined that such holder is required to disgorge such distributions. Without limiting any other form of reasonably satisfactory evidence of a holder's ability to disgorge (including that a lower multiple of net worth than described below is reasonably satisfactory), the following will be deemed to be reasonably satisfactory evidence:

(A) that such holder is a bank chartered under the laws of the United States of America, any state thereof, or any other jurisdiction (foreign or domestic), and is not subject to any receivership or similar proceeding; or

(B) in the case of any entity that is not described in clause (A), all of the following:

(1) such entity's most recent audited financial statements as of a date not more than fifteen (15) months prior to the date as of which such distribution is sought (or if no such audited financial statements are available financial statements reviewed by a registered public accounting firm, with evidence of such review reasonably acceptable to the Plan Administrator), demonstrating that such holder has a net worth not less than an amount equal to five times all of such holder's Allowed Bank Claims (in the event such holder has a net worth less than five times such holder's Allowed Bank Claims, such holder may receive aggregate distributions with respect to its Allowed Bank Claims up to one-fifth of its net worth);

(2) a certificate of an officer of such entity (in form and substance reasonably satisfactory to the Plan Administrator) certifying that to the knowledge of such officer after due inquiry that as of the date of such certificate, such entity's net worth has not been reduced below such five times threshold; and

(3) a written undertaking (in form and substance reasonably satisfactory to the Plan Administrator) that such entity (I) will not make a liquidating distribution or other payment outside the ordinary course of business to its equity holders (in their capacity as such), unless such entity either (x) provides evidence reasonably satisfactory to the Plan Administrator that following such liquidating distribution or other payment that it will have a net worth not less than an amount equal to two times the total distributions received with respect to its Allowed Bank Claims, or (y) establishes a reserve meeting the requirements of clause (ii) below, and (II) consents to the jurisdiction of the Bankruptcy Court to enforce the written undertaking.

(w) The applicable Agent will identify to the Plan Administrator the holders of Bank Claims, together with their respective full names, addresses and payment information, with respect to the corresponding Prepetition Credit Agreement as of the Distribution Record Date. The Plan Administrator will identify to the applicable Agent in writing, by the later of (A) three Business Days after the receipt of notice by the applicable Agent pursuant to the preceding sentence and (B) two Business Days prior to the Effective Date, any holder of a Bank Claim that has not delivered to the Plan Administrator reasonably satisfactory evidence pursuant to

the first sentence of Section 5.2(c)(vi) of the Plan (each, a "Designated Holder"). Any distribution with respect to a Designated Holder's Bank Claim will be deposited in the Disputed Bank Reserve Fund.

(x) Any dispute as to whether the holder of a Bank Claim has delivered to the Plan Administrator evidence reasonably satisfactory to the Plan Administrator of the holder's ability to disgorge any distributions received with respect to a Bank Claim (an "Assurance Dispute") may be brought by a holder of Bank Claims before the Bankruptcy Court on an expedited basis and will be resolved by order of the Bankruptcy Court as to the holder's status. During the pendency of an Assurance Dispute or if a holder of Bank Claims does not prevail in an Assurance Dispute, a holder of Bank Claims designated as a Designated Holder may receive a distribution with respect to its Bank Claims so long as such holder will have agreed, in form and substance reasonably satisfactory to the Plan Administrator, to keep the distributions received in a segregated account (which the holder will treat as owned by such holder for purposes of federal income taxation) meeting the following requirements: (x) no withdrawals may be made from such account (except to pay income taxes on the earnings in such account) until such time as the holder is no longer a Designated Holder, (y) the Plan Administrator will have a perfected, first priority security interest in such account, and (z) such account will be invested solely in Permitted Investments.

(y) Distributions made to, or for the benefit of, the holders of Bank Claims in accordance with the provisions of the Plan will not be subject to any Claims or Causes of Action by any Designated Holder, including Claims or Causes of Action arising under provisions of the Prepetition Credit Agreements that may require ratable distribution or sharing of payments made to the respective Bank Lenders.

(z) The Plan Administrator will use commercially reasonable efforts to keep all non-public information provided by a holder of Bank Claims pursuant to the disgorgement provisions described in the Plan confidential, and will not disclose such information except: (v) to the Debtors' or the Plan Administrator's employees, agents, consultants or advisors to the extent necessary for them to perform their functions under the disgorgement provisions described in the Plan; (w) to counsel and the financial advisors to the Creditors Committee, so that such counsel and financial advisors may advise the Creditors Committee without disclosing such nonpublic information, and subject to the confidentiality obligations of such professionals; (x) to the extent required by applicable law, rules, regulations, orders or judicial process; (y) in response to any request for discovery or production of documents, provided that the Plan Administrator will use commercially reasonable efforts to inform the holder who has provided such information of such request for discovery or production of documents so that such holder may seek a protective order; or (z) to defend any Assurance Dispute.

(vi) Non-Consensual Treatment. As to any Class of Bank Claims that is not an Accepting Bank Class (a "Non-Accepting Bank Class"), each holder of a Bank Claim in such Class will receive, subject to subsections (iv) and (v) of this section: (I) except to the extent the Holdback Motion is granted, (A) with respect to its Claim for principal and interest a Pro Rata Share of Payment in Full in Cash on the Effective Date of all outstanding principal and accrued interest at the non-default interest rate calculated as set forth in the DIP Order with respect to such Non-Accepting Bank Class, and (B) with respect to its Bank Fee Claims and Bank Lender Post-Effective Date Fee Claims, payment as when and to the extent set forth in a Final Order of the Bankruptcy Court and (II) its pro rata share of an LIF (a "Non-Accepting Bank Class LIF") which will be the sole source of payment for Bank Lender Post-Effective Date Fee Claims with respect to such Class, determined in accordance with the Estimation Motion.

The Administrative Agent under the Century Credit Agreement has asserted that the Estimation Motion will not resolve the claims of the Disputed Banks for fees and expenses because the liquidation of such claims will not unduly delay the administration of the Debtors' bankruptcy cases. The Creditors Committee disagrees with this assertion.

(vii) Means for Obtaining Non-Consensual Confirmation with Respect to the Bank Claims. The Creditors Committee reserves the right to seek a determination that any Class of Bank Claims that is a Non-Accepting Bank

Class, having been Paid in Full in Cash into the Disputed Bank Reserve Fund (subject only to the application of sections 502(a) and (d) of the Bankruptcy Code and Bankruptcy Rule 3021), are unimpaired pursuant to section 1124 of the Bankruptcy Code. Alternatively, confirmation will be sought with respect to the foregoing treatment pursuant to section 1129(b) of the Bankruptcy Code.

(viii) Most Favored Nations Provision for Accepting Bank Classes. Any settlement or modification of the Plan that results in treatment for a Class of Bank Claims (other than FrontierVision Bank Claims) that is more favorable than the treatment set forth in the Plan, will without further action result in a comparable enhancement of benefits to members of similarly situated Accepting Bank Classes (other than FrontierVision Bank Claims).

(ix) Estimation of Indemnification Claims for Voting Purposes. For the purpose of Plan voting only, Claims of any holder of a Bank Claim for reimbursement, contribution and/or indemnification arising under a Prepetition Credit Agreement (other than Claims for pre-Effective Date fees and expenses) will, except as otherwise ordered by the Bankruptcy Court, be Allowed in the amount of $1. The treatment of such Claims for all other purposes will be determined in accordance with the terms of the Plan.

d) Subsidiary Debtor Trade Claims.

Each holder of an Allowed Subsidiary Debtor Trade Claim will receive on the Initial Distribution Date and/or on each Subsequent Distribution Date thereafter in full satisfaction of such holder's Allowed Subsidiary Debtor Trade Claim (x)(a) a Pro Rata Share of Available Cash, consisting of the aggregate amount of Cash of the Debtors as of the Effective Date, including any Cash available from Identified Sources as of the Effective Date, *less* the amount of (i) Cash necessary to satisfy United States Trustee fees, Administrative Claims, Fee Claims, Settlement Party Fee Claims, Trustee Fee Claims, Bank Claims, Tax Claims, Priority Claims or Secured Claims against the Debtors, including Disputed Claims of the foregoing, (ii) the Cash Funded Reserves, (iii) the Litigation Prosecution Fund, (iv) the Co-Borrowing Bank Litigation Fund and the FrontierVision Litigation Fund, (v) distributions pursuant to Section 10.6(b) of the Plan, and (vi) amounts necessary, if any, to fund the True-Up Holdback, determined in accordance with Section 10.13 of the Plan; plus (b) TWC Class A Common Stock, (subject to the True-Up) which (a) and (b) together will have Deemed Value equal to such holder's Allowed Subsidiary Debtor Trade Claim plus accrued Case 8% Interest less (c) a Pro Rata Share of the Subsidiary Debtor Trade Claims Give Up, consisting of $39.2 million that will be transferred for distribution to the holders of the ACC Senior Notes Claims, the ACC Other Unsecured Claims and the ACC Trade Claims pursuant to the Global Settlement, and the portion of the Subsidiary Debtor Fees allocated to the Subsidiary Debtor Trade Claims pursuant to Section 6.2(d)(ii)(A)(3) of the Plan; and (y) a Pro Rata Share of a right in the Subsidiary Debtor Trade Claims Earn Back as specified in Section 5.2(d)(ii) of the Plan.

The Subsidiary Debtor Trade Claims Earn Back is comprised of the aggregate amount of Disputed Claims included in the Trade Reserve that are expunged or otherwise Disallowed between Distribution Dates (e.g., after Initial Distribution but prior to the next Subsequent Distribution Date) plus simple interest accrued from the Effective Date up to but not including the date of payment at the rate of 5% per annum, which aggregate amount will be recalculated and adjusted on the Initial Distribution Date and on each Subsequent Distribution Date thereafter as set forth in Section 5.2(d) of the Plan.

Each Subsidiary Debtor Trade Claims Earn Back Right will entitle its holder to receive a Pro Rata Share of any amounts that are released from or not included in the Subsidiary Debtor Trade Disputed Claims Reserve or the disputed "Trade Claims" reserves (or its equivalent) for the JV Debtors on or after the Effective Date of the Plan (for the Subsidiary Debtor Trade Disputed Claims Reserve) and on or after the "Effective Date" of the JV Plan (for the Disputed "Trade Claims" reserve (or its equivalent) for the JV Debtors) solely as a result of the expungement or Disallowance of any Disputed Subsidiary Debtor Trade Claims or Disputed "Trade Claims" as defined in the JV Plan, provided that such reduction to such reserve on account of such expungement or Disallowance (together with amounts not included in such reserve due to distributions under the Plan and the JV Plan with respect to Allowed Claims against the Subsidiary Debtors and the JV Debtors) (1) must be net of increases to the Earn Back Trade Threshold for Disputed Claims, newly Allowed Claims or allowance of Claims higher than estimated which Claims (and higher estimates) were not included in the computation of the Earn Back Trade Threshold and (2) must cause such reserve to be reduced below the sum of (a) $746.4 million (which is an amount initially computed to include Allowed and Disputed Claims against the Subsidiary Debtors and the JV Debtors and which amount includes post-petition interest at the rate of 8% per annum on the face amount (exclusive of post-petition interest) of such Claims) plus (b) eight percent (8%) simple interest per annum on the face amount of the Claim included in the foregoing

$746.4 million amount from August 1, 2006 to, but not including, the Effective Date (such amount which is the sum of clauses (a) and (b) of this subsection, is referred to as the "Earn Back Trade Threshold") until such holders receive, in the aggregate, $39.2 million (plus simple interest accrued thereon from the Effective Date through the date of payment at the rate of 5% per annum).

The ACC Bondholder Group has asserted that the $39.2 million Subsidiary Debtor Trade Claims Give Up is not a "give up" at all. The ACC Bondholder Group has further alleged that the construct for how these funds are to be distributed demonstrates that this is only a purported "transfer," inasmuch as the ACC Bondholder Group asserts the give-up was crafted from certain reserve amounts that the ACC Bondholder Group asserts were released upon the settlement of several large claims against the Debtors.

e) Subsidiary Debtor Other Unsecured Claims.

Each holder of an Allowed Subsidiary Debtor Other Unsecured Claim will receive on the Initial Distribution Date and/or on a Subsequent Distribution Date thereafter in full satisfaction of such holder's Allowed Subsidiary Debtor Other Unsecured Claim (x)(a) a Pro Rata Share of Available Cash determined in accordance with Section 10.13 of the Plan; plus (b) TWC Class A Common Stock, (subject to the True-Up), which (a) and (b) together will have Deemed Value equal to such holder's Allowed Subsidiary Debtor Other Unsecured Claim plus accrued Case 8% Interest; less (c) a Pro Rata Share of the Subsidiary Debtor Other Unsecured Claims Give Up, consisting of $6.8 million that will be transferred to stakeholders of the ACC Debtors pursuant to the Global Settlement, and the portion of the Subsidiary Debtor Fees allocated to the Subsidiary Debtor Other Unsecured Claims pursuant to Section 6.2(d)(ii)(A)(3) of the Plan; and (y) a Pro Rata Share of a right in the Subsidiary Debtor Other Unsecured Claims Earn Back as specified in Section 5.2(e)(ii) of the Plan.

Each Subsidiary Debtor Other Unsecured Claims Earn Back Right will entitle its holder to receive a Pro Rata Share of any amounts that are released from or not included in the Subsidiary Debtor Other Unsecured Disputed Claims Reserve or the disputed "Other Unsecured Claims" reserves (or its equivalent) for the JV Debtors on or after the Effective Date of the Plan (for the Subsidiary Debtor Other Unsecured Disputed Claims Reserve) and on or after the "Effective Date" of the JV Plan (for the Disputed "Other Unsecured Claims" reserve (or its equivalent) for the JV Debtors) solely as a result of the expungement or Disallowance of any Disputed Subsidiary Other Unsecured Claims or Disputed "Other Unsecured Claims" as defined in the JV Plan, provided that such reduction to such reserve on account of such expungement or Disallowance (together with amounts not included in such reserve due to distributions under the Plan and the JV Plan with respect to Allowed Claims against the Subsidiary Debtors and the JV Debtors) (1) must be net of increases to the Earn Back Other Unsecured Threshold for Disputed Claims, newly Allowed Claims or allowance of Claims higher than estimated which Claims (and higher estimates) were not included in the computation of the Earn Back Other Unsecured Threshold and (2) must cause such reserve to be reduced below the sum of (a) $196 million (which is an amount initially computed to include Allowed and Disputed Claims against the Subsidiary Debtors and the JV Debtors and which amount includes post-petition interest at the rate of 8% per annum on the face amount (exclusive of post-petition interest) of such Claims) plus (b) eight percent (8%) simple interest per annum on the face amount of the Claim included in the foregoing $196 million amount from August 1, 2006 to, but not including, the Effective Date (such amount which is the sum of clauses (a) and (b) of this subsection, is referred to as the "Earn Back Other Unsecured Threshold") until such holders receive, in the aggregate, $6.8 million (plus simple interest accrued thereon from the Effective Date through the date of payment at the rate of 5% per annum).

f) Arahova Notes Claims.

Subject to Section 16.21 of the Plan, the Arahova Notes Claims will be deemed Allowed in the aggregate amount of $1,743,517,586, of which $1,712,003,697 represents principal and $31,513,889 represents interest accrued through the Commencement Date. Each holder of an Allowed Arahova Notes Claim will receive on the Initial Distribution Date and/or on a Subsequent Distribution Date thereafter in full satisfaction of such holder's Allowed Arahova Notes Claim, (a) (x) a Pro Rata Share of Available Cash determined in accordance with Section 10.13 of the Plan; plus (y) TWC Class A Common Stock (subject to the True-Up), which (x) and (y) together will have a Deemed Value equal to such holder's Allowed Arahova Notes Claim plus accrued Case Contract Interest less (b) a Pro Rata Share of (1) the Arahova Initial Settlement Give Up, consisting of $575 million of Plan Consideration that will be transferred from the stakeholders of Arahova to, or reserved for, ACC's stakeholders pursuant to the Global Settlement; plus (2) the Arahova Initial Advance, consisting of an added advance of $125 million of Plan Consideration from the stakeholders of Arahova to, or reserved for, the stakeholders of ACC; plus (3) the Arahova

Additional Settlement Give Up, consisting of $50 million of Plan Consideration given by the stakeholders of Arahova to the stakeholders of the ACC Debtors; plus (4) the Arahova Fees; plus (5) if there is an ACC Senior Notes Claims Accepting Class, the Additional Incremental ACC Settlement Consideration, and (c) a Pro Rata Share of (1) the Arahova Initial Advance Rights and (2) the CVV Series Arahova Interests.

Each CVV Series Arahova Interest will entitle its holders to receive a Pro Rata Share, after payment of the amounts distributable in respect of CVV Series RF Interests and CVV Interests distributable pursuant to Sections 5.2(g), (i) and (j) of the Plan, of the following:

(A) if there is an ACC Senior Notes Claims Accepting Class: (x) fifty percent of all CVV Distributions up to aggregate distributions of $1,165,000,000.00, plus (y) fifteen percent of all CVV Distributions in excess of aggregate CVV Distributions of $1,165,000,000.00 until the holders of CVV Series Arahova Interests have received in the aggregate $625 million plus an amount equal to the Arahova Fees and the Arahova CVV Dividend. After all CVV ACC-1 Interests, CVV ACC-2 Interests and CVV ACC-3 Interests have been paid in full each holder of a CVV Series Arahova Interest will be entitled to receive all remaining CVV Distributions until such holders have received in the aggregate $50,000,000.00 plus post-Effective Date accrued and non-cumulative dividends thereon at a rate of 5.0% per annum plus any amount of the Arahova Initial Advance not repaid from the Identified Sources; or

(B) if there is no ACC Senior Notes Claims Accepting Class: (x) fifty percent of all CVV Distributions up to aggregate CVV Distributions of $1,165,000,000.00, plus (y) twenty-five percent of all CVV Distributions in excess of aggregate distributions of $1,165,000,000.00 until the holders of CVV Series Arahova Interests have received in the aggregate $575 million plus an amount equal to the Arahova Fees, plus (z) twenty percent of all remaining CVV Distributions until the Arahova CVV Dividend has been paid in full. After all CVV ACC-1 Interests, CVV ACC-2 Interests and CVV ACC-3 Interests have been paid in full each holder of a CVV Series Arahova Interest will be entitled to receive all remaining CVV Distributions until such holders have received in the aggregate $50,000,000.00 plus post-Effective Date accrued and non-cumulative dividends thereon at a rate of 5.0% per annum plus any amount of the Arahova Initial Advance not repaid from the Identified Sources.

Each Arahova Initial Advance Right will entitle its holder to receive a Pro Rata Share of the Plan Consideration from the Identified Sources until such holders have received $125 million plus post-Effective Date simple interest accrued thereon at a rate of 5.0% per annum. To the extent Identified Sources are available for distribution on the Effective Date, the Arahova Initial Advance Rights will be paid on the Initial Distribution Date, subject to Section 10.13 of the Plan. With respect to any amounts of the Identified Sources, the Arahova Initial Advance Rights will have first and sole priority as and when such amounts are available for distribution; provided, that, solely to the extent that amounts from the Government Settlement are released directly to holders of Claims in the ACC Senior Notes Claims Class on account of their ACC Senior Notes Claims (the "ACC Government Settlement Distribution"), Arahova Initial Advance Rights will be satisfied from and have first and sole priority over all other Plan Consideration distributable to or reserved for holders of Claims against the ACC Debtors up to the amount released directly to holders of Claims in the ACC Senior Notes Claims Class on account of their ACC Senior Notes Claims, and such amounts from the Government Settlement released directly to holders of Claims in the ACC Senior Notes Claims Class on account of their ACC Senior Notes Claims will be deemed to have been made pursuant to and under the Plan for the purpose of determining distributions by the Plan Administrator on any Subsequent Distribution Date, such that Plan Consideration with a Deemed Value equal to the ACC Government Settlement Distribution otherwise distributable to or reserved for holders of Claims in the ACC Senior Notes Claims Class on account of their ACC Senior Notes Claims will first be distributed to or reserved for the holders of Arahova Notes Claims, and thereafter Plan Consideration otherwise distributable to or reserved for holders of Claims in the ACC Senior Notes Claims Class on account of their ACC Senior Notes Claims will instead be redistributed to the holders of Allowed ACC Trade Claims and Allowed ACC Other Unsecured Claims, or the reserves for Disputed Claims thereof, until the amount so redistributed equals the product of (A) the sum of the ACC Trade Allocable Portion and the ACC Other Unsecured Allocable Portion, and (B) the result obtained by dividing the ACC Government Settlement Distribution, by the sum of the ACC Senior Notes Allocable Portion and the ACC Subordinated Notes Allocable Portion.

g) FPL Note Claims.

Subject to Section 16.21 of the Plan, the FPL Note Claims will be Allowed in the aggregate amount of $127,435,663, of which $108,000,000 represents initial principal and $19,435,663 represents additional amounts accrued through the Commencement Date. Each holder of an Allowed FPL Note Claim will receive on the Initial Distribution Date and/or on a Subsequent Distribution Date thereafter in full satisfaction of such holder's Allowed FPL Note Claim, (x) (a) a Pro Rata Share of Available Cash determined in accordance with Section 10.13 of the Plan; plus (b) TWC Class A Common Stock (subject to the True-Up), which (a) and (b) together will have a Deemed Value equal to such holder's Allowed FPL Note Claim plus accrued Case Contract Interest, less (c) a Pro Rata Share of the FPL Note Give Up, consisting of Plan Consideration in the amount of $6.2 million that will be transferred to, or reserved for, the stakeholders of ACC, and (y) a Pro Rata Share of CVV Series FPL Interests.

Each CVV Series FPL Interest will entitle its holders to receive a Pro Rata Share of the FPL CVV Percentage, or 0.66% (if the Effective Date occurs after October 31, 2006, the FPL CVV Percentage will be increased (only to the extent such number is greater) to an amount (expressed as a percentage) equal to the result obtained by dividing (i) the product of the FPL CVV Recalculation Amount and 0.025, by (ii) $85 million), of all CVV Distributions, net of amounts distributable to holders of CVV Series RF Interests, until the holders of CVV Series FPL Interests have received Payment in Full of their Allowed Claims and accrued Default Interest, plus post-Effective Date accrued and non-cumulative dividends at a rate of 8.9% per annum.

The "FPL CVV Recalculation Amount" means the sum of (a) $6.2 million, and (b) the excess of (i) Default Interest on the FPL Note for the period from the Petition Date to and including the Effective Date, over (ii) Case Contract Interest on the FPL Note for the period from the Petition Date to and including the Effective Date.

h) FrontierVision Opco Notes Claims.

Subject to Section 16.21 of the Plan, the FrontierVision Opco Notes Claims will be deemed Allowed in the aggregate amount of $204,277,778, of which $200,000,000 represents principal and $4,277,778 represents interest accrued through the Commencement Date. Each holder of an Allowed FrontierVision Opco Notes Claim will receive on the Initial Distribution Date and/or on a Subsequent Distribution Date thereafter in full satisfaction of such holder's Allowed FrontierVision Opco Notes Claim, (a) (x) a Pro Rata Share of Available Cash determined in accordance with Section 10.13 of the Plan; plus (y) TWC Class A Common Stock (subject to the True-Up), which (x) and (y) together will have a Deemed Value equal to such holder's Allowed FrontierVision Opco Notes Claim plus accrued Case Contract Interest less (b) a Pro Rata share of 20% of the FrontierVision Fees.

i) FrontierVision Holdco Notes Claims.

Subject to Section 16.21 of the Plan, the FrontierVision Holdco Notes Claims will be deemed Allowed in the aggregate amount of $339,499,148, of which $328,658,000 represents principal and $10,841,149 represents interest accrued through the Commencement Date. Each holder of an Allowed FrontierVision Holdco Notes Claim will receive on the Initial Distribution Date and/or on a Subsequent Distribution Date thereafter in full satisfaction of such holder's Allowed FrontierVision Holdco Notes Claim, (x) (a) a Pro Rata Share of Available Cash determined in accordance with Section 10.13 of the Plan; plus (b) TWC Class A Common Stock (subject to the True-Up), which (a) and (b) together will have a Deemed Value equal to such holder's Allowed FrontierVision Holdco Notes Claim plus accrued Case Contract Interest less (c) a Pro Rata Share of the FrontierVision Notes Claims Give Up, consisting of $85 million comprised of $60 million contained in the Global Settlement plus an additional $25 million of Plan Consideration to be given up by holders of FrontierVision Holdco Notes to holders of Claims against, and Equity Interests in, as applicable, the ACC Debtors, and 80% of the FrontierVision Fees; and (y) a Pro Rata Share of CVV Series FrontierVision Interests.

Each CVV Series FrontierVision Interest will entitle its holder to receive a Pro Rata Share of the FrontierVision CVV Percentage, or 2.5%, of all CVV Distributions, net of amounts distributable to holders of CVV Series RF Interests, until the holders of CVV Series FrontierVision Interests have received Payment in Full of their Allowed Claims and accrued Case Contract Interest plus post-Effective Date accrued and non-cumulative dividends thereon at a rate of 8.9% per annum.

j) Olympus Notes Claims.

Subject to Section 16.21 of the Plan, the Olympus Notes Claims will be deemed Allowed in the aggregate amount of (i) $212,986,111, of which $200,000,000 represents principal and $12,986,111 represents interest accrued through the Commencement Date. Each holder of an Allowed Olympus Notes Claim will receive on the Initial Distribution Date and/or on a Subsequent Distribution Date thereafter in full satisfaction of such holder's Allowed Olympus Notes Claim, (x) (a) a Pro Rata Share of the Available Cash determined in accordance with Section 10.13 of the Plan; plus (b) TWC Class A Common Stock (subject to the True-Up), which (a) and (b) together will have a Deemed Value equal to such holder's Allowed Olympus Notes Claim plus Case Contract Interest less (c) a Pro Rata Share of (1) the Olympus Notes Give Up, consisting of $16 million of Plan Consideration that will be transferred to, or reserved for, the stakeholders of ACC and (2) the Olympus Fees; and (y) a Pro Rata Share of CVV Series Olympus Interests.

Each CVV Series Olympus Interest will entitle its holder to receive a Pro Rata Share of the Olympus CVV Percentage, or 5%, of all CVV Distributions, net of amounts distributable to holders of CVV Series RF Interests until the holders of CVV Series Olympus Interest have received Payment in Full of their Allowed Claims and accrued Case Contract Interest, plus post-Effective Date accrued and non-cumulative dividends thereon at a rate of 8.9% per annum.

k) Subsidiary Debtor Existing Securities Laws Claims.

Holders of Subsidiary Debtor Existing Securities Laws Claims will not be entitled to any distribution; provided, however, that, as a result of the settlement and compromise embodied in the Plan, if the holders of Allowed Subsidiary Debtor Existing Securities Laws Claims vote in number and amount sufficient to cause the Subsidiary Debtor Existing Securities Laws Claims Class to accept the Plan, each holder of an Allowed Subsidiary Debtor Existing Securities Laws Claim will receive on the Initial Distribution Date and/or on a Subsequent Distribution Date thereafter in full satisfaction of such holder's Allowed Subsidiary Debtor Existing Securities Laws Claim a Pro Rata Share of CVV Series ESL Interests.

Each CVV Series ESL Interest will entitle its holder to receive a Pro Rata Share of any CVV Distributions remaining after the holders of CVV Series Arahova Interests, CVV Series FrontierVision Interests, CVV Series Olympus Interests, CVV Series FPL Interests CVV Series ACC-1 Interests, CVV Series ACC-2 Interests, and CVV Series ACC-3 Interests have received Payment in Full of their Claims and Case Contract Interest or Case 8% Interest, as applicable, plus post-Effective Date accrued and non-cumulative dividends thereon at a rate of 8.9% or 5%, as the case may be, per annum.

l) Subsidiary Debtor Equity Interests.

Subsidiary Debtor Equity Interests will be impaired under the Plan, and any distributions that the holders of such Equity Interests otherwise would have received on account of such Equity Interests will be used to satisfy the obligations of such holders under the Plan.

m) Alternative Distributions for CVV Series ESL Interests.

To the extent that the holders of Allowed Subsidiary Debtor Existing Securities Laws Claims fail to meet the conditions precedent described above and any of the CVV Series ESL Interests are not issued under the Plan, such non-issued CVV Series ESL Interests will be terminated and of no force and effect.

6. Miscellaneous Other Claims And Interests

a) Intercompany Claims.

Pursuant to the Global Settlement, holders of Intercompany Claims will not be entitled to Plan Distributions, as described in the Plan, and will be subject to such findings of fact and conclusions of law as the Bankruptcy Court may make in connection with the entry of the Confirmation Order.

b) Insured Claims; Assumed Sale Liabilities.

Notwithstanding anything to the contrary contained in the Plan:

(a) To the extent the Debtors have insurance with respect to an Allowed Other Unsecured Claim, such Other Unsecured Claim will (i) be paid from the proceeds of insurance to the extent that the Claim is insured and (ii) receive the treatment provided for in the Plan to the extent the applicable insurance policy does not provide coverage with respect to any portion of the Other Unsecured Claim.

(b) To the extent a Claim constitutes an Assumed Sale Liability, the holder of such Claim will not be entitled to any distribution hereunder; instead, such Assumed Sale Liability will be satisfied in accordance with the applicable Purchase Agreement.

c) Unclassified Claims.

Administrative Claims and Tax Claims are treated in accordance with sections 1129(a)(9)(A) and 1129(a)(9)(C) of the Bankruptcy Code, respectively. Such Claims are not designated as classes of Claims under the Plan or for the purposes of sections 1123, 1124, 1125, 1126 or 1129 of the Bankruptcy Code.

d) Tax Claims.

Unless the Debtors have paid the holder of an Allowed Tax Claim prior to the Effective Date or such holder agrees to a different treatment, each holder of an Allowed Tax Claim will receive in full satisfaction of such holder's Allowed Tax Claim the amount of such holder's Allowed Tax Claim (including interest thereon, if any, at a rate to be determined by the Bankruptcy Court and set forth in the Confirmation Order) in Cash on the later of the Initial Distribution Date or the date on which such Tax Claim becomes an Allowed Tax Claim, or as soon thereafter as is practicable.

E. DISPUTED CLAIMS PROCEDURES/RESERVES

1. Disputed Claims/Equity Interests Procedures With Respect To Plan Consideration

Except as provided in Section 5.2(c) of the Plan (Bank Claims' Treatment), Disputed Claims and Equity Interests will not be entitled to any Plan Distributions or distributions of CVV Interests unless and until such Claims and/or Equity Interests become Allowed. On the Effective Date, the Plan Administrator will create separate reserves for each class of claims or interests which include one or more Disputed Claims or Equity Interests as the case may be and in accordance with procedures set forth in the Plan. The disputed claims reserves will be funded with Plan Consideration, if any, as to which such Disputed Claims or Equity Interests would have been entitled if those Disputed Claims or Equity Interests were Allowed. Plan Consideration and CVV Interests deposited in reserves in respect of a particular Disputed Claim will be held exclusively for such Disputed Claim pending such Claim being Allowed, Disallowed, expunged or otherwise determined in accordance with the Plan. Such reserved Plan Consideration will be transferred to the Plan Administrator to be held in such reserves for such holders of Disputed Claims and/or Equity Interests.

To the extent any Disputed Claim or Equity Interest becomes Allowed in full or in part (in accordance with the procedures set forth in the Plan), on the next Subsequent Distribution Date after such allowance and prior to making any other Plan Distributions, the Plan Administrator subject to the terms of the Plan will distribute in respect of such newly Allowed Claims or Equity Interests, to the extent there remains Plan Consideration held in such reserve for such Claim, the Plan Consideration as to which such Claim or Equity Interest would have been entitled under the Plan if such newly Allowed Claims or Equity Interests had been fully or partially Allowed, as the case may be, on the Initial Distribution Date or any prior Subsequent Distribution Date. Such distributions will include, if applicable, any dividends, gains or income on account of such Disputed Claims, less direct and actual expenses, fees, taxes or other direct costs of maintaining the reserves.

Releases from Disputed Claims Reserves will be applied as follows:

- Releases from reserves held under the JV Plan will be first applied in accordance with the JV Plan. To the extent released cash and proceeds of such other property is not required to be distributed under the JV Plan, such released amounts will be distributed to holders of Claims and Equity Interests under the Plan.

- To the extent any Disputed Subsidiary Debtor Trade Claim has become Disallowed in full or in part (in accordance with the procedures set forth in the Plan), the Plan Administrator will distribute on the next Subsequent Distribution Date after such disallowance any reserved Plan Consideration, in excess of the Maximum Exposure of any remaining Disputed Claims and Equity Interests, (i) first, in satisfaction of the Subsidiary Debtor Trade Claims Earn Back Right, and (ii) second, upon satisfaction of or full reservation on account of the Subsidiary Debtor Trade Claims Earn Back Right, to the holders of Allowed Claims and Equity Interests of the ACC Debtors in accordance with the relative priorities set forth in the Plan.

- To the extent a Disputed Subsidiary Debtor Other Unsecured Claim has become Disallowed in full or in part (in accordance with the procedures set forth in the Plan), the Plan Administrator will distribute on the next Subsequent Distribution Date any reserved Plan Consideration in excess of the Maximum Exposure of any remaining Disputed Claims and Equity Interests, (i) first, in satisfaction of the Subsidiary Debtor Other Unsecured Claims Earn Back Right, and (ii) second, upon satisfaction of or full reservation on account of the Subsidiary Debtor Other Unsecured Claims Earn Back Right, to the holders of Allowed Claims and Equity Interests of the ACC Debtors in accordance with the relative priorities set forth in the Plan.

- To the extent a Disputed Claim (other than a Disputed Subsidiary Debtor Trade Claim or Disputed Subsidiary Debtor Other Unsecured Claim) or Equity Interest has become Disallowed in full or in part (in accordance with the procedures set forth in the Plan), the Plan Administrator, subject to terms of the Plan, will distribute on the next Subsequent Distribution Date any reserved Plan Consideration, which are in excess of the Maximum Exposure of any amounts necessary to adequately reserve for any remaining Disputed Claims and Equity Interests, to the holders of Allowed Claims and Equity Interests in accordance with the relative priorities set forth in Article V of the Plan.

For purposes of the foregoing, Maximum Exposure means as of the date of calculation, the sum (without duplication) of:

- the aggregate amount of all Claims in the Class corresponding to the Disputed Claims Reserve as set forth in the Estimation Order (except to the extent such Claims have been expunged or otherwise Disallowed); plus

- the aggregate amount of all Claims that are Disputed Claims in such Class that are not set forth in the Estimation Order (except to the extent such Claims have been expunged or otherwise Disallowed); plus

- interest accruing from the Commencement Date to the Effective Date on such Disputed Claims, as set forth for each Class of Claims in the Plan.

The Plan Administrator will treat or make an election pursuant to U.S. Treasury Regulations Section 1.468B-9(c) to treat each of these reserves as a "disputed ownership fund" (a "Disputed DOF"). The Disputed DOF and not the holders of Disputed Claims and/or Equity Interests or the Debtors will be treated as the owner of the Plan Consideration and any other assets reserved for Disputed Claims and/or Equity Interests. The Disputed DOF will be treated for United States federal income tax purposes as a taxable entity separate from the holders of Disputed Claims and/or Equity Interests or the Debtors. The Disputed DOF will be responsible for the payment of any taxes imposed on the Disputed DOF (including by way of withholding) resulting from the transfer or holding of reserved Plan Consideration, but the only source of payment therefore will be such Plan Consideration and any funds transferred to the Disputed DOF by holders of the Disputed Claims and/or Equity Interests.

2. Disputed Claims/Equity Interests Provisions With Respect To CVV Interests

The CVV Trustees will hold in reserve in the CVV DOF under the Plan (a) all CVV Interests which would otherwise be allocable under the Plan in respect of Disputed Claims and Equity Interests if such Claims or Equity

Interests were Allowed on the Effective Date and (b) all CVV Distributions which would otherwise be distributable under the Plan to the holders of such reserved CVV Interests.

To the extent a Disputed Claim or Equity Interest becomes Allowed in full or in part (in accordance with the procedures set forth in Article XI of the Plan), the CVV Trustees will distribute in respect of such newly Allowed Claim or Equity Interest on the next Subsequent Distribution Date after such allowance all (a) reserved CVV Interests to which such Claim or Equity Interest would have been entitled if such newly Allowed Claim or Equity Interest were fully or partially Allowed, as the case may be, on the Effective Date and (b) reserved CVV Distributions which would have been distributed in respect of such reserved CVV Interests if such Claim or Equity Interest were fully or partially Allowed, as the case may be, on the Effective Date provided that the CVV Trustees may direct the withholding of distributions of reserved CVV Interests until any tax or similar cost or expense associated with such CVV Interests accruing after the Effective Date is paid, any such tax or similar cost or expense may be paid by the beneficiary of the applicable CVV Interests or, if not, will be paid by the Contingent Value Vehicle from any reserved CVV Distributions for such CVV Interests.

To the extent a Disputed Claim or Equity Interest becomes Disallowed in whole or in part (in accordance with the procedures set forth in Article XI of the Plan), the CVV Trustees will cancel the CVV Interest(s) reserved on account of such Disputed Claim or Equity Interest to the extent of such Disallowance and distribute or reserve, as applicable, on the next Subsequent Distribution Date, to the holders of Allowed Claims or Equity Interests and the holders of Claims or Equity Interests that remain Disputed, if any, which are in the same Class as such Disallowed Claim or Equity Interest, their Pro Rata Share of all CVV Distributions reserved on account of such Disputed Claim or Equity Interest to the extent of such Disallowance.

F. DEEMED DISALLOWANCE

The Plan provides that any Claims not set forth in the Claims Register (except for Administrative Claims for which no proof of claim is required to be filed) and/or any Claims or Equity Interests held by any Rigas Persons will be deemed Disallowed under the Plan unless and until Allowed by Final Order of the Bankruptcy Court. The Claims Register includes (i) the schedules of assets and liabilities and statements of financial affairs of the Debtors filed with the Bankruptcy Court, (ii) all proofs of claim against or proofs of interest in a Debtor, which were filed in accordance with the Bar Date Notice or otherwise permitted by order of the Bankruptcy Court, (iii) all orders of the Bankruptcy Court, including the Confirmation Order (and the Plan confirmed thereby), determining the amount, allowance, disallowance, existence or validity of any claim against or interest in a Debtor, and (iv) without limiting the foregoing any claims subject to a motion pending on the Effective Date for permission to file a late proof of claim.

In addition, Claims (including Claims filed against any of the JV Debtors) filed by an Indenture Trustee for tort or other claims (other than claims for principal, interest, fees and expenses against the issuer(s) and guarantor(s) of the respective debt securities under the Indenture(s) under which the Indenture Trustee serves) will be deemed Disallowed.

Plan Consideration and CVV Interests in reserves for Disputed Claims and Equity Interests or otherwise designated for payment under the Plan are unavailable to pay unsecured, non-priority, non-governmental Claims that, as of the Effective Date, have not been reserved for as expressly required by the Plan or by the Effective Date and either for which no proof of claim was timely filed and served in accordance with the applicable Bar Date Notice or which were not timely scheduled by the Debtors as undisputed, non-contingent and liquidated; nor will Plan Consideration or CVV Interests distributed pursuant to the Plan be available for such purpose.

IF YOU HAVE NOT FILED A PROOF OF CLAIM TIMELY, ANY CLAIM YOU MAY HAVE IS TIME BARRED AND YOU ARE NOT ENTITLED TO RECEIVE A DISTRIBUTION UNDER THE PLAN ABSENT FURTHER RELIEF FROM THE BANKRUPTCY COURT. BECAUSE THE PLAN ADMINISTRATOR IS NOT REQUIRED TO CREATE RESERVES FOR ANY CLAIMS OR EQUITY INTERESTS UNLESS REFLECTED AS ALLOWED OR BEING SUBJECT TO POTENTIAL ALLOWANCE IN THE CLAIMS REGISTER, EVEN IF YOU ARE GRANTED LEAVE OF THE COURT TO FILE A PROOF OF CLAIM AND YOUR CLAIM IS ULTIMATELY ALLOWED BY THE BANKRUPTCY COURT, THERE MAY BE INSUFFICIENT FUNDS TO SATISFY YOUR CLAIM.

G. CONTINGENT VALUE VEHICLE

1. Establishment and Governance

As of the Effective Date, the Contingent Value Vehicle will be created at the expense of the Debtors as a liquidating trust and become effective pursuant to the CVV Declaration for the benefit of all holders of CVV Interests. The Contingent Value Vehicle will be dissolved upon the earlier of the distribution of all of its assets to holders of CVV Interests and the fifth anniversary of the creation of the Contingent Value Vehicle, provided that, if warranted by the facts and circumstances involved in resolving the Causes of Action, upon application to, and if approved by, the Bankruptcy Court upon a finding such extension is necessary for purposes of resolving such Causes of Action and distributing the proceeds to the holders of CVV Interests, the term of the Contingent Value Vehicle may be extended by the CVV Trustees for a specified, finite term, but each such extension must be approved by the Bankruptcy Court within 6 months of the beginning of each such extension.

The Contingent Value Vehicle will be administered by the CVV Trustees, which will consist of five trustees, who will be identified by the Creditors Committee at or before the Confirmation Hearing and appointed in accordance with the terms of the CVV Declaration.

In addition, on the Effective Date, the Debtors or the Plan Administrator, as applicable, will transfer the Litigation Prosecution Fund of $25 million to the Contingent Value Vehicle to fund the costs of prosecuting the Causes of Action transferred to the Contingent Value Vehicle pursuant to Section 9.2 of the Plan. Any additional amounts appropriate to fund the Contingent Value Vehicle or to prosecute its Causes of Action will be collected at the good faith discretion of the CVV Trustees from any proceeds received from prosecuting such Causes of Action. These amounts, and any amounts held pending distribution to the holders of CVV Interests will be the only amounts held in the Contingent Value Vehicle (whether in stocks, securities or readily marketable assets) and the Contingent Value Vehicle will not receive or retain cash or cash equivalents in excess of reasonable amounts: (i) to meet ongoing expenses, claims and contingent liabilities; or (ii) to maintain the value of assets during liquidation.

2. Assets of CVV; Contribution; Indemnity, etc.

On the Effective Date, subject to the immediately following paragraph and notwithstanding any limitation or prohibition on transfer contained in any contract, agreement or applicable non-bankruptcy law, title to the Causes of Action, including the Designated Litigation (subject to the Defensive Claims and the Estate Bank Defenses that have been or may be asserted or, but for such transfer, could have been asserted by any party to the Designated Litigation against or by, as applicable, any Debtor transferor), but excluding: (1) Causes of Action relating to liability for taxes to, or refunds of taxes from, a Governmental Authority, and (2) Causes of Action arising out of or relating to the Sales Transaction Documents, will be transferred to the Contingent Value Vehicle automatically without any further action on the part of any Person (which Contingent Value Vehicle will have the right to further assign such Designated Litigation). For the avoidance of doubt, the transfer of any Designated Litigation to the Contingent Value Vehicle will not affect negatively or enhance any Estate Bank Defenses or any Defensive Claim. The transfer of the Designated Litigation to the Contingent Value Vehicle will not abrogate rights, if any, of the Investment Banks to assert Claims or Causes of Action for defensive purposes, to the extent permitted under applicable law, or defenses, if any, of such Investment Banks in connection with the Designated Litigation.

The applicable Debtor Parties will retain the right (but will not have the obligation) to assert a claim or Cause of Action underlying the Designated Litigation for purposes of objections to Claims and setoff to payments otherwise due pursuant to the Plan. Such retained right as to setoff will not be exercised with respect to a Bank Lender in an Accepting Bank Class prior to a Final Order approving a judgment in, or settlement of, the Bank Lender Avoidance Complaint, and then only to the extent set forth in such Final Order.

The Bank Lender Avoidance Complaint may be amended by: (i) adding successors and assigns to the rights of holders of Bank Claims, to the extent it is alleged that such Claims are subject to the defenses and grounds for disallowance applicable to the Bank Claims and to the initial holders thereof, (ii) repleading the Bank Actions with further particularity or (iii) as otherwise permitted pursuant to applicable law, in each case subject to the limitations and conditions of the Plan and the provisions of the DIP Order, to the extent applicable; provided further, however that nothing in this section will limit, prejudice or impair any Person's right to assert any Defensive Claims, Estate Bank Defenses or Bank Third-Party Claims. For more information regarding the Bank Lender Avoidance Complaint and related litigation, see Section XIII.H.4 of the Disclosure Statement, titled "Creditors' Committee and Equity Committee Lawsuit Against Prepetition Banks."

Except as otherwise provided in the Plan, the Contingent Value Vehicle's rights to commence, prosecute or settle such Causes of Action will be preserved notwithstanding the occurrence of the Effective Date. No Person may rely on the absence of a specific reference in the Plan or the Disclosure Statement to any Cause of Action against them as any indication that the CVV Trustees will not pursue any and all available Causes of Action against them. Except to the extent any Cause of Action against a Person is expressly waived, relinquished, exculpated, released, compromised or settled in the Plan or a Final Order, the Debtors expressly reserve all Causes of Action, for later adjudication, and, therefore, no preclusion doctrine, including without limitation, the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable or otherwise) or laches, will apply to such Causes of Action upon or after the confirmation or consummation of the Plan.

The Equity Committee has asserted that the Bankruptcy Court has granted the Equity Committee standing to assert the estates' claims set forth in its intervenor complaint against numerous bank defendants (collectively, the "Equity Committee Claims"). As such, the Equity Committee asserts that neither the Debtors nor other parties-in-interest have the right to control that litigation. Further, the Equity Committee asserts that transferring the Equity Committee Claims to the Contingent Value Vehicle violates the Equity Committee's right to prosecute such claims. The Debtors and the Creditors Committee disagree with these assertions, which will be decided at the Confirmation Hearing if pressed by the Equity Committee.

3. Defenses to Designated Litigation; Bank Defensive Claims

Defensive Claims will be fully preserved and may be asserted in response to the Bank Actions; provided, however, such Defensive Claims may be asserted (i) solely for purposes of limiting, reducing, offsetting or defeating the liability of such defendant to any Debtor Party, (ii) will not be entitled to any affirmative recovery, and (iii) will remain subject to any Estate Bank Defenses. All Bank Third Party Claims will also be fully preserved.

"Defensive Claims" are, collectively, (a) any and all defenses (including, without limitation, judgment reduction, laches or *pari delicto*) of any defendant that may be asserted against any Debtor Party in response to or in connection with the Bank Actions and (b) any Claims or Causes of Action in favor of any defendant (whether or not Allowed or Disallowed under the Plan) against any Debtor Party in response to or in connection with the Bank Actions, including, without limitation, Claims or Causes of Action: (i) for breach of contract, fraud, fraudulent inducement, fraudulent misrepresentation and negligent misrepresentation arising out of or relating to any Prepetition Credit Agreement; (ii) for indemnification for and reimbursement of all Claims, causes of action, losses, costs, liabilities, damages and expenses incurred in connection with actions arising out of or relating to any Prepetition Credit Agreement; (iii) for respondeat superior or vicarious liability arising out of the acts or omissions of the Rigases or any other officer, director, employee or agent of any Debtor Party; (iv) for contribution; or (v) arising under Section 502(h) of the Bankruptcy Code; provided, however, that Defensive Claims (x) will not (except as otherwise expressly provided in the Plan with respect to Bank Claims for principal and interest, Bank Fee Claims, Bank Lender Post-Effective Date Fee Claims and any other Claim of a defendant that is expressly entitled to a distribution under the Plan) provide a right to an affirmative recovery against the Debtors or the Contingent Value Vehicle, (y) will not include any claim for Grid Interest or default interest or any Claim Disallowed by order of the Bankruptcy Court or other court of competent jurisdiction (except to the extent that any such Disallowed Claim is both disallowed on the basis of being time-barred (or similar basis) and notwithstanding such disallowance is

permitted by operation of law to be used defensively to reduce any liability), and (z) will be subject to any Estate Bank Defenses.

"Estate Bank Defenses" are any and all defenses or grounds for disallowance or subordination, to the Defensive Claims or otherwise, that may be asserted at any time, whether in connection with the Designated Litigation or as an objection to Claims, by or on behalf of a Debtor Party, including, without limitation (a) Section 502(e) of the Bankruptcy Code; or (b) the defense that a Defensive Claim was waived by the DIP Order; provided, however, Estate Bank Defenses will not include, with respect to an assertion by a holder of a Bank Claim of a right of setoff or recoupment, any defense that (i) a Debtor Party for purposes of prosecuting the Designated Litigation is a separate entity from any of its predecessors-in-interest, or (ii) the Claim of the holder of a Bank Claim arose prior to the Commencement Date and the Claim asserted by the Debtor Party arose on or after the Commencement Date or *vice versa*.

4. Privileges

In connection with the transfer of all of the Debtors' Causes of Action to the Contingent Value Vehicle, any Privilege will be transferred to the Contingent Value Vehicle and will vest in the CVV Trustees and its representatives, and the Debtors, the Plan Administrator and the CVV Trustees are authorized to take all necessary actions to effectuate the transfer of such Privileges.

5. Limitation on Contribution and Indemnity Claims

If any defendant in a Designated Litigation (a "Primary Defendant") obtains a judgment or award against any Person other than a Bank Obligor Debtor Party (a "Third-Party") in the Designated Litigation (including, but not limited to, through a cross claim against another defendant in the Designated Litigation or a claim against an impleaded party other than a Bank Obligor Debtor Party), or in a separate action, for contribution (and in the case of a holder of a Bank Claim, indemnity under the applicable Prepetition Credit Agreement), or other similar relief arising out of a claim asserted against such Primary Defendant in the applicable Designated Litigation (a "Third-Party Claim"), such judgment or award will be reduced by the amount of such indemnity, contribution or other similar payment for which such Third-Party would have been entitled to recover or obtain judgment from any Bank Obligor Debtor Party, but for the provisions of the Plan, if and to the extent the Presiding Court determines by Final Order that had the Third-Party asserted such a claim for indemnity, contribution or other similar payment, such party would have been entitled to a judgment against a Bank Obligor Debtor Party but for the provisions of the Plan (a "Third-Party Reduction"). In the case of a Third-Party Reduction, any judgment or award (but not a settlement) obtained by the Bank Obligor Debtor Party against the Primary Defendant (a "Judgment") will be likewise reduced dollar for dollar by the amount of the Third-Party Reduction. If any Third-Party seeks a Third-Party Reduction, such party will obtain a Final Order approving the Third-Party Reduction from the court presiding over the action in which the Designated Litigation against the Primary Defendant is pending (the "Presiding Court"), on notice to the applicable Bank Obligor Debtor Party and the CVV and Plan Administrator and after the applicable Bank Obligor Debtor Party and the CVV and Plan Administrator will have had an opportunity to be heard by the Presiding Court on such issues, including the right to demonstrate that the Primary Defendant lacks a right of indemnification, contribution or similar relief against the Third-Party, or that the Third-Party lacks such rights against the Bank Obligor Debtor Party (either of which will defeat a Third-Party Reduction). The Confirmation Order will provide that a Third-Party will be entitled to assert Section 9.2(d) of the Plan and the corresponding provisions of the Confirmation Order as a defense to any Third-Party Claim and will be entitled to have the Presiding Court issue such orders as are necessary to effectuate the Third-Party Reduction. No Person will be permitted to implead or otherwise make any Debtor Party party to the Designated Litigation; provided, however, that the Debtors will remain subject to discovery to the same extent as the plaintiffs in the Designated Litigation.

6. Net Judgment

Notwithstanding anything contained in the Plan to the contrary, if a defendant in a litigation brought by a Debtor Party (i) is required by a Final Order to make payment to the Debtor Party (the "Judgment Amount"), and (ii) is permitted by a Final Order to reduce the Judgment Amount on account of, or is otherwise granted judgment on, a Defensive Claim (the amount of such reduction so permitted or judgment granted being the "Reduction Amount") such defendant will be obligated to pay only the excess, if any, of the amount of the Judgment Amount over the

Reduction Amount. Except as set forth in the preceding sentence, no Person will be entitled to assert a Claim against any Debtor Party, the Reorganized Debtors or any Transferred Joint Venture Entity with respect to the Reduction Amount. For the avoidance of doubt, to the extent any portion of a Reduction Amount includes amounts that would otherwise be payable under the Plan on account of a Bank Claim and the holder of a Bank Claim elects to reduce the Judgment Amount thereby, the distributions to be made to the respective holder of a Bank Claim pursuant to Section 5.2(c) of the Plan will be reduced by such amount as applicable.

7. Tax Treatment of Transfers

The transfer of the Litigation Prosecution Fund, the Causes of Action and any and all other property transferred to the Contingent Value Vehicle will be treated for all purposes of the Internal Revenue Code of 1986, as amended, *e.g.*, Sections 61(a)(12), 483, 1001, 1012 and 1274, as a deemed transfer first to the holders of Claims and Equity Interests receiving interests in the Contingent Value Vehicle (in proportion to the fair market value of the CVV Interests received by each) in exchange for the Claims held by each that are to be satisfied by the CVV Interests. This will be followed by a deemed transfer by each such holder of Claims and Equity Interests to the Contingent Value Vehicle. In the case of the CVV Interests reserved for holders of Disputed Claims and Equity Interests, those CVV Interests will be deemed transferred to a reserve for such holders of Disputed Claims, and the CVV Trustees will make an election pursuant to U.S. Treasury Regulations Section 1.468B-9(c) to treat such reserve as "disputed ownership fund" (the "CVV DOF"). The CVV DOF and not the holders of Disputed Claims and Equity Interests will be treated as the owner of the CVV Interests reserved for Disputed Claims. The CVV DOF will be treated for United States federal income tax purposes as a taxable entity separate from the holders of Disputed Claims. The CVV DOF will be responsible for the payment of any taxes (including by way of withholding) resulting from the transfer or holding of CVV Interests, but the only source of payment therefor will be the allocable proceeds of such CVV Interests and any funds transferred to the CVV DOF by holders of the Disputed Claims and Equity Interests, if any.

The holders of CVV Interests will be treated as the grantors of the trust that comprises the Contingent Value Vehicle and the CVV Trustees will file tax returns for the Contingent Value Vehicle as a "grantor trust" pursuant to Section 1.671-4(a) of the U.S. Treasury Regulations. Items of income, gain, loss, expense and other tax items will be allocated to those holders of CVV Interests that would be entitled to receive such items if they constituted cash distributions or reductions therefrom and such holders of CVV Interests will be responsible for the payment of taxes on a current basis that result from such allocations.

Items of income, gain, loss, expense and other tax items will be allocated to those holders of CVV Interests that would be entitled to receive such items if they constituted Cash distributions or reductions therefrom, and such holders of CVV Interests will be responsible for the payment of taxes on a current basis that result from such allocations.

The Contingent Value Vehicle Trustees will be responsible for filing all federal, state and local tax returns for the Contingent Value Vehicle and will provide tax returns and information reports to the holders of CVV Interests to the extent required by applicable law.

8. Transferability

The confirmation of the Plan will constitute a finding that the Contingent Value Vehicle is a successor of a Debtor for the purposes of section 1145 of the Bankruptcy Code and that the CVV Interests are not notes, bonds, debentures or evidences of indebtedness for purposes of the Trust Indenture Act of 1939. If the Plan is confirmed and becomes effective, the CVV Interests will be exempt from any securities law registration requirements and any other applicable non-bankruptcy law or regulation and transferable without registration to the extent provided by section 1145 of the Bankruptcy Code. See Section IX of this Second Disclosure Statement Supplement, titled "Securities Laws Matters," for important information regarding the transferability of CVV Interests.

9. Nature of CVV Interests

The CVV Interests issued pursuant to the Plan will be in the nature of equity interests, and not in the nature of notes, bonds, debentures or evidences of indebtedness. As such, all of the CVV Interests will be junior in right of payment to all liabilities and obligations of the Contingent Value Vehicle and payments with respect to CVV

Interests will be contingent upon recoveries (if any) in the Causes of Action transferred to the Contingent Value Vehicle pursuant to Section 9.2 of the Plan.

10. Distribution of CVV Proceeds

All CVV Distributions will be net of any professionals fees, costs or expenses (including, without limitation, any taxes) incurred or reserved by the CVV Trustees in connection with administering, litigating or otherwise resolving the Causes of Action. Subject to Section 5.2(c)(iv) of the Plan, the CVV Interests will entitle holders to CVV Distributions (net of the foregoing amounts) in accordance with the following order of priority:

CVV Series RF Interests. Subject to Section 8.5(b) of the Plan, fifty percent of the proceeds of all Designated Litigation, less the cost of prosecuting the Designated Litigation (but without deducting any amounts required to indemnify the defendants in such litigation or to fund the FrontierVision Litigation Fund or the Co-Borrowing Bank Litigation Fund) will be distributed to the Restitution Fund in its capacity as holder of the CVV Series RF Interests until the Restitution Fund has received $115,000,000.00.

Other CVV Interests. After giving effect to the distribution in respect of the Restitution Fund in its capacity as holder of the CVV Series RF Interests, holders of CVV Interests other than CVV Series RF Interests will be entitled to receive CVV Distributions (if any) as provided in Sections 5.1 and 5.2 of the Plan.

11. Powers and Duties of the CVV Trustees

Subject to the terms and provisions of the CVV Declaration, the CVV Trustees will have the duty and authority to take all actions, including, but not limited to, the retention of professionals and the appointment of officers or other agents, deemed by the CVV Trustees to be necessary or appropriate (i) to protect, maintain, liquidate to Cash, and maximize the value of the transferred Causes of Action, whether by litigation, settlement or otherwise, and (ii) to prepare and make available to the holders of CVV Interests periodic reports regarding the results of the Contingent Value Vehicle's operations and (iii) to use their reasonable best efforts to have the CVV Interests listed on a national securities exchange or an over-the-counter market, provided, however, by acceptance of their appointment as CVV Trustees, the CVV Trustees will be deemed to acknowledge and agree that due to the nature of the Contingent Value Vehicle and the CVV Interests and the number of holders of record thereof, the Contingent Value Vehicle may be required to register as a reporting company under Section 12(g) of the Exchange Act prior to 120 days after the end of its first fiscal year, as a result of which the Contingent Value Vehicle will be required to file periodic reports with the SEC, including financial statements audited in accordance with GAAP and such reports and audited financial statements will be made available to the holders of CVV Interests.

Except as otherwise provided in the Plan, to the extent permitted by applicable law, the CVV Trustees, together with their officers, directors, employees, agents, and representatives, are exculpated by all Persons, holders of Claims and Equity Interests, and parties in interest, from any and all Causes of Action, arising out of the discharge of the powers and duties conferred upon the CVV Trustees by the CVV Declaration, the Plan, any Final Order of the Bankruptcy Court entered pursuant to or in the furtherance of the Plan, or applicable law. No holder of a Claim or an Equity Interest, or representative thereof, will have or pursue any claim or Cause of Action against the CVV Trustees or their officers, directors, employees, agents, and representatives for making payments in accordance with the CVV Declaration, or for liquidating assets to make payments under the CVV Declaration, except for gross negligence or willful misconduct.

The CVV Trustees will cause valuations of the property transferred to and held by the Contingent Value Vehicle to be made, and such valuation will be required to be used by the Contingent Value Vehicle and by the holders of CVV Interests for all United States federal income tax purposes.

The investment powers of the CVV Trustees will be limited to those that are reasonably necessary to maintain the value of the assets held by the Contingent Value Vehicle and to further the purposes of resolving the Causes of Action and distributing the proceeds to the holders of CVV Interests, but otherwise such powers of investment will be limited to demand and time deposits, such as short term certificate of deposits in banks or other savings institutions or "Government Securities" within the meaning of Section 3(a)(1)(C) of the Investment Company Act of 1940.

The Contingent Value Vehicle is required to distribute at least annually to the holders of CVV Interests its net income and all net proceeds from the sale or other disposition of assets held by the Contingent Value Vehicle, other

than an amount of net income or proceeds reasonably necessary to maintain the value of the assets held by it or to meet claims and contingent liabilities.

The primary purpose of the Contingent Value Vehicle is to resolve the Causes of Action in order to liquidate the assets transferred to the Contingent Value Vehicle, with no objective to continue or engage in the conduct of a trade or business, except to the extent reasonably necessary to, and consistent with, the liquidating purpose of the Contingent Value Vehicle. The CVV Trustees will make continual efforts to resolve the Causes of Action, to dispose of other assets of the Contingent Value Vehicle, to make timely distributions and not to prolong unduly the duration of the Contingent Value Vehicle.

H. GENERAL PROVISIONS RE: DISTRIBUTIONS OF PLAN CONSIDERATION

1. Determination of Identified Sources and Available Cash

As an initial step in implementing the Plan, the Proponents and the Plan Administrator will determine the amount of funds available from Identified Sources and Available Cash that can be used for distributions on the Effective Date.

"Identified Sources" under the Plan consists of each of the following:

- (w) the amount, if any, by which the initial funding of reserves to satisfy estimated non-Sale Transaction related contingent tax liabilities, if any, is less than $511 million, and (x) any such amounts reserved in subclause (w) up to $511 million and subsequently released other than to satisfy non-Sale Transaction contingent tax liabilities;

- the amount, if any, by which the Litigation Prosecution Fund has been initially funded with less than $50 million, provided, that Identified Sources will not be increased to the extent the Litigation Prosecution Fund is initially funded in an amount less than $25 million;

- (y) the amount, if any, by which the initial funding of Reserved Cash (inclusive of amounts reserved under the JV Plan) is less than $100 million, and (z) any such amounts reserved in subclause (y) and subsequently released other than to satisfy costs of administering the Plan;

- the amount, if any, equal to the reduction below $704 million in the amount of tax attributable to the gain on the Sale Transactions other than reductions in such tax up to $212 million resulting from the use of state net operating losses; and

- Plan Consideration with a Deemed Value equal to the amount, if any, which, by the Initial Distribution Date, is distributed to, or reserved for, or designated for, or after the Initial Distribution Date, is distributed to, or reserved for, holders of Claims in the ACC Senior Notes Claims Class on account of their ACC Senior Notes Claims as a result of the Government Settlement whether directly from the United States or indirectly through the Plan; provided, however, that for the purposes of satisfying the Arahova Initial Advance Right, the amount of Identified Sources pursuant to this clause will be limited to the amount of Plan Consideration redistributed to the Arahova Notes Claim Class pursuant to Section 5.2(f) of the Plan.

Available Cash under the Plan is the aggregate amount of the Debtors' cash as of the Effective Date (including any Cash available from Identified Sources as of the Effective Date), *less* the amount of

- Cash necessary to satisfy United States Trustee fees, Administrative Claims, Fee Claims, Settlement Party Fee Claims, Trustee Fee Claims, Bank Claims, Tax Claims, Priority Claims or Secured Claims against the Debtors, including Disputed Claims of the foregoing,

- the Reserved Cash to be held by the Plan Administrator in reserve and used in connection with the payment of costs of administering the Plan (including the filing and refiling of tax returns and other administrative costs and expenses), the Prepetition Tax Reserve and the Postpetition Tax Reserve,

- the Litigation Prosecution Fund,
- the Co-Borrowing Bank Litigation Fund and the FrontierVision Litigation Fund,
- distributions pursuant to Section 10.6(b) of the Plan, and
- amounts necessary, if any, to fund the True-Up Holdback (as described below).

2. Allocation of Plan Consideration

Except as otherwise allocated or reserved under the Plan (including any allocation on account of or reservation for the payment of Bank Claims under section 5.2(c) of the Plan), all Available Cash on the Effective Date will be allocated pro rata to the Subsidiary Debtor Trade Claims Class, the Subsidiary Debtor Other Unsecured Claims Class and each of the Subsidiary Notes Claims Classes based on the Allowed Claims plus Case Contract Interest or Case 8% Interest, as the case may be, and reserves for Disputed Claims plus Case Contract Interest or Case 8% Interest, as the case may be, in each such Class and the remainder of the distributions to be made in Plan Consideration to the holders of Allowed Claims against the Subsidiary Debtors will be made in TWC Class A Common Stock, provided, however, the Plan Administrator may fund the Disputed Reserves with Cash in lieu of TWC Class A Common Stock to the extent necessary to cause the distributions under the Plan on the Effective Date to constitute a Termination Event.

3. True-up Mechanism For TWC Class A Common Stock

The Plan contemplates the creation of a true-up reserve on the Effective Date consisting of TWC Class A Common Stock (or Cash to the extent there is not sufficient stock available) that is intended, subject to certain limitations, to be sufficient to permit the upward or downward adjustment of the total number of shares received by creditors of the Subsidiary Debtors based upon a Market Value of the TWC Class A Common Stock that is up to twenty percent higher or lower than the Deemed Value used for initial Distributions under the Plan. The True-Up Holdback will be funded on the Effective Date by withholding amounts otherwise payable in respect of initial Effective Date distributions as follows:

- an amount of TWC Class A Common Stock will be withheld pro rata from Initial Distributions to or reserved for holders of Claims against the Subsidiary Debtors, equal to sixteen and seven-tenths percent (16.7%), of the total number of shares of TWC Class A Common Stock that such holders or reserves otherwise would have been entitled to receive absent any provision for a True-Up (the "Hypothetical Subsidiary Creditor Stock Distribution"), and
- an amount of TWC Class A Common Stock will be withheld pro rata from Initial Distributions to or reserved for holders of Claims against the ACC Debtors, equal to twenty-five percent (25%), of the Hypothetical Subsidiary Creditor Stock Distribution.

The True-Up Holdback will be held in reserve for a sixty day Test Period commencing on the first business day that is sixty days after the Effective Date to allow for determination of the Market Price of the TWC Class A Common Stock.

Upon expiration of the Test Period, all shares in the True-Up Holdback will be released and distributed so that each holder of a Claim against a Subsidiary Debtor that was subject to the True-Up Holdback will receive (or have reserved for) in respect of such Claim, through the aggregate of both the Initial Distributions and the release and distribution from the True-Up Holdback, a number of shares of TWC Class A Common Stock which together have a value equal to the collective Deemed Value as of the Initial Distribution Date of that number of shares which would have been distributed or reserved for such holder from the Hypothetical Subsidiary Creditor Stock Distribution. The value used for calculating the amount of such releases will be the volume weighted average trading price per share of TWC Class A Common Stock during the Test Period. Distributions from the True-Up Holdback will be subject to a collar mechanism, so that after the Initial Distributions and the distribution and release under the Plan from the True-Up Holdback, the number of shares distributed to, or reserved for, a holder of a Claim against a Subsidiary Debtor cannot be less than 83.3% or more than 125.0%, of the number of shares which would have been distributed to, or reserved for, such holder in the Hypothetical Subsidiary Stock Distribution. The collar will be applied to each

holder of a Claim against a Subsidiary Debtor for which a distribution was to be made or an amount reserved pro rata based on the amount that was to be so distributed or reserved for such holder through the Initial Distributions. For the avoidance of doubt, no holder of an Allowed Claim will be required to return any share of TWC Class A Common Stock or other Plan Consideration once distributed, nor will there be removed from any reserve for Disputed Claims, on account of the True-Up, any shares of TWC Class A Common Stock or other Plan Consideration.

Notwithstanding the foregoing, if funding of the True-Up Holdback as set forth above would prevent the Plan Administrator from distributing sufficient shares of TWC Class A Common Stock to cause a Termination Event to occur under the Registration Rights Agreement in connection with the Initial Distributions, then

- the number of shares withheld by the Plan Administrator to fund the True-Up Holdback will be limited to the maximum number of shares of TWC Class A Common Stock that leaves sufficient shares of TWC Class A Common Stock to distribute through the Initial Distributions to cause a Termination Event in connection therewith;

- in lieu of depositing such shares in the True-Up Holdback, the balance of the True-Up Holdback instead will be funded with Cash, as determined in good faith by the Plan Administrator to be sufficient to enable the distributions to be made or reserved as set forth under the True-Up Mechanism; and

- if Cash is deposited in the True-Up Holdback in lieu of shares, any entitlement to shares may be paid (or reserved) in Cash at the Deemed Value of such shares determined upon the determination of the volume weighted average trading price per share of TWC Class A Common Stock during the Test Period and such entitlement will be satisfied with Cash distributed to or reserved for the holders of Claims against Subsidiary Debtors pro rata prior to use of any such remaining Cash for holders of Claims against ACC Debtors.

Any TWC Class A Common Stock and/or Cash, which is withheld in the True-Up Holdback but is not released following the expiration of the Test Period and is neither distributed to holders of Allowed Claims against Subsidiary Debtors nor reserved on account of Disputed Claims against Subsidiary Debtors, will be released and distributed to the holders of Allowed Claims against ACC Debtors or reserved on account of Disputed Claims against the ACC Debtors in accordance with the treatment otherwise provided in the Plan.

I. DISTRIBUTIONS UNDER THE PLAN

The Plan Administrator will make all Plan Distributions and the Contingent Value Vehicle will distribute CVV Interests and make CVV Distributions, in each case free and clear of all liens, claims and encumbrances other than Charging Liens. For United States federal income tax purposes, (i) a Plan Distribution and (ii) the deemed transfer of the Litigation Prosecution Fund, Causes of Action and other property transferred to recipients of CVV Interests under Section 9.2(f) of the Plan, will be allocated first to the principal amount of a Claim and then, to the extent the sum of the amounts described in the foregoing clauses (i) and (ii) exceeds the principal amount of the Claim, to the portion of the Claim representing accrued but unpaid interest. The Plan further provides that without limiting Section 16.14 of the Plan, the holders of each Allowed Claim or Equity Interest receiving a Plan Distribution or CVV Distribution will be responsible for the payment of taxes that result from such distributions.

Distributions for the benefit of the holders of the Allowed Claims in the ACC Senior Notes Claims Class, ACC Subordinated Notes Claims Class, Arahova Notes Claims Class, FrontierVision Holdco Notes Claims Class, FrontierVision Opco Notes Claims Class, FPL Note Claims Class and the Olympus Notes Claims Class will be made to (a) the Indenture Trustee (or, in the case of the FPL Note Claims Class, to the FPL Agent) with respect to the notes or debentures underlying such Claims or (b) with the prior written consent of the Indenture Trustee (or, in the case of the FPL Note Claims Class, of the FPL Agent) for the notes or debentures underlying such Claims, through the facilities of DTC for the benefit of the holders of such Claims, (c) with respect to distributions of CVV Interests, by the Contingent Value Vehicle to the parties entitled thereto pursuant to the Plan unless the CVV Interests are transferable and DTC-eligible, in which case they will be distributed as directed in clause (a) or (b) of this sentence, provided, however, the Indenture Trustees (or, in the case of the FPL Note Claims Class, the FPL Agent) have been provided with Evidence of Transferability, or (d) with respect to distributions from the Contingent

Value Vehicle to holders of CVV Interests, by the Contingent Value Vehicle to holders of such CVV Interests. If a distribution with respect to a Claim in any Note Class is made to an Indenture Trustee (or, in the case of the FPL Note Claims Class, to the FPL Agent), such Indenture Trustee (or, in the case of the FPL Note Claims Class, the FPL Agent) will, in turn, promptly administer the distribution to the holders of Allowed Claims in such Class as of the Distribution Record Date in accordance with the Plan and the applicable Indenture or applicable document governing the appointment of the FPL Agent; provided, however, that nothing herein will be deemed to impair, waive, or enhance any rights of an Indenture Trustee (or, in the case of the FPL Note Claims Class, the FPL Agent) with respect to a Charging Lien (which for purposes of the Plan will include a similar Lien, if any, under the document governing the appointment of the FPL Agent); provided, however, that notwithstanding the preceding proviso, an Indenture Trustee will not have the right to utilize a Charging Lien or any other right of setoff against distributions made to or for the benefit of holders of Allowed Claims under the Plan for any Claim for indemnification for any liability, cost or expense that is unasserted or contingent as of the Effective Date. Under no circumstances will any Indenture Trustee be obligated to return or otherwise pay any funds or other property after it has distributed or applied the same. The Indenture Trustees will not be required to post any bond.

The Confirmation Order will contain provisions specifying the manner in which distributions are to be made by the Indenture Trustees in the event a request to disallow or subordinate a claim of a beneficial holder as referenced in Section 16.21 of the Plan is pending as of the third Business Day prior to the Initial Distribution Date or any Subsequent Distribution Date. On the third Business Day prior to the applicable Distribution Date, counsel for the Debtors or the Plan Administrator, as applicable, will provide written notice to counsel to the applicable Indenture Trustee as to whether any such request is then pending, upon which the applicable Indenture Trustee may conclusively rely.

As at the close of business on the Distribution Record Date, the Claims Register and stock transfer books will be closed, and there will be no further changes in the record holder of any Claim or Equity Interest. The Plan Administrator and any Person responsible for making distributions pursuant to the Plan (including the Indenture Trustees) will have no obligation to recognize any transfer of any Claim or Equity Interest occurring after the Distribution Record Date. The Plan Administrator and any Person responsible for making distributions pursuant to the Plan (including the Indenture Trustees) will instead be authorized and entitled to recognize and deal for all purposes under the Plan with only those record holders stated on the Claims Register (and as to distributions to be made by Indenture Trustees, from the applicable Indenture Trustee's registered holders list) as of the close of business on the Distribution Record Date, provided, however, that, notwithstanding anything otherwise to the contrary, the Plan Administrator and any Person responsible for making distributions pursuant to the Plan will be authorized, in their sole discretion, to effect any distribution under the Plan through the book-entry transfer facilities of The Depositary Trust Company pursuant to the procedures used for effecting distributions thereunder on the date of such distribution.

Under the Plan, the "Initial Distribution Date" will be the Effective Date, or the date as soon as reasonably practicable after the Effective Date for the making of initial distributions under the Plan (in the reasonable discretion of the Plan Administrator). Due to the Plan's Effective Date condition that an aggregate amount of not less than $1.08 billion (which will be increased to $1.13 billion if there is an ACC Senior Notes Claims Accepting Class) of Plan Distributions be made available for distribution to holders of the ACC Senior Notes Claims, ACC Trade Claims and the ACC Other Unsecured Claims on the Effective Date, it is likely that the Effective Date will be the Initial Distribution Date. Under the Plan, a "Subsequent Distribution Date" is a periodic date after the Initial Distribution Date, occurring no less than quarterly, for making distributions under the Plan (as determined in the reasonable discretion of the Plan Administrator). Prior to the Initial Distribution Date, the Proponents or the Plan Administrator, as the case may be, will file with the Bankruptcy Court and provide to counsel for each Indenture Trustee a notice (the "Distribution Date Notice") of the date which will be the Initial Distribution Date and reciting that the date set forth in such notice is the Distribution Record Date. The Indenture Trustees are authorized to provide to DTC the Distribution Date Notice and/or to advise DTC of the date set forth therein and that such date is the Distribution Record Date. Each Indenture Trustee and DTC may conclusively rely for all purposes on the date set forth in such Distribution Date Notice as the Distribution Record Date and will be completely protected, and will incur no liability to any person or entity, in doing so.

Section 7.6 of the Plan provides that a vote to accept the Plan by a holder of an ACC Senior Notes Claim, Arahova Notes Claim, FPL Note Claim, FrontierVision Holdco Notes Claim, FrontierVision Opco Notes Claim or Olympus Notes Claim whose Claim is in a Class subject to the Inter-Creditor Dispute, will be deemed an instruction and direction by such holder to the Indenture Trustee or the FPL Agent, as the case may be, under, and subject to

compliance with, the applicable Indenture or document governing the appointment of the FPL Agent to take all actions reasonably necessary to accept and effectuate the Global Settlement. As drafted, this provision is expressly limited and subject to the terms of the applicable Indenture or document governing the appointment of the FPL Agent, and does not and is not intended to override the requirements of section 1126 of the Bankruptcy Code or any other applicable law (including law relevant to the approval of compromises and settlements).

J. PLAN ADMINISTRATOR

Under the Plan, the Plan Administrator is assigned specific duties before the Effective Date. Once the Plan is confirmed by the Bankruptcy Court but prior to the Effective Date, the Plan Administrator will be charged with setting of all reserves under the Plan. Prior to such date, (a) the Plan Administrator will be independent of the Debtors and will report to the Creditors Committee with respect to the Plan Administrator's obligations under the Plan and (b) the board of directors of ACC will otherwise retain full control of the Debtors. After the Effective Date, the Plan Administrator will supplant the current board of directors of ACC, be responsible for administering all matters relating to the Plan (except for the prosecution of litigation by the Contingent Value Vehicle), and will serve, in addition to Plan Administrator, as a Governor of each Debtor (as defined below).

1. Appointment of the Plan Administrator; Qualifications

a) Appointment; Duties.

The Creditors Committee has designated Quest Turnaround Advisors, LLC as the candidate for the Person who initially will serve as the Plan Administrator, provided, however, that (x) the Creditors Committee will have the right at any time prior to the Effective Date to remove the Plan Administrator without cause, (y) the Plan Administrator will be subject to removal by the Bankruptcy Court for cause shown at any time, and (z) as of the Effective Date the CVV Trustees will have the right to remove the Plan Administrator in accordance with the Plan Documents. On or after the Confirmation Date but prior to the Effective Date, the Plan Administrator will assume all of its obligations, powers and authority under the Plan to (x) establish reserves as set forth in Section 13.2(b) of the Plan, and (y) exercise such other power and authority as is set forth in the Confirmation Order (collectively, the "Pre-Effective Date PA Duties"). On the Effective Date, the Plan Administrator will assume all of its other obligations, powers and authority under the Plan. The Plan Administrator to the extent reasonably requested by the CVV Trustees will also perform administrative functions for the Contingent Value Vehicle.

b) Qualifications; Plan Administrator Agreement.

The Plan Administrator will be a fiduciary of each of the Estates, and will have such qualifications and experience as are sufficient to enable the Plan Administrator to perform its obligations under the Plan and under the agreement to be entered into by the Plan Administrator and the Creditors Committee (the "Plan Administrator Agreement").

The Plan Administrator Agreement and the Confirmation Order will provide that: (A) the Plan Administrator (x) prior to the Effective Date, will be independent of the Debtors and will report to the Creditors Committee with respect to the Plan Administrator's obligations under the Plan; and (y) will be a fiduciary of each of the Estates; **(B) neither the Debtors nor their respective boards of directors, managements, employees and professionals will have any liability for any action taken or omitted to be taken by the Plan Administrator in performing the Pre-Effective Date PA Duties and all Persons are enjoined from pursuing any Claims against the foregoing pursuant to the Plan on account of any such action taken or omitted to be taken, and the Debtors, reorganized Debtors and the Contingent Value Vehicle will indemnify and hold harmless such directors, managers, employees and professionals against and advance the costs of defense in defending against any such liability (provided that neither the Plan Administrator nor the Contingent Value Vehicle will have any responsibility to reserve for such liabilities unless and until ordered by the Bankruptcy Court after the Initial Distribution Date)**; (C) any determinations made by the Plan Administrator with respect to the establishment of reserves under the Plan will not be binding on any party if the Effective Date fails to occur; and (D) if the Plan is withdrawn or otherwise abandoned prior to the occurrence of the Effective Date, the Plan Administrator position will thereafter be dissolved.

2. Powers and Duties

a) General Powers and Duties.

From and after the Effective Date, pursuant to the terms and provisions of the Plan, the Plan Administrator shall serve as a director and officer of each Debtor and will be empowered and directed to: (i) take all steps and execute all instruments and documents necessary to make Plan Distributions to holders of Allowed Claims and Equity Interests and to perform the duties assigned to the Plan Administrator under the Plan or the Plan Administrator Agreement; (ii) comply with the Plan and the obligations hereunder; (iii) employ, retain, or replace professionals to represent it with respect to its responsibilities; (iv) object to Claims as specified in Article XI, and prosecute such objections; (v) compromise and settle any issue or dispute regarding the amount, validity, priority, treatment, or Allowance of any Claim as provided in Article XI; (vi) make annual and other periodic reports regarding the status of distributions under the Plan to the holders of Allowed Claims that are outstanding at such time; such reports to be made available upon request to the holder of any Disputed Claim; (vii) subject to Section 13.2(b) of the Plan, establish or release reserves as provided in the Plan, as applicable; (viii) exercise such other powers as may be vested in the Plan Administrator pursuant to the Plan, the Plan Administrator Agreement or any other Plan Documents or order of the Bankruptcy Court or otherwise act on behalf of and for the Debtors from and after the Effective Date; (ix) manage and administer the TWC Class A Common Stock (other than the TWC Class A Common Stock held in the Transaction Escrows until such time, if any, as such stock is released to the reorganized Debtors in accordance with the terms of the Sale Transaction Documents) pending its distribution in accordance with the Plan; (x) cause the Distribution Trusts to assume all rights and obligations of the Debtors under the Sale Transaction Documents, take all actions required under the Sale Transaction Documents, and take all actions necessary or appropriate to enforce the Debtors' rights under the Sale Transaction Documents; (xi) take all actions, including on behalf of the Debtors and any other Person on whose behalf the Plan Administrator is empowered to act, to ensure that all reserves (excluding any LIF's) established hereunder are established in a form and manner to ensure that such consideration is distributed to the beneficiaries set forth in the Plan (including, if necessary, to grant security interests in favor of such beneficiaries in furtherance thereof); (xii) make all determinations on behalf of ACC under the Purchase Agreements including with respect to any purchase price adjustments pursuant to Section 2.8(f) of the Comcast Purchase Agreement or Section 2.6(f) of the TW Purchase Agreement, indemnification pursuant to Article VII of each Purchase Agreement, and granting any waivers or consents; (xiii) file applicable tax returns for any of the Debtors; (xiv) liquidate any of the Remaining Assets; and (xv) act as "Plan Administrator" under the JV Plan.

3. Establishment, Reduction and Tax Treatment of Reserves, Escrows, Funds and Holdbacks under the Plan.

On or after the Confirmation Date but prior to the Effective Date, the Plan Administrator will assume all of its obligations, powers and authority under the Plan to establish reserves of Plan Consideration for distributions with respect to Claims and Equity Interests entitled to distributions under the Plan. From and after the Effective Date, the Plan Administrator will be empowered and directed to: (a) compromise and settle any issue or dispute regarding the amount, validity, priority, treatment, or Allowance of any Claim as provided in Article XI; (b) subject to Section 13.2(b) of the Plan, establish or release reserves as provided in the Plan, as applicable; and (c) take all actions to ensure that all reserves established under the Plan are established in a form and manner to ensure that such consideration is distributed to the beneficiaries set forth in the Plan. The Plan Administrator will have the exclusive obligation and authority to establish or release any reserve of Cash or other property that the Plan Administrator determines, in its sole and reasonable discretion, is necessary to carry out the provisions of the Plan. In connection with any such determination made by the Plan Administrator, the Plan Administrator will act on an informed basis following a reasonable investigation and will rely on the information concerning Claims and Equity Interests contained in the Claims Register as of the date that such determination is made and any other information or court order as may be appropriate.

Nothing in the Plan precludes any of the Debtors, the Creditors Committee or the Plan Administrator from seeking an appropriate order of the Bankruptcy Court in connection with the establishment or release of reserves provided, however, that the release of any LIF's will be in accordance with Section 5.2(c)(iii)(B)(3) of the Plan. The Creditors Committee or the Plan Administrator will provide such notice as is required to the affected Banks should the Creditors Committee or the Plan Administrator seek to modify any reserve set aside for the benefit of the Banks.

On the Effective Date:

- the Debtors will transfer to the Plan Administrator all assets held in each of the reserves being held by Debtors, including reserves for Disputed Claims;

- the Court Supervised Fund and any reserves held by the Debtors will be transferred to the Plan Administrator, and the Plan Administrator will use such reserves and the Court Supervised Fund to establish reserves, escrows, holdbacks and funds required by the Plan (including reserves for Disputed Claims, the FrontierVision Litigation Fund, the Co-Borrowing Bank Litigation Fund and the reserve of disputed identity payments established under Section 10.17 of the Plan, and the reserve of de minimis distribution amounts);

- the Plan Administrator or the Debtors, as applicable, will fund the Cash Funded Reserves with cash and transfer such reserves to a Distribution Trust; and

- prior to December 31, 2006, subject to the rights of the Buyers under the Sale Transaction Documents, if any, ACC will irrevocably assign all of its rights and delegate all of its obligations with respect to the escrows established in connection with the Sale Transaction (the "Transaction Escrows") and the Debtors shall transfer all Remaining Assets other than Equity Interests in other Debtors and the Cash Funded Reserves to one or more Distribution Trusts of which the Plan Administrator will be the trustee.

On the Effective Date, the Plan Administrator will transfer the assets held in each of the FrontierVision Litigation Fund, the Co-Borrowing Bank Litigation Fund and the reserve of disputed identity payments established under Section 10.17 of the Plan, the reserve of de minimis distribution amounts established under Section 10.6 of the Plan and the True-Up Hold Back into a respective Distribution Trust, of which the Plan Administrator will be the trustee. The Plan Administrator will invest all Cash held in each Distribution Trust only in United States dollar denominated demand deposits with banks organized under the laws of the United States of America or any state thereof or the District of Columbia. The Plan Administrator will invest all Cash held in each Cash Funded Reserve only in United States dollar denominated demand deposits with banks organized under the laws of the United States of America or any state thereof or the District of Columbia.

4. Reserves and Distributions under JV Plan

On the Effective Date, the Distribution Companies under the JV Plan will turn over to the Plan Administrator all Cash and other property, net of all Allowed Claims against the JV Debtors and any relevant reserves, (including reserves for Disputed Claims under the JV Plan), held by the Distribution Companies under the JV Plan and JV Confirmation Order, and from and after the Effective Date the Plan Administrator will act in lieu of the Distribution Companies in implementing the JV Plan. The Plan Administrator will have the authority and obligation to establish and/or maintain, as the case may be, (i) such reserves as are necessary to make the payments and/or distributions required by the JV Plan and (ii) any reserve required under the Plan and will use the Court Supervised Fund for funding any distributions under the JV Plan and under the Plan and under the Plan. Cash and proceeds of such other property to the extent not required to be distributed under the JV Plan will be distributed to holders of Claims and Equity Interests under the Plan.

a) Voting of TWC Common Stock Held in Reserves or Holdbacks.

Pending distribution of TWC Class A Common Stock on account of Claims hereunder, the Plan Administrator will cause any such shares held in the reserves or holdbacks hereunder to be voted on all matters with respect to which a vote of the TWC Class A Common Stock is called on a pro rata basis in accordance with the result of the votes of all issued and outstanding shares of TWC Class A Common Stock other than those held by Time Warner and its affiliates.

5. Distributions

Pursuant to the terms and provisions of the Plan, the Plan Administrator will make the required Plan Distributions specified under the Plan, on the Initial Distribution Date or Subsequent Distribution Date, as the case may be, under the Plan except for such distributions to be made by the Contingent Value Vehicle.

6. Transaction Escrows

Subject to the rights of the Buyers under the Sale Transaction Documents, ACC will irrevocably assign all of its rights and delegate all of its obligations with respect to the Transaction Escrows to a Distribution Trust of which the Plan Administrator will be the trustee.

7. Tax Treatment and Consistent Reporting

For federal income tax purposes, to the extent permitted by applicable law, the Debtors and the Plan Administrator will treat the Disputed Reserve, Subsidiary Debtor Trade Disputed Claims Reserve, Subsidiary Debtor Other Unsecured Disputed Claim Reserve, Disputed Claim Reserves, Disputed Bank Reserve Fund, the reserve of disputed identity payments established pursuant to Section 10.17 of the Plan, the Transaction Escrows, the FrontierVision Litigation Fund, the Co-Borrowing Bank Litigation Fund and the reserve of disputed identity payments established pursuant to Section 10.17 of the Plan, the reserve of de minimis distribution amounts established pursuant to Section 10.6 of the Plan, the True-Up Hold Back and any other reserves, funds, holdbacks and escrows established in connection with the Plan for the benefit of holders of Claims and Equity Interests (other than the Cash Funded Reserves) as one or more disputed ownership funds described in the Treasury Regulations Section 1.468B-9. If such treatment is not available with respect to any such reserve, holdback, fund or escrow under applicable law in effect for a taxable period, then for federal income tax purposes the Debtors and the Plan Administrator will treat such reserve, fund, holdback or escrow in such period as one or more trusts subject to a separate entity tax. For federal income tax purposes, the Debtors and the Plan Administrator will treat the Cash and TWC Class A Common Stock transferred to such reserves, holdbacks, funds and escrows in connection with the Sale Transactions as received by the Debtors from TW NY or Comcast, as applicable, pursuant to the Sale Transactions and then transferred by the Debtors to such reserves, holdbacks, funds and escrows. To the extent permitted by applicable law, the Debtors and the Plan Administrator will treat the Cash transferred to the Cash Funded Reserves as owned by the Debtors for federal income tax purposes. The CVV Trustees and holders of Allowed Claims and Equity Interests (in their capacities as such) will report, for federal income tax purposes, consistently with the treatment of reserves, escrows, funds, and holdbacks set forth in this Section 13.2(h).

The Plan Administrator may distribute funds held in any reserve, holdback, fund or escrow established in connection with the Plan to pay any taxes imposed on or after the Effective Date on such entity holding any such reserve, holdback, fund or escrow or with respect to any assets held by such entity.

8. ACC Stock

On the Effective Date, reorganized ACC will issue a single share of stock to a Distribution Trust of which the Plan Administrator will be the trustee.

9. Management of Debtors Post-Effective Date

On the Effective Date, (a) the current directors or, in the case of a governing body created by a partnership agreement, limited liability company agreement or similar agreement, the members of such governing body (such persons and the corporate directors, collectively, the "Governors") of each Debtor will be deemed to have been removed (without the necessity of further action), and (b) to the fullest extent permitted by applicable law, the rights, powers, and duties of the Governors of each Debtor will vest in the Plan Administrator and the Plan Administrator or its designee shall be the presiding officer and the sole Governor of each applicable Debtor. The Plan Administrator will make all determinations with respect to employment of any other directors, officers, managers and employees of the Debtors on and after the Effective Date.

10. JV Plan Consideration and Court Supervised Fund

On the Effective Date, the Plan Administrator will have the authority to, and will, direct the Distribution Companies to turn over all Cash and other property, unless otherwise provided in the Plan, net of all Allowed Claims against the JV Debtors and any relevant reserves, including for "Disputed Claims" (as defined in the JV Plan), distributed to the Distribution Companies pursuant to the JV Plan and JV Confirmation Order to the Plan Administrator, which will act in lieu of the Distribution Companies in accordance with the JV Plan, and such Cash and proceeds of such other property to the extent not required to be distributed pursuant to the terms of the JV Plan will be distributed to holders of Claims and Equity Interests as provided under the Plan. The Plan Administrator will have the authority and obligation to establish and/or maintain, as the case may be, (i) such reserves as are necessary to make the payments and/or distributions required by the JV Plan and (ii) any reserve required under the Plan and will utilize the Court Supervised Fund for funding any distributions under the JV Plan and hereunder and thereunder.

K. SUMMARY OF OTHER PROVISIONS OF THE PLAN

1. Voting/Acceptance

A Class of Claims will have accepted the Plan if it is accepted by at least two-thirds (2/3) in amount and more than one-half (1/2) in number of the Allowed Claims in such Class that have voted on the Plan. A Class of Equity Interests will have accepted the Plan if it is accepted by holders of at least two-thirds (2/3) of the Equity Interests in such Class that actually vote on the Plan.

All votes on the Plan will be tabulated on a non-consolidated basis by Class and by Debtor for the purpose of determining whether the Plan satisfies sections 1129(a)(8) and/or (10) of the Bankruptcy Code. Notwithstanding the foregoing, the Proponents reserve the right to seek to substantively consolidate any two or more Debtors, provided that, such substantive consolidation does not materially and adversely impact the amount of the distributions to any Person under the Plan.

The Debtors and the Creditors Committee have requested that the Bankruptcy Court adopt a presumption that, if no holder of a Claim or Equity Interest eligible to vote in a particular Class timely votes to accept or reject the Plan, the Plan will be deemed accepted by the holders of such Claims or Equity Interests in such Class. Accordingly, if you do not wish such a presumption with respect to any Class for which you hold Claims or Equity Interests to become effective, you should timely submit a ballot accepting or rejecting the Plan for any such Class. Certain creditors (including the ACC Bondholder Group) intend to object to such presumption (which they believe is not valid), which objection, if pressed, will be decided in connection with the Bankruptcy Court's consideration of confirmation of the Plan. Any Class of Claims or Equity Interests that does not have a holder of an Allowed Claim or Equity Interest or a Claim or Equity Interest temporarily allowed by the Bankruptcy Court as of the date of the Confirmation Hearing will be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class pursuant to section 1129(a)(8) of the Bankruptcy Code, provided, however, with respect to the Bank Claims Classes, Bank Claims will be temporarily allowed in the principal amount thereof solely for the purposes of voting to accept or reject the Plan and for the purposes of determining acceptance or rejection of the Plan by such Class pursuant to section 1129(a)(8) of the Bankruptcy Code, provided, however, with respect to each Class of Bank Claims, Bank Claims will be temporarily allowed pursuant to Bankruptcy Rule 3018 in the principal amount thereof solely for the purposes of voting to accept or reject the Plan and for the purposes of determining acceptance or rejection of the Plan by such Class pursuant to section 1129(a)(8) of the Bankruptcy Code subject to further order of the Bankruptcy Court.

2. Cramdown

If all applicable requirements for confirmation of the Plan are met as set forth in section 1129(a)(1) through (13) of the Bankruptcy Code, except subsection (8) thereof, the Plan will be treated as a request by the Proponents that the Bankruptcy Court confirm the Plan in accordance with section 1129(b) of the Bankruptcy Code, notwithstanding the failure to satisfy the requirements of section 1129(a)(8), on the basis that the Plan is fair and equitable and does not discriminate unfairly with respect to each Class of Claims that is impaired under, and has not accepted, the Plan.

If a court of competent jurisdiction determines that the deeming of votes for purposes of treatment as provided in the definition of ACC Senior Notes Claims Accepting Class is unenforceable and, as a result thereof (and without regard to whether the holders of more than one-half in number of the Allowed Claims in Class ACC-3 actually voting in respect of the Plan voted to accept the Plan), Class ACC-3 is determined to have rejected the Plan, the Proponents may seek to confirm the Plan under the provisions of section 1129(b) of the Bankruptcy Code. In the event that the Proponents seek to cramdown the treatment of the ACC Senior Notes Claims Class pursuant to section 1129(b) of the Bankruptcy Code, and to provide the treatment to the Holders of ACC Senior Notes attributable to a non-accepting ACC Senior Notes Claims Class as set forth in Section 5.1 of the Plan, the Proponents will have the burden of proving that the facts described in subsections (i) and (ii) of the definition of ACC Senior Notes Claims Accepting Class did not occur. True, complete and correct ballots submitted by any applicable party, covering all ACC Senior Notes Claims owned, controlled or managed (directly or indirectly) by such party and not revoked or superseded by any other ballots, will be deemed presumptive proof of such party's voting of ACC Senior Notes Claims.

3. Effectuation of Compromise and Settlement

The treatment of Claims against and Equity Interests in the Debtors under the Plan represents, among other things, the settlement and compromise of the Inter-Creditor Dispute pursuant to the Global Settlement.

In connection with the proposal of the Plan, the Debtors and the Creditors Committee will seek approval of the Resolution Order from the Bankruptcy Court at the Confirmation Hearing. The Resolution Order will contain findings of fact and conclusions of law, as the case may be, resolving the Inter-Creditor Dispute and discontinuing such litigation with prejudice. The Debtors and the Creditors Committee will file a proposed form of Resolution Order with the Bankruptcy Court no later than five (5) days prior to the date by which objections to the Confirmation of the Plan are due; **provided that, without further notice to any party, the Debtors and the Creditors Committee will retain the right to amend the proposed form of Resolution Order, in their sole discretion, at any time prior to or during the Confirmation Hearing and to seek approval of the Resolution Order, as modified, at the Confirmation Hearing (provided that parties in interest will have an opportunity to object to any proposed amendments to the form of Resolution Order at the Confirmation Hearing).** All findings of fact and conclusions of law contained in the Resolution Order will be binding, for all purposes, on all Persons with respect to any and every Administrative Claim or Claim against or any Equity Interest in a Debtor or JV Debtor, including any Administrative Claim, Claim or Equity Interest that is derivative of an Intercompany Claim or intercompany relationship between and among the Debtors or JV Debtors.

The Plan Agreement, in the view of the parties thereto, was the product of an arm's length negotiation among sophisticated parties and their counsel, including the Initial ACC Settling Parties. Each Initial ACC Settling Party executed the Plan Agreement in its individual capacity, and not in a fiduciary capacity. As members of the Creditors Committee, such ACC Settling Parties also supported the Creditors Committee's decisions (a) to execute the Plan Agreement and (b) to co-propose the Plan. The ACC Bondholder Group has asserted that no party authorized to litigate ACC's claims in the Resolution Process has agreed to the settlement embodied in the Plan Agreement. Accordingly, the ACC Bondholder Group does not believe that the settlement is entitled to the deference accorded to a settlement by a non-conflicted trustee or debtor in possession who has evaluated the merits of the Inter-Creditor Dispute.

Entry of the Resolution Order will be deemed entry of a Final Order constituting an Inter-Creditor Dispute Resolution, as of the Effective Date, of all issues related to the Inter-Creditor Dispute. All issues related to the Inter-Creditor Dispute will be deemed fully settled and compromised, and all proceedings relating to the Inter-Creditor Dispute will be deemed dismissed with prejudice. On the Effective Date, all Persons will be barred and enjoined from initiating and will be deemed to have waived and released any Cause of Action, Administrative Claim or Claim to determine any issue which is the subject of the Inter-Creditor Dispute other than a Cause of Action to interpret the meaning of the Global Settlement or the Resolution Order provided however, the entry of the Resolution Order and the Inter-Creditor Dispute Resolution will not prejudice, diminish, affect or impair the Bank Actions, Bank Third Party Claims, Defensive Claims or Estate Bank Defenses.

The Confirmation Order will provide that, all Dismissed Bank Actions (if any) will, with respect to the Debtor Parties only, be dismissed with prejudice and without costs, and the Debtor Parties will be deemed to release the Bank Lenders with respect to the Dismissed Bank Actions, effective as of the Effective Date.

On or as soon as reasonably practicable after the Effective Date, to the extent not already implemented, the Plan Administrator and/or the applicable Debtor(s) will make all distributions and/or transfers contemplated under the Government Settlement Agreements; provided, however, that the Debtors will not use the fact that any distributions or transfers are made under the Plan as contemplated by the Government Settlement Agreements as a basis to argue that the appeal of the order approving the Government Settlement Agreements should be dismissed. The Settlement Parties will undertake steps to cause the United States Government to distribute the maximum amount of the Government Settlement for the account and benefit of holders of Claims in the ACC Senior Notes Claims Class on account of their ACC Senior Notes Claims; provided, however, that nothing in the Plan will be deemed to prohibit any party from seeking to obtain such distributions for the benefit of other ACC securities in which such party has an interest. The Plan will not alter any rights and obligations of any of the parties subject to the Government Settlement Agreements, including without limitation the rights of the United States of America to designate recipients of the Restitution Fund (as defined in the Government Settlement Agreements) and the obligations of the Debtors to make all distributions and/or transfers contemplated under the Government Settlement Agreements, as such rights and obligations are set forth in the Government Settlement Agreements. Similarly, the term Settlement Consideration, as defined in the Plan, provides that TWC Class A Common Stock with a "Deemed Value on the Effective Date of up to $400,000,000.00" will be deposited with the Restitution Fund on or as soon as reasonably practicable after the Effective Date. This definition, like the other terms of the Plan, is necessary for the Plan to comport with the terms and conditions of the Government Settlement Agreements.

4. Treatment of Executory Contracts and Unexpired Leases

On the Effective Date, all executory contracts and unexpired leases of the Debtors will be rejected pursuant to the provisions of section 365 of the Bankruptcy Code, except: (i) any executory contract or unexpired lease that is the subject of a separate motion to assume or assume and assign filed pursuant to section 365 of the Bankruptcy Code by the Debtors before the Effective Date; (ii) any executory contract or unexpired lease listed on Schedule 14.1 of the Plan Documents, which schedule the Proponents may amend any time prior to the Effective Date; and (iii) any executory contract or unexpired leases assumed or assumed and assigned by order of the Bankruptcy Court entered before the Effective Date.

Notwithstanding the preceding paragraph, after the Effective Date and in its sole discretion (subject to the rights of the Buyers under the Purchase Agreements), the Plan Administrator has the right to reject (i) any executory contract or unexpired lease that is the subject of a dispute over the amount or manner of cure pursuant to section 365 of the Bankruptcy Code and (ii) any agreement, obligation, security interest, transaction, lease or similar undertaking that the Bankruptcy Court later determines to be an executory contract or unexpired lease that is subject to assumption or rejection under section 365 of the Bankruptcy Code.

5. Conditions Precedent to Confirmation and Effectiveness of the Plan

a) Conditions Precedent to Confirmation.

The following are conditions precedent to confirmation of the Plan:

(a) The Bankruptcy Court will have entered an order or orders (i) approving the Disclosure Statement as containing "adequate information" pursuant to section 1125 of the Bankruptcy Code, (ii) authorizing the solicitation of votes with respect to the Plan, (iii) determining that all votes are binding and have been properly tabulated as acceptances or rejection of the Plan, (iv) confirming and giving effect to the terms and provisions of the Plan, (v) determining that all applicable tests, standards and burdens in connection with the Plan have been duly satisfied and met by the Proponents and the Plan, (vi) approving the Plan Documents, and (vii) authorizing the Debtors and Plan Administrators as applicable, to execute, enter into, and deliver the Plan Documents and to execute, implement, and to take all actions otherwise necessary or appropriate to give effect to, the transactions and transfer of Assets contemplated by the Plan and the Plan Documents;

(b) The Confirmation Order, the Plan Documents and the Plan are each in a form satisfactory to each of the Proponents and subject to the consent of the Settlement Parties (whose consent will not be unreasonably withheld); and

(c) The Confirmation Order or another order of the Bankruptcy Court will include determinations that all of the settlements and compromises contained in the Plan meet the applicable standards under section 1123(b)(3) and (6) of the Bankruptcy Code and Bankruptcy Rule 9019 for approval and implementation.

b) Conditions Precedent to Effectiveness of the Plan.

The following are conditions precedent to the occurrence of the Effective Date:

(a) Each of the Confirmation Order and the Resolution Order (if different than the Confirmation Order) will have been entered by the Bankruptcy Court, will be in full force and effect and not be subject to any stay or injunction;

(b) The Confirmation Order will provide that the issuance and distribution of the CVV Interests are exempt from any securities law registration requirements under section 1145 of the Bankruptcy Code and the Disclosure Statement Order will provide that such CVV Interests are not notes, bonds, debentures or evidences of indebtedness for purposes of the Trust Indenture Act of 1939 (the "Securities Law Exemptions");

(c) The Effective Date will occur by December 22, 2006 (the "Termination Date"); and

(d) The Plan Administrator, as of the Effective Date or immediately thereafter, will be in a position to distribute to the holders of Claims against the ACC Debtors the ACC Effective Date Settlement Distribution of at least $1.08 billion (or if there is an ACC Senior Notes Claims Accepting Class, $1.13 billion), comprised of (i) the Initial ACC Settlement Consideration, the Arahova Initial Advance, the Arahova Additional Settlement Give Up and, if applicable, the Additional Incremental ACC Settlement Consideration, and (ii) proceeds from Identified Sources (in excess of amounts necessary to satisfy the Arahova Initial Advance Rights) and Third Party Give Ups, provided that the amounts specified in clause (ii) will be, in the aggregate, at least $270 million (such condition, the "ACC Minimum Effective Date Distribution").

The Plan provides that it must be consummated by December 22, 2006 because, among other reasons, (a) that is what the Settlement Parties agreed to in the Plan Agreement (as amended by the Plan), and (b) the continued accrual of interest owed to certain parties makes it increasingly costly to consummate the Plan after that date. In addition, as time elapses in the Debtors' Chapter 11 Cases, the potential for the Debtors incurring material costs related to an initial public offering of the TWC Class A Common Stock increases. In this regard, the Purchase Agreements compel the Debtors to pursue one of two courses of action. Under the first alternative (the "Plan Requirement"), the Debtors must confirm a plan of reorganization prior to the IPO Deadline (defined below) and distribute at least 75% of the TWC Class A Common Stock to constituents as long as the stock is then listed on the NYSE or NASDAQ (if such a listing was not obtained, then the threshold is 90%). The Plan, if timely confirmed and if Time Warner Cable is able to obtain the requisite listing, will satisfy the Plan Requirement. Alternatively, if the Plan Requirement is not met, the Debtors are required, within three months of the relevant Time Warner registration statement being declared effective by the SEC (such date, subject to certain extensions, the "IPO Deadline"), to sell at least 33⅓% of TWC Class A Common Stock in an underwritten public offering. In such an offering, Time Warner would pay all "registration expenses," but the Debtors would have to bear the applicable brokers' commission and/or underwriting fees, which the Debtors believe could range from $140 million to upwards of $750 million. (The actual cost would depend on: (a) the IPO Discount (which could range from 5% to 10% of the value of the stock issued); (b) the underwriter fees (which could range from 3.5% to 5.5% of the value of the IPO); and (c) the amount of stock included in the IPO (which could range from the minimum 33⅓% required under the Purchase Agreements up to a full 100% of the stock that the Debtors received under the Sale Transaction)). In addition, the remaining TWC Class A Common Stock not subject to the IPO (i.e., the remaining 66⅔%) will be the subject of a customary 180-day lock-up period following the IPO. Time Warner is not obligated to wait to see if the Debtors will comply with the Plan Requirement. Instead, the Debtors understand that Time Warner is currently in the process of preparing for its IPO. The Debtors also understand that Time Warner intends to proceed diligently with all of the steps necessary to effectuate an IPO as soon as is practicable. Toward that end, certain of the preliminary steps have already been initiated by Time Warner in September and it is conceivable that an IPO could occur as soon as year end (if the Plan Requirement is not otherwise satisfied by that time). For that reason, in order

to avoid having to pay significant underwriting and other expenses, the Debtors and the Creditors Committee believe it is imperative to proceed expeditiously with solicitation and confirmation of the Plan.

c) Waiver of Conditions.

The Settlement Parties collectively may waive any one or more of the conditions relating to the Securities Law Exemptions and the Termination Date in a writing executed by each such Settlement Party without notice or order of the Bankruptcy Court and without notice to any parties in interest. The condition relating to the ACC Effective Date Minimum Distribution may only be waived in writing by a majority (determined by aggregate holdings of principal amount of ACC Senior Notes) of the ACC Settling Parties.

6. Implementation and Effect of Confirmation of the Plan

a) Binding Effect.

The Plan will be binding upon the Debtors, the holders of all Claims and Equity Interests (whether or not they vote for or against the Plan), parties in interest, Persons and their respective successors and assigns. To the extent any provision of the Disclosure Statement or any other solicitation document may be inconsistent with the terms of the Plan, the terms of the Plan will be binding and conclusive.

b) Injunctions.

The Plan provides that on the Effective Date, and except as otherwise provided in Section 16.15 of the Plan (described herein), all Persons who have been, are, or may be holders of Claims against or Equity Interests in the Debtors will be permanently enjoined from taking (i) any action with respect to Claims or Causes of Action released pursuant to Sections 16.3(c) and (d) of the Plan (the exculpation/release provisions described below) and (ii) any of the following actions against or affecting the Debtors, the Estates, the Assets, the Plan Administrator, the Contingent Value Vehicle, the CVV Trustees, the Settlement Parties, the Indenture Trustees, TW NY, or Comcast and each of their Affiliates with respect to such Claims or Equity Interests (other than actions brought to enforce any rights or obligations under the Plan):

(a) commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind (including, without limitation, all suits, actions, and proceedings that are pending as of the Effective Date, which must be withdrawn or dismissed with prejudice), provided that, the Bank Lenders may seek a determination with respect to Defensive Claims;

(b) enforcing, levying, attaching, collecting or otherwise recovering by any manner or means, whether directly or indirectly, any judgment, award, decree or order;

(c) creating, perfecting or otherwise enforcing in any manner, directly or indirectly, any encumbrance; and

(d) asserting any setoff, right of subrogation or recoupment of any kind; provided, that any defenses, offsets or counterclaims which the Debtors (or their successors) or Contingent Value Vehicle may have or assert in respect of the above referenced Claims are fully preserved.

c) Exculpation; Releases.

(1) Exculpation.

As part of the Global Settlement, (i) the Debtors (including their management and board of directors, both current and former (but in the case of former, first appointed after the Commencement Date)), (ii) the Buyers, (iii) the Indenture Trustees that do not file objections to the Plan, (iv) the Statutory Committees, (v) to the fullest extent permitted under applicable law, each of the Settlement Parties, the FPL Committee and the Olympus Parties (and in the case of parties in this subsection (v) that are ad hoc committees, each of their members, solely in their capacity as such) which vote in favor of the Plan, or in the case of parties in this subsection (v) that are ad hoc committees, support the Plan, (vi) the Plan Administrator, (vii) Administrative Agents, Non-Administrative Agents and Bank Lenders, in each case in Accepting Bank Classes, provided however, that this section does not limit or prejudice the prosecution or defense of the Bank Actions, and (viii) the CVV Trustee (and in each case their respective Affiliates, officers, partners, directors, employees,

agents, members, shareholders, advisors (including any attorneys, financial advisors, investment bankers and other professionals retained by such Persons in their capacities as such), and professionals of the foregoing (collectively, the "Exculpated Parties")), and in all cases, each in their capacity as such, will not be liable, to the extent permitted by applicable law, for any Cause of Action arising from and after the applicable Commencement Date from actions or omissions in connection with, relating to, or arising out of these Chapter 11 Cases, the Plan, the Disclosure Statement, the Sale Transaction Documents and the Sale Transactions, including the solicitation of votes for and in pursuit of confirmation of the Plan or the JV Plan, or the implementation of the Plan or the JV Plan, the Sale Transaction Documents and the Sale Transactions, including all documents ancillary thereto, all decisions, actions, inactions and alleged negligence or misconduct relating thereto and all activities leading to the promulgation, confirmation and consummation of the Plan (the "Covered Matters"). To the extent permitted by applicable law, the Confirmation Order will enjoin all parties in interest from asserting or prosecuting any Claim or Cause of Action, arising solely from actions or omissions in connection with, the Covered Matters against any of the Exculpated Parties.

The foregoing exculpation provisions, which are set forth in Section 16.3(a) of the Plan, are not intended to provide for any releases on account of prepetition actions or omissions.

(2) Limitations on Exculpation and Releases.

Notwithstanding anything contained in Section 16.3 of the Plan (the exculpation/release provisions described herein), (i) pursuant to the Global Settlement, none of the above exculpations will be effective unless and until the occurrence of the Effective Date and (ii) the exculpations in Section 16.3(a) of the Plan will in no event (a) be construed as a release of any entity's fraud, gross negligence or willful misconduct with respect to matters set forth in Section 16.3(a) of the Plan, (b) limit the liability of attorneys for the Exculpated Parties to their respective clients pursuant to DR 6-102 of the Code of Professional Responsibility, (c) limit or abrogate the obligations of the Debtors or the Buyers and any of their respective Affiliates to one another under the Sale Transaction Documents and the Ancillary Documents (as defined in the Purchase Agreements or under applicable law arising out of or in connection with the transactions contemplated by such documents), or (d) limit or abrogate the obligations of the Debtors, reorganized Debtors, Plan Administrator or Contingent Value Vehicle under the Plan.

The ACC Bondholder Group asserts that the exculpation and release provisions contained in Section 16.3 of the Plan are inappropriate and illegal because, among other reasons, (i) they represent improper incentives for certain creditors to vote for the Plan, and (ii) they violate the same treatment within a class requirement of section 1123(a)(4) of the Bankruptcy Code, thus rendering the Plan unconfirmable. The Proponents disagree with these assertions.

(3) Releases by the Debtors.

Except as otherwise expressly provided in the Plan or the Confirmation Order, as of the Effective Date, the Debtors, their estates and reorganized Debtors, in their individual capacities and as Debtors in Possession, will be deemed to forever release and waive all claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action and liabilities (other than the rights of the Debtors or the reorganized Debtors to enforce the Plan and the Plan Documents, including contracts, instruments, releases, indentures and other agreements or documents delivered thereunder or the Sale Transaction Documents) whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise, which are based in whole or in part on any act, omission, transaction, event or other occurrence taking place on or after the Commencement Date (or the date of appointment, engagement or qualification) and to and including the Effective Date in any way relating to the Debtors, the reorganized Debtors, the Chapter 11 Cases, the Plan, the JV Plan or the Disclosure Statement, and that could have been asserted by or on behalf of the Debtors, or the Debtors' Estates, whether directly, indirectly, derivatively or in any representative or any other capacity, against the following Persons in their respective capacities as such (the "Released Parties"): (i) the current directors, officers and employees of the Debtors, except for any claim for money borrowed from, advanced by, or owed under similar circumstances to the Debtors or its subsidiaries by any such directors, officers or employees; (ii) any former directors, officers, and employees of the Debtors, in each case who were first appointed after the Commencement Date; (iii) the Debtors' Professional Persons (excluding Boies, Schiller and Flexner LLP); (iv) to the fullest extent permitted under applicable law, each of the Settlement Parties, the FPL Committee

and the Olympus Parties (and in the case of parties in this subsection (iv) that are ad hoc committees, each of their members, solely in their capacity as such) which vote in favor of the Plan, or in the case of parties in this subsection (iv) that are ad hoc committees, which support the Plan; (v) except with respect to Items 1–8 of Schedule Y defining the Designated Litigation, the Indenture Trustees that do not file objections to the Plan; (vi) the Statutory Committees, their Professional Persons and their members; and (vii) the DIP Agents and the DIP Lenders, and in the case of each of (i) through (vii) their respective Affiliates, officers, partners, directors, employees, agents, members, shareholders, advisors (including any attorneys, financial advisors, investment bankers and other professionals retained by such Persons, and professionals of the foregoing) and in each of the foregoing cases to the extent acting in such Persons' capacity as such; provided, however, that in no event will (a) Section 16.3 of the Plan release any prior or existing defendant in Items 1–8 of Schedule Y defining Designated Litigation from any claims in Items 1–8 of Schedule Y defining Designated Litigation, (b) anything in Section 16.3 of the Plan be construed as a release of any Person from claims of the insurer under the Debtors' directors' and officers' insurance policy for a return of advanced costs or from claims that such insurance policies have been rescinded, (c) any Excluded Individuals be Released Parties and no Excluded Individuals will receive or be deemed to receive any release under the Plan or (d) anything in Section 16.3 of the Plan be construed as a release of any Person's fraud or willful misconduct for matters with respect to ACC and its subsidiaries.

Although the Debtors and the Creditors Committee have not independently investigated whether they hold any claims against the Released Parties, no such valid postpetition claims have been brought to the attention of the Debtors or the Creditors Committee and they are not aware of any such claims based upon their participation in these cases from the outset. In addition, the releases of the Settlement Parties were an integral component of the compromise in the Plan Agreement and therefore are an important part of the Plan.

(4) Releases by Holders of Claims and Equity Interests.

Except as otherwise expressly provided in the Plan or the Confirmation Order, on the Effective Date, to the fullest extent permissible under applicable law, as such law may be extended or interpreted subsequent to the Effective Date, all holders of Claims and Equity Interests (other than the Debtors), in consideration for the obligations of the Debtors and the reorganized Debtors under the Plan, the Plan Documents, the Sale Transaction, and other contracts, instruments, releases, agreements or documents executed and delivered in connection with the Plan, the Plan Documents and the Sale Transaction, and each entity (other than the Debtors) that has held, holds or may hold a Claim or Equity Interest, as applicable, will be deemed to forever release, waive and discharge all claims, demands, debts, rights, causes of action or liabilities (other than the right to enforce the obligations of any party under the Plan and the contracts, instruments, releases, agreements and documents delivered under or in connection with the Plan), including as a result of the Plan being consummated, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise that are based in whole or in part on any act or omission, transaction, event or other occurrence taking place on or after the Commencement Date through and including the Effective Date in any way relating to the Debtors and/or the Covered Matters against the following Persons in their respective capacities as such (the "Third Party Releasees"): (i) the Debtors, their estates, the reorganized Debtors and the current directors, officers and employees of the Debtors; (ii) any former directors and officers of the Debtors who were first appointed after the Commencement Date; (iii) the Debtors' Professional Persons, (excluding Boies, Schiller and Flexner LLP); (iv) the DIP Agent and the DIP Lenders; (v) each of the Settlement Parties, the FPL Committee and the Olympus Parties (and in the case of parties in this subsection (v) that are ad hoc committees, each of their members, solely in their capacity as such) which vote in favor of the Plan, or in the case of parties in this subsection (v) that are ad hoc committees, which support the Plan; (vi) the Statutory Committees and their members and, only if and to the extent such members acted in such capacity by or through such Persons; (vii) except with respect to Items 1–8 of Schedule Y defining Designated Litigation, the Indenture Trustees that do not file objections to the Plan, and in each of (i) through (vii) their respective Affiliates, officers, partners, directors, employees, agents, members, shareholders, advisors (including any attorneys, financial advisors, investment bankers and other professionals retained by such Persons, and Professional Persons of the foregoing); (viii) Administrative Agents, Non-Administrative Agents and Bank Lenders, their Affiliates and any holders of Bank Claims and professionals of the foregoing from claims of any current and former holders of equity securities of the Debtors (in their capacity as such) with respect to which the Bank Lenders or such

holders of Bank Claims would have the right to indemnification for any Claim (except as provided for in the Plan or by order of an applicable court) from one or more Debtors under the terms of the Prepetition Credit Agreement (to the extent not inconsistent with applicable law), provided that the release of the Administrative Agents, Non-Administrative Agents, the Bank Lenders, their respective Affiliates and any holders of Bank Claims as set forth in this clause (viii) will extend to any act or omission, transaction, event or other occurrence taking place from the beginning of time through the Effective Date; provided, however, that the failure of the Bankruptcy Court to approve the release pursuant to clause (viii) will not invalidate any acceptance by the Administrative Agents, Non-Administrative Agents or Bank Lenders of the Plan or provide holders of Bank Claims (including in the Administrative Agent and Non-Administrative Agent Classes) with the right to withdraw their acceptances of the Plan; and (ix) the Transferred Joint Venture Entities, provided that the release of the Transferred Joint Venture Entities (a) will extend to any act or omission, transaction, event, or other occurrence taking place at any time on or prior to the Effective Date, and (b) will not extend to any Assumed Sale Liabilities or defenses or offsets, if any, to Retained Claims. Notwithstanding the foregoing, in no event will (v) anything in this section be construed as a release by the holders of Bank Claims or any Investment Bank of any Defensive Claims (if any) or any rights to Distributions in accordance with the terms of the Plan, (w) anything in Section 16.3 of the Plan be construed as a release of any Person from claims of the insurer under the Debtors' directors and officers insurance policy for a return of advanced costs or from claims that such insurance policies have been rescinded, (x) any Excluded Individuals be Third Party Releasees, (y) except as set forth in clause (viii) above, any release granted in Section 16.3 of the Plan (or any related injunction granted pursuant to the Plan) release or be deemed to release those prior or existing defendants in the Securities Class Action, who are identified on Schedule D of the Plan (as may be supplemented in accordance with the Plan), from claims asserted against such defendants in the Securities Class Action or (z) anything in Section 16.3 of the Plan be construed as a release of any Person's (other than a Debtor's) fraud or willful misconduct and except as set forth in (viii) above will not impact the litigation in connection with the Bank Lender Avoidance Complaint.

Notwithstanding anything to the contrary, (i) except to the extent permissible under applicable law, as such law may be extended or interpreted subsequent to the Effective Date, the releases provided for in Section 16.3 of the Plan will not release any non-Debtor entity from any liability arising under: (x) the Tax Code or any state, city or municipal tax code; (y) the environmental laws of the United States or any state, city or municipality; or (z) any criminal laws of the United States or any state, city or municipality; and (ii) the releases provided in Section 16.3 of the Plan will not release: (x) any non-Debtor entity from any liability to any Governmental Authority arising under the securities laws of the United States; (y) any Excluded Individual from any liability whatsoever; or (z) any prior or existing defendant in Causes of Action in Items 1–8 of Schedule Y defining Designated Litigation from any liability in connection therewith. Nothing in the Plan or the Confirmation Order approving the Plan will release, discharge, enjoin, or preclude the enforcement of any environmental liability arising post-Effective Date or arising from an event that occurred prior to the Effective Date where the liability continues post-Effective Date to a Governmental Authority and such liability to a Governmental Authority is a liability to which the relevant entity is subject as the owner or operator of property after the Effective Date.

Notwithstanding anything otherwise to the contrary, no provision of the Plan or of the Confirmation Order, including any release or exculpation provision, will modify, release or otherwise limit the liability of any Person not specifically released hereunder, including any Person that is a co-obligor or joint tortfeasor of a Released Party or Third Party Releasee, that otherwise is liable under theories of vicarious or other derivative liability.

The Proponents believe the non-debtor releases proposed under the Plan are reasonable and appropriate under existing legal precedent. In Deutsche Bank AG, London Branch, et al. v Metromedia Fiber Network, Inc., et al., (In re Metromedia Fiber Network, Inc., et al.), 416 F.3d 136 (2d Cir. 2005), the Second Circuit recently considered circumstances under which non-debtor releases are permissible. While the Second Circuit determined that generally non-debtor releases are not permissible, it also held that where the circumstances are "unique" and the releases "play[] an important part in the debtor's reorganization plan," they are permissible as a matter of law. The Proponents believe the non-debtor releases proposed under the Plan meet these, as well as other applicable, legal standards for a number of reasons, including that: (a) the releases provided for in Section 16.3(c) of the Plan are releases being granted by the Debtors (not releases being deemed granted by third parties), and (i) are limited (with respect to the Debtors' directors, officers

and employees) to (x) current officers and employees and (y) current and former directors and officers first appointed after the Commencement Date, and (ii) expressly carve out from the Debtor release (x) Excluded Individuals and (y) fraud and willful misconduct; and (b) the deemed releases by holders of Claims and Equity Interests provided for in Section 16.3(d) of the Plan are (i) expressly limited to the fullest extent permissible under applicable law (and therefore are, by their terms, valid and enforceable only to the extent permitted by Metromedia and other applicable case law), (ii) likewise limited to the same limited releasees and are subject to the same carve-outs that exist with respect to the releases being granted by the Debtors and (iii) also are limited to post-Commencement Date matters with respect to non-Debtors. In addition, many of the released parties have indemnification rights against the Debtors and Reorganized Debtors that have been approved by the Bankruptcy Court and/or are valid administrative expense obligations. Thus, in the absence of a release of these Persons, the Debtors will be required to create a significant reserve of funds to satisfy future liabilities of these types. In addition, the releases of the Settlement Parties were an integral component of the compromise in the Plan Agreement and therefore are an important part of the Plan.

The Class Action Plaintiffs have asserted that it is improper to provide Third-Party Releases for the benefit of any of the defendants named in the Securities Class Action complaint. Accordingly, the Class Action Plaintiffs intend to object to any such provisions that they believe may adversely affect the rights or claims of the Class Action Plaintiffs in the context of the Bankruptcy Court's consideration of confirmation of the Plan.

The Office of the United States Trustee has asserted that the Plan should be amended to exclude "gross negligence," "breach of fiduciary duty" and "malpractice" from the release provision in Section 16.3 of the Plan and exclude "breach of fiduciary duty" and "malpractice" from the exculpation provision in Section 16.3 of the Plan.

The Class Action Plaintiffs also contend that holders of Claims and Equity Interests that vote to accept the Plan may be deemed to have consented to the release and exculpation provisions contained in the Plan. See Section 16.3 of the Plan. A possible consequence is that claims such holders may have against individuals or entities released under the Plan, such as any Bank Lender and any holder of a Bank Claim which would have a right to indemnification against any of the Debtors, may thereby be released. Accordingly, the Class Action Plaintiffs contend that holders of Claims and Equity Interests who intend to vote to accept or reject the Plan should read and consider carefully the provisions of the Plan that provide for releases and exculpations, and should consider the possible effects such releases and exculpations may have on their rights and claims against individuals and entities who may be the recipients of such releases. The Debtors and the Creditors Committee note that the Plan provides that all of the provisions thereof, including those of Section 16.3, will be binding upon all holders of Claims against and Equity Interests in the Debtors, whether or not they vote or do not vote on the Plan. See Section 16.16 of the Plan.

d) Corporate Reimbursement Obligations

Any prepetition indemnification obligations of the Debtors pursuant to their corporate charters and by-laws will continue as obligations of each of the Debtors and the Estates, but will be limited to the reimbursement of Persons other than to Excluded Individuals, and will be limited with respect to Persons other than Indemnified Persons to an amount not exceed $27 million. Other than as set forth in the preceding sentence, nothing in the Plan will be deemed to be an assumption of any other prepetition indemnification obligation and any such obligations will be rejected pursuant to the Plan; provided, however, that nothing in the Plan will prejudice or otherwise affect any right available to current or former officers and directors of the Debtors (except for Excluded Individuals) under applicable insurance policies; provided further, however, that (i) to the extent persons other than Indemnified Persons will have received after the Confirmation Date proceeds of applicable insurance policies, each of the Debtors' and the Estates' obligations pursuant to the first sentence of Section 16.23(a) of the Plan will be reduced dollar for dollar, and (ii) to the extent that the Debtors or the Estates will have made payments to persons other than Indemnified Persons pursuant to the first sentence of Section 16.23(a) of the Plan, each of the Debtors and the Estates will be assigned (and subrogated to) an equal dollar claim against such insurance policies; and provided further, however, that the Debtors and Estates will have no obligation to indemnify any persons other than Indemnified Persons for settlements of any litigation against those persons, unless the Plan Administrator provides prior written approval of the settlement, which approval will not unreasonably be withheld.

From and after the Effective Date, each of the Debtors and the Estates will, to the maximum extent permitted by applicable law, indemnify and hold harmless the Indemnified Persons for any action or inaction, taken or omitted to be taken, in good faith by the Indemnified Persons in connection with the conduct of the Chapter 11 Cases, including the formulation, negotiation, balloting and implementation of the Plan. To the maximum extent permitted by applicable law, each of the Debtors and the Estates will be obligated to advance the costs of defense to any Indemnified Person who was a director or officer of a Debtor in connection with any Cause of Action relating to the Chapter 11 Cases, and will have the right, but not the obligation, to advance the costs of defense to other Indemnified Persons. Any costs or expenses incurred by an Indemnified Person in successfully enforcing the indemnification provisions described in this paragraph will also be indemnified by each of the Debtors and the Estates to such Indemnified Person.

7. Reservation of Litigation Rights

The terms of the Plan and the Confirmation Order will not have the effect of (a) creating or eliminating any right to a trial by jury for any claim or cause of action asserted in any of the Causes of Action, including the Designated Litigation, including in any Bank Action or (b) impairing or prejudicing in any respect the right of (i) a holder of a Bank Claim or Investment Banks to assert (x) solely on a defensive basis and not for any affirmative recovery against any Debtor Party any Defensive Claims or (y) Bank Third-Party Claims, or (ii) the CVV Trustee to assert any Estate Bank Defenses.

8. Modification of the Plan

As provided in section 1127 of the Bankruptcy Code, modification of any provision of the Plan may be proposed in writing by all of the applicable Proponents with respect to such provision, acting collectively, at any time before confirmation, provided that the Plan, as modified, meets the requirements of sections 1122 and 1123 of the Bankruptcy Code, and the Proponents will have complied with section 1125 of the Bankruptcy Code, provided further that (i) no modification to the Plan that is adverse to a Settlement Party will be permitted absent written consent of such Settlement Party, (ii) any modification of the Plan proposed in accordance with the terms of the Plan will be subject to (x) the rights of the Buyers under the Sale Transaction Documents, if any and (y) Section 7 of the Plan Support Agreement. A holder of a Claim or Equity Interest that has accepted the Plan will be deemed to have accepted such Plan as modified if the proposed alteration, amendment or modification does not adversely change the treatment of the Claim or Equity Interest of such holder. Each holder of a Claim or Equity Interest that votes in favor of the Plan authorizes the Plan Proponents to modify, at any time prior to the Effective Date and without the requirement of further solicitation, the treatment provided to the Class of Claims or Equity Interests such Claims or Equity Interests are classified in, provided that, (i) each Settlement Party that is adversely affected by such modification consents in writing, or, to the extent such modification adversely affects the holders of FPL Note Claims or Olympus Note Claims, the FPL Committee or the Olympus Parties, as applicable, consents to such modification in writing and (ii) the Bankruptcy Court determines that such modification is not material.

IV. TWC UPDATE

See the section of this Second Disclosure Statement Supplement titled "Note Regarding Time Warner Restatement," Section V of this Second Disclosure Statement Supplement, titled "Updated Valuation of TWC Equity," and Section VII of this Second Disclosure Statement Supplement, titled "Additional Risk Factors."

V. UPDATED VALUATION OF TWC EQUITY

On or about July 31, 2006, pursuant to the Purchase Agreements, the Debtors, the JV Debtors, TW NY and Comcast consummated the Sale Transaction. Subject to certain adjustments, as consideration for the sale of the Purchased Assets (as defined in the Purchase Agreements), TW NY and Comcast paid to ACC approximately $12.5 billion in cash, and TW NY caused TWC to issue and deliver to ACC the TWC Class A Common Stock. The TWC Class A Common Stock represents approximately 16% of the outstanding equity securities of TWC as of the closing of the Sale Transaction on a fully diluted basis after giving effect to the Sale Transaction and the TWC Redemption.

The TW Purchase Agreement does not contain any guarantee of the value of the TWC Class A Common Stock. In the Disclosure Statement, the Debtors reported that UBS Securities LLC and Allen & Company LLC (together, the "M&A Advisors") had advised ACC's board of directors on April 9, 2005 that, based upon the review and analysis conducted by the M&A Advisors, and subject to certain assumptions, limitations, and qualifications described in the Disclosure Statement, the M&A Advisors' view was that the midpoint of the range of estimated equity values for the TWC Class A Common stock was $4.985 billion as of April 5, 2005. See Disclosure Statement, Section X.C. at 259. In the First Disclosure Statement Supplement, the Debtors reported that the M&A Advisors had advised ACC's board of directors on April 10, 2006 that, based upon the review and analysis conducted by the M&A Advisors, and subject to certain assumptions, limitations and qualifications described in the First Disclosure Statement Supplement, the M&A Advisors' view was that the midpoint of the range of estimated equity values for the TWC Class A Common Stock was $4.25 billion as of March 17, 2006. See First Disclosure Statement Supplement, Section V.C at DSS-96. That midpoint represented an approximately 14% decrease from the midpoint of the range of estimated equity values for the TWC Class A Common Stock as of April 5, 2005, as reported to the Debtors by the M&A Advisors on April 12, 2005.

In connection with the Sale Transaction Closing, the Company determined that the shares of TWC Class A Common Stock received in the Sale Transaction had a preliminary estimated fair value as of July 31, 2006 of approximately $4.9 billion. Such estimated fair value of the TWC Class A Common Stock was determined by the Company based on management's review of the underlying factors affecting the valuation of cable companies, taking into account the approximately $4.9 billion valuation agreed with TW NY for purposes of the TW NY asset purchase agreement, the $4.85 billion valuation used by the Settlement Parties in determining its valuation for the Plan Agreement at the time of its execution, updates from the Company's financial advisors and the recent upward movement in the price of publicly traded cable companies' stocks. On August 17, 2006 Time Warner Inc. filed the TW Restatement 8-K. Nothing contained in the TW Restatement 8-K or the TW Amended Reports has caused the Debtors to believe that the fair value of the TWC Class A Common Stock as of July 31, 2006 was materially different from the foregoing estimate of the fair value of the TWC Class A Common Stock. See the Section of this Second Disclosure Statement Supplement titled "Note Regarding Time Warner Restatement" and Section VII.A. of this Second Disclosure Statement Supplement titled "Additional Risk Factors – General Risks."

In connection with the Resolution Process governed by the Resolution Process Order, various creditor groups disagreed over the value of the TWC Class A Common Stock. Valuation of the TWC Class A Common Stock is an exercise fraught with inherent complexities and is dependent upon numerous assumptions, including TWC achieving financial results projected in financial projections prepared by TWC's management. The future results of TWC's operations are dependent upon myriad factors, many of which are beyond the control or knowledge of TWC and the Debtors, and, consequently, are inherently difficult to project accurately. The financial results reflected in TWC's financial projections are based on, among other things, the assumption of the successful combination of certain cable systems formerly owned by the Company with those cable systems of TWC and Comcast, as well as the realization of estimated synergies, and thus are materially different from the historical results of operations of TWC. In addition, TWC's financial projections were prepared by management of TWC based upon information available at the time of preparation. TWC's actual future results may differ materially from the results forecasted in TWC's financial projections, and such differences may affect the equity value of the TWC Class A Common Stock. Thus, the determination of a value for the TWC Class A Common Stock inherently is subject to substantial uncertainty.

Creditor groups disagreed whether the Bankruptcy Court should set the value of the TWC Class A Common Stock following a contested evidentiary hearing or whether the value should be set in conjunction with a market test of the value of the TWC Class A Common Stock. Litigation concerning such value likely would entail difficult,

complex, and time-consuming expert testimony presented by multiple parties in interest. The outcome of any such litigation would be difficult to predict. Accordingly, as an integral component of the various compromises embodied in the Plan Agreement, the Plan Support Agreement and now the Plan, the parties to the Plan Agreement and Plan Support Agreement agreed that the TWC Class A Common Stock would have a "Deemed Value" of $5.1 billion (which would be increased to $5.4 billion if there is an ACC Senior Notes Claims Accepting Class) for purposes of initial distributions under the Plan.[3] The increase in the Deemed Value is consistent with the Proponents' understanding of the general increase in the value of cable assets since the July 31. 2006 closing of the sale of the Purchased Assets. The further increase in the Deemed Value in the event there is an ACC Senior Notes Claims Accepting Class would have the effect of transferring shares of TWC Class A Common Stock from the creditors of the Subsidiary Debtors to the creditors of the ACC Debtors on the Effective Date, subject to the True Up, and increasing the ceiling and the floor on the True Up by approximately $360 million, and constitutes additional settlement consideration for the Global Compromise. However, in recognition of the inherent complexity and uncertainty underlying valuation of the TWC Class A Common Stock, the Plan Agreement and the Plan provide for a True-Up Mechanism. Pursuant to the True-Up Mechanism, the True-Up Reserve will be created and withheld from initial distributions under the Plan pending the determination of the Market Value of the TWC Class A Common Stock. The amount of TWC Class A Common Stock and/or Cash withheld in the True-Up Reserve shall be (i) determined based upon the total number of shares of TWC Class A Common Stock at Deemed Value distributed to or reserved for distribution on the Effective Date to holders of Claims against a Subsidiary Debtor and (ii) sufficient to permit the upward or downward adjustment of the total number of shares of TWC Class A Common Stock received after expiration of the Test Period based upon the difference between Market Value and Deemed Value of a share of TWC Class A Common Stock not to exceed twenty percent (20%) of Deemed Value. For a more detailed explanation of the True-Up Mechanism, see Section 10.12 of the Plan and Section III. of this Second Disclosure Statement Supplement.

The ACC Bondholder Group asserts that the $4.85 billion Deemed Value of the TWC Class A Common Stock under the prior draft of the Plan, as well as the $5.1 billion to $5.4 billion Deemed Value of the TWC Class A Common Stock in the current Plan, is based upon an arbitrary valuation and inconsistent with current market prices of comparable enterprises. Based upon its review of comparable enterprises, the ACC Bondholder Group asserts that the Deemed Value should be between $6.3 billion and $7.3 billion based on current market conditions. The ACC Bondholder Group further asserts that the arbitrary Deemed Value, as well as the cap on the ability to adjust the Deemed Value in Section 10.12 of the Plan, allow Arahova Noteholders to further enhance their recoveries by effectively granting them an in-the-money call option on TWC Class A Common Stock should the value thereof reach $5.57 billion under the prior draft of the Plan, now $6.12 billion under the current Plan ($6.48 billion if there is an ACC Senior Notes Claims Accepting Class). The Debtors and the Creditors Committee dispute these assertions.

[3] As described herein, under the prior draft of the Plan, the Deemed Value of the TWC Class A Common Stock was previously set at $4.85 billion and the True-Up differential to take into account the Market Value of such stock was plus or minus 15% (which could provide a value anywhere within the range of $4.12 billion to $5.58 billion). Under the Plan, and consistent with the Plan Support Agreement, the Deemed Value has been increased to $5.1 billion with a True-Up differential of plus or minus 20% (which could provide a value anywhere within the range of $4.08 billion to $6.12 billion), and if there is an ACC Senior Notes Claims Accepting Class, a Deemed Value of $5.4 billion with a True-Up differential of plus or minus 20% (which could provide a value anywhere within the range of $4.32 billion to $ 6.48 billion).

VI. LIQUIDATION ANALYSIS; BEST INTERESTS TEST

Section 1129(a)(7) of the Bankruptcy Code requires that with respect to an impaired Class of Claims or Equity Interests, each holder of a Claim against or Equity Interest in the Debtors either (i) accept the Plan, or (ii) receive or retain under the Plan on account of such Claim or Equity Interest property of a value, as of the Effective Date, that is not less than the value such holder would receive if the Debtors were liquidated under Chapter 7 of the Bankruptcy Code on the Effective Date. Pursuant to Chapter 7 of the Bankruptcy Code, a debtor's estate is liquidated by a trustee appointed by the bankruptcy court. In the typical case, a Chapter 7 debtor ceases business operations, and the Chapter 7 trustee liquidates the assets of the debtor's estate.

In the Chapter 11 Cases, substantially all of the Debtors' assets already have been sold and liquidated. The estates consist primarily of Cash, TWC Class A Common Stock and the value to be realized from the Contingent Value Vehicle. Estimated recoveries to holders of Claims against and Equity Interests in the Debtors under the Plan are set forth in Section II of this Second Disclosure Statement Supplement.

Comparing the estimated recovery for each creditor under the Plan with the estimated recovery in a hypothetical Chapter 7 case requires examining, among others, five significant factors: (i) the costs and discounts associated with an initial public offering (an "IPO") of the TWC Class A Common Stock; (ii) the additional administrative expense costs of having a Chapter 7 trustee appointed to liquidate the estates; (iii) the loss of value associated with losing the expertise of the Debtors' employees and professionals; (iv) increased claims against the Debtors; and (v) the settlement embodied in the Plan.

First, a significant cost in a Chapter 7 liquidation would be the IPO of the TWC Class A Common Stock. In a hypothetical Chapter 7 liquidation, the Debtors would not qualify for an exemption pursuant to section 1145 of the Bankruptcy Code, subjecting the Debtors to the costs associated with an IPO in order for the TWC Class A Common Stock to be distributed to creditors. These costs would include, among others, an IPO discount and underwriting fees. It is the understanding of the Debtors and the Creditors Committee that the term IPO discount describes a market perception that an issuer undertaking an IPO must offer its shares at a discount to their intrinsic value. The Debtors understand that some capital market professionals believe that an IPO discount typically is approximately 10% of the value of the stock issued, reflective of the price the underwriter believes will be needed for the new issue of stock to clear the market. When added to typical IPO underwriting fees of between 3% and 5% of the value of the IPO for IPOs of over $1 billion in the last five years, the aggregate costs associated with an IPO of the TWC Class A Common Stock could be in excess of $600 million.

Second, the estimated aggregate amount of Cash available for distributions to holders of Claims against and Equity Interests in the Debtors would be lower in a hypothetical Chapter 7 case because of increased administrative costs. A Chapter 7 trustee is entitled to a statutory fee of up to 3% on all distributions made by the trustee in excess of $1 million. In addition, the Chapter 7 trustee's advisors would be entitled to reasonable compensation for services rendered and related expenses incurred, which are entitled to treatment as administrative expense claims. Given the amount of time such professionals would be required to devote to become familiar with the Debtors and the issues related to these cases, such fees and costs would reduce overall recoveries. Furthermore, given the Inter-Creditor Dispute described in Section IV.D.1.b of the Disclosure Statement, if the Chapter 7 trustee were not to seek to implement a similar settlement of this dispute as provided for in the Plan, it is possible that one or more of the Debtors might require a separate Chapter 7 trustee and separate professionals. Each such Chapter 7 trustee and professional would be entitled to statutory fees, professional fees and costs, as applicable. Under such circumstances, a hypothetical Chapter 7 liquidation would add at least several million dollars of costs, further reducing creditor recoveries.

Third, a Chapter 7 trustee who has no specific familiarity with the Debtors' business would be appointed to run the hypothetical Chapter 7 case. In contrast, the Plan contemplates the retention of key employees and certain advisors who are intimately familiar with the Causes of Action included in the Contingent Value Vehicle. These employees may include (i) members of the Debtors' in-house legal department who are familiar with the Debtors' Causes of Action and the executory contracts that have been assumed or rejected that have resulted in cure Claims or rejection damage Claims, (ii) personnel familiar with the Sale Transaction for purposes of negotiating the release of reserves or protecting the Estates against indemnity claims under the Purchase Agreements, and (iii) personnel familiar with costs associated with the transaction, including tax strategies. The Debtors and the Creditors

Committee believe that this expertise will provide additional recoveries for creditors that could not be obtained by outside trustees and professionals who are not familiar with the Chapter 11 Cases.

Fourth, the Debtors and the Creditors Committee also believe that the value of any distributions to each Class of Allowed Claims in a hypothetical Chapter 7 case would be less than the value of distributions under the Plan because the distributions in a hypothetical Chapter 7 case likely would be delayed for a substantial period of time due to litigation and the time required for an IPO. There is a risk that distribution of the proceeds of a hypothetical Chapter 7 liquidation might not occur for one or more years after the completion of such liquidation in order to resolve Claims and prepare for distributions. Incorporating the time value of distributions to the liquidation analysis contained here would further lower the estimated recoveries as presented.

Finally, the Plan proposes distributions to creditors based on a compromise and settlement of certain disputed issues, including the Inter-Creditor Dispute and a settlement with certain of the Bank Lenders. The Proponents believe it is reasonable to assume that a Chapter 7 trustee having the authority to enter into compromises and settlements on behalf of each of his or her estates would adopt settlements similar to the Global Compromise and the settlement with the Bank Lenders embodied within the Plan in order to avoid the risks, length, cost and uncertainties of litigation, and that it therefore is reasonable to assume that estimated recoveries in a hypothetical Chapter 7 liquidation would not be any better by virtue of the fact that the Plan contemplates implementation of the Global Compromise and/or the settlement with the Bank Lenders.

There is a split among courts as to the definition of "legal rate" under section 726(a)(5) of the Bankruptcy Code. Certain courts have held that the "legal rate" of interest equals the federal judgment rate of 28 U.S.C. § 1961(a). At the same time, there is case law supporting the notion that the applicable rate of interest in a Chapter 7 liquidation is to be determined by the facts and circumstances of the case, and thus in many Chapter 7 cases, the rate of postpetition interest will be higher than the federal judgment rate. The Bankruptcy Court already has found that based on the circumstances of these cases, it is appropriate to pay creditors of the operating companies at their contract rates (or, in the case of the operating company trade creditors, at a rate that more closely tracks what would be the prevailing state judgment rates). Moreover, even if there are cases suggesting that the federal judgment rate is the appropriate rate of interest in the circumstances of a Chapter 7 case, such case law has questionable relevance here, in the context of the theoretical conversion of a chapter 11 case that has been pending for four years.

Although any potential interest savings in a Chapter 7 liquidation would confer a benefit on the estates, the Debtors and the Creditors Committee believe this potential benefit would be outweighed by the detrimental effects that a Chapter 7 liquidation would have to both the creditors and the estates. Such effects are described in this Section VI of the Second Disclosure Statement Supplement. Moreover, the likelihood of any such interest savings in a Chapter 7 is not significant in light of the case law and the circumstances of these cases.

On the Effective Date and by consummation of the Plan, there will remain no holder of an Allowed Subsidiary Debtor Trade Claim or Allowed Subsidiary Debtor Other Unsecured Claim, the Claim of which has not been paid in full, with Case 8% Interest, or otherwise the subject of a reserve established to afford such treatment when, if and to the extent any such Claim is Allowed, subject to: (x) the Subsidiary Debtor Trade Claims Give Up or the Subsidiary Debtor Other Unsecured Claims Give Up, (y) the portion of the Subsidiary Debtor Fees allocated to the Subsidiary Debtor Trade Claims Class and the Subsidiary Debtor Other Unsecured Claims Class, and (z) the True Up Mechanism.

The Ad Hoc Committee of Certain Non-Agent Lenders has asserted that the Plan is not confirmable because it does not satisfy the "best interests" test set forth in section 1129(a)(7) of the Bankruptcy Code in that the Plan does not provide the Banks with post-Effective Date interest at the contract rate, which, they argue, would be payable in a Chapter 7. The Creditors Committee disagrees with this assertion.

The ACC Bondholder Group asserts that, in order for the best interests test under section 1129(a)(7) to be satisfied, the Proponents must establish that a non-conflicted Chapter 7 trustee would, in exercising its duty to independently review and evaluate the Inter-Creditor Dispute from the perspective of each estate prior to consenting to a settlement, conclude that the Global Compromise is in the best interests of that estate. The ACC Bondholder Group contends that the Plan does not meet the best interests test under section 1129(a)(7) because a chapter 7

trustee exercising its fiduciary duties on behalf of ACC would not conclude the Global Compromise is in ACC's best interest.

The Bankruptcy Court neither has determined this issue nor whether the best interests test under section 1129(a)(7) of the Bankruptcy Code has been satisfied. Whether the Plan complies with section 1129(a)(7) of the Bankruptcy Code is an issue that will be determined at the Confirmation Hearing.

VII. ADDITIONAL RISK FACTORS

Important Risks to Be Considered

Before voting to accept or reject the Plan, holders of Claims against and Equity Interests in the Debtors should read and consider carefully the following risk factors and the other information in this Second Disclosure Statement Supplement, the risk factors in the Disclosure Statement and the First Disclosure Statement Supplement and the other information in this Second Disclosure Statement Supplement, the Disclosure Statement, the First Disclosure Statement Supplement, the Plan and the other documents delivered with or incorporated by reference in this Second Disclosure Statement Supplement, the Disclosure Statement and the Plan. These risk factors and those described in the Disclosure Statement and the First Disclosure Statement Supplement should not, however, be regarded as constituting the only risks involved in connection with the Plan, its implementation or TWC's business and operations.

A. GENERAL RISKS

The lack of current information in this Second Disclosure Statement Supplement regarding TWC may make any evaluation of the TWC Class A Common Stock more difficult.

Nothing contained in the TW Restatement 8-K or the TW Amended Reports has caused the Debtors to believe that the fair value of the TWC Class A Common Stock as of July 31, 2006 was materially different from the estimate of the fair value of the TWC Class A Common Stock described in Section V of this Second Disclosure Statement Supplement titled "Updated Valuation of TWC Equity." However, the lack of updated information regarding Time Warner Cable since the original Disclosure Statement dated November 21, 2005 may affect the ability of stakeholders of the Debtors to evaluate the likelihood that the Deemed Value ascribed to the TWC Class A Common Stock may differ from the trading values of the TWC Class A Common Stock in public or private markets and, accordingly, to evaluate the merits of the Plan.

It is possible that by the Confirmation Hearing either (1) Time Warner will have failed to provide sufficient additional information for the Debtors to be able to complete their evaluation of the implications of the TW Restatement 8-K or (2) that the Debtors' views as to the fair value of the TWC Class A Common Stock could be materially different from those set forth in this Second Disclosure Statement Supplement. Any uncertainty regarding, or material change in, the Debtors' views regarding the fair value of the TWC Class A Common Stock could have the effect of delaying or preventing confirmation or effectiveness of the Plan.

The condition in the Plan requiring distribution, as of the Effective Date or immediately thereafter, to the creditors of the ACC Debtors of settlement consideration of at least $1.08 billion (or, if there is an ACC Senior Notes Claims Accepting Class, $1.13 billion) may not be satisfied, and if such condition is not amended or waived, the Plan may not go effective.

Consummation of the Plan is subject to the condition that the Debtors will be in a position to distribute to the creditors of the ACC Debtors on the Effective Date consideration totaling at least $1.08 billion (or, if there is an ACC Senior Notes Claims Accepting Class, $1.13 billion) (subject to the True-Up Reserve) from the Initial ACC Settlement Consideration and the Incremental ACC Settlement Consideration.

As a result of (i) the $10 million litigation indemnification fund created under the JV Plan, (ii) and, if the FrontierVision Bank Claims Class accepts the Plan, the FrontierVision Litigation Fund of $4 million (at least $5.5 million pursuant to the "most favored nations" clause), (iii) the agreement of the Olympus Noteholders Committee to accept only a $16 million give up (as opposed to the originally anticipated $20 million) and the FPL Noteholders Committee to accept only a $6.2 million give up (as opposed to the originally anticipated $10 million) in connection with the Global Settlement, and (iv) the Co-Borrowing Bank Litigation Fund of $75 million (at least $40 million

(and up to all $75 million in the event no Bank Classes vote to accept the Plan) of which will be funded by the Debtors) under the Plan, the Debtors presently expect that the Plan Administrator will not be able to distribute $1.08 billion (subject to the True-Up Reserve) without giving effect to the Identified Sources. There can be no assurance that Identified Sources above the amount necessary to repay the Arahova Initial Advance on the Effective Date will be available to fund this estimated shortfall of in excess of $55 million.

Pursuant to the Plan, the Plan Administrator is charged with the sole and exclusive responsibility for establishing and releasing reserves. If the Plan Administrator establishes reserves at levels approximating those included in the sample recovery table in the First Disclosure Statement Supplement, there may not be sufficient Identified Sources to fund the deficiency. Unless Identified Sources are indeed available to fund the shortfall or such condition is amended or waived (for which there may be ongoing discussions amongst the Settlement Parties), the Plan will not become effective. If the Plan does not become effective, creditor recoveries may be severely impacted. The Debtors have been informed by the Creditors Committee that the Settlement Parties believe that the conditions to effectiveness will be satisfied, including that the Settlement Consideration Condition will be satisfied through the release of Identified Sources in excess of amounts necessary to repay the Arahova Initial Advance. Identified Sources consist of: (i) (w) the amount, if any, by which the initial funding of reserves to satisfy estimated non-Sale Transaction related contingent tax liabilities, if any, is less than $511 million, and (x) any such amounts reserved in subclause (w) up to $511 million and subsequently released other than to satisfy non-Sale Transaction contingent tax liabilities; (ii) the amount, if any, by which the Litigation Prosecution Fund has been initially funded with less than $50 million, provided, that Identified Sources will not be increased to the extent the Litigation Prosecution Fund is initially funded in an amount less than $25 million; (iii) (y) the amount, if any, by which the initial funding of Reserved Cash (inclusive of amounts reserved under the JV Plan) is less than $100 million, and (z) any such amounts reserved in subclause (y) and subsequently released other than to satisfy costs of administering the Plan; (iv) the amount, if any, equal to the reduction below $704 million in the amount of tax attributable to the gain on the Sale Transactions other than reductions in such tax up to $212 million resulting from the use of state net operating losses; and (v) Plan Consideration with a Deemed Value equal to the amount, if any, which, by the Initial Distribution Date, is distributed to, or reserved for, or designated for, or after the Initial Distribution Date, is distributed to, or reserved for, holders of Claims in the ACC Senior Notes Claims Class on account of their ACC Senior Notes Claims as a result of the Government Settlement whether directly from the United States or indirectly through the Plan; provided, however, that for the purposes of satisfying the Arahova Initial Advance Right, the amount of Identified Sources pursuant to this clause (v) shall be limited to the amount of Plan Consideration redistributed to the Arahova Notes Claim Class pursuant to Section 5.2(f) of the Plan.

The Ad Hoc Committee of Non-Agent Secured Lenders has asserted that the Plan is not confirmable because up to $175 million of the $1.08 billion (or, if there is an ACC Senior Notes Claims Accepting Class, $1.13 billion) being used to fund the proposed settlement constitutes proceeds of the Banks' collateral. The Creditors Committee does not agree with this assertion.

In addition, in the event the Debtors are unable to transfer at least $1.08 billion (or, if there is an ACC Senior Notes Claims Accepting Class, $1.13 billion) on the Effective Date and the ACC Settling Parties waive the condition set forth in Section 12.2(d) of the Plan, holders of Claims against the ACC Debtors may not receive an ACC Effective Date Settlement Distribution totaling at least $1.08 billion (or, if there is an ACC Senior Notes Claims Accepting Class, $1.13 billion), even if such holders vote to accept the Plan. As of the date of this Second Disclosure Statement Supplement, the ACC Settling Parties have not waived the Settlement Consideration Condition. Assuming the existing shortfall discussed above is not reduced and/or funded from another source and the ACC Settling Parties waive such condition, holders of Claims against the ACC Debtors would receive a minimum Effective Date distribution of approximately $1.025 billion rather than $1.08 billion (or, if there is an ACC Senior Notes Claims Accepting Class, $1.075 billion instead of $1.13 billion). The ACC Bondholder Group asserts that the waivability of this condition without notice or an order of the Bankruptcy Court renders the Plan unconfirmable. In addition, the ACC Bondholder Group asserts that the transfer of the $1.08 billion (or, if there is an ACC Senior Notes Claims Accepting Class, $1.13 billion) in any case is illusory because were they to prevail in the Inter-Creditor Dispute, such funds would belong to ACC regardless. The Debtors and the Creditors Committee dispute the latter two assertions.

The estimated recoveries included in Section II of this Second Disclosure Statement Supplement are estimates only and actual recoveries may be greater or less than those set forth in such Section.

The estimated recoveries included in the "Summary of Classification and Treatment of Claims and Equity Interests Under the Plan" Chart included in Section II.B. of this Second Disclosure Statement Supplement are estimates only and actual recoveries may be greater or less than those set forth in the Chart. Certain of the factors that could cause recoveries to be greater or less than those set forth in such Chart are included in the "Important Note on Estimates" included in Section II of this Second Disclosure Statement Supplement. In addition, if the ACC Settling Parties waive the condition to confirmation of the Plan that there are at least $1.08 billion (or, if there is an ACC Senior Notes Claims Accepting Class, $1.13 billion) of ACC Effective Date Settlement Distributions, the recoveries to creditors of the ACC Debtors could be reduced.

Similarly, the charts in Section II.C. of this Second Disclosure Statement Supplement setting forth sample calculations of the relative rights of the holders of Contingent Value Vehicle Interests are based on a large number of assumptions as described in such Section II.C. The actual percentage interests of each Series and the thresholds at which such rights change may be greater or less than those set forth in such sample charts. In addition, if the Effective Date were to occur after December 22, 2006, the relative interests of Series Arahova, ACC-1, ACC-2 and ACC-3 Interests in the Contingent Value Vehicle would be diluted by the increase in the Series FPL Interests in the CVV pursuant to the formula set forth in the definition of FPL CVV Percentage Interest contained in the Plan.

In addition, the estimated recoveries included in Charts 1-12 in Section II.D. of this Second Disclosure Statement Supplement are provided for illustrative purposes regarding the effects of movements in the Market Value of the TWC Class A Common Stock and differing levels of CVV Recoveries on estimated recoveries. Such charts, and the estimated recoveries included therein, are not, and should not be taken as, a prediction of the likely Market Value of the TWC Class A Common Stock or the likely value of the CVV Recoveries.

The Ad Hoc Committee of Certain Non-Agent Lenders has asserted that the Debtors do not have the cash (i) to pay the principal, interest, fees and expenses that constitute the full amount of the Claims of the Bank Lenders and also fulfill their other obligations to creditors under the Plan, and (ii) to reserve the full amount of the Disputed Bank Lender Claims. The Creditors Committee disagrees with this assertion.

The Recovery and Currency of Recovery for all unsecured creditors will vary based on whether or not there is an ACC Senior Notes Claims Accepting Class.

As set forth in the Plan and described in Section II of this Second Disclosure Statement Supplement, the recovery and currency of recovery to all unsecured creditors of the Subsidiary Debtors and the holders of ACC Senior Notes Claims, ACC Trade Claims, and ACC Other Unsecured Claims will vary based on whether or not there is an ACC Senior Notes Claims Accepting Class. The determination of whether or not there is an ACC Senior Notes Claims Accepting Class will be made following the voting deadline, thus holders of Allowed Claims in affected Classes will not know which of the potential recoveries they will receive at the time they vote to accept or reject the Plan. In addition, the definition of the term ACC Senior Notes Claims Accepting Class deems after-acquired ACC Senior Notes held by parties to the Plan Agreement or the Plan Support Agreement to be voted in favor of the Plan. To the extent any such Person acquires ACC Senior Notes after the voting record date, it may be difficult to determine how the holder of such ACC Senior Notes as of the voting record date voted in order to determine whether the condition for the existence of an ACC Senior Notes Claims Accepting Class is satisfied.

It is possible that the holders of Bank Claims will not vote in favor of the Plan and that such holders cannot be crammed down pursuant to section 1129(b) of the Bankruptcy Code.

Pursuant to the Plan, the Classes of the Bank Claims are treated as impaired. See Plan, § 4.2. (Notwithstanding the designation of these Classes of Bank Claims as impaired, the Creditors Committee may seek a determination from the Bankruptcy Court that such Claims are unimpaired. See Plan, § 4.1.) To the extent that each Class of Bank Claims is not an Accepting Bank Class, confirmation of the Plan may be sought with respect to each such Class of Bank Claims pursuant to the "cram-down" provisions of section 1129(b) of the Bankruptcy Code. See Plan, §§ 5.2(c)(vii), 7.4. Alternatively, the Debtors and the Creditors Committee reserve the right to seek a determination that the Bank Claims, having been Paid in Full in Cash into the Disputed Bank Reserve Fund (subject only to the application of sections 502(a) and (d) of the Bankruptcy Code and Bankruptcy Rule 3021), are unimpaired pursuant to section 1124 of the Bankruptcy Code.

The issues to be raised in connection with a contested cram down of the Bank Claims are likely to include the applicable post-Effective Date rate of interest and the amount of post-Effective Date reserves for indemnification claims. Similar issues may be raised in connection with the dispute over whether the Bank Claims are unimpaired by the Plan. The Debtors and the Creditors Committee believe their position on these issues is correct, but its success cannot be assured.

Certain parties have asserted that the Plan cannot be confirmed. If such assertions are correct, the Plan may not be confirmed.

The ACC Bondholder Group asserts that the Plan cannot be confirmed for a number of reasons, including, but not limited to, the following:

- No party authorized to litigate ACC's claims in the litigation of the Inter-Creditor Disputes agreed to the Global Settlement;

- No fiduciary acting on ACC's independent behalf considered the merits of the Global Settlement and concluded that the settlement was in the best interest of ACC's estate and its creditors;

- The proposed settlement of the Inter-Creditor Disputes under the Plan is unreasonable because, under any realistic set of assumptions about the litigated outcome of these disputes, ACC Senior Noteholders would receive substantially greater distributions than they will under the Plan;

- The Plan overpays various classes of Subsidiary creditors at the expense of ACC Senior Noteholders by "deeming" the value of the shares of TWC Class A Common Stock that they receive to be less than the actual value of such shares;

- The Plan fails to meet the "Best Interests of Creditors Test" as to the class of ACC Senior Notes claims pursuant to section 1129(a)(7)(A)(ii) of the Bankruptcy Code because it gives unsecured Subsidiary creditors postpetition interest at rates much higher than the federal judgment interest rate that would apply in a chapter 7 liquidation, thus decreasing the amount of value flowing up to ACC and reducing ACC's creditors' recoveries such that they are receiving less than they would under a chapter 7 liquidation;

- The Plan fails to meet the "same treatment within a class" requirement embodied in section 1123(a)(4) of the Bankruptcy Code by providing different treatment for creditors in the same class because those creditors voting in favor of the Plan receive better treatment than those creditors who abstain or vote against the Plan;

- The Plan is coercive because it offers creditors releases if they vote in favor of the Plan and subjects their claims to disallowance or subordination if they vote to reject the Plan;

- The Plan violates section 1129(a)(3) of the Bankruptcy Code, which requires that a Plan be proposed in good faith and not by any means forbidden by law, because the Plan is coercive and penal in nature;

- The Plan compels the ACC Senior Noteholders to forfeit certain seniority rights in violation of section 510(a) of the Bankruptcy Code;

- The Plan deprives parties in interest of their statutory rights to object to claims in violation of section 502(a) of the Bankruptcy Code;

- The Plan provides for illegal third party releases;

- The Plan violates section 1122 of the Bankruptcy Code because the Plan separately classifies unsecured claims against the same Debtor in order to gerrymander an accepting class;

- The purported "transfer" of $1.08 billion (or, if there is an ACC Senior Notes Claims Accepting Class, $1.13 billion) to ACC unsecured creditors is illusory because (a) substantial concessions have been made to accommodate other parties reducing the $1.08 billion (or, if there is an ACC Senior Notes Claims Accepting Class, $1.13 billion) to less than $1 billion and (b) were the ACC Senior Noteholders to prevail in the Inter-Creditor Disputes, such funds would belong to ACC regardless;

- The Plan relies on an unenforceable modified form of substantive consolidation by eliminating Intercompany Claims and sharing assets of the ACC estate with other creditors, but not otherwise combining all assets and liabilities as required in a substantive consolidation;

- The Plan violates section 1129(a)(8) of the Bankruptcy Code because classes with no votes cast are deemed to accept the Plan;

- The Plan allows waivers of conditions precedent to the effective date without notice or order of the Bankruptcy Court in violation of due process rights; and

- The Creditors' Committee is inherently conflicted, and therefore its position as a co-Proponent of the Plan is in violation of its fiduciary duty to estate creditors.

The Proponents disagree with these assertions, which will be decided at the Confirmation Hearing if pressed by the ACC Bondholder Group. The ACC Bondholder Group has reserved its right to assert these and all other confirmation objections.

In addition, the Equity Committee and the Class Action Plaintiffs have asserted that the Plan is unconfirmable and they intend to object to confirmation for a number of reasons, including the following: (a) Section 8.5 of the Plan contradicts the very basis upon which the Government Settlement was approved and that it seeks to improperly undertake to influence the distribution scheme for the Restitution Fund; and (b) as a result of the provisions providing for distributions to certain Classes only if they and certain identified other Classes vote to accept, the Plan does not meet the legal standards regarding absolute priority and unfair discrimination vis a vis holders of ACC Existing Securities Law Claims, ACC Common Stock Interests, ACC Preferred Stock Interests, and other junior creditors of ACC. More specifically, the Equity Committee and the Class Action Plaintiffs assert that (x) the amounts that holders of ACC Existing Securities Law Claims, ACC Preferred Stock Interests and ACC Common Stock Interests will receive under the Plan if they vote in favor of the Plan are amounts to which they would otherwise be entitled under the absolute priority rule, and (y) if the classes of ACC Existing Securities Law Claims and ACC Common and Preferred Stock Interests fail to vote in favor of the Plan, this could result in an improper windfall to senior creditors, who, pursuant to the Plan, will receive in excess of their legal entitlement even as junior Classes receive nothing. The Proponents disagree with these assertions, which will be decided at the Confirmation Hearing if pressed by the Equity Committee and the Class Action Plaintiffs.

Finally, the Office of the United States Trustee has asserted that the Debtors and the Creditors Committee have failed to make the appropriate showing to justify the release and exculpation clauses contained in Section 16.3 of the Plan as they apply to any party other than the Debtors, the Creditors Committee, the Equity Committee, and current accountants and financial advisors.

Plan releases may not be approved.

There can be no assurances that the Plan releases and exculpations, as provided in Section 16.3 of the Plan and as described in this Second Disclosure Statement Supplement, will be granted. Failure of the Bankruptcy Court to grant such relief may result in a plan of reorganization that differs from the Plan.

It is extremely remote and unlikely that there will be sufficient litigation recoveries, if any, by the Contingent Value Vehicle to provide any recoveries to holders of Series ESL Interests, Series ACC-4 Interests, Series ACC-5 Interests, Series ACC-6 Interests and Series ACC-7 Interests in the event they are issued under the Plan.

Series ESL Interests, Series ACC-4 Interests, Series ACC-5 Interests, Series ACC-6 Interests and Series ACC-7 Interests will only be issued to their respective Classes if all senior Classes vote to accept the Plan. Even if such interests are issued under the Plan, there will be no distribution on account of such interests unless all senior claims are paid in full as provided in the Plan. As set forth in Section II.B of this Second Disclosure Statement Supplement, the senior ACC Senior Notes Claims, ACC Trade Claims and ACC Other Unsecured Claims are not estimated to be paid in full under the Plan absent significant litigation recoveries. Thus, even assuming there are no Allowed Subsidiary Debtor Existing Securities Laws Claims, holders of Series ACC-4 Interests, Series ACC-5 Interests, Series ACC-6 Interests and Series ACC-7 Interests should not expect to receive any recoveries on account of such interests unless there are net proceeds of at least approximately $6.5 billion on account of litigation prosecuted by the Contingent Value Vehicle (assuming all senior Classes and Claims are paid in full as of January 31, 2007). The Debtors, to date, have been unable to identify the nominee holder of approximately 10 million shares of ACC Class A Common Stock purportedly held by the Rigases through nominees, which shares were forfeited to the United States of America (for further transfer to Adelphia) pursuant to the Government Settlement Agreements. To the extent the Debtors are unable to identify the nominee for such shares, additional CVV Series ACC-7 Interests may have to be issued under the Plan, which would further reduce the recovery, if any, to other holders of CVV Series ACC-7 Interests.

B. TAX RISKS

There is uncertainty regarding the amount of the Debtors' tax attributes and their potential tax liabilities.

As a result of the fraud and other alleged improper acts committed by Rigas management, Adelphia's restated or revised its financial statements for the years 1999-2003. See Section XII.B of the Disclosure Statement, titled "The Discovery of the Alleged Rigas Family Improper Acts, the Restatement and Related Events." Because the Debtors' income and franchise tax returns for those periods were based on the historical financial statements that have been restated or revised, the Debtors currently intend to file amended federal, state and local income and franchise tax returns for at least some of these periods and for 2004 to conform to the restated or revised financial statements. This will entail the preparation and filing of over 3,600 federal, state and local income and franchise tax returns. Although the Debtors have begun the process of preparing these amended returns, this undertaking will take many months to complete. The Debtors expect that the amendment of these income and franchise tax returns will result in substantial changes to the amount and location of the Debtor's tax attributes (such as asset tax basis and net operating loss carryovers) for federal, state and local income and franchise tax purposes. It is possible that the amended tax returns will reflect additional federal, state and local income and franchise tax liabilities for these periods that were not reflected on the original returns and that will become payable.

In addition, there is currently uncertainty related to the Debtors' tax attributes and historical tax liability. The Debtors recorded reserves to reflect this uncertainty; however, the Debtors' ultimate tax liability for these periods may exceed such reserves by a material amount. In light of this uncertainty, the Plan Administrator may reserve a portion of proceeds from the Sale Transaction to fund these and other contingent liabilities.

The tax consequences of certain advances by Adelphia to the Rigases and their entities, Adelphia's settlements with the U.S. Attorney and the SEC, and Adelphia's acquisition of the Rigas Co-Borrowing Entities (other than Coudersport and Bucktail) and subsequent sale of the assets of those entities, are uncertain.

The proper characterization for federal, state and local income and franchise tax purposes of amounts advanced by Adelphia to the Rigases and their entities is uncertain. Also uncertain is the proper tax treatment of Adelphia's settlements with the U.S. Attorney and the SEC, and Adelphia's acquisition of the Rigas Co-Borrowing Entities (other than Coudersport and Bucktail) and subsequent sale of the assets of those entities. Accordingly, the amount and timing of income, gain, loss or deduction resulting from these various transactions is not known with certainty.

Any tax benefits that may accrue to the Debtors related to the advances to the Rigases and the settlement with the U.S. Attorney and the SEC have not been taken into account in determining estimated recoveries to creditors.

It is possible that the acquisition of such Rigas Co-Borrowing Entities, and the sale of the assets of those entities in the Sale Transaction, may result in income and franchise tax liability to the Debtors, which could be material. The Plan Administrator may reserve a portion of the proceeds from the Sale Transaction to fund this potential liability.

Adelphia's income and franchise tax liabilities in connection with the Sale Transaction and consummation of the Plan could be materially more than estimated.

The Debtors will be liable for federal, state and local income and franchise taxes as a result of the Sale Transaction. The current estimated range of this tax liability is approximately from $200 million to $800 million. The recoveries to the Debtors' stakeholders estimated in Section II, titled "Summary Plan of Reorganization Recoveries," assume the Debtors' current best estimate of their tax liability in connection with the Sale Transaction, plus a reserve for possibly greater tax liability. This estimated range of the liability, however, is based on incomplete information as a result of deficiencies in the Debtors' tax records. Moreover, the Plan Administrator will be authorized to determine the amount that should be reserved for the Debtors' tax liabilities and the Plan Administrators' determination of such reserves may materially differ from the Debtors' current best estimate. Accordingly, these estimates are subject to change, and by the time of the consummation of the Plan, the Debtors' estimate of their income and franchise tax liabilities, and their estimate of the potential range of such liabilities, resulting from the Sale Transaction may be materially in excess of the current estimates. The Debtors expect to distribute on or as soon as reasonably possible after the Effective Date all of their material non-Cash assets to their creditors and certain equity holders and to the Plan Administrator to fund reserves, funds, holdbacks and escrows created pursuant to the Plan. As such, the Debtors do not expect to be subject to asset tax basis reduction. However, there can be no assurance that the Internal Revenue Service ("IRS") will not seek to require basis reduction with respect to the assets held then by the Debtors or assert that the Debtors actually or constructively hold additional assets subject to basis reduction, such as those assets held by any reserves, funds, holdbacks or escrows created pursuant to the Plan. If the IRS were successful in requiring such basis reduction, the Debtors could be subject to additional income and franchise tax liability potentially in a material amount. See Section VII.A.2, titled "Cancellation of Debt." Any such increase in the Debtors' estimated tax liabilities may reduce the amount available for distribution to stakeholders.

The IRS may challenge anticipated tax characterizations, and any successful challenge by the IRS could have a significant impact on TWC's projected free cash flow.

The TW Adelphia Acquisition was designed to be a taxable asset sale, and the TWC Redemption (as defined in Section VI.C.2. of the Disclosure Statement) was designed to qualify as a tax-free split-off under section 355 of the Tax Code. There can be no assurance, however, that the IRS will not seek to challenge one or both of such characterizations and treat the TW Adelphia Acquisition as tax-free and/or the TWC Redemption as taxable. If the IRS were successful in challenging the tax treatment of the TW Adelphia Acquisition or the TWC Redemption, then TWC's tax profile would be significantly different from that presented in Section VIII of the Disclosure Statement, titled "Unaudited Pro Forma Condensed Combined Historical Financial Information," and Section IX of the Disclosure Statement titled "TWC Projections." For example, if the TW Adelphia Acquisition were determined not to be a taxable acquisition, the expected amount of TWC tax depreciation for taxable periods following the TW Adelphia Acquisition would be substantially lower and, correspondingly, TWC would have additional cash liability on account of taxes during such periods. Further, TWC would also recognize substantial taxable gain in connection with the Exchanges to the extent that the Exchanges were determined to be wholly or partially taxable. This could have a significant impact on TWC's projected free cash flow. Also, if the IRS were successful in challenging the tax treatment of the TW Adelphia Acquisition, holders of Claims and Equity Interests receiving distributions of TWC Class A Common Stock may not be able to recognize a tax loss realized upon the exchange of their securities of the Company for the consideration received by such holders pursuant to the Plan. Further, in the event that the IRS were to successfully assert that the TWC Redemption was taxable, additional cash liability on account of taxes of up to an estimated $900 million could become payable by TWC. This could also have a significant impact on TWC's projected free cash flow. The tax consequences of the Sale Transaction and the TWC/Comcast Transactions are complex and, in many cases, subject to significant uncertainties, including, but not limited to, uncertainties

regarding the application of federal income tax laws to various transactions and events contemplated therein and regarding matters relating to valuation. No ruling has been requested with respect to the tax treatment of any aspect of the Sale Transaction or the TWC/Comcast Transactions.

C. RISKS ASSOCIATED WITH THE CONTINGENT VALUE VEHICLE

The transferability of the CVV Interests is subject to the availability of certain exemptions under the U.S. securities laws.

The Plan provides that, as of the Effective Date, the Contingent Value Vehicle will be created as a liquidating trust and become effective pursuant to the CVV Declaration for the benefit of all holders of CVV Interests. See Plan, § 9.1(a). The CVV Interests are a potentially significant source of value for certain of the Debtors' unsecured creditors and, under certain circumstances, holders of Equity Interests who receive CVV Interests under the Plan. The Plan provides that:

> [t]he CVV Interests shall be exempt from any securities law registration requirements and any other applicable non-bankruptcy law or regulation and freely transferable pursuant to section 1145 of the Bankruptcy Code.

Plan, § 9.5. It is a condition precedent to the occurrence of the Effective Date (unless waived by the Settlement Parties pursuant to Section 12.3 of the Plan) that "[t]he CVV Interests shall have been made fully transferable." Plan, § 12.2(c).

The Contingent Value Vehicle Interests will only be transferable if both: (1) the Bankruptcy Court determines that the Contingent Value Vehicle is a successor to the Debtors for purposes of section 1145 of the Bankruptcy Code, and (2) the CVV Interests are not required to be issued pursuant to an indenture qualified under the Trust Indenture Act. In the event such determinations are not made, then the Contingent Value Vehicle Interests may not be transferable so as to cause them not to be securities for purposes of the registration requirements of the Securities Act of 1933, as amended, and the Trust Indenture Act of 1939.

The Contingent Value Vehicle may be subject to entity level income taxation.

Absent definitive administrative or judicial guidance to the contrary, the Debtors and the Contingent Value Vehicle Trustee will treat the Contingent Value Vehicle as a grantor trust for federal income tax purposes and, to the extent permitted by applicable law, for state and local income tax purposes. If such treatment is respected, the Contingent Value Vehicle will not be subject to income tax. There can be no assurance that the IRS will agree with the classification of the Contingent Value Vehicle as a grantor trust for federal income tax purposes and a different classification of the Contingent Value Vehicle could result in its being subject to income taxes and in a different income tax treatment of its interest holders. If the Contingent Value Vehicle is classified as a partnership for federal income tax purposes, it may be subject to corporate income tax under the publicly traded partnership rules of the Tax Code.

Holders of CVV Interests may be subject to tax in advance of the receipt of distributions from the Contingent Value Vehicle.

Absent definitive administrative or judicial guidance to the contrary, the Debtors and the Contingent Value Trustee will treat the Contingent Value Vehicle as a grantor trust for federal income tax purposes, and to the extent permitted by applicable law, for state and local tax purposes. If such treatment is respected holders of CVV Interests will be taxed on their allocable shares of income and gain of the Contingent Value Vehicle for a taxable year as its grantors and deemed owners. Such taxes may be material, and will be incurred whether or not the Contingent Value Vehicle makes distributions to its interest holders.

The Contingent Value Vehicle is likely to be required to register as a reporting company under the Securities Exchange Act, resulting in increased administrative and compliance costs and potentially reducing recoveries.

Due to the nature of the Contingent Value Vehicle and the Contingent Value Vehicle Interests, as well as the likely number of holders of record of such interests, the Proponents expect that the Contingent Value Vehicle will be required to register as a reporting company under Section 12(g) of the Exchange Act prior to 120 days after the end

of its first fiscal year. As a result, the Contingent Value Vehicle will be required to file periodic reports with the SEC, including financial statements audited in accordance with GAAP. The preparation of such reports and audited financial statements may result in the Contingent Value Vehicle incurring significant costs. Such costs could impair the ability to proceed with the Designated Litigation by reducing the $25 million fund available for such purpose. By increasing the Contingent Value Vehicle's administrative costs, its status as a reporting company under the Securities Exchange Act could reduce distributions to holders of Contingent Value Vehicle Interests.

There is no existing market for the CVV Interests, and one may not develop to provide you with adequate liquidity.

There is no established trading market for the various series of CVV Interests, which are complicated securities whose value depends, in part, on distributions made under the Plan to holders of Claims. The Proponents cannot predict the extent to which investor interest in any series of CVV Interests will lead to the development of an active trading market for such series of CVV Interests or how liquid that market might become.

If an active trading market does not develop, you may have difficulty selling any CVV Interests that you receive. In addition, the holders of Claims and Equity Interests that receive CVV Interests under the Plan may seek to sell such CVV Interests immediately. The sale or attempted sale of significant amounts of CVV Interests may depress the market price of the CVV Interests. Consequently, you may not be able to sell CVV Interests at prices that reflect the intrinsic value of such CVV Interests.

D. RISKS ASSOCIATED WITH THE VALUATION OF TWC CLASS A COMMON STOCK AND THE TRUE-UP MECHANISM

The Plan provides for a True-Up Mechanism designed to protect the holders of Claims against the Subsidiary Debtors from decreases of up to 20% of the value of the TWC Class A Common Stock from the Deemed Value. The following are some of the risks arising out of the valuation of the TWC Class A Common Stock and the True-Up Mechanism:

The True-Up Mechanism may materially reduce the recoveries to holders of Claims against the ACC Debtors.

The estimated recoveries to the holders of Claims against and Equity Interests in the Debtors contained in this Second Disclosure Statement Supplement are based on the assumption that the Market Value determined in the True-Up Mechanism is equal to the Deemed Value of the TWC Class A Common Stock. In the event the Market Value determined in the True-Up Mechanism is less than the Deemed Value set forth in this Second Disclosure Statement Supplement, the recovery to holders of the Claims against the ACC Debtors will be reduced in two ways. First the True-Up Reserve would be transferred to the creditors of the Subsidiary Debtors and second the shares of TWC Class A Common Stock would also be subject to such decrease in value. Thus, for each 1% decrease in the value of the TWC Class A Common Stock, the recovery to the holders of Claims against the ACC Debtors would be reduced by approximately $51 million (or, $54 million if there is an ACC Senior Notes Claims Accepting Class).

The True-Up Mechanism will provide holders of Claims with an incentive to engage in transactions designed to reduce or increase the Market Value of the TWC Class A Common Stock.

The True-Up Mechanism will provide holders of Claims against the Subsidiary Debtors with an incentive to engage in transactions designed to reduce the Market Value of the TWC Class A Common Stock, assuming a market for the TWC Class A Common Stock even develops, and holders of Claims against the ACC Debtors to engage in transactions designed to increase the Market Value of the TWC Class A Common Stock. Such transactions may take the form of buying or selling the TWC Class A Common Stock without incurrence of economic risk of loss as a result of offsetting, off-market transactions (such as swap or derivative transactions) that cannot practically be taken into effect in calculating the Market Value. Although it is not clear whether such transactions would be permitted under applicable law, even if prohibited, any such transactions could be difficult to detect. Such transactions may cause distortions in the price at which the TWC Class A Common Stock would trade which could have the effect of altering the outcome of the True-Up Mechanism.

ACC could be forced to take actions under its Registration Rights Agreement with TWC that could adversely affect creditor recoveries.

As described in Section IX.A., titled "Applicability of the Bankruptcy Code and Federal and Other Securities Laws," ACC is party with TWC to a Registration Rights Agreement, under which ACC must consummate a fully underwritten initial public offering of at least 33 1/3% of the TWC Class A Common Stock received by ACC in the Sale Transaction (inclusive of the overallotment option, if any) within three months of the SEC having declared the necessary registration statement filed by TWC effective (subject to delays under specified conditions), unless a "Termination Event" occurs thereunder. A Termination Event under the Registration Rights Agreement requires that ACC consummate a plan of reorganization as a result of which (i) 75% of the TWC Class A Common Stock received by ACC in the Sale Transaction (excluding TWC Class A Common Stock held in escrow pursuant to the Sale Transaction) is distributed to creditors and the TWC Class A Common Stock is listed on the New York Stock Exchange or The Nasdaq National Market within two weeks or (ii) 90% of the TWC Class A Common Stock received by ACC in the Sale Transaction (excluding TWC Class A Common Stock held in escrow pursuant to the Sale Transaction) is distributed to creditors regardless of listing status.

If the Plan is confirmed and the Effective Date occurs, the Debtors and the Creditors Committee currently expect that consummation of the Plan should result in the distribution on or about the Effective Date to creditors of more than 79% (or, if there is an ACC Senior Notes Claims Accepting Class, 80%) of the TWC Class A Common Stock received in the Sale Transaction. The TW Purchase Agreement requires TWC to pursue a listing of the TWC Class A Common Stock on the New York Stock Exchange effective no later than two weeks following the Effective Date (or, if such listing is not effected within a reasonable period following the Effective Date, on the Nasdaq Stock Market). If both (1) such listing is effected within two weeks of the Effective Date and (2) the Debtors' and the Creditors Committee's expectations of the size of the Effective Date distribution of TWC Class A Common Stock is accurate, ACC would not be required under the Registration Rights Agreement to consummate an initial public offering of the TWC Class A Common Stock pursuant to a registration statement under the Securities Act. If no such listing occurs, a Termination Event under the Registration Rights Agreement will not occur unless the Debtors distribute 90% of the TWC Class A Common Stock other than in the event TWC waives the listing requirements or the failure to effect the listing is a breach by TWC of the Registration Rights Agreement or the Purchase Agreement.

VIII. CERTAIN ADDITIONAL FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

The following discussion summarizes certain federal income tax consequences of the implementation of the Plan to the Debtors and certain holders of Claims and Equity Interests. The discussion only addresses such consequences to the holders entitled to vote on the Plan. This discussion supersedes in its entirety the discussion of such consequences in Section XV of the Disclosure Statement and Section VII of the First Supplemental Disclosure Statement.

The following summary is based on the Tax Code, Treasury Regulations promulgated thereunder, judicial decisions and published administrative rules and pronouncements of the IRS as in effect on the date hereof. Changes in such rules or new interpretations thereof may have retroactive effect and could significantly affect the federal income tax consequences described below.

The federal income tax consequences of the Plan are complex and are subject to significant uncertainties. The Debtors have not requested a ruling from the IRS with respect to any of the tax aspects of the Plan. Thus, no assurance can be given as to the interpretation that the IRS or a court of law will adopt.

In addition, this summary does not generally address state, local or non-U.S. tax consequences of the Plan, nor does it purport to address the federal income tax consequences of the Plan to special classes of taxpayers (such as foreign taxpayers, broker dealers, banks, mutual funds, insurance companies, financial institutions, small business investment companies, regulated investment companies, tax-exempt organizations and investors in pass-through entities). This discussion assumes that the various third-party debt and other arrangements to which the Debtors are a party will be respected for federal income tax purposes in accordance with their form and that Claims and Equity Interests are held as capital assets. Furthermore, this discussion assumes that a plan of reorganization under the Bankruptcy Code will be consummated with respect to each Debtor. If no plan of reorganization will be consummated with respect to any Debtor(s), the federal income tax consequences of the Plan may be materially different than the consequences described below. Accordingly, the following summary of certain federal income tax consequences is for informational purposes only and is not a substitute for careful tax planning and advice based upon the individual circumstances pertaining to a holder of a Claim or an Equity Interest.

All holders of Claims or Equity Interests should seek tax advice based on their particular circumstances from an independent tax advisor regarding the federal, state, local and other tax consequences of the transactions contemplated by the Plan.

TO ENSURE COMPLIANCE WITH INTERNAL REVENUE SERVICE CIRCULAR 230, YOU ARE HEREBY NOTIFIED THAT: (1) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS SECOND DISCLOSURE STATEMENT SUPPLEMENT IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON BY YOU, FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON YOU UNDER THE INTERNAL REVENUE CODE; (2) SUCH DISCUSSION IS WRITTEN IN CONNECTION WITH THE SOLICITATION OF VOTES IN FAVOR OF THE PLAN; AND (3) YOU SHOULD SEEK ADVICE BASED ON YOUR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

A. CONSEQUENCES TO THE DEBTORS

ACC is the common parent of a group of corporations that file a consolidated federal income tax return ("Adelphia Group"). Each Debtor that is a corporate entity is a member of the Adelphia Group. Certain limited liability companies and partnerships that are wholly owned by members of the Adelphia Group are disregarded as

entities separate from their owners for federal income tax purposes. Certain of the Debtors are treated as partnerships for federal income tax purposes. These Debtors are not members of the Adelphia Group. However, the items of income, loss, expense, deduction and credit generated by these Debtors and allocable to the Adelphia Group members that own interests in such entities are included in the Adelphia Group's consolidated return.

On its original federal income tax return for 2004, the Adelphia Group reported consolidated NOLs for federal income tax purposes of approximately $8.7 billion as of December 31, 2004. The Adelphia Group expects that the amount of the NOL on its amended federal income tax return for 2004, which return will conform to the income tax positions taken in the Company's 2004 financial statements, will be substantially greater than the $8.7 billion reflected on the original federal income tax return for 2004. The Adelphia Group currently estimates that the amount of the NOL carryforward that will be reflected on the amended 2004 return will be approximately $10.7 billion. The Adelphia Group expects to report additional tax losses with respect to 2005.

The Adelphia Group's NOLs are subject to adjustment by the IRS. The Debtors also expect to report NOLs at the state and local level in varying amounts.

The Debtors currently intend to amend at least some of their federal, state and local income and franchise tax returns for 1999 through 2004 so that they conform to positions taken in the Company's updated financial statements. The Debtors anticipate that the tax attributes reported on their amended tax returns will be different from the tax attributes reported on the original returns.

Various limitations apply to the utilization of NOLs at the federal level, and separate, and in some cases more restrictive, limitations on the use of NOLs exist at the state and local level.

1. Sale Transaction and Funding of the Contingent Value Vehicle and Reserves

The Debtors intend to treat the sale of assets pursuant to the Sale Transaction as a taxable transaction for federal income tax purposes as well as for state and local income and franchise tax purposes. If such treatment is respected, the Debtors will be generally treated as having recognized taxable gain or loss equal to the difference between the purchase price allocated to the assets and the tax basis of the Debtors in the assets.

Due largely to limitations on the use of NOLs at the federal, state and/or local levels, the Debtors estimate that material income and franchise tax liability will arise from the Sale Transaction. Due to the status of the Debtors' tax records, they are currently unable to determine with certainty the amount of this tax liability. However, based on the best available current information, the Debtors predict that this tax liability will be between approximately $200 million and $800 million. This predicted range of the tax liability, however, is subject to substantial uncertainty, and may change materially as the Debtors continue updating their tax records. Also, the Debtors expect that the amount of NOLs and other tax attributes available to offset gain recognized in the Sale Transaction will change due to amendments of previously filed tax returns to conform to the financial restatement.

The availability of NOLs, and possibly some other tax attributes of the Debtors, to offset the gain arising from the Sale Transaction may depend on whether there has been a change in ownership of the Debtors prior to the Sale Transaction triggering the limitation of section 382 of the Tax Code. Although the Debtors obtained relief from the Bankruptcy Court in order to attempt to prevent any such change of ownership, there can be no assurance that a change of ownership has not occurred prior to the Sale Transaction. If a change of ownership has deemed to occur prior to the Sale Transaction Closing, the tax liability arising from the Sale Transaction could be materially greater than the estimate above.

A distribution of the TWC Class A Common Stock held by the Debtors will be generally a taxable transaction for federal income tax purposes. Debtors will realize additional gain or loss equal to the difference between the fair market value of the TWC Class A Common Stock at the time of the distribution and their tax basis in such stock. The tax basis of the Debtors in the TWC Class A Common Stock will be generally equal to its fair market value at the time of the Sale Transaction.

For federal income tax purposes, the Debtors will treat the transfer of certain litigation claims and the Litigation Prosecution Fund to the Contingent Value Vehicle as a distribution of such assets by the Debtors to the Contingent Value Vehicle Holders in a taxable transaction followed by a transfer of such assets by such holders to the Contingent Value Vehicle. This deemed distribution for federal income tax purposes will generally cause the Debtors to recognize gain or loss equal to the fair market value of the distributed assets less the tax basis of the Debtors in such assets.

For federal income tax purposes, the Debtors intend to treat the Cash transferred to the Reserved Cash, the Prepetition Tax Reserve and the Postpetition Tax Reserve (the "Cash Funded Reserves") as owned by the Debtors for federal, state and local income tax purposes. If such treatment is respected, the Debtors will be taxed on their allocable shares of income and gain of the Cash Funded Reserves for a taxable year as their grantors and owners, whether or not any distributions from the Cash Funded Reserves were made to or on behalf of the Debtors in such taxable year. There can be no assurance that the IRS or a court of law will agree with the treatment of the Cash Funded Reserves as owned by the Debtors and a different treatment of the Cash Funded Reserves could result in their being subject to income taxes and in a different income tax treatment of the Debtors and of holders of Claims and Equity Interests.

2. Cancellation of Debt

COD income is generally includable in a taxpayer's gross income. However, if COD income is recognized by a debtor that is insolvent, it is generally excluded from the debtor's gross income to the extent the debtor's liabilities exceed the fair market value of its assets. When the debtor is a partnership for federal income tax purposes, the insolvency exception is applied at the partner level, not at the partnership level.

The Tax Code provides that where COD income is excluded because of this insolvency exception, the debtor must reduce certain of its tax attributes -- such as NOLs, current year losses, tax credits and tax basis in property -- by the amount of any excluded COD income after the determination of the federal income tax for the year of the discharge of the debt. The amount of the COD income will equal the amount by which the indebtedness discharged (reduced by any unamortized discount) exceeds any consideration given in exchange therefor, subject to certain statutory or judicial exceptions that can apply to limit the amount of COD income (such as where the payment of the cancelled debt would have given rise to a tax deduction). To the extent the amount of COD income exceeds the tax attributes available for reduction, the remaining COD income is without further current or future tax cost to the debtor. If, however, nonrecourse debt is satisfied with the underlying collateral, generally the debtor recognizes a gain from the disposition of property based on an amount realized equal to the nonrecourse debt satisfied, as opposed to COD income.

Special rules apply where the excluded COD income is recognized by a debtor that is a member of a consolidated group. Under these rules, the tax attributes of the debtor member (including consolidated tax attributes attributable to the debtor member) are first subject to reduction. To the extent that the excluded discharge of indebtedness income exceeds the tax attributes of the debtor member (including consolidated tax attributes attributable to the debtor member), the regulations generally require the reduction of certain consolidated tax attributes attributable to other members of the group. If one of the attributes of the debtor member reduced under the above rules is the basis of stock of another member of the group, a "look-through rule" applies requiring that certain corresponding reductions be made to the tax attributes of the lower-tier member (including consolidated tax attributes attributable to such lower-tier member).

The Debtors anticipate that some of them will realize COD income to the extent that a creditor receives an amount of consideration in respect of its Claim that is worth less than the amount of such Claim. For this purpose, the amount of consideration received by a creditor in exchange for its Claim will equal the amount of Cash and the value of the shares of TWC Class A Common Stock and Contingent Value Vehicle Interests received by such creditor. Because the Bankruptcy Code does not formally discharge claims in a liquidating chapter 11 bankruptcy case, it is possible that none of the Debtors would be treated as realizing COD income. However, even if a Debtor was treated as realizing COD income, such income would likely be excluded under the insolvency exception described above, to the extent the Debtor's liabilities exceed the fair market value of its assets and no distribution is made with respect to the Debtor's equity. Under the rules discussed above, the NOLs of the Adelphia Group may be substantially reduced or eliminated as a result of this COD income.

If the COD exclusion exceeds the amount of a Debtor's remaining NOLs, then such Debtor would be required to reduce the tax basis of its assets by the amount of such excess, but such reduction in tax basis is limited to the excess of the aggregate tax basis of the Debtor's assets immediately after the discharge over the aggregate of the liabilities of such Debtor immediately after the discharge. Since the Debtors will be obligated to distribute all their assets to creditors, even if the Plan is treated as creating a discharge for U.S. federal income tax purposes, it should not be considered to reduce the liabilities of the Debtors below the value of their assets. Consequently, the Debtors' tax basis in their assets should not be reduced below the value of their assets. Moreover, the Debtors do not expect to hold material non-Cash assets at the end of the taxable year in which the discharge of Claims occurs. Accordingly, the Debtors do not believe that the attribute reduction rules of section 108(b) of the Tax Code will result in material federal income tax liability to the creditors. There can be no assurance, however, that the IRS will not seek to challenge such treatment and require basis reduction with respect to the assets held by the Debtors or assert that the Debtors actually or constructively hold additional assets subject to basis reduction, such as those assets held by any reserves, funds, holdbacks, or escrows created pursuant to the Plan. If the IRS were successful in requiring such basis reduction, the Debtors could be subject to additional income and franchise tax liability, potentially in a material amount. Furthermore, to the extent the Debtors were to hold operating assets either directly or through other entities, at the end of the year in which the Effective Date occurs, the basis reduction could result in materially increased income and franchise tax liability of the Debtors.

B. CONSEQUENCES TO HOLDERS OF CERTAIN CLAIMS AND EQUITY INTERESTS

1. Distributions to Holders of Claims and Equity Interests

The Debtors believe that, upon the receipt of Cash, shares of TWC Class A Common Stock or Contingent Value Vehicle Interests, a holder of a Claim or Equity Interest will generally recognize gain or loss equal to (1) the amount of Cash plus the fair market value of the shares of TWC Class A Common Stock and any other property received and of the holder's *pro rata* share of the assets transferred to the Contingent Value Vehicle less (2) the tax basis of the holder in the Claim or Equity Interest (except to the extent such amounts received or such tax basis is attributable to accrued but unpaid interest). However, a holder may be unable to currently deduct any such loss, and may recognize additional income, to the extent such holder may be entitled to receive distributions from a reserve, fund or escrow established in connection with the Plan. Note that a holder must take into account such holder's *pro rata* share of the assets transferred to the Contingent Value Vehicle for purposes of recognizing the gain or loss even if such holder receives no distributions therefrom. The tax basis of a holder in a Claim or Equity Interest will generally be equal to the holder's cost therefor (increased by any original issued discount or market discount previously included in income by the holder and decreased by the amount of any payments, other than qualified stated interest payments, received by the holder with respect to the Claim).

The characterization of gain or loss recognized by a holder as capital or ordinary will be determined by a number of factors, including the tax status of the holder, whether the Claim or Equity Interest constitutes a capital asset in the hands of the holder, whether the Claim was acquired at a market discount, whether and to what extent the holder previously had claimed a bad debt deduction, and the origin of the Claim. The deductibility of capital losses is subject to limitations. Any capital gain or loss recognized by a holder will be long-term capital gain or loss if the Claim or Equity Interest was held for more than one year.

For federal income tax purposes, the Debtors will treat each holder that receives an interest in the Contingent Value Vehicle as receiving from the Debtors in part payment of the holder's Claim or Equity Interest, as the case may be, in a taxable transaction the holder's *pro rata* share of the assets transferred to the Contingent Value Vehicle. The holder will be treated as then contributing those assets to the CVV in exchange for an interest in the Contingent Value Vehicle. Absent definitive guidance from the IRS or a court of competent jurisdiction to the contrary, the Plan requires the holders of interests in the Contingent Value Vehicle to follow such treatment consistently.

The tax treatment described above depends upon the characterization of the TW Adelphia Acquisition as a taxable asset sale. There can be no assurance, however, that the IRS will not seek to challenge this characterization and treat the TW Adelphia Acquisition as tax-free. If the IRS were successful in challenging the characterization of the TW Adelphia Acquisition, it is possible that a holder who receives TWC Class A Common Stock and whose Claim or Equity Interest constitutes a stock or security for federal income tax purposes generally (1) may recognize any gain realized by the holder on the distribution up to the extent of the amount of Cash and the fair market value

of any assets (other than TWC Class A Common Stock) distributed to such holder, (2) may not be entitled to recognize a loss on the exchange, (3) may have a holding period in the TWC Class A Common Stock that includes the holder's holding period in its Claim or Equity Interest (except to the extent received for accrued but unpaid interest) and (4) may have a tax basis in the TWC Class A Common Stock equal to the holder's basis in its Claim or Equity Interest (including any Claim for accrued but unpaid interest), increased by the amount of gain recognized on the distribution, and decreased by any deductions claimed in respect of any previously accrued interest, the amount of Cash and the fair market value of such other assets distributed. The term "security" is not defined in the Tax Code or in the Treasury Regulations issued thereunder and has not been clearly defined by judicial decisions. The determination of whether a particular Claim constitutes a security depends on an overall evaluation of its nature. One of the most significant factors considered in determining whether a particular Claim is a security is its original term. In general, debt issued with a weighted average maturity at issuance of five years or less (e.g., trade debt and revolving credit obligations) are less likely to constitute securities, whereas debt obligations with a weighted average maturity of 10 years or more are more likely to constitute securities. The Equity Interests will generally constitute stock.

2. Market Discount

Any holder of a Claim with tax basis less than the amount payable at maturity (or possibly the "adjusted issue price") generally will be subject to the market discount rules of the Tax Code (unless such difference is less than a prescribed *de minimis* amount).

Under the market discount rules, a holder is required to treat any principal payment on, or any gain recognized on the sale, exchange, retirement or other disposition of, a Claim as ordinary income to the extent of the market discount that has not previously been included in income and is treated as having accrued on such Claim at the time of such payment or disposition. A holder could be required to defer the deduction of a portion of the interest expense on any indebtedness incurred or maintained to purchase or to carry a market discount claim, unless an election is made to include all market discount in income as it accrues. Such an election would apply to all Claims and other debt instruments acquired by the holder on or after the first day of the first taxable year to which such election applies, and may not be revoked without the consent of the IRS.

Any market discount will be considered to accrue on a straight-line basis during the period from the date of acquisition of such Claims to their maturity date, unless the holder irrevocably elects to compute the accrual on a constant yield basis. This election can be made on a claim-by-claim basis.

3. Distributions in Respect of Accrued Interest or OID

In general, to the extent that any distribution to a holder of a Claim is received in satisfaction of accrued interest or amortized original issue discount ("OID") during its holding period, such amount will be taxable to the holder as interest income (if not previously included in the holder's gross income). Conversely, a holder will generally recognize a loss to the extent any accrued interest or amortized OID was previously included in its gross income and is not paid in full.

Pursuant to the Plan, all distributions in respect of any Claim (other than distributions after the Effective Date from the Contingent Value Vehicle) will be allocated first to the principal amount of such Claim, as determined for federal income tax purposes, and thereafter, to the remaining portion of such Claim, if any. However, there is no assurance that such allocation will be respected by the IRS or a court of law for federal income tax purposes.

Each holder of a Claim is urged to consult its tax advisor regarding the allocation of consideration and the deductibility of unpaid interest for tax purposes.

4. Taxation of the Contingent Value Vehicle and Its Interest Holders

Absent definitive administrative or judicial guidance to the contrary, the Debtors and the Contingent Value Vehicle Trustees will treat the Contingent Value Vehicle as a grantor trust for federal income tax purposes and, to the extent permitted by applicable law, for state and local income tax purposes. If such treatment is respected, the

Contingent Value Vehicle will not be subject to income tax. Instead, its interest holders will be taxed on their allocable shares of income and gain of the Contingent Value Vehicle for a taxable year as its grantors and deemed owners, whether or not they received any distributions from the Contingent Value Vehicle in such taxable year. The holding period of an interest holder of the Contingent Value Vehicle in its *pro rata* share of the assets held by the Contingent Value Vehicle will begin on the day following their deemed distribution to the holder and their tax basis will be equal to their fair market values on the day of the distribution. Under the Plan, the interest holders of the Contingent Value Vehicle are required to follow the treatment described in this paragraph for federal income tax purposes. There can be no assurance that the IRS will agree with the classification of the Contingent Value Vehicle as a grantor trust for federal income tax purposes and a different classification of the Contingent Value Vehicle could result in its being subject to income taxes and in a different income tax treatment of its interest holders. If the Contingent Value Vehicle is classified as a partnership for federal income tax purposes, it may be subject to corporate income tax under the publicly traded partnership rules of the Tax Code.

The Contingent Value Vehicle Trustees will provide to the interest holders the valuations of the assets transferred to the Contingent Value Vehicle. Under the Plan, such holders are required to report the value of such assets consistently with the valuations provided by the Contingent Value Vehicle Trustees for federal income tax purposes. There can be no assurance that the IRS will agree with the valuations provided by the Contingent Value Vehicle Trustees and a different valuation of the assets transferred to the Contingent Value Vehicle could result in its interest holders being subject to additional income taxes.

The Contingent Value Vehicle shall be dissolved upon the earlier of the distribution of all assets to its interest holders or five years from the Effective Date, except that the Bankruptcy Court may approve an extension for a finite term within six months of the beginning of the extended term if such extension is necessary based on its particular facts and circumstances.

5. Taxation of Certain Reserves, Funds and Escrows and Their Beneficiaries

Distributions from the reserves, funds and escrows established in connection with the Plan will be made to holders of Disputed Claims after such Claims are subsequently Allowed and to holders of Allowed Claims (whether such Claims were Allowed on or after the Effective Date) after Disputed Claims are subsequently disallowed. Such distributions (other than amounts attributable to earnings) should be taxable to the recipients in accordance with the principles discussed above.

The Debtors (1) will treat the Disputed Reserve, Subsidiary Debtor Trade Disputed Claims Reserve, Subsidiary Debtor Other Unsecured Disputed Claim Reserve, the Co-Borrowing Bank Litigation Fund, Disputed Claims Reserve, Disputed Bank Reserve Fund, the reserve of disputed identity payments, the True-Up Reserve, the Transaction Escrows, the FrontierVision Litigation Fund and any other reserves, funds, holdbacks and escrows established in connection with the Plan for the benefit of holders of Claims and Equity Interests (other than the Cash Funded Reserves) as one or more disputed ownership funds for federal income tax purposes taxable in accordance with Treasury Regulations Section 1.468B-9, and (2) to the extent permitted by applicable law, to report consistently for state and local income tax purposes. If such treatment is not available with respect to any such reserve, fund, holdback or escrow, then for federal income tax purposes the Debtors intend to treat such entity as one or more trusts subject to a separate entity tax. For federal income tax purposes, the Debtors intend to treat the Cash and TWC Class A Common Stock transferred to such reserves, funds, holdbacks and escrows in connection with the Sale Transaction as received by the Debtors from TW NY and Comcast pursuant to the Sale Transaction and then transferred by the Debtors to such reserves, funds, holdbacks and escrows. The Plan requires all holders of Allowed Claims and Equity Interests, the Plan Administrator and the CVV Trustees to follow the treatment of such reserves, funds, holdbacks and escrows as described above. Accordingly, the Plan Administrator will report as subject to a separate entity level tax any amounts earned by such reserves, funds, holdbacks and escrows. There can be no assurance that the IRS will agree with the classification of such reserves, funds, holdbacks and escrows established in connection with the Plan as one or more disputed ownership funds or trusts subject to a separate entity tax for federal income tax purposes and a different classification could result in a different income tax treatment of such reserves, funds, holdbacks and escrows, of the Debtors and of the holders entitled to distributions therefrom.

In light of the foregoing, each holder entitled to distributions from the reserves, funds, holdbacks and escrows established in connection with the Plan is urged to consult its tax advisors regarding the potential tax treatment of

such reserves, funds, holdbacks and escrows, distributions therefrom, and any tax consequences to such holder relating thereto.

C. INFORMATION REPORTING AND WITHHOLDING

All distributions to holders of Allowed Claims and Equity Interests under the Plan are subject to any applicable withholding obligations (including employment tax withholding). Under federal income tax law, interest, dividends, and other reportable payments may, under certain circumstances, be subject to "backup withholding" at the then-applicable rate. Backup withholding generally applies if the holder: (1) fails to furnish its social security number or other taxpayer identification number ("TIN"); (2) furnishes an incorrect TIN; (3) fails properly to report interest or dividends; or (4) under certain circumstances, fails to provide a certified statement, signed under penalty of perjury, that the TIN provided is its correct number and that it is a United States person that is not subject to backup withholding. Backup withholding is not an additional tax but merely an advance payment, which may be refunded to the extent it results in an overpayment of tax. Certain persons are exempt from backup withholding, including, in certain circumstances, corporations and financial institutions.

The foregoing summary has been provided for informational purposes only. All holders of Claims and Equity Interests are urged to consult their tax advisors concerning the federal, state, local and other tax consequences applicable under the Plan.

IX. SECURITIES LAWS MATTERS

A. APPLICABILITY OF THE BANKRUPTCY CODE AND FEDERAL AND OTHER SECURITIES LAWS

> The initial issuance and distribution, and the resale of TWC Class A Common Stock and Contingent Value Vehicle Interests under the Plan raise certain securities law issues under the Bankruptcy Code and federal and state securities laws that are discussed in this section. The information in this section should not be considered applicable to all situations or to all holders of Claims and Equity Interests receiving TWC Class A Common Stock and/or Contingent Value Vehicle Interests. Holders of Claims and Equity Interests should consult their own legal counsel concerning the facts and circumstances relating to the transfer of the TWC Class A Common Stock and/or the Contingent Value Vehicle Interests (as applicable).

Effective July 31, 2006, ACC and TWC entered into a Registration Rights and Sale Agreement (the "Registration Rights Agreement") pursuant to which ACC agreed to consummate a fully underwritten initial public offering of at least 33 1/3% of the TWC Class A Common Stock received by ACC in the Sale Transaction (inclusive of the overallotment option, if any) within three months of the SEC having declared the necessary registration statement filed by TWC effective (subject to delays under specified conditions). Pursuant to the Registration Rights Agreement, TWC is required to file and have a registration statement covering these shares declared effective as promptly as possible and in any event no later than January 31, 2007, subject to certain extensions. The TW Purchase Agreement also provides that, unless the issuance and distribution of the TWC Class A Common Stock is exempt from registration under the Securities Act pursuant to an order of the Bankruptcy Court or a no-action letter from the staff of the SEC, TWC must use commercially reasonable efforts to cause the shares of TWC Class A Common Stock that were issued in the Sale Transaction to be registered under the Securities Act.

Under the express terms of the Registration Rights Agreement, ACC's obligation to consummate the initial public offering under the Registration Rights Agreement terminates if ACC consummates a plan of reorganization as a result of which (i) 75% of the TWC Class A Common Stock received by ACC in the Sale Transaction (excluding TWC Class A Common Stock held in escrow pursuant to the Sale Transaction) is distributed to creditors and the TWC Class A Common Stock is listed on The New York Stock Exchange or The Nasdaq National Market within two weeks or (ii) 90% of the TWC Class A Common Stock received by ACC in the Sale Transaction (excluding TWC Class A Common Stock held in escrow pursuant to the Sale Transaction) is distributed to creditors regardless of listing status. Unless the requirement for ACC to participate in an initial public offering is terminated as described above, ACC will have the right to a demand registration and, if the exemption from registration pursuant to section 1145 of the Bankruptcy Code is not available, a final registration for a distribution of the remaining TWC Class A Common Stock to ACC's creditors and stakeholders under a chapter 11 plan of reorganization. Except for the registration rights granted to ACC under the Registration Rights Agreement, no registration rights will be provided with respect to the TWC Class A Common Stock distributed under the Plan. Pursuant to the Registration Rights Agreement, TWC also has the right to elect, in its sole discretion, to not rely on section 1145 of the Bankruptcy Code and to instead conduct a final registration for the distribution of TWC Class A Common Stock to ACC's creditors and stakeholders after the initial distribution date.

If the Plan is confirmed and the Effective Date occurs, the Debtors and the Creditors Committee currently expect that consummation of the Plan should result in the distribution on or about the Effective Date to creditors of more than 79% (or, if there is an ACC Senior Notes Claims Accepting Class, 80%) of the TWC Class A Common Stock received in the Sale Transaction. The TW Purchase Agreement requires TWC to pursue a listing of the TWC Class A Common Stock on the New York Stock Exchange effective no later than two weeks following the Effective Date (or, if such listing is not effected within a reasonable period following the Effective Date, on the Nasdaq Stock Market). If both (1) such listing is consummated within two weeks of the Effective Date and (2) the Debtors' and the Creditors Committee's expectations of the size of the Effective Date distribution of TWC Class A Common Stock is accurate, ACC would not be required under the Registration Rights Agreement to consummate an initial

public offering of the TWC Class A Common Stock pursuant to a registration statement under the Securities Act. If, however, the conditions to a termination of ACC's initial public offering obligations are not met, ACC's ability to distribute the TWC Class A Common Stock under the Registration Rights Agreement may be subject to lock-up periods following public offerings of TWC Class A Common Stock which could materially delay distributions of such stock to claimants. The foregoing description of the terms of the Registration Rights Agreement does not purport to be complete and is qualified in its entirety by reference to the Registration Rights Agreement, a copy of which has been filed with the Bankruptcy Court.

1. Initial Issuance and Delivery of TWC Class A Common Stock

The Debtors and TWC believe that the provisions of section 1145(a)(l) of the Bankruptcy Code exempt the initial issuance on the Sale Transaction Closing Date and distribution under the Plan of TWC Class A Common Stock to holders of Claims and Equity Interests from federal and state securities registration requirements. Section 1145(a)(1) of the Bankruptcy Code exempts the issuance of securities under a plan of reorganization from registration under the Securities Act and under state securities laws if three principal requirements are satisfied:

- the securities must be issued "under a plan" of reorganization and must be securities of the debtors, of an affiliate "participating in a joint plan" with the debtors or of a successor to the debtors under the plan;

- the recipients of the securities must hold a prepetition or administrative expense claim against the debtors or an interest in the debtors or such affiliate; and

- the securities must be issued entirely in exchange for the recipient's claim against or interest in the debtors, or "principally" in such exchange and "partly" for cash or property.

In situations such as the Debtors', where securities that were initially issued in a sale transaction occurring prior to the consummation of a plan of reorganization are later distributed to creditors under a subsequently confirmed plan, the SEC has indicated it also considers the following factors in determining whether section 1145(a)(1) of the Bankruptcy Code exempts the initial issuance and subsequent distribution of the securities from registration:

- the debtors must have given notice of the sale in connection with which the securities are received to each of the debtor's creditors;

- each creditor must have had the opportunity to object to the sale;

- the sale of the debtor's assets outside of a plan of reorganization must have been made necessary by continuing losses and rapidly depleting assets; and

- the bankruptcy court must approve a disclosure statement relating to the distribution of the securities as conforming with section 1125 of the Bankruptcy Code, and such disclosure statement must be sent to each of the debtor's creditors.

Under the Bankruptcy Court order approving the Sale Transaction, the Bankruptcy Court found that TWC qualifies as a successor to the Debtors under the Plan for purposes of sections 1145 and 1125 of the Bankruptcy Code. In that order, the Bankruptcy Court also found that the sale of the Debtor's assets outside of a plan of reorganization was necessary to achieve the maximum recoveries for the Debtors' claimholders amid continuing losses and rapidly depleting assets. The Debtors and TWC believe that the issuance and initial distribution under the Plan of the TWC Class A Common Stock are exempt from registration under the Securities Act and state securities laws by virtue of Section 1145 of the Bankruptcy Code under applicable SEC guidance. For the foregoing reasons, the Debtors and the Creditors Committee believe the issuance and initial distribution under the Plan of TWC Class A Common Stock are exempt from registration under the Securities Act and state securities laws.

Unless the TWC Class A Common Stock is earlier sold by ACC or any of its affiliates under the Securities Act (and the TWC Class A Common Stock is therefore registered under the Exchange Act on Form 8-A), the Debtors and the Creditors Committee intend that the TWC Class A Common Stock to be distributed under the Plan to

holders of Claims or Equity Interests will be registered under the Exchange Act either pursuant to a registration statement to be filed by TWC on Form 10 under the Exchange Act covering the TWC Class A Common Stock or pursuant to Rule 12g-3(a) thereunder. In order for TWC to avail itself of Rule 12g-3, TWC will be required to file a Form 8-K to report the succession when the TWC Class A Common Stock is issued to holders of Claims and Interests. The Form 8-K must contain the information that would be required in a Form 10 Registration Statement under the Exchange Act, and TWC will be required to file a registration statement on Form 8-A to register the TWC Class A Common Stock under Section 12(b) of the Exchange Act no earlier than two weeks following the filing of the Form 8-K.

2. Initial Issuance and Delivery of Contingent Value Vehicle Interests

The Plan provides that it is a condition to the Effective Date that the Confirmation Order provide that the issuance and distribution of the Contingent Value Vehicle Interests will be exempt from any securities law registration requirements under section 1145 of the Bankruptcy Code. The Debtors believe that the provisions of section 1145(a)(l) of the Bankruptcy Code exempt the initial issuance and distribution under the Plan of the Contingent Value Vehicle Interests to holders of Claims and Equity Interests from federal and state securities registration requirements. The three principal requirements for determining the applicability of the registration exemption under section 1145(a)(1) of the Bankruptcy Code to the TWC Class A Common Stock also apply to the initial issuance and distribution of the Contingent Value Vehicle Interests. Unlike the TWC Class A Common Stock, however, the Contingent Value Vehicle Interests will be initially issued under the Plan on the Effective Date or Subsequent Distribution Dates. Thus, the additional factors relevant for determining the applicability of section 1145(a)(1) to the TWC Class A Common Stock as a result of its issuance in the Sale Transaction will not apply to the issuance and distribution of the Contingent Value Vehicle Interests.

The Debtors and the Creditors Committee believe that the Contingent Value Vehicle will also qualify as a successor to the Debtors under the Plan for purposes of section 1145, and that the issuance and initial distribution of the Contingent Value Vehicle Interests also satisfy, or in connection with the Effective Date will satisfy, the other requirements of section 1145(a)(1) of the Bankruptcy Code. For these reasons, the Debtors and the Creditors Committee believe the issuance and initial distribution of Contingent Value Vehicle Interests are exempt from registration under the Securities Act and state securities laws.

In connection with the confirmation of the Plan, the Debtors and the Creditors Committee currently intend to seek an order from the Bankruptcy Court to the effect that the issuance and distribution of the Contingent Value Vehicle Interests are exempt from registration under the Securities Act and state securities laws under section 1145(a)(1) of the Bankruptcy Code. Due to the nature of the Contingent Value Vehicle and the Contingent Value Vehicle Interests, as well as the likely number of holders of record of such interests, the Debtors and the Creditors Committee expect that the Contingent Value Vehicle will be required to register as a reporting company under Section 12(g) of the Exchange Act prior to 120 days after the end of its first fiscal year, as a result of which the Contingent Value Vehicle will be required to file periodic reports with the SEC, including financial statements audited in accordance with GAAP. Under the terms of the Contingent Value Vehicle, such reports and audited financial statements are to be made available to the holders of Contingent Value Vehicle Interests. Due to certain restrictions to be contained in the Contingent Value Vehicle Agreement, it is possible that an active trading market for Contingent Value Vehicle Interests will not arise.

3. Subsequent Transfers of TWC Class A Common Stock and Contingent Value Vehicle Interests Under Federal Securities Laws

In general, all resales and subsequent transactions involving TWC Class A Common Stock and Contingent Value Vehicle Interests will be exempt from registration under the Securities Act under section 4(1) of the Securities Act, ***unless*** the holder is deemed to be an "underwriter" with respect to such securities, an "affiliate" of the issuer of such securities or a "dealer." Section 1145(b)(1) of the Bankruptcy Code defines four types of "underwriters":

- persons who purchase a claim against, an interest in, or a claim for administrative expense against the debtors with a view to distributing any security received or to be received in exchange for such a claim or interest ("accumulators");

- persons who offer to sell securities offered or sold under a plan for the holders of such securities ("distributors");

- persons who offer to buy securities offered or sold under a plan from the holders of the securities, if the offer to buy is (1) with a view to distributing such securities and (2) made under an agreement in connection with the plan or with the issuance of securities under the plan; and

- a person who is an "issuer" with respect to the securities, as the term "issuer" is defined in section 2(11) of the Securities Act.

Under section 2(11) of the Securities Act, an "issuer" includes any "affiliate" of the issuer, which means any person directly or indirectly controlling, or controlled by, the issuer, or any person under direct or indirect common control with the issuer. Under section 2(12) of the Securities Act, a "dealer" is any person who engages either for all or part of his or her time, directly or indirectly, as agent, broker or principal, in the business of offering, buying, selling or otherwise dealing or trading in securities issued by another person. The determination of whether a particular person would be deemed to be an "underwriter" or an "affiliate" with respect to any security to be issued under the Plan, or would be deemed a "dealer," would depend on various facts and circumstances applicable to that person. Accordingly, the Debtors express no view as to whether any person would be an "underwriter" or an "affiliate" with respect to any security to be issued under the Plan or would be a "dealer."

In connection with prior bankruptcy cases, the staff of the SEC has taken the position that resales by accumulators and distributors of securities distributed under a plan of reorganization are exempt from registration under the Securities Act if effected in "ordinary trading transactions." The staff of the SEC has indicated in this context that a transaction may be considered an "ordinary trading transaction" if it is made on an exchange or in the over-the-counter market at a time when the issuer of the security is a reporting company under the Exchange Act, and does not involve any of the following factors:

- (1) concerted action by the recipients of securities issued under a plan in connection with the sale of such securities, or (2) concerted action by distributors on behalf of one or more such recipients in connection with such sales;

- use of informational documents concerning the offering of the securities prepared or used to assist in the resale of such securities, other than a disclosure statement and supplements thereto, and documents filed with the SEC under the Exchange Act; or

- special compensation to brokers and dealers in connection with the sale of such securities designed as a special incentive to the resale of such securities (other than the compensation that would be paid in arms' length negotiations between a seller and a broker or dealer each acting unilaterally, and not greater than the compensation that would be paid for a routine similar-sized sale of similar securities of a similar issuer).

The views of the staff of the SEC on these matters have not been sought by the Debtors and the Creditors Committee and, therefore, no assurance can be given regarding the proper application of the "ordinary trading transaction" exemption described above. **Any person intending to rely on such exemption is urged to consult his or her own counsel as to the applicability thereof to his or her circumstances.**

TWC Class A Common Stock and Contingent Value Vehicle Interests may not be freely tradable under U.S. securities laws.

Given the complex nature of the question of whether a particular person may be an underwriter, the Debtors make no representations concerning the right (without registration under applicable federal securities laws) of any person to trade in TWC Class A Common Stock or the Contingent Value Vehicle Interests. **The Proponents recommend that any person who receives TWC Class A Common Stock and/or Contingent Value Vehicle Interests consult his or her own counsel concerning whether he or she may freely trade such securities.**

4. Subsequent Transfers Under State Law

The state securities laws generally provide registration exemptions for subsequent transfers by a *bona fide* owner for his or her own account and subsequent transfers to institutional or accredited investors. Such exemptions are generally expected to be available for subsequent transfers of TWC Class A Common Stock and Contingent Value Vehicle Interests.

Any person intending to rely on these exemptions is urged to consult his or her own counsel as to their applicability to his or her circumstances.

B. CERTAIN TRANSACTIONS BY STOCKBROKERS

Under section 1145(a)(4) of the Bankruptcy Code, stockbrokers are required to deliver a copy of this Disclosure Statement (and any supplements, if ordered by the Bankruptcy Court) at or before the time of delivery of securities issued under the Plan to their customers for the first 40 days after the Effective Date. This requirement specifically applies to trading and other after-market transactions in the securities.

C. APPLICABILITY OF TRUST INDENTURE ACT TO CONTINGENT VALUE VEHICLE

The Plan provides for a condition to the Effective Date that the Disclosure Statement Order shall provide that the Contingent Value Vehicle Interests are not notes, bonds, debentures or evidences of indebtedness for purposes of the Trust Indenture Act of 1939 (the "Trust Indenture Act"). Under Sections 306 and 307 of the Trust Indenture Act, the issuer of a note, bond, debtenture or other evidence of indebtedness that is not otherwise exempt and is not required to be registered under the Securities Act (a) is required to issue such security under an indenture qualified under the Trust Indenture Act and (b) is prohibited from directly or indirectly making an offer to sell such security unless an application to qualify the related indenture has been filed with the SEC under the Trust Indenture Act. Because of the nature of the Contingent Value Vehicle Interests, there is a possibility that the Contingent Value Vehicle could be required to issue the Contingent Value Vehicle Interests under a Trust Indenture Act qualified indenture, and the Debtors and the Creditors Committee could be prevented from commencing solicitation of acceptances of the Plan under the Disclosure Statement until after an application to qualify such indenture is filed until the Trust Indenture Act.

Under Section 304(a)(1) of the Trust Indenture Act, securities are exempt from the provisions of the Trust Indenture Act if they comprise any security other than (A) a note, bond, debenture, or evidence of indebtedness, whether or not secured, or (B) a certificate of interest or participation in any such note, bond, debenture, or evidence of indebtedness, or (C) a temporary certificate, or guarantee of, any such note, bond, debenture, evidence of indebtedness or certificate. Under relevant SEC guidance, a security generally will be considered a note, bond, debenture or evidence of indebtedness if it consists of an unconditional obligation founded upon a contractual obligation to pay a sum certain.

The Contingent Value Vehicle Interests do not represent a right for the holders of the Trust Interests to receive payment of a sum certain. Instead, they represent only a right to receive a portion of the proceeds ultimately distributed by the Contingent Value Vehicle in connection with the liquidation of its assets that varies based on the amount of Plan Distributions. As such, the Debtors and the Creditors Committee believe that the Contingent Value Vehicle interests do not constitute "a note, bond, debenture, or other evidence of indebtedness" under the Trust Indenture Act and therefore, should be exempt from registration under the Trust Indenture Act. In furtherance of the foregoing and in contemplation of solicitation of acceptances of the Plan, the Debtors and the Creditors Committee intend to seek that the order approving this Second Disclosure Statement Supplement provide that the Contingent Value Vehicle Interests are not notes, bonds, debentures or other evidences of indebtedness for purposes of the Trust Indenture Act

D. APPLICABILITY OF INVESTMENT COMPANY ACT TO REORGANIZED ACC

Under the Investment Company Act of 1940 (the "Investment Company Act"), a U.S. issuer that is engaged in the business of investing, reinvesting, owning, holding, or trading in securities, and owns "investment securities" having a value exceeding 40 percent of the value of such issuer's total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis must generally register as an "investment company" under Section 8 of the Investment Company Act. "Investment securities" under the Investment Company Act include all securities except: (i) U.S. government securities; (ii) securities issued by employees' securities companies; and (iii) securities issued by majority-owned subsidiaries of the owner which are not themselves investment companies. As a result of its receipt of TWC Class A Common Stock in the Sale Transaction, a possibility exists that ACC could be deemed to be an "investment company" for purposes of the Investment Company Act, and required to register thereunder.

The Debtors and the Creditors Committee believe that ACC is exempt from the registration requirements of the Investment Company Act under Section 7(a) thereof, which provides that the registration requirements do not apply to transactions incidental to the dissolution of a potential investment company. Under applicable SEC guidance, Section 7(a) of the Investment Company Act will exempt an issuer from registration as an investment company if:

- the company dissolves, liquidates its assets, and distributes the proceeds within a reasonable time period under the circumstances;
- the company does not hold itself out as an investment company, but rather as a company in the process of liquidation;
- the company must have the intent to liquidate, manifested in judicial or regulatory filings, or a resolution of the board of directors approving liquidation;
- the company, pending distribution of the proceeds on sales of its assets, must passively invest the proceeds in U.S. Government and agency securities, certificates of deposit, and short-term, investment grade debt securities;
- the company generally must not issue securities required to be registered under the Securities Act;
- the company must comply with all applicable reporting requirements of the Exchange Act; and
- the company must establish policies and procedures to avoid self-dealing by the company's directors, officers, or employees in connection with the sales or other dispositions of portfolio securities or property held by the company.

The Debtors and the Creditors Committee believe that ACC satisfies, or expects at relevant future dates to be able to satisfy, the requirements of Section 7(a) of the Investment Company Act. For these reasons, the Debtors and the Creditors Committee believe that ACC is exempt from registration as an investment company under the Investment Company Act.

X. CONCLUSION AND RECOMMENDATION

The Proponents believe that confirmation and implementation of the Plan is preferable to any of the alternatives described herein because it will provide the greatest and/or most certain recoveries to holders of Claims against and Equity Interests in the Debtors. Other alternatives could involve significant delay, uncertainty and substantial additional administrative costs. The Debtors, the Creditors Committee and the Bank Proponents urge holders of impaired Claims and Equity Interests entitled to vote on the Plan to accept the Plan and to evidence such acceptance by returning their ballots so that they will be received by the Voting Agent no later than 4:00 p.m. (prevailing New York time) on November 27, 2006 (or, in the case of beneficial holders who hold their securities through intermediaries, please provide voting instructions to such intermediaries by November 20, 2006 at 4:00 p.m. or such other date as specified by the intermediaries).

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Dated: New York, New York
October 16, 2006

ADELPHIA COMMUNICATIONS CORPORATION,
a Delaware corporation
(for itself and on behalf of each of the Debtors)

By: /s/ Vanessa A. Wittman
Name: Vanessa A. Wittman
Title: Chief Financial Officer

Counsel:

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New York, NY 10019
(212) 728-8000

Attorneys for the Debtors and Debtors in Possession

OFFICIAL COMMITTEE OF UNSECURED CREDITORS

By: /s/ Michael McGuiness
Name: Michael McGuiness
Title: Chairperson

Counsel:

KASOWITZ, BENSON, TORRES & FRIEDMAN LLP

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(212) 506-1700

Attorneys for the Official Committee of Unsecured Creditors

APPENDIX A

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FRONTIERVISION COMMITTEE STATEMENT

EXHIBIT BB

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EXHIBIT CC

ACC SETTLING PARTIES STATEMENT

EXHIBIT DD

COMMITTEE II STATEMENT

EXHIBIT EE

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EXHIBIT GG

ACC BONDHOLDER GROUP STATEMENT

EXHIBIT HH

COPY OF PLAN AGREEMENT

EXHIBIT II

COPY OF ACC PROPOSED TERM SHEET

EXHIBIT JJ

COPY OF PLAN SUPPORT AGREEMENT

SCHEDULE I

ACC DEBTORS

ACC Investment Holdings, Inc.
Adelphia Communications Corporation
US Tele-Media Investment Company

SCHEDULE II

SUBSIDIARY DEBTORS

ACC Cable Communications FL-VA, LLC
ACC Cable Holdings VA, Inc.
ACC Holdings II, LLC
ACC Operations, Inc.
ACC Properties 1, LLC
ACC Properties 103, LLC
ACC Properties 105, LLC
ACC Properties 109, LLC
ACC Properties 121, LLC
ACC Properties 122, LLC
ACC Properties 123, LLC
ACC Properties 130, LLC
ACC Properties 146, LLC
ACC Properties 154, LLC
ACC Properties 156, LLC
ACC Properties Holdings, LLC
ACC Telecommunications Holdings LLC
ACC Telecommunications LLC
ACC Telecommunications of Virginia LLC
ACC-AMN Holdings, LLC
Adelphia Arizona, Inc.
Adelphia Blairsville, LLC
Adelphia Cable Partners, L.P.
Adelphia Cablevision Associates of Radnor, L.P.
Adelphia Cablevision Associates, L.P.
Adelphia Cablevision Corp.
Adelphia Cablevision of Boca Raton, LLC
Adelphia Cablevision of Fontana, LLC
Adelphia Cablevision of Inland Empire, LLC
Adelphia Cablevision of New York, Inc.
Adelphia Cablevision of Newport Beach, LLC
Adelphia Cablevision of Orange County II, LLC
Adelphia Cablevision of Orange County, LLC
Adelphia Cablevision of San Bernardino, LLC
Adelphia Cablevision of Santa Ana, LLC
Adelphia Cablevision of Seal Beach, LLC
Adelphia Cablevision of Simi Valley, LLC
Adelphia Cablevision of the Kennebunks, LLC
Adelphia Cablevision of West Palm Beach II, LLC
Adelphia Cablevision of West Palm Beach III, LLC
Adelphia Cablevision of West Palm Beach IV, LLC
Adelphia Cablevision of West Palm Beach V, LLC
Adelphia Cablevision of West Palm Beach, LLC
Adelphia Cablevision, LLC
Adelphia California Cablevision, LLC
Adelphia Central Pennsylvania, LLC
Adelphia Cleveland, LLC
Adelphia Communications International, Inc.
Adelphia Communications of California II, LLC
Adelphia Communications of California III, LLC
Adelphia Communications of California, LLC
Adelphia Company of Western Connecticut

Adelphia General Holdings III, Inc.
Adelphia GP Holdings, LLC
Adelphia GS Cable, LLC
Adelphia Harbor Center Holdings, LLC
Adelphia Holdings 2001, LLC
Adelphia International II, LLC
Adelphia International III, LLC
Adelphia Mobile Phones, Inc.
Adelphia of the Midwest, Inc.
Adelphia Pinellas County, LLC
Adelphia Prestige Cablevision, LLC
Adelphia Telecommunications of Florida, Inc.
Adelphia Telecommunications, Inc.
Adelphia Voice Services, Inc. f/k/a Adelphia Acquisition Subsidiary, Inc.
Adelphia Wellsville, LLC
Adelphia Western New York Holdings, LLC
Arahova Communications, Inc.
Arahova Holdings, LLC
Badger Holding Corporation
Better TV, Inc. of Bennington
Blacksburg/Salem Cablevision, Inc.
Brazas Communications, Inc.
Buenavision Telecommunications, Inc.
Cable Sentry Corporation
Cablevision Business Services, Inc.
California Ad Sales, LLC
CCC-III, Inc.
CCC-Indiana, Inc.
CCH Indiana, L.P.
CDA Cable, Inc.
Century Advertising, Inc.
Century Alabama Corp.
Century Alabama Holding Corp.
Century Australia Communications Corp.
Century Berkshire Cable Corp.
Century Cable Holdings Corp.
Century Cable Holdings, LLC
Century Cable Management Corporation
Century Cable of Southern California
Century Cablevision Holdings, LLC
Century Carolina Corp.
Century Colorado Springs Corp.
Century Colorado Springs Partnership
Century Communications Corporation
Century Cullman Corp.
Century Enterprise Cable Corp.
Century Exchange, LLC
Century Federal, Inc.
Century Granite Cable Television Corp.
Century Huntington Company
Century Indiana Corp.
Century Investment Holding Corp.
Century Investors, Inc.
Century Island Associates, Inc.
Century Island Cable Television Corp.
Century Kansas Cable Television Corp.

Century Lykens Cable Corp.
Century MCE, LLC
Century Mendocino Cable Television, Inc.
Century Mississippi Corp.
Century Mountain Corp.
Century New Mexico Cable Television Corp.
Century Norwich Corp.
Century Ohio Cable Television Corp.
Century Oregon Cable Corp.
Century Pacific Cable TV, Inc.
Century Programming, Inc.
Century Realty Corp.
Century Shasta Cable Television Corp.
Century Southwest Colorado Cable Television Corp.
Century Trinidad Cable Television Corp.
Century Virginia Corp.
Century Voice and Data Communications, Inc.
Century Warrick Cable Corp.
Century Washington Cable Television, Inc.
Century Wyoming Cable Television Corp.
Chelsea Communications, Inc.
Chelsea Communications, LLC
Chestnut Street Services, LLC
Clear Cablevision, Inc.
CMA Cablevision Associates VII, L.P.
CMA Cablevision Associates XI, Limited Partnership
Coral Security, Inc.
Cowlitz Cablevision, Inc.
CP-MDU I LLC
CP-MDU II LLC
Desert Hot Springs Cablevision, Inc.
E. & E. Cable Service, Inc.
Eastern Virginia Cablevision Holdings, LLC
Eastern Virginia Cablevision, L.P.
Empire Sports Network, L.P.
FAE Cable Management Corp.
FOP Indiana, L.P.
FrontierVision Access Partners, L.L.C.
FrontierVision Cable New England, Inc.
FrontierVision Capital Corporation
FrontierVision Holdings Capital Corporation
FrontierVision Holdings Capital II Corporation
FrontierVision Holdings, L.P.
FrontierVision Holdings, LLC
FrontierVision Operating Partners, L.L.C.
FrontierVision Operating Partners, L.P.
FrontierVision Partners, L.P.
Ft. Myers Acquisition Limited Partnership
Ft. Myers Cablevision, LLC
Genesis Cable Communications Subsidiary L.L.C.
Global Acquisition Partners, L.P.
Global Cablevision II, LLC
Grafton Cable Company
GS Cable, LLC
GS Telecommunications LLC
Harron Cablevision of New Hampshire, Inc.

Henderson Community Antenna Television, Inc.
Highland Carlsbad Cablevision, Inc.
Highland Carlsbad Operating Subsidiary, Inc.
Highland Prestige Georgia, Inc.
Highland Video Associates, L.P.
Hilton Head Communications, L.P.
Huntington CATV, Inc.
Imperial Valley Cablevision, Inc.
Ionian Communications, L.P.
UCA MCE I, LLC
UCA MCE II, LLC
Kalamazoo County Cablevision, Inc.
Key Biscayne Cablevision
Kootenai Cable, Inc.
Lake Champlain Cable Television Corporation
Leadership Acquisition Limited Partnership
Louisa Cablevision, Inc.
Manchester Cablevision, Inc.
Martha's Vineyard Cablevision, L.P.
Mercury Communications, Inc.
Mickelson Media of Florida, Inc.
Mickelson Media, Inc.
Montgomery Cablevision Associates, L.P.
Montgomery Cablevision, Inc.
Monument Colorado Cablevision, Inc.
Mountain Cable Communications Corporation
Mountain Cable Company, L.P.
Mt. Lebanon Cablevision, Inc.
Multi-Channel T.V. Cable Company
National Cable Acquisition Associates, L.P.
OFE I, LLC
OFE II, LLC
Olympus Cable Holdings, LLC
Olympus Capital Corp.
Olympus Communications Holdings, L.L.C.
Olympus Communications, LP
Olympus MCE I, LLC
Olympus MCE II, LLC
Olympus Subsidiary, LLC
Owensboro Indiana, L.P.
Owensboro on the Air, Inc.
Owensboro-Brunswick, Inc.
Page Time, Inc.
Palm Beach Group Cable, Inc.
Paragon Cable Television Inc.
Paragon Cablevision Construction Corporation
Paragon Cablevision Management Corporation
Pericles Communications Corporation
Prestige Communications, Inc.
Pullman TV Cable Co., Inc.
Rentavision of Brunswick, Inc.
Richmond Cable Television Corporation
Rigpal Communications, Inc.
Robinson/Plum Cablevision, L.P.
S/T Cable Corporation
Sabres, Inc.

Scranton Cablevision, Inc.
Sentinel Communications of Muncie, Indiana, Inc.
Southeast Florida Cable, Inc.
Southwest Colorado Cable, Inc.
Southwest Virginia Cable, Inc.
Star Cable Inc.
Starpoint, Limited Partnership
SVHH Cable Acquisition, L.P.
SVHH Holdings, LLC
Tele-Media Company of Hopewell-Prince George
Tele-Media Company of Tri-States L.P.
Tele-Media Investment Partnership, L.P.
Telesat Acquisition Limited Partnership
Telesat Acquisition, LLC
The Golf Club at Wending Creek Farms, LLC
The Main InternetWorks, Inc.
The Westover T.V. Cable Co., Incorporated
Three Rivers Cable Associates, L.P.
Timotheos Communications, L.P.
TMC Holdings Corporation
TMC Holdings, LLC
Tri-States, L.L.C.
UCA LLC
Upper St. Clair Cablevision, Inc.
Valley Video, Inc.
Van Buren County Cablevision, Inc.
Warrick Cablevision, Inc.
Warrick Indiana, L.P.
Wellsville Cablevision, L.L.C.
West Boca Acquisition Limited Partnership
Westview Security, Inc.
Wilderness Cable Company
Young's Cable TV Corp.
Yuma Cablevision, Inc.