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# Memo

**To:** City Council  
**From:** David W. Kuhn, City Solicitor  
**Date:** January 4, 2006  
**Subject:** Adelpia Bankruptcy & Transfer Issues

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Attached for your information and review is correspondence received from Walter & Haverfield regarding the above referenced subject matter.

**Kathy Hodkinson**

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**From:** "R. Todd Hunt" <rthunt@walterhav.com>  
**Sent:** Tuesday, January 03, 2006 9:47 AM  
**Subject:** Client Alert - Adelpia Bankruptcy

**Walter &  
Haverfield** LLP  
attorneys at law

**URGENT CLIENT ALERT : *Adelpia Bankruptcy & Transfer Issues***

Dear Clients and Friends,

We are writing to inform you of *important developments in Adelpia's bankruptcy that may require your community to act to preserve franchise rights*. The Bankruptcy Court recently approved Adelpia's Plan of Reorganization and the Related Disclosure Statement, and ordered that the Confirmation Hearing will start on February 22, 2006. At the Confirmation Hearing the Bankruptcy Court will resolve any outstanding contractual disputes with Adelpia. The following events, procedures and deadlines apply:

*Adelpia's Contract Notice*

- Adelpia must serve your community with a "**Contract Notice**" by January 23, 2006. (We are aware that many communities have already received a Contract Notice dated December 15, 2005.) The Notice will:
  - list the agreements Adelpia will assume and assign under the Plan; and
  - set forth the amounts Adelpia proposes to cure monetary defaults and/or any actions Adelpia proposes to take to cure non-monetary defaults.
- When you receive the Contract Notice, **you should carefully review it** to ensure that it references all open contracts and agreements that your community has with Adelpia.

*Objection to Contract Notice and Deadline*

- If you have any objection to Adelpia's Contract Notice, you must object within *thirty (30) calendar days from the date of the Notice (not the date you received it)*. Because most of the Contract Notices appear to be dated December 15, 2005, the 30-day deadline for filing objections for most communities will be 12:00 p.m., January 16, 2006.
- The Contract Objection must be in writing, must contain written evidence and documentation disputing Adelpia's proposed cure amount and must specify all obligations Adelpia must satisfy to cure monetary and non-monetary defaults. The Objection must be served on all attorneys for Adelpia and the various bankruptcy court committees and must also be filed with the Court no later than 12:00 p.m. *thirty (30) calendar days* from the date

of the Contract Notice.

- Your community's right to object to or imposed conditions upon the proposed assumption and assignment will be preserved *only upon the timely filing of the Contract Objection*. If a Contract Objection is timely filed, the court will hold a hearing to determine the cure amount and rule on any other objections to the assignment, unless the parties settle the cures prior to the hearing.
- Failure to timely file a Contract Objection will be construed as consent to Adelphia's proposed cure amount and to the transfer of the cable system and will bar your community from seeking any additional amounts on account of Adelphia's cure obligations under the Bankruptcy Code or otherwise from Adelphia or Time Warner except for administrative claims arising after the date of the Contract Notice.
- **Those communities that conditionally approved Adelphia's request to transfer pursuant to an FCC Form 394 are advised to file a Contract Objection in accordance with the above in order to preserve the conditions of transfer approval.**

*Summary*

Any community that still has disputes with Adelphia over monetary or non-monetary defaults or that imposed conditions upon the assignment of its franchise to Time Warner must be prepared to timely file an accurate and complete Contract Objection within 30 days of the date of the Contract Notice. Failing to do so will result in a waiver of valuable legal and contractual rights. Please do not hesitate to contact us to discuss these issues or with any questions or concerns.

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