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June 28, 2006

Arizona Corporation Commission
Utilities Division – Docket Control Center
1200 West Washington Street
Phoenix, AZ 85007-2996

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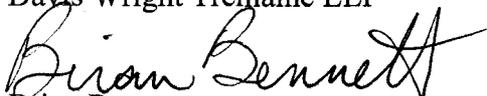
Re: Adelfia Telecommunications, Inc. Interexchange Carrier Market Exit
Docket No. T-03828A-05-0353, T-03828A-05-0721, T-04277A-05-0721

Dear Corporation Commission Staff,

Please find enclosed Adelfia Telecommunications, Inc.'s responses to the Corporation Commission Staff's Second Set of Data Requests to Adelfia Telecommunications, Inc. Please do not hesitate to contact me if I can provide any further information on this matter.

Very truly yours,

Davis Wright Tremaine LLP


Brian Bennett

Enclosure

cc: Jo Gentry



Davis Wright Tremaine LLP

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Re: Arizona Corporation Commission Staff's Second Set of Data Requests to Adelphia Telecommunications, Inc.
Docket Nos. T-03828A-05-0353, T-03828A-05-0721

Responses to the Arizona Corporation Commission Staff's Second Set of Data Requests to Adelphia Telecommunications, Inc. ("ATI"):

1. Please indicate if ATI's performance bond, if required, is still valid. Also, indicate the total amount of the performance bond.

Response: ATI had no performance bond for the long distance services provided.

Person providing this information: Jo Gentry, External Affairs Director, Adelphia Telecommunications, Inc., 5619 DTC Parkway, Suite 800, Greenwood Village, CO 80111; Phone: 303-268-6684; Email: jo.gentry@adelphia.com.

2. Please indicate if the ATI has ever collected advances, deposits, and/or prepayments from its customers in Arizona. If so, indicate the amount of advances, deposits, and/or prepayments that have been returned to its customers in Arizona whose services are being transferred or discontinued. Also, indicate the outstanding amount of advances, deposits and/or prepayments held by ATI from its customers in Arizona.

Response: ATI did not request or collect advances, deposits or prepayments from any Arizona customer.

Person providing this information: Jo Gentry, External Affairs Director, Adelphia Telecommunications, Inc., 5619 DTC Parkway, Suite 800, Greenwood Village, CO 80111; Phone: 303-268-6684; Email: jo.gentry@adelphia.com.

3. Please provide a copy of the customer notification letter sent and list of alternative carriers that was given to ATI customers whose resold long distance service in Arizona as being transferred or discontinued by ATI. Indicate the date the notification letter and list were sent to the affected customers. If notice and/or list were not sent, please explain why.

Response: A copy of the customer notification letter is attached as Exhibit A.

Person providing this information: Jo Gentry, External Affairs Director, Adelphia Telecommunications, Inc., 5619 DTC Parkway, Suite 800, Greenwood Village, CO 80111; Phone: 303-268-6684; Email: jo.gentry@adelphia.com.

4. Please indicate the number of resold long distance customers ATI provided service to in Arizona as of July 28, 2005. Also provide a breakdown of the number of business customers receiving resold long distance telecommunications services and the number of residential customers receiving resold long distance telecommunications services from ATI as of July 28, 2005.

Response: ATI provided service to approximately 200 residential customers and no business customers.

Person providing this information: Jo Gentry, External Affairs Director, Adelphia Telecommunications, Inc., 5619 DTC Parkway, Suite 800, Greenwood Village, CO 80111; Phone: 303-268-6684; Email: jo.gentry@adelphia.com.

5. Please indicate if there are any affiliates of ATI currently offering telecommunications services in Arizona. If yes, please identify the affiliate and indicate the type of telecommunication services being offered to customers in Arizona.

Response: ACC Telecommunications, LLC is an affiliate of ATI offering private line, non-switch, non-voice services in Arizona.

Person providing this information: Jo Gentry, External Affairs Director, Adelphia Telecommunications, Inc., 5619 DTC Parkway, Suite 800, Greenwood Village, CO 80111; Phone: 303-268-6684; Email: jo.gentry@adelphia.com.

6. Please indicate the date and number of ATI customers in Arizona that were transferred to other telecommunication carriers. Indicate the name of the telecommunications carriers the customers were transferred to and the number of customers in Arizona transferred to each carrier. Indicate the date that ATI stopped providing service to its customers in Arizona.

Response: Approximately 200 residential customers were transferred to Telecom Management, Inc. d/b/a Pioneer Telephone ("TMI"). ATI transferred management of customers to TMI in August, 2005, and the sale of the customer base closed on February 9, 2006.

Person providing this information: Jo Gentry, External Affairs Director, Adelphia Telecommunications, Inc., 5619 DTC Parkway, Suite 800, Greenwood Village, CO 80111; Phone: 303-268-6684; Email: jo.gentry@adelphia.com.

7. Please indicate the state(s) where ATI is currently provides resold long distance telecommunications services.

Response: None.

Person providing this information: Jo Gentry, External Affairs Director, Adelphia Telecommunications, Inc., 5619 DTC Parkway, Suite 800, Greenwood Village, CO 80111; Phone: 303-268-6684; Email: jo.gentry@adelphia.com.

8. How many ATI customers in Arizona have not selected another alternative service provider as of the date of your reply to this data request?

Response: None.

Person providing this information: Jo Gentry, External Affairs Director, Adelphia Telecommunications, Inc., 5619 DTC Parkway, Suite 800, Greenwood Village, CO 80111; Phone: 303-268-6684; Email: jo.gentry@adelphia.com.

9. Please indicate if Telecom Management, Inc. d/b/a Pioneer Telephone's ("TMI") performance bond, if required, is still valid. Also, indicate the total amount of the performance bond.

Response: ATI has no knowledge of whether TMI is required to have a performance bond, and if so, whether the performance bond is still valid and the total amount of the performance bond.

Person providing this information: Jo Gentry, External Affairs Director, Adelphia Telecommunications, Inc., 5619 DTC Parkway, Suite 800, Greenwood Village, CO 80111; Phone: 303-268-6684; Email: jo.gentry@adelphia.com.

10. Please indicate if TMI has ever collected or is collecting advances, deposits, and/or prepayments from its customers in Arizona. Also, indicate the outstanding amount of advances, deposits and/or prepayments held by TMI from its customers in Arizona

Response: ATI has no knowledge of whether TMI has collected advances, deposits or prepayments in Arizona, or the outstanding amounts of such advances, deposits or prepayments.

Person providing this information: Jo Gentry, External Affairs Director, Adelphia Telecommunications, Inc., 5619 DTC Parkway, Suite 800, Greenwood Village, CO 80111; Phone: 303-268-6684; Email: jo.gentry@adelphia.com.

11. Please indicate the number of Arizona customers that had a contract with Adelphia and were transferred to another carrier.

Response: None.

Person providing this information: Jo Gentry, External Affairs Director, Adelphia Telecommunications, Inc., 5619 DTC Parkway, Suite 800, Greenwood Village, CO 80111; Phone: 303-268-6684; Email: jo.gentry@adelphia.com.

12. What assets were acquired from ATI, when TMI purchased the assets of ATI? Please provide a list of the assets and the date TMI purchased the assets from ATI.

Response: The only asset TMI acquired from ATI was the customer base. TMI acquired no physical assets from ATI.

Person providing this information: Jo Gentry, External Affairs Director, Adelphia Telecommunications, Inc., 5619 DTC Parkway, Suite 800, Greenwood Village, CO 80111; Phone: 303-268-6684; Email: jo.gentry@adelphia.com.

13. Please indicate the number of resold long distance customers ATI provided service to in Arizona at the time TMI purchased the assets of ATI. Also, provide a breakdown of the number of business customers receiving resold long distance telecommunications services and the number of residential customers receiving resold long distance telecommunications services from ATI at the time TMI purchased the assets of ATI.

Response: ATI had approximately 200 residential customers to which it provided service at the time TMI purchased those same customers from ATI.

Person providing this information: Jo Gentry, External Affairs Director, Adelphia Telecommunications, Inc., 5619 DTC Parkway, Suite 800, Greenwood Village, CO 80111; Phone: 303-268-6684; Email: jo.gentry@adelphia.com.

14. Did ATI charge its Arizona customers to transfer their telecommunications services to another telecommunications carrier? Did ATI charge its Arizona customers to transfer their telecommunications services to another telecommunications carrier other than TMI? If so, indicate the amount charged and the number of Arizona customers charged for the transfer.

Response: ATI did not charge its customers to transfer their telecommunications services to TMI or another provider.

Person providing this information: Jo Gentry, External Affairs Director, Adelphia Telecommunications, Inc., 5619 DTC Parkway, Suite 800, Greenwood Village, CO 80111; Phone: 303-268-6684; Email: jo.gentry@adelphia.com.

15. Did ATI make an indirect charge to transfer its Arizona customers to another service provider of telecommunications services? Did ATI make an indirect charge to transfer its Arizona customers to any service provider of telecommunications services other than TMI? If so, indicate the amount of the indirect charge and the number of Arizona customers impacted by the indirect charge for the transfer. (NOTE: Indirect charges apply to a customer that has a contract with ATI. Depending on the terms and conditions of the contract, penalties such as "termination" may apply upon transferring service to another carrier.)

Response: ATI did not make an indirect charge to its customers to transfer their telecommunications services to TMI or another provider.

Person providing this information: Jo Gentry, External Affairs Director, Adelphia Telecommunications, Inc., 5619 DTC Parkway, Suite 800, Greenwood Village, CO 80111; Phone: 303-268-6684; Email: jo.gentry@adelphia.com.

16. How many ATI customers were transferred to TMI? What is the date the last customer was transferred to TMI? How many ATI customers were transferred to another service provider other than TMI? What is the date the last customer was transferred to another service provider other than TMI?

Response: Approximately 200 ATI customers were transferred to TMI. The last customer was transferred to TMI on February 9, 2006. All ATI customers were transferred to TMI.

Person providing this information: Jo Gentry, External Affairs Director, Adelphia Telecommunications, Inc., 5619 DTC Parkway, Suite 800, Greenwood Village, CO 80111; Phone: 303-268-6684; Email: jo.gentry@adelphia.com.

17. Has ATI met the requirements of the slamming and cramming rules or made an application to the Commission for a waiver of meeting the slamming and cramming requirements? If not, does ATI want to meet the requirements of the slamming and cramming rules or make an application to the Commission for a waiver of meeting the slamming and cramming requirements?

Response: ATI has met the requirements of the slamming and cramming rules.

Person providing this information: Jo Gentry, External Affairs Director, Adelphia Telecommunications, Inc., 5619 DTC Parkway, Suite 800, Greenwood Village, CO 80111; Phone: 303-268-6684; Email: jo.gentry@adelphia.com.

18. Please provide proof that ATI met the requirements of the Federal Communications Commission's ("FCC") rules for streamlined approval of the transfer of customer base.

Documentation sent to the FCC and the advance subscriber notice containing seven required elements should be provided as proof of compliance to FCC's rules.

Response: A copy of the FCC Public Notice of Streamlined Pleading Cycle is attached as Exhibit B.

Person providing this information: Brian Bennett, Attorney, Davis Wright Tremaine LLP, 1501 Fourth Ave., Suite 2600, Seattle, WA 98101; Phone: 206-628-7726; Email: brianbennett@dwt.com.

19. Please provide Staff with a copy of the Asset Purchase Agreement between ATI and TMI.

Response: A copy of the Asset Purchase Agreement between ATI and TMI is attached as Exhibit C.

Person providing this information: Brian Bennett, Attorney, Davis Wright Tremaine LLP, 1501 Fourth Ave., Suite 2600, Seattle, WA 98101; Phone: 206-628-7726; Email: brianbennett@dwt.com.

EXHIBIT A
CUSTOMER NOTIFICATION LETTER

Telecom Management, Inc., d/b/a Pioneer Telephone

Adelphia
Telecommunications,
Inc.

October 19, 2005

Dear Customer:

Telecom Management, Inc., d/b/a Pioneer Telephone ("Pioneer") and Adelphia Telecommunications, Inc. ("Adelphia") have entered into an Asset Purchase Agreement, whereby the telecommunications assets of Adelphia will be acquired by Pioneer, and Pioneer will become your interstate/international telecommunications service provider for long distance services. Pioneer and Adelphia anticipate this happening on or before November 19, 2005.

This change in ownership will not affect or in any way disrupt your current service. At the moment, your rates fall under one of three Adelphia rate plans: 7, 7.5 or 8 cents per minute. **Your rates and the terms and conditions under your existing contract will not change as a result of the transaction.** No charges or fees will be imposed and no rate increase will occur as a result of this transaction. Pioneer will inform you, by separate mailing, of any post-transaction changes which may occur. For the Adelphia terms and conditions please go to <http://www.pioneertelephone.com/adelphiaterms.asp>

We realize you have a choice of carriers. Subject to the terms and conditions of your existing contract with Adelphia, including applicable termination penalties, you have the right to choose a different carrier for your services. Please note that if you are a customer of Adelphia on the date of the transfer and you have not informed Adelphia that you have made arrangements to switch to a carrier other than Pioneer, your services will automatically be transferred and your account assigned to Pioneer. Also, if you have placed a "freeze" on the services to prevent the unauthorized transfer of your services to another carrier, the freeze will be lifted and your services will be transferred to Pioneer. You must contact your local exchange carrier to re-establish freeze protection for your Services after the transfer. Pioneer will be responsible for any outstanding Adelphia customer complaints after the date of transfer. If you have any questions, please call one of Pioneer's Customer Service Representatives at 1-888-492-6878.

We at Pioneer are pleased to welcome you to our team and would like to express our appreciation for allowing us the opportunity to be your telecommunication service provider. We are confident that you will be pleased with the high quality of our service.

Yours faithfully,

Sue Bouchard, President
Telecom Management, Inc. d/b/a
Pioneer Telephone

Maria Arias, Vice President
Adelphia Telecommunications, Inc.

ccdpr- 98679

EXHIBIT A

EXHIBIT B

FCC PUBLIC NOTICE OF STREAMLINED PLEADING CYCLE



PUBLIC NOTICE

Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

News Media Information 202 / 418-0500
Fax-On-Demand 202 / 418-2830
TTY 202 / 418-2555
Internet: <http://www.fcc.gov>
<ftp.fcc.gov>

DA 05-3245
Released: December 20, 2005

DOMESTIC SECTION 214 APPLICATION FILED FOR THE ACQUISITION OF ASSETS OF ADELPHIA TELECOMMUNICATIONS, INC., DEBTOR-IN- POSSESSION BY TELECOM MANAGEMENT, INC., D/B/A PIONEER TELEPHONE

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 05-340

Comments Due: January 3, 2006
Reply Comments Due: January 10, 2006

On October 24, 2005, Adelphia Telecommunications, Inc., Debtor-in-Possession (“Adelphia” or “transferor”), Telecom Management, Inc., d/b/a Pioneer Telephone (“Pioneer” or “transferee”) (together referred to as “Applicants”), filed an application, pursuant to sections 63.03 and 63.04 of the Commission’s rules,¹ seeking authority to transfer the assets of Adelphia to Telecom Management, Inc., d/b/a Pioneer. Since June 25, 2002, Adelphia has been operating under the protection of the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”).² Adelphia and Pioneer hold authority to provide domestic and international telecommunications services pursuant to section 214 of the Act.³

Applicants assert that this transaction is entitled to presumptive streamlined treatment under section 63.03(b)(2)(i) of the Commission’s rules because the transferee will have a market share in the interstate interexchange market of less than 10 percent; the transferee will provide competitive telephone exchange services or exchange access services exclusively in geographic

¹ 47 C.F.R §§ 63.03, 63.04; *see* 47 U.S.C. § 214.

² In July, 2003, The Bankruptcy Court approved the sale of Adelphia’s assets to Pioneer. *See* In Re: Adelphia Communications Corporation, et al, Case No. 02-41729 (REG) (Jointly Administered) (The “Chapter 11 Case”) in the United States Bankruptcy Court for the Southern District of New York.

³ Applicants are also filing applications for transfer of control associated with authorization for international services. Any action on this domestic 214 application is without prejudice to Commission action on other related, pending applications.

areas served by a dominant local exchange carrier that is not a party of the proposed transaction; and no party to this Application is dominant with respect to any service.⁴

Adelphia Telecommunications, Inc. is a Delaware corporation which provides interexchange telecommunications services in multiple states. Leonard Tow (12.4%), is the only individual or entity that holds a 10% or greater interest in Adelphia.

Pioneer is incorporated in Maine. Pioneer is authorized to provide interexchange telecommunications service in every jurisdiction with the exception of Connecticut, where Pioneer's authority is pending, Alaska and Hawaii. Pioneer is wholly-owned by Sue Bouchard, a US citizen.

Applicants seek consent to transfer substantially all of Adelphia's telecommunications assets, including, but not limited to its customer accounts, to Pioneer. As a result of the transfer, Pioneer will continue to operate and provide service pursuant to its current authority and Adelphia will relinquish its authority to provide telecommunications services. The sale of customers and assets of Adelphia, pursuant to the Agreement, has been approved by the Bankruptcy Court.

Applicants state that the proposed transaction serves the public interest, convenience and necessity. Applicants assert the proposed acquisition will create operating efficiencies which will serve to enhance the overall capacity of Pioneer to compete in the marketplace and to provide telecommunications services for a greater number of consumers at competitive rates. Applicants claim that the customers of Adelphia will benefit from the improved resources and assets of Pioneer, which will help ensure continuity of service and enhance the ability of Pioneer to offer a broader range of innovative products and services to customers. Applicants maintain that this will strengthen the ability of Pioneer to offer services in competition with other providers.

GENERAL INFORMATION

The transfer of assets identified herein has been found, upon initial review, to be acceptable for filing as a streamlined application. The Commission reserves the right to return any transfer of assets application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Pursuant to sections 1.415 and 1.419 of the Commission's rules, 47 CFR §§ 1.415, 1.419, interested parties may file **comments on or before January 3, 2006** and **reply comments on or before January 10, 2006.**⁵ Unless otherwise notified by the Commission, Applicants are permitted to transfer the

⁴ 47 C.F.R. § 63.03(b)(2)(i).

⁵ See 47 C.F.R. § 63.03(a).

assets and related control on the 31st day after the date of this notice.⁶ Comments may be filed using: (1) the Commission's Electronic Comment Filing System (ECFS), (2) the Federal Government's eRulemaking Portal, or (3) by filing paper copies. See *Electronic Filing of Documents in Rulemaking Proceedings*, 63 FR 24121 (1998).

- **Electronic Filers:** Comments may be filed electronically using the Internet by accessing the ECFS: <http://www.fcc.gov/cgb/ecfs/> or the Federal eRulemaking Portal: <http://www.regulations.gov>. Filers should follow the instructions provided on the website for submitting comments.
- For ECFS filers, if multiple docket or rulemaking numbers appear in the caption of this proceeding, filers must transmit one electronic copy of the comments for each docket or rulemaking number referenced in the caption. In completing the transmittal screen, filers should include their full name, U.S. Postal Service mailing address, and the applicable docket or rulemaking number. Parties may also submit an electronic comment by Internet e-mail. To get filing instructions, filers should send an e-mail to ecfs@fcc.gov, and include the following words in the body of the message, "get form." A sample form and directions will be sent in response.
- **Paper Filers:** Parties who choose to file by paper must file an original and four copies of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, filers must submit two additional copies for each additional docket or rulemaking number.

Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (although we continue to experience delays in receiving U.S. Postal Service mail). All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

The Commission's contractor will receive hand-delivered or messenger-delivered paper filings for the Commission's Secretary at 236 Massachusetts Avenue, N.E., Suite 110, Washington, D.C. 20002. The filing hours at this location are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of before entering the building. Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743. U.S. Postal Service first-class, Express, and Priority mail should be addressed to 445 12th Street, S.W., Washington D.C. 20554.

People with Disabilities: To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at 202-418-0530 (voice), 202-418-0432

⁶ Such authorization is conditioned upon receipt of any other necessary approvals from the Commission in connection with the proposed transaction.

(tty).

You may submit comments, identified by the above noted docket number, by any of the following methods:

- Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments.
- Federal Communications Commission's Web Site: <http://www.fcc.gov/cgb/ecfs/>. Follow the instructions for submitting comments.
- People with Disabilities: Contact the FCC to request reasonable accommodations (accessible format documents, sign language interpreters, CART, etc.) by e-mail: FCC504@fcc.gov or phone: 202-418-0530 or TTY: 202-418-0432.

In addition, one copy of each pleading must be sent to each of the following:

- (1) The Commission's duplicating contractor, Best Copy and Printing, Inc., 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554, www.bcpiweb.com; phone: (202) 488-5300 fax: (202) 488-5563;
- (2) Tracey Wilson-Parker, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C212, Washington, D.C. 20554; email: tracey.wilson-parker@fcc.gov;
- (3) Dennis Johnson, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C212, Washington, D.C. 20554; e-mail: dennis.johnson@fcc.gov;
- (4) Susan O'Connell, Policy Division, International Bureau, 445 12th Street, S.W., Room 7-B544, Washington, D.C. 20554; email: susan.o'connell@fcc.gov; and
- (5) James Bird, Office of General Counsel, 445 12th Street, S.W., Room 8-C824, Washington, D.C. 20554; e-mail: james.bird@fcc.gov.

Filings and comments are also available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street, S.W., Room CY-A257, Washington, D.C. 20554. They may also be purchased from the Commission's duplicating contractor, Best Copy and Printing, Inc., Portals II, 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554, telephone: (202) 488-5300, fax: (202) 488-5563, or via e-mail www.bcpiweb.com.

For further information, please contact Tracey Wilson-Parker at (202) 418-1394, or Dennis Johnson at (202) 418-0809.

- FCC -

EXHIBIT C
ASSET PURCHASE AGREEMENT

ASSET PURCHASE AGREEMENT

between

ADELPHIA TELECOMMUNICATIONS INC.

and

ADELPHIA TELECOMMUNICATIONS OF FLORIDA, INC.

and

TELECOM MANAGEMENT INC.

Dated as of July 8, 2005

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ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT, is entered into as of July 8, 2005, between Telecom Management, Inc., a Maine corporation d/b/a Pioneer Telephone (the "Buyer"), and Adelphia Telecommunications, Inc., a Delaware corporation, and Adelphia Telecommunications of Florida, Inc., a Delaware corporation (collectively, "Sellers").

RECITALS:

A. Sellers operate a business that, among other things, provides long distance telephone services to residential and commercial subscribers in various states in the United States.

B. Buyer desires to acquire, and Sellers are willing to sell, certain of assets of Sellers upon the terms and subject to the conditions of this Agreement.

C. Sellers are Debtors and Debtors in Possession in a Chapter 11 Case and are subject to the jurisdiction of the Bankruptcy Court. The parties agree and acknowledge that the transactions contemplated by this Agreement will require and are subject to approval by the Bankruptcy Court and that such approval will be sought pursuant to 11 U.S.C. §§ 105 and 363.

D. Sellers have entered into definitive agreements with Time Warner and Comcast providing for the sale of substantially all of the Sellers' U.S. assets. The Purchased Assets which are the subject of this Agreement, and listed on Schedule 2.1 hereto, are not assets which are included in the TW-C Sale. Nothing contained herein, however, shall alter, affect, modify or change Sellers' rights and obligations under the TW-C Sale Agreement.

AGREEMENT:

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. DEFINITIONS

The following capitalized terms shall have the meanings set forth below:

"Active Long Distance Customer" means any person or entity that is receiving Telecommunications Services from the Business as of the date of the Court Order. In determining the number of Active Long Distance Customers, all customers receiving discounted Telecommunications Services that are established and maintained in the ordinary course of the Business shall be included as Active Long Distance Customers.

"Affiliate" means a Person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with respect to either Seller.

"Agreement" means this Asset Purchase Agreement. "Assumed Liabilities" means any obligation of Sellers to deliver Telecommunications Services to Subscribers who have prepaid for such services, as set forth on Schedule 2.2.

"Bankruptcy Code" means Title 11 of the United States Code.

"Bankruptcy Court" means the United States Bankruptcy Court for the Southern District of New York.

"Business Day" means any day other than a Saturday, Sunday, or federal holiday.

"Business" means the business of providing long-distance Telecommunications Services by Sellers to Subscribers.

"Buyer Required Consents" is defined in Section 8.1.

"Chapter 11 Case" means the Chapter 11 bankruptcy case of Sellers, entitled *In re Adelphia Communications Corporation, et al.*, Case No. 02-41729 (REG), pending in the Bankruptcy Court.

"Closing Date" has the meaning set forth in Section 3.1.

"Closing" means, subject to satisfaction of the conditions stated in Sections 8 and 9, the consummation of the purchase and sale of the Purchased Assets and the other transactions contemplated under this Agreement.

"Comcast" means Comcast Corporation.

"Confidential Information" means all information, in any medium, concerning Sellers, or the Purchased Assets (whether prepared by Sellers, their Representatives or otherwise) which has been or, on or after the date hereof, is delivered to Buyer or any of its Representatives. Confidential Information also shall be deemed to include all notes, analyses, compilations, studies, interpretations or other documents prepared by Buyer or its Representatives which contain, reflect or are based upon, in whole or in part, the information furnished to Buyer or its Representatives. "Confidential Information" does not include information which (i) is or becomes generally available to the public other than as a result of a disclosure by Buyer or its Representatives, (ii) was within Buyer's possession prior to its being furnished to Buyer by or on behalf of Sellers, provided that the source of such information was not known by Buyer to be bound by a confidentiality agreement with or other contractual, legal or fiduciary obligation of confidentiality to Sellers, or (iii) becomes available to Buyer on a nonconfidential basis from a source other than Sellers or any of their Representatives, provided that such source is not bound by a confidentiality agreement with or other contractual, legal or fiduciary obligation of confidentiality to either Seller.

"Court Order" means an order entered by the Bankruptcy Court approving the transactions provided for under this Agreement, substantially in the form attached hereto as Exhibit B, or such other form of order as may be agreed to by Sellers and Buyer.

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“Deposit” has the meaning set forth in Section 2.5.

“Encumbrance” means any lien, pledge, hypothecation, charge, mortgage, security interest, encumbrance, equity, trust, equitable interest, claim, cure claim, preference, right of possession, lease, tenancy, license, encroachment, covenant, infringement, interference, order, proxy, option, right of first refusal, preemptive right, community property interest, legend, defect, impediment, exception, reservation, limitation, impairment, imperfection of title, condition or restriction of any nature (including any restriction on the voting of any security, any restriction on the transfer of any security or other asset, any restriction on the receipt of any income derived from any asset, any restriction on the use of any asset and any restriction on the possession, exercise or transfer of any other attribute of ownership of any asset) and any other right of a third party.

“Estate” means Sellers’ bankruptcy estates created under Bankruptcy Code § 541.

“Excluded Assets” means all assets of Sellers other than the Purchased Assets, including, without limitation, the receivables, work-in-progress, claims and other rights to payment from Subscribers for services other than the Telecommunications Services, and including without limitation the accounts receivable due from Subscribers or Sellers’ Affiliates described in Schedule 1.

“Federal Regulatory Approval” means the approval of the transfer of Subscribers from Sellers to Buyer as contemplated under this Agreement by the necessary federal Governmental Authorities, including but not limited to the Federal Communications Commission.

“Governmental Authority” means any federal, state, county, municipal, local or other government, governmental or quasi-governmental agency, department, commission, court, tribunal, authority or body having jurisdiction over the Business or the Purchased Assets.

“Instruments of Transfer” means those instruments transferring the Purchased Assets and Assumed Liabilities to Buyer attached hereto as Exhibit A.

“Losses” means all losses, damages, costs, expenses or liabilities, including reasonable attorneys’ fees.

“Motion” means the motion pursuant to Bankruptcy Code §§ 105 and 363, filed by Sellers, which seeks authorization from the Bankruptcy Court, in the form of the Court Order (attached hereto as Exhibit B), to sell the Purchased Assets subject to the terms and conditions of this Agreement.

“Person” means any natural person, corporation, limited liability company, general partnership, limited partnership, proprietorship, other business organization, trust, union, association or Governmental Authority.

“Purchase Price” has the meaning set forth in Section 2.3.

“Purchased Assets” means the assets of Sellers described and listed in Schedule 2.1.

"Receivables" means, as of the Closing Date, all accounts receivable due from Subscribers, but excluding accounts receivable included in the Excluded Assets.

"Representative" means any director, officer, employee, agent or advisor (including, without limitation, attorneys, accountants, consultants, investment bankers and financial advisors) of any Person.

"Seller Required Consents" is defined in Section 7.1.

"Services Agreement" means a subscriber services agreement in the form attached hereto as Exhibit C.

"State Regulatory Approvals" means the approval of the transfer of Subscribers from Sellers to Buyer as contemplated under this Agreement by the necessary Governmental Authority of each state in which Subscribers are located in which such approval must be issued prior to the transfer of accounts of Subscribers located in such state.

"Subscriber" means an Active Long Distance Customer for Telecommunications Services in a single household or business.

"Subscriber Database" is defined in Schedule 2.1.

"Telecommunications Services" means long-distance telephone services, but does not include local dial tone services, cable television services or other Internet access services.

"Time Warner" means Time Warner NY Cable LLC.

"Transaction Documents" means this Agreement, the Instruments of Transfer, the Services Agreement and all other schedules, exhibits, agreements, instruments and documents executed and delivered in connection with this Agreement.

"TW-C Sale" means the sale of substantially all of Sellers' assets to Time Warner and Comcast.

"TW-C Sale Agreement" means the definitive agreements with Time Warner and Comcast providing for the sale of substantially all of the Sellers' U.S. assets.

2. PURCHASE AND SALE OF ASSETS

2.1 Assets Transferred. On the terms and subject to the conditions set forth in this Agreement, pursuant to sections 105 and 363 of the Bankruptcy Code, Sellers will sell, transfer, convey, assign and deliver to Buyer, and Buyer will purchase and pay for, at the Closing, all of Sellers' right, title and interest in and to the Purchased Assets, as the same shall exist on the Closing Date, free and clear of all Encumbrances in accordance with section 363(f) of the Bankruptcy Code, with all such Encumbrances to attach to the net proceeds of the Sale.

2.2 Liabilities Assumed by Buyer. In connection with the sale, transfer, conveyance, assignment and delivery of, and as partial consideration for the Purchased Assets, on the terms

and subject to the conditions set forth in this Agreement, at the Closing, Buyer will assume and agree to pay, perform and discharge when due the obligations of Sellers arising in connection with the Assumed Liabilities, as the same shall exist on the Closing Date.

2.3 Purchase Price. The aggregate purchase price ("Purchase Price") for the Purchased Assets shall be equal to (i) \$80,000.00 plus (ii) two times the average monthly long distance service usage amounts billed by Sellers to Subscribers for the May 2005, June 2005, and July 2005 billing cycles (the "Billed Revenues"). The Billed Revenues shall be reduced by the amount of billings to Subscribers whose bills, as of the July 2005 billing dates, include amounts unpaid more than fifty nine (59) days from the invoice date. The Purchase Price shall be paid out to Sellers as follows: 75 % at Closing and the remaining 25 % at 60 days after Closing. For purposes of this Section 2.3, the term "Billed Revenues" shall exclude any discounts, credits, chargebacks, non-recurring charges, pass-through charges, finance charges, taxes, regulatory assessments, USF, PICC, federal, state and local taxes/surcharges, LNP, SLC, 911 charges, TRS and other similar or related amounts.

2.4 Expenses of Sale. Sellers and Buyer shall each bear its own direct and indirect costs, charges, expenses, and fees incurred in connection with the negotiation and preparation of this Agreement and the other Transaction Documents, and the consummation and performance of the transactions contemplated hereby (including without limitation obtaining all necessary approvals from Governmental Authorities) and without any liability on the part of the other party or its Representatives. The provisions of this Section 2.4 shall survive the Closing.

2.5 Deposit. Upon execution and delivery of this Agreement, Buyer shall pay Sellers in cash a refundable deposit in an amount equal to \$110,000 (the "Deposit"). The Deposit shall be applied to payment of the Purchase Price at Closing. Sellers shall be entitled to retain the Deposit unless the Agreement is validly terminated pursuant to Sections 11.1 or 11.2(a), (b) or (d).

2.6 Subscriber Services. Contemporaneously with the execution and delivery of this Agreement, Sellers and Buyer shall execute and deliver the Services Agreement.

2.7 USF Obligations. Buyer, as the successful bidder for the Purchased Assets, shall be responsible for and timely pay all universal service fund contribution obligations ("USF Obligations") relating to telecommunications services provided by Buyer post-Closing Date, including, without limitation, any and all USF obligations resulting from the true-up of telecommunications reporting worksheets ("Worksheets") submitted thereafter by Buyer relating to such telecommunications services provided post-Closing Date. Similarly, Sellers shall be responsible for and timely pay, to the extent permitted by the Bankruptcy Code, all undisputed USF Obligations relating to telecommunications services provided by Sellers pre-Closing Date, including, without limitation, any and all USF Obligations resulting from the true-up of Worksheets submitted by the Sellers or by Buyer relating to such telecommunications services provided pre-Closing Date. Both Sellers and Buyer shall timely comply with all reporting obligations required by the FCC and applicable federal regulations relating to telecommunications services provided by Buyer post-Closing Date. To the extent such reporting obligations require data relating to telecommunications services provided by Sellers pre-Closing

Date to be included, Sellers shall provide such data in the appropriate format to Buyer upon receipt of five (5) days advance written notice.

3. CLOSING

3.1 Time and Place of the Closing. Subject to the satisfaction of the conditions stated in Sections 8 and 9, the Closing shall occur on the fifth Business Day following the last to occur of the following: (i) the Court Order is entered and no stay of such order is in effect, (ii) the Federal Regulatory Approval and the State Regulatory Approvals have been granted, or (iii) such later date as Buyer and Sellers shall mutually consent to in writing. The Closing shall take place concurrently at the offices of Buyer's counsel and Sellers' counsel, with closing deliveries to be made by facsimile or electronic mail, where appropriate, with originals to follow via overnight courier. The Closing shall be effective as of 12:01 a.m. on the date immediately following the Closing Date. Notwithstanding the foregoing, if the Court Order has been entered and no stay of such order is in effect and the Federal Regulatory Approval has been granted, the Closing may occur, at Sellers' option, on the fifth Business day following the date on which State Regulatory Approvals shall have been obtained in at least 22 of the states in which Active Long Distance Customers are located. In such event, the Purchased Assets associated with Active Long Distance Customers located in the states where the State Regulatory Approvals have not yet been granted shall not be transferred on the Closing Date, but shall be transferred when such State Regulatory Approvals are granted.

3.2 Items to be Delivered by Sellers. At the Closing, Sellers will deliver to Buyer or Buyer shall otherwise receive:

- (a) executed Transaction Documents;
- (b) such other instruments of transfer as may be necessary, in Buyer's reasonable discretion, to transfer good title to the Purchased Assets to Buyer;
- (c) a certified copy of the Court Order; and
- (d) the Purchased Assets.

3.3 Items to be Delivered by Buyer. At the Closing, Buyer shall deliver to Sellers or Sellers shall otherwise receive:

- (a) the Purchase Price (less an amount equal to the Deposit and any interest earned thereon), payable by Buyer in immediately available funds;
- (b) executed Transaction Documents; and
- (c) a certificate of the Secretary of Buyer certifying as to (i) the resolutions of its Board of Directors authorizing the execution, delivery and performance of this Agreement and the other Transaction Documents by Buyer, and (ii) the incumbency of the officers of Buyer executing documents in connection with the Transaction Documents.

4. REPRESENTATIONS AND WARRANTIES OF SELLERS

As an inducement to Buyer to enter into this Agreement and to consummate the transactions contemplated hereby, Sellers represent and warrant to Buyer that the following statements are true and correct as of the date hereof and will be true and correct as of the Closing Date.

4.1 Authority. Adelpia Telecommunications Inc. is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware and Adelpia Telecommunications of Florida Inc. is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware, and subject to the Court Order, Sellers have the full corporate power and authority to own, lease and operate its assets, properties and to enter into and perform their obligations under this Agreement. Subject to entry of the Court Order, the execution, delivery and performance of this Agreement by Sellers have been duly authorized by all necessary corporate action on the part of Sellers. Subject to entry of the Court Order, this Agreement has been duly and validly executed and delivered by Sellers and constitutes the legal, valid and binding obligation of Sellers, enforceable against the Sellers in accordance with its terms.

4.2 Title To Purchased Assets. On the Closing Date, upon entry of the Court Order, the Purchased Assets will be free and clear of all Encumbrances. On the Closing Date, upon entry of the Court Order, Sellers shall be entitled to convey good title to the Purchased Assets.

4.3 No Finder. Neither Sellers nor any Person acting on their behalf have paid or become obligated to pay any fee or commission to any broker, finder or intermediary for or on account of the transactions contemplated by this Agreement. Sellers shall indemnify and hold Buyer harmless from any such claim against Buyer from anyone claiming by, through or under Sellers arising from this transaction, which indemnification obligation shall survive Closing.

4.4 Best Efforts. Sellers shall use their best efforts to obtain the Court Order on or before August 1, 2005, unless, prior to entry of the Court Order, Sellers are presented with a higher and better offer for the Purchased Assets. For avoidance of doubt, nothing set forth in this Section 4.4 shall be deemed to conflict with Buyer's right to be refunded the Deposit as set forth in Section 2.5 if the Court Order is not entered.

5. REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Sellers that the following statements are true and correct as of the date hereof and will be true and correct as of the Closing Date.

5.1 Authority. Buyer is a corporation duly incorporated, validly existing and in full good standing under the laws of the State of Maine and has the corporate power and authority to own its assets and properties and to enter into and perform its obligations under this Agreement. The execution, delivery and performance of this Agreement by Buyer have been duly authorized by all necessary corporate action on the part of Buyer. This Agreement has been duly and validly executed and delivered by Buyer and constitutes the legal, valid and binding obligation of Buyer, enforceable against it in accordance with its terms.

5.2 Litigation. There are no actions, suits or proceedings pending or, to the knowledge of Buyer, threatened against Buyer which if decided adversely to Buyer would restrain or prevent Buyer from consummating the transactions contemplated hereby.

5.3 Consents and Approvals. The execution and delivery of the Transaction Documents by Buyer does not, and the consummation by Buyer of the transactions contemplated thereby will not, require Buyer to obtain any consent, approval, authorization or other action by, or to file with or notify, any governmental or regulatory authority. In addition, as of the Closing Date, Buyer is duly licensed and/or registered as a provider of regulated telecommunications services and is in good standing to so provide such regulated telecommunications services in each of the jurisdictions in which Subscribers are located except as set forth in Schedule 5.3.

5.4 Brokers. Buyer has not incurred any liability for brokerage fees, finder's fees, agent's commissions or other similar forms of compensation in connection with this Agreement and the transactions contemplated hereby for which Sellers would be responsible.

5.5 No Collusive Bidding. Buyer has not made any arrangement or agreement, express or implied, to sell all or substantially all of the Purchased Assets or a controlling interest in Buyer after or in conjunction with the purchase transaction contemplated hereby, and Buyer is aware of no offer or arrangements regarding any such transaction.

5.6 Good Faith Purchaser. Buyer has no knowledge of any facts or information that would, in its reasonable judgment, cause it to be disqualified as a "good faith" purchaser pursuant to Section 363(m) of the Bankruptcy Code.

6. LIMITATIONS; DUE DILIGENCE

6.1 Limitation on Representations and Warranties. Buyer hereby acknowledges that it is purchasing the Purchased Assets on an "as is, where is" basis without any representation or warranty of any kind from Sellers, except as specifically set forth in Section 4 hereof. EXCEPT AS EXPRESSLY SET FORTH IN SECTION 4 HEREOF, SELLERS DISCLAIM ALL WARRANTIES, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO THE PURCHASED ASSETS, INCLUDING BUT NOT LIMITED TO ANY REPRESENTATION OR WARRANTY REGARDING THE VALUE OF THE SUBSCRIBERS AND RECEIVABLES TRANSFERRED TO BUYER HEREUNDER, THE ACCURACY AND COMPLETENESS OF ANY SUBSCRIBER INFORMATION DATABASE, OR ANY OTHER MATTER RELATING TO THE PURCHASED ASSETS.

6.2 Due Diligence. Buyer hereby acknowledges that it and its Representatives have been given a sufficient opportunity to perform such due diligence investigation of the Sellers, the Business, the Purchased Assets and the Assumed Liabilities as Buyer has required. Notwithstanding any such due diligence or any other provision of this Agreement, Buyer acknowledges that it has not received and is not relying upon any representation or warranty, expressed or implied, by operation of law or otherwise, as to the accuracy or completeness of any information regarding Sellers, the Purchased Assets, the Assumed Liabilities or the Business so furnished or made available to Buyer or its Representatives. Buyer acknowledges that it is a sophisticated buyer with respect to the Business, the Purchased Assets and the Assumed

Liabilities and has independently and without reliance upon Sellers or any of its Representatives and based on such information as such Buyer has deemed appropriate in its independent judgment made its own analysis and decision to enter into this Agreement.

7. COVENANTS OF SELLERS

Sellers covenant and agree with Buyer as follows:

7.1 Governmental Approvals. During the period from the execution date of this Agreement to the Closing Date, except as otherwise consented to by Buyer in writing, Sellers will use commercially reasonable efforts to obtain the Court Order, the State Regulatory Approvals, the Federal Regulatory Approval and any other consent, approval, authorization or other action by any Governmental Authority or other Person required to be obtained by Sellers to enable Sellers to consummate the transactions contemplated by this Agreement (the "Seller Required Consents"). Sellers further agree to render reasonable assistance to Buyer with respect to any actions required by Governmental Authorities in connection with or pursuant to the State Regulatory Approvals and Federal Regulatory Approvals, including without limitation providing Subscribers with appropriate notice of their transfer to Buyer as contemplated herein.

8. COVENANTS OF BUYER

Buyer covenants and agrees with Sellers as follows:

8.1 Governmental Approvals. During the period from the execution date of this Agreement to the Closing Date, except as otherwise consented to by Sellers in writing, Buyer will use commercially reasonable efforts to obtain the Federal Regulatory Approval and the State Regulatory Approvals and any other consent, approval, authorization or other action by any Governmental Authority or other Person required to be obtained by Buyer to enable Buyer to consummate the transactions contemplated by this Agreement (the "Buyer Required Consents"). Buyer will render reasonable assistance to Sellers in connection with the Court Order. Buyer further agrees to render reasonable assistance to Sellers with respect to any actions required by Governmental Authorities in connection with or pursuant to the State Regulatory Approvals and Federal Regulatory Approvals, including without limitation providing Subscribers with appropriate notice of their transfer to Buyer as contemplated herein.

8.2 Confidentiality. Except as permitted by this Section, Buyer shall, and shall cause its Representatives to, keep confidential and not use or disclose in any manner or to any Person any Confidential Information, whether received prior to, on or after the date hereof, except that Buyer may disclose Confidential Information as follows: (a) to those of Buyer's Representatives who need to know such information for purposes of due diligence regarding the transactions contemplated by the Transaction Documents; provided that such Representatives shall keep such Confidential Information confidential to the same extent as Buyer under this Section 8.2, and Buyer shall be responsible for any breaches of this Section 8.2 by its Representatives; and (b) to the extent such disclosure is required by law or in any legal proceeding, arbitration or governmental investigation; provided that Buyer shall have furnished to Sellers, as far in advance of the proposed disclosure of such Confidential Information as is practical under the circumstances and in all instances no less than three (3) business days, prior written notice of the

proposed disclosure; or (c) after the Closing, Confidential Information concerning the Purchased Assets and Assumed Liabilities for the purpose of operating the Business. Prior to the Closing, Buyer shall use the Confidential Information solely for the purposes of preparing to consummate the transactions contemplated hereby and shall not use any Confidential Information for any other purpose without the written consent of Sellers. If the Closing does not take place for any reason, Buyer shall immediately return all Confidential Information (and all copies thereof) to Sellers and shall not use or disclose any of the Confidential Information or retain any copies thereof.

8.3 Subscriber Notification. Notwithstanding Sellers' covenant to assist Buyer in complying with the requirements of Governmental Authorities under Section 7.1 and the responsibilities for expenses under Section 2.4, Buyer shall bear all expenses and reimburse Sellers for any costs incurred in notifying Subscribers that they are to be transferred from Sellers to Buyer. The content and form of such notice shall be mutually agreed upon by the parties and shall comply with all rules and regulations of any applicable Governmental Authority concerning such notice.

8.4 Assumed Liabilities. After the Closing, Buyer shall pay, perform and discharge, or cause to be paid, performed and discharged, promptly when due, all of the Assumed Liabilities. The provisions of this Section 8.4 shall survive the Closing.

8.5 Publicity. Prior to entry of the Court Order and except pursuant to Section 8.3, Buyer shall not, without Sellers' written consent, issue any press release, announcement or other public statement concerning this Agreement or the transactions contemplated hereby.

9. CONDITIONS PRECEDENT TO BUYER'S OBLIGATIONS

The obligation of Buyer to close the transactions contemplated by this Agreement is subject to the fulfillment on or prior to the Closing Date of the following conditions, any one or more of which may be waived in writing by the Buyer:

9.1 No Misrepresentation or Breach of Covenants and Warranties. There shall have been no material breach by Sellers in the performance of any of their covenants and agreements herein which breach shall not have been cured; each of the representations and warranties of Sellers contained or referred to herein shall be true and correct in all material respects on the Closing Date as though made on the Closing Date.

9.2 Necessary Governmental and Third Party Approvals. The Federal Regulatory Approval shall have been obtained and State Regulatory approvals shall have been obtained in at least 22 of the states in which the Active Long Distance Customers are located.

9.3 Chapter 11 Case in Effect. The Chapter 11 Case shall not have been dismissed or converted into a case under Chapter 7 of the Bankruptcy Code and Sellers, Buyer or any other Person shall not have filed a motion or other pleadings seeking the dismissal of the Chapter 11 Case under Section 1112 of the Bankruptcy Code or otherwise.

9.4 Court Order in Effect. The Court Order shall have been entered and not subject to any stay, modification, reversal or vacation.

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9.5 Due Authorization. Subject to the entry of the Court Order, the execution and delivery of this Agreement and all other agreements and instruments contemplated hereby or related hereto to be executed and delivered by Sellers, and the consummation of the transactions contemplated hereby and thereby, will have been duly and validly authorized and approved by all necessary corporate action. Subject to entry of the Court Order, this Agreement will have been duly executed and delivered by Sellers.

9.6 Telecommunications Regulatory Matters. Except as set forth in Schedule 9.6(i), one of the Sellers will have been duly licensed and/or registered as a provider of regulated telecommunications services and be in good standing to so provide such regulated telecommunications services in each of the jurisdictions set forth in Schedule 9.6(i) hereto, in which jurisdictions the nature of the business to be conducted by Buyer after the Closing Date makes such licensing or registration of Buyer necessary. Schedule 9.6(ii) hereto sets forth a list of all filings and regulatory approvals required to be obtained under applicable law to enable Buyer to purchase the Purchased Assets and consummate the transaction contemplated by this Agreement, other than such filings and regulatory approvals that pertain solely to Buyer's authorization to operate the Purchased Assets after the Closing Date (*i.e.*, applications for certificates of public convenience and necessity or similar authorizations).

Unless expressly covenanted, warranted or represented elsewhere in this Agreement, the conditions stated in this Section 9.1 are not covenants, warranties or representations.

10. CONDITIONS PRECEDENT TO SELLERS' OBLIGATIONS

The obligation of Sellers to close the transactions contemplated by this Agreement is subject to the fulfillment on or prior to the Closing Date of the following conditions, any one or more of which may be waived in writing by the Sellers:

10.1 Representations and Covenants. The representations and warranties of Buyer contained in this Agreement shall be true and correct on and as of the Closing Date, and Buyer shall have in all material respects performed and complied with all covenants and agreements required by this Agreement to be performed or complied with by Buyer on or prior to the Closing Date.

10.2 Governmental Approvals. The Federal Regulatory Approval and the State Regulatory Approvals shall have been obtained.

10.3 Bankruptcy. The Court Order shall have been entered.

10.4 Consents. All other Seller Required Consents shall have been obtained.

10.5 Closing Documents. Buyer shall be prepared to pay the Purchase Price and deliver the closing documents listed in Section 3.3.

11. TERMINATION

11.1 Termination by Buyer. This Agreement may be terminated prior to the Closing by Buyer as follows:

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(a) if the Bankruptcy Court has entered an order approving the sale of the Purchased Assets to another party;

(b) if, because the conditions set forth in Section 9 have not been satisfied through no fault of Buyer or such conditions have not been waived by Buyer, the Closing has not occurred on or before November 30, 2005; provided that the Buyer shall have given the Sellers 48 hours advance written notice of such termination and an opportunity to satisfy any conditions set forth in Section 9 that have not been satisfied.

(c) if the Court Order has not been issued on or before September 1, 2005 in accordance with Section 2.5 above; or

(d) in the event of any material breach by Sellers of any of Sellers' agreements, representations or warranties contained herein and the failure of Sellers to cure such breach within 15 days after receipt of notice from Buyer requesting such breach to be cured.

11.2 Termination by Sellers. This Agreement may be terminated prior to the Closing by Sellers as follows:

(a) if the Bankruptcy Court has not entered the Court Order on or prior to September 30, 2005;

(b) if Sellers receive, after the execution of this Agreement, but prior to or at the hearing on the motion for approval of the Court Order, an offer from a third party to acquire the Purchased Assets and, in the sole and exclusive discretion of the Sellers such proposed transaction represents a higher or otherwise better offer than that of Buyer hereunder;

(c) if Buyer has breached any representation, warranty, covenant or agreement contained in this Agreement or the Services Agreement, and, if such breach is capable of cure, Buyer fails to cure such breach within ten (10) days after receipt of written notice of intent to terminate from Sellers; or

(d) if, because the conditions set forth in Section 10 have not been satisfied through no fault of Sellers or such conditions have not been waived by Sellers, the Closing has not occurred on or before November 30, 2005; provided that the Sellers shall have given Buyer 48 hours advance written notice of such termination and an opportunity to satisfy any conditions set forth in Section 10 that have not been satisfied.

11.3 Effect of Termination. If this Agreement is validly terminated pursuant to Section 11.1 or 11.2, this Agreement will forthwith become null and void, and there will be no liability or obligation on the part of Sellers or Buyer (or any of their respective Representatives), except that the confidentiality obligations in Section 8.2 will continue to apply following any such termination and, if terminated pursuant to 11.1 or 11.2(a), (b) or (d), Buyer shall be entitled to return, in full, of the Deposit.

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12. SURVIVAL; INDEMNIFICATION

12.1 Survival of Representations, Etc. The representations and warranties of Sellers contained in Section 4 shall terminate and be of no further force and effect as of the Closing. Buyer's sole remedy for breach of such representation and warranty shall be to refuse to close this Agreement and immediate return, in full, of the Deposit. The representations and warranties of Buyer contained in Section 5 shall terminate and be of no further force and effect as of one year after the Closing.

12.2 Mutual Indemnifications. Buyer, on the one hand, and Sellers on the other hand, shall indemnify and defend each other, and any of their directors, officers, employees and agents, and hold them harmless from and against all Losses they incur by reason of or arising out of or in connection with: (a) any breach by them of the representations and warranties contained in this Agreement or any of the Transaction Documents, (b) their failure to fulfill any of their covenants or other agreements contained in this Agreement or any of the Transaction Documents, (c) any claim or demand of any third party against them with regard to Sellers' ownership, management or conduct of the Business or the Purchased Assets before the Closing or Buyer's ownership, management or conduct of the Business or the Purchased Assets on or after the Closing, as the case may be.

12.3 Indemnification Procedures.

(a) Claim Notice. Any claim for indemnification under Section 12.2 must be made in writing and delivered as a notice within a reasonable period from when the party against whom indemnification is being sought (the "Indemnifying Party") receives notice of such claim from the party seeking indemnification (the "Indemnified Party") specifying in reasonable detail the nature and estimated amount of the claim (the "Claim Notice").

(b) Third-Party Claims. If the claim specified in the Claim Notice relates to a third-party claim, the Indemnifying Party shall have 15 days after its receipt of the Claim Notice to notify the Indemnified Party whether the Indemnifying Party agrees that the claim is subject to indemnification pursuant to Section 12.2, and whether the Indemnifying Party has elected to defend such third-party claim at its own expense. If the claim relates to a third-party claim that the Indemnifying Party elects to defend, Indemnified Party shall reasonably cooperate with such defense, provided that Indemnified Party shall be entitled to participate in the defense or settlement of such third-party claim through its own counsel and at its own expense and shall be entitled to approve or disapprove any proposed settlement that would impose any duty or obligation on Indemnified Party. If the Indemnifying Party does not timely elect to defend a third-party claim, or if the Indemnifying Party fails to conduct such defense with reasonable diligence, Indemnified Party may conduct the defense of, or settle, such claim at the risk and expense of the Indemnifying Party.

(c) Claims Other Than Third-Party Claims. If the claim does not relate to a third-party claim, the Indemnifying Party shall have 30 days after receipt of the Claim Notice to notify Indemnified Party in writing whether the Indemnifying Party accepts liability for all or any part of the claim and the method and timing of any proposed payment. If the Indemnifying

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Party does not so notify Indemnified Party, the Indemnifying Party shall be deemed to have accepted liability for all Losses described in the Claim Notice.

13. MISCELLANEOUS

13.1 Notices. Any notice or other communication required or which may be given hereunder shall be in writing and shall be delivered personally, by commercial courier service, or sent by certified, registered or express mail, postage prepaid, and shall be deemed given when so delivered personally, one Business Day after deposit with the commercial courier, or five days after the date of mailing, as follows:

(a) if to Sellers to:

Adelphia Communications Corporation
5619 DTC Parkway
Englewood, CO 80111
Attention: Chief Financial Officer, General Counsel,
Vice President

with a copy to:

Davis Wright Tremaine LLP
2600 Century Square
1501 Fourth Avenue
Seattle, Washington 98101-1688
Attention: Daniel Waggoner

-and-

Willkie Farr & Gallagher LLP
787 Seventh Avenue
New York, New York 10024
Attention: Shelley C. Chapman

(b) if to Buyer to:

Telecom Management, Inc.
583 Warren Avenue
Portland, Maine 33815
Attention: Sue Bouchard

with a copy to:

Nowalsky, Bronson & Gothard APLLC
3500 North Causeway Blvd., Suite 1442
Metairie, LA 70002
Attention: Leon Nowalsky

SEB

13.2 Entire Agreement. This Agreement (including the Exhibits and Schedules hereto), the other Transaction Documents, the Court Order and such other orders entered by the Bankruptcy Court in the Chapter 11 Case modifying any of the foregoing contain the entire agreement among the parties with respect to the purchase of the Purchased Assets and assumption of the Assumed Liabilities and related transactions and supersede all prior agreements and understandings, written or oral, with respect thereto.

13.3 Waivers and Amendments. This Agreement may be amended, modified, superseded or cancelled and the terms and conditions hereof may be waived, only by a written instrument signed by the parties or in the case of a waiver, by the party waiving compliance. No delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party of any right, power or privilege hereunder, nor any single or partial exercise of any right, power or privilege hereunder, preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder. The rights and remedies herein provided are cumulative and are not exclusive of any rights or remedies which any party may otherwise have at law or in equity.

13.4 Governing Law and Exclusive Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of New York (without regard to principles of conflicts of laws). The parties agree that subject to any other limitations expressly set forth in this Agreement, the parties shall have the right to have the provisions of this agreement specifically enforced and to obtain injunctive and other equitable relief to enforce such provisions. Each party submits to the exclusive venue and jurisdiction of the state and federal courts sitting the State of New York, and each party waives any jurisdictional, venue, or inconvenient forum objections to such courts.

13.5 Severability. Each provision of this Agreement shall be treated as a separate and independent clause, and the unenforceability of any one clause shall in no way impair the enforceability of any of the other clauses herein. If one or more of the provisions contained in this Agreement shall for any reason be held to be excessively broad, as to scope, activity or subject matter so as to be unenforceable, such provision or provisions shall be construed by the appropriate judicial body by limiting or reducing it or them so as to be enforceable to the maximum extent under applicable law.

13.6 Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their successors and assigns; provided, however, that no party may assign any of its rights or obligations hereunder without the prior written consent of the other party hereto.

13.7 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

13.8 Exhibits and Schedules. The Exhibits and Schedules to this Agreement are hereby made a part of this Agreement as if set forth in full herein.

SES

13.9 Headings. The headings in this Agreement are intended solely for convenience of reference and shall be given no effect in the interpretation of this Agreement.

[Signature page follows.]

SEA

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

TELECOM MANAGEMENT, INC.

By _____
Sue Bouchard
President

ADELPHIA TELECOMMUNICATIONS, INC.

By  _____
Murray G. Flanigan
Vice President, Corporate Development

ADELPHIA TELECOMMUNICATIONS OF
FLORIDA, INC.

By  _____
Murray G. Flanigan
Vice President, Corporate Development

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

TELECOM MANAGEMENT, INC.

By 
Sue Bouchard
President

ADELPHIA TELECOMMUNICATIONS, INC.

By _____
Murray G. Flanigan
Vice President, Corporate Development

ADELPHIA TELECOMMUNICATIONS OF
FLORIDA, INC.

By _____
Murray G. Flanigan
Vice President, Corporate Development

SCHEDULES & EXHIBITS

Schedule 1 – Excluded Assets

Schedule 2.1 – Purchased Assets

Schedule 2.2 – Assumed Liabilities

Schedule 5.3

Schedule 9.6(i)

Schedule 9.6(ii)

Exhibit A – Instruments of Transfer

Exhibit B – Court Order

Exhibit C – Services Agreement

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**SCHEDULE 1
EXCLUDED ASSETS**

In addition to the assets excluded in the definition of "Excluded Assets" in Section 1, the following assets of Sellers are specifically excluded from the Purchased Assets:

(a) any receivables, work-in-progress, claims and other rights to payment of Sellers from Subscribers for cable television service;

(b) any receivables, work-in-progress, claims and other rights to payment of Sellers from Subscribers for Internet-related services; and

(c) any receivables, work-in-progress, claims and other rights to payment of Sellers from any Affiliates of Sellers.

SELLERS

**SCHEDULE 2.1
PURCHASED ASSETS**

All of Sellers' rights in, to and under the following:

- (a) all Subscriber accounts and a copy of the information identified in the electronic file to be provided by Seller to Buyer prior to Closing titled "Adelphia Comprehensive LD Subscriber Accounts"; and
- (b) the Receivables.

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**SCHEDULE 2.2
ASSUMED LIABILITIES**

With respect to the Business, the following liabilities:

All obligations of Sellers to deliver Telecommunications Services to Subscribers after the Closing Date for which such Subscribers prepaid prior to the Closing Date.

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SCHEDULE 5.3

State	CPCN/Docket Numbers	Date Approved	Status
Connecticut			Application for certification currently pending.

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SCHEDULE 9.6(i)

CERTIFICATIONS

State	CPCN/Docket Numbers	Date Approved	Status
Alabama	Docket No. 27199	11/2/99	6/14/05 letter canceling CPCN; reinstatement requested by letter sent 6/22/05.
Arizona	Docket No. T-03828A-05-0353		ACC received withdrawal letter on 5/16/05; public notice was made in every Arizona county on 5/27/05. Requested suspension of cancellation by letter sent 6/17/05.
California	Decision #99-09045 Application #99-08-006	5/22/01	
Colorado			No certification required because toll reseller only.
Connecticut	Docket No. 99-07-08	11/17/99	The PUC received letter 5/16/05.
Florida	CPCN TX180 #5236 Docket 050377-TI (assigned with reference to cancellation)		Received acknowledgment of cancellation 6/1/05, effective 8/25/05. In process of reversing cancellation.
Georgia	Certificate No. L0130		Letter sent 5/12/05 to Georgia Public Service Commission requesting CPCN cancellation.
Idaho			No record of certification.
Indiana	CTA-9908-4	8/13/99	
Kentucky	Utility No. 5137700		PUC received withdrawal letter 5/16/05 stating long distance services to be discontinued on 7/28/05.
Maine	Docket No. 99-473	9/7/99	
Maryland			PSC sent letter 6/8/05 rescinding operating authority, effective 7/28/05. On 6/21/05, suspension of effective date of cancellation requested.
Massachusetts			Tariff discarded as result of cancellation request; will need to refile for tariff post-sale.
Michigan	No. U 11900		
Mississippi	Docket 1999-UA-509		The PSC received letter 5/17/05 and issued an order canceling CPCN on 5/26/05, cancellation effective 9/8/05.
New Hampshire	Certification 21797	7/9/97	
New Jersey			No record of certification.
New York	Case No. 97 C0078 (transfer from Hyperion)		

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State	CPCN/Docket Numbers	Date Approved	Status
North Carolina	Long-Distance Certificate P-648	4/22/98	
Ohio			No record of certification.
Pennsylvania	Docket No. A-310568	3/19/98	
South Carolina	Order No. 98-82 authorized CPCN	2/4/98	Cancellation of tariffs order entered on 5/31/2005, effective 8/25/05.
Tennessee			No record of certification.
Vermont	C.P.G. #361	7/21/98	
Virginia	Docket # 99-0965-T-CN	10/27/99	
Washington	Docket # 9909059	7/28/99	
West Virginia	Commission Case No. 99-0965-T-CN	11/16/99	On 5/26/05, approval of revocation was granted. As of 6/7/05, the PSC has put the cancellation on hold. (Assigned Case No. 05-0712-T-X with regard to the cancellation proceedings.)

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SCHEDULE 9.6(ii)
FILING REQUIREMENTS

STATE	Filing Required
Alabama	Application required.
Arizona	Application required.
California	Advice letters required.
Colorado	Notification of transaction required.
Connecticut	Notification of transaction required.
Florida	Notification of transaction required. Slamming waiver required
Georgia	Application required.
Idaho	Notification of transaction required.
Indiana	Verified Notice of transaction required.
Kentucky	Notification of transaction and tariff adoption required.
Maine	Notification of transaction required.
Maryland	Application required.
Massachusetts	Notification of transaction required.
Michigan	Notification of transaction required.
Mississippi	Application required.
New Hampshire	Notification of transaction required.
New Jersey	Notification of transaction required.
New York	Application required.
North Carolina	Notification of transaction required.
Ohio	Application required.
Pennsylvania	Application required.
South Carolina	Application required.
Tennessee	Application required.
Vermont	Application required.
Virginia	Not regulated. No filing required.
Washington	Notice and request waiver of slamming rules.
West Virginia	Application required.
FCC 214 Domestic	Application required.
FCC 214 International	Application required.
FCC Slamming Cert.	Self certification filing with customer notice required.

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EXHIBIT A
INSTRUMENTS OF TRANSFER

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EXHIBIT B
COURT ORDER

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EXHIBIT C
SERVICES AGREEMENT

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