

Term Sheet for Plan of Reorganization for
Adelphia Communications Corporation et al. (the "Debtors")

I. Introduction

A. Assumptions

The Plan tracks the structure of the Debtors' Plan, dated February 25, 2004 (the "Original Plan"). The Plan is premised upon the substantive consolidation of the Debtors within each of the ten Debtor Groups and the embodiment of a settlement between the Parent Debtor Group and the Arahova Debtor Group. Unless otherwise set forth herein, all capitalized terms shall have the meanings ascribed thereto in the Original Plan.

B. Overview

The Plan is based upon a hypothetical reorganization value on a going concern basis of \$17 billion (the "Plan Value").

- (i) It is assumed that the following cash payments will be made: (1)

DIP Lender Claims	\$ 772,539,408
Bank Claims	\$6,816,627,500
Administrative and Priority Claims	\$ 500,000,000
Other Secured Claims	\$ 251,623,406

- (ii) The remaining value will first be paid in New Common Stock to the holders of:

Subsidiary Note Claims	\$ 3,477,396,774
Subsidiary Unsecured Claims	\$ 1,156,356,193
Subsidiary 510(b) Claims	\$ undetermined

- (iii) The remaining value will then be paid in New Common Stock (and the Rights) to the holders of:

ACC Senior Note Claims	\$6,781,829,658
ACC Unsecured Claims	\$ 462,677,710

- (iv) The holders of ACC Subordinated Notes Claims and other junior classes will receive the Rights.

In order to obtain meaningful recoveries as close to the Effective Date as possible, an aggressive claim objection process must be pursued to reduce claims to the levels assumed herein.

(1) The numbers below, which are estimates and for illustrative purposes

only, assume an effective date of June 30, 2005.

Implementation	Upon approval of this term sheet by the Creditors' Committee, the Creditors Committee will issue a press release announcing an agreement with respect to the terms of the Plan. In addition, the Creditors' Committee will deliver this term sheet to the Debtors' Board of Directors and request that the Debtors file an amended chapter 11 plan consistent with this term sheet. If the Debtors do not agree to file such amended plan, the Creditors' Committee will seek leave of the Bankruptcy Court to file the Plan.
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II. Treatment

A. All Debtor Groups

Administrative Expenses Claims*	On the Effective Date, each Allowed Administrative Expense Claim shall be paid in full in cash, in the ordinary course of business for the Reorganized Debtors, or upon such other terms as the Reorganized Debtors and the holder thereof may agree.
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Fee Claims*	Paid in full in cash in such amounts Allowed by the Court on the date such claim becomes an allowed claim or upon such other terms as the Reorganized Debtors and the holder thereof may agree.
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Priority Tax Claims*	On the Effective Date, each Allowed Priority Tax Claim shall be paid, in full, or upon such other terms as the Reorganized Debtors and the holder thereof may agree; provided, however, that at their sole option and discretion, the Reorganized Debtors may elect to satisfy Priority Tax Claims in accordance with the provisions of Section 1129(a)(9)(B) of the Bankruptcy Code.
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DIP Lender Claims*	On the Effective Date, each DIP Lender Claim shall be paid in full in cash, the DIP Facility and any related agreements or instruments shall be terminated and liens thereunder extinguished. The DIP Lenders shall take all necessary actions to confirm removal of Liens.
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Other Priority Claims*	On the Effective Date, each Allowed Other Priority Claim shall be paid in full in cash.
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Secured Tax Claims*	See Priority Tax Claims.
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Other Secured Claims*	Rendered unimpaired pursuant to section 1124(2) of the Bankruptcy Code.
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* Treatment substantially similar to treatment under the Original Plan

B. Subsidiary Debtor Groups

Bank Claims(2)

- (i) On the Effective Date, each holder of an Allowed Bank Claim in each class shall receive its pro rata share of the Bank Distribution applicable to such Class. The Bank Claims shall be deemed Allowed Claims for voting purposes only in the following amounts (plus Allowed fees, costs, and expenses):
 - a. Century Bank
Claims \$2,480,000,000
 - b. Century-TCI
Bank Claims \$1,000,000,000
 - c. FrontierVision
Bank Claims \$617,312,500
 - d. Olympus Bank
Claims \$1,265,000,000
 - e. Parnassos
Bank Claims \$623,000,000
 - f. UCA Bank
Claims \$831,315,000
- (ii) All Bank Claims which are not currently held by an Agent Bank (the "Non-Agent Banks") (3) and which were not held by an Agent Bank at any time prior to the Effective Date (the "Non-Agent Claims"), shall be deemed Allowed Claims under the Plan, and, on the occurrence of the Effective Date, holders of such Allowed Non-Agent Claims shall receive their pro rata share of the Bank Distribution (and thus be paid in full), notwithstanding the pendency of the Existing Lender Avoidance Actions against such holders and, provided that, such distributions shall be subject to disgorgement to the extent set forth in a Final Order of a court of competent jurisdiction.
- (iii) The foregoing treatment is expressly without prejudice to, or limitation or reduction of, the rights, remedies and causes of action asserted in the Existing Lender Avoidance Actions, including against the Non-Agent Banks, the Agent Banks, or their affiliates as well as the rights, remedies and claims asserted against the Non-Agent Banks, the Agent Banks or their affiliates or any other third party in any other suit or proceeding.
- (iv) As of the Effective Date, Reorganized ACC shall be deemed:
 - (A) subrogated to the rights and remedies of the Existing

Lenders with respect to the Managed Entities without the necessity of the execution and/or delivery of any document or instrument, and

- (B) the holder of, all rights, claims and liens of the Existing Lenders against the Managed Entities and their respective assets.

The Confirmation Order shall require the Existing Lenders to execute and deliver all documents necessary to evidence such subrogation.

- (2) The term Bank Claim shall have the same meaning as Existing Lender Claim under the Original Plan.

- (3) For purposes of this Plan, Agent Bank means any institution or person that served as an agent in any capacity under any of the Debtors' co-borrowing credit agreements. The Agent Banks include Wachovia; Bank of Montreal; PNC Bank; Bank of America; J.P. Morgan Chase; TDI; Barclays; Citibank; ABN AMRO; Bank of Nova Scotia; Bank of New York; Credit Lyonnais; CSFB; DLJ; Fleet; Merrill Lynch; Mitsubishi Trust; Morgan Stanley; Rabobank; Suntrust; Banc of America Securities; Chase Securities; CIBC Securities; Bankers Trust Co.; Citicorp; Salomon Smith Barney; Deutsche Bank; Royal Bank of Scotland; Societe Generale; and Fuji Bank.

Bank Distribution

Bank Distribution means an amount equal to the aggregate of Allowed Bank Claims in each Class consisting of the following currency:

- (a) if the Debtors engage in the New Financing, cash in the amount of such Allowed Claims; or
- (b) if the New Financing is not pursued or is obtained in an amount which is less than the amount necessary to pay the Allowed Bank Claims in accordance with the terms hereof,

then cash from any other available funds plus New Secured Notes designed to trade at par.

Lender Fee Claims and Indemnification

On the Effective Date, all Existing Lender Fee Claims (arising prior to Effective Date) shall be paid in full in cash in accordance with the applicable prepetition credit agreements. The Plan shall provide for the transmission of estimates and establishment of holdbacks to implement this provision. From and after the Effective Date, the Reorganized Debtors shall no longer pay Lender Fee Claims except those fees incurred by defendants in the Existing Lender Avoidance Actions for which indemnification is found to exist by the Bankruptcy Court or other court of competent jurisdiction pursuant to a Final Order.

Subsidiary Notes Claims

Paid in full (including unpaid pre- and post-petition date interest, limited only by the Intercompany Settlement) in New Common Stock.

- (i) The Subsidiary Notes Claims shall be deemed Allowed Claims for all purposes (other than the FPL Note, which is subject to a pending adversary proceeding) in the following amounts, plus, in each case, post-petition date interest at the non-default contract rate set forth in the applicable indenture(4):

- a. Frontier Vision
Notes Claims \$547,668,639
- b. Arahova Notes
Claims \$1,743,580,129
- c. UCA Notes
Claims \$213,113,122
- d. FPL Note Claim \$127,435,663

(allowed solely for voting purposes);

- (ii) On the Distribution Date, each holder of an Allowed Subsidiary Notes Claims shall receive its pro rata share of the Notes Distribution applicable to such Class, provided however, that with respect to the Arahova Notes Claims, the applicable Notes Distributions shall be reduced pursuant to the Intercompany Settlement, which amounts shall be added to the Holding Company Debtor Group Stock Reserve;
- (iii) Following the Effective Date, the Arahova Notes will remain in effect for the sole purpose of evidencing an entitlement to receive proceeds of the Existing Lender Avoidance Actions.

On the Distribution Date, the Allowed Indenture Trustee's Expense Claims with respect to each indenture shall be paid in full in cash.

Intercompany Settlement

Pursuant to Bankruptcy Rule 9019 in full settlement and satisfaction of any Claims, causes of action and legal entitlements between and among the Parent Debtor Group and the Arahova Debtor Group, an amount equal to 20% of the distribution on account of post-petition date interest through the Distribution Date shall be transferred out of the Arahova Notes Distribution and out of the distributions that would otherwise go to the holders of Allowed Arahova Unsecured Claims (collectively, the "Arahova Give-Up") and added to the

Holding Company Debtor Group Stock Reserve.

(4) Interest on all unsecured claims will be calculated on a compound basis.

Intercompany Claims* All Intercompany Claims other than those settled pursuant to the Intercompany Settlement, at the option of the Debtors shall be deemed discharged and/or satisfied.

Subsidiary Unsecured Claims Paid in full in New Common Stock, subject to the Intercompany Settlement: (i) Allowed Claim shall include principal amount of claim fixed in claim allowance process plus post-petition date interest at 8% compound rate; (ii) on the Distribution Date, each holder of an Allowed Subsidiary Unsecured Claim shall receive its pro rata share of the Subsidiary Unsecured Claims Distribution applicable to such Class; provided, that with respect to Subsidiary Unsecured Claims against Arahova, the distributions shall be reduced pursuant to the Intercompany Settlement described above, which amounts shall be added to the Holding Company Debtor Group Stock Reserve.

Subsidiary 510(b) Claims Paid in full (including interest at the federal judgment rate) in New Common Stock.

JV Equity Interests* Paid in full in New Joint Venture Preferred Securities. On the Effective Date, each joint venture partner shall merge into the New Joint Venture Preferred Securities Issuer and the following Allowed JV Equity Interests:

Parnassos JV Equity Interests
Century-TCI JV Equity Interests
Century/Tele-Media JV Equity Interests
UCA/Tele-Media JV Equity Interests

shall receive a pro rata share of the JV Equity Distribution applicable to such class. The JV Equity Distributions shall consist of shares of the New Joint Venture Preferred Securities, which shall be convertible into shares of New Common Stock and redeemable at the option of the New Joint Venture Preferred Securities Issuer.

Rigas Claims or Equity Interests Disallowed. No distribution.

C. Holding Company Debtor Group

ACC Senior Notes Claims (i) ACC Senior Notes Claims shall be deemed Allowed Claims in the amount of \$5,109,693,748 plus post-petition date interest at the non-default contract rate set forth in the applicable indenture;

- (ii) On the Distribution Date, each holder of an Allowed ACC Senior Notes Claim shall receive its pro rata share of the ACC Senior Notes Distribution.

Following the Effective Date, the ACC Senior Notes will remain in effect for the sole purpose of evidencing an entitlement to receive proceeds of the Continuing Existing Lender Actions. On the Distribution Date, the Allowed Indenture Trustee's Expense Claims with respect to the ACC Senior Notes Claims shall be paid in full in cash.

ACC Subordinated Notes Claims

- (i) ACC Subordinated Notes Claims shall be deemed Allowed Claims in the amount of \$1,458,990,625 plus to the extent allowable, post-petition date interest at the non-default contract rate;
- (ii) On the Distribution Date, all distributions to be received by this class (other than the Rights) shall be transferred to the ACC Senior Notes Distribution (which, even following such transfer, will be insufficient to pay the ACC Senior Notes Claims in full).

On the Distribution Date, each holder of an Allowed ACC Subordinated Notes Claim shall receive its pro rata share of Tranche 1 Rights.

ACC Unsecured Claims

- (i) Allowed Claim shall include principal amount of claim fixed in claim allowance process plus post-petition date interest at the federal judgment rate, or, in the case of contracts that specify an interest rate, at the non-default rate set forth in such contract;
- (ii) On the Distribution Date, each holder of an Allowed ACC Unsecured Claim shall receive its pro rata share of the ACC Unsecured Claims Distribution and an entitlement to proceeds of the Continuing Existing Lender Actions.

ACC Notes 510(b) Claims

On the Effective Date, each holder of an Allowed Notes Existing Securities Law Claim shall receive its pro rata share of Tranche 2 Rights.

ACC Series B Preferred Stock Interests

On the Effective Date, each holder of an Allowed ACC Series B Preferred Stock Interest Claim shall receive its pro rata share of Tranche 3 Rights.

ACC Series B Preferred Stock Interests Securities Law Claims

On the Effective Date, each holder of an Allowed ACC Series B Preferred Stock Existing Securities Law Claim shall receive its pro rata share of

Tranche 4 Rights.

ACC Series D Preferred Stock
Interest

On the Effective Date, each holder of an Allowed Series ACC Series D Preferred Stock Interest Claim shall receive its pro rata share of Tranche 5 Rights.

ACC Series D Preferred Stock
Interests Securities Law Claims

On the Effective Date, each holder of an Allowed ACC Series D Preferred Stock Existing Securities Law Claim shall receive its pro rata share of Tranche 6 Rights.

ACC Series E and F Preferred Stock
Interest

On the Effective Date, each holder of an Allowed ACC Series E and F Preferred Stock Interest Claim shall receive its pro rata share of Tranche 7 Rights.

ACC Series E and F Preferred Stock
Interests Securities Law Claims

On the Effective Date, each holder of an Allowed ACC Series E and F Preferred Stock Existing Securities Law Claim shall receive its pro rata share of Tranche 8 Rights.

ACC Common Stock Existing
Securities Claims

On the Effective Date, each holder of an Allowed ACC Common Stock Interest Claim and ACC Common Stock Existing Securities Law Claim shall receive its pro rata share of Tranche 9 Rights. Unless there is a Final Order of the Bankruptcy Court to the contrary, the SEC Claim (to the extent Allowed) shall be treated in this class.

ACC Other Equity Interests

No distribution.

III. Other

Lender Actions

Any Existing Lender Avoidance Actions that are identified in the Confirmation Order or other Final Order of a court of competent jurisdiction as claims for which a defendant has a valid and enforceable right of indemnification against the Debtors pursuant to a prepetition credit agreement, shall as to such defendant, not be included as Designated Litigation and not transferred to Reorganized ACC or to the Contingent Value Vehicle. All other Existing Lender Avoidance Actions, ("Continuing Existing Lender Actions") shall be transferred to Reorganized ACC or to the Contingent Value Vehicle. The ACC Senior Notes and Arahova Notes will remain outstanding post Effective Date for the sole purpose of evidencing a right to receive proceeds from the Continuing Existing Lender Actions. The proceeds of the Continuing Existing Lender Actions shall be applied first to repay in full the Arahova Give Up and then to repay in full the ACC Senior Notes and the ACC

	<p>Unsecured Claims in accordance with their relative legal entitlements (including the effects of any subordination agreements). The proceeds of the Continuing Existing Lender Actions will be distributed to the holders of such Allowed Claims as of the Distribution Date.</p>
Rights Offering	<p>The Rights will be distributed to the holders of claims and interests as described herein. The Rights will be exercisable for a period of 90 days from the Effective Date and will have an exercise price at an enterprise value sufficient to pay in full that creditor's claim and all more senior creditor's claims at par plus accrued pre and post-petition date interest.</p>
Cash Out Option	<p>The Plan may provide each holder of an Allowed Unsecured Claim against certain of the Subsidiary Debtors the option to elect to receive cash at a discount to be determined in lieu of other distributions provided for in the Plan.</p>
New Board	<p>The initial Board of Directors of Reorganized ACC shall consist of nine members, including the Debtors' Chief Executive Officer. The remaining eight directors shall be selected by the Creditors' Committee and disclosed not later than 10 days prior to the Confirmation Hearing. The initial Boards of Directors of the Reorganized Debtors other than Reorganized ACC shall consist of one director chosen by the Chief Executive Officer and two directors chosen by the Creditors' Committee, all of whom shall be disclosed not later than 10 days prior to the Confirmation Hearing.</p>
Executory Contracts	<p>To be assumed unless previously rejected, subject to rejection motion or set forth on rejection list to be with the Plan Supplement. Notwithstanding the foregoing, all Rigas Agreements shall be rejected, unless specifically assumed. All employee benefit plans, insurance, etc. shall continue (and be deemed assumed) except with respect to Culpable Individuals or as set forth in Plan Supplement shall be deemed assumed.</p>
New Common Stock	<p>500,000,000 shares to be authorized. Reorganized ACC to use best efforts to obtain listing on a national securities exchange. Confirmation Order to provide Section 1145(a)(1) exemption from registration, provided however, that holders of 5% or more may be party to a Registration Rights Agreement to be included in Plan Supplement.</p>

Management Compensation	The Plan will provide for the payment to Messrs. Schleyer, Cooper and Sonnenberg, Ms. Whitman and other senior managers of enhanced employment benefits. The terms of the enhanced employment benefits to be addressed in the context of developing the Plan.
Management Incentives	The Board of Directors of Reorganized ACC will be authorized to implement a management incentive plan to provide options and other equity based compensation to the management of Reorganized ACC.
Discharge/Injunction	In favor of Debtors.
Releases	By Debtors in favor of: (A) current directors, officers, employees and professionals, (B) Statutory Committees and their professionals (C) Indenture Trustees and Disbursing Agents (except with respect to Designated Litigation), except for willful misconduct and gross negligence.
No Disposition of Notes	The receipt of any distribution under the Plan by any holders of Subsidiary Notes Claims, ACC Senior Notes Claims or ACC Subordinated Notes Claims shall not constitute disposition of such notes under Section 11 of the Securities Act of 1933.
Exculpation	Customary.
Conditions to Effective Date(3)	<p>(1) Entry of Confirmation Order reasonably satisfactory to Creditors' Committee has been entered and not subject to stay or injunction.</p> <p>(2) Entry into Exit Facility.</p> <p>(3) Plan Supplement documents reasonably satisfactory to Creditors' Committee.</p> <p>(4) Sufficient cash or commitments to fund distributions.</p> <p>(5) Completion of necessary documentation, opinions and regulatory consents.</p> <p>(6) Subrogation to RME's.</p> <p>(7) Claims below certain caps to be established for each Debtor Plan Group.</p> <p>(8) Claims of the SEC and the DOJ shall not dilute the recoveries to the ACC Subordinated Notes Claims or any classes senior thereto.</p>
(3) Numbers (2), (3), (6), (7) and (8) are waivable by the Creditors' Committee.	
Sale Transaction	If:

- (i) the Debtors receive a fully financed written offer (or multiple offers which collectively provide) for the sale or disposition of all or substantially all of the Debtors' assets or stock of Reorganized ACC for in excess of \$17.5 billion (on a comparable basis to the Plan Value after adjusting for taxes, transaction costs, etc.) that is reasonably capable of being consummated;
- (ii) such offer contains the cash necessary to make the cash distributions contemplated by the Plan; and
- (iii) such offer is approved by ACC's Board of Directors and the Creditors' Committee at least ten days prior to the Confirmation Hearing,

then the recipients of New Common Stock under the Plan shall receive cash or the consideration to be paid by such buyer (the "Transaction Consideration") in lieu of the distributions hereunder, provided however, the amount of Transaction Consideration that exceeds the Plan Value shall be applied first to repay in full the Arahova Give-Up and then distributed in accordance with the absolute priority rule to the holders of Allowed Claims against, and Equity Interests in, ACC. If such a transaction is consummated, the Continuing Existing Lender Actions shall be transferred to the Contingent Value Vehicle and Contingent Value Vehicle Interests shall be distributed in consecutive series first to repay in full the Arahova Give-Up (to the extent not already paid) and then in accordance with the absolute priority rule to the holders of Allowed Claims against, and Allowed Equity Interests in, ACC and there shall be no Rights Offering. If necessary, the Debtors or the Creditors' Committee shall mail an amendment to the disclosure statement describing such transaction and distributions in a form approved by the Bankruptcy Court and the Confirmation Hearing shall be adjourned to allow for proper notice and to allow for creditors to change their votes on the Plan as necessary and as determined by the Bankruptcy Court.