

Adelphia Recovery Trust
919 North Market Street
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P.O. Box 8705
Wilmington, DE 19899
March 29, 2017

INFORMATION FOR U.S. FEDERAL INCOME TAX PURPOSES

This letter provides information relating to your share of income, gain, deductions and loss ("Tax Items") of the Adelphia Recovery Trust (the "Trust") to be reported on your 2016 U.S. Federal and State income tax returns.

The Trust reports as a grantor trust for tax purposes and interest holders are considered grantors. This means that you are treated as recognizing an allocable portion of each Tax Item of the Trust as if you recognized such income, gain, deduction or loss directly.

The Trust has items of income and expense, including interest income, trustee expenses, accounting and banking fees and professional fees that are being reported and that have been allocated by class of interest. The attached Tax Worksheet for Holders of CVV Interests by CUSIP shows the allocation of these Tax Items by class of interest and by month using the cash method of accounting. You may determine your share of the Tax Items by referring to the Tax Worksheet for the class of interest you hold. In general, if you acquired your interests before January 1, 2016, and did not dispose of any of them during 2016, you should calculate your share of the Trust Tax Items for the entire year. If you acquired your interests after January 1, 2016, or if you disposed of any of them during 2016, you should calculate your share of Trust Tax Items for the portion of the year you held your interests.

Pursuant to the Plan and the Trust Declaration, the ART was dissolved on December 31, 2016 (the "Dissolution Date"). After the Dissolution Date, for purpose of liquidating and winding up the affairs of the ART, the Trustees will continue, pursuant to the Trust, to act until the Trustees' duties under the Trust have been fully performed. During liquidation the Trust will continue to report as a grantor trust for tax purposes and interest holders will continue to be considered grantors until termination of the Trust.

On September 29, 2016, the Trustees determined there was no likely prospect of recovery from the remaining causes of action and determined to not further pursue them. The Trustees approved the write-off of its basis in the causes of action. The write-off totaled approximately \$347.5 million and is reflected in the "September 29, 2016 Loss on Investment in Litigation Worksheet for Trust Interest Holders by CUSIP". The Trust's holding period for the causes of action was from the inception of the Trust in 2007 through the write-off on September 29, 2016. The circumstances that you and your tax advisor should consider are your own holding period which may differ from the Trust's holding period. You should seek the advice of your advisor as the tax consequences to each holder depends on the particular circumstances of each holder including the date each holder acquired its interests in the Trust and the tax jurisdictions that apply to each holder. Information about this loss by class of interest held can be found on our website at:

<http://www.adelphiarestructuring.com/RecoveryTrust.aspx>

The remaining assets of the Trust comprise an interest-bearing note receivable with a value of approximately \$5.6 million (\$3.5 million principal and \$2.1 million in accrued interest) and having a tax basis of \$5.6 million as of September 29, 2016, the date the Trustees approved the write-off as described above, and \$4.8 million in cash as of December 31, 2016. In 2007, the ART settled a cause of action and received the unsecured note bearing simple (non-compounding) interest, at a rate of 8%. The note is recourse only to the proceeds of various life insurance policies and had a balance including principal and accrued interest of approximately \$6.2 million on the December 31, 2016 financial statements.

On October 25, 2016, the ART made a distribution of \$8 million in cash payable to holders of interests in the Trust. There may be tax consequences to holders associated with this distribution. As a general matter, distributions from a grantor trust affect tax basis and are not otherwise taxable for U.S. federal income tax purposes. However, the tax consequences to each holder depend on the particular circumstances of each holder, including the circumstances in which each holder

acquired its interest in the Trust and the tax jurisdictions that apply to each holder. Information about this distribution can be found on our website at:

[http://www.adelphiarestructuring.com/Documents/ImportantDocuments/2016/ART%20Distribution%20per%20Interest%20\\$8M%20Chart_Final.pdf](http://www.adelphiarestructuring.com/Documents/ImportantDocuments/2016/ART%20Distribution%20per%20Interest%20$8M%20Chart_Final.pdf)

THIS LETTER IS NOT INTENDED TO, AND DOES NOT, PROVIDE TAX ADVICE RELATING TO THE HOLDING OF INTERESTS. THIS LETTER DOES NOT ADDRESS ISSUES THAT MAY BE RELEVANT TO PARTICULAR CLASSES OF HOLDERS OF CVV INTERESTS (INCLUDING BUT NOT LIMITED TO SUBSEQUENT INTEREST HOLDERS). EACH HOLDER SHOULD SEEK TAX ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM ITS OWN TAX ADVISOR. HOLDERS OF CVV INTERESTS ARE HEREBY NOTIFIED THAT ANY DISCUSSION OF TAX ISSUES CONTAINED OR REFERRED TO IN THIS LETTER IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED UNDER THE INTERNAL REVENUE CODE. THIS INFORMATION MAY NOT BE USED OR QUOTED IN WHOLE OR IN PART IN CONNECTION WITH ANY OFFERING OR SALE OF SECURITIES.