

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

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In re:  
  
CAPITOL INFRASTRUCTURE, LLC, et al.,<sup>1</sup>  
  
Debtors.

Chapter 11  
Case No. 12-11362 (KG)  
(Jointly Administered)  
  
**Related Docket Nos.: 11, 83, 230, 235**

**NOTICE OF AUCTIONS AND SALE HEARING**

**PLEASE TAKE NOTICE** that on April 27, 2012, the above-captioned debtors and debtors in possession (the “Debtors”) filed their *Motion for an Order (A)(I) Approving Sale Procedures; (II) Approving a Break-Up Fee and Expense Reimbursement; (III) Scheduling a Hearing to Consider Sale of Assets; (IV) Approving Form and Manner of Notice Thereof; and (v) Granting Related Relief; and (B)(I) Authorizing the Sale of Assets Free and Clear of Liens, Claims, Encumbrances, and Other Interests; (II) Authorizing and Approving Purchase Agreement Thereto; (iii) Approving the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases Related Thereto; and (v) Granting Related Relief* (the “Purchased Assets Sale Motion”) <sup>2</sup> (Docket No. 11) with the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”).

**PLEASE TAKE FURTHER NOTICE** that on May 4, 2012, the Debtors filed their *Motion for an Order (I)(A) Approving Sale Procedures for Other Assets; (B) Scheduling a Hearing to Consider Sale of Other Assets; (C) Approving Form and Manner of Notice Thereof; and (IV) Granting Related Relief; and (B)(I) Authorizing the Sale of Other Assets Free and Clear of Liens, Claims, Encumbrances and Other Interests; (II) Authorizing and Approving Purchase Agreement Thereto; (III) Approving the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases Related Thereto and (IV) Granting Related Relief* (the “Other Assets Sale Motion”) (Docket No. 83) with the Bankruptcy Court (collectively, the “Motions”).

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<sup>1</sup> The Debtors are the following entities (last four digits of EIN in parentheses): Accelera Services, LLC (6589); Amenity Broadband, LLC (7012); BA Infrastructure SPE, LLC (6610); Baldwin County Internet/DSSI Service, L.L.C. (8858); Broadstar, LLC (8917); Capitol Broadband Development Company, LLC (4515); Capitol Broadband Management Corporation (4260); Capitol Broadband Ventures, LLC (3976); Capitol Infrastructure, LLC (0323); Capitol Infrastructure CP Funding, LLC (1008); CB Infrastructure SPE, LLC (4470); Infrastructure SPE, LLC (1144); and SmartResort Co., LLC (3706). The Debtors’ corporate headquarters is located at 111 Corning Road, Suite 250, Cary, NC 27518.

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**PLEASE TAKE FURTHER NOTICE** that, by the Purchased Assets Sale Motion, the Debtors are seeking, pursuant to the terms of an asset purchase agreement (the “Stalking Horse Purchase Agreement”)<sup>2</sup>, to sell, free and clear of all liens, claims, encumbrances, and interests, certain of the Debtors’ assets (the “Purchased Assets”) to Hotwire Communications, Ltd. (the “Purchaser”) or another bidder or bidders submitting a higher or better offer or offers (the “Purchased Assets Successful Purchaser(s)”) at the proposed auction (“Purchased Assets Auction”). The Purchased Assets include the Dish Network Assets, the DirecTV Assets and the FOVO Assets, located at approximately 190 Properties identified on Exhibit A to the Stalking Horse Purchase Agreement, and the assumption and assignment of certain executory contracts and leases related thereto, as more particularly described in section 2.1 and 2.3(b) of the Stalking Horse Purchase Agreement, but specifically excluding (i) those assets related to the Laguna Woods, California property; (ii) those properties where rights of entry were obtained by the Debtors but for which the Debtors have not yet commenced work; and (iii) bulk DirecTV properties identified on Schedule 2.2(c) of the Stalking Horse Purchase Agreement.

**PLEASE TAKE FURTHER NOTICE** that, by the Other Assets Sale Motion, the Debtors are also seeking, pursuant to the terms of the asset purchase agreement (the “Asset Purchase Agreement”) attached to the Other Asset Sale Motion, to sell, free and clear of all liens, claims, encumbrances, and interests, certain of the Debtors’ other assets (the “Other Assets” and together with the Purchased Assets, the “Debtor Assets”), to a bidder or bidders submitting the highest and best offer or offers (the “Other Assets Successful Purchaser(s)”) at the proposed auction (“Other Assets Auction” and together with the Purchased Assets Auction, the “Auctions”). The Other Assets include (i) those assets related to the Laguna Woods, California property; (ii) the approximately 7,000 rights of entry obtained by the Debtors for properties for which the Debtors have not yet commenced work; (iii) certain bulk DirecTV properties; (iv) certain DirecTV properties and (v) all of Debtors’ remaining furniture, fixtures and equipment not otherwise located at the properties, including excess computers, office equipment, supplies, inventory and telecom and other related equipment (but excluding those assets to be sold as referenced in Section 2.2(a) of the Asset Purchase Agreement).

**PLEASE TAKE FURTHER NOTICE** that approval of the sale of the Purchased Assets and/or the Other Assets to the Purchaser, Purchased Assets Successful Purchaser(s), and/or Other Assets Successful Purchaser(s) may result in, among other things, the assumption and assignment by the Debtors of certain executory contracts or leases. If you are party to an executory contract or lease with a Debtor, you have received or will receive a separate notice that contains relevant dates and other information that may affect you as a party to an executory contract or lease.

**PLEASE TAKE FURTHER NOTICE** that on May 15, 2012, the Bankruptcy Court entered the (i) *Order (I) Approving Sale Procedures for Other Assets; (II) Scheduling a Hearing to Consider Sale of Other Assets; (III) Approving Form and Manner of Notice Thereof; and (IV) Granting Related Relief* (Docket No. 230) and (ii) *Order (I) Approving Sale*

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<sup>2</sup> Terms not defined herein shall have the meanings ascribed to them in the Stalking Horse Purchase Agreement and the Sale Procedures Orders respectively.

*Procedures; (II) Approving a Break-Up Fee and Expense Reimbursement; (III) Scheduling a Hearing to Consider Sale of Certain Assets; (IV) Approving Form and Manner of Notice Thereof; and (V) Granting Related Relief (Docket No. 235) (together, the “Sale Procedures Orders”).*

**PLEASE TAKE FURTHER NOTICE** that pursuant to the Sale Procedures Orders, the Auctions shall take place on **June 4, 2012 at 10:00 a.m.** (prevailing Eastern Time) at the offices of Pepper Hamilton LLP, Hercules Plaza, Suite 5100, 1313 Market Street, Wilmington, DE 19801. Only parties that have submitted a Qualified Bid (as defined in the Sale Procedures attached to the Sale Procedures Orders) for the applicable Debtor Assets by no later than **May 30, 2012 at 12:00 p.m.** (prevailing Eastern Time) (the “Bid Deadline”) may participate in the applicable Auction. Any party that wishes to take part in the sale process and submit a bid for the Purchased Assets or the Other Assets must submit their competing bid prior to the Bid Deadline and in accordance with the Motions. Parties interested in receiving information regarding the sale of the Purchased Assets or the Other Assets should contact the Debtors through their undersigned counsel.

**PLEASE TAKE FURTHER NOTICE** that the Bankruptcy Court also scheduled a hearing (the “Sale Hearing”) to consider approval of the sale of the Purchased Assets and the Other Assets to the ultimate purchaser of each, free and clear of all liens, claims, and encumbrances before the Honorable Kevin Gross, United States Bankruptcy Judge, 824 North Market Street, Wilmington, DE 19801 on **June 14, 2012 at 10:00 a.m.** (prevailing Eastern Time), or at such other time thereafter as counsel may be heard. The Sale Hearing may be adjourned from time to time without further notice to creditors or parties in interest other than by announcement of the adjournment in open court on the date scheduled for the Sale Hearing.

**PLEASE TAKE FURTHER NOTICE** that objections, if any, to the Sale Hearing or the relief requested in the Motions (other than objections specifically related to the assumption and assignment of executory contracts and leases) must (a) be in writing; (b) comply with the Bankruptcy Rules and Local Bankruptcy Rules; (c) be filed with the Clerk of the Bankruptcy Court for the District of Delaware, Third Floor, 824 Market Street, Wilmington, DE 19801 on or before **June 7, 2012 at 4:00 p.m.** (prevailing Eastern Time) or such later date and time as the Debtors may agree; and (d) be served so as to be received no later than 4:00 p.m. (prevailing Eastern Time) on the same day upon: (i) counsel to the Debtors, (a) Wyrick Robbins Yates & Ponton LLP, 4101 Lake Boone Trail, Suite 300, Raleigh, NC 27607, Attn: Larry E. Robbins and (b) Pepper Hamilton LLP, Hercules Plaza, Suite 5100, 1313 Market Street, Wilmington, DE 19801, Attn: David B. Stratton; (ii) the Office of the United States Trustee, 844 King Street, Suite 2207, Wilmington, DE 19801, Attn: David L. Buchbinder; (iii) counsel to the DIP Lenders, UniCredit Bank AG, (a) Mayer Brown LLP, 1675 Broadway, New York, NY 10019-5820, Attn: Howard S. Beltzer and (b) Richards, Layton & Finger, P.A., 920 N. King Street, Wilmington, DE 19801, Attn: Mark D. Collins; (iv) counsel to the Capital Bank, (a) Poyner Spruill LLP, 301 Fayetteville Street, Suite 1900, Raleigh, NC 27601, Attn: Lisa P. Sumner and (b) Poyner Spruill LLP, 301 S. College Street, Suite 2300, Charlotte, NC 28202, Attn: Timothy W. Griffin; (v) counsel to Bank of America, N.A., Moore & Van Allen PLLC, 100 North Tryon Street, Suite 4700, Charlotte, NC 28202-4003, Attn: Stephen E. Gruendel; (vi) counsel to the Official Committee of Unsecured Creditors, to the extent one has been formed; and (vii) if such objection is to the Purchased Assets Sale Motion, counsel to the Purchaser,

Pachulski Stang Ziehl & Jones LLP, 919 North Market Street, 17th Floor, Wilmington, DE 19801, Attn: Bradford Sandler (collectively, the "Objection Notice Parties").

**PLEASE TAKE FURTHER NOTICE** that this Notice of Auction and Sale Hearing is subject to the complete terms and conditions of the Motions, the Sale Procedures Orders and the Sale Procedures, which shall control in the event of any conflict or inconsistencies with this notice. Parties in interest should review such documents in their entirety. Copies of the Motions, the Stalking Horse Purchase Agreement, the Asset Purchase Agreement or the Sale Procedures Orders may be obtained free of charge by written request to counsel to the Debtors, c/o Pepper Hamilton LLP, Hercules Plaza, Suite 5100, 1313 Market Street, Wilmington, DE 19801, Attn: Christopher A. Lewis. In addition, copies of the aforementioned pleadings may be found on the Bankruptcy Court's website, [www.deb.uscourts.gov](http://www.deb.uscourts.gov), and are on file with the Clerk of the Bankruptcy Court, Third Floor, 824 Market Street, Wilmington, DE 19801.

Any questions regarding this Notice of Auction and Sale Hearing, the Motions, or the Sale Procedures Orders shall be addressed to:

Christopher A. Lewis  
Pepper Hamilton LLP  
Hercules Plaza, Suite 5100  
1313 N. Market Street  
P.O. Box 1709  
Wilmington, DE 19899-1709  
Telephone: (302) 777-6590  
Facsimile: (302) 421-8390  
[lewisc@pepperlaw.com](mailto:lewisc@pepperlaw.com)

Dated: May 15, 2012  
Wilmington, Delaware

Respectfully submitted,

PEPPER HAMILTON LLP

/s/ John H. Schanne II  
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*Proposed Attorneys for the Debtors and Debtors in Possession*