

## SETTLEMENT AGREEMENT AND MUTUAL RELEASE

This Settlement Agreement and Mutual Release (this "Agreement") entered into by and between Time Warner Entertainment Company, L.P. ("TWC") and the Town of Falmouth, Maine (the "Town") (together "the Parties")

WHEREAS, Section 7.2 of the franchise agreement entered into between TWC and the Town dated January 24, 2000 (the "2000 Franchise") provided for TWC to make annual PEG capital payments to the Town in the amount of .366% of gross annual revenues ( the "PEG fund"); and

WHEREAS, during the course of the 2000 Franchise TWC and the Town met to discuss the on-going need for the PEG fund; and

WHEREAS, the parties disagree on the ultimate resolution of the need for the PEG fund (the "Dispute") and now wish to memorialize their resolution of the Dispute;

NOW THEREFORE, in consideration of the premises, mutual covenants and promises set forth in this Agreement, and for other good and valuable consideration, the validity, sufficient and receipt of which are hereby acknowledged, the Parties hereby stipulate and agree as follows:

1. On or about May 10, 2010 and March 30, 2011, TWC remitted PEG monies to the Town in the amount of \$85,277.86 and \$14,210.83 respectively. In final settlement of any further monies to be due under the 2000 Franchise, TWC hereby agrees to pay, on or before July 26, 2011, the additional amount of \$76,362.50 (the "Final Payment"). The Final Payment will satisfy in full TWC's franchise fee and PEG fund obligations under the 2000 Franchise to July 26, 2011, the effective date of the renewal franchise. The Parties agree that \$5,401.16 of the Final Payment represents the final amount required under the 2000 Franchise for PEG capital. Further, TWC agrees that the \$85,277.86 referenced above shall not be itemized on, or recovered through, customer bills;
2. TWC, on behalf of itself and its affiliates, releases, remises and absolutely and forever discharges the Town from any and all claims, demands, grievances, liabilities, debts, accounts, obligations, costs, expenses, liens, actions and causes of action, of every kind and nature whatsoever (including, but not limited to, attorneys' fees), whether known or unknown, anticipated or unanticipated, suspected or unsuspected, accrued or unaccrued, arising out of or in any way connected with the 2000 Franchise.

Except for the remaining PEG fund and franchise fees due under paragraph 1 above to be paid by TWC on or before July 26, 2011, the Town, for its part, releases and absolutely and forever discharges TWC from any and all claims, demands, grievances, liabilities, debts, accounts, obligations, costs, expenses, liens, actions and causes of action, of every kind and nature whatsoever, (including, but not limited to, attorneys' fees), whether known or unknown,

anticipated or unanticipated, suspected or unsuspected, accrued or unaccrued, arising out of or in any way connected with the 2000 Franchise.

3. ***Non-Assignment:*** Each of the parties to this Agreement hereby represents and warrants that such party has not heretofore assigned or transferred, or purported to assign or transfer, to any person whomsoever any of the claims, demands, grievances, liabilities, debts, accounts, obligations, costs, expenses, liens, actions or causes of action released by the terms of this Agreement. Each party to this Agreement further agrees to indemnify and hold harmless any other party from and against the assertion by any third party of any such claims, demands, grievances, liabilities, debts, accounts, obligations, costs, expenses, liens, actions or causes of action, including attorneys' fees and costs incurred, arising out of or in connection with any such assignment or transfer by such party.
4. ***Authority:*** Each person executing this Agreement warrants that he or she holds the position indicated beneath his or her signature and that he or she has been duly authorized to execute this Agreement on its behalf.
5. ***Severability:*** In the event that any covenant, condition or other provision of this Agreement is held to be invalid, void or unenforceable, in whole or in part, by an arbitrator or any court of competent jurisdiction, the same shall be deemed severable from the remainder of this Agreement and shall in no way affect, impair or invalidate any other covenant, condition or provision contained in this Agreement. If any such covenant, condition or other provision shall be deemed invalid due to its scope or breadth, such covenant, condition or other provision shall be construed so as to be limited to the maximum scope or breadth permitted by law.
6. ***Integration:*** This Agreement sets forth the entire agreement between the parties relating to the subject matter of this Agreement. All agreements, covenants, representations and warranties, express or implied, oral or written, of the Parties with regard to the subject matter hereof are incorporated in this Agreement and the documents referred to herein which constitute the entire contract between the parties. No other agreements, covenants, representations or warranties, express or implied, oral or written, have been made by any party to any other party with respect to the subject matter of this Agreement. All prior and contemporaneous conversations, negotiations, possible and alleged agreements, representations, covenants and warranties with respect to the subject matter hereof are waived, merged in this Agreement and superseded by it. This Agreement is an integrated agreement; its terms are intended by the Parties as a final expression of their agreement with respect to the subject matter and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. The parties further intend that this Agreement and the documents referred to herein constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever may be introduced in any judicial or arbitration proceeding, if any, involving this Agreement.
7. ***No Admission of Liability:*** Each party acknowledges and agrees that this Agreement accomplishes the compromise of the Dispute and is not intended to constitute an admission

of liability, wrongdoing or error on the part of any party or its respective employees, agents, attorneys, representatives, or parent, subsidiary or affiliated companies. Any liability, wrongdoing or error is expressly denied by each party to this Agreement and this Agreement is without prejudice to any party's claims or defenses in any future proceedings between the Parties to this Agreement.

8. ***Additional Documents:*** In addition to the documents to be delivered as provided in this Agreement, each of the Parties agrees to execute and deliver such additional documents and take such other action as may be reasonably required to carry out the terms of this Agreement.
9. ***Titles and Captions:*** Titles and captions contained in this Agreement are inserted as a matter of convenience and for reference, and are not intended and shall not be construed to define, limit, extend or otherwise describe the scope of this Agreement or any provision of this Agreement.
10. ***Waiver:*** No breach of any provision of this Agreement can be waived unless in writing. Waiver of any one breach of this Agreement shall not be deemed to be a waiver of any other breach of that or any other provision of this Agreement.
11. ***Modification and Amendment:*** No modification or amendment of any of the terms or provisions of this Agreement shall be binding upon any party to this Agreement unless made in writing and signed by such party or by a duly authorized representative or agent of such party
12. ***No Construction:*** No party to this Agreement or such party's attorney shall be deemed to be the drafter of this Agreement for purposes of interpreting or construing any of the provisions of this Agreement. This Agreement shall be interpreted in accordance with the fair meaning of its language and not strictly for or against any of the parties to this Agreement.
13. ***Execution in Counterparts:*** This Agreement may be executed in any number of copies by the parties to this Agreement on separate counterparts and will become effective upon signature by all parties upon one or more of such counterparts.
14. ***Choice of Law:*** This Agreement shall be governed by the laws of the State of Maine, and the Parties agree that any dispute arising out of this agreement shall be resolved in the courts of the State of Maine.

<SIGNATURES APPEAR ON NEXT PAGE>

**IN WITNESS WHEREOF**, the parties hereto have executed and delivered this Agreement as of July \_\_\_\_ 2011.

Town of Falmouth, Maine

By: \_\_\_\_\_

Time Warner Entertainment Company, L.P.

By: \_\_\_\_\_