

CONFIDENTIAL SETTLEMENT TERM SHEET

1. This Settlement Proposal is to fully and finally settle the case styled *Foley v. Greene Communications, Inc. et al*, 3:14-cv-00877-MHT-CSC (M.D. Ala).

2. This settlement proposal contemplates that a final settlement agreement between J. Michael Foley incorporating the terms agreed upon will ultimately be reached. Once completed, the terms of the final settlement agreement will govern the settlement.

3. The class will be defined as all persons in the United States who subscribed to Cable Television of East Alabama ("CTVEA") for digital cable video services and paid CTVEA a monthly rental fee for an accompanying set-top box, excluding a digital television adapter that converts analog to digital video, from August 10, 2010 through the date of preliminary approval ("Settlement Class"). Excluded from the Settlement Class are the following:

- CTVEA subscribers with courtesy accounts who receive basic cable video services for free on a monthly basis;
- Counsel for Plaintiff;
- CTVEA officers, directors and/or employees, any entity in which CTVEA has a controlling interest, and the affiliates, legal representatives, attorneys, heirs or assigns of CTVEA;
- Any federal, state or local governmental agency; and
- The Court and the Court's immediate family members and staff.

4. The scope of the included release, which will include substantially the same terms set forth in Exhibit A hereto, will cover the § 1 Sherman Act tying claims and analogous state law claims of the Settlement Class members asserted in the First Amended Class Action Complaint,

and any other claims that could have been brought, whether pleaded or not pleaded, based on or arising out of the facts set forth in the First Amended Class Action Complaint. Within 30 days of execution of the final settlement agreement, the Parties will move for preliminary approval of the settlement.

5. After preliminary approval, a notice program, including notice and subsequent administration, consistent with due process and the Court's order, paid for by CTVEA, will go out. Current customers will receive notice in one of their monthly CTVEA statements, an accompanying bill stuffer, or similar means. Former customers will receive notice by publication in The Ledger Inquirer. Except for publication on the websites of the Plaintiff's attorneys or a retained class settlement administrator, neither party will provide notice outside of this notice program.

6. All putative Settlement Class members shall have the right to opt-out of the Settlement Class.

7. Either party shall have the right to terminate the settlement if the number of opt-outs of the Settlement Class exceeds 5 % of current CTVEA digital subscribers, by providing written notice to opposing counsel of the intent to do so within 30 days of the opt-out deadline. Should either party wish to invoke this provision to terminate the settlement, the party wishing to invoke this provision must provide notice in a timely matter such that mandatory meet and confer between Class Counsel and counsel for CTVEA will be held at least 14 days prior to the Final Approval Hearing.

8. Consideration for the Settlement Class will be as follows:

- a) This agreement shall remain in effect until December 1, 2018.
- b) CTVEA will clarify its policies and marketing with respect to the lease of set-top

boxes and use of third-party set-top boxes on its system in order to facilitate competition in the set-top box market. For at least the term of this agreement, any CTVEA subscriber may purchase a certified set-top box from a third party retailer, and CTVEA will allow such boxes to receive the full suite of CTVEA services to which the customer subscribes to the extent that the device is certified for and technically capable of doing so. Exhibit B includes an exemplary list of retail set-top boxes currently believed by CTVEA to be certified and technically capable of receiving some or all CTVEA services. CTVEA will make clear disclosures on its website and in its annual customer notices stating that customers are free to use certified third-party set-top boxes.

- c) Notwithstanding anything in paragraph 8b. above, CTVEA will have no obligation to support or facilitate the use of any set-top box that is stolen, has been misappropriated from CTVEA or any other cable operator, is not certified (*i.e.*, officially listed as having passed the applicable CableLabs certification test suite), or is otherwise not legitimate or is not technically compatible with CTVEA's system. Examples of such equipment include, but are not limited to, stolen boxes for sale on Internet websites such as ebay or Craig's List, foreign equipment not commonly used in the United States, boxes that are the property of CTVEA or some other cable operator that a customer failed to return on a prior account, black market or gray market equipment, obsolete or un-updated equipment, and equipment not generally meeting current applicable technical standards for unidirectional cable products ("UDCPs") or for the Open Cable Application Platform ("OCAP") and OCAP Hosts. Any action taken by CTVEA in conformance with changes to applicable law or

regulation or technical standards as a result of action by Congress, the Federal Communications Commission (“FCC”), or the courts will not constitute a breach of this agreement. For so long as the technology is commercially reasonably available, CTVEA will continue to offer and provide CableCARDS to Customers to support certified 3rd party set-top boxes, just as CTVEA has done since prior to the effective date of the 2007 legally-mandated requirement to do so.

- d) While not assuming liability for the design or performance of third-party equipment or associated software, CTVEA will cooperate with interested manufacturers of certified set-top boxes to provide technical information reasonably needed to permit those third party set-top boxes to operate on its system; provided that such manufacturers provide reasonable written confidentiality and non-disclosure agreements prior to the release by CTVEA of any confidential technical information and provided that manufacturers bear the cost for the design or performance of the equipment or associated software.
- e) CTVEA will provide notice of the above provisions to the public and to set-top box manufacturers via its website. CTVEA will provide access to the OCAP standard to any interested party, which standard currently allows third-party equipment to work on CTVEA’s systems when paired with a CTVEA CableCARD. CTVEA will allow subscribers who wish to use their own certified third-party equipment to self-install a CTVEA CableCARD free of any CableCARD installation charges. CTVEA’s duly-noticed standard installation and service charges will continue to apply to CTVEA’s other installation and service activities.

9. In addition to any other discounts and rebates of any kind, current subscribers who are in good financial standing and who make their election of service within 180 days of notice of

settlement will receive a credit to their account of \$30.00, which can be applied toward additional programming or services as follows:

- a) Minimum of four months of Encore service, if the customer does not already subscribe to Encore service, or
- b) Minimum of four months of Preferred Sports Package, if the customer does not already subscribe to Preferred Sports Package, or
- c) Minimum of two months of Starz service, if the customer does not already subscribe to Starz service, or
- d) For customers who currently receive Encore service, Preferred Sports Package, and Starz service, such customers may choose Showtime/Movie Channel service. .

10. Former customers will be able to receive, on a claims-made basis, a cash payment of \$20. Claims will require the customer's service address, name as it appeared on the account, and approximate dates of service.

11. Neither Plaintiff, the class, nor Plaintiff's Counsel will be responsible for the costs of notice and administration.

12. At all times CTVEA has and does deny the allegations of the Complaint and has and does deny that any members of the Settlement Class, including Mr. Foley, has been caused any damage. Nothing herein constitutes an admission of liability or wrongdoing or may be used in any way in any other proceeding. The released CTVEA parties include each defendant named in the Complaint and its predecessors, successors, parents, subsidiaries, divisions, departments, or affiliates, and any of its past, present, and future insurers, officers, directors, stockholders, administrators, attorneys, agents, servants, representatives, employees, fiduciaries, subsidiaries, affiliates, divisions, predecessors, successors-in-interest, assigns, and reinsurers, and all other

persons, firms, or corporations with whom any of the former have been, are now, or may hereafter be, affiliated.

13. The Parties agree to stay all further proceedings in this matter pending final approval of the settlement.

14. After the above agreement in principal was reached, the Parties negotiated attorney fees and litigation costs to be paid by CTVEA in the amount of \$155,000.00 .

15. CTVEA shall also pay an incentive award for the named Plaintiff class representative in the amount of \$ 5,000.00.

Date: 10.8.2015


J. MICHAEL FOLEY



W. Tucker Brown (ASB-1421-LS6B)
Joe R. Whatley, Jr. (ASB-1222-Y69J)
Whatley Kallas, LLP
2001 Park Place North
1000 Park Place Tower
Birmingham, AL 35203
Phone: 205-488-1200
Fax: 800-922-4851
Email: tbrown@whatleykallas.com
jwhatley@whatleykallas.com

Counsel for Plaintiff

GREENE COMMUNICATIONS, INC.
d/b/a CABLE TV OF EAST ALABAMA

By: [Signature]
Its: CFO

R.M. GREENE & CO., INC.

By: [Signature]
Its: President

MAGNOLIA GREENE, INC.

By: [Signature]
Its: President

Adam Caldwell
Davis Wright Tremaine, LLP
1919 Pennsylvania Ave. NW, Suite 800
Washington, DC 20006

Ronald G. Davenport
Rushton Stakely Johnston & Garrett PC
PO Box 270
Montgomery, AL 36101-0270

Counsel for Defendants

EXHIBIT A TO CONFIDENTIAL SETTLEMENT TERM SHEET

Upon the Effective Date of the Settlement (after the Settlement has been finally approved and any appeals have been resolved in favor of the Settlement), Class Members shall release the tying claims arising under Section 1 of the Sherman Antitrust Act and analogous state law claims pleaded in the First Amended Class Action Complaint, and any other claims that could have been brought, whether pleaded or not pleaded, based on or arising out of the facts set forth in the First Amended Class Action Complaint.

EXHIBIT B TO THE CONFIDENTIAL SETTLEMENT TERM SHEET

Examples of Set-Top Boxes:

Tivo Premiere Tivo

Premiere XL Tivo

Premiere 4

Tivo Premiere XL4

Tivo Premiere Elite

Tivo Roamio

Tivo Roamio Plus

Tivo Roamio Pro

TiVo Roamio HD Digital Video Recorder and Streaming Media Player

Samsung GX-SM530CF Cable Box and Streaming Media Player with Built-In Wi-Fi

Hauppauge WinTV DCR-2650 Dual Tuner Cable Card TV Tuner

Ceton InfiniTV 6 PCIe - 6-channel Internal Cable TV Tuner for CableCARD (for PC only)

CableCARD Ready Televisions