

COMPROMISE AND SETTLEMENT AGREEMENT

This Compromise and Settlement Agreement (“Settlement Agreement”) is made and entered into between Reorganized Adelpia Communications Corporation (“ACC”) and its affiliated reorganized debtors identified in the First Amended Complaint in the Adversary Action (defined below) (collectively with ACC, the “Debtors”) and the Adelpia Recovery Trust (“Trust” and, collectively with the Debtors, the “Adelpia Parties”), on the one hand, and Motorola, Inc., General Instrument Corporation, d/b/a Broadband Communications Sector Of Motorola, Inc. and d/b/a Motorola Broadband Communications Sector, Synchronous, Inc., and General Instrument Authorization Services, Inc. (collectively “Motorola”), on the other hand (the Debtors, Trust, and Motorola each a “Party” and collectively, the “Parties”). Upon full execution by the Parties (“Agreement Date”), this Settlement Agreement shall be binding upon and inure to the benefit of the Parties and their assigns and successors in interest, subject to approval of this Settlement Agreement by the Bankruptcy Court.

Recitals

A. Each of the Debtors filed a voluntary petition for relief pursuant to chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”), which are jointly administered for procedural purposes in the Bankruptcy Court under case number 02-41729, *In re Adelpia Communications Corporation, et al.* (collectively, the “Bankruptcy Cases”). The Debtors have been reorganized pursuant to a First Modified Fifth Amended Joint Chapter 11 Plan, confirmed January 5, 2007, and effective as of February 13, 2007 (the “Plan”).

B. On or about January 8, 2004, Motorola submitted a proof of claim (No. 12221) against ACC in the amount of \$68,163,942.00, which identified over \$66 million of the claim amount as being for cable set-top boxes, cable modems and transmission equipment sold to ACC.

C. The Motorola proof of claim stated that Motorola is “a creditor of Adelpia Communications Corporation (‘Adelpia’),” and went on to state: “Although Motorola provided its invoices for products and services directly to Adelpia, Motorola understands that Adelpia may take the position that products and services were sold from Motorola directly to certain operating subsidiaries of Adelpia which also have cases pending under Chapter 11, and which are jointly administered with the Adelpia bankruptcy. Motorola reserves its right to modify this claim to assert direct claims against one or more subsidiaries of Adelpia, and to modify this claim as a claim arising under a guaranty of those amounts by Adelpia.” (*Id.* ¶ 13.)

D. At the same time, Motorola also filed 230 substantially identical proofs of claim against the non-ACC Debtors in the Bankruptcy Cases for the same goods and services and in the same amount as the claim filed against ACC. In the attachments to those proofs of claim, e.g. in proof of claim #12317 filed in the Bankruptcy Case of Century Communications Corp., Motorola again stated that it was “a creditor of Adelpia

Communications Corporation ('Adelphia')," and further stated: "Motorola issued its invoices for all the products and services sold by Motorola directly to Adelphia [defined to mean 'Adelphia Communications Corporation']. . . . Motorola has filed a proof of claim in the Adelphia case asserting the entire amount of its claim. In order to preserve its right to recover all or a portion of its claim against the debtor in this case, Motorola asserts a claim against the debtor in this case to the extent the debtor received any products or services from Motorola which Adelphia alleges are to be paid by the debtor rather than by Adelphia."

E. Pursuant to an "Assignment Of Claim" agreement, dated February 3, 2004, Motorola assigned \$58,239,128.73 principal amount of its asserted claim to Bear, Stearns & Co. Inc. ("Bear Stearns"), which in turn transferred percentages to DK Acquisition Partners L.P. ("DK") and Varde Investment Partners, L.P. ("Varde" and collectively with Bears Stearns and DK, and their respective successors-in-interest, the "Claims Transferees"). Each holder (together with any party claiming by, through or under such holder) of any part of the Motorola Claim is sometimes referred to herein as a "Holder."

F. By stipulated order entered January 31, 2006 (the "Stipulation"), the Debtors agreed with Motorola (on behalf of itself and the Claim Transferees) that all proofs of claim filed by Motorola would be disallowed and expunged as duplicative except claim number 12221 (filed against ACC) and that the maximum allowable principal amount of the claim is \$66,595,574.47 (the "Motorola Claim"). The stipulation also reserved for later determination the issues of (1) against which Debtor entity or entities the Motorola Claim or any portion thereof would be allowed, and (2) whether all or any portion of it should be allowed at all. The stipulated amount of the Motorola Claim was the result of efforts by the Debtors and Motorola (on behalf of itself and the Claim Transferees) to reconcile discrepancies between their respective books and records. Based upon that reconciliation process, the Parties understand the invoices corresponding to the Motorola Claim to be those listed in Appendix A hereto.¹ The amounts that correspond to the portion of the Motorola Claim assigned to the Claim Transferees (designated Claims 1222101 for Bear Stearns, 1222102 for Varde, and 1222103 for DK on the official Bankruptcy Cases claims register), post-reconciliation, are referred to herein as the "Transferred Claim." The amounts that correspond to the portion of the reconciled Motorola Claim that had yet to be assigned and continued to be held by Motorola as of the date of this Settlement Agreement (designated Claim 1222100 on the official Bankruptcy Cases claims register) are referred to herein as the "Residual Claim."

G. Debtors contend that to the extent that the Motorola Claim is allowed at all, the proper obligor is ACC only, and not any of the subsidiary Debtors. The Debtors also assert various other defenses to allowance of and distribution on the Motorola Claim.

¹ There is \$0.02 discrepancy between Appendix A and the Stipulation total that results from the effects of rounding from the percentages for each Claim Transferee, for purposes of getting to the Stipulation amount.

H. In *Adelphia Communications Corporation, et al. v. Motorola, Inc., et al.*, Adversary Case No. 06-01558-reg, pending in the Bankruptcy Court (the “Adversary Action”), the Adelphia Parties assert various claims against Motorola (“Adelphia’s Affirmative Claims”). Many of these claims arise from or relate to certain transactions between ACC and Motorola, pursuant to which ACC paid purported price increases for all set-top boxes purchased from Motorola during 2000 and 2001, and Motorola paid equal and offsetting amounts to ACC under “Spot Telecasting And Digital Marketing Support” agreements. Adelphia’s Affirmative Claims include alleged claims for: (1) aiding and abetting breach of fiduciary duties by certain members of ACC’s former management in connection with the price increase and marketing support transactions described above; (2) avoidance and recovery of actually and/or constructively fraudulent transfers made by ACC on account of the purported price increases described above pursuant to Bankruptcy Code §§ 544, 548 and 550, and applicable state law; (3) avoidance and recovery of preferential transfers pursuant to Bankruptcy Code §§ 547 and 550; (4) avoidance of purported liens asserted by Motorola against property of the Adelphia’s estates pursuant to Bankruptcy Code §§ 544 and 550; (5) disallowance of the Motorola Claim pursuant to Bankruptcy Code § 502(d); and (6) equitable subordination and disallowance of the Motorola Claim pursuant to Bankruptcy Code §§ 105 and 510(c) and state law. Motorola has denied any wrongdoing with respect to and/or liability to the Adelphia Parties for Adelphia’s Affirmative Claims and has asserted defenses to those claims.

I. The Bankruptcy Court bifurcated trial of the Adversary Action into multiple phases, with the initial phase (“Phase I”) addressing solely the Adelphia Parties’ claims for equitable subordination and/or equitable disallowance of the Motorola Claim pursuant to Bankruptcy Code §§ 105 and 510(c) and state law. Phase I was tried to the Bankruptcy Court, Hon. Cecelia G. Morris presiding, from October 26-30, 2009. At the conclusion of the Phase I trial, the Bankruptcy Court made no findings, and set a schedule for post-trial briefing.

J. For purposes of this Settlement Agreement, the claims, allegations, causes of action and requests for relief encompassed within the Motorola Claim or Adelphia’s Affirmative Claims are collectively referred to herein as the “Claims.”

K. Each of the Parties recognizes that further litigation of the Claims would be protracted, burdensome, costly, and uncertain and would entail numerous additional complex factual and legal disputes. Therefore, the Adelphia Parties and Motorola have engaged in a good faith negotiation process, under the auspices and with the assistance of a mediator, in an effort to resolve their potential Claims without further litigation. The Parties now wish to resolve and settle all disputes among them related to the Claims. This Settlement Agreement is entered into as a good faith compromise between the above-defined Adelphia Parties and Motorola for the complete and final settlement of any and all claims, disputes and causes of action between and among them. None of the Parties intend by this settlement to admit liability to any of the other Parties, in any respect.

Terms And Conditions

NOW, THEREFORE, in consideration for the covenants, promises and releases set forth herein, and in full settlement of all Claims, the Parties hereby agree as follows:

1. This Settlement Agreement shall be fully effective on the date (“Effective Date”) on which: (a) the Settlement Agreement is fully executed on behalf of all Parties, and (b) the Conditions Precedent set forth in Paragraph 3 below have been satisfied.

2. Promptly following complete execution of this Settlement Agreement and its delivery by each of the Parties to the others, the Adelpia Parties will file a motion in the Bankruptcy Court pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure seeking entry of an order approving the settlement as set forth herein, including a finding that the Motorola Claim is properly asserted only against ACC and not against any Debtors other than ACC, and accordingly (upon the occurrence of the Effective Date, and pursuant to this Settlement Agreement) allowing the Motorola Claim against ACC only, as an Allowed ACC Trade Claim within Class ACC-4 under the Plan, and finding that the Motorola Claim (including the Transferred Claim) is not allowable against any Debtors other than ACC (the “Approval Order”). As set forth in Paragraph 3(a), a Condition Precedent of this Settlement Agreement is entry of an Approval Order not later than 90 days after the Agreement Date; however, the Adelpia Parties will use their reasonable best efforts to achieve satisfaction of that Condition Precedent earlier, by December 31, 2009, if reasonably possible. Motorola takes no position as to whether Debtors should allow the Motorola Claims at the ACC or Subsidiary Debtor level, but will otherwise make reasonable best efforts to obtain Court approval of the Settlement Agreement, and will fully cooperate to facilitate prompt resolution of the issue with the Bankruptcy Court not later than 90 days after the Agreement Date, including providing evidence and witnesses expeditiously, and entering stipulations as to basic factual matters (such as lists of pertinent invoices), to streamline the Rule 9019 approval process.

3. Conditions Precedent. The effectiveness of this Settlement Agreement is contingent upon complete satisfaction of both of the following conditions (a) and (b):

(a) Entry of an Approval Order, that becomes a Final Order within 90 days of the Agreement Date, (1) approving the Settlement Agreement, (2) upon the Effective Date, allowing the Transferred Claim against ACC only, as an Allowed ACC Trade Claim within Class ACC-4 under the Plan, pursuant to the Settlement Agreement, and (3) finding that the Motorola Claim (including the Transferred Claim) is not allowable against any Debtors other than ACC.

(b) The New York Stock Exchange closing price of Time Warner Cable common stock on the business day preceding the Effective Date does not exceed \$45/share.

ACC may in writing, in its sole discretion, waive or modify any unsatisfied condition precedent (to allow satisfaction under circumstances broader than but including the foregoing), in which event the Effective Date shall be the date on which the conditions 3(a)

and 3(b), as specifically modified, have been met. No modification or waiver under the foregoing sentence is effective unless in a writing duly executed by ACC.

4. For purposes of this Settlement Agreement, “Final Order” shall mean an appealable order or judgment of the Bankruptcy Court as entered on its docket that has not been reversed, stayed pursuant to Bankruptcy Rule 8005, or any other applicable rule of civil or appellate procedure, and as to which the time to appeal, petition for certiorari, or seek reargument or rehearing has expired, or as to which any right to appeal, petition for certiorari or seek reargument or rehearing has been waived in writing in a manner satisfactory to ACC, or if a notice of appeal, petition for certiorari, or motion for reargument or rehearing was timely filed, the order or judgment of the Bankruptcy Court has been affirmed by the highest court to which the order or judgment was appealed or from which the reargument or rehearing was sought, or a certiorari has been denied, and the time to file any further appeal or to petition for certiorari or to seek further reargument has expired.

5. Debtors will promptly give notice to Motorola and the Holders of record of the Transferred Claim of the occurrence of the Effective Date. On the Effective Date, the Transferred Claim will become an Allowed ACC Trade Claim in Class ACC-4 of the Plan as follows: Claim 1222101 for Bear Stearns in the amount of \$28,335,202.31; Claim 1222102 for Varde in the amount of \$21,359,947.44, and Claim 1222103 for DK in the amount of \$8,543,978.98. Within five (5) business days of the Effective Date, ACC will distribute, to the Holders of record of the Transferred Claim, the Plan Consideration and CVV interests that would have been distributed to date to a holder of an allowed ACC-4 Trade Claim with the principal amount equal to the principal amount of the Transferred Claim (or on any different allowed claim that is consistent with any ACC waiver and modification under paragraph 3).

6. Upon the Effective Date, Motorola waives any right Motorola itself (or any party claiming by, through or under Motorola) has to any payment or distribution from the Debtors on account of the Residual Claim and agrees to indemnify and hold harmless each of the Debtors from any claim by any Holder for payment, allowance or distribution on the Residual Claim (including payment in advance, unconditionally and without offset, of: (i) any defense costs, including attorneys’ fees and costs and (ii) any amounts that Debtors are required to pay to, or for the account of, any Holder).

7. Within five (5) business days of the Effective Date, Motorola shall pay to: (i) ACC \$28,000,000, and (ii) Trust \$40,000,000 (the amounts set forth in clauses (i) and (ii) of this paragraph, collectively, the “Settlement Amounts”). Motorola shall cause the Settlement Amounts to be paid by wire transfer pursuant to instructions provided to it in advance of the Effective Date by ACC and Trust, respectively.

8. The following releases shall be effective upon the payment of the Settlement Amount:

(a) The Adelpia Parties, on behalf of themselves and for and on behalf of their current and former creditors, shareholders, members, affiliates, parents,

subsidiaries, officers, directors, employees, agents, consultants, attorneys, insurers, successors, predecessors, assigns, and/or any other person or entity asserting claims by, through or under the Adelpia Parties (the “Adelpia Settling Parties”), hereby fully release and discharge Motorola and its current and former parents, members, affiliates, direct and indirect subsidiaries, officers, directors, employees, agents, consultants, attorneys, insurers, successors, predecessors, assigns, and the officers, directors, and employees of its current and former parents, and direct and indirect subsidiaries (the “Motorola Settling Parties”) from any and all claims, demands, rights, damages, liabilities, actions, causes of action or suits at law or in equity of whatever kind, direct or derivative, or for indemnity or contribution, fixed or contingent, liquidated or unliquidated, state or federal, known or unknown, based on facts now in existence, whether known or unknown, which the Adelpia Settling Parties ever had or now has against the Motorola Settling Parties, to the extent arising from or relating to any one or more of the Claims. The Adelpia Parties do not hereby purport to release any direct claims (i.e., claims held in their own right, as opposed to through Debtors or Trust) of individual creditors, shareholders or Trust CVV holders.

(b) Motorola and its direct and indirect subsidiaries hereby fully release and discharge the Adelpia Parties and their current and former parents, subsidiaries, officers, directors, employees, agents, consultants, attorneys, insurers, and successors, from any and all claims, demands, damages, liabilities, actions, causes of action or suits at law or in equity of whatever kind, direct or derivative, or for indemnity or contribution, fixed or contingent, liquidated or unliquidated, state or federal, known or unknown, based on facts now in existence, whether known or unknown, which Motorola ever had or now has against the Adelpia Parties, to the extent arising from or relating to any one or more of the Claims Motorola does not hereby purport to release any direct claims against individual creditors, shareholders or Trust CVV holders (i.e., claims held against them in their own right, as opposed to through Debtors or Trust).

Neither the Adelpia Parties nor Motorola, respectively, shall institute litigation or assert claims against any person or entity released by them, respectively, pursuant to this paragraph, with respect to any matters released herein. Except for the obligations of the Parties created pursuant to this Settlement Agreement or expressly reserved hereby, the releases contained herein shall include the relinquishment of any and all rights and benefits pursuant to Section 1542 of the Civil Code of the State of California and any other similar provision of law or principle of equity in any jurisdiction pertaining to the matters released herein. Such Section 1542 provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

In connection with such waiver and relinquishment, the Parties hereto, and each of them, acknowledge they are aware that they may hereafter discover claims presently unknown or unsuspected, or facts in addition to or different from those which they now know or believe to be true, with respect to the matters released herein. Nevertheless, it is the intention of each Party, through this Settlement Agreement and with the advice of counsel, fully, finally and forever to settle and release all such matters, and all claims relative thereto, which do now exist, may exist, or heretofore have existed. In furtherance of such intention, the releases herein shall be and remain in effect as full and complete releases of such matters notwithstanding the discovery or existence of any such additional or different claims or facts relative thereto.

9. If no Effective Date occurs by ninety (90) days following the Agreement Date (or any later date specified by any ACC modification or waiver under paragraph 3), then any Party may give notice to the other Parties that the settlement has not become effective and is null and void. The Settlement Agreement thereupon shall be null and void (except only as to any terms of the Settlement Agreement, if any, that were breached by a Party prior to that date, but only if such breach is material to the Party claiming harm), and the Parties shall return to the same positions they were in prior to entry into the Settlement Agreement. If the settlement becomes null and void, then no Party will use anything in the Settlement Agreement as an admission of any other Party.

10. Each of the undersigned signatories represents to the Parties (other than Parties identified as represented by that signatory) that: (i) he or she, as the case may be, is authorized to execute and deliver this Settlement Agreement on behalf of any Party he or she purports to represent, and its subsidiaries and its affiliates, and (ii) all claims waived or released pursuant to this Settlement Agreement by that Party have not been assigned or otherwise transferred and that the releases contained herein are binding on that Party, its successors, assigns, and any other persons of entities claiming by, through or under that Party.

11. Each Party shall bear its own fees and costs incurred to date in any way related to the Claims. The provisions of this Settlement Agreement shall be breached and a cause of action accrued thereon immediately upon any Party's commencement of any action contrary to this Settlement Agreement, and in any such action this Settlement Agreement may be asserted both as a defense and as a counterclaim or cross-claim.

12. Notices under this Settlement Agreement shall be provided as follows:

For Adelphia Parties, notice to:

Kevin Allred
Munger, Tolles & Olson LLP
355 S. Grand Ave, 35th Fl.
Los Angeles, CA 90071
Kevin.Allred@mto.com

For Motorola, notice to:

Steve Sacks
Arnold & Porter LLP
555 Twelfth Street, N.W.
Washington, D.C. 20004-1206
Stephen.Sacks@aporter.com

13. This Settlement Agreement shall be construed in accordance with, and governed by, the laws of the State of Pennsylvania, excluding and without regard to the conflict of laws rules thereof.

14. The Bankruptcy Court shall retain jurisdiction to resolve any dispute arising out of or relating to this Settlement Agreement.

15. This Settlement Agreement constitutes the entire agreement among the Parties on the subjects addressed herein. This Settlement Agreement supersedes any prior discussions or agreements between the Debtors and Motorola relating to the Claims, and any prior agreement with respect to any and all Claims is null and void as of the Effective Date. No supplement, modification, amendment, waiver or termination of this Settlement Agreement shall be binding unless executed in writing by the Parties to be bound thereby, or by their authorized counsel. This Settlement Agreement is executed without reliance upon any representations by any person or entity concerning the nature, cause or extent of injuries, or legal liability therefore, or any other representations of any type or nature except as set forth herein. No contrary or supplementary oral agreement shall be admissible in a court to contradict, alter, supplement, or otherwise change the meaning of this Settlement Agreement. This Settlement Agreement has been negotiated by the Parties adequately represented by counsel, none of whom shall be deemed the “drafter” of the agreement, and no provision of this Settlement Agreement shall be applied or interpreted by reference to any rule construing provisions against the drafter.

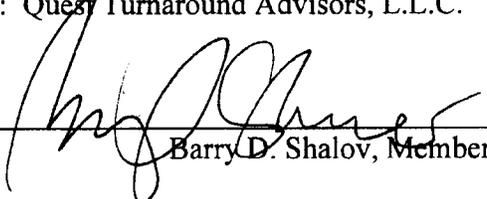
16. Nothing in this Settlement Agreement shall be construed as an admission of liability or fault by any Party, which liability and fault are expressly denied.

17. This Settlement Agreement may be executed in any number of counterparts each of which, when executed and delivered (including by fax and/or pdf), shall be deemed an original and all of which together shall constitute but one and the same agreement.

18. Time is of the essence hereunder.

DATED: November 24, 2009

ADELPHIA COMMUNICATIONS CORPORATION
By: Quest Turnaround Advisors, L.L.C.

By  _____
Barry D. Shalov, Member

DATED: November ____, 2009

ADELPHIA RECOVERY TRUST

By _____
Dean A. Ziehl
Chairman, Adelpia Recovery Trust

DATED: November ____, 2009

MOTOROLA, INC., GENERAL INSTRUMENT CORPORATION, d/b/a Broadband Communications Sector Of Motorola, Inc. and d/b/a Motorola Broadband Communications Sector, SYNCHRONOUS, INC., and GENERAL INSTRUMENT AUTHORIZATION SERVICES, INC.

By _____

9333749.2

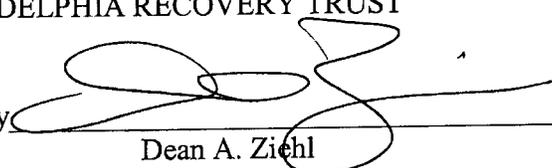
DATED: November __, 2009

ADELPHIA COMMUNICATIONS
CORPORATION
By: Quest Turnaround Advisors, L.L.C.

By _____
Barry D. Shalov, Member

DATED: November 24, 2009

ADELPHIA RECOVERY TRUST

By  _____
Dean A. Ziehl
Chairman, Adelfhia Recovery Trust

DATED: November __, 2009

MOTOROLA, INC., GENERAL INSTRUMENT
CORPORATION, d/b/a Broadband
Communications Sector Of Motorola, Inc. and d/b/a
Motorola Broadband Communications Sector,
SYNCHRONOUS, INC., and GENERAL
INSTRUMENT AUTHORIZATION SERVICES,
INC.

By _____

9333749.2

DATED: November ____, 2009

ADELPHIA COMMUNICATIONS
CORPORATION
By: Quest Turnaround Advisors, L.L.C.

By _____
Barry D. Shalov, Member

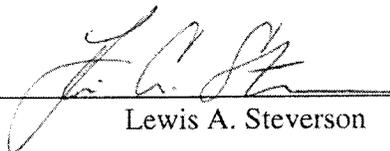
DATED: November ____, 2009

ADELPHIA RECOVERY TRUST

By _____
Dean A. Ziehl
Chairman, Adelpgia Recovery Trust

DATED: November 24, 2009

MOTOROLA, INC., GENERAL INSTRUMENT
CORPORATION, d/b/a Broadband
Communications Sector Of Motorola, Inc. and d/b/a
Motorola Broadband Communications Sector,
SYNCHRONOUS, INC., and GENERAL
INSTRUMENT AUTHORIZATION SERVICES,
INC.

By  _____
Lewis A. Steverson

Corporate Vice President
Motorola, Inc.