



LINDA LINGLE
GOVERNOR

JAMES R. AIONA, JR.
LT. GOVERNOR

STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
335 MERCHANT STREET, ROOM 310
P.O. Box 541
HONOLULU, HAWAII 96809
Phone Number: 586-2850
Fax Number: 586-2856
www.hawaii.gov/dcca

RONALD BOYER
DIRECTOR

RODNEY A. MAILE
DEPUTY DIRECTOR

VIA FACSIMILE AND U.S. MAIL

June 22, 2010

Mr. Nate Smith
President
Time Warner Entertainment Company, L.P.
200 Akamainui Street
Mililani, HI 96789-3999

Dear Mr. Smith:

Re: Letter Order — Partial Payment of 2010 Access Operating Fees and Capital Fund Payments to Olelo, Hoike, Na Leo, and Akaku

Pursuant to Letter Orders dated January 28, 2010 and February 9, 2010, the Department of Commerce and Consumer Affairs ("DCCA") directed Time Warner Entertainment Company, L.P. ("TWE") to pay fifty percent (50%) of the respective 2010 Access Operating Fees and also to pay fifty percent (50%) of the respective 2010 capital fund payments to the following public, educational, and governmental ("PEG") access organizations: Hoike: Kauai Community Television, Inc. ("Hoike"), Na Leo O Hawaii, Inc. ("Na Leo"), Olelo Community Television ("Olelo") and Akaku: Maui Community Television ("Akaku"), (collectively "incumbent PEG access organizations").

TWE was also directed to deposit and maintain the balance of the 2010 Access Operating Fees and the balance of the 2010 capital fund payments in separate interest-bearing accounts in federally insured financial institutions pending further instruction from DCCA. In addition, TWE was allowed to recover the reasonable costs of administering the bank accounts (including the tax impact of any interest earned) from the interest on the accounts. Any remaining interest earned on the bank accounts would then be prorated and disbursed as further directed by DCCA.

On June 7, 2010, the State Procurement Office ("SPO") extended the procurement exemption for DCCA's contracts with the incumbent PEG access organizations for an additional three-month period, from July 1, 2010 to September 30,

2010. DCCA and each incumbent PEG access organization subsequently agreed to extend their respective PEG access agreement for another three-month period from July 1, 2010 to September 30, 2010.

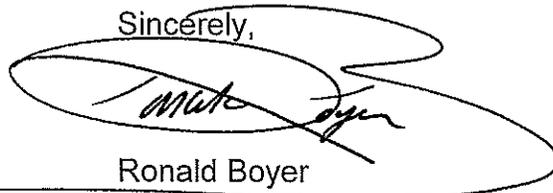
Accordingly, DCCA hereby directs TWE to:

1. Pay twenty-five percent (25%) of the appropriate 2010 Access Operating Fees plus any interest accrued as of May 31, 2010, subject to the provisions in this Letter Order, to Olelo, Na Leo, Hoike, and Akaku.
2. Maintain the remaining balance of the 2010 Access Operating Fees in an interest bearing account in any federally insured financial institution authorized in the State of Hawaii.
3. By separate check, pay twenty-five percent (25%) of the appropriate 2010 capital fund payments plus any interest accrued as of May 31, 2010, subject to the provisions in this Letter Order, to Olelo, Na Leo, Hoike, and Akaku.
4. Maintain the remaining balance of the 2010 capital fund payments in an interest bearing account in any federally insured financial institution authorized in the State of Hawaii.
5. TWE shall make the payment checks available for pick up by authorized representatives of the incumbent PEG access organization on July 1, 2010 at its office located at 200 Akamainui Street, Mililani, Hawaii 96789. For the checks not picked up at 4:00 p.m. on July 1, 2010, TWE shall mail out these checks directly to the appropriate PEG access organization by July 2, 2010. TWE shall send copies of the payment checks to DCCA by July 10, 2010.
6. TWE shall maintain separate accounting records for the 2010 Access Operating Fees and capital fund payments attributable to each PEG access organization. Upon request from DCCA, TWE shall promptly provide DCCA with documentation of the bank accounts and accounting records regarding the 2010 Access Operating Fees and capital contributions.
7. Upon further direction by the Director, TWE shall disperse the remaining amounts of 2010 Access Operating Fees and capital contributions being held to the PEG access organizations or to the Director's designee.

8. TWE may recover reasonable costs of administering the bank accounts, including the tax impact of any interest earned, from the interest on the accounts.
9. Any interest earned on the bank accounts shall be prorated and disbursed as further directed by DCCA. TWE shall maintain separate accounting records for any interest earned on the 2010 Access Operating Fees and for any interest earned on the capital contributions.

Thank you for your attention to and cooperation in this matter. Please call Mr. Clyde Sonobe, Cable Television Administrator, if you have any questions. Thank you for your assistance and cooperation in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Ronald Boyer", is written over a large, irregular oval scribble.

Ronald Boyer

Director of Commerce and Consumer
Affairs

- c: Russell Saiki
Brian Kang, Esq.
Kealii Lopez, Olelo
J Robertson, Hoike
Juergen Denecke, Na Leo
Jay April, Akaku
Marlon Wedemeyer (HENC)
Clyde Sakamoto, Chancellor (MENC)
Clyde S. Sonobe, CATV