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ACTING CABLE TELEVISION
ADMINISTRATOR

January 10, 2011

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

Dear Mr. Barlow:

Re: Letter Order — Payment of 2011 Access Operating Fees and
Capital Fund Payments to Olelo, Hoike, Na Leo, and Akaku

In accordance with Decision and Order ("D&O") Nos. 261, 291, and 346, Time Warner Entertainment Company, L.P. ("TWE") is required to pay an annual Access Operating Fee to public, educational, and governmental ("PEG") access organizations that the Department of Commerce and Consumer Affairs ("DCCA") contracted with to provide PEG access services to the public. There are currently four (4) PEG access organizations in the State: Hoike - Kauai Community Television, Inc. ("Hoike"), Na Leo O Hawaii, Inc. ("Na Leo"), 'Olelo Community Television (" 'Olelo"), and Akaku: Maui Community Television ("Akaku").

TWE is also required to make capital contributions to the PEG access organizations to acquire or purchase PEG access assets (i.e., facilities and equipment) pursuant to D&O No. 346 (Oahu franchise area), D&O No. 321 (Maui and Lahaina franchise areas), D&O No. 327 (Kauai County), and D&O No. 335 (County of Hawaii franchise areas).

Prior to 2006, DCCA directed TWE to pay the appropriate Access Operating Fees and capital fund to the PEG access organizations once per year on January 31st. This was done because DCCA had renewed the PEG access services contracts in annual increments.

On December 20, 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 January 1, 2011 to March 31, 2011. DCCA and each incumbent PEG access organization subsequently agreed to extend their respective PEG access agreement for another three-month period from January 1, 2011 to March 31, 2011.

Accordingly, pursuant to Hawaii Revised Statutes section 440G-12; Sections 4.2(c), 12.8, and 12.9 of D&O No. 173, as amended; Sections 4.2(c), 12.8, and 12.9 of D&O No. 174, as amended; Sections 4.2(b), 12.8, and 12.9 of D&O No. 185, as amended; Sections 4.2(c), 12.8, and 12.9 of D&O No. 241, as amended; and Sections 4.2(c), 11.8, and 11.9 of D&O No. 291, as amended; Section II.D of D&O No. 321; Sections II.A and II.B of D&O No. 335, Section II.C of D&O No. 345; and Sections IV.I and IV.J of D&O No. 346, DCCA hereby directs TWE to:

1. Pay twenty-five percent (25%) of the appropriate 2011 Access Operating Fees to 'Ōlelo, Na Leo, Hoike and Akaku by January 31, 2011, or earlier if possible.
2. Maintain the remaining seventy-five percent (75%) balance of the 2011 Access Operating Fees in an interest bearing account in any federally insured financial institution authorized in the State of Hawaii.
3. Pay twenty-five percent (25%) of the appropriate 2011 capital fund payments to Na Leo, Hoike and Akaku by January 31, 2011, or earlier if possible.
4. Maintain the remaining seventy-five percent (75%) balance of the capital fund payments in an interest bearing account in any federally insured financial institution authorized in the State of Hawaii.
5. Once a capital fund payment schedule to 'Ōlelo has been determined, DCCA will provide further direction to TWE regarding capital payment to 'Ōlelo.
6. TWE shall maintain separate accounting records for the 2011 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 2011 Access Operating Fees and capital contributions.
7. Upon further direction by the Director, TWE shall disperse the remaining amounts of 2011 Access Operating Fees and capital contributions in the bank accounts to these PEG access organizations or to the Director's designee.

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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 the DCCA. TWE shall keep separate any interest earned on the 2011 Access Operating Fees from the capital contributions.

Thank you for your attention to and cooperation in this matter. Please call me if you have any questions. Thank you for your assistance and cooperation in this matter.

Sincerely,



GLEN CHOCK
Acting Cable Television Administrator

c: Keali'i Lopez, Director
Brian Kang, Esq.
Russell Saiki, TWE
Roy Amemiya, Olelo
J Robertson, Hoike
Juergen Denecke, Na Leo
Jay April, Akaku
Marlon Wedemeyer (HENC)
Clyde Sakamoto, Chancellor (MENC)