

July 10, 2015



Mr. Frank Rush
Town Manager
Town of Emerald Isle
7500 Emerald Drive
Emerald Isle, NC 28594

Dear Mr. Rush:

Effective on or about October 6, 2015, Time Warner Cable ("TWC") will take another important step towards improving video quality and increasing internet speeds by providing video programming in digital only format in your community. In order to provide customers the advanced services they expect, we are continuing our efforts to manage bandwidth more efficiently. Since analog channels require up to 14 times more bandwidth than channels in digital format, we began the process several years ago of converting analog channels to digital only format.

As part of this ongoing initiative, on or about October 6, 2015, Time Warner Cable will begin converting analog channels to digital format in your community. The channels will continue to be carried on the Starter TV Tier (formerly Broadcast Service Tier) and / or the Standard TV tier. Channels will remain on their pre-existing channel numbers when accessed through a TWC supplied digital set top box, a Digital Adapter ("DA") or a CableCARD equipped Unidirectional Digital Cable Product ("UDCP").

A majority of our customers already have TWC supplied digital equipment. Those customers not subscribing to digital services will need digital equipment; for example, a digital set top box, DA, or a Cable CARD equipped UDCP, to view these channels.

For customers who do not already have digital equipment or need additional DA's, we will upon request; provide Digital Adapters (DA's) and remote controls free for a period of time so those customers may continue to have access to the channels. Customers who have TWC supplied digital equipment or subscribe to the Standard or Preferred Tiers of service are eligible for free DA's until December 30, 2016. Customers who subscribe to the Starter TV Tier and have no TWC supplied equipment are eligible for free DA's until December 30, 2017. Medicaid customers may qualify for an extended period of time. Customers can order DA's via the TWC web site or phone and we will ship them at no charge.

At the expiration of the free period, each digital adapter will be available at the retail rate, currently \$2.75 per month. Just as is the case today, no customer will be required to subscribe to a tier higher than the current one in order to continue to view the channels they have been enjoying.

TWC will provide customers with at least 30 days advance written notice to make this change as seamless as possible. For ease, we have attached a sample of the customer notice. As noted above, TWC will "channel map" the channels so that they will continue to be found on existing channel numbers when a TWC supplied digital set box, a DA or a CableCARD equipped, UDCP is used.

Should you have any questions please do not hesitate to contact me at (910) 401-5168.

Sincerely,

A handwritten signature in black ink that reads "Eric Collins".

Eric Collins
Director, Government Relations
Time Warner Cable

Enclosure:

Time Warner Cable is going All-Digital beginning October 6, 2015.

We're excited to announce that we're going All-Digital, so you'll soon be able to enjoy better picture and sound quality. When this transition is complete, we'll also be delivering faster Internet options and more reliability.



You may need this
pocket-sized Adapter
to view your
all-digital signal.



If all of your TVs have digital equipment:
(e.g., a Digital Set-Top Box, Retail CableCARD™ device
or a Digital Adapter) – you will automatically receive this
improved experience.

If your cable line is plugged directly
into your TV, VCR or DVD recorder:
you will need to order a Digital Set-Top Box or
Digital Adapter to avoid losing your picture.

**Better-quality picture and sound.
Faster speeds. More reliability.**

They're all on the way. Thank you for choosing
Time Warner Cable.

ORDER YOUR DIGITAL ADAPTER TODAY

to avoid losing your TV picture
on October 6, 2015.

ADAPTERS ARE FREE OF CHARGE
to video customers through
December 30, 2016.

(Beginning on December 31, 2016, each
Adapter will be billed at the prevailing rate,
currently \$2.75 per month.)

It's Easy to Order

twc.com/digitaladapter
1-844-217-5265

YOUR ACCOUNT NUMBER: XXXXXXXXX

Offer expires 4/21/16 and is available to current residential video customers. Digital Adapter is a device that provides digital-quality signals. It does not provide access to our on-screen channel guide, Premium channels (such as HBO®, Showtime®, Starz®, etc.), Pay-Per-View or On Demand programming as well as video features such as Start Over®, Look Back® or Caller ID on TV. If you are interested in these digital services, you will need to lease a Digital Set-Top Box. Some services are not available to CableCARD™ customers or customers with Digital Adapters. Not all equipment supports all services. All services may not be available in all areas. Subject to change without notice. Some restrictions apply. ©2015 Time Warner Cable Enterprises LLC. All Rights Reserved. Time Warner Cable and the eye/ear logo are trademarks of Time Warner Inc. Used under license.

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Important information for all Time Warner Cable customers.

On December 1, 2015, Time Warner Cable will start encrypting Starter TV on your cable system. If you have a Digital Set-Top Box, Digital Adapter (DA), or a retail CableCARD™ device connected to each of your TVs, you will be unaffected by this change. However, if you are currently receiving Starter TV on any TV without equipment supplied by Time Warner Cable, you will lose the ability to view any channels on that TV.

If you are affected, you should contact Time Warner Cable to arrange for the equipment you need to continue receiving your services. In such case, you are entitled to receive equipment at no additional charge or service fee for a limited period of time. The number and type of devices you are entitled to receive and for how long will vary depending on your situation.

If you are a Starter TV customer and receive the service on your TV without Time Warner Cable-supplied equipment, you are entitled to up to two devices for two years (five years if you also receive Medicaid). If you subscribe to a higher level of service and receive Starter TV on a secondary TV without Time Warner Cable-supplied equipment, you are entitled to one device for one year.

As a valued TWC customer you are able to receive additional Digital Adapters to cover any affected TV. Encryption will begin on or about December 1, 2015, please call or visit our website before then to order the DAs you need to fit your home.

You can learn more about this equipment offer and eligibility at twc.com/digitaladapter or by calling **1-844-217-5265**. To qualify for any equipment at no additional charge or service fee, you must request the equipment between June 16, 2015 and April 21, 2016 and satisfy all other eligibility requirements.

Digital Adapter is a device that provides digital-quality signals. It does not provide access to our on-screen channel guide, premium channels (such as HBO®, Showtime®, Starz®, etc.), Pay-Per-View or On Demand programming as well as video features such as Start Over®, Look Back® or Caller ID on TV. If you are interested in these digital services, you will need to lease a Digital Set-Top Box. Some services are not available to CableCARD™ customers or customers with Digital Adapters. Not all equipment supports all services. All services may not be available in all areas. Subject to change without notice. ©2015 Time Warner Cable Enterprises LLC. All Rights Reserved. Time Warner Cable and the eye/ear logo are trademarks of Time Warner Inc. Used under license.

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