



**Information  
Technology &  
Telecommunications**

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September 6, 2011

Time Warner Entertainment Company, L.P.  
d/b/a Time Warner Cable of New York City  
120 East 23<sup>rd</sup> Street  
New York, New York 10010

**Re: Public Projects in New York City**

Dear Franchisee:

Whereas, simultaneously with the execution of this letter agreement (this "Letter Agreement" or "this Agreement"), the undersigned parties, Time Warner Entertainment Company, L.P., d/b/a Time Warner Cable of New York City ("the Company") and the City of New York ("the City") are executing Franchise Agreements ("the Franchise Agreements") pursuant to which the Company is being granted franchises as described therein; and

Whereas, for the mutual benefit of the Company and the City in maximizing their respective benefits from the rights granted pursuant to the Franchise Agreements, the Company and the City's Department of Information Technology and Telecommunications ("DoITT") have agreed to undertake the additional activities described in this Letter Agreement; and

Whereas, capitalized terms used in this Letter Agreement unless otherwise defined herein shall have the meaning set forth therefore in the Franchise Agreements; and

Whereas, the term of this Letter Agreement shall be coterminous with the Franchise Agreements and shall expire with the Franchise Agreements, including any early termination;

Now therefore, for the good and sufficient mutual consideration consisting of the respective obligations of the undersigned as described below, the undersigned hereby agree to be bound as follows:

1. (a) The Company will expend not less than six million dollars (\$6,000,000) ("Required Spend Amount") to install such new facilities as are necessary to provide wireless broadband Internet service ("the Service") to persons using City parks located within the TWC Service Area provided that, for

purposes of clarification, nothing herein shall obligate the Company to spend more than the Required Spend Amount on installation of new facilities. The Company estimates that said expenditure will enable the Company to provide the Service to approximately twenty parks, but this estimate is subject to final determination of the specific parks to be served, the scope of the areas within each park in which the Service will be available, the design and location of the equipment that will provide the Service, and the number of simultaneous individual users who will be able to receive the Service at any particular location, all of which matters will be the subject of future agreement between the City and the Company. In any event, all decisions regarding which specific parks will be served in any particular borough will be made jointly by the Company, the Parks Department and DOITT in consultation with the Borough President of such borough (among the priorities in selecting park locations will be the number of users likely to be served and a diverse geographic breadth of service). DOITT agrees to provide a coordinating role with all applicable City agencies to achieve agreement regarding locations to be served and facilities to be used and the Company agrees to use best efforts to complete agreement with the City on such matters.

(b) The Company will provide the Service with the same download and upload speed capability as the basic WiFi service the Company offers free to its residential wired broadband Internet subscribers. If at any time the Company is not providing such service to its residential and broadband Internet subscribers, then the Company will provide the Service with the same download and upload speed capability as it was providing such subscribers when it most recently provided such service (or if the Company has not provided such service free to its subscribers except as part of the provision of such service in City parks themselves, then with the same upload and download speed capability as the Company was providing such service in Madison Square Park as of June 15, 2011). Upon completion of the installation of facilities required to serve a particular park, the Company agrees to provide the Service on the terms described in subsections (c) through (p) below throughout the full Term of the Franchises, and to maintain (and, to the extent necessary to continue to provide the Service, replace) the facilities such that the Service is provided in compliance with subsections (c) through (p) below provided that the Parks Department grants the Company the reasonably necessary access to the parks and park facilities, provided, however, that, during the pendency of a dispute between the Parks Department and the Company regarding access by the Company to the parks and parks facilities, so long as the Company is acting reasonably to pursue resolution thereof, any of the Company's obligations hereunder that the Company is unable to fulfill as a result of such dispute shall be tolled, and the Company shall not be deemed to have breached this agreement by failing to satisfy such obligations during such time period. To the extent the Company installs facilities which are used in part to provide the Service to City parks as described herein and also used in part for other purposes (including but not limited to provision of the Service to locations other than Parks), there shall be a reasonable apportionment of the cost of such multiple-use facilities for purposes of determining how much of the cost of such multiple use facilities is to be attributable to the \$6 million expenditure commitment agreed to by the Company for Service to City parks as described above. References to City "parks" in this letter shall mean properties that are within the jurisdiction of the Parks Department as described in Chapter 21 of the New York City Charter. DOITT reserves the right to enter into other arrangements of a similar nature with other service providers, and the Company shall not require that the subsequent agreement between the Company and the City establishing and approving the use of facilities and locations to provide the Service be conditioned on the Company's being the exclusive provider of wireless broadband Internet service to the parks being served by the Company. Should the City authorize, after the Company's installation, another provider to place WiFi equipment in City parks, the City will use best efforts to ensure that the second provider places and operates its equipment so as to not interfere with the ability of the Company to maintain its level of performance as required under this Agreement.

(c) The \$6 million for facilities contemplated in the preceding subsection (a) shall be spent in accordance with a schedule intended to phase in Service to individual parks in an orderly manner with substantial completion of the full \$6 million project to be reached, subject to paragraph 1(o) below, not later than the second anniversary of the date of this letter, provided that this schedule anticipates agreement, on reasonable terms and conditions, by the City, within a reasonable time period, to provide access for the necessary facilities to provide the Service to applicable parks. To the extent that there are unreasonable delays by the City in the grant of such access (including, without limitation the granting by the Parks Department and/or the City of any licenses or permits required by paragraph 1(j) below), the schedule for provision of the Service shall be subject to permissible delay.

(d) The Service shall be provided to City park users as described above on price terms no less favorable to users than the following:

(i) Park users who are subscribers to the Company's residential wired broadband Internet service (or to "reciprocal services" as defined below) shall receive the Service at no additional cost beyond the amount they pay for their residential wired broadband Internet service;

(ii) Each park user not covered by the preceding clause (i) shall be entitled to at least three free sessions of Service, each lasting for up to 10 minutes, over any thirty (30) day period (for example, a user of the Service who uses it regularly but not for more than ten minutes per session and not more frequently than once every fifteen days will not be charged, because no three sessions would fall within a single thirty-day period);

(iii) Each park user not covered by clause (i) above shall pay no more than the Established Price (defined hereinafter) for access to the Service for a calendar day. The Established Price shall be 99 cents and shall not be subject to increase until the second anniversary of the date that Service is being provided to all the City parks contemplated to receive such Service pursuant to this agreement, after which second anniversary the Established Price may be increased upon DoITT's approval, not to be unreasonably withheld or delayed, to account for any increases in the Company's out-of-pocket costs of providing the Service to the parks above and beyond such costs as they existed as of the first date that Service was being provided to all such City parks.

(e) The Company shall maintain the Service in each park in which it operates such that it is fully operational in accordance with all terms of this Agreement during each calendar year at no less than the Standard Up-Time Percentage, provided that the Parks Department grants the Company the access to park facilities reasonably necessary to comply with the foregoing, provided, however, that, during the pendency of a dispute between the Parks Department and the Company regarding access by the Company to the parks and parks facilities, so long as the Company is acting reasonably to pursue resolution thereof, any of the Company's obligations to maintain the Service under this Section 1(e) that Company is unable to fulfill as a result of such dispute shall be tolled, and the Company shall not be deemed to have breached this agreement by failing to satisfy such obligations during such time period. The Standard Up-Time Percentage is defined as (1) if during any year that the Company is providing wireless broadband Internet service to Company subscribers at areas outside City parks (including areas outside the City), then the percentage of time such outside-the-parks service is fully operational, or (2) if during any year the Company is no longer providing wireless broadband Internet service outside City parks, then the percentage of time which the Company's wireless broadband Internet service provided to Company subscribers at areas outside City parks (including areas outside the City) was fully

operational during the last year that the Company was providing such outside-the-parks service prior to its termination (or if the Company has not provided such outside-the-parks service then the percentage of time which the Company's service in Madison Square Park was operational during the period [May 15, 2011 to June 15, 2011]).

(f) The "Home Page" for the service (defined as the Initial page which the Company offers to users of the Service as the starting point for subsequent access to Internet sites of the user's choosing) shall not include tobacco advertising nor alcohol advertising nor shall it include any content the presentation of which would be illegal under federal, state or local law, such as, for example but without limitation, material the presentation of which would violate New York State Penal Code 235.05 (such advertising, "Prohibited Advertising"). The user experience for users of the Service that are not covered by d(i) shall not be substantially different from that of users covered by d(i) with respect to the technical performance of, and/or content experience provided by the Service, provided that the Home Screen for users not covered by d(i) may contain different content from users covered by d(i). On the Home Screen or on a separate screen that appears immediately after users exit the Home Screen and before users are connected to the first Internet site of their choosing, there shall be included a statement in form satisfactory to the Parks Department which in substance informs users that neither the Parks Department nor the City of New York is responsible for any material that may subsequently be presented or received by means of the Service. The Parks Department website will be accessible through an icon approved by Parks on the home page, provided that the Parks Department approves such icon in accordance with paragraph (n) below.

(g) Any subsequent agreement or agreements regarding the location and design of facilities that will be installed on City property to provide the Service will include, without limitation, provisions for insurance, indemnification and similar matters which either apply the Company's applicable commitments as to such matters described in the Franchises to its provision of the Service or otherwise protect the City in a comparable manner.

(h) Radio Frequency Energy Exposure Limits. The Company shall, with respect to all the Facilities Installed on, over or under the Inalienable Property, (1) comply on an on-going basis with FCC maximum permitted levels of radio frequency energy exposure (calculated on an aggregate basis with any other radio frequency energy emitters that may be present), (2) comply with all FCC rules and requirements, regarding the protection of health and safety with respect to radio frequency energy exposure, in the operation and maintenance of such Facilities (taking into account the actual conditions of human proximity to Base Stations on Street Poles), and (3) at the direction of the City, pay the costs of testing such Facilities for compliance with the preceding clauses (1) and (2), which testing may be directed by the City from time to time and which is to be conducted by independent experts selected by the City after consultation with the Company and which testing shall be conducted in accordance with the FCC's OET (Office of Engineering and Technology) Bulletin 65 (or a successor thereto) unless the City reasonably determines that alternative testing procedures that reflect sound engineering practice are appropriate.

(i) The Company shall comply with all FCC regulations regarding avoidance of interference with transmitting and receiving equipment existing at particular locations and shall provide good faith assistance in resolving interference with subsequently installed transmitting and receiving equipment by the City and/or City authorized third parties. City shall also require that any subsequently installed transmitting and receiving equipment by the City and/or City authorized third parties not unlawfully interfere with the Company's equipment.

(j) The Company shall be responsible for complying with all applicable codes, procedures, rules, regulations, ordinances and laws that govern its use of the equipment and the site. Company shall be responsible for obtaining all permits and licenses necessary for the lawful operation of the services in Parks.

(k) All designs of facilities and equipment that will be visible to the public are subject to final approval by the City. Review of designs will be executed in a timely fashion. Added costs as a result of City design requirements shall be credited against the Company's financial obligation with respect to the City parks.

(l) All cabling and wiring installed by the Company must be properly concealed, and such cabling and wiring and the manner of their installation are subject to Parks' prior review and approval. Review of cabling and wiring installation will be executed in a timely fashion, and approval will not be unreasonably withheld.

(m) The Company shall be responsible for paying any and all costs incurred in connections with use, operation and maintenance of its equipment at each site provided except for damage caused by the City and or City-authorized third parties.

(n) Use of the Parks Department logo must have prior written approval by the Parks Department. Use of any of Company's intellectual property (including, without limitation, any trademarks, service marks, logos or copyrighted material) must have the prior written approval of Company.

(o) The Company's obligation to provide the service as described herein on a timely basis is subject to the City's acting reasonably and within a reasonable time to grant final approval of the installation of facilities and equipment reasonably necessary to provide such service and to the City's and the Parks Department's acting reasonably and within a reasonable time to grant the Company any licenses or permits required to perform any work within the Parks (including any and all permits or licenses the Company is required to obtain from the City pursuant to 1(j) above).

(p) The Company will provide quarterly usage and monitoring reports to the City showing the number of daily users and the average length of use.

2. The Company shall establish (i.e., construct, and commence operation of) at least four "community technology centers" (CTCs) per year during each calendar year that falls within the Term of the Franchises up to a maximum cumulative required number of 40 such CTCs during the Term of the Franchises, and after establishment of each such CTC shall maintain and operate each such established CTC, at no cost to the City, throughout the remaining Term of the Franchises (provided that although the Company shall not be required to establish more than four CTCs in any particular year, the Company shall be required to establish, if the Franchises remain in effect for their full scheduled Term, not less than 40 CTCs in total, it being in the Company's discretion which year or years during the Term of the Franchises in which to establish more than four CTC's so as to meet the 40 CTC requirement by the end of the Term of the Franchises). Any CTCs which the Company already has in operation as of the Effective Date shall count toward both the annual four CTC requirement for the first year and the 40 total CTC requirement. If for reasons beyond the control of the Company, a particular CTC must close (because

for example, the not-for-profit entity which owns the facility in which the CTC has been established closes such facility) then within twelve months of such closing the Company shall open a replacement CTC, in addition to and not in lieu of its on-going commitment to establish four additional CTCs each year as described above. A "community technology center" or "CTC" shall mean a center, at least comparable in size, and in the scope and nature of its equipment and services, to the Company's technology center currently (as of the date of this letter) in place and operating in partnership with the Police Athletic League at 441 Manhattan Avenue, New York, New York. Each such CTC shall be located within the facilities of a reputable not-for-profit community service partner (the NFP Partner) which is willing to commit to provide the space for the Term of the Franchise, and each such CTC shall be available for use by all members of the public to whom the NFP Partner's facility is open and during any and all hours that the NFP Partner's facility is open. The Company shall maintain, at its own expense, the hardware, software and other technology facilities and connections offered at each CTC such that such hardware, software and other technology equipment and connections are in good, working order, and shall provide, at its own expense, all broadband internet connections and backhaul services needed to provide broadband service for users of the CTC equipment at speeds and capacity that, at least, conform to the FCC's prevailing definition of "broadband internet service". Services offered at CTCs will be free of charge.

3. (a) On the Effective Date, as defined in the Franchise Agreements, and thereafter on each anniversary of said Effective Date throughout the Term of the Franchise Agreements, the Company shall (in addition to and not in lieu of any payments payable to the City under the Franchise Agreements or any other agreements the Company may have with the City) make the payments in the amounts described in (b) below to the New York City Economic Development Corporation or any successor in interest thereto ("EDC"), which amounts paid shall be used by EDC solely for the purpose of funding the "Media Lab Project" as defined in (c) below. If at any time, the Media Lab Project is terminated or for any other reason is no longer being funded, any funds paid to EDC which have not been expended up to that point for the Media Lab Project shall be promptly refunded to the Company, and any obligation of the Company to make further payments thereafter as described in (b) below shall be considered terminated.

(b) The amounts payable as described in the preceding paragraph (a) (and subject to the limitations described therein) shall be as follows: on the Effective Date, there shall be payable by the Company to EDC the amount of Five Hundred Thousand Dollars (\$500,000); on the first anniversary of the Effective Date, there shall be payable by the Company to EDC a further payment in the amount of Four Hundred Thousand Dollars (\$400,000); and thereafter on each succeeding anniversary of the Effective Date throughout the Term of the Franchise Agreements, there shall be payable the amount of One Hundred Thousand Dollars (\$100,000). If the obligation described in this Section 3. of this Letter Agreement remains in effect throughout the full scheduled Term of the Franchise Agreement, the total amounts paid as described in this paragraph (b) will add up to, in the aggregate, One Million Six Hundred Thousand Dollars (\$1,600,000).

(c) The City shall annually (i) provide to the Company a written budget for the Media Lab Project for the upcoming year, which shall include, among other things, a description of how the funds to be provided by the Company for that year will be used, and (ii) provide a written report to the Company on the status of the Media Lab Project, which shall include, among other things, a description of how the funds provided by the Company were spent during the prior year.

(d) The "Media Lab Project" as described herein shall mean the effort being initiated by EDC to develop and thereafter implement a collaborative program of media-related research activities in coordination with academic institutions and other potential research partners in the City of New York, which project is expected to include initiatives such as the development of administrative, physical and information resources to support the coordination and execution of such media-related research activities across different institutions operating in New York City.

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