

## **ATTACHMENT A**

**A RESOLUTION ACCEPTING THE TERMS OF A PROPOSED NEGOTIATED  
SETTLEMENT OF AUDIT OF TIME WARNER CABLE OPERATIONS  
FROM 2002 – 2005 WHICH TIES ACCEPTANCE OF A REDUCED  
SETTLEMENT PAYMENT TO FURTHER COMPLIANCE  
WITH THE FRANCHISE AGREEMENT  
Resolution No. 03/2006-07**

WHEREAS, the Town has a written franchise agreement with cable operator Time Warner Cable, and

WHEREAS, the Town has an auditor periodically check the calculation of all payments due to the Town under this franchise agreement, and

WHEREAS, the franchise agreement is slightly unclear on some points and abundantly clear on others,

NOW THEREFORE BE IT RESOLVED, that the Town demands compliance with Section 28C of the franchise agreement, which states that the grantee (TWC) must provide the Town with its customer address lists;

BE IT FURTHER RESOLVED that, if Time Warner Cable agrees to provide these records on a regular basis, the Town will accept compromise on some of the slightly unclear points of the franchise and accept an audit resolution payment of \$2,500 based on that compromise.

BE IT FURTHER RESOLVED that if Time Warner Cable does not accept this offer, the Town will consider using other measures provided for in the franchise agreement to encourage full compliance with the agreement.

**Section 28. Books and Records – Inspection**

- A. The Grantor may inspect the books, records, maps, plans, and other documents, including financial documents, in the control or possession of the Grantee, affiliates, or any person that constitutes an operator of the Grantee's Cable System: (1) to enforce the Grantor's rights or evaluate compliance with the Franchise and applicable law or (2) in the exercise of any lawful regulatory power, or (3) as may be convenient in connection with any proceeding the Grantor may or must conduct under applicable law in accordance with the terms of this Franchise. The material may be duplicated at the Grantor's facilities unless the Grantee agrees to make inspection and copying available at some other place. Material that the Grantor requires the Grantee to produce under this Section shall be produced upon Reasonable Notice, no later than thirty (30) calendar days after the request for production. Requests for extensions of time to respond shall not be unreasonably denied.
- B. The Grantee may request that the Grantor treat any books, records, maps, plans and other documents of the Grantee containing trade secrets or proprietary information as confidential under the North Carolina Public Records Law. To the extent authorized by the Public Records law and other applicable state and federal law, the Grantor shall maintain the confidentiality of information designated "proprietary" by the Grantee. Should the Grantor receive a request to review the Grantee's records or books under the North Carolina Public Records Law, it will promptly notify the Grantee and provide an opportunity for the Grantee to raise an objection, demonstrate why the requested information is proprietary and, if necessary, seek a court order to protect its proprietary information. However, any action taken by the Grantee to protect its records or information shall be done at no cost or liability to the Grantor.
- C. The Grantor shall provide prompt notice of additions or deletions to its boundaries to the Grantee. To determine whether the Grantee is remitting Franchise Fees based upon revenues received from its customer(s) to the proper franchising authority, the Grantee shall cooperate with the Grantor by providing such information as it has reasonably available regarding its customers' addresses consistent with 47 U.S.C. §551.

**ATTACHMENT C**

Brad Phillips  
Vice President, Government and Public Affairs  
101 Innovations Avenue, Suite 100  
Morrisville, NC 27560

22 May 2006

Dear Mr. Phillips,

I appreciated your recent visit to Carrboro and understand that you are intent on minimizing the amount of work and cost that our local franchise cause for Time Warner Cable (hereafter TWC). My attitude, on behalf of the Town of Carrboro, is exactly the same. First and foremost, the way to achieve this is for both the Town and TWC to adhere closely to the provisions of the existing franchise agreement between TWC and the Town of Carrboro.

For the purposes of settling the issues arising from the audit, I wanted to let you know that I am proposing to the Board of Alderman that they accept the \$2,500 payment discussed at our last meeting on one condition. That condition is that TWC would come into compliance with Section 28C of the franchise agreement between the Town and TWC. According to this provision, you would begin to provide us (annually) your customer addresses for Carrboro. Because it was discussed earlier, we must also be clear that the Town does not accept any conditions regarding our right to share this information with any auditor hired by the Town to check franchise compliance.

I hope this proposed settlement is acceptable to you and that you will agree that further escalation is both unnecessary and would be costly to one or both of us.

Yours,

Steve Stewart, Town Manager  
Town of Carrboro