

(4)



December 5, 2005

Mr. Calvin Horton
Town Manager
Town of Chapel Hill
306 N. Columbia Street
Chapel Hill, NC 27516

Dear Mr. Horton:

Via Certified Mail/Return Receipt Requested

I am writing to inform you of upcoming changes in pricing and channel lineups for your area. As you already know, according to federal law, Time Warner Cable, (TWC) is allowed to adjust rates only once a year. Typically this is done to coincide with the new calendar year with new rates being in effect by January.

During 2005 TWC has deployed exciting new technology. Not only do our customers enjoy more choices in information and entertainment but they now can choose enhanced, higher speed on line services. Our Digital Phone service has grown rapidly due to excellent quality of service and toll free calling in the US and Canada. In addition, News 14 Carolina continues to be a proven leader in local news, weather and sports. We are proud that the cable system in the Raleigh Division of Time Warner Cable is comparable to any other system in the country.

Excellence in customer service has always been our goal. We strive to improve customer service, both in our telephone call center and our field technicians through more frequent and in-depth training. All TWC employees are equipped with all the tools and technology they need to assist customers in any way. Technicians have lap top computers in every truck to ensure timely and accurate installations and service calls. We realize that exemplary customer service is a journey, not a destination and we will continue to listen to our customers in order to improve.

As many North Carolina companies have been impacted by the upward spiral of costs required to deliver products and services, so has the cable industry. The prices we pay for network programming have increased much faster than the rate of inflation. The cost of providing benefits, equipping and training employees has risen steadily. As I have often said before, we never like announcing changes in prices. We do all we can to hold those prices down. Nevertheless, beginning December 7, 2005 customers will be notified by a billing statement and newsletter bill inserts that their rates for 2006 will be changing.

I am excited to announce some good news; the price for the Basic Service tier is going down or remaining flat across the division for the second year in a row.

Below is a chart outlining the changes for your community. A complete channel line up is also attached.

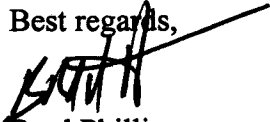
Franchise #520	Current	New Price
Basic Service	14.50	No change
Standard Service	31.75	34.00
Digital Cable Box	7.62	7.64
Remote Control	.33	.31

Franchise #710	Current	New Price
Basic Service	10.60	No change
Standard Service	32.90	35.20
Digital Cable Box	7.62	7.64
Remote Control	.33	.31

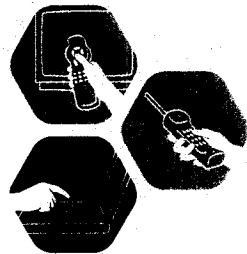
Please feel free to call me directly at 919-573-7040 if you have questions.

It is a pleasure to serve the almost 500,000 customers in the Raleigh Division. We look forward to a great 2006 with a continued commitment to our customers and the communities we serve.

Best regards,



Brad Phillips
Vice President
Government and Public Affairs

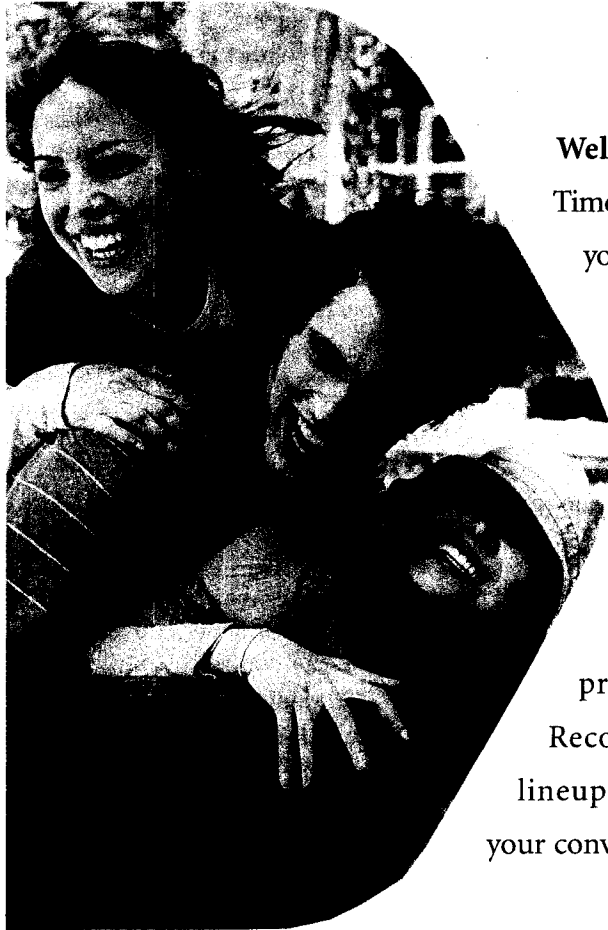


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Stay Connected

Information about your Time Warner Cable Service

Winter 2006



Welcome to Stay Connected, your Time Warner Cable newsletter. Inside you will find exciting information on how you can save money by bundling cable, high-speed Internet and home phone services. Also included is information on our new channels, such as CSTV, TV One and Daystar, plus High-Definition programming and Digital Video Recorders. An updated channel lineup is printed on the back for your convenience.

Our customers are our number one priority.

If you have any questions or would like additional information, please visit our website at www.twcnc.com or call 1-866-4-TWC-NOW.



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Thank you for being a Time Warner Cable Customer!



Time Warner Cable is committed to offering you the best products in TV, Internet, and home phone service. Now more than ever before, our services are aimed at keeping you entertained, informed and in touch. Our Digital Cable customers have access to over 300 all-digital channels of the most popular programming, including news, sports, movies, music, special interest and children's programming. Our customers maximize their enjoyment of online activities at blazing speeds with Road Runner High Speed Online. Our Digital Phone customers can call and talk as long as they want, anywhere in North Carolina, the U.S., and Canada, for one low monthly price.

Time Warner Cable is also about choice. Over the past year, we added the following channels to our lineup: **CSTV, TV One, HD Movies On Demand, Galavision, Telefutera, TV Guide Spot On Demand, TNT On Demand and TBS On Demand.** Effective January 3, 2006, all Digital customers will begin receiving **Daystar** and **THE WORD Network.** There's more. Road Runner customers can now choose to add AOL® to their Road Runner service at no additional cost.

We are also pleased to announce that we are carrying 50 Charlotte Bobcats games live on News 14 Carolina. Go to www.news14.com for an updated schedule.

Additional information about all of these services and a new channel lineup are included in this newsletter. We hope you will take a few moments to look through this information. To enable us to continue providing you, our valued customer, with the outstanding choice of quality programming, excellent customer service and the benefits of new technology you have come to expect from Time Warner Cable, it is necessary to make an annual adjustment to our prices. Information regarding this adjustment along with channel changes is included on the back of this month's billing statement.





Again, thank you for being a Time Warner Cable customer. We're committed to delivering the level of service you deserve and expect every day. We truly appreciate your business.

Sincerely,
Time Warner Cable



New Channels!

Now Available

 Channel 327	Catch NCAA regular season and championship coverage from every major collegiate sport.	 Channel 101	Watch originals such as <i>TV One Access</i> , <i>B.B. Smith with Style</i> and <i>Get the Hook Up</i> along with classic shows like <i>Roc</i> , <i>Martin</i> and <i>Boston Public</i> .
Coming January 3, 2006			
 Channel 193	The undisputed source for urban ministries and gospel music.	 Channel 192	Religious channel offering schedules, employment information and airtime sales.

These and other new channels are included in the channel lineup on the back of this newsletter.



Did You Know?



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Digital Cable

- **Did you know** that you can receive a free cooking lesson any time you want, simply by tuning to Food Network On Demand on Channel 542?
- **Did you know** that you have access to 46 channels of continuous commercial-free music and you can play music videos whenever you want using Music On Demand and AOL Music On Demand on Channels 549 and 550?
- **Did you know** that you have Karaoke built right into your TV screen? Tune to Oxygen On Demand on Channel 538 and select "Air Karaoke," then start singing!



High Speed Online

- **Did you know** that you can choose to add AOL® to your Road Runner service at no extra charge?
- **Did you know** that Road Runner customers can access free EZ Armor Security Software simply by visiting www.rr.com?
- **Did you know** that you can save \$5 a month on Road Runner when you bundle it with Digital Cable?



Digital Phone

- **Did you know** Time Warner Cable's unlimited local and free long distance home phone service could help you save money spent on high cell phone package plans? Save those cell phone minutes for when you're away from home and enjoy unlimited calling when you're at home?
- **Did you know** that you can check your voicemail while you're away from home by calling 919-765-0700 or by dialing your home phone number and pressing *5?
- **Did you know** that you can save \$10 a month on Digital Phone when you bundle it with Digital Cable and Road Runner High Speed Online?



Did you know that you can bundle your services together and save money every month – all year long? That's the Power of You!

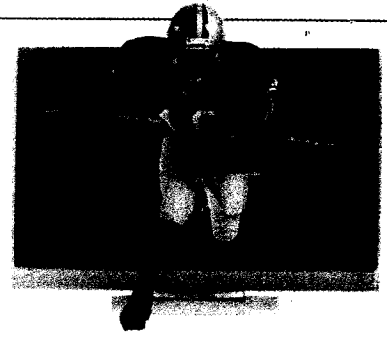
CABLE

HIGH-SPEED ONLINE

DIGITAL PHONE

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Is an HDTV on your holiday shopping list? Let us know and we'll hook you up with an HD cable box.

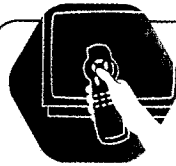


You'll have access to these HD channels:

Ch. 201 UNC	Ch. 211 WTVD	Ch. 217 WNCN	Ch. 250 WRAZ	Ch. 255 WRAL	Ch. 280	Ch. 281
Included FREE with Digital HD Service						
Ch. 285*	Ch. 288*	Ch. 290	Ch. 291	Ch. 292	Ch. 293	Ch. 294
HD Premiums			HD Suite			



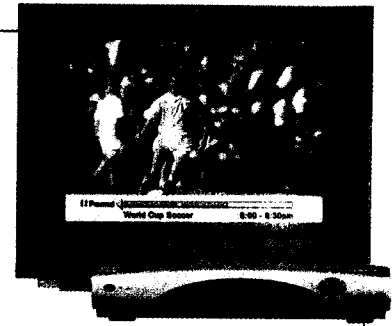
* Included FREE with your subscription to HBO* or SHOWTIME. HDTV and HD box required to receive high-definition programming from Time Warner Cable. HD Suite is available for \$6.95/mo. HD Movies On Demand are priced at \$3.95 each.



Want to find out what the buzz is all about?

With a DVR you can:

- Watch one show and record another at the same time
- Record two shows at the same time
- Pause live TV and create your own instant replays
- Pause, fast-forward and rewind your recorded programs
- Set parental controls on what can be recorded and viewed
- Save up to 50 hours of programming to watch whenever you want



Digital Cable is required. Equipment rates apply. Supplies may be limited.

Are You a Digital Cable Customer? Get a FREE Movie!

1. Tune to Channel 501 and order the movie of your choice.
2. Completely fill out your information on this coupon.
3. Mail this coupon to the following address:
Time Warner Cable
Attn: Customer Accounting
P.O. Box 568
Morrisville, NC 27560
4. You will receive a credit on your account within 6 to 8 weeks.

Movies On Demand

Name: _____
 Address: _____
 City: _____
 State: _____ Zip: _____
 Account Number: _____
 Movie Purchased: _____

In order to receive credit for your Movie On Demand, you must mail this coupon to the address listed. Please do not mail this coupon with your bill payment. Coupon does not apply to events. You will receive a credit on your account within 6 to 8 weeks. Offer for \$1.95 to \$3.95 movies only. Maximum value \$3.95. Digital box required to order Movies On Demand. Franchise fees are additional. Other restrictions may apply. Coupon expires 3/31/06.

CABLE

HIGH-SPEED ONLINE

DIGITAL PHONE

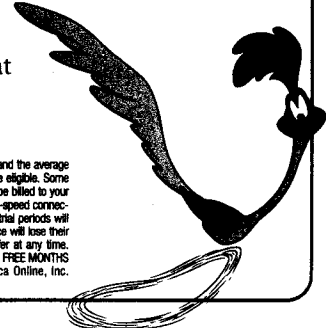


Tired of slow downloads?

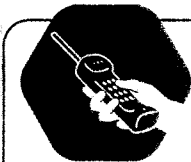
- Leave Dial-Up & DSL in the Dust – Enjoy faster surfing and downloads, plus a superior always-on connection at speeds up to 100x faster than dial-up and up to triple the speed of DSL's standard package*
- Get blazing-fast Internet on every computer in the house from one wireless connection with Wireless Home Networking
- Choose to include AOL® with Your Road Runner Service for One Great Price – Get the best of both worlds: blazing-fast Road Runner speed combined with the industry-leading security tools, convenience and unique content of AOL

ROAD RUNNER
HIGH SPEED ONLINE™

AOL



*Speed comparisons based on Road Runner's maximum download speed of 5.0 Mbps versus the maximum speeds of standard DSL package's 1.5 Mbps and the average of a 28k and 56k modems' maximum download speeds. Actual speeds may vary. Must be 18 or older. AOL® members on commitment plans may not be eligible. Some other restrictions may apply. Premium services carry surcharges and communication surcharges may apply in certain areas. These additional charges will be billed to your AOL payment method on file. Customers using dial-up access may also incur charges on their phone bills depending on calling plan and location. Until high-speed connection is activated, your current AOL price plan, terms, and payment method will apply. Upon activation of high-speed connection, (a) AOL members on free trial periods will lose any time remaining on their free trials, and (b) AOL members receiving any other promotional offers/benefits/rewards in conjunction with the AOL service will lose their eligibility to receive such benefits/rewards. Subject to change without notice. Road Runner and AOL reserve the right to discontinue any feature or offer at any time. Customers who cancel Road Runner with AOL service must first cancel the Road Runner service and then separately cancel the AOL service. AOL-AWARDED FREE MONTHS DO NOT APPLY TO BUNDLED SERVICE. AOL is a registered trademark of America Online, Inc. The Triangle design is a trademark of America Online, Inc. All other names are trademarks or service marks of their respective holders. ©2005 America Online, Inc. All rights reserved.



Want the freedom to talk as long as you want...whenever you want?

With Digital Phone from Time Warner Cable you'll get:

- Unlimited local, in-state and FREE long distance calls
- Caller ID, Call Waiting, Call Forwarding, Speed Dialing and MORE are included at no extra charge
- E911 - emergency dispatch will be able to identify your address in case of a 911 emergency
- Keep your existing phone number and use your current phone and jacks

The More Time Warner Cable Services You Have, The More You Save on Digital Phone!

Digital Phone residential flat rate price. <small>(Rate for customers who do not subscribe to any other Time Warner Cable services.)</small>	\$49.95/mo
Monthly price when you subscribe to Time Warner Cable High Speed Online <u>or</u> Cable Services.	\$44.95/mo
Monthly price when you subscribe to Time Warner Cable High Speed Online <u>and</u> Cable Services.	\$39.95/mo <small>BEST VALUE</small>

Offer valid to residential customers in Time Warner Cable serviceable areas only. Digital Phone may not be available in all Time Warner Cable serviceable areas. Digital Phone does not include backup power and, as in the case with an electric-powered home cordless phone, should there be a power outage, Digital Phone will not be available. Other restrictions may apply. Additional charges apply for Directory Assistance, Operator services and International calls (excluding Canada).



CABLE

HIGH-SPEED ONLINE

DIGITAL PHONE

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Enjoy Great Programming All Through The House!

With Time Warner Cable, There's Always Something for Everyone! New or moved channels are in bold.

BASIC

- 0/98 TV Guide Channel
- 2 WNCN (NBC)
- 3 WRAL (CBS)
- 4 Educational Programming
- 5 WRAY (IND)
- 6 WTVD (ABC)
- 7 Home Buyers Channel
- 8 Community Programming
- 9 WUNC (PBS)
- 10 WLEL (WB)
- 11 WUVU (Univision)
- 12 WRDC (UPN)
- 13 WRZA (FOX)
- 14 News 14 Carolina
- 15 HSN
- 16 QVC
- 18 C-SPAN (Durham)/Gov. Access/CSPAN2 (Chapel Hill)
- 19 BET
- 20 Teletutura
- 21 WGN
- 22 WRPX (PAX)
- 24 Triangle TV

STANDARD

- 25 USA Network
- 26 TNT
- 27 A&E
- 28 ABC Family
- 29 CNN
- 30 Discovery
- 31 ESPN
- 32 ESPN2
- 33 Lifetime
- 34 TBS
- 35 Discovery Health
- 36 Comedy Central
- 37 CNBC
- 38 AMC
- 39 TLC
- 40 Spike TV
- 41 Headline News
- 42 Weather Channel
- 43 Nickelodeon
- 44 Court TV
- 45 MSNBC
- 46 Animal Planet
- 47 Lifetime Movie Network
- 48 VH1
- 49 Sci-Fi
- 50 Fox Sports Net
- 51 The Golf Channel
- 53 MTV
- 54 TV Land
- 55 Oxygen
- 56 History Channel
- 57 Disney
- 58 Fox News
- 59 C-SPAN (Chapel Hill only)
- 60 C-SPAN2
- 61 Women's Entertainment
- 62 E!
- 63 SoapNet
- 64 ShopNBC
- 65 OLN
- 66 ESPN Classic
- 67 Turner Classic Movies
- 68 FiTV
- 69 CMT
- 70 National Geographic
- 71 FX
- 72 Inspirational Network
- 73 Hallmark Channel
- 74 Travel Channel
- 75 Cartoon Network
- 76 HGTV
- 77 Food Network

DIGITAL VARIETY

- 100 News 14 Carolina Weather Now
- 101 TV One
- 110 Discovery Kids
- 111 The Science Channel
- 112 Military Channel
- 114 Discovery Times
- 115 Discovery Home Channel
- 116 BBC America
- 117 The Biography Channel
- 118 History Channel International
- 119 CNBC World
- 120 C-SPAN3
- 122 Current TV

123 G4

- 124 Bloomberg TV
- 125 Ovation
- 126 Trio
- 129 Black Family Channel
- 130 BET on Jazz
- 131 GAC
- 132 MTV2
- 133 Fuse
- 134 VH1 Classic
- 135 MTV Hits
- 142 ESPN News
- 144 Fox Soccer Channel
- 148 Speed Channel
- 149 Outdoor Channel
- 150 Do It Yourself
- 151 Fine Living
- 160 America's Store
- 161 GSN
- 162 Style
- 170 IFC
- 171 Lifetime Real Women
- 180 Toon Disney
- 181 Disney (East)
- 182 Disney (West)
- 183 Games and Sports
- 184 Noggin
- 185 Boomerang
- 190 AmericanLife TV Network
- 191 TBN
- 192 Daystar
- 193 The Word Network
- 200 UNC-TV
- 202 UNC Kids
- 203 UNC Educational
- 204 UNC NC
- 212 WTVD (ABC) D2
- 213 WTVD (ABC) D3
- 218 WNCN (NBC) SD
- 219 WNCN (NBC) Weather Plus
- 251 WRZA (FOX) D2
- 252 WRZA (FOX) Weather
- 256 WRAL (CBS) 24 Hr. News
- 310 Encore (East)

HIGH-DEFINITION*

- 201 UNC (PBS) HD
- 211 WTVD (ABC) HD
- 217 WNCN (NBC) HD
- 250 WRZA (FOX) HD
- 255 WRAL (CBS) HD
- 280 Discovery HD Theater
- 281 TNT in HD
- 285/411 HBO HD**
- 286/451 SHOWTIME HD**

HD SUITE*

- 290 ESPN HD
- 291 INHD
- 292 INHD2
- 293 HDNet
- 294 HDNet Movies
- 299/502 HD Movies On Demand

CINEMA CHOICE

- 190 AmericanLife TV Network
- 300 Flix (East)
- 301 Flix (West)
- 302 Sundance (East)
- 303 Sundance (West)
- 304 Fox Movie Channel

ENCORE MOVIE PAK

- 310 Encore (East)
- 311 Encore (West)
- 312 Encore Action
- 313 Encore Love
- 314 Encore Mystery
- 315 Encore Drama
- 316 Encore Westerns
- 317 Encore Wam!

DIGITAL SPORTS

- 144 Fox Soccer Channel
- 148 Speed Channel
- 149 Outdoor Channel
- 320 Fox College Sports Atlantic
- 321 Fox College Sports Central
- 322 Fox College Sports Pacific
- 324 NBA TV
- 325 Tennis Channel
- 326 Fuel
- 327 CSTV

NUUESTRA TELE

- 380 Discovery Español
- 381 CNN Español
- 382 Canal Sur
- 383 Cine Latino
- 384 Fox Sports World Español
- 385 MTV Español
- 386 Video Rola
- 387 Puma TV
- 388 mun2
- 389 Boomerang Español
- 390 Galavision

PREMIUM

- 395 HBO Latino
- 400 HBO (East)
- 401 HBO2 (East)
- 402 HBO Family (East)
- 403 HBO Signature (East)
- 404 HBO Comedy
- 405 HBO Zone
- 407 HBO (West)
- 408 HBO2 (West)
- 409 HBO Family (West)
- 410 HBO Signature (West)
- 420 CineMAX (East)
- 421 MoreMAX (East)
- 422 ActionMAX (East)
- 423 ThrillerMAX (East)
- 424 WMax
- 425 @Max
- 426 5StarMax
- 427 OuterMax
- 428 CineMAX (West)
- 429 MoreMAX (West)
- 430 ActionMAX (West)
- 431 ThrillerMAX (West)
- 440 SHOWTIME (East)
- 441 SHOWTIME Too (East)
- 442 Showcase (East)
- 443 SHOWTIME Extreme
- 444 SHOWTIME Beyond
- 445 SHOWTIME Next
- 446 SHOWTIME Women
- 447 SHOWTIME Zone
- 448 SHOWTIME (West)
- 449 SHOWTIME Too (West)
- 450 Showcase (West)
- 460 THE MOVIE CHANNEL
- 461 THE MOVIE CHANNEL Xtra
- 470 Starz
- 471 Starz Edge
- 472 Starz in Black
- 473 Starz Kids & Family
- 474 Starz Cinema
- 480 QTV

ON DEMAND

- 500 Answers On Demand
- 501 Movies On Demand
- 510 Here TV On Demand
- 800 Adult On Demand

FREE ON DEMAND

- 514 News 14 On Demand
- 535 Fine Living On Demand
- 536 G4 On Demand
- 538 Oxygen On Demand
- 539 Court TV On Demand
- 540 DIY On Demand
- 541 HGTV On Demand
- 542 Food Network On Demand
- 543 BBC On Demand
- 544 Comedy Central On Demand
- 545 A&E On Demand
- 546 The Golf Channel On Demand
- 547 CNN Showcase On Demand
- 548 Cartoon Network On Demand
- 549 Music On Demand
- 550 AOL Music On Demand
- 551 TV Guide Spot On Demand
- 552 Kids On Demand
- 553 TNT On Demand
- 554 TBS On Demand

PREMIUMS ON DEMAND**

- 412/530 HBO On Demand
- 432/531 Cinemax On Demand
- 452/532 SHOWTIME On Demand
- 462/533 THE MOVIE CHANNEL On Demand

IN DEMAND PAY-PER-VIEW

- 600 IN DEMAND Previews
- 601 Events IN DEMAND
- 602 Events-IN DEMAND 2
- 603-610 IN DEMAND 3-10

SPORTS PACKAGES

- 701-706 ESPN GamePlan (Aug-Nov)
- 701-706 ESPN Full Court (Nov-Mar)
- 710-719 NBA League Pass (Oct-Apr)
- 717-720 MLS Direct Kick (Apr-Nov)
- 731-740 MLB Extra Innings (Apr-Sep)
- 731-740 NHL Center Ice (Oct-Apr)
- 750-756 NASCAR IN CAR (Feb-Nov)

ADULT

- 800 Adult On Demand
- 801 Playboy
- 802 Playboy en Español
- 805 Pleasure
- 806 TEN Clips
- 807 TEN
- 808 TEN Blue
- 809 TEN Blox

MUSIC CHOICE

- 900 Showcase
- 901 Today's Country
- 902 Classic Country
- 903 Bluegrass
- 904 R&B and Hip-Hop
- 905 Classic R&B
- 906 Smooth R&B
- 907 R&B Hits
- 908 Rap
- 909 Metal
- 910 Rock
- 911 Arena Rock
- 912 Classic Rock
- 913 Alternative
- 914 Retro-active
- 915 Electronica
- 916 Dance
- 917 Adult Alternative
- 918 Soft Rock
- 919 Hit List
- 920 Party Favorites
- 921 90s
- 922 80s
- 923 70s
- 924 Solid Gold Oldies
- 925 Singers and Standards
- 926 Big Band & Swing
- 927 Easy Listening
- 928 Smooth Jazz
- 929 Jazz
- 930 Blues
- 931 Reggae
- 932 Soundscapes
- 933 Classical Masterpieces
- 934 Opera
- 935 Light Classical
- 936 Show Tunes
- 937 Contemporary Christian
- 938 Gospel
- 939 Radio Disney
- 940 Sounds of the Seasons
- 941 Musica Urbana
- 942 Salsa y Merengue
- 943 Rock En Español
- 944 Pop Latino
- 945 Americana

Basic Service is required to receive all other services. Digital, Premium, PPV, On Demand and Adult channels are available for an additional charge and require special equipment. Multi-Channel or On Demand Premium Services available only when subscribing to the corresponding traditional Premium Channel. Programming is subject to change. Effective 1/3/06.

*High-Definition television and HD box required.

**Premium Service required.

