AGREEMENT BETWEEN CHARTER COMMUNICATIONS, INC., CCO SOCA , LLC AND THE CITY OF GONZALES, CALIFORNIA

This Agreement ("Agreement") is entered into by and between CCO SoCal I, LLC ("Franchisee"), Charter Communications, Inc. ("Charter") and the City of Gonzales, California (the "City"), (jointly, "the Parties") and is effective as of the date of the latter of the last signature shown hereon, or the date approved by the City Council (the "Effective Date").

WHEREAS, Franchisee currently operates cable systems offering cable services to all residential units in the areas of the City that are zoned for residential use and to certain businesses within portions of the City pursuant to the California Digital Infrastructure Video and Competition Act of 2006 ("DIVCA")¹ (referred to herein as the "Gonzales System")²; and

WHEREAS, on May 23, 2015, Franchisee's parent Charter entered into agreements with Time Warner Cable Inc. ("TWC"), Advance/Newhouse Partnership ("A/N"), and Liberty Broadband Corporation ("Liberty") in order to merge with TWC to form a company that is identified in the merger documents as CCH I, LLC ("New Charter") (the "Transaction"); and

WHEREAS, on July 2, 2015, Charter, TWC and A/N along with certain affiliates and subsidiaries of these parties applied to the California Public Utilities Commission ("Commission") for, among other things, an approval of a transfer of control, which does not include Franchisee, to New Charter (the "Application")³; and

WHEREAS, the City intervened in the Application proceeding and among other things raised concerns about the level of service provided by Franchisee via the Gonzales System, and asked the Commission to condition any approval of the Application on an upgrade of the Gonzales System; and

WHEREAS, as part of this Agreement and in tight of the commitments Charter is making relating to the issues that are important to the City, the City agrees to notify the Commission and

² Charter's commitments set forth in this Agreement to upgrade its system in the City is intended to apply solely to the areas in the City where Charter's existing network currently provides cable services.

California Public Utilities Code Section 5800 et seq. (2006).

³ Joint Application of Charter Communications, Inc.; Charter Fiberlink CA-CCO, LLC (U6878C); Time Warner Cable Inc.; Time Warner Cable Information Services (California), LLC (U6874C); Advance/Newhouse Partnership; Bright House Networks, LLC; and Bright House Networks Information Services (California), LLC (U6955C) Pursuant to California Public Utilities Code Section 854 for Expedited Approval of the Transfer of Control of both Time Warner Cable Information Services (California), LLC (U6874C) and Bright House Networks Information Services (California), LLC (U6955C) to Charter Communications, Inc., and for Expedited Approval of a pro forma transfer of control of Charter Fiberlink CA-CCO, LLC (U6878C); (Application 15-07-009).

the other intervening parties in the Application proceeding of its withdrawal as a party, and to withdraw its prepared testimony.

NOW THEREFORE, in consideration of the mutual covenants and promises and mutual benefits set forth in this Agreement, the Parties enter into this Agreement as follows:

1. UPGRADE COMMITMENT.

- a. Franchisee shall, within three (3) years of Commission approval of the Application, complete an upgrade to the Gonzales System to an interactive two-way network. Such network shall provide at a minimum: 1) broadband Internet of a quality and speed equivalent to offerings by Charter or its affiliates in Santa Cruz and San Benito Counties (including but not limited to speeds of at least 60 Mbps download and 4 Mbps upload (Charter's current base broadband speed offering)); 2) video on demand and digital video and high definition cable television services; and 3) Voice over Internet protocol services. To the extent Charter or its affiliates increase the speed or quality of high speed broadband Internet offerings in Santa Cruz or San Benito Counties, Charter will provide at a minimum the equivalent Internet speeds and quality in the City.
- b. The commitments in Section 1(a) shall apply for five years from the date that Franchisee completes the upgrade required herein. The upgrade obligation in Section 1(a) shall only apply if the Transaction closes; and in addition, if a service specified in 1(a) is not offered by Charter or its affiliates in either Santa Cruz or San Benito Counties, Charter need not offer the service in the City.
- c. Franchisee shall timely apply for and act to obtain such permits, easements, right of way access and utility make-ready to ensure upgrades are completed in a timely manner. Charter shall take any actions necessary itself or through its subsidiaries to ensure that Franchisee has access to all rights required to ensure that upgrades are completed in a timely manner.
- d. Franchisee may obtain reasonable extensions of time for upgrading the Gonzales System where completion of the upgrade is delayed associated with a delay in the timely receipt of any necessary governmental, regulatory and third party permits, licenses and approvals, including but not limited to pole attachments permits, easements, rights of way access and utility make-ready requests, provided Franchisee has promptly notified the City of the nature and expected duration of such delay, uses reasonable endeavors to mitigate the effect of any delay, and thereafter keeps the City informed until such time as the cause for the delay ends.
- e. Franchisee will provide a written, quarterly report to City regarding the status of the upgrade. The first report, which will be submitted no later than June 30, 2016, will generally describe the work that will be associated with the upgrade, and the sequence and a timeline for performing and completing the work sequences. Thereafter, at the end of each quarter, Franchisee will provide a written report identifying the work that

has been performed, and identifying any material event that may delay the completion of the project.

2. CITY COMMITMENTS.

- a. The City will appoint an Ombudsman that will serve as a point of contact for Franchisee, and who will work with Franchisee to streamline the processes for applying for permits and other authorizations that Franchisee may require from the City to complete the upgrades to the Gonzales System.
- b. Promptly after the Effective Date, City will submit a formal filing to withdraw as a party from the Commission's Application proceeding, including notice of the withdrawal of its prepared testimony. The City will submit a copy of this Agreement as an exhibit to its filing to withdraw as a party, but will not make any other filings other than its withdrawal in that proceeding, or subsequently seek to intervene or otherwise participate in that proceeding so long as Charter: (a) does not substantially modify the proposed Transaction in a manner that is inconsistent with this Agreement or materially adverse to the City-specific interests identified in the City's December 8, 2105 motion to intervene; or (b) take any additional action in that proceeding that is materially adverse to the City-specific interests identified in such motion; or (c) take any action in any proceeding that is inconsistent with this Agreement. Provided, that, if the Application is not approved or the Transaction does not close for any reason, the foregoing obligations under Section 2(b) shall no longer apply, and, without limitation, City may commence or participate in any proceeding to require Franchisee or Charter to upgrade its Gonzales System.
- 3 MUTUAL COMMITMENTS. The City and Franchisee will meet periodically throughout the initial upgrade to discuss the status of the upgrade, and any impediments to the upgrade, and possible ways to address those impediments.
- 4. EFFECT ON APPLICATION CONDITIONS. This Agreement is not meant to relieve Franchisee, Charter or New Charter (or any of their affiliates) of any obligations that may be imposed upon them in connection with the disposition of the Application, or in connection with any other proceeding related to the Transaction, and will not serve to limit the applicability of any condition or benefit that would otherwise apply within the City.
- 5. NOTICES. Any notice that is required or permitted under this Agreement may be given by mail, courier, or hand delivery addressed as follows:

If to the City:

Harold R Wolgamott City of Gonzales Special Projects Director Deputy Emergency Services Director 117 Fourth Street Gonzales CA 93926

With a copy to:

Rene Mendez City Manager City of Gonzales 117 Fourth Street Gonzales CA 93926

If to Charter:

Charter Communications 12405 Powerscourt Drive St. Louis, MO 63131 ATTN: VP, Government Affairs

With a copy to:

Charter Communications 12405 Powerscourt Drive St. Louis, MO 63131 ATTN: Legal Department

- 6. TITLES AND CAPTIONS. Titles and captions contained in this Agreement are inserted as a matter of convenience and for reference and are not intended and shall not be construed to define, limit, extend or otherwise describe the scope of this Agreement or any provision of this Agreement.
- 7. INTEGRATION; MODIFICATION AND AMENDMENT. This Agreement constitutes the entire agreement of the parties and supersedes all prior negotiations, agreements, and understandings. No modification of any of the terms or provisions of this Agreement shall be binding on any Party to this Agreement unless made in writing and signed by a duly authorized representative of such Party.
- 8. GOVERNING LAW. This Agreement shall be interpreted in accordance with California law. Venue for any dispute regarding this Agreement shall be in the Superior Court of California, Monterey County, or in the federal district court for the County.
- 9. EXECUTION IN COUNTERPARTS. This Agreement may be executed in any number of copies by the Parties to this Agreement on separate counterparts and will become effective upon signature by all Parties upon one of more such counterparts.

- 10. AGREEMENT BINDING ON SUCCESSORS AND ASSIGNS. This Agreement is binding on the parties and their successors and assigns, whether voluntary or involuntary, and including specifically, on New Charter.
- 11. REPRESENTATION ON AUTHORITY OF PARTIES/SIGNATORIES. Each person signing this Agreement represents and warrants that he or she is duly authorized and has legal capacity to execute and deliver this Agreement. Each party represents and warrants to the other that the execution and delivery of the Agreement and the performance of such party's obligations hereunder have been duly authorized and that the Agreement is a valid and legal agreement binding on such party and enforceable in accordance with its terms.

IN WITNESS WHEREOF, the Parties hereto have executed and delivered this Agreement as of the dates shown below:

CCO SOCAL I, LLC	CITY OF GONZALES
By Charter Communications, Inc., its manager	
How E Jalle	4
Adam Falk,	Rene Mendez
SVP Government Affirs	City Manager
Date: <u>c2</u> , <u>c?</u>	Date: 2/22/16
CHARTER COMMUNICATIONS, INC.	
Adam Falk,	
SVP Government A	
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