

CITY OF LAKE ELMO
WASHINGTON COUNTY, MINNESOTA

ORDINANCE NO. 97-50
CITY OF LAKE ELMO

CABLE TELEVISION FRANCHISE ORDINANCE

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ORDINANCE NO. 97-50

AN ORDINANCE GRANTING A FRANCHISE TO MEDIAONE NORTH CENTRAL COMMUNICATIONS COR.P. TO CONSTRUCT, OPERATE, AND MAINTAIN A CABLE SYSTEM IN THE CITY OF LAKE ELMO; SETTING FORTH CONDITIONS ACCOMPANYING THE GRANT OF THE FRANCHISE; PROVIDING FOR REGULATION AND USE OF THE SYSTEM AND THE PUBLIC RIGHTS-OF-WAY IN CONJUNCTION WITH THE CITY'S RIGHT-OF-WAY ORDINANCE, IF ANY, AND PRESCRIBING PENALTIES FOR THE VIOLATION OF THE PROVISIONS HEREIN;

The City Council of the City of Lake Elm ordains:

STATEMENT OF INTENT AND PURPOSE

The City intends, by the adoption of this Franchise, to bring about the further development of a Cable System, and the continued operation of it. Such development can contribute significantly to the communication needs and desires of the residents and citizens of the City and the public generally. Further, the City may achieve better utilization and improvement of public services and enhanced economic development with the development and operation of a Cable System.

Adoption of this Franchise is, in the judgment of the Council, in the, best interests of the City and its residents.

FINDINGS

In the review of the request and proposal for renewal by Grantee and negotiations related thereto, and as a result of a public hearing, the City Council makes the following findings:

1. The Grantee's technical ability, financial condition, legal qualifications, and character were considered and approved in a full public proceeding after due notice and a reasonable opportunity to be heard;
2. Grantee's plans for constructing, upgrading, and operating the System were considered and found adequate and feasible in a full public proceeding after due notice and a reasonable opportunity to be heard;
3. The Franchise granted to Grantee by the City complies with the existing applicable Minnesota Statutes, federal laws and regulations; and
4. The Franchise granted to Grantee is nonexclusive.

SECTION 1.

SHORT TITLE AND DEFINITIONS

1. **Short Title.** This Franchise Ordinance shall be known and cited as the Cable Franchise Ordinance.
2. **Definitions.** For the purposes of this Franchise, the following terms, phrases, words, and their derivations shall have the meaning given herein, When not inconsistent with the context, words in the singular number include the plural number. The word "shall" is always mandatory and not merely directory. The word "may" is directory and discretionary and not mandatory.
 - a. **"Basic Cable Service"** means any service tier which includes the lawful retransmission of local television broadcast signals and any public, educational, and governmental access programming required by the Franchise to be carried on the basic tier, Basic Cable Service as defined herein shall not be inconsistent with 47 U.S.C. § 543(b)(7).
 - b. **"City"** means City of Lake Elmo, a municipal corporation, in the State of Minnesota, acting by and through its City Council, or its lawfully appointed designee.
 - c. **"City Council"** means the governing body of the City.
 - d. **"Cable Service" or "Service"** means "Cable Service" as defined by Minn. Stat. § 238.01 et seq. and 47 U.S.C § 521 et seq., as may be amended from time to time, including cable modem service to the extent consistent with federal law, but also including Institutional Network services.
 - e. **"Cable System" or "System"** means a network or facility consisting of antennas, fiber optic cables, transmitters and receivers, cables and amplifiers, towers, microwave transmission links, cablecasting studios, power supplies, pedestals, and any other conductors, converters, equipment or other facilities, designed and constructed for the purpose of producing, receiving, amplifying, storing, processing, switching, or distributing audio, video, or data signals, including digital or other forms of electronic signals, to customers within the City. System as defined herein shall not be inconsistent with the definitions set forth in Minn. Stat. § 238.02, subd. 3 and 47 U.S.C. § 522(7).
 - f. **"Class IV Cable Channel"** means a signaling path provided by a Cable System to transmit signals of any type from a Subscriber terminal to another point in the System.

- g. **"Commercial Need" or "Marketplace Need"** means such need or market demand which Grantee independently determines or City and Grantee may jointly determine requires action or performance by Grantee as specifically set forth in this Franchise. Any such joint determination shall be based upon evidence and information presented by City, Grantee and other interested parties at a duly noticed public proceeding. Grantee shall have an opportunity to present evidence regarding the level of market demand, the cost of meeting such demand and the availability of technologies to meet such demand. Any decision regarding Commercial or Marketplace Need which requires action by Grantee shall not be unreasonable.
- h. **"Commission"** means the Ramsey/Washington Counties Suburban Cable Communications Commission II, a municipal joint powers consortium comprised of the municipalities of Birchwood, Dellwood, Grant, Lake Elmo, Mahtomedi, Maplewood, North St. Paul, Oakdale, Vadnais Heights, White Bear Lake, White Bear Township and Willernie, Minnesota. In the event the City lawfully withdraws from the Commission, any reference to the Commission in this Franchise shall thereafter be deemed a reference to the City, and the rights and obligations related thereto shall, where possible, accrue pro rata to the City, pursuant to a transition agreement to be negotiated at such time by and between City, Commission and Grantee. The total burden of Grantee's obligations under this Franchise and Grantee's Franchise with the other member cities of Commission shall not be increased as a result of any such withdrawal.
- i. **"Converter"** means an electronic device which converts signals to a frequency acceptable to a television receiver of a Subscriber and by an appropriate selector permits a Subscriber to view all Subscriber signals included in the service.
- j. **"Drop"** means the cable that connects the ground block on the Subscriber's residence or institution to the nearest feeder cable of the System.
- k. **"FCC"** means the Federal Communications Commission and any legally appointed, designated or elected agent or successor.
- l. **"Franchise" or "Cable Franchise"** means this ordinance and the regulatory and contractual relationship established hereby.
- m. **"Grantee"** is MediaOne North Central Communications Corp., its lawful successors, transferees or assignees.
- n. **"Gross Revenues"** means all revenue received directly or indirectly by the Grantee, its affiliates, subsidiaries, parent, or person in which Grantee has

financial interest of five percent (5%) or more, from operation of its System within City to provide Cable Services including, but not limited to, all Cable Service fees, Franchise Fees, PEG Fees, late fees, Installation and reconnection fees, upgrade and downgrade fees, Converter rental fees, Lockout Device fees, fees related to commercial and institutional usage of the I-Net, Internet access, cable modem service fees, and interest. The term Gross Revenues shall not include advertising revenues, FCC regulatory fees, bad debt, or any taxes on services furnished by Grantee imposed by any municipality, state, or other governmental unit or refundable subscriber deposits.

- o. **"Installation"** means the connection of the System from feeder cable to the point of connection with the Subscriber Converter or other terminal equipment.
- p. **"Institutional Network"** or **"I-Net"** means the discrete communications network and services related to such network provided by Grantee to identified institutions as required by this Franchise.
- q. **"Lockout Device"** means an optional mechanical or electrical accessory to a Subscriber's terminal which inhibits the viewing of a certain program, certain channel, or certain channels provided by way of the Cable System.
- r. **"Memorandum of Understanding"** or **"MOU"** means that certain agreement dated March 9, 1995 regarding PEG access funding, creation of a "PEG Fee" and certain rate regulatory issues.
- s. **"Node"** means the transition point between optical light transmission (fiber optic cable) and the RF transmission (coaxial cable) of video and data signals being delivered to and received from the Subscriber's home, and all necessary equipment related to such transition point.
- t. **"Ramsey/Washington System"** means the Cable System operated pursuant to this Franchise and located in the member municipalities of the Commission.
- u. **"Pay Television"** means the delivery over the System of pay-per-channel or pay-per-program video signals to Subscribers for a fee or charge, in addition to the charge for other Basic Cable Services or other Cable Services.
- v. **"Person"** is any person, firm, partnership, association, corporation, company, or other legal entity.
- w. **"Proposal"** means the Proposal for Franchise Renewal dated August 19,

1997, submitted to the Commission by MediaOne which is incorporated herein by reference and attached hereto as Exhibit A.

- x. **"Right-of-Way" or "Rights-of-Way"** means the area on, below, or above any real property in City in which the City has an interest, and any public street, road, highway, freeway, lane, path, public way, alley, court, sidewalk, boulevard, drive, bridge, tunnel waterway, easement or right-of-way, parkway, park, skyway, or any other place, area, or real property owned by or under the control of City, or dedicated for use by City, use by the general public or use compatible with Cable System operations, including other dedicated Rights-of-Way for travel purposes and utility easements.
- y. **"Right-of-Way Ordinance"** means any ordinance of City codifying requirements regarding regulation, management and use of Rights-of-Way in City, including registration and permitting requirements.
- z. **"Standard Installation"** means any residential installation which can be completed using a Drop of 250 feet or less.
- aa. **"Subscriber"** means any Person who lawfully receives service via the System. In the case of multiple office buildings or multiple dwelling units, the "Subscriber" means the lessee, tenant or occupant.

SECTION 2.

GRANT OF AUTHORITY AND GENERAL PROVISIONS

1. **Grant of Franchise.** This Franchise is granted pursuant to the terms and conditions contained herein. Grantee shall comply with all provisions of its Proposal. Failure of Grantee to provide a System as described in its Proposal, or meet obligations and comply with all provisions therein, may be deemed a violation of this Franchise.
2. **Grant of Nonexclusive Authority.**
 - a. The Grantee shall have the right and privilege, subject to the permitting and other lawful requirements of City ordinance, rule or procedure, to construct, erect, install, operate, upgrade, repair, replace, reconstruct, rebuild, maintain and retain in, upon, along, across, above, over and under the Rights-of-Way in City a Cable System and shall have the right and privilege to provide Cable Service. The System constructed and maintained by Grantee or its agents shall not interfere with other uses of the Rights-of-Way. Grantee shall make use of existing poles and other above and below facilities available to Grantee to the extent it is technically and economically feasible to do so.
 - b. Notwithstanding the above grant to use Rights-of-Way, no Right-of-Way

shall be used by Grantee if City determines that such use is inconsistent with the terms, conditions, or provisions by which such Right-of-Way was created or dedicated, or with the present use of the Right-of-Way.

- c. This Franchise and the right it grants to use and occupy the Public Rights-of-Way shall not be exclusive and this Franchise does not, explicitly or implicitly, preclude the issuance of other franchises or similar authorization to operate Cable Systems within a Member City. Provided, however, that Grantor shall not authorize or permit another Person to construct, operate or maintain a Cable System on material terms and conditions which are, taken as a whole, more favorable or less burdensome than those applied to Grantee.
 - d. In the event another Person operates a Cable System authorized by Grantor on terms and conditions that are, taken as a whole, more favorable or less burdensome than the terms and conditions applicable to Grantee under this Franchise, the Grantor shall adjust any such terms and conditions in any other provider's authorization or this Franchise so that the terms and conditions under which such other Person operates, taken as a whole, are not more favorable or less burdensome than those that are applied to Grantee.
3. **Lease or Assignment Prohibited.** No Person may lease Grantee's System for the purpose of providing Service until and unless such Person shall have first obtained and shall currently hold a valid Franchise or other lawful authorization containing substantially similar burdens and obligations to this Franchise, including, without limitation, a requirement on such Person to pay franchise fees on such Person's use of the System to provide Cable Services, to the extent those would be such a requirement under this Franchise if Grantee itself were to use the System to provide such Cable Service. Any assignment of rights under this Franchise shall be subject to and in accordance with the requirements of Section 10.5.
4. **Franchise Term.** This Franchise shall be in effect for a period of fifteen (15) years from the date of acceptance by Grantee, unless sooner renewed, revoked or terminated as herein provided.
5. **Previous Franchises.** Upon acceptance by Grantee as required by Section 13 herein, this Franchise shall supersede and replace any previous Ordinance granting a Franchise to Grantee.
6. **Compliance with Applicable Laws, Resolutions and Ordinances.**
- a. The terms of this Franchise shall define the contractual rights and obligations of Grantee with respect to the provision of Cable Service and operation of the System in City. However, the Grantee shall at all times during the term of this Franchise be subject to all lawful exercise of the police power, local generally applicable ordinance authority, and eminent domain rights of City.

Except as provided below, any modification or amendment to this Franchise, or the rights or obligations contained herein, must be within the lawful exercise of City's police power, in which case the provision(s) modified or amended herein shall be specifically referenced in an ordinance of the City authorizing such amendment or modification. This Franchise may also be modified or amended with the written consent of Grantee as provided in Section 13.3 herein.

- b. Grantee shall comply with the terms of any City ordinance or regulation of general applicability which addresses usage of the Rights-of-Way within City which may have the effect of superseding, modifying or amending the terms of Section 3 and/or Section 8.5(c) herein, except that Grantee shall not, through application of such City ordinance or regulation of Rights-of-Way, be subject to additional burdens with respect to usage of Rights-of-Way which exceed burdens on similarly situated Rights-of-Way users.
- c. In the event of any conflict between Section 3 and/or Section 8.5(c) of this Franchise and any lawfully applicable City ordinance or regulation which addresses usage of the Rights-of-Way, the conflicting terms in Section 3 and/or Section 8.5(c) of this Franchise shall be superseded by such City ordinance or regulation, except that Grantee shall not, through application of such City ordinance or regulation of Rights-of-Way, be subject to additional burdens with respect to usage of Rights-of-Way which exceed burdens on similarly situated Rights-of-Way users.
- d. In the event any lawfully applicable City ordinance or regulation which addresses usage of the Rights-of-Way adds to, modifies, amends, or otherwise differently addresses issues addressed in Section 3 and/or Section 8.5(c) of this Franchise, Grantee shall comply with such ordinance or regulation of general applicability, regardless of which requirement was first adopted except that Grantee shall not, through application of such City ordinance or regulation of Rights-of-Way, be subject to additional burdens with respect to usage of Rights-of-Way which exceed burdens on similarly situated Rights-of-Way users.
- e. In the event Grantee cannot determine how to comply with any Right-of-Way requirement of City, whether pursuant to this Franchise or other requirement, Grantee shall immediately provide written notice of such question, including Grantee's proposed interpretation, to the City with copy to the Commission, in accordance with Section 2.9. The City or Commission shall provide a written response within fourteen (14) days of receipt indicating how the requirements cited by Grantee apply. Grantee may proceed in accordance with its proposed interpretation in the event a written response is not received within seventeen (17) days of mailing or delivering such written question.

7. **Rules of Grantee.** The Grantee shall have the authority to promulgate such rules, regulations, terms and conditions governing the conduct of its business as shall be reasonably necessary to enable said Grantee to exercise its rights and perform its obligations under this Franchise and to assure uninterrupted service to each and all of its Subscribers; provided that such rules, regulations, terms and conditions shall not be in conflict with provisions hereto, the rules of the FCC, the laws of the State of Minnesota, City, or any other body having lawful jurisdiction.
8. **Territorial Area Involved.** This Franchise is granted for the corporate boundaries of City, as it exists from time to time. In the event of annexation by City, or as development occurs, any new territory shall become part of the territory for which this Franchise is granted provided, however, that Grantee shall not be required to extend service beyond its present System boundaries unless there is a minimum of 50 homes per cable mile for underground plant and 35 homes per cable mile for overhead plant. Access to cable service shall not be denied to any group of potential residential cable Subscribers because of the income of the residents of the area in which such group resides. Grantee shall be given a reasonable period of time to construct and activate cable plant to service annexed or newly developed areas but in no event not to exceed twelve (12) months from notice thereof by City to Grantee and qualification pursuant to the density requirements of this Subsection 8.
9. **Written Notice.** All notices, reports, or demands required to be given in writing under this Franchise shall be deemed to be given when delivered personally to any officer of Grantee or City's Administrator of this Franchise or forty-eight (48) hours after it is deposited in the United States mail in a sealed envelope, with registered or certified mail postage prepaid thereon, addressed to the party to whom notice is being given, as follows:

If to City: City of Lake Elmo
 3800 Laverne Avenue North
 Lake Elmo, MN 55042
 Attention: City Administrator

With copies to: Ramsey/Washington Suburban Cable Commission
 7245 Stillwater Boulevard
 Oakdale, Minnesota 55128

And to: Thomas D. Creighton, Esq.
 Bernick and Lifson, P.A.
 5500 Wayzata Boulevard, Suite 1200
 Minneapolis, Minnesota 55416

If to Grantee: General Manager
MediaOne
10 River Park Plaza
St. Paul, Minnesota 55107

With copies to: John F. Gibbs, Esq.
Robins, Kaplan, Miller & Ciresi, L.L.P.
2800 LaSalle Plaza
800 LaSalle Ave. So.
Minneapolis, Minnesota 55402

Such addresses may be changed by either party upon notice to the other party given as provided in this Section.

SECTION 3.

CONSTRUCTION STANDARDS

1. **Registration, Permits and Construction Codes.**

- a. Grantee shall strictly adhere to all state and local laws and building and zoning codes currently or hereafter applicable to location, construction, installation, operation or maintenance of the System in City and give due consideration at all times to the aesthetics of the property.
- b. Failure to obtain permits or comply with permit requirements shall be grounds for revocation of this Franchise, or any lesser sanctions provided herein or in any other applicable law.

2. **Repair of Rights-of-Way and Property.** Any and all Rights-of-Way, or public or private property, which are disturbed or damaged during the construction, repair, replacement, relocation, operation, maintenance, expansion, extension or reconstruction of the System shall be promptly and fully restored by Grantee, at its expense, to the same condition as that prevailing prior to Grantee's work to the extent consistent with applicable statutes and rules. If Grantee shall fail to promptly perform the restoration required herein, after written request of City and reasonable opportunity to satisfy that request, City shall have the right to put the Rights-of-Way, public, or private property back into good condition. In the event City determines that Grantee is responsible for such disturbance or damage, Grantee shall be obligated to fully reimburse City for such restoration.

3. **Conditions on Right-of-Way Use.**

- a. Nothing in this Franchise shall be construed to prevent City from constructing, maintaining, repairing or relocating sewers; grading, paving,

maintaining, repairing, relocating and/or altering any Right-of-Way; constructing, laying down, repairing, maintaining or relocating any water mains; or constructing, maintaining, relocating, or repairing any sidewalk or other public work.

- b. All System transmission and distribution structures, lines and equipment erected by the Grantee within City shall be located so as not to obstruct or interfere with the use of Rights-of-Way except for normal and reasonable obstruction and interference which might occur during construction and to cause minimum interference with the rights of property owners who abut any of said Rights-of-Way and not to interfere with existing public utility installations.
- c. If at any time during the period of this Franchise City shall elect to alter or change the grade or location of any Right-of-Way, the Grantee shall, at its own expense, upon reasonable notice by City, remove and relocate its poles, wires, cables, conduits, manholes and other fixtures of the System, and in each instance comply with the reasonable and lawful standards and specifications of City.
- d. The Grantee shall not place poles, conduits, or other fixtures of System above or below ground where the same will interfere with any gas, electric, telephone, water or other utility fixtures and all such poles, conduits, or other fixtures placed in any Right-of-Way shall be so placed as to comply with all reasonable and lawful requirements of City.
- e. The Grantee shall, upon request of any Person holding a moving permit issued by City, temporarily move its wires or fixtures to permit the moving of buildings with the expense of such temporary removal to be paid by the Person requesting the same, and the Grantee shall be given not less than ten (10) days advance written notice to arrange for such temporary changes.
- f. The Grantee shall have the authority to trim any trees upon and overhanging the Rights-of-Way of City so as to prevent the branches of such trees from coming in contact with the wires and cables or other facilities of the Grantee.
- g. Grantee shall use its best efforts to give reasonable prior notice to any adjacent private property owners who will be negatively affected or impacted by Grantee's work in the Rights-of-Way.

4. **Undergrounding of Cable.** Grantee must place newly constructed System facilities underground in areas of City where all other utility lines are placed underground and may place System facilities on poles using aerial construction techniques where existing System facilities or other utility facilities are on poles or otherwise of aerial construction. Amplifier boxes and pedestal mounted terminal boxes may be placed

above ground if existing technology reasonably requires, but shall be of such size and design and shall be so located as not to be unsightly or unsafe, all pursuant to any required plans submitted with Grantee's permit application(s) and approved by City.

5. **Installation of Facilities.** No poles, conduits, amplifier boxes, pedestal mounted terminal boxes, similar structures, or other wire-holding structures shall be erected or installed by the Grantee without required permit of City.
6. **Safety Requirements.**
 - a. The Grantee shall at all times employ ordinary and reasonable care and shall install and maintain in use nothing less than commonly accepted methods and devices for preventing failures and accidents which are likely to cause damage or injuries.
 - b. The Grantee shall install and maintain its System and other equipment in accordance with City's codes and the requirements of the National Electric Safety Code and all other applicable FCC, state and local regulations, and in such manner that they will not interfere with City communications technology related to health, safety and welfare of the residents.
 - c. All System structures, and lines, equipment and connections in, over, under and upon the Rights-of-Way of City, wherever situated or located, shall at all times be kept and maintained in good condition, order, and repair so that the same shall not menace or endanger the life or property of City or any Person.

SECTION 4.

DESIGN PROVISIONS

1. **System Upgrade.**
 - a. Grantee shall upgrade the existing System to provide additional capacity, higher signal quality, more reliability, and the capability to provide additional services, all in accordance with the Proposal. In conjunction with this rebuild and upgrade, Grantee shall replace all existing headend equipment with new standard frequency headend equipment.
 - b. The upgrade will incorporate the deployment of fiber optic lines to Nodes, each connected by optical fiber to hub and headend sites. Nodes will serve an average of approximately 500 homes and in no event more than 800 homes with a minimum of four (4) fibers connecting each 500 home average Node from headends and hubs.
 - c. The System will be designed with the capability to transmit return signals

upstream in the 5 - 40 MHz spectrum.

- d. The System will be designed and constructed in order to allow narrowcast of governmental access channels discretely by municipality and, to the extent that System Node architecture allows, educational access channels by school district boundaries. The Grantee will provide and maintain all equipment and facilities necessary to accomplish this narrowcasting.
- e. All power supplies for the System, including the Institutional Network, will be equipped with standby power capability in accordance with the Proposal. Additionally, the Grantee will use status monitoring at all Nodes and power supply locations in the System, including the Institutional Network, in accordance with the Proposal. Finally, noninterruptable power-passing compatible taps will be implemented in accordance with the Proposal.
- f. The System will provide an Emergency Alert System fully compliant with local, state and federal EAS requirements.
- g. The System will be capable of providing non-video Services via the System such as high-speed Internet service and other Services in accordance with the Proposal, which shall be activated as Marketplace Need dictates. Grantee may use 200 MHz of the total 750 MHz System capacity for the provision of such services and/or additional video channels.
- h. During the design, walkout and preliminary construction activities related to upgrade of the System, Grantee shall seek to identify the non-video interests of the business community within City and will seek to quantify business community demand for non-video services. Prior to making any final determination of such demand, Grantee will solicit input from the City regarding the location of business corridors that may desire services in addition to Cable Service. Grantee will include additional optical fibers, in addition to the four (4) fibers to each 500 home average Node as required above, to facilitate future expansion of needs in such business corridors.
- i. Grantee agrees to use its best efforts to comply with such open cable standards as may be developed with respect to set top converters/terminals.

2. Interconnection.

- a. The Cable System servicing the Ramsey/Washington System including the cities of Birchwood, Dellwood, Grant, Lake Elmo, Mahtomedi, Maplewood, North St. Paul, Oakdale Vadnais Heights, White Bear Lake, White Bear Lake Township, and Willernie shall continue to be completely interconnected.
- b. In addition, the System shall have the following capacity, upon completion

of the upgrade of the I-Net, any portion of which shall be made available, pursuant to reasonable implementation expectations, upon receipt by Grantee of a written request from Commission: For interconnection of the Ramsey/Washington System with the North Suburban Cable System, three (3) 6MHz channels/bandwidth for forward video purposes, three (3) 6MHz channels/bandwidth for return video purposes, three (3) 6MHz channels/bandwidth for forward data purposes and/or other, and three (3) 6MHz channels/bandwidth for return data and/or other purposes; for interconnection of the Ramsey/Washington System with the St. Paul Cable System, three (3) 6MHz channels/bandwidth for forward video purposes, three (3) 6MHz channels/bandwidth for return video purposes, three (3) 6MHz channels/bandwidth for forward data purposes and/or other, and three (3) 6 MHz channels/bandwidth for return data and/or other purposes; for interconnection of the Ramsey/Washington System with the South Washington Cable System, three (3) 6 MHz channels/bandwidth for forward video purposes, three (3) 6 MHz channels/bandwidth for return video purposes, three (3) 6 MHz channels/bandwidth for forward data purposes and/or other, and three (3) 6 MHz channels/bandwidth for return data and/or other purposes; and interconnection of the Ramsey/Washington System with the Central St. Croix Cable System, three (3) 6 MHz channels/bandwidth for forward video purposes, three (3) 6 MHz channels/bandwidth for return video purposes, three (3) 6 MHz channels/bandwidth for forward data purposes and/or other, and three (3) 6 MHz channels/bandwidth for return data and/or other purposes.

- c. In addition to interconnection capacity required above, Grantee acknowledges that institutions in the Ramsey/Washington System may desire utilization of capacity on one or more institutional networks which are part of MediaOne's commonly owned, adjacent-franchise systems ("Adjacent Institutional Network"). Should such utilization of an Adjacent Institutional Network be desired, the Commission (on behalf of itself, the City, or specific institutional users) will undertake best efforts to obtain any required authorization from the appropriate adjacent franchising authority, or its designee, to utilize such Adjacent Institutional Network capacity under its control. In the event that Commission is unable to obtain authorization to use any capacity or sufficient capacity on such Adjacent Institutional Network after a good faith effort to secure such use, upon request Grantee will provide the Commission, City or requesting institution available bandwidth on such Adjacent Institutional Network as follows: if Adjacent Institutional Network capacity is available and under control of Grantee, Grantee will provide unused available Adjacent Institutional Network capacity at no charge in an amount up to the difference between three (3) 6 MHz channels/bandwidth for forward video, data, or other purposes and three (3) 6 MHz channels/bandwidth for return video, data, or other purposes minus any bandwidth on the Adjacent Institutional Network which is under the control of the adjacent franchising authority and

is made available for use. Available capacity in addition to that described above on Adjacent Institutional Networks under the control of Grantee will be made available at market rates established by Grantee. In no event shall Grantee be responsible for providing any equipment pursuant to this paragraph.

- d. Upon request for additional interconnection capacity, Grantee will make available such additional capacity necessary to meet the total interconnection capacity specified in Exhibit B.
- e. Grantee shall provide, at the incremental cost of time and materials paid by Commission, an interconnection with the State of Minnesota's fiber network referred to as the "Connecting Minnesota" project. Grantee will therefore install a home-run fiber pair, cabling the Oakdale headend/hub to the "Connecting Minnesota" drop location at the MN-DOT building located at Hadley Avenue and Highway 5 in Oakdale. Upon request of Commission, Grantee shall activate such fiber lines with the equipment necessary to interconnect the State's network with the Ramsey/Washington I-Net, at Grantee's cost to be paid by Commission.
- f. Grantee will build and activate an AM fiber link between White Bear Lake and Oakdale facilities. The link will support a bandwidth between 50-750 MHz. The Grantee will initially, at a minimum, dedicate and pass four (4) 6 MHz video channels and one (1) data channel in each direction between White Bear Lake and Oakdale facilities on this link for the purpose of supporting current video and data (Di-Tech) needs. If at any time during the renewed franchise video and data applications use or require additional capacity, Grantee will dedicate and pass such channels, free of charge. Further, additional, activated fiber capacity will be available for a direct link between White Bear Lake and Oakdale facilities to support all I-Net applications.

3. **High-Speed Services.** The System shall be designed to ensure adequate capability and capacity to provide non-video Services via the System such as high-speed Internet service and other Services in accordance with the Proposal, which shall be activated as Marketplace Need dictates.

4. **Construction Timetable.**

- a. Grantee shall complete all construction related to the System upgrade required by Section 4 herein and shall fully activate the System on or before May 30, 2001. Grantee shall provide for phased activation launches as Nodes are completed and in accordance with the specific timeline in Exhibit C attached. Failure to timely complete such construction shall be a violation of this Franchise.

- b. The System, once upgraded, shall continue to offer Service to all dwelling units serviceable prior to upgrade and shall extend Service to any area within the corporate boundaries of City which was not previously constructed which exceeds a density of 35 dwelling units per cable mile or greater for overhead plant and 50 dwelling units per cable mile for underground plant.
 - c. Within ninety (90) days after the commencement of the renewal term of this Franchise, Grantee shall commence application for all necessary permits, licenses, certificates and authorizations which are required in the conduct of its business. Failure to timely commence application for the aforementioned authorizations shall be a violation of this Franchise.
 - d. Within ninety (90) days after commencement of the term of this renewed Franchise, Grantee will commence System design, walkout and all other preliminary construction activities related to upgrade of the System and shall give written notice thereof to City upon commencement of such activities.
5. **Interruption of Service.** The Grantee shall interrupt Service only for good cause and for the shortest time possible. Such interruption shall occur during periods of minimum use of the System. If Service is interrupted for a total period of more than forty eight (48) hours in any thirty (30) day period, Subscribers shall, upon request, be credited pro rata for such interruption.
6. **Technical Standards.** The technical standards used in the operation of the System shall comply, at minimum, with the technical standards promulgated by the FCC relating to Cable Systems pursuant to Title 47, Section 76.601 to 76.617, as may be amended or modified from time to time, which regulations are expressly incorporated herein by reference. End of the line performance will meet or exceed FCC specifications at the Subscriber Drop location.
7. **Special Testing.**
- a. The City shall have the right to inspect all construction or installation work performed pursuant to the provisions of the Franchise. In addition, the City may require special testing of a location or locations within the System if there is a particular matter of controversy or unresolved complaints regarding such construction or installation work or pertaining to such location(s). Demand for such special tests may be made on the basis of complaints received or other evidence indicating an unresolved controversy or noncompliance. Such tests shall be limited to the particular matter in controversy or unresolved complaints. The City shall endeavor to so arrange its request for such special testing so as to minimize hardship or inconvenience to Grantee or to the Subscribers caused by such testing.
 - b. Before ordering such tests, Grantee shall be afforded thirty (30) days following receipt of written notice to investigate and, if necessary, correct

problems or complaints upon which tests were ordered. The City shall meet with Grantee prior to requiring special tests to discuss the need for such and, if possible, visually inspect those locations which are the focus of concern. If, after such meetings and inspections, City wishes to commence special tests and the thirty (30) days have elapsed without correction of the matter in controversy or unresolved complaints, the tests shall be conducted at Grantee's expense by a qualified engineer selected by City and Grantee, and Grantee shall cooperate in such testing.

8. **Drop Testing and Replacement.** Grantee shall insert a 750 MHz carrier at a level 10db below the video carriers that will be measured by Grantee as a normal procedure during all service calls. In addition, the Drops and related passive equipment will be inspected during Installations to assure that the Drop and passive equipment can pass the full 750 MHz System capacity. In the event measurement of the carrier or the inspection demonstrate that a Drop or associated passive equipment do not pass the full 750 MHz, the Subscriber address will be recorded by Grantee and Grantee shall provide City, or its designee, upon request a report indicating the addresses where Drops or associated passive equipment have failed. Grantee shall replace all failing Drops and/or associated passive equipment at the time the address upgrades service to a level which requires a signal above the 550 MHz spectrum at no separate charge to the individual Subscriber.
9. **FCC Reports.** The results of any tests required to be filed by Grantee with the FCC shall upon request of City also be filed with the City or its designee within ten (10) days of the conduct of such tests.
10. **Nonvoice Return Capability.** Grantee is required to use cable and associated electronics having the technical capacity for nonvoice return communications.
11. **Lockout Device.** Upon the request of a Subscriber, Grantee shall make available a Lockout Device at no additional charge to Subscribers.

SECTION 5.

SERVICE PROVISIONS

1. **Video Programming.** All final programming decisions remain the discretion of Grantee in accordance with the Proposal, provided that Grantee notifies City and Subscribers in writing thirty (30) days prior to any channel additions, deletions, or realignments as required by applicable federal, state and local laws. Location and relocation of the PEG Channels shall be governed by Section 6.1 (c).
2. **Regulation of Service Rates.**
 - a. The City may regulate rates for the provision of Cable Service, equipment,

or any other communications service provided over the System to the extent allowed under federal or state law(s). City reserves the right to regulate rates for any future services to the extent permitted by law.

- b. Grantee shall give City and Subscribers written notice of any change in a rate or charge at least one billing cycle prior to the effective date of the change. Bills must be clear, concise, and understandable, with itemization of all charges.
3. **Non-Standard Installations.** Grantee shall install and provide Cable Service to any Person requesting other than a Standard Installation provided that said Cable Service can meet FCC technical specifications and all payment and policy obligations are met. In such case, Grantee may charge for the incremental increase in material and labor costs incurred beyond the Standard Installation.
4. **Sales Procedures.** Grantee shall not exercise deceptive sales procedures when marketing Services within City. In its initial communication or contact with a non-Subscriber and in all general solicitation materials marketing the Grantee or its Services as a whole, Grantee shall inform the non-Subscriber of all levels of Service available, including the lowest priced and free service tiers. Grantee shall have the right to market door-to-door during reasonable hours consistent with local ordinances and regulation.
5. **Subscriber Inquiry and Complaint Procedures.**
 - a. Grantee shall have a publicly listed toll-free telephone number which shall be operated so as to receive Subscriber complaints and requests on a twenty-four (24) hour-a-day, seven (7) days-a-week, 365 days a year basis. During normal business hours, trained representatives of Grantee shall be available to respond to Subscriber inquiries.
 - b. Grantee shall maintain adequate numbers of telephone lines and personnel to respond in a timely manner to schedule service calls and answer Subscriber complaints or inquiries in a manner consistent with regulations adopted by the FCC and City where applicable and lawful. Under normal operating conditions, telephone answer time by a customer representative, including wait time, shall not exceed thirty (30) seconds when the connection is made. If the call needs to be transferred, transfer time shall not exceed thirty (30) seconds. These standards shall be met no less than ninety (90) percent of the time under normal operating conditions, measured on a quarterly basis. Under normal operating conditions, the customer will receive a busy signal less than three (3) percent of the time. Grantee shall respond to written complaints with copy to City or its designee within thirty (30) days.
 - c. Subject to Grantee's obligations pursuant to law regarding privacy of certain

information, Grantee shall prepare and maintain written records of all complaints received from City and the resolution of such complaints, including the date of such resolution. Such written records shall be on file at the office of Grantee. Grantee shall provide City with a written summary of such complaints and their resolution upon request of City. As to Subscriber complaints, Grantee shall comply with FCC record-keeping regulations, and make the results of such record-keeping available to City upon request.

- d. Subscriber requests for repairs shall be performed within thirty-six (36) hours of the request unless conditions beyond the control of Grantee prevent such performance. Grantee may schedule appointments for Installations and other service call either at a specific time or, at a maximum, during a four hour time block during normal business hours. Grantee may also schedule service calls outside normal business hours for the convenience of customers. Grantee shall use its best efforts to not cancel an appointment with a customer after the close of business on the business day prior to the scheduled appointment. If the installer or technician is late and will not meet the specified appointment time, he/she must use his/her best efforts to contact the customer and reschedule the appointment at the sole convenience of the customer. Service call appointments must be met in a manner consistent with FCC standards.
6. **Subscriber Contracts.** Grantee shall file with Commission any standard form Subscriber contract utilized by Grantee. If no such written contract exists, Grantee shall file with the Commission a document completely and concisely stating the length and terms of the Subscriber contract offered to customers. The length and terms of any Subscriber contract(s) shall be available for public inspection during normal business hours.
7. **Refund Policy.** In the event a Subscriber establishes or terminates service and receives less than a full month's service, Grantee shall prorate the monthly rate on the basis of the number of days in the period for which service was rendered to the number of days in the billing.
8. **Late Fees.** Fees for the late payment of bills shall not be assessed until after the service has been fully provided. Late Fee amounts on file with Commission shall not be adjusted by Grantee without Commission's prior approval.

SECTION 6.

ACCESS CHANNEL(S) PROVISIONS

1. **Public, Educational and Government Access.**
 - a. City or its designee is hereby designated to operate, administer, promote, and

manage access (public, education, and government programming) (hereinafter "PEG access") programming on the Cable System.

- b. Grantee shall dedicate and make available for use by the City ten (10), six (6) MHz channels in the System. The Grantee agrees that the PEG access channels shall be received by all Subscribers in the system channel(s) for PEG access and community programming use in accordance with the Proposal. All residential Subscribers who receive all or any part of the total services offered on the System shall be eligible to receive such channels at no additional charge. The channel(s) shall be activated upon the effective date of this Franchise and thereafter maintained. City may rename, reprogram, or otherwise change the use of these channels in its sole discretion, provided such use is non-commercial, lawful, and retains the general purpose of the provision of community programming. Nothing herein shall diminish the City's rights to secure additional channels pursuant to Minn. Stat. § 238.084, which is expressly incorporated herein by reference. City shall provide ninety (90) days prior written notice to Grantee of City's intent to activate access channels.

- c. The PEG access channels are initially numbered and used as follows:

Channel 10	Public Access
Channel 15	Community Programming
Channel 16	Government Access
Channel 61	Educational Access
Channel 52	(loaned to Grantee)
Channel 35	Library Access
Channel 60	Private Educational Access
Channel 57	Religious Access
Channel 58	Higher Educational Access
Channel 62	(loaned to Grantee)

These 6 MHz channels are characterized and numbered in their current use for illustrative purposes only. The PEG access channels may be renumbered and moved by the Grantee upon thirty (30) days notice to Subscribers, the City and the Commission; provided, that in such event Grantee shall pay all reasonable costs or expenses arising out of the renumbering and moving of any of the above-listed channels including, but not limited to, equipment necessary to effect the change at the programmer's production or receiving facility (school frequency routing equipment, etc.) except when such change is necessitated by changes made to the Grantee's channel lineup by programmer (i.e., educational institution or government) at its facility, signage, letterhead, business cards, and reasonable marketing or other constituency notification costs; further provided, that Channels 15 and 16 shall remain in their current channel locations; and provided, that it is

anticipated that current Channel 10 will be renumbered and moved, and if so, moved only to channel 19, which move must be accomplished within sixty (60) days of completion of the System upgrade as required herein. Said Channels 15, 16 and 19 may not thereafter be renumbered or moved without the City's written consent. This paragraph shall not apply to Regional Channel 6.

- d. The Grantee may continue to use two PEG access channels, currently identified for illustrative purposes only as Channels 52 and 62 for cablecast of programming for any lawful purpose until the City gives written notice requesting return of control and use of either or both channels. Such notice shall be given at least twelve (12) months prior to the date for actual and effective return of control and use of either or both of Channels 52 and 62. Notice for the return of one channel shall not construed as a waiver of the right to require the return of the second channel at a later date. Grantee agrees its obligation to return use and control of Channels 52 and 62 is otherwise unconditional, and not dependent on any showing of need or cause. The Grantee further agrees that when one or both of these channels are returned for use by the City, such channels shall be received by all Subscribers.
- e. Notwithstanding the foregoing, those PEG access channels cablecast on the universal service tier pursuant to the MOU shall remain on the universal service tier.

2. **Charges for Use.** Channel time and playback of prerecorded programming on the PEG access and community program channel(s) must be provided without charge to City and the public.

3. **Access Rules.** City, or its designee, shall implement rules for use of any access channel(s).

4. **Access Support.**

- a. Grantee shall continue to be obligated to provide access support pursuant to the MOU.
- b. Grantee shall provide an equipment grant to the Commission at the commencement of each year of the first four years of the renewed franchise in following amounts:

Year 1--\$833,333.00

Year 2--\$833,333.00

Year 3--\$833,333.00

Year 4--\$250,000.00

The Grantee may adjust the PEG Fee to recover the above payments (plus 11.25%) over a period of not less than eight (8) years.

- c. Grantee shall provide the Commission two (2) 30-second ad avails each day, free of charge, during the term of the Franchise, on a run of schedule basis. The ad avails shall be produced by the City to announce, identify, or promote community television.
 - d. Grantee shall annually produce at its expense, in cooperation with the Commission, a black and white bill stuffer promoting community television. The bill stuffer shall be produced and mailed with the Subscriber billing statements at least once each calendar year during the Franchise term. Should billing formats not provide for stuffers, Grantee and Commission will use best efforts to institute a mutually acceptable co-promotion of community television.
 - e. Grantee shall ensure that Commission has access free of charge to all satellite services available to the Grantee, subject to the following conditions:
 - i. the satellite services are received through existing equipment currently in place, and shall not disrupt the Grantee's use of the equipment;
 - ii. the service to be cablecast by the Commission is not being cablecast by the Grantee;
 - iii. the services are not commercial in nature; and
 - iv. the Commission has acquired any required the legal permissions to cablecast such programming.
5. **Studio Locations.** Grantee will lease studio space to the Commission in accordance with those leases attached hereto as Exhibit D. The Grantee agrees that the Commission may, for no charge, have use of any other studio at any of the Grantee's facilities in the System, so long as the Grantee operates such facilities in the System. Use of the studio facility by the Commission will be permitted, if not otherwise in use by the Grantee, subject to reasonable rules established by the Grantee. Grantee shall have no obligation to incur additional costs, in terms of staff or equipment, because of the Commission's use of a studio facility.
6. **Regional Channel 6.** Grantee shall designate standard VHF Channel 6 for uniform regional channel usage to the extent required by state law.
7. **State and Federal Law Compliance.** Satisfaction of the requirements of this Section 6 satisfies any and all of Grantee's state and federal law requirements of

Grantee with respect to PEG access.

8. **Government Access Capital Grant.** Grantee will provide to Commission within 180 days after the effective date of the Franchise a capital grant of Two Hundred Thousand Dollars (\$200,000.00) for use towards the purchase of equipment for the municipal data network, government access programming or such other capital needs as may be determined by Commission. This grant shall be over and above the grants set forth in Section 6.4 of the Franchise and shall not be recovered from the PEG fee referenced in such Section 6.4 or otherwise separately itemized on Subscribers' bills.

SECTION 7.

INSTITUTIONAL NETWORK (I-NET) PROVISIONS AND RELATED COMMITMENTS

1. **Institutional Network Capacity.**
 - a. Grantee shall provide an Institutional Network which connects designated institutions within the Ramsey/Washington System and permits the transmission of video and data between such connected sites. Use of the I-Net by institutions will be limited to the telecommunications or video needs of such institutions. The institutions may not sell or resell services to third parties. However, the institutions may provide services to themselves which the Grantee otherwise sells to others (for example, an institution may provide Internet service to itself that the Grantee sells to others).
 - b. The I-Net will be designed and constructed to provide 450 MHz capacity and no less than 56 channels (25 upstream channels and 31 downstream channels), all in accordance with the Proposal. The I-Net will consist of no less than 16 Nodes and in no event shall amplifier cascades in the I-Net exceed 10 amplifiers. All I-Net Nodes will be connected by optical fiber to the headend and hubs. The I-Net will be segmented into no less than 16 discrete segments associated with individual Nodes in order to permit narrowcast of video and data within municipal boundaries.
 - c. The I-Net will incorporate a six (6) count fiber to the Node throughout the network. An additional ten (10) fibers will be connected from the headend to each Node for the purpose of supporting redundancy and the facilitation of end-to-end fiber connections within the institutional community. In the event that the Grantee seeks to deploy wavelength division multiplexing or similar technology within the fiber optic portions of the I-NET, the Grantee may present to the Commission a plan to reduce the number of required fiber cables to the Node. Such plan must describe the planned technology and detail any I-Net performance changes which will result. The Commission must approve any such plan in writing prior to any reduction in the number

of fibers in the I-Net.

- d. Grantee shall provide and maintain all I-Net equipment, including Node equipment, which is reasonably necessary to provide and operate the I-Net described above. Grantee shall only be required to provide "end-user" or I-Net interface equipment associated with I-Net applications to the extent required herein.
2. **I-Net Connection Requirements.** Grantee shall connect all institutions designated on Exhibits E and F to the Institutional Network along with any new City Hall which may be constructed by City, or to which City may otherwise move its government offices or City Council meeting locations, said move to be other than temporary, i.e., for a period anticipated to be twelve (12) months or more. Other public or educational institutions subsequently designated by City shall be connected to the Institutional Network if such institution is located less than five hundred (500) feet from the existing Institutional Network, or if such designated institution agrees to reimburse Grantee for Grantee's actual costs in excess of the cost of the first five hundred (500) feet of such installation.
3. **Fiber to the Institution Requirements.** In addition to the I-Net requirements above, the Grantee will provide end-to-end fiber connections, including fiber from the Node to the institution, and usage of the I-Net in accordance with Exhibit F. The Grantee will initially provide two (2) dark fibers to each city hall listed in Exhibit E without charge. Grantee may adjust the PEG Fee to recover such costs. Fiber drops will be provided at cost to other than city hall institutions. Institutions connected to the I-Net via fiber will be responsible for any end-user or interface equipment needed for transmission of video or data via these dark fibers.
4. **Fiber Activation Requirements.** The Grantee will be responsible for the activation of the fibers referenced above with optical transmission and reception equipment within a reasonable time upon request. To the extent feasible, the timeline for such activation will be no later than 30 days from the date of the request for connection and usage in accordance with the policies of Exhibit F.
5. **I-Net Service Charges.** Grantee will make the I-Net capacity available to designated institutions for video uses at no charge. Grantee will otherwise be permitted to charge for use of the I-Net to the extent provided in Exhibit F. Grantee will comply with the requirements and policies regarding use of bandwidth as set forth in Exhibit F.
6. **Grantee's Use of I-Net Capacity.** Grantee may use available capacity on the I-Net, including for lease or other commercial purposes, provided, however, that use by the City, Commission and designated institutions shall have priority. Grantee will terminate its use of any channel capacity on the I-Net within six (6) months after receiving notice from the Commission that City, Commission, or designated

institution have determined to use such capacity.

7. **I-Net Interface Equipment and Other Capital Commitments.**

- a. Grantee will provide to the Commission on the third anniversary of the renewal period, a capital equipment grant of \$50,000 for the purchase of I-Net equipment for the municipal data network. Grantee may not adjust the PEG Fee or otherwise separately itemize this amount on Subscribers bills to recover the cost of this capital equipment grant.
- b. Designated institutions shall be responsible for providing their own "end-user" or I-Net interface equipment. However, Grantee shall continue to repair, replace and maintain existing video modulators and demodulators in the I-Net. Grantee shall additionally provide at no charge twenty (20) new modulators and demodulators for distribution to designated institutions in accordance with Exhibit E.
- c. Upon request by a designated institution, Grantee must either offer to lease to such institution the requested non-video end user equipment or make reasonable efforts to arrange for the institution's lease of such equipment. Within 30 days of a written request, Grantee must notify the requesting institution in writing of its ability or inability to lease the requested equipment and the terms of such lease. The City, its designee, or the requesting institution may purchase or lease the equipment from any vendor.
- d. Grantee will provide standby power with full battery replacement and status monitoring for the Institutional Network. Grantee may adjust the PEG Fee to recover the costs of such status monitoring. In addition, Grantee will provide a minimum of twenty eight (28) new pilot generators and will re-tune any existing amplifiers which will be reused in the upgraded I-Net.

8. **I-Net Performance Standards.** Grantee shall maintain those technical and performance standards as are detailed in Exhibit G attached. Grantee shall provide the City, or its designee, upon request with reports of the performance of the I-Net and Grantee's compliance with the technical and performance standards.

9. **Subscriber Network Drops to Designated Buildings.**

- a. Grantee shall provide, free of charge, Installation of one (1) subscriber network Drop, one (1) cable outlet, one (1) Converter and/or cable modem or other device, if necessary, monthly Basic Cable Service and such Internet access service as may be made available (currently MediaOne Express) without charge to those institutions currently receiving such services, the institutions identified and designated for such services in Exhibit E attached hereto and made a part hereof. Any such other public or educational

institution not connected to the I-Net may be subsequently designated for MediaOne Express Service (or equivalent) by City. The Company will provide the first five hundred (500) feet or less from the existing Subscriber network at no charge to such institutions. Any such institution located more than five hundred (500) feet shall be connected if such institution agrees to reimburse Grantee for Grantee's actual costs in excess of the cost of the first five hundred (500) feet of such installation.

- b. Additional subscriber network Drops and/or outlets will be installed at designated institutions by Grantee at the cost of Grantee's time and material. Alternatively, said institution may add outlets at its own expense, as long as such Installation meets Grantee's standards. Grantee shall have three (3) months from the date of City designation of additional institution(s) to complete construction of the Drop and outlet unless weather or other conditions beyond the control of Grantee requires more time.
- c. To the extent Grantee provides to Subscribers web site hosting Services as part of its Internet access service, Grantee shall provide City and the Commission web site hosting services free of charge. Any other institution may subscribe to web site hosting services at market rates.

SECTION 8.

OPERATION AND ADMINISTRATION PROVISIONS

1. **Administration of Franchise.** The City Administrator or other designee shall have continuing regulatory jurisdiction and supervision over the System and the Grantee's operation under the Franchise. The City, or its designee, may issue such reasonable rules and regulations concerning the construction, operation and maintenance of the System as are consistent with the provisions of the Franchise and law.
2. **Delegated Authority.** The City may appoint a citizen advisory body or a Joint Powers Commission, or may delegate to any other body or Person authority to administer the Franchise and to monitor the performance of the Grantee pursuant to the Franchise. Grantee shall cooperate with any such delegatee of City.
3. **Franchise Fee.**
 - a. During the term of the Franchise, Grantee shall pay quarterly to City or its delegatee a Franchise Fee in an amount equal to five percent (5%) of its quarterly Gross Revenues, or such other amounts as are subsequently permitted by federal statute.
 - b. Any payments due under this provision shall be payable quarterly. The payment shall be made within thirty (30) days of the end of each of Grantee's

fiscal quarters together with a report showing the basis for the computation.

- c. All amounts paid shall be subject to audit and recomputation by City and acceptance of any payment shall not be construed as an accord that the amount paid is in fact the correct amount.

- 4. **Access to Records.** The City shall have the right to inspect, upon reasonable notice and during normal business hours, or require Grantee to provide within a reasonable time copies of any records maintained by Grantee which relate to System operations including specifically Grantee's accounting and financial records.

- 5. **Reports and Maps to be Filed with City.**

- a. Grantee shall file with the City, at the time of payment of the Franchise Fee, a report of all Gross Revenues in form and substance as required by City.
- b. Grantee shall prepare and furnish to City, at the times and in the form prescribed, such other reasonable reports with respect to Grantee's operations pursuant to this Franchise as City may require. City shall make its best effort to protect proprietary or trade secret information all consistent with state and federal law.
- c. If required by City, Grantee shall furnish to and file with City Administrator the maps, plats, and permanent records of the location and character of all facilities constructed, including underground facilities, and Grantee shall file with City updates of such maps, plats and permanent records annually if changes have been made in the System.

- 6. **Periodic Evaluation.**

- a. The City may require evaluation sessions at any time during the term of this Franchise, upon fifteen (15) days written notice to Grantee.
- b. Topics which may be discussed at any evaluation session may include, but are not limited to, application of new technologies, System performance, programming offered, access channels, facilities and support, municipal uses of cable, subscriber rates, customer complaints, amendments to this Franchise, judicial rulings, FCC rulings, line extension policies and any other topics City deems relevant.
- c. As a result of a periodic review or evaluation session, upon notification from City, Grantee shall meet with city and undertake good faith efforts to reach agreement on changes and modifications to the terms and conditions of the Franchise which are both economically and technically feasible.

SECTION 9.

GENERAL FINANCIAL AND INSURANCE PROVISIONS

1. Performance Bond.

- a. At the time the Franchise becomes effective and at all times thereafter, until the Grantee has liquidated all of its obligations with City and Commission, the Grantee shall furnish a bond to Commission in the amount of \$500,000.00 in a form and with such sureties as reasonably acceptable to Commission. This bond will be conditioned upon the faithful performance by the Grantee of its Franchise obligations and upon the further condition that in the event the Grantee shall fail to comply with any law, ordinance or regulation governing the Franchise, there shall be recoverable jointly and severally from the principal and surety of the bond any damages or loss suffered by City or Commission as a result, including the full amount of any compensation, indemnification or cost of removal or abandonment of any property of the Grantee, plus a reasonable allowance for attorneys' fees and costs, up to the full amount of the bond, and further guaranteeing payment by the Grantee of claims, liens and taxes due City or Commission which arise by reason of the construction, operation, or maintenance of the System. The rights reserved by City or Commission with respect to the bond are in addition to all other rights City may have under the Franchise or any other law. City may, from year to year, in its sole discretion, reduce the amount of the bond.
- b. The time for Grantee to correct any violation or liability, shall be extended by City if the necessary action to correct such violation or liability is, in the sole determination of City, of such a nature or character as to require more than thirty (30) days within which to perform, provided Grantee provides written notice that it requires more than thirty (30) days to correct such violations or liability, commences the corrective action within the thirty (30) days period and thereafter uses reasonable diligence to correct the violation or liability.
- c. In the event this Franchise is revoked by reason of default of Grantee, City shall be entitled to collect from the performance bond that amount which is attributable to any damages sustained by City as a result of said default or revocation.
- d. Grantee shall be entitled to the return of the performance bond, or portion thereof, as remains sixty (60) days after the expiration of the term of the Franchise or revocation for default thereof, provided City or Commission has not notified Grantee of any actual or potential damages incurred as a result of Grantee's operations pursuant to the Franchise or as a result of said

default.

- e. The rights reserved to City or Commission, as applicable, with respect to the performance bond are in addition to all other rights of City or Commission whether reserved by this Franchise or authorized by law, and no action, proceeding or exercise of a right with respect to the performance bond shall affect any other right City or Commission may have.

2. Letter of Credit.

- a. At the time of acceptance of this Franchise, Grantee shall deliver to Commission an irrevocable and unconditional Letter of Credit, in form and substance acceptable to Commission, from a National or State bank approved by Commission, in the amount of \$25,000.00.
- b. The Letter of Credit shall provide that funds will be paid to City or Commission, as appropriate, upon written demand of City or Commission, and in an amount solely determined by City or Commission in payment for penalties charged pursuant to this Section, in payment for any monies owed by Grantee to City or Commission or any person pursuant to its obligations under this Franchise, or in payment for any damage incurred by City or any person as a result of any acts or omissions by Grantee pursuant to this Franchise.
- c. In addition to recovery of any monies owed by Grantee to City or Commission or any person or damages to City or Commission or any person as a result of any acts or omissions by Grantee pursuant to the Franchise, City or Commission in their sole discretion may charge to and collect from the Letter of Credit the following penalties:
 - i. For failure to timely complete System upgrades as provided in this Franchise unless City or Commission approves the delay, the penalty shall be \$500.00 per day for each day, or part thereof, such failure occurs or continues.
 - ii. For failure to provide data, documents, reports or information or to cooperate with City or Commission during an application process or system review or as otherwise provided herein, the penalty shall be \$250.00 per day for each day, or part thereof, such failure occurs or continues.
 - iii. Fifteen (15) days following notice from City or Commission of a failure of Grantee to comply with construction, operation or maintenance standards, the penalty shall be \$500.00 per day for each

day, or part thereof, such failure occurs or continues.

- iv. For failure to provide the services Grantee has proposed, including, but not limited to, the implementation and the utilization of the access channels and the maintenance and/or replacement of the equipment and other facilities, the penalty shall be \$500.00 per day for each day, or part thereof, such failure occurs or continues.
 - v. For Grantee's breach of any written contract or agreement with or to the City or its designee, the penalty shall be \$500.00 per day for each day, or part thereof, such breach occurs or continues.
 - vi. For failure to comply with any of the provisions of this Franchise, or other City ordinance for which a penalty is not otherwise specifically provided pursuant to this paragraph c, the penalty shall be \$250.00 per day for each day, or part thereof, such failure occurs or continues.
- d. Each violation of any provision of this Franchise shall be considered a separate violation for which a separate penalty can be imposed.
- e. Whenever City or Commission finds that Grantee has violated one or more terms, conditions or provisions of this Franchise, or for any other violation contemplated in Subparagraph c. above, a written notice shall be given to Grantee informing it of such violation. At any time after thirty (30) days (or such longer reasonable time which, in the determination of City or Commission, is necessary to cure the alleged violation) following local receipt of notice, provided Grantee remains in violation of one or more terms, conditions or provisions of this Franchise, in the sole opinion of City or Commission, City or Commission may draw from the Letter of Credit all penalties and other monies due City or Commission from the date of the local receipt of notice.
- f. Whenever the Letter of Credit is drawn upon, Grantee may, within seven (7) days of such draw, notify City or Commission, as applicable, in writing that there is a dispute as to whether a violation or failure has in fact occurred. Such written notice by Grantee to City or Commission shall specify with particularity the matters disputed by Grantee. All penalties shall continue to accrue and City or Commission may continue to draw from the Letter of Credit during any appeal pursuant to this subparagraph f.
- i. City or Commission shall hear Grantee's dispute within sixty (60) days and render a final decision within sixty (60) days thereafter.
 - ii. Upon the determination of City or Commission that no violation has taken place, City or Commission, as applicable, shall refund to

Grantee, without interest, all monies drawn from the Letter of Credit by reason of the alleged violation.

- g. If said Letter of Credit or any subsequent Letter of Credit delivered pursuant thereto expires prior to thirty (30) months after the expiration of the term of this Franchise, it shall be renewed or replaced during the term of this Franchise to provide that it will not expire earlier than thirty (30) months after the expiration of this Franchise. The renewed or replaced Letter of Credit shall be of the same form and with a bank authorized herein and for the full amount stated in Paragraph A of this Section.
- h. If City or Commission, as applicable, draws upon the Letter of Credit or any subsequent Letter of Credit delivered pursuant hereto, in whole or in part, Grantee shall replace or replenish to its full amount the same within ten (10) days and shall deliver to Commission a like replacement Letter of Credit or certification of replenishment for the full amount stated in Section 9.2 (a) as a substitution of the previous Letter of Credit. This shall be a continuing obligation for any draws upon the Letter of Credit.
- i. If any Letter of Credit is not so replaced or replenished, City or Commission may draw on said Letter of Credit for the whole amount thereof and use the proceeds as City or Commission determines in its sole discretion. The failure to replace or replenish any Letter of Credit may also, at the option of the City or Commission, be deemed a default by Grantee under this Franchise. The drawing on the Letter of Credit by City or Commission, and use of the money so obtained for payment or performance of the obligations, duties and responsibilities of Grantee which are in default, shall not be a waiver or release of such default.
- j. The collection by City or Commission, as applicable, of any damages, monies or penalties from the Letter of Credit shall not affect any other right or remedy available to either, nor shall any act, or failure to act, by City or Commission, as applicable, pursuant to the Letter of Credit, be deemed a waiver of any right of City or Commission, as applicable, pursuant to this Franchise or otherwise.

3. Indemnification of City.

- a. City, Commission, its officers, boards, committees, commissions, elected officials, employees and agents shall not be liable for any loss or damage to any real or personal property of any Person, or for any injury to or death of any Person, arising out of or in connection with Grantee's construction, operation, maintenance, repair or removal of the System or as to any other action of Grantee with respect to this Franchise.

- b. Grantee shall indemnify, defend, and hold harmless City, Commission, its officers, boards, committees, commissions, elected officials, employees and agents, from and against all liability, damages, and penalties which they may legally be required to pay as a result of the City or Commission's, as applicable, exercise, administration, or enforcement of the Franchise.
- c. Nothing in this Franchise relieves a Person, except City, from liability arising out of the failure to exercise reasonable care to avoid injuring the Grantee's facilities while performing work connected with grading, regarding, or changing the line of a Right-of-Way or public place or with the construction or reconstruction of a sewer or water system.

4. Insurance.

- a. As a part of the indemnification provided in Section 8.3, but without limiting the foregoing, Grantee shall file with Commission at the time of its acceptance of this Franchise, and at all times thereafter maintain in full force and effect at its sole expense, a comprehensive general liability insurance policy, including broadcaster's/cablecaster's liability and contractual liability coverage, in protection of the Grantee, and the City, Commission, its officers, elected officials, boards, commissions, agents and employees for any and all damages and penalties which may arise as a result of this Franchise. The policy or policies shall name the City and Commission as an additional insureds, and in their capacity as such, City and Commission officers, elected officials, boards, commissions, agents and employees.
- b. The policies of insurance shall be in the sum of not less than \$1,000,000.00 for personal injury or death of any one Person, and \$2,000,000.00 for personal injury or death of two or more Persons in any one occurrence, \$500,000.00 for property damage to any one person and \$2,000,000.00 for property damage resulting from any one act or occurrence.
- c. The policy or policies of insurance shall be maintained by Grantee in full force and effect during the entire term of the Franchise. Each policy of insurance shall contain a statement on its face that the insurer will not cancel the policy or fail to renew the policy, whether for nonpayment of premium, or otherwise, and whether at the request of Grantee or for other reasons, except after sixty (60) days advance written notice have been provided to Commission.

SECTION 10.

SALE, ABANDONMENT, TRANSFER AND REVOCATION OF FRANCHISE

1. City's Right to Revoke.

- a. In addition to all other rights which City has pursuant to law or equity, City reserves the right to commence proceedings to revoke, terminate or cancel this Franchise, and all rights and privileges pertaining thereto, if it is determined by City that:
 - i. Grantee has violated material provisions(s) of this Franchise; or
 - ii. Grantee has attempted to evade any of the provisions of the Franchise; or
 - iii. Grantee has practiced fraud or deceit upon City.

City may revoke this Franchise without the hearing required by 9.2(b) herein if Grantee is adjudged a bankrupt.

2. Procedures for Revocation.

- a. City shall provide Grantee with written notice of a cause for revocation and the intent to revoke and shall allow Grantee thirty (30) days subsequent to receipt of the notice in which to correct the violation or to provide adequate assurance of performance in compliance with the Franchise. In the notice required herein, City shall provide Grantee with the basis of the revocation.
- b. Grantee shall be provided the right to a public hearing affording due process before the City Council prior to the effective date of revocation, which public hearing shall follow the thirty (30) day notice provided in subparagraph (a) above. City shall provide Grantee with written notice of its decision together with written findings of fact supplementing said decision.
- c. Only after the public hearing and upon written notice of the determination by City to revoke the Franchise may Grantee appeal said decision with an appropriate state or federal court or agency.
- d. During the appeal period, the Franchise shall remain in full force and effect unless the term thereof sooner expires or unless continuation of the Franchise would endanger the health, safety and welfare of any person or the public.

- 3. Abandonment of Service. Grantee may not abandon the System or any portion thereof without having first given three (3) months written notice to City. Grantee

may not abandon the System or any portion thereof without compensating City for damages resulting from the abandonment, including all costs incident to removal of the System.

4. Removal After Abandonment, Termination or Forfeiture.

- a. In the event of termination or forfeiture of the Franchise or abandonment of the System, City shall have the right to require Grantee to remove all or any portion of the System from all Rights-of-Way and public property within City.
- b. If Grantee has failed to commence removal of System, or such part thereof as was designated by City, within thirty (30) days after written notice of City's demand for removal is given, or if Grantee has failed to complete such removal within twelve (12) months after written notice of City's demand for removal is given, City shall have the right to apply funds secured by the Letter of Credit and Performance Bond toward removal and/or declare all right, title, and interest to the System to be in City with all rights of ownership including, but not limited to, the right to operate the System or transfer the System to another for operation by it.

5. Sale or Transfer of Franchise.

- a. No sale or transfer of the Franchise, or sale, transfer, or fundamental corporate change of or in Grantee, including, but not limited to, a fundamental corporate change in Grantee's parent corporation or any entity having a controlling interest in Grantee, the sale of a controlling interest in the Grantee's assets, a merger including the merger of a subsidiary and parent entity, consolidation, or the creation of a subsidiary or affiliate entity, shall take place until a written request has been filed with City requesting approval of the sale, transfer, or corporate change and such approval has been granted or deemed granted, provided, however, that said approval shall not be required where Grantee grants a security interest in its Franchise and/or assets to secure an indebtedness. Upon notice to Commission, Grantee may undertake legal changes necessary to consolidate the corporate or partnership structures of its Minnesota/Wisconsin Systems provided there is no change in the controlling interests which could materially alter the financial responsibilities for the Grantee.
- b. Any sale, transfer, exchange or assignment of stock in Grantee, or Grantee's parent corporation or any other entity having a controlling interest in Grantee, so as to create a new controlling interest therein, shall be subject to the requirements of this Section 10.5. The term "controlling interest" as used herein is not limited to majority stock ownership, but includes actual working control in whatever manner exercised. In any event, as used herein, a new

“controlling interest” shall be deemed to be created upon the acquisition through any transaction or related group of transactions of a legal or beneficial interest of fifteen percent (15%) or more by one Person. Acquisition by one Person of an interest of five percent (5%) or more in a single transaction shall require notice to City.

- c. The Grantee shall file, in addition to all documents, forms and information required to be filed by applicable law, the following:
 - i. All contracts, agreements or other documents that constitute the proposed transaction and all exhibits, attachments, or other documents referred to therein which are necessary in order to understand the terms thereof.
 - ii. A list detailing all documents filed with any state or federal agency related to the transaction including, but not limited to, the MPUC, the FCC, the FTC, the FEC, the SEC or MnDOT. Upon request, Grantee shall provide City with a complete copy of any such document; and
 - iii. Any other documents or information related to the transaction as may be specifically requested by the City.
- d. City shall have such time as is permitted by federal law in which to review a transfer request.
- e. The Grantee shall reimburse City for all the reasonable legal, administrative, and consulting costs and fees associated with the City’s review of any request to transfer. Nothing herein shall prevent Grantee from negotiating partial or complete payment of such costs and fees by the transferee. Grantee may not itemize any such reimbursement on Subscriber bills, but may recover such expenses in its subscriber rates.
- f. In no event shall a sale, transfer, corporate change, or assignment of ownership or control pursuant to subparagraph (a) or (b) of this Section be approved without the transferee becoming a signatory to this Franchise and assuming all rights and obligations thereunder, and assuming all other rights and obligations of the transferor to the City including, but not limited to, any adequate guarantees or other security instruments provided by the transferor.
- g. In the event of any proposed sale, transfer, corporate change, or assignment pursuant to subparagraph (a) or (b) of this Section, City shall have the right to purchase the System for the value of the consideration proposed in such transaction. City’s right to purchase shall arise upon City’s receipt of notice of the material terms of an offer or proposal for sale, transfer, corporate change, or assignment, which Grantee has accepted. Notice of such offer or

proposal must be conveyed to City in writing and separate from any general announcement of the transaction.

- h. City shall be deemed to have waived its right to purchase the System pursuant to this Section only in the following circumstances:
 - i. If City does not indicate to Grantee in writing, within sixty (60) days of receipt of written notice of a proposed sale, transfer, corporate change, or assignment as contemplated in Section 10.5 (g) above, its intention to exercise its right of purchase; or
 - ii. It approves the assignment or sale of the Franchise as provided within this Section.
- i. No Franchise may be transferred if City determines Grantee is in noncompliance of the Franchise unless an acceptable compliance program has been approved by City. The approval of any transfer of ownership pursuant to this Section shall not be deemed to waive any rights of City to subsequently enforce noncompliance issues relating to this Franchise even if such issues predated the approval, whether known or unknown to City.

SECTION 11.

PROTECTION OF INDIVIDUAL RIGHTS

- 1. **Discriminatory Practices Prohibited.** Grantee shall not deny service, deny access, or otherwise discriminate against Subscribers or general citizens on the basis of race, color, religion, national origin, sex, age, status as to public assistance, affectional preference, or disability. Grantee shall comply at all times with all other applicable federal, state, and city laws.
- 2. **Subscriber Privacy.**
 - a. No signals including signals of a Class IV Channel may be transmitted from a Subscriber terminal for purposes of monitoring individual viewing patterns or practices without the express written permission of the Subscriber. Such written permission shall be for a limited period of time not to exceed one (1) year which may be renewed at the option of the Subscriber. No penalty shall be invoked for a Subscriber's failure to provide or renew such authorization. The authorization shall be revocable at any time by the Subscriber without penalty of any kind whatsoever. Such permission shall be required for each type or classification of Class IV Channel activity planned for the purpose of monitoring individual viewing patterns or practices.
 - b. No lists of the names and addresses of Subscribers or any lists that identify

the viewing habits of Subscribers shall be sold or otherwise made available to any party other than to Grantee or its agents for Grantee's service business use or to City for the purpose of Franchise administration, and also to the Subscriber subject of that information, unless Grantee has received specific written authorization from the Subscriber to make such data available. Such written permission shall be for a limited period of time not to exceed one (1) year which may be renewed at the option of the Subscriber. No penalty shall be invoked for a Subscriber's failure to provide or renew such authorization. The authorization shall be revocable at any time by the Subscriber without penalty of any kind whatsoever.

- c. Written permission from the Subscriber shall not be required for the conducting of System wide or individually addressed electronic sweeps for the purpose of verifying System integrity or monitoring for the purpose of billing. Confidentiality of such information shall be subject to the provision set forth in subparagraph (b) of this Section.

SECTION 12.

UNAUTHORIZED CONNECTIONS AND MODIFICATIONS

1. **Unauthorized Connections or Modifications Prohibited.** It shall be unlawful for any firm, Person, group, company, corporation, or governmental body or agency, without the express consent of the Grantee, to make or possess, or assist anybody in making or possessing, any unauthorized connection, extension, or division, whether physically, acoustically, inductively, electronically or otherwise, with or to any segment of the System or receive services of the System without Grantee's authorization.
2. **Removal or Destruction Prohibited.** It shall be unlawful for any firm, Person, group, company, or corporation to willfully interfere, tamper, remove, obstruct, or damage, or assist thereof, any part or segment of the System for any purpose whatsoever, except for any rights City may have pursuant to this Franchise or its police powers.
3. **Penalty.** Any firm, Person, group, company, or corporation found guilty of violating this section may be fined not less than Twenty Dollars (\$20.00) and the costs of the action nor more than Five Hundred Dollars (\$500.00) and the costs of the action for each and every subsequent offense. Each continuing day of the violation shall be considered a separate occurrence.

SECTION 13.

MISCELLANEOUS PROVISIONS

1. **Franchise Renewal.** Any renewal of this Franchise shall be performed in accordance with applicable federal, state and local laws and regulations. The term of any renewed Franchise shall be limited to a period not to exceed fifteen (15) years.
2. **Work Performed by Others.** All applicable obligations of this Franchise shall apply to any subcontractor or others performing any work or services pursuant to the provisions of this Franchise, however, in no event shall any such subcontractor or other performing work obtain any rights to maintain and operate a System or provide Cable Service. Grantee shall provide notice to City of the name(s) and address(es) of any entity, other than Grantee, which performs substantial services pursuant to this Franchise.
3. **Amendment of Franchise Ordinance.** Grantee and City may agree, from time to time, to amend this Franchise. Such written amendments may be made subsequent to a review session pursuant to Section 7.5 or at any other time if City and Grantee agree that such an amendment will be in the public interest or if such an amendment is required due to changes in federal, state or local laws. Provided, however, nothing herein shall restrict City's exercise of its police powers or City's authority to unilaterally amend Franchise provisions to the extent permitted by law.
4. **Compliance with Federal, State and Local Laws.**
 - a. If any federal or state law or regulation shall require or permit City or Grantee to perform any service or act or shall prohibit City or Grantee from performing any service or act which may be in conflict with the terms of this Franchise, then as soon as possible following knowledge thereof, either party shall notify the other of the point in conflict believed to exist between such law or regulation. Grantee and City shall conform to state laws and rules regarding cable communications not later than one year after they become effective, unless otherwise stated, and to conform to federal laws and regulations regarding cable as they become effective.
 - b. If any term, condition or provision of this Franchise or the application thereof to any Person or circumstance shall, to any extent, be held to be invalid or unenforceable, the remainder hereof and the application of such term, condition or provision to Persons or circumstances other than those as to whom it shall be held invalid or unenforceable shall not be affected thereby, and this Franchise and all the terms, provisions and conditions hereof shall, in all other respects, continue to be effective and complied with provided the loss of the invalid or unenforceable clause does not substantially alter the agreement between the parties. In the event such law, rule or regulation is

subsequently repealed, rescinded, amended or otherwise changed so that the provision which had been held invalid or modified is no longer in conflict with the law, rules and regulations then in effect, said provision shall thereupon return to full force and effect and shall thereafter be binding on Grantee and City.

5. **Nonenforcement by City.** Grantee shall not be relieved of its obligations to comply with any of the provisions of this Franchise by reason of any failure or delay of City to enforce prompt compliance. City may only waive its rights hereunder by expressly so stating in writing. Any such written waiver by City of a breach or violation of any provision of this Franchise shall not operate as or be construed to be a waiver of any subsequent breach or violation.
6. **Rights Cumulative.** All rights and remedies given to City by this Franchise or retained by City herein shall be in addition to and cumulative with any and all other rights and remedies, existing or implied, now or hereafter available to City, at law or in equity, and such rights and remedies shall not be exclusive, but each and every right and remedy specifically given by this Franchise or otherwise existing or given may be exercised from time to time and as often and in such order as may be deemed expedient by City and the exercise of one or more rights or remedies shall not be deemed a waiver of the right to exercise at the same time or thereafter any other right or remedy.
7. **Grantee Acknowledgment of Validity of Franchise.** Grantee acknowledges that it has had an opportunity to review the terms and conditions of this Franchise and that under current law Grantee believes that said terms and conditions are not unreasonable or arbitrary, and that Grantee believes City has the power to make the terms and conditions contained in this Franchise.

SECTION 14.

PUBLICATION EFFECTIVE DATE; ACCEPTANCE AND EXHIBITS

1. **Publication: Effective Date.** This Franchise shall be published in accordance with applicable local and Minnesota law. The Effective Date of this Franchise shall be the date of acceptance by Grantee in accordance with the provisions of Section 14.2.
2. **Acceptance.**
 - a. Grantee shall accept this Franchise within sixty (60) of its enactment by the City Council and the enactment of a Franchise on substantially similar terms by each other member municipality of Commission, unless the time for acceptance is extended by City. Such acceptance by the Grantee shall be deemed the grant of this Franchise for all purposes provided, however, this Franchise shall not be effective until all City ordinance adoption procedures

are complied with and all applicable timelines have run for the adoption of a City ordinance. In the event acceptance does not take place, or should all ordinance adoption procedures and timelines not be completed, this Franchise and any and all rights granted hereunder to Grantee shall be null and void.

- b. Upon acceptance of this Franchise, Grantee and City shall be bound by all the terms and conditions contained herein.
- c. Grantee shall accept this Franchise in the following manner:
 - i. This Franchise will be properly executed and acknowledged by Grantee and delivered to City or its designee.
 - ii. With its acceptance, Grantee shall also deliver any grant payments, performance bond and insurance certificates required herein that are due but have not previously been delivered.

Passed and adopted this 3rd day of August, 1999

ATTEST:

By: Mary Kypper
Its: City Administrator

CITY OF LAKE ELMO

By: Zer Hunt
Its: Mayor

ACCEPTED: This Franchise is accepted and we agree to be bound by its terms and conditions.

MEDIAONE

Dated: _____

By: _____

EXHIBIT A

**A PROPOSAL FOR
FRANCHISE RENEWAL**

Group W Cable of Ramsey/Washington, Inc.

**Serving the Communities of
Birchwood, Dellwood, Grant, Lake Elmo,
Mahtomedi, Maplewood, North St. Paul, Oakdale,
Vadnais Heights, White Bear Lake, White Bear Township
and Willernie**

**Submitted to the
Ramsey/Washington Counties Suburban Communications
August 19, 1997 – As Revised**

RAMSEY/WASHINGTON RENEWAL PROPOSAL

A. SUBSCRIBER SYSTEM UPGRADE DESIGN AND CONSTRUCTION

Grantee will commit in a renewal franchise that the subscriber system serving the Ramsey/Washington area will be enhanced from the current 450 MHz, 65 channel system to a 750 MHz system offering dramatically more channel capacity, higher signal quality, more reliability and more features as set forth below:

- A - 1. The subscriber network will be upgraded to 750 MHz capacity and will be fully activated to said capacity. Meredith plans to program up to 81 downstream channels - with phased activation launches as nodes are completed. This leaves an additional 200 MHz capacity available for future activation of additional video channels, digital services, and other services as future marketplace needs dictate. In addition, the system will be designed with the capability to transmit return signals upstream at 5- 40 MHz in the future. Grantee will activate this upon its determination that the need exists through subscriber and marketplace research, economic feasibility, and technological developments. Upon request, Grantee will share such research with the Cable Commission, and will further, upon request, "show cause" as to why at any given time, Grantee has not activated such bandwidth.
- A - 2. Hybrid fiber-coaxial architecture will be deployed.
- A - 3. The system will be initially upgraded with the deployment of fiber optic nodes, each connected by fiber to the hub and headend sites, with each node serving an average of 500 homes, but in no event greater than 800 home nodes, and with a minimum of four (4) fibers connecting each node from headend and hubs. A node is the transition point between optical light transmission (fiber optic cable) and the RF transmission (coaxial cable) of video and data signals to be delivered to and received from, the subscriber's home. Nodes are located in pedestals similar to a standard line amplifier (approximate size 31" wide x 48" deep x 48" high) or attached to the strand in the case of aerial lines.
- A - 4. Upon upgrade, all power supplies will be equipped with standby power capability which, at a minimum, will be initially activated at the node locations. Standby power will keep the headend operational indefinitely given adequate fuel supplies. Uninterruptable power supplies will be provided for such Company equipment or systems that cannot withstand a momentary loss of power such as computers, switching equipment, schedulers and data gathering equipment. Batteries and standby power supplies for the plant will operate approximately 2 hours. Maintenance technicians will have power inverters on their trucks as well as gas powered generators.
- A - 5. In order to better assure reliability and system maintenance, the system upgrade will incorporate status monitoring at nodes, and power supply locations. It is anticipated that Cheetah status monitoring equipment, or similar equipment, will be utilized.
- A - 6. Non-interruptible power-passing compatible taps will be implemented by Grantee for ease of maintenance and less disruption during system maintenance.

- A - 7. Adequate fiber count, a minimum of 4 per approximate 500 home node, will be included in the upgrade in order to facilitate future expansion of needs including future expansion of needs in business corridors as commercial need dictates.
- A - 8. The subscriber RF system will accommodate and be capable of providing return signals in 5 - 40 MHz bandwidth in the future, and will be activated in accordance with A-1, above.
- A - 9. All existing head end equipment will be replaced with state-of-the-art standard frequency head end equipment.
- A - 10. It is anticipated that Basic Service channel mapping might no longer be utilized by the system assuming no adverse reception problems would result. This would permit all local VHF off-air broadcast signals to be located "on-channel" for all customers and have no impact on the PEG access channel location nor Universal Service.
- A - 11. Standby power will continue to be in place for the head end on a 24-hour basis.
- A - 12. The system will have the capability to receive and pass through all local broadcast signals in digital format as required by applicable federal rules and regulations and in compliance with applicable FCC mandated time lines.
- A - 13. The system will permit all channels available to Meredith Cable in stereo to be passed through to subscribers in stereo. BTSC will be the stereo format.
- A - 14. Grantee will commence application for licenses and permits related to construction within 90 days after the commencement of the renewal period.
- A - 15. Grantee will commence design, walkout, etc. related to construction within 90 days after commencement of the renewal period.
- A - 16. Grantee will complete all phases of the upgrade project by May 30, 2001 in accordance with the construction timeline contained in **Exhibit C**, herein.
- A - 17. Grantee will place a 750 MHz carrier inserted at a level 10db below the video carriers that will be measured as a normal procedure during service calls. The drop cable and passives will be inspected during normal installations to assure that 750 MHz can be passed. Grantee will locate sweep transmitters plus additional phantom carriers in the band that enables the Grantee to check the system to insure that it is capable of passing the full 750 MHz. Grantee will perform a sweep of the headend and each node during the initial activation, and during routine maintenance throughout the duration of the system's ongoing operations. Should a drop or associated passive equipment not pass at least 550 MHz, the Company will replace the drop without charge to the subscriber. Further, at the point that a home may require 750 MHz, the address will be noted and at the time the address upgrades service that requires signal above 550 MHz, the drop and/or associated equipment will be changed out. The Company will charge the same installation charge (if any) to all recipients of 750 MHz service whether or not the service requires a new drop. The

time frame for an upgrade in such services will be met by Grantee in accordance with applicable existing installation schedules, but in any case will be completed in less than seven (7) days unless otherwise directed by the subscriber.

A-18. The connection with the main headend, regardless of its location, to the hub and node sites within the Ramsey/Washington area will be fully capable of and activated to 750 MHz. Such interconnect for the subscriber HFC network will be such that the end of the line performance will meet or exceed applicable FCC specifications at the subscriber drop location.

A-19. Upon upgrade, all channels will have automatic audio-limiting to control audio disparity. The Grantee will utilize an audio AGC/limiting system to control audio disparity.

A-20. Grantee will provide the Commission with a spectrum allocation chart, including signal carriage and channel designations for all bandwidths, as soon as signal carriage and bandwidth designations are known by the Company and updated information will be provided by the Company as changes are made.

A-21. Grantee will comply at all times with applicable electric and construction codes, including NEC and NESC.

A-22. Grantee will use its best efforts to comply with any applicable Open Cable standards which have been or will be developed for the industry.

A-23. The subscriber network will meet all applicable FCC technical and performance specifications. Further, Grantee will make available to the Commission, the results of all system testing and proof of performance results upon request. Grantee will perform all testing to meet full service loading (analog and digital services)

A-24. Grantee will continue to provide basic service (or equivalent) and preferred service (or equivalent) free of charge to all those institutions currently receiving basic and preferred service free of charge. In addition, Grantee will provide the services as specified in **Exhibit E** at no charge to the institutions designated for such service in **Exhibit E**. Also, to the extent that Grantee offers web site hosting service to its subscribers, Grantee shall provide each member municipality and the Commission such services at no charge. Beyond this, any institution may subscribe to web site hosting services in accordance with the Company's standard pricing for such services available to subscribers. As to all other institutions which may exist or be constructed in the future, or which may be on **Exhibit E** and not specified to receive service, the Company will extend cable – I-Net and subscriber network – to government facilities and educational institutions within 500 feet of existing I-Net. Beyond that, the Company will extend cable at the cost of time and materials to be paid by the institution, less the cost of the 500 feet.

A-25. The subscriber system will narrowcast government access channels discretely by municipality and, to the extent that system node architecture allows, educational access shall be capable of narrowcasting discretely by public school districts.

A-26. The Company will provide a fully functional emergency alert system on the subscriber network that is compliant with applicable local, state and federal EAS requirements, and which will be coordinated with the Commission.

B. INSTITUTIONAL NETWORK

B - 1. The I-Net will be 450 MHz capacity.

B - 2. The I-Net will consist of 56 channels (25 upstream and 31 downstream) available for non-commercial institutional uses. Further, the I-Net will be segmented for purposes of narrow-casting video and data within municipal boundaries. The minimum number of segments in the system will be at least equal to the number of nodes in the I-Net. Grantee will provide all equipment necessary to make this happen.

B - 3. Grantee will provide twenty eight (28) new, additional pilot generators.

B - 4. Grantee will retune any existing amplifier in the I-Net which are anticipated to be used in the upgrade.

B - 5. The I-Net will have full standby power with full battery placement.

B- 6. Grantee will introduce twelve (12) count fiber into the Institutional Network resulting in a reduction of all amplifier cascades to no more than 10 amplifiers deep which shall increase from 9 to 17 where fiber is placed, allowing for a segmentation increase of 89%. All I-Net nodes will be connected by fiber to hubs. Two (2) fibers will be used to support the upstream and downstream capabilities of the HFC I-Net. The additional ten (10) fibers will be connected from the hub to each node for the purpose of supporting redundancy and facilitation of end-to-end fiber connections within the institutional community. Further, Grantee will make available end-to-end fiber connection and usage of the I-Net in accordance with **Exhibit E and F**. Grantee will connect two (2) dark fibers to each city hall listed in **Exhibit E**, provided the cost of such construction can, at Grantee's discretion, be included in the PEG fee, and further that it is understood that the institution is responsible for any end-user or interface equipment needed to connect the institution to the dark fibers. Grantee will remain responsible for the node equipment previously proposed.

Grantee will be responsible for the activation of the fibers referenced above with optical transmission and reception equipment as more specifically delineated in **Exhibit F**. The timeline for such activation will be no later than 30 days from the time any institutions request connection and usage in accordance with the policies of **Exhibit F**.

B - 7. Grantee will make the I-Net capacity referenced above available to the designated institutions in **Exhibit E** for video uses at no charge. Additionally, Grantee will comply with the requirements and policies regarding use of bandwidth as set forth in **Exhibit F**. Grantee will be permitted to charge for the use of the I-Net in accordance with **Exhibit F**.

B - 8. Nothing contained herein shall prevent Grantee from using the available capacity on the I-Net for other uses except that the Commission and designated institutions shall have priority over those other uses. Grantee shall terminate its use of channel capacity on the I-Net within six (6) months after receiving notice from the Commission. Use of the I-Net by the institutions, including the Commission and cities, will be limited to the data and video needs of such institutions. The institutions may not sell or resell services to third parties.

B - 9. Use of the Institutional; Network by the institutions, including the Commission and cities, will be limited to the telecommunications or video needs of such institutions. The institutions may not sell or resell services to third parties. The institutions may provide services to themselves which Grantee otherwise sells to others (for example, institutions may provide Internet access that the Grantee might sell to others).

B - 10. Grantee will either allow designated institutions to purchase their own equipment or will lease end-user terminal equipment to requesting institutions. In addition to continuing to repair, replace and maintain existing video modulators and demodulators in the current system or required by the current franchise, Grantee will provide twenty (20) modulators and demodulators for distribution by the Commission to institutions. In addition, Grantee will provide upon commencement of the renewal period, a capital equipment grant of \$50,000 to the Commission for the use towards the purchase of equipment for the municipal data network.

B-11. The I-Net will be fully compliant with the performance specifications set forth in **Exhibit G**.

B-12. In the event that the Company wishes to deploy wavelength division multiplexing (WDM) technology within the fiber optic portion of the I-Net and, as a result of such plans, also wishes to reduce the number of fiber cables to the node as specified in **B-6**, the Company may present such a plan to the Commission, at which point the Commission would have the option of approving (or not approving) such a plan.

C. INTERCONNECTION

C - 1. Grantee will have the capability upon completion of the upgrade of the I-Net, the following: For interconnection of the Ramsey/Washington Cable System with the **North Suburban Cable System**, three (3) 6 MHz channels/bandwidth for forward video purposes, three (3) 6 MHz channels/bandwidth for return video purposes, three (3) 6 MHz for forward data purposes and/or other, and three (3) 6 MHz channels/bandwidth for return data and/or other purposes; for interconnection of the Ramsey/Washington Cable System with the **St. Paul Cable System**, three (3) 6 MHz channels/bandwidth for forward video purposes, three (3) 6 MHz channels/bandwidth for return video purposes, three (3) 6 MHz for forward data purposes and/or other, and three (3) 6 MHz channels/bandwidth for return data and/or other purposes; for interconnection of the Ramsey/Washington Cable System with the **South Washington County Cable System**, three (3) 6 MHz channels/bandwidth for forward video purposes, three (3) 6 MHz channels/bandwidth for return video purposes, three (3) 6 MHz for forward data purposes and/or other, and three (3) 6 MHz channels/bandwidth for return data and/or other purposes; for interconnection of the

Ramsey/Washington Cable System with the **Central St. Croix Cable System**, three (3) 6 MHz channels/bandwidth for forward video purposes, three (3) 6 MHz channels/bandwidth for return video purposes, three (3) 6 MHz for forward data purposes and/or other, and three (3) 6 MHz channels/bandwidth for return data and/or other purposes. Upon Commission's request for additional interconnection capacity, Grantee will make available such additional capacity necessary to meet the total interconnection capacity specified in **Exhibit C**.

C – 2. Grantee will provide, at cost of time and materials, to be paid by the local government or Commission, an interconnection with the State of Minnesota's fiber network, referred to as the "Connecting Minnesota" project, which is planned to be used by local units of government. Grantee will therefore install a home-run fiber pair, cabling from the Oakdale headend/hub to the location of the "Connecting Minnesota" drop location at the MN-DOT building located at Hadley Avenue and Highway 5 in Oakdale. Upon request of the Commission, Grantee will activate such fiber lines with the equipment necessary to interconnect State's network with the Ramsey/Washington I-Net.

C – 3. To further accommodate utilization of interconnection between commonly owned, adjacent-franchise systems in the Twin Cities marketplace, institutions in the Ramsey/Washington service area may desire utilization of capacity on one or more institutional networks which are part of Grantee's commonly owned, adjacent-franchise systems ("Adjacent Institutional Network"). Should such utilization of an Adjacent Institutional Network be desired, in order to meet Commission's proposed uses, the Commission (on behalf of itself or specific institutional users) will undertake best efforts to obtain any required authorization from the appropriate adjacent franchising authority (or such franchising authority's designated institutional network manager) to utilize capacity of such Adjacent Institutional Network which is under the control of such adjacent franchise authority. In the event that Commission is unable to obtain such authorization to use such Adjacent Institutional Network after good faith effort to secure such use, Grantee will provide Commission available bandwidth on such Adjacent Institutional Network as follows: If Adjacent Institutional Network is available and under the control of Grantee, Grantee will provide unused available Adjacent Institutional Network capacity at no charge to the Commission in an amount up to the difference of three (3) 6 MHz channels/bandwidth for forward video, data, or other purposes and three (3) 6 MHz channels/bandwidth for return video, data, or other purposes minus any bandwidth on the Adjacent Institutional Network which is under the control of the adjacent franchising authority and is available for Commission use. Available capacity in addition to that described above on the Adjacent Institutional Networks under the control of Grantee will be made available to Commission at market rates established by Grantee. In no event shall Grantee have any obligation or be responsible for providing any equipment pursuant to this section.

C – 4. Grantee will build and activate an AM fiber link between White Bear Lake and Oakdale facilities. The link will support a bandwidth between 50-750 MHz. Grantee will initially, at a minimum, dedicate and pass four (4) 6 MHz video channels and one (1) data channel in each direction between White Bear Lake and Oakdale facilities on this link for the purpose of supporting current video and data (DiTech) needs. If at any time during the renewed franchise video and data applications use or require more capacity than this, Grantee will dedicate and pass such channels, free of charge. Further, additional, activated fiber capacity will be available for a direct link between White Bear Lake and Oakdale facilities to support all institutional network applications.

D. PROGRAMMING

Upon completion and activation by territory, Grantee anticipates a minimum of providing up to 81 analog video channels. While definitive programming agreements have not been entered into and, as such, specific packaging, and pricing decisions cannot be made at this time, it is anticipated that prices will be adjusted as authorized to reflect the additional programming as well as project and programming costs. As examples, we preliminarily anticipate the following new programming choices or similar services will be available:

· D - 1. **Basic Service (or equivalent)** - Initially, Grantee anticipates a continuation of current Basic Service offering of 28 channels.

· D - 2. **Preferred Tier Service (or equivalent)** - Grantee anticipates the addition of at least 4 or 5 channels to this tier that currently consists of 29 channels. There will be a corresponding rate adjustment. Preliminarily, and as examples, we anticipate the likely addition of the following exciting new offerings or others as we may deem more responsive to subscriber or marketplace needs and interests.:

The Golf Channel.

The Cartoon Network

ESPN Classic Sports Network

TV Food Channel

Sneak Prevue

Independent Film Channel

The Travel Channel

FX Movies

TV Land

Turner Classic Movies

· D - 4. **Premium Services** - Grantee anticipates adding several new optional premium service selections. Preliminarily, and as examples, we anticipate the likely addition of the following new

premium offerings or others as we may deem more responsive to subscriber or marketplace needs and interests:

HBO West/Comedy

HBO Family

Cinemax2

D - 5. **Pay-Per-View Services** - Grantee anticipates offering more optional pay-per-view service selections. Preliminarily, and as examples, we anticipate the likely addition of three new pay-per-view services or others as we may deem more responsive to subscriber marketplace needs and interests.

D - 6. **Interactive Services** - Grantee's plan contemplates the capability of offering interactive services upon completion of the project and a reasonable expectation of consumer acceptance and financial viability. While various services are currently developing, Grantee is considering, among other services, a digital music service and interactive program guide. No decisions have been made regarding particular services, pricing or launch dates.

D - 7. **Digital Services** - Grantee anticipates that additional premium service options, pay-per-view offerings and other new services including future digital services will be offered over time utilizing the appropriate bandwidth.

E. HIGH SPEED DATA TRANSMISSION

In addition to traditional video services, the cable system will position Grantee to offer new and yet-to-be-developed non-video services.

E - 1. The subscriber network will have adequate capability to enable the provision of high speed data service such as Internet access as marketplace need dictates.

E - 2. Grantee's system will be able to address opportunities to meet the non-video interests of the business community by including fiber capacity to business corridors identified during the construction walkout in order to explore high speed data services demand by business users.

F. COMMITMENT TO ACCESS PROGRAMMING

Grantee will meet its obligations under the agreements regarding access support which were entered into with the Ramsey/Washington Cable Communications Commission in the March 9, 1995 Memorandum of Understanding. In addition, Grantee will provide the following:

F-1. Grantee will provide an equipment grant to the Commission for each year of the first four (4) years of the renewed franchise in the following amounts:

Year 1 - \$833,333.00

Year 2 - \$833,333.00

Year 3 - \$833,333.00

Year 4 - \$250,000.00

Grantee may adjust the PEG fee to recover the above payments (consistent with Federal Rules for calculating Grantee's cost of money) over a period of not less than eight (8) years.

F-2. Effective with the adoption of the Franchise, Grantee and the Commission shall enter into a sublease agreement contained in **Exhibit H**.

F-3. Company agrees that the Commission may, for no charge, have use of the studio at any of the Company's facilities in the Ramsey/Washington franchise area, as long as the Company operates a studio in the franchise area. Use of the studio facility by the Commission will be permitted, if not otherwise in use by the Company, and is subject to reasonable rules established by the Company. Company shall have no obligation to incur additional costs, in terms of staff or equipment, because of the Commission's use of a studio facility of the Company.

F-4. Company shall make available for the unrestricted, sole and complete use by the Commission, ten (10) 6 MHz channels in the system. These 6 MHz channels are characterized and numbered below for illustrative purposes only at the time of this agreement as follows:

- Channel 10 – Public Access
- Channel 15 – Public Access
- Channel 16 – Government Access
- Channel 61 – Educational Access
- Channel 52 – (currently loaned to Company – see F-6)
- Channel 35 – Library Access
- Channel 60 – Private Ed Access
- Channel 57 – Religious Access
- Channel 58 – Higher Ed Access
- Channel 62 – (currently loaned to Company – see F-6)

F-5. Channels 15 (Public Access) and 16 (Government Access) shall not be moved without Commission permission. Channel 10 will be moved to channel 19 and thereafter not moved without Commission permission. Grantee may unilaterally move other channels, with 30-day notice to Commission and subscribers.

F-6. Grantee may continue to use two channels, currently identified for illustrative purposes only as Channels 52 and 62 for cablecast of programming for any lawful purpose until the Commission gives written notice for requesting return of control and use of either or both channels 52 and 62. Such notice by the Commission shall be given at least twelve (12) months prior to the date for actual and effective return of control and use to the Commission of either or both Channel 52 and 62. Notice from the Commission for return of one channel shall not be construed as a waiver of the Commission's right to require the return of the second channel at a later date. Grantee agrees its obligation to return use and control of Channels 52 and 62 is otherwise unconditional, and not dependent on any showing of need or cause by the Commission. Grantee further agrees that when one or both of these channels are returned for use by the Commission, such channels shall be received by all system subscribers.

F-7. Grantee shall remain bound by Article 11.02 of the current franchise ordinance (N + 1 rule) regarding additional community programming channels, notwithstanding the channels noted in F-4.

F-8 Grantee shall permit the Commission to schedule for cablecast, two (2) 30-second ad avails each day, during the term of the franchise, on a run of schedule basis. The ad avails shall be produced by the Commission to announce, identify or promote community television.

F-9. Grantee shall annually produce, in cooperation with the Commission and at the Grantee's expense, a black and white bill stuffer promoting community television. The bill stuffer shall be produced and mailed with the subscriber billing statements at least once each calendar year during the franchise term. Should billing formats not provide for stuffers, Grantee and Commission will use their best efforts to institute a mutually acceptable co-promotion of community television.

F-9. Subject to all applicable laws, Grantee agrees that the Commission shall have access to all satellite services available to Grantee and that Grantee shall not charge the Commission for such access. The agreement is subject to the following conditions:

- a. The satellite services are received through existing equipment currently in place, and shall not disrupt Grantee's use of the equipment;
- b. The service to be cablecast by the Commission is not being cablecast by Grantee;
- c. The services are not commercial in nature; and
- d. The Commission has acquired the legal right to cablecast such programming.

Exhibit B

External Interconnection Requirements

Data Communications System Interconnections

- **North Suburban**
Four 6 MHz channels upstream and four 6 MHz channels downstream
(a total of 24 MHz up, 24 MHz down)
- **Central St. Croix Valley**
Four 6 MHz channels upstream and four 6 MHz channels downstream
(a total of 24 MHz up, 24 MHz down)
- **St. Paul**
Four 6 MHz channels upstream and four 6 MHz channels downstream
(a total of 24 MHz up, 24 MHz down)
- **South Washington**
Four 6 MHz channels upstream and four 6 MHz channels downstream
(a total of 24 MHz up, 24 MHz down)

Video Communications System Interconnections

- **North Suburban**
One frequency pair (6 MHz up, 6 MHz down) for inter-system municipal video conferencing
One frequency pair (6 MHz up, 6 MHz down) for inter-system educational video conferencing
Three frequency pairs (18 MHz up, 18 MHz down) for inter-system access origination capabilities
Four frequency pairs (24 MHz up, 24 MHz down) for inter-system, interactive distance learning operations
- **Central St. Croix Valley**
One frequency pair (6 MHz up, 6 MHz down) for inter-system municipal video conferencing
One frequency pair (6 MHz up, 6 MHz down) for inter-system educational video conferencing
Three frequency pairs (18 MHz up, 18 MHz down) for inter-system access origination capabilities
Four frequency pairs (24 MHz up, 24 MHz down) for inter-system, interactive distance learning operations
- **St. Paul**
One frequency pair (6 MHz up, 6 MHz down) for inter-system municipal video conferencing
One frequency pair (6 MHz up, 6 MHz down) for inter-system educational video conferencing
Three frequency pairs (18 MHz up, 18 MHz down) for inter-system access origination capabilities
Four frequency pairs (24 MHz up, 24 MHz down) for inter-system, interactive distance learning operations
- **South Washington**
One frequency pair (6 MHz up, 6 MHz down) for inter-system municipal video conferencing
One frequency pair (6 MHz up, 6 MHz down) for inter-system educational video conferencing
Three frequency pairs (18 MHz up, 18 MHz down) for inter-system access origination capabilities
Four frequency pairs (24 MHz up, 24 MHz down) for inter-system, interactive distance learning operations

Other External Interconnections

Home-run fiber pair from Oakdale headend to MN-DOT building at Hadley & Highway 5 in Oakdale, at the location of a node in the state's fiber network which will be available for use by local government. This is called "Connect Minnesota."

Exhibit C

Ramsey/Washington Upgrade Construction Schedule

<u>Description of Work</u>	<u>Time Frame</u>
Engineering Walkout	0-9 months
Engineering Design	3-12 months
Commencement of Permitting	Day 75
Fiber Optic Cable Introduction	10-18 months
Node Installation	10-36 months
Amplifier Replacement	12-24 months
Passive Equipment Replacement	18-36 months
System Balancing and Proof-of-Performance	36 months
Activation in Phases; completion by	May 30, 2001

Actual construction will begin at the hub locations, which are currently located at our office sites in White Bear Lake and Oakdale. The hubs themselves will be upgraded and will be interconnected via SONET architecture between themselves and all other hubs served by the Company in the Twin Cities area. Fiber will be introduced into the coaxial network radiating out from the hub locations and moving throughout each community from there.

Electronic active and passive equipment, power supplies, etc. will be replaced and/or installed on a node-by-node basis. Activation of new plant will be done on a node-by-node basis.

Due to the difficult winter construction season, fiber duct and pedestals may be installed and/or replaced during summer and fall months. This work would occur throughout the entire franchise area to allow winter work to be done in more than just aerial locations.

Exhibit D
Form of Sublease Agreement

Final Subleases for the Oakdale and White Bear Lake facilities will be negotiated between the parties in substantially the form attached.

DRAFT

**WHITE BEAR LAKE
SUBLEASE AGREEMENT**

(Subject to final negotiations between Lessee and Lessor)

THIS SUBLEASE AGREEMENT, entered into between MEDIAONE OF MINNESOTA, INC., a Minnesota corporation, as Lessor, and RAMSEY/WASHINGTON COUNTIES SUBURBAN CABLE COMMUNICATIONS COMMISSION, a Minnesota joint powers commission pursuant to Minn. Stat. §§ 238.08 and 471.58, as Lessee.

Lessor, as lessee, entered into a lease with James M. Muellner and Marilyn L. Muellner (collectively, the "Prime Lessor"), dated October 31, 1983, leasing certain premises in the City of White Bear Lake, Ramsey County, Minnesota.

The lease between Lessor and the Prime Lessor has been amended by First Amendment, dated January 10, 1984, and Second Amendment dated April 1, 1984. True and correct copies of such Lease, First Amendment and Second Amendment (collectively, the "Prime Lease") are attached as Exhibit A and are incorporated herein by this reference. The Prime Lease was assigned to the City of White Bear Lake on _____, 19____. The current Prime Lessor is the City of White Bear Lake, Minnesota.

Lessor, in consideration of the covenants, terms and conditions stated herein, is willing to lease to Lessee a portion of the premises held by Lessor under the Prime Lease.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties hereto agree as follows:

1. **Leased Premises.** Lessor hereby leases to Lessee that portion of the space held by Lessor under the Prime Lease designated on the attached Exhibit B (the "Leased Premises").
2. **Term.** The term of this Lease shall commence on the date of its execution herein ("Commencement Date") and shall terminate upon the expiration of the Prime Lease.
3. **Rent.** Lessee shall pay to Lessor at the address set forth in Paragraph 9 below (or at such other place as Lessor may from time to time designate in writing), annual rent of \$ _____, in monthly installments of \$ _____ each (which amount to be amended to reimburse Lessor for actual rent paid to Prime Lessor for Leased Premises), payable in advance on the first day of each and every calendar month during the Lease term. In the event the Commencement Date occurs on a date other than a first day of a month, and for the final partial month of the Lease term, the rental for such months shall be prorated and

adjusted accordingly. It is expressly agreed that Lessee shall not be liable for payment of any additional rent to Lessor for taxes, operating costs, or any other purpose.

In the event that the Leased Premises or a portion thereof is destroyed or rendered unusable as a result of fire which is not caused by Lessee, or the Leased Premises or a portion thereof is rendered unusable for any reason not the fault of Lessee, then the Rent payable hereunder shall be abated proportionately until such time as the Leased Premises or such portion thereof can once again be used for its intended purpose. If such damage or destruction is caused by the action or failure to act of Lessee, then Rent shall not abate.

4. **Lessee's Covenants.** Lessee, in consideration of the covenants of Lessor herein contained, covenants with Lessor as follows, and any violation of these covenants shall constitute a default under this Lease:

- (a) It hereby leases from Lessor the Leased Premises on the terms specified herein and will pay rent to Lessor therefore in the amount and manner specified above.
- (b) Lessee will use the Leased Premises only for the promotion and support of the use of communications media by the people of the Ramsey and Washington County metropolitan area; will maintain the same in an orderly, clean and sanitary condition, except as may be required of Lessor hereunder; will neither do nor permit to be done thereon anything in violation of the terms of insurance policies thereon; will neither do nor permit to be done thereon anything in violation of the regulations, ordinances and laws applicable thereto; and will neither commit nor suffer waste thereon.
- (c) Lessee will promptly repair all damages to the Leased Premises arising from its own fault or neglect; will promptly replace all glass broken by Lessee's fault or neglect; and will make no other repairs, alterations or additions thereto or thereon without the consent in writing of Lessor.
- (d) Lessee shall not waste any utilities provided at Lessor's cost to Lessee at the Leased Premises; nor will Lessee make any claim for damages or offset against Lessor in the event such utilities services are interrupted or fail due to conditions or events beyond Lessor's control.
- (e) Lessee will keep in force at its own expense for so long as this Lease remains in effect public liability insurance with respect to the Leased Premises in which Lessee, Lessor, and Prime Lessor shall be named as insureds, in companies and in form acceptable to Lessor, with a minimum combined single limit of liability of \$500,000.00. Lessee will further deposit with Lessor, the policy(ies) of such insurance, or certificates thereof, which shall provide that Lessor shall be notified in writing ten (10) days prior to cancellation, material changes, or failure to renew the insurance.

- (f) Lessee shall indemnify and hold Lessor and Prime Lessor harmless from any claim, loss or damage suffered by Lessor or Prime Lessor caused by any act or omission of Lessee, Lessee's employees, or anyone claiming through or by Lessee in, at or around the Leased Premises.
- (g) Lessee shall allow Lessor to enter upon the Leased Premises at all reasonable times to inspect the same and to make such repairs as Lessor deems necessary.
- (h) Lessee will not assign, mortgage, or encumber this Lease, nor any interest therein, nor sublet any part of the Leased Premises without the consent in writing of the Lessor, which consent will not be unreasonably withheld; provided, Lessee shall be entitled to assign this Lease or to sublet the Leased Premises to a designee which shall perform certain cable television community programming functions for Lessee, and further provided that Lessee shall remain liable to Lessor for the performance of Lessee's obligations under this Lease. Lessee agrees that it shall not be entitled to sublet or assign the Leased Premises, or any portion thereof, to a person or entity whose intended use shall compete with the business of Lessor.
- (i) On the last day of the Lease term, or on the sooner termination thereof in accordance with the terms hereof, Lessee shall peaceably surrender the Leased Premises in good condition and repair, normal wear and tear excepted, remove all of its equipment from the Leased Premises, and repair any damage caused thereby.
- (j) Lessee accepts the Leased Premises in its condition "as is."

5. **Lessor's Covenants.** Lessor, in consideration for Lessee's performance of its obligations hereunder, covenants with Lessee as follows:

- (a) Lessor agrees to furnish all utilities, including but not limited to, water, electricity, air conditioning, gas service, sewer, emergency power and generator service, and trash disposal, to the Leased Premises, at Lessor's cost and expense, and as reasonably necessary to the use of the Leased Premises as described herein. As provided in Paragraph 4(d) above, Lessee shall not waste such utilities nor make any claim or assert any offset against Lessor for interruption or failure of such services when beyond the control of Lessor.
- (b) Lessor will promptly repair all damages to the Leased Premises and cure all interruptions to the utilities servicing the Leased Premises (including but not limited to heating, air conditioning, electrical power and emergency power generation), except those imposed upon Lessee pursuant to Paragraph 4(c) above, and shall maintain the Leased Premises under the Prime Lease as required hereunder. Lessor agrees it shall use its best efforts to compel the landlord under the Prime Lease to perform all of its maintenance obligations under the Prime Lease. Lessor further agrees that any repairs performed by Lessor upon the Leased Premises will be done

in a manner so as to minimize the impact on Lessee's business.

- (c) In the event of damage or destruction to the Leased Premises or to the premises leased under the Prime Lease, as described in Section 15 of the Prime Lease, or in the event of action of public authority as described in Section 17 of the Prime Lease, Lessor agrees it shall not terminate the Prime Lease without the prior written consent of Lessee, which consent shall not be unreasonably withheld.
 - (d) Lessor shall perform its obligations as tenant under the Prime Lease in a timely and complete manner so that there shall be no default by tenant thereunder. Lessor warrants to Lessee that as of the Commencement Date, both landlord and tenant under the Prime Lease are in full compliance with the terms of the Prime Lease, and that in the event Lessor as tenant defaults or receives notice of an alleged default under the Prime Lease, or if it becomes aware of a default in the Prime Lease by the Prime Lessor as landlord, Lessor shall promptly notify Lessee of such occurrence.
 - (e) Lessor shall provide janitorial service to those portions of the Leased Premises designated on Exhibit B for the joint use of Lessor and Lessee. These areas of the Leased Premises are the lounge and the restrooms.
 - (f) Lessor warrants that Lessee shall be entitled to the use of the Common Areas, parking facilities, and ingress and egress rights described in the Prime Lease, in common with Lessor, the Prime Lessor, and other tenants of the shopping center described in the Prime Lease.
 - (g) Lessor warrants and covenants that the Common Areas described in the Prime Lease, and those portions of the Leased Premises which are not for the exclusive use of, or within the exclusive control of, Lessee, are in full compliance with the terms and conditions of the Americans With Disabilities Act.
6. **Waiver and Subrogation.** Lessor and Lessee hereby release the other from any and all liability or responsibility to the other or anyone claiming through or under them by way of subrogation or otherwise for any loss or damage to property caused by fire or any of the extended coverage or supplementary contract casualties, even if such fire or other casualty shall have been caused by the fault or negligence of the other party, or anyone for whom such party may be responsible. Provided, however, that this release shall be applicable and in force and effect only with respect to loss or damage occurring during such times as the releasing party's policies shall contain a clause or endorsement to the effect that any such release would not adversely affect or impair said policies or prejudice the right of the releasing party to recover thereunder. Lessor and Lessee agree that they will request their insurance carriers to include in their policies such a clause or endorsement and Lessor and Lessee agree to provide each other with written evidence of such clause or endorsement, upon request.

7. **Satellite Dish; Van Parking.** Lessor agrees that during the term of this Lease, Lessee shall be entitled to (a) install and maintain a satellite dish connected to the Leased Premises, at a location(s) determined by Lessee, provided Lessee complies with all state, federal and local regulations in the placement and maintenance of such satellite dish; and (b) exclusive parking rights for Lessee's mobile production van, including power plug-in, at a location(s) designated on the attached Exhibit B. No additional Rent shall be payable for the exercise of these rights.
8. **Prime Lease; Default by Lessee.** This Lease is subject and subordinate to the Prime Lease. In case of any breach hereof by Lessee, Lessor shall have all the rights against Lessee as would be available to the Lessor against the Lessee under the Prime Lease if such breach were by the Lessee thereunder.
9. **Notices; Miscellaneous.** All notices, consents, demands and requests which may be or are required to be given by either party to the other, shall be in writing and sent by U.S. registered or certified mail, postage prepaid with return receipt requested, addressed as follows:

TO LESSOR: General Manager
MediaOne of Minnesota, Inc.
214 East 4th St.
St. Paul, MN 55101

TO LESSEE: Ramsey/Washington Counties Suburban Cable
Communications Commission
7245 Stillwater Boulevard
Oakdale, MN 55128

The date shown on the return receipt as the date on which said registered or certified mail is sent by the addresser shall be conclusively deemed to be the date on which a notice, consent, demand or request is given or made. The above address of a party may be changed at any time, or from time to time, by notice given by said party to the other party in the manner above provided.

10. **Lessee's Option to Terminate.** At Lessee's sole opinion, this Lease may be terminated upon ninety (90) days prior written notice to Lessor. Lessor expressly waives any reciprocal right to termination. In the event Lessee exercises its sole right to terminate the Lease, all rights and liabilities of the parties hereunder shall terminate.

The terms, conditions and covenants contained herein shall bind and inure to the benefit of Lessor and Lessee and their respective successors, legal representatives and assigns.

This Lease contains the entire agreement between the parties and may not be amended or modified except in writing. This Lease shall be governed by and construed under the laws of the State of Minnesota.

In the event that any provision of this Lease shall be held invalid or unenforceable, no other provisions of this Lease shall be affected by such holding, and all of the remaining provisions of this Lease shall continue in full force and effect pursuant to the terms thereof.

Paragraph captions are inserted only for convenience in reference and are not intended, in any way, to define, limit or describe the scope, intent and language of this Lease or its provisions.

LESSEE:

RAMSEY/WASHINGTON COUNTIES
SUBURBAN CABLE COMMUNICATIONS
COMMISSION

LESSOR:

MEDIAONE OF MINNESOTA, INC.

By: _____
Its: _____

By: _____
Its: _____

EXHIBIT E – INSTITUTIONAL CONNECTIONS

City of Birchwood						
Institution	Address	Phone	Free I-Net Drop	Free Sub-Net Drop	Free Basic Preferred	1 Free MediaOne Express
City Hall	207 Birchwood	426-3403	Yes	Yes	Yes	Yes
City of Dellwood						
Institution	Address	Phone	Free I-Net Drop	Free Sub-Net Drop	Free Basic Preferred	1 Free MediaOne Express
Dellwood City Hall	111 Wildwood		Yes	Yes	Yes	Yes
City of Grant						
Institution	Address	Phone	Free I-Net Drop	Free Sub-Net Drop	Free Basic Preferred	1 Free MediaOne Express
Grant City Office	111 Wildwood		Yes	Yes	Yes	Yes
Grant City Hall	Kimbrow Ave		No	Yes	Yes	Yes
City of Lake Elmo						
Institution	Address	Phone	Free I-Net Drop	Free Sub-Net Drop	Free Basic Preferred	1 Free MediaOne Express
Lake Elmo City Hall	3800 Laverne Ave. No	777-5510	Yes	Yes	Yes	Yes
Lake Elmo Maintenance	4259 N. Jamaca Ave	770-2537	Yes	Yes	Yes	*
Lake Elmo Elementary	11030 Stillwater Ave North	351-6700	Yes	Yes	Yes	Yes
Lake Elmo Parks & Rec	11194 Upper 33 rd	770-3015	Yes	Yes	Yes	*
Oakland Jr High	820 Manning Ave.	351-8500	Yes	Yes	Yes	Yes
Lake Elmo Fire	3510 Laverne Ave	770-5006	Yes	Yes	Yes	
Lake Elmo Library	3459 Lake Elmo Ave North	777-5002	Yes	Yes	Yes	Yes
City of Mahtomedi						
Institution	Address	Phone	Free I-Net Drop	Free Sub-Net Drop	Free Basic Preferred	1 Free MediaOne Express
Mahtomedi High School	8000 N. 75 th St	407-2100	Yes	Yes	Yes	Yes
Wildwood Elementary	535 N. Warner Rd	407-2400	Yes	Yes	Yes	Yes
White Bear Unitarian Church	328 Maple St	426-3337	Yes	Yes	Yes	
Mahtomedi Fire	800 Stillwater Rd		Yes	Yes	Yes	*
O.H. Anderson Elementary	666 So. Warner Ave	407-2300	Yes	Yes	Yes	Yes
Mahtomedi Public Works	30 Long Lake Rd	777-8565	No	Yes	Yes	Yes
St. Jude Church	700 Mahtomedi Ave	426-2562		Yes	Yes	

EXHIBIT E – INSTITUTIONAL CONNECTIONS

City of Mahtomedi Institution	Address	Phone	Free I-Net Drop	Free Sub-Net Drop	Free Basic Preferred	1 Free MediaOne Express
Mahtomedi Middle	8100 75 th St. No	407-2200	Yes	Yes	Yes	Yes
Wildwood Library	763 Stillwater Rd	426-2042	Yes	Yes	Yes	Yes
Mahtomedi City Hall	600 Stillwater Rd	426-2042	Yes	Yes	Yes	Yes
Mahtomedi Alternative	3128 Century Ave	407-2179	No	Yes	Yes	Yes
Mahtomedi Dist. Office	1520 Mahtomedi Ave	407-2000	Yes	Yes	Yes	Yes
City of Maplewood Institution	Address	Phone	Free I-Net Drop	Free Sub-Net Drop	Free Basic Preferred	1 Free MediaOne Express
John Glenn Middle School	1560 E. Cty Rd B	748-6300	Yes	Yes	Yes	Yes
Carver Elementary	2680 Upper Afton Rd	702-8200	Yes	Yes	Yes	Yes
Maplewood Public Works	1902 E. Cty. Rd B #3		Yes	Yes	Yes	*
Maplewood Emergency Service	1902 E. Cty. Rd. B #1	770-4547	Yes	Yes	Yes	*
Maplewood Community Center	2100 White Bear Ave	779-3555	Yes	Yes	Yes	*
Beaver Elementary	2135 Birmingham St	748-7000	Yes	Yes	Yes	Yes
Gladstone Fire	1900 Clarence	777-8191	Yes	Yes	Yes	*
Edgerton Elementary	1929 Edgerton	772-2565	Yes	Yes	Yes	Yes
Maplewood City Hall	1830 E. Cty Rd B	770-4500	Yes	Yes	Yes	Yes
East Cty Line Fire #2	2501 Londin Lane	739-4050	Yes	Yes	Yes	Yes
Presentation Church	1735 Kennard	777-5877	Yes	Yes	Yes	
Presentation School	1695 Kennard	777-5877	Yes	Yes	Yes	Yes
East Co. Line Fire #1	1177 N. Century	739-7860	Yes	Yes	Yes	*
Maplewood Dist. Office	2055 E. Larpentuer	770-4614	Yes	Yes	Yes	*
Beaver Lake Elementary	1060 N. Sterling	702-8400	Yes	Yes	Yes	Yes
Gethsemane Church	2410 Stillwater Rd	739-7540	Yes	Yes	Yes	
Hill Murray High	2625 E. Larpentuer	777-1376	Yes	Yes	Yes	Yes
Gladstone Baptist	1717 English	776-1536	Yes	Yes	Yes	
*Harmony Elementary	1961 E. Co. Rd C		Yes	Yes	Yes	Yes
Parkside Fire	2001 McMenemy St.	776-0174	Yes	Yes	Yes	*
**Gladstone Comm. Bldg	1945 Manton St	770-4745	Yes	Yes	Yes	

EXHIBIT E – INSTITUTIONAL CONNECTIONS

City of Maplewood						
Institution	Address	Phone	Free I-Net Drop	Free Sub-Net Drop	Free Basic Preferred	1 Free MediaOne Express
Hazelwood Fire	1530 E. Co. Rd. C	770-4500	Yes	Yes	Yes	*
Ramsey County Nursing Home	2000 White Bear Ave	777-7486	No	Yes	No	
3M Center		736-7512	No	Yes	No	
Ramsey Co. Library	1670 Beam Ave	704-2033	Yes	Yes	Yes	Yes
Tri-District School	30 East Co. Rd. B	487-5450	Yes	Yes	Yes	Yes
St. Jerome	384 E. Roselawn	771-8494				
City of North St. Paul						
Institution	Address	Phone	Free I-Net Drop	Free Sub-Net Drop	Free Basic Preferred	1 Free MediaOne Express
No. St. Paul City Hall	2526 E. 7 th Ave	777-4450	Yes	Yes	Yes	Yes
No. St. Paul Fire	2526 E. 7 th Ave	777-4480	Yes	Yes	Yes	*
No. St. Paul Police	2526 E. 7 th Ave	770-1305	Yes	Yes	Yes	*
No. St. Paul Community Center	2290 1 st St. No	770-4471	Yes	Yes	Yes	*
No. St. Paul Library	2640 E. 7 th Ave	704-2040	Yes	Yes	Yes	Yes
Cowern Elementary	2131 N. Margaret	748-6800	Yes	Yes	Yes	Yes
Christ Evan. Church	2475 E. 17 th Ave	777-5771	Yes	Yes	Yes	
Solar Ice Arena	2520 E. 12 th Ave	777-4649	Yes	Yes	Yes	*
No. Presbyterian Church	2675 E. Hwy 36	777-4044	Yes	Yes	Yes	
Richardson Elementary	2615 N. 1 st St	748-6900	Yes	Yes	Yes	Yes
North High School	2416 E. 11 th Ave	748-6000	Yes	Yes	Yes	Yes
St. Mark's Church	2499 N. Helen	777-7451	Yes	Yes	Yes	
Northwoods Church	2490 E. 7 th Ave	770-7777	Yes	Yes	Yes	
Electric Utility Bldg	2303 N. 1 st Street		Yes	Yes	Yes	*
City of Oakdale						
Institution	Address	Phone	Free I-Net Drop	Free Sub-Net Drop	Free Basic Preferred	1 Free MediaOne Express
Tartan High	828 N. Greenway Ave	702-8600	Yes	Yes	Yes	Yes
Oakdale Fire	6279 N. 50 th St	777-8886	Yes	Yes	Yes	*
Holy Cross Lutheran Church	6355 N. 10 th St	739-0643				
Castle Elementary	6675 N. 50 th St	748-6700	Yes	Yes	Yes	Yes
Oakdale City Hall	1900 Hadley	731-0332	Yes	Yes	Yes	Yes
Oakdale Police	1584 N. Hadley	739-5086	Yes	Yes	Yes	*
Oakdale Elementary	821 N. Glenbrook Ave	702-8500	Yes	Yes	Yes	Yes
St. Michael's Church	6060 N. 43 rd St			Yes	Yes	

EXHIBIT E – INSTITUTIONAL CONNECTIONS

City of Oakdale						
Institution	Address	Phone	Free I-Net Drop	Free Sub-Net Drop	Free Basic Preferred	1 Free MediaOne Express
Eagle Point Elementary	7850 N. 15 th St	702-8300	Yes	Yes	Yes	Yes
Oakdale Fire #2	6812 N. 15 th St	773-8886	Yes	Yes	Yes	Yes
Transfiguration School	Moved to new location					
Transfiguration Church	935 So. Ferndale	739-5966	No	Yes	Yes	Yes
Skyview Middle School	1100 Heron Ave	702-8000	Yes	Yes	Yes	Yes
Skyview Elementary School	1100 Heron Ave	702-8100	Yes	Yes	Yes	Yes
Oakdale Nature Center	4444 Hadley Ave. No.		Yes	Yes	Yes	*
Washington County Human Services	7066 Stillwater Blvd	777-5222	Yes	Yes	Yes	*
Fire Station	6633 15 th Street No		Yes	Yes	Yes	*
Fire Station	6259 50 th Street No.		Yes	Yes	Yes	*
Public Works	1900 Hadley Ave. No		Yes	Yes	Yes	*
Ice Arena	740 Greenway Ave No		Yes	Yes	Yes	*
New Fire Station	50 th and Hadley		Yes	Yes	Yes	*
Oakdale Library	1010 Huron Ave. No.	730-0504	Yes	Yes	Yes	Yes
City of Vadnais Heights						
Institution	Address	Phone	Free I-Net Drop	Free Sub-Net Drop	Free Basic Preferred	1 Free MediaOne Express
Vadnais Fire	3595 Arcade St	490-1355	Yes	Yes	Yes	*
Vadnais Fire	687 E. Co. Rd. F		Yes	Yes	Yes	*
Vadnais Hgts School	3645 Centerville Rd	653-2858	Yes	Yes	Yes	Yes
Vadnais Hgts City Hall	687 E. Co. Rd. F	429-5343	Yes	Yes	Yes	Yes
New City Hall	Next to fire on Arcade		Yes	Yes	Yes	Yes
Public works	4105 Clover		Yes	Yes	Yes	*
City of White Bear Lake						
Institution	Address	Phone	Free I-Net Drop	Free Sub-Net Drop	Free Basic Preferred	1 Free MediaOne Express
Central Middle School	4857 Bloom	653-2888	Yes	Yes	Yes	Yes
Sunrise Middle School	2399 Cedar	653-2700	Yes	Yes	Yes	Yes

EXHIBIT E – INSTITUTIONAL CONNECTIONS

City of White Bear Lake Institution	Address	Phone	Free I-Net Drop	Free Sub-Net Drop	Free Basic Preferred	1 Free MediaOne Express
WBL Sr. – So Campus	3551 McKnight Rd	776-6200	Yes	Yes	Yes	Yes
WBL Sr. – No Campus	5040 Bald Eagle	653-2920	Yes	Yes	Yes	Yes
So. Shore Trinity Church	2480 South Shore	429-4293	Yes	Yes	Yes	
Bellaire Elementary	2540 Co. Rd. F	653-2765	Yes	Yes	Yes	Yes
Gospel Fellowship	1685 E. Hwy 96	429-4069	Yes	Yes	Yes	
Birch Lake Elementary	1616 Birch Lake	653-2776	Yes	Yes	Yes	Yes
Parkview School	2530 Spruce Pl	653-2847	Yes	Yes	Yes	Yes
*Golfview School	2449 Orchard Lane	429-5391	Yes	Yes	Yes	Yes
Redeemer Lutheran Church	2770 Bellaire	429-5411	Yes	Yes	Yes	
WBL Library	4698 Clark	407-5302	Yes	Yes	Yes	Yes
Lakeaires Elementary	3963 Van Dyke	653-2764	Yes	Yes	Yes	Yes
St. Mary's School	4690 Bald Eagle	429-5378	Yes	Yes	Yes	Yes
WBL District Center	3554 N. White Bear Ave	773-6137	Yes	Yes	Yes	Yes
Century College – W	3401 N. Century	779-3200	Yes	Yes	Yes	Yes
Century College - E	3300 N. Century	770-2351	Yes	Yes	Yes	Yes
First Lutheran Church	400 Linden	429-5349	Yes	Yes	Yes	
Willow Lane Elementary	3375 Willow Lane	773-6170	Yes	Yes	Yes	Yes
St. Pius X School	3878 Highland	429-5338	No	Yes	Yes	Yes
Sports Center	1328 Hwy. 61	429-8571	No	Yes	Yes	Yes
Public Works	4200 Hoffman Rd		Yes	Yes	Yes	*
Armory	2228 4 th Street		Yes	Yes	Yes	*
Counseling Center	1280 Birch Lake Blvd	429-8544	No	Yes	Yes	Yes
Normandy Park Education Center	2484 E. Co. Rd. F	653-3100	Yes	Yes	Yes	Yes
Lake Shore Players	4820 Stewart			Yes	Yes	
White Bear City Hall	4701 Hwy 61	429-8526	Yes	Yes	Yes	Yes
White Bear Fire	2240 E. Co. Rd. E		Yes	Yes	Yes	*
White Bear Police	4700 Miller Ave		Yes	Yes	Yes	*
White Bear Township						
Institution	Address	Phone	Free I-Net Drop	Free Sub-Net Drop	Free Basic Preferred	1 Free MediaOne Express
White Bear Twsp. Hall	4151 Hoffman Rd	429-3257	Yes	Yes	Yes	Yes
3 Twsp. Adm	1281 Hammond Rd	429-5827	Yes	Yes	Yes	*

EXHIBIT E – INSTITUTIONAL CONNECTIONS

White Bear Township Institution	Address	Phone	Free I-Net Drop	Free Sub-Net Drop	Free Basic Preferred	1 Free MediaOne Express
Otter Lake Elementary	1401 Co. Rd H2	653-2831	Yes	Yes	Yes	Yes
City of Willernie Institution	Address	Phone	Free I-Net Drop	Free Sub-Net Drop	Free Basic Preferred	1 Free MediaOne Express
Willernie City Hall	111 Wildwood Rd	429-2977	Yes	Yes	Yes	Yes

- **School not listed in document provided by State of Minnesota
- *MediaOne Express provided without charge upon request of Cable Commission

Exhibit F

End-to-End Fiber Connection and Usage Policies for I-Net

Initial Connection to Institutional Network

All I-Net connections existing and required in the current franchise shall remain required. In addition, all institutions designated on Exhibit E shall be connected to the Institutional Network along with any new or relocated city hall which may be constructed by a member municipality or to which a member municipality may otherwise move its government offices or council meeting locations. Other public or educational institutions subsequently designated by a member municipality shall be connected to the Institutional Network if the designated institution is located less than five hundred (500) feet from the existing Institutional Network, or if such designated institution agrees to reimburse Company for Company's actual costs in excess of the five hundred (500) foot installation actual costs.

Node to Building Fiber Connection

Member Municipalities.

A building to node fiber connection and drop shall be accomplished without charge to any city hall/township hall which requests such connection. All other municipal buildings shall be connected to the nodes with a fiber connection and drop upon request of the municipality and upon agreement to reimburse the Company for all costs associated with such connection. In the event Company extends the Institutional Network with a fiber connection from any node to any municipal building without cost to that member municipality, then other subsequent request from the member municipality shall be complied with pursuant to those same "without cost" terms.

Other Public Institutions.

All other public institutions shall be connected to the node with a fiber connection and drop upon request of such institution and upon agreement to reimburse the Company for all costs associated with such connection. In the event Company extends the Institutional Network with a fiber connection from any node and any other public institution without cost to that public institution, then any subsequent request from that institution shall be complied to pursuant to those same "without cost" terms.

Business Community.

In accordance with the Company's policies for service to the business community.

Use of Bandwidth

Member Municipalities.

Any member municipality shall receive free use of the Institutional Network for video, audio, and data applications. The member municipality shall be responsible for end user equipment which shall not include interface equipment such as modulators, equipment which is necessary to be located at nodes, hubs, and headends.

Other Public Institutions and Community Organizations.

Any community organization listed on Exhibit E and all public institutions shall be provided use of the Institutional Network for all applications, other than video, on a "at cost" fee basis from the Company. End user equipment for such nonvideo applications shall be the responsibility of the institution. Interface equipment shall be provided for nonvideo applications at cost. The Company will make the I-Net capacity available to the institutions designated on Exhibit E for video uses at no charge.

Business Community.

Use of bandwidth will be in accordance with the Company's policies for service to the business community.

Definition of "At Cost".

To the extent that the Company may charge for use of bandwidth pursuant to this Exhibit, such charges shall be at cost, which shall be defined as follows: the lessor of (a) the Company's actual cost plus a 45% margin, (b) the most favored comparable user rate, and (c) the lowest competitive rate among alternate providers for the same service. Cost does not include capital construction cost of network. In other words, "cost" should only include additional, ongoing maintenance costs directly attributable to an institution's usage of I-NET capacity.

It will be the responsibility of the institution to obtain pricing from alternate providers. If such pricing is not obtained, then the Company may charge the lessor of parts a & b above.

Exhibit G

Ramsey/Washington I-Net Performance Standards

Upon completion of I-Net Upgrade:

I. Video Transmission

- A. Video transmission will comply with the following performance standards:
1. Carrier to noise ratio = 45 dB or better
 2. Carrier to composite triple beat = minus 54 dB or better
 3. Carrier to composite second order = minus 55 dB or better
 4. Carrier to cross modulation = minus 55 dB or better
 5. System signal variations (peak to valley) = $N + 10 + 2$ or better for all coaxial cable portions of the I-NET (where N = the number of amplifiers in cascade).
- B. Testing will occur at least twice annually at the same time distribution tests are performed.
1. From furthest institution to furthest institution related to the performance of interactive video.
 2. From the furthest institution to the longest subscriber cascade.
 3. Performed using existing I-NET carriers active at the time of the testing, which will subject them to service interruptions.
 4. Completed at mutually agreed upon entry demarcation point at the institution.
 5. The system will meet all such standards under full loading and any combination of analog video, audio, and digital channels.

II. Digital Transmission

- A. For the I-NET that is 50% or more coaxial cable, a Bit Error Rate of 1×10^{-8} at the demarcation point.
1. Outage times not included
 2. Ordinary operating conditions
- B. For I-NET that is 50% or more fiber optic cable, a Bit Error Rate of 1×10^{-9} at the demarcation point.
1. Outage times not included
 2. Ordinary operating conditions
- C. For both coaxial and fiber network, the company will meet or exceed a reliability factor of 99.965% on an annual basis.

Exhibit G - Page Two

- D. Testing will occur twice yearly, during the months of January/February and July/August.
- E. The method used by the company for testing BER must be approved by the Commission.
- F. The system will meet all such standards under full loading and any combination of analog video, audio, and digital channels.

III. Repair and Maintenance

- A. Company will provide technical support on a 7 x 24 x 365 (24-hour a day) response. Company must respond during this time within 10 minutes (under normal operating conditions the initial page to the technician on call for I-NET problems will be within the 10 minute time frame). The company shall work on the problem continuously until it is resolved.
- B. Fiber may be incorporated, where necessary, to reduce amplifier cascades to meet performance standards. Where possible, fiber nodes may be located within the building or facility of the I-Net user.
- C. I-Net users will be notified at least seven days in advance of any scheduled maintenance that will interrupt service on the I-Net, unless I-Net users agree to waive such time frame. Where possible, such maintenance will be scheduled at times of low usage.