CABLE TELEVISION FRANCHISE ORDINANCE
FOR
MEDIAONE OF ST. PAUL, INC. (“MEDIAONE”)

CITY OF _____________, MINNESOTA

January 17, 2000

[This model ordinance was prepared by the NDC4 Cable Commission and
later adopted by each of the seven member cities as individual City
Ordinances, effective April 1, 2000 to March 31, 2015.]

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ORDINANCE NO. ________

AN ORDINANCE GRANTING A FRANCHISE TO MEDIAONE OF ST. PAUL, INC., ("GRANTEE") TO CONSTRUCT, OPERATE, AND MAINTAIN A CABLE
COMMUNICATIONS SYSTEM IN THE CITY OF _________________________,
MINNESOTA SETTING FORTH CONDITIONS ACCOMPANYING THE GRANT OF THE
FRANCHISE; PROVIDING FOR REGULATION AND USE OF THE SYSTEM AND THE
PUBLIC RIGHTS-OF-WAY; AND PRESCRIBING PENALTIES FOR THE VIOLATION OF
THE PROVISIONS HEREIN;

The City Council of the City of _________________________, Minnesota ordains:

STATEMENT OF INTENT AND PURPOSE

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 City and the public generally. Further, 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 City Council, in the best interests of City and its residents.

FINDINGS

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

1. 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 operating the Cable 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 City complies with the existing applicable Minnesota Statutes, federal laws and regulations;

4. City has exercised its authority under Minnesota law to enter into a Joint and Cooperative Agreement, and an Amended Joint and Cooperative Agreement, with other cities authorized to grant a cable communications franchise, and has delegated authority to the Northern Dakota County Cable Communications Commission to make recommendations to City regarding this Franchise and to be responsible for the ongoing administration and enforcement of this Franchise as herein provided; and

5. 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 Television 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. “Applicable Laws” means any law, statute, charter, ordinance, rule, regulation, code, license, certificate, franchise, permit, writ, ruling, award, executive order, directive, requirement, injunction (whether temporary, preliminary or permanent), judgment, decree or other order issued, executed, entered or deemed applicable by any governmental authority of competent jurisdiction.

   b. “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. Basic Cable Service as defined herein shall not be inconsistent with 47 U.S.C. § 543(b)(7).

   c. “Cable Service” or “Service” means (A) the one-way transmission to subscribers of (i) Video Programming or (ii) Other Programming Service, and (B) subscriber interaction, if any, which is required for the selection or use of such Video Programming or Other Programming Service. Cable Service or Service as defined herein shall not be inconsistent with the definition set forth in 47 U.S.C. § 522(6).

   d. “Cable System” or “System” means a system of antennas, cables, wires, lines, towers, waveguides, or other conductors, converters, equipment, or facilities located in City and designed and constructed for the purpose of producing, receiving, transmitting, amplifying, or distributing audio, video, and data. System as defined herein shall not be inconsistent with the definition set forth in 47 U.S.C. § 522(7).

   e. “Channel” or “Cable Channel” means a portion of the electromagnetic frequency spectrum which is used in a Cable System and which is capable of delivering a television Channel as defined by the Federal Communications Commission.

   f. “City” means City of ____________, a municipal corporation, in the State of Minnesota, acting by and through its City Council, or its lawfully appointed designee.

   g. “City Council” means the governing body of the City of ____________, Minnesota.
h. “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.

i. “Commission” means the Northern Dakota County Cable Communications Commission or its successors or delegations, including representatives of the Member Cities as may exist pursuant to a then valid and existing Joint and Cooperative Agreement and Amended Joint and Cooperative Agreement between Member Cities.

j. “Commission Office” or “Commission Facility” means the facility located at 5845 Blaine Avenue, Inver Grove Heights, Minnesota 55076-1401 or alternative location established in the Commission’s sole discretion.

k. “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 Subscriber’s service.

l. “Drop” means the cable that connects the ground block on the Subscriber’s residence or institution to the nearest feeder cable of the System.

m. “FCC” means the Federal Communications Commission and any legally appointed, designated or elected agent or successor.

n. “Franchise” or “Cable Franchise” means this ordinance and the regulatory and contractual relationship established hereby.

o. “Grantee” means MediaOne of St. Paul, Inc., its agents, employees, lawful successors, transferees or assignees.

p. “Gross Revenue” means any and all revenue received directly or indirectly by Grantee, that is derived from the operation of the Cable System to provide Cable Services. Gross Revenues shall include, by way of example and not limitation, revenues from Basic Cable Service, all Cable Service fees, Pay Television Franchise Fees, late fees, guides, home shopping, Installation and reconnection fees, upgrade and downgrade fees, Converter rental fees and Lockout Device fees. Gross Revenues shall also include, to the extent permitted by Applicable Laws, Internet access fees and cable modem service fees resulting from the provision of those services. The term Gross Revenues shall not include any taxes on services furnished by Grantee imposed by any municipality, state, or other governmental unit and collected by Grantee for such governmental unit, advertising revenue, studio rental and production equipment rental.

q. “Guaranty” means a contract wherein the parent company, general partnership or other persons, firms or organizations whose financial standing is used to support the commitments of Grantee will undertake to promise that the obligations, duties and liabilities may be assumed by and become the responsibility of Guarantor.
r. “Installation” means the connection, by or on the behalf of the Grantee, of the System from feeder cable to the point of connection with the Subscriber Converter or other terminal equipment.

s. “Institutional Network” or “I-Net” means a communications network which is described in Section 7 herein and which is generally available only to Subscribers who are not residential Subscribers.

t. “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 Communication System.

u. “Local Origination” means programming produced by either the Grantee or Commission and/or City staff regarding issues and events affecting the member municipalities of the Commission. Local origination programming may include public, governmental and educational access programming.

v. “Member Cities” or “Member Municipalities” means those cities that are parties to a then valid and existing joint powers agreement which, at the time of granting this Franchise, include Inver Grove Heights, Lilydale, Mendota, Mendota Heights, Sunfish Lake, South St. Paul, and West St. Paul.

w. “Normal Business Hours” means those hours during which most similar businesses in City are open to serve customers. In all cases, “Normal Business Hours” shall include some evening hours at least one night per week and/or some weekend hours.

x. “Normal Operating Conditions” means those service conditions which are within the control of Grantee. Those conditions which are not within the control of Grantee include, but are not limited to, natural disasters, civil disturbances, power outages, telephone network outages, and severe or unusual weather conditions. Those conditions which are ordinarily within the control of Grantee include, but are not limited to, special promotions, pay-per-view events, rate increases, regular peak or seasonal demand periods, and maintenance or upgrade of the System.

y. “Other Video Programming” means information that a cable operator makes available to all subscribers generally.

z. “Pay Television” means the delivery over the System of pay-per-channel or pay-per-program audio-visual signals to Subscribers for a fee or charge, in addition to the charge for Basic Cable Service or cable programming services as defined at 47 U.S.C. § 623.

aa. “PEG” means public, educational and governmental.

bb. “Person” is any person, firm, partnership, association, corporation, company, or other legal entity.
“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 including, but not limited to any street, road, highway, alley, sidewalk, parkway, park, skyway, or any other place, area, or real property owned by or under the control of City, including other dedicated Rights-of-Way for travel purposes and utility easements.

“Right-of-Way Ordinance” means any ordinance codifying requirements regarding regulation, management and use of Rights-of-Way in City, including registration and permitting requirements.

“Service Area” or “Franchise Area” means the entire geographic area within the City as it is now constituted or may in the future be constituted.

“Standard Installation” means any installation which is located up to 125 feet from the existing distribution system.

“Subscriber” means a member of the general public who receives broadcast programming distributed by a Cable System and does not further distribute it.

“Television Receiver” means any device exclusive of a “Converter” which is used by a Subscriber to tune television signals including, but not limited to, standard television sets, video tape recorders, computer video tuner cards, or similar devices.

“Video Programming” means programming provided by, or generally considered comparable to programming provided by, a television broadcast station.

SECTION 2.
GRANT OF AUTHORITY AND GENERAL PROVISIONS

1. Grant of Franchise. This Franchise is granted pursuant to the terms and conditions contained herein. Failure of Grantee to provide a System as described herein, or meet the obligations and comply with all provisions herein, shall 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 the City ordinance, rule or procedure, to construct, erect, and maintain, 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 ground 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 or reasonably anticipated future use of the Right-of-Way.

c. This Franchise shall be nonexclusive, and City reserves the right to grant a use of said Rights-of-Way to any Person at any time during the period of this Franchise for the provision of Cable Service. The terms and conditions of any such grant of use of the Rights-of-Way shall be, when taken as a whole, no less burdensome or more beneficial than those imposed upon Grantee pursuant to this Franchise.

d. Before granting an additional cable television franchise, the City shall give written notice to the Grantee of any other proposal to service all or part of the Franchise area, identifying the applicant for such additional franchise and specifying the date, time, and place at which the City shall consider and/or determine whether such additional cable television franchise should be granted. In the event Grantee believes that the City has entered into an additional cable television franchise with terms or provisions that are, taken as a whole, more favorable or less burdensome than the terms set forth in this Franchise, the City shall, upon request by Grantee, enter into good faith negotiations with the Grantee to consider modification of the Grantee’s Franchise.

3. Lease or Assignment Prohibited. No Person may lease any portion of Grantee’s System for the purpose of providing Cable Service until and unless such Person shall have first obtained and shall currently hold a valid franchise or other lawful authorization from City. Any assignment of rights under this Franchise shall be subject to and in accordance with the requirements of Section 10, Paragraph 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 14 herein, this Franchise shall supersede and replace any previous ordinance, as well as written agreements between the parties which pre-date this Franchise.

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, Grantee shall at all times during the term of this Franchise be subject to all lawful exercise of the police power, statutory rights, and eminent domain rights of City. This Franchise may be modified or amended with the written consent of Grantee and City as provided in Section 13, Paragraph 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, including any Right-of-Way Ordinance, which may have the effect of superseding, modifying or amending the terms of Section 3 and/or Section 8.
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 conflict with federal law or exceed burdens on similarly situated Rights-of-Way users.

c. In the event of any conflict between Section 3 and/or Section 8 of this Franchise and any lawful and generally applicable City ordinance or regulation which addresses usage of the Rights-of-Way, the conflicting terms in Section 3 and/or Section 8 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 conflict with federal law or exceed burdens on similarly situated Rights-of-Way users.

d. In the event any City lawfully and generally applicable 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 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 conflicts with federal law or exceeds 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 City, in accordance with Section 2, Paragraph 9. City shall provide a written response within seventeen (17) 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. 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 Applicable Laws.

8. Territorial Area Involved. This Franchise is granted for the corporate boundaries of City, as it exists from time to time. Consistent with Section 4, Paragraph 7 hereof, 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 only be required to extend service beyond its present System boundaries pursuant to Section 4, Paragraph 8 hereof. 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 to exceed twelve (12) months from notice thereof by City to Grantee and qualification pursuant to the density requirements of Section 4, Paragraph 8 hereof.

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 during Normal Business Hours 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 Administrator  
City of ____________________________  
______________________________  
______________________________

If to Commission: Executive Director  
Northern Dakota County Cable Communications Commission  
5845 Blaine Avenue  
Inver Grove Heights, MN  55076

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

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

10. **Ownership of Grantee.** Grantee represents and warrants to City and Commission that the relevant corporate ownership of the Grantee as of the Effective Date of this Franchise is set forth in Exhibit A hereto.
SECTION 3.
CONSTRUCTION STANDARDS

1. Registration, Permits, Construction Codes, and Cooperation.
   a. Grantee agrees to obtain a permit as required by City prior to removing, abandoning, relocating or reconstructing, if necessary, any portion of its facilities. Notwithstanding the foregoing, City understands and acknowledges there may be instances when Grantee is required to make repairs, in compliance with federal or state laws, that are of an emergency nature. Grantee shall notify City prior to such repairs, if practicable, and shall obtain the necessary permits in a reasonable time after notification to City.
   b. Generally applicable fees and reimbursement paid through the permitting process is separate, and in addition to, any other fees included in the Franchise.

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. Grantee shall not open or disturb the surface of any Rights-of-Way or public place for any purpose without first having obtained a permit to do so in the manner provided by law. All excavation shall be coordinated with other utility excavation or construction so as to minimize disruption to the public.

2. Use of existing poles or conduits.
   a. Grantee shall utilize existing poles, conduits and other facilities whenever commercially and technologically feasible, and shall not construct or install any new, different or additional poles whether on public property or on privately-owned property until the written approval of City is obtained. No location or any pole or wire-holding structure of Grantee shall be a vested interest, and any Grantee poles or structures shall be removed or modified by Grantee at its own expense whenever City determines that the public convenience would be enhanced thereby.
   b. The facilities of Grantee shall be placed underground where all utility lines are placed underground.

   a. 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.
   b. All transmission and distribution structures, lines and equipment maintained by Grantee shall be located so as to cause minimum interference with the unencumbered use of Rights-of-Way and other public places except for normal and reasonable obstruction and interference which might occur during
construction and to cause minimum interference with the rights and reasonable convenience of property owners who adjoin any of the Rights-of-Way and public places.

4. Disturbance or damage. Any and all Rights-of-Way, or public or private property, which are disturbed or damaged during the repair, replacement, relocation, operation, maintenance, expansion, extension or reconstruction of the System shall be promptly and fully restored by Grantee, at its expense, to substantially the same condition as that prevailing prior to Grantee’s work, as determined by City. 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 substantially the same condition as that prevailing prior to Grantee’s work. In the event City determines that Grantee is responsible for such disturbance or damage and fails to restore as set forth in this section, Grantee shall be obligated to fully reimburse City for such restoration within thirty (30) days after its receipt of City’s invoice therefor.

5. Temporary Relocation.

a. At any time during the period of the Franchise, Grantee shall, at its own expense, protect, support, temporarily disconnect, relocate or remove any of its property when, in the opinion of City, (i) the same is required by reason of traffic conditions, public safety, Rights-of-Way vacation, City freeway or Rights-of-Way construction, City alteration to or establishment of any Rights-of-Way or any facility within the Rights-of-Way, sidewalk, or other public place, including but not limited to, installation of sewers, drains, waterlines, power lines, traffic signal lines or transportation facilities; or (ii) a City project or activity makes temporary disconnection, removal, or relocation necessary or less expensive for City.

b. Grantee shall, on request of any person holding a permit to move a building, temporarily raise or lower its wires to permit the movement of such buildings. The actual expense of such temporary removal or raising or lowering of wires shall be paid by the person requesting the same, and Grantee shall have the authority to require such payment in advance. Grantee shall be given not less than ten (10) days advance written notice from such person holding a permit to arrange such temporary wire alterations.

6. Emergency. Whenever, in case of fire or other emergency, it becomes necessary in the judgment of the city administrator, police chief, fire chief, or their delegates, to remove or damage any of Grantee’s facilities, no charge shall be made by Grantee against City for restoration, repair or damages. Notwithstanding the above, Grantee reserves the right to assert a right of reimbursement or compensation from any responsible party.

7. Tree Trimming. Grantee shall have the authority to trim trees on public Rights-of-Way at its own expense as may be necessary to protect its wires and facilities, subject to any required supervision and direction by City. Trimming of trees on private property shall require consent of the property owner. Any trimming of trees by the Grantee in the
Rights-of-Way shall be subject to such generally applicable regulation as the city administrator or other authorized official may establish to protect the public health, safety and convenience.

8. **Protection of Facilities.** Nothing contained in this section shall relieve any Person from liability arising out of the failure to exercise reasonable care to avoid damaging Grantee’s facilities while performing any work connected with grading, regarding or changing the line of any Rights-of-Way or public place or the construction or reconstruction of any sewer or water system.

9. **Installation Records.** Grantee shall keep accurate installation records, maps or diagrams, of the location of all facilities in the Rights-of-Way and public ways and furnish them to City upon request. Grantee shall cooperate with City to furnish, if possible, such information in an electronic mapping format compatible with the then-current City electronic mapping format. At the commencement of this Franchise and upon completion of any further construction or relocation of underground facilities in the Rights-of-Way and public ways, Grantee shall provide City, if possible, with installation records in an electronic format compatible with the then-current City electronic mapping format showing the location of the underground and above ground facilities.

10. **Locating Facilities.**

   a. If, during the design process for public improvements, City discovers a potential conflict with proposed construction, Grantee shall either: (a) locate and, if necessary, expose its facilities in conflict or (b) use a location service under contract with City or State to locate or expose its facilities. Grantee is obligated to furnish the location information in a timely manner, but in no case longer than thirty (30) days.

   b. City reserves the prior and superior right to lay, construct, erect, install, use, operate, repair, replace, remove, relocate, regrade, widen, realign, or maintain any Rights-of-Way, aerial, surface, or subsurface improvement, including but not limited to water mains, traffic control conduits, sanitary or storm sewers, subways, tunnels, bridges, viaducts, or any other public construction within the Rights-of-Way of City limits.

11. **City’s Rights.** 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.

12. **Facilities in Conflict.** If, during the course of a project, City determines Grantee’s facilities are in conflict, then Grantee shall, within a reasonable time, but in no event exceeding four (4) months, remove or relocate the conflicting facility. This time period shall begin running upon receipt by Grantee of written notice from City. However, if
both City and Grantee agree, the time frame may be extended based on the requirements of the project.

13. **Interference with City Facilities.** The installation, use and maintenance of Grantee’s facilities within the Rights-of-Way and public ways authorized herein shall be in such a manner as not to unreasonably interfere with City’s placement, construction, use and maintenance of its Rights-of-Way and public ways, Rights-of-Way lighting, water pipes, drains, sewers, traffic signal systems or other City systems that have been, or may be, installed, maintained, used or authorized by City.

14. **Interference with Utility Facilities.** Grantee agrees not to install, maintain or use any of its facilities in such a manner as to damage or unreasonably interfere with any existing facilities of a utility located within the Rights-of-Way and public ways of City. Nothing in this section is meant to limit any rights Grantee may have under Applicable Laws to be compensated for the cost of relocating its facilities from the utility that is requesting the relocation.

15. **Collocation.** To maximize public and employee safety, to minimize visual clutter of aerial plant, and to minimize the amount of trenching and excavation in and along City Rights-of-Way and sidewalks for underground plant, Grantee shall make every commercially reasonable effort to collocate compatible facilities within the Rights-of-Way subject to the engineering requirements of the owners of utility poles and other facilities, in the case that relocation or extension of Grantee’s facilities is approved or required by City.

16. **Safety Requirements.**
   a. Grantee shall at all times employ ordinary and reasonable care and shall install, maintain, and use nothing less than commonly accepted methods and devices for preventing failures and accidents which are likely to cause damage or injuries.
   b. 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. Cable System structures, 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. Minimum Channel Capacity.
   a. Upon the Effective Date of this Franchise, Grantee’s System has a 750 MHz capacity and utilizes a hybrid fiber-coaxial architecture. Grantee’s System shall continue to provide and utilize a minimum of 550 MHz for Cable Services and shall continue to provide for the term of this Franchise a minimum of 750 MHz capacity.
   b. Maintenance of the System shall occur as described in Exhibit C attached hereto.
   c. Grantee shall maintain a System capable of providing non-video Cable Services such as high-speed data transmission, Internet access, and other competitive services. It is anticipated that Grantee may use 200 MHz of the total 750 MHz System capacity for the provision of such services.
   d. All final programming decisions remain the discretion of Grantee in accordance with this Franchise, provided Grantee notifies City and Subscribers in writing thirty (30) days prior to any channel additions, deletions, or realignments in the manner and to the extent required by federal law and subject to Grantee’s signal carriage obligations hereunder and pursuant to 47 U.S.C. § 531-536 and to City’s rights pursuant to 47 U.S.C. § 545. Location and relocation of the PEG Channels shall be governed by Section 6 and Exhibit B.

2. Interruption of Service. To the extent within Grantee’s control in the ordinary course of business, 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 rebuttably presumed to be between the hours of 12:00 a.m. and 6:00 a.m. local time. If service is interrupted for a total period of more than twenty-four (24) continuous hours to one or more Subscribers in any thirty (30) day period, those Subscribers shall, upon request, be credited pro rata for such interruption.

3. 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, Subpart K of the Code of Federal Regulations, as may be amended or modified from time to time, which regulations are expressly incorporated herein by reference. In addition, to the maximum extent that the FCC has not specifically preempted the City’s rights to set its own technical standards for the operation of Grantee’s Cable System, Grantee is subject to the technical standards outlined in Exhibit C, paragraph 5, attached hereto.

   a. Throughout the term of this Franchise, City shall have the right to inspect all construction or installation work performed pursuant to the provisions of the Franchise. In addition, 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. 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. 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 shall cooperate in such testing.

5. **Drop Testing and Replacement.** Grantee shall insert a 750 MHz carrier or equivalent at a level 10db below the video carriers that shall be measured and recorded by Grantee as a normal procedure during all service and installation calls. In addition, the Drops and related passive equipment may be inspected 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 demonstrates that a Drop or associated passive equipment does not pass the full 750 MHz, the Subscriber address will be recorded by Grantee, and Grantee shall provide City and Commission, or their designees, 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.

6. **FCC Reports.** The results of any tests required to be filed by Grantee with the FCC or placed in Grantee’s public inspection file as required by FCC rules, shall also be made available to City or its designee upon request within ten (10) days of the conduct of the date of request.

7. **Annexation.** Upon the annexation of any additional land area by City, the annexed area shall thereafter be subject to all the terms of this Franchise immediately upon notification to Grantee of the annexation by City.

8. **Line Extension.**

   a. Grantee shall construct and operate its Cable System to as to provide service to all parts of its Franchise area as provided in this Franchise and having a density equivalent to seven (7) dwelling units per one-quarter (1/4) mile of feeder cable as measured from the nearest active plant if the extension is to be constructed using
aerial plant, and ten (10) dwelling units per one-quarter (1/4) mile of feeder cable as measured from the nearest active plant if the extension is to be constructed using underground plant. The City, for its part, shall endeavor to exercise reasonable efforts to require developers and utility companies to provide the Grantee with at least fifteen (15) days advance notice of an available open trench for the placement of necessary cable.

b. Where the density is less than that specified above, Grantee shall inform Persons requesting service of the possibility of paying for installation or a line extension and shall offer to provide them with a free written estimate of the cost, which shall be provided within fifteen (15) working days of such a request. The charge for installation or extension for each Person requesting service shall not exceed a pro rata share of the actual cost of extending the service and Grantee shall not be obligated to extend its System until seventy-five percent (75%) of the Persons requesting service in such area have prepaid their pro rata share of the extension.

c. Any residential unit located within one-hundred twenty-five (125) feet of the nearest active plant on Grantee’s System shall be connected to the System at no charge other than the standard installation charge. Grantee shall, upon request by any potential Subscriber residing in City beyond the one hundred twenty-five (125) foot limit, extend service to such Subscriber provided that the Subscriber shall pay the net additional Drop costs.

d. Under Normal Operating Conditions, if Grantee cannot perform installations within the times specified in applicable customer standards, the Subscriber may request and is entitled to receive a credit equal to the charge for a standard installation. For any installation that is not a free installation or a standard installation, Grantee shall provide the Subscriber with a written estimate of all charges within twelve (12) days of a request by the Subscriber. Failure to comply will subject Grantee to appropriate enforcement actions. This section does not apply to the introduction of new products and services when Grantee is utilizing a phased introduction.

9. **Nonvoice Return Capability.** Grantee is required to use cable and associated electronics having the technical capacity for nonvoice return communications.

10. **Lockout Device.** Upon the request of a Subscriber, Grantee shall make available a Lockout Device in accordance with Applicable Law.

**SECTION 5. SERVICE PROVISIONS**

1. **Regulation of Service Rates.** 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 Applicable Laws. City and Commission reserve the right to regulate rates for any future services to the extent permitted by Applicable Laws. Any rate regulation
undertaken by City shall at all times comply with the rate regulations of the FCC at 47 C.F.R. §76.900 et. seq., as may from time to time be amended.

2. **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. In such case, Grantee may charge for the incremental increase in material and labor costs incurred beyond the Standard Installation.

3. **Sales Procedures.** Grantee shall not exercise deceptive sales procedures when marketing any of its services within City. In its initial communication or contact with a prospective Subscriber and in all general solicitation materials marketing the Grantee or its services as a whole, Grantee shall inform the prospective Subscriber of all levels of service available, including the lowest priced service tiers. Grantee shall have the right to market door-to-door during reasonable hours consistent with Applicable Laws.

4. **Consumer Protection and Service Standards.** Grantee shall maintain a convenient local customer service and bill payment location in Dakota County for receiving subscriber payments, handling billing questions and equipment replacement. Grantee shall comply with the following consumer protection standards:

   a. **Cable System office hours and telephone availability:**

      i. Grantee will maintain a local, toll-free or collect call telephone access line which will be available to its Subscribers twenty-four (24) hours a day, seven (7) days a week.

         1. Trained Grantee representatives will be available to respond to customer telephone inquiries during Normal Business Hours.

         2. After Normal Business Hours, the access line may be answered by a service or an automated response system, including an answering machine. Inquiries received after Normal Business Hours must be responded to by a trained Grantee representative on the next business day.

      ii. 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 percent (90%) of the time under Normal Operating Conditions, measured on a quarterly basis.

      iii. Grantee will not be required to acquire equipment or perform surveys to measure compliance with the telephone answering standards above unless an historical record of complaints indicates a clear failure to comply.

      iv. Under Normal Operating Conditions, the customer will receive a busy signal less than three percent (3%) of the time.
v. Customer service center and bill payment locations will be open at least during Normal Business Hours. Payment drop boxes shall be emptied at least once a day, Monday through Friday, with the exception of legal holidays, and payments shall be posted to Subscribers’ accounts within forty-eight (48) hours of pick-up. Subscribers shall not be charged a late fee or otherwise penalized for any failure by the Grantee to empty a drop box as specified herein, or to properly credit a Subscriber for a payment timely made. Grantee shall provide subscribers with notice regarding drop box payment, pick up and posting procedures.

b. Installations, outages and service calls. Under Normal Operating Conditions, each of the following four standards will be met no less than ninety-five percent (95%) of the time measured on a quarterly basis:

i. Standard Installations will be performed within seven (7) business days after an order has been placed. “Standard” Installations are those that are located up to one hundred twenty-five (125) feet from the existing distribution system.

ii. Excluding conditions beyond the control of Grantee, Grantee will begin working on “service interruptions” promptly and in no event later than twenty-four (24) hours after the interruption becomes known. Grantee must begin actions to correct other service problems the next business day after notification of the service problem.

iii. The “appointment window” alternatives for Installations, service calls, and other Installation activities will be either a specific time or, at maximum, a four-hour time block during Normal Business Hours. (Grantee shall schedule service calls and other Installation activities outside of Normal Business Hours for the express convenience of the customer.)

iv. Grantee may not cancel an appointment with a customer after the close of business on the business day prior to the scheduled appointment.

v. If Grantee’s representative is running late for an appointment with a customer and will not be able to keep the appointment as scheduled, the customer will be contacted. The appointment will be rescheduled, as necessary, at a time that is convenient for the customer.

vi. For purposes of determining conditions beyond the control of Grantee under this Section, power outages of Grantee’s power supplies or telephone system may be within the control of Grantee.

c. Communications between Grantee and Subscribers:

i. Notifications to Subscribers:
1. Grantee shall provide written information on each of the following areas at the time of Installation of service, at least annually to all Subscribers, and at any time upon request:

a. Products and services offered;

b. Prices and options for all levels, including free programming services and conditions of subscription to programming and other services;

c. Installation and service maintenance policies;

d. Instructions on how to use the Cable Service;

e. Channel positions of the programming carried on the System; and

f. Billing and complaint procedures, including the address and telephone number of the Commission's office.

2. Customers will be notified of any changes in rates, programming services or channel positions as soon as possible in writing. Notice must be given to Subscribers a minimum of thirty (30) days in advance of such changes if the changes are within the control of Grantee. In addition, the Grantee shall notify Subscribers thirty (30) days in advance of any significant changes in the other information required by Section 5, Paragraph 4(c)(i)(1) above. Grantee shall not be required to provide prior notice of any rate changes as a result of a regulatory fee, franchise fee, or other fees, tax, assessment or charge of any kind imposed by any federal agency, state or franchising authority on the transaction between the operator and the Subscriber.

ii. Billing:

1. Bills will be clear, concise and understandable. Bills must be fully itemized, with itemizations including, but not limited to, basic and premium service charges and equipment charges. Bills will also clearly delineate all activity during the billing period, including optional charges, rebates and credits.

2. In case of a billing dispute, Grantee must respond to a written complaint from a Subscriber within thirty (30) days.

iii. Refunds: Refund checks will be issued promptly, but no later than either:

1. The customer’s next billing cycle following resolution of the request or thirty (30) days, whichever is earlier, or
2. The return of the equipment supplied by Grantee if Service is terminated.

iv. Credits: Credits for service will be issued no later than the customer’s next billing cycle following the determination that a credit is warranted.

d. Grantee shall provide City with a quarterly customer service compliance report which shall, at a minimum, demonstrate Grantee’s compliance with the terms and provisions of this Section 5, Paragraph 4 and any additional customer service requirements contained in this Franchise, FCC Customer Service Obligations, and other Applicable Laws, and include a summary by category of Subscriber complaints summarizing the number and nature of such complaints.

5. **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 City 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.

6. **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.

7. **Late Fees.** Fees for the late payment of bills shall not be assessed by Grantee until after the service has been fully provided and, then, only if the bill remains unpaid after the Subscriber is notified of a delinquent balance. Late Fees shall be based on a reasonable estimate of projected costs to Grantee of late payment of bills and the servicing and collecting of such accounts.

**SECTION 6. LOCAL CHANNELS AND NETWORK DROP PROVISIONS**

1. **Grantee Support for PEG Access.** Grantee shall provide the following support for PEG access within the service area:

a. Provision of the Channels designated in Exhibit B of this Agreement for PEG access programming at no charge in accordance with the requirements of Exhibit B.

b. Financial support of PEG access and local origination programming to the extent specified in Exhibit B of this Agreement.

c. Continuing technical assistance and support for all PEG channels, including line checks, tests, audio/video adjustments, live feeds, and any other technical issues related to the PEG channels.
2. **Subscriber Network Drops to Designated Building.**

a. Grantee shall provide, free of charge, throughout the term of this Franchise, Installation of one (1) Subscriber network Drop, one (1) cable outlet, one (1) Converter, if necessary, and the highest level of Cable Service offered by Grantee, excluding pay per view, pay per channel (premium) programming, high-speed data services or newly created non-video Cable Services, without charge to the institutions identified on Exhibit B-1 attached hereto and made a part hereof, and such other public institutions subsequently designated by City as determined in City’s sole discretion. This requirement shall not include any digital tier of services Grantee may offer unless and until such time as Grantee’s digital programming reduces the amount of spectrum available for analog programming to less than approximately eighty (80) channels of analog programming. Grantee shall be responsible for the costs of extension to subsequently designated institutions for the first five hundred (500) feet as measured from Grantee’s nearest active plant. The institution shall pay any net additional drop or extension costs beyond the five hundred (500) feet.

b. Additional subscriber network Drops and/or outlets in any of the locations identified on Exhibit B-1 will be installed by Grantee at the lowest actual cost of Grantee’s time and material. Alternatively, said institutions may add outlets at their own expense, as long as such Installation meets Grantee’s standards and approval which approval shall not be unreasonably withheld. Grantee shall have three (3) months from the date of City designation of additional accredited schools or public institution(s) or relocations to complete construction of the Drop and outlet unless weather or other conditions beyond the control of Grantee requires more time. The provision of Institutional Network service is addressed separately in Section 7 herein.

c. Grantee shall comply with the August 1, 1995 Social Contract with the FCC, as amended, with respect to the provision of free service connections and on-line services to be made available to all public and private schools in the City.

**SECTION 7.**

**INSTITUTIONAL NETWORK (I-NET) PROVISIONS**

1. **Institutional Network Facilities and Capacity; Cost Recovery by Grantee.**

   a. The Grantee shall construct an institutional network which at the outset, consists of the following infrastructure: (i) bi-directional minimum six (6) count fiber optic lines in a ring and/or a star architecture to the locations within the NDC4 franchise area as listed in Exhibit G (“I-Net user sites”) as designated as primary sites by the Commission, (ii) bi-directional fiber optic lines in a star architecture from certain primary sites to certain secondary sites, as designated by the Commission and in a minimum quantity consisting of a four (4) count fiber per site and (iii) a minimum of a two (2) count HFC network per node to certain other secondary sites, as designated by the Commission. Within the first ninety (90)
days from the effective date of this franchise, Grantee shall provide the Commission with a complete, detailed design and cost estimate for the I-Net infrastructure described above. Within ninety (90) days thereafter, the Commission shall work with I-Net users to review the design and cost estimate, and provide changes to the Grantee for incorporation into the final I-Net design. Final architecture, site designation, fiber count of (i), (ii), (iii) subject to Commission or designee approval. The Grantee shall only begin work on construction of the I-Net once final approval is received from the Commission, and shall complete I-Net construction within twenty-one (21) months from the effective date of this franchise. Some portions of the I-Net will be activated prior to final completion. The institutional network shall have the infrastructure (and, where noted, the equipment) that provides the capability to transmit any and all signals between the sites listed in Exhibit G.

b. I-Net Users may not sell or resell services or capacity to any third party. However, I-Net Users may provide services to themselves, including those which the Grantee otherwise sells to others (for example, an institution may provide Internet service to itself or to other institutions that the Grantee sells to others). The limitations of this paragraph shall not prevent the City or the Commission from subleasing, bartering, selling, reselling or giving away capacity on the Institutional Network to any other public or nonprofit entity for noncommercial purposes that do not directly compete with any products or services offered by the Grantee.

c. The City or the institutions listed on Exhibit G (“I-Net Users”) shall be responsible for reimbursing Grantee for its Actual Cost of constructing and maintaining all portions of the I-Net required by this Section 7. The institutions listed in Exhibit G (the “I-Net Users”) shall not be charged by the Grantee for usage of the Institutional Network. The City or other I-Net users may elect to pay the Actual Cost of the I-Net on a monthly basis, appropriately amortized over the life of the franchise. The terms and conditions of such payment option will be reflected in an I-Net service agreement to be developed prior to construction of the I-Net. Such terms and conditions must be in accordance with the other provisions of this section and associated exhibits. If future I-Net sites are identified and activated under Section 7, Paragraph 3 below, Grantee shall submit an invoice for those construction costs in a manner similar to submission of the initial construction costs of the I-Net.

d. “Actual Cost”, as used in this section, means the incremental cost to the Grantee of materials and capitalized labor necessary to install and construct fiber optic lines, coaxial cable, and/or equipment together with the most recent return on investment authorized by the FCC. For fiber infrastructure that was in place prior to the effective date of this Franchise, Actual Cost shall include only fifty percent (50%) of Grantee’s incremental cost of Grantee materials devoted to the I-Net but not the cost of installation of such materials.
e. Except as provided in this Section 7, I-Net Users connected to the I-Net via fiber or HFC shall be responsible for any end-user or interface equipment needed for transmission or reception of signals. However, Grantee shall provide at no charge, upon request and at the time necessary for use, modulators and associated fiber optic signal transmission and reception equipment for single channel return purposes for each public and private accredited educational institution, each city hall and the Commission’s office, as approved by the City and/or Commission (Note: Grantee presently maintains several modulators at the Commission’s office to facilitate various cablecasting requirements; these modulators must be maintained throughout the term of the Franchise). With respect to non-video end-user equipment, upon request by a designated institution, Grantee must either lease the equipment requested to the requesting institution or make reasonable efforts to arrange for the 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. City, its designee, or the requesting institution may purchase or lease the equipment from any vendor.

f. All I-Net Users shall be connected via fiber optic lines or a combination of fiber optics and coaxial cable as determined by the Commission to a hub located within the NDC4 System. The I-Net architecture shall facilitate transmission of all required signals within City boundaries, transmission of signals beyond City boundaries within the NDC4 area, and transmission of signals to other networks in the Twin Cities area. The Grantee shall provide and install all equipment and infrastructure necessary, which is reimbursable to Grantee under same terms and conditions set forth in Section 7, Paragraph 1.c., to achieve the required level of interconnection with other Twin Cities area I-Nets provided by Grantee. Specifically, this includes, but is not limited to, interconnecting the NDC4 area I-Net with I-Nets that have been or may be constructed in Burnsville/Eagan, the NSCC area and Hastings. Grantee shall also work with the Commission to establish interconnects with the cable system in Apple Valley and with the Connecting Minnesota Network.

g. I-Net equipment at the hub(s) shall be connected to a gas powered generator capable of providing continuous electrical power, or equivalent, and to an uninterruptible power supply that both conditions commercial power and provides for zero transfer time between normal commercial power and hub back-up generators.


a. The hybrid fiber-coaxial ("HFC") portion of the I-Net shall provide 450 MHZ of activated capacity (5-42 MHZ for upstream channels and 54-450 MHZ for downstream channels) to the HFC I-Net Sites. The HFC I-Net shall have fiber introduced into it to limit amplifier cascades to no more than five (5).
b. All I-Net distribution system power supplies shall have the standby capability of providing at least three (3) hours of backup power and shall have status monitoring installed in them. Prior to battery failure, the Grantee shall connect I-Net Node power supplies to portable generators capable of producing adequate electrical current until commercial power is restored.

3. Future Fiber to the Institution Requirements.

a. The City or Commission may identify certain I-Net sites that will not be activated at the time the initial I-Net is activated. So long as such sites are located on the I-Net User Sites List, Grantee agrees to include splice points and splice point housings on those portions of the system where additional fiber will need to be deployed or additional connections will need to be made. Upon notification from the City, the Grantee will provide cost estimates within ninety (90) days of a request by the Grantor for I-Net extension to the additional sites.

b. The City or Commission may also identify sites following completion and activation of the I-Net. Estimated costs for serving those sites will be provided within ninety (90) days of notification by the City or Commission. If an extension of the I-Net is required to serve the site, Grantee will make the I-Net available within one hundred twenty (120) days from the initial request. The fiber-optic lines required by Section 7 shall be passively terminated to standard connectors at the patch panel of the telephone equipment room of each site or at another designated location.

4. Grantee’s Use of I-Net Capacity. The I-Net shall be for the exclusive use of the City, the Commission and I-Net Users throughout the term of the Franchise, or any renewal or extension thereof. Notwithstanding the foregoing, the Grantee may use capacity on the I-Net, including for lease or other commercial purposes, provided that the City, the Commission and I-Net Users are not using such capacity and further provided that the Grantee’s use does not interfere with use of the I-Net by the City, the Commission or I-Net Users. Upon receiving oral or written notice from the Commission, the Grantee or a lessee shall immediately cease using the I-Net for any purpose that the Commission, in its sole discretion, determines is interfering with I-Net Users’ communications. The Grantee or a lessee may appeal any determination of Commission concerning I-Net interference to the City within ten (10) days of the date that the requisite notice is received by the Grantee. Any such appeal shall: (i) be in writing; (ii) list the reasons that the Commission’s determination regarding interference with I-Net Users’ communications is incorrect; and (iii) include any other information the Grantee or a Lessee wishes the City to consider. Within forty-five (45) calendar days of receiving a written appeal under this paragraph, the City shall: (i) determine whether the Commission’s conclusion that the Grantee or lessee was interfering with I-Net Users’ communications was justified; and (ii) inform the Grantee or lessee in writing of its findings. This provision shall not limit any other appeal rights of Grantee. Use of the I-Net by the City, the Commission and I-Net Users shall, at all times, have priority over any use(s) by the Grantee or any lessee. The Grantee or a lessee shall terminate its use of any channel capacity on the I-Net within six (6) months after receiving notice from the Commission that the City, the Commission,
or any I-Net User has determined to use such capacity. Any agreement entered into by
the Grantee and a third party for the lease of I-Net capacity shall be subject to the terms
and conditions of this Franchise.

5. **I-Net Performance Standards.**

   a. The Grantee shall maintain the I-Net in accordance with technical and
      performance standards set forth in Exhibit D (Minimum I-Net Performance
      Standards). The Grantee shall provide the City, or its designee, upon request,
      with reports of the performance of the I-Net and the Grantee’s compliance with
      the aforementioned technical and performance standards.

   b. If at any time, the performance of the I-Net is not in compliance with pertinent
      technical and performance standards, and continues to be in non-compliance for a
      period of fifteen (15) days after notice and opportunity to correct is given to
      Grantee, then affected City or other I-Net Users may cease payment until the non-
      compliance situation is resolved.

   c. City or I-Net Users may ultimately terminate their use of and payment for I-Net
      infrastructure based on repeated, demonstrated non-performance or non-
      compliance by Grantee with the terms of this Section 7 and the associated
      Exhibits, after giving Grantee notice and opportunity to correct the problem
      causing non-performance or non-compliance. Grantee will also be liable for all
      other applicable non-compliance penalties contained in the Franchise.

6. **Completion of the Institutional Network.** Construction of the Institutional Network
   pursuant to this Section 7 shall be deemed completed upon satisfaction of the following:

   a. The Grantee shall notify the City, or its designee, in writing at least ten (10) days
      in advance of completion of construction of each I-Net Node, I-Net site on the
      ring, I-Net star connection, and HFC end-of-line. The notice shall include the
      date the Grantee is prepared to conduct an OTDR test at 1550 nm and 1310 nm
      end-to-end, RF noise, distortion and peak-to-valley tests according to FCC rules,
      NCTA Recommended Practices and other acceptable test methodologies and
      other applicable tests. The Commission, or its designee, shall have the option of
      attending any test conducted pursuant to this paragraph. All tests must be
      successfully completed. The fiber optic test shall be deemed successfully
      completed if the optical performance standards in Exhibit D are met or bettered.
      The coaxial tests shall also be deemed successfully completed if the specifications
      detailed in Exhibit D are met or exceeded.

   b. The City, or its designee, shall also have the option of conducting a physical
      inspection of the construction and connections to each I-Net site and each I-Net
      Node. This inspection shall be conducted no later than the date of the test in
      Paragraph a.
c. After completing installation to each I-Net site or each I-Net Node, the Grantee shall provide the following documentation to the City or its designee: splice locations, panel numbers, cable numbering schemes, location of splitters, location of all RF actives and passives, OTDR, other optical, RF and coaxial test results and documentation, and any other pertinent documentation.

7. Institutional Network Security. The Grantee and the City shall at all times use reasonable efforts to protect the security of the Institutional Network. For purposes of this paragraph, “to protect security” means to protect those physical elements of the Institutional Network under the party’s direct control from unauthorized intrusion, signal theft, tampering, wiretapping or other actions that might: (i) compromise the integrity of or degrade the signals carried over the Institutional Network; or (ii) result in the unauthorized interception and disclosure of information. Grantee’s hub site shall be made available, upon request, for placement and operation of end user supplied equipment.

8. Institutional Network Repair and Maintenance.

a. The Grantee shall maintain, repair, reconstruct and, as necessary, replace the fiber optic or HFC portions of the I-Net and shall recover the Actual Cost for such activities from the City and I-Net Users, as set forth in Section 7, Paragraph 1.

b. The Grantee shall maintain, repair, reconstruct, and, as necessary, replace portions of the Institutional Network plant, as described in subsection (i) and (ii) below, during the term of this Franchise or any extension thereof:

i. Preventative and routine maintenance of the I-Net shall be performed in the same timeframe and in the same fashion as routine and preventative maintenance are performed for the Grantee’s subscriber network. Actual or potential problems discovered during the course of preventative and routine maintenance shall be immediately reported to the Commission. After informing the Commission of an actual or potential problem, the Grantee shall, within a reasonable period of time, prepare and transmit a report to the Commission describing the corrective action, if any, that was or will be taken.

ii. Within ten (10) minutes of receiving notice or otherwise learning of a maintenance or repair problem, the Grantee’s technicians shall begin actively working on the problem. The Grantee shall work on the problem continuously until it is resolved. Notwithstanding the above, the Grantee shall meet the network availability standard described in Exhibit D for each site on the I-Net.

9. Institutional Network Ownership. The I-Net is a dedicated transmission path owned and maintained by the Grantee and governed by this Agreement. The obligations for provision of the I-Net will convey to all successors and assigns. If at any time, the I-Net is considered abandoned as such is defined in this Franchise, ownership shall convey to
the City at the City’s discretion. The City and the sites to which infrastructure is
provided via the I-Net will use the I-Net in accordance with the limitations of this
Franchise.

SECTION 8.
OPERATION AND ADMINISTRATION PROVISIONS

1. Delegated-Authority. City may delegate to any other body or Person authority to
administer the Franchise and to monitor the performance of Grantee pursuant to the
Franchise. Grantee shall cooperate with any such delegates of City.

2. Administration of Franchise. Commission or any designee thereof shall have continuing
regulatory jurisdiction and supervision over the System and Grantee’s operation under
the Franchise. Commission, 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 Applicable Law.

3. Franchise Fee.
   a. During the term of the Franchise, Grantee shall pay quarterly to City or its
deleagtes a Franchise Fee in an amount equal to five percent (5%) of its quarterly
Gross Revenues.
   b. Any payments due under this provision shall be payable quarterly. The payments
shall be made on April 30th (1st qtr.) July 31st (2nd qtr.) October 31st (3rd qtr.) and
January 31st (4th qtr.), together with a report showing the basis for the
computation in form and substance substantially the same as Exhibit E attached
hereto.
   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. Not Franchise Fees.
   a. Grantee acknowledges and agrees that the Franchisee Fees payable by Grantee to
City pursuant to this section shall take precedence over all other payments,
contributions, services, equipment, facilities, support, resources or other activities
to be provided or performed by Grantee pursuant to this Franchise and that the
Franchise Fees provided for in this section of the Franchise shall not be deemed to
be in the nature of a tax, and shall be in addition to any and all taxes of general
applicability and other fees and charges which do not fall within the definition of
a franchise fee under 47 U.S.C. § 542.
   b. Grantee shall not apply or seek to apply or make any claim that all or any part of
the Franchise Fees or other payments or contributions to be made by Grantee to
City pursuant to this Franchise shall be deducted from or credited or offset against
any taxes, fees or assessments or general applicability levied or imposed by City
or any other governmental authority, including any such tax, fee or assessment imposed on both utilities and cable operators or their services that does not fall within the definition of a franchise fee under 47 U.S.C. § 542.

c. Grantee shall not apply or seek to apply all or any part of any taxes, fees or assessments of general applicability levied or imposed by the City or any other governmental authority (including any such tax, fee or assessment imposed on both utilities and cable operators or their services) that do not fall within the definition of a franchise fee under 47 U.S.C. § 542 as a deduction or other credit from or against any of the Franchise Fees or other payments or contributions to be paid or made by Grantee to City pursuant to this Franchise which shall be deemed to be separate and distinct obligations of Grantee.

5. **Access to Records.** 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.

6. **Reports and Maps to be Filed with City.**

   a. 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.

   b. Subject to reasonable confidentiality protections pursuant to Section 13, Paragraph 8 herein, Grantee shall, if required by Commission, furnish to and file with Commission maps, plats, and permanent records of the location and character of all facilities constructed, including underground facilities, and Grantee shall file with Commission updates of such maps, plats and permanent records annually if changes have been made in the System.

7. **Periodic Evaluation.**

   a. City may require evaluation sessions at any time during the term of this Franchise, but in no event more than once per calendar year, upon thirty (30) 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.
1. **Performance Bond.**

   a. At the time the Franchise becomes effective and at all times thereafter, City reserves the right to impose on Grantee an obligation to file with Commission, on behalf of all Member Cities, a bond in the amount of $100,000.00 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 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 as a result, including the full amount of any compensation, indemnification or cost of removal or abandonment of any property of 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 which arise by reason of the construction, operation, or maintenance of the System. The rights reserved by City 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) day 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 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 with respect to the performance bond are in addition to all other rights of City 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 may have.
2. **Security Fund.**

a. At the time this Franchise becomes effective, Grantee shall deposit into a bank account, established by Commission on behalf of all Member Cities, and maintain on deposit throughout the term of this Franchise, the sum of fifty thousand dollars ($50,000) as a common security fund for the faithful performance by it of all the provisions of this franchise and all other franchises which combine to make up the System (hereinafter “Security Fund”). In compliance with all orders, permits and directions, of any Member City or Commission and the payment by Grantee of any claim, liens and taxes due City which arise by reason of the construction, operation or maintenance of the System. Interest accrued on this deposit shall be paid to Grantee on a quarterly basis provided that all requirements of this section have been complied with by Grantee. Provisions shall be made to permit the Commission to withdraw funds from the Security Fund. Grantee shall not use the Security Fund for other purposes and shall not assign, pledge, or otherwise use the Security Fund as security for any purpose.

b. In addition to recovery of any monies owed by Grantee to City or any Person or damages to City or any Person as a result of any acts or omissions by Grantee pursuant to the Franchise, City in its sole discretion may charge to and collect from the Security Fund the following penalties:

i. For failure to timely complete System upgrades as provided in this Franchise unless City 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 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 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 PEG 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 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 Applicable Laws 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.

c. Each violation of any provision of this Franchise shall be considered a separate
violation for which a separate penalty can be imposed.

d. Whenever City finds that Grantee has violated one or more terms, conditions or
provisions of this Franchise, or for any other violation contemplated in
Subparagraph b. 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 sole determination of City, 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,
City may draw from the Security Fund all penalties and other monies due City
from the date of the local receipt of notice.

e. Grantee may, within seven (7) days of receipt of such written notice, notify City
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 shall specify with particularity
the matters disputed by Grantee. City shall hear Grantee’s dispute within sixty
(60) days and render a final decision within sixty (60) days thereafter.

If Grantee does not dispute the alleged violation or upon the determination of City
that a violation has taken place, subject to Grantee’s right to seek any applicable
judicial review, City may draw from the security fund an amount to cover any
failure of Grantee to pay penalties accrued but unpaid after seven (7) days written
notice of such final determination.

f. If said Security Fund or any subsequent Security Fund 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 Security Fund shall be of the same form
and with a bank authorized herein and for the full amount stated in Paragraph a. of
this section.

If City draws upon the Security Fund or any subsequent Security Fund 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 City a like replacement
Security Fund or certification of replenishment for the full amount stated in
Paragraph A of this section as a substitution of the previous Security Fund. This
shall be a continuing obligation for any draws upon the Security Fund.

If any Security Fund is not so replaced or replenished, City may draw on said
Security Fund for the whole amount thereof and use the proceeds as City
determines in its sole discretion. The failure to replace or replenish any Security
Fund may also, at the option of the City and/or Commission, be deemed a default
by Grantee under this Franchise. The drawing on the Security Fund by City, and use of the money so obtained for payment or performance of the obligations, duties and responsibilities of Grantee that are in default, shall not be a waiver or release of such default.

i. The collection by City of any damages, monies or penalties from the Security Fund shall not affect any other right or remedy available to City, nor shall any act, or failure to act, by City pursuant to the Security Fund, be deemed a waiver of any right of City pursuant to this Franchise or otherwise.

3. Liability Insurance.

a. Upon the Effective Date, Grantee shall, at its sole expense take out and maintain during the term of this Franchise public liability insurance with a company licensed to do business in the state of Minnesota with a rating by A.M. Best & Co. of not less than “A” that shall protect Grantee, Commission, City and the Commission’s and the City’s officials, officers, directors, employees and agents from claims which may arise from operations under this Franchise, whether such operations be by Grantee, its officials, officers, directors, employees and agents or any subcontractors of Grantee. This liability insurance shall include, but shall not be limited to, protection against claims arising from bodily and personal injury and damage to property, resulting from Grantee’s vehicles, products and operations. The amount of insurance for single limit coverage applying to bodily and personal injury and property damage shall not be less than Two Million Dollars ($2,000,000.00). The following shall be included in the certificate:

i. The policy shall provide coverage on an “occurrence” basis.

ii. The policy shall cover personal injury as well as bodily injury.

iii. Broad form property damage liability shall be afforded.

The following endorsements shall be attached to the liability policy:

i. City shall be listed as an additional insured on the policy.

ii. An endorsement shall be provided which states that the coverage is primary insurance subject to the indemnification clause and that no other insurance maintained by the Grantor will be called upon to contribute to a loss under this coverage.

iii. Standard form of cross-liability shall be afforded.

iv. An endorsement stating that the policy shall not be canceled without thirty (30) days notice of such cancellation given to City.
b. Grantee shall submit to City documentation of the required insurance, including a certificate of insurance signed by the insurance agent and companies named, as well as all properly executed endorsements.

4. **Indemnification**

   a. Grantee shall indemnify, defend and hold City and Commission, its officers, boards, commissions, agents and employees (collectively the “Indemnified Parties”) harmless from and against any and all lawsuits, claims, causes or action, actions, liabilities, demands, damages, judgments, settlements, disability, losses, expenses (including attorney’s fees and disbursements of counsel) and costs of any nature that any of the Indemnified Parties may at any time suffer, sustain or incur arising out of, based upon or in any way connected with the Grantee’s operations, the exercise of the Franchise, the breach of Grantee of its obligations under this Franchise and/or the activities of Grantee, it subcontractor, employees and agents hereunder. Grantee shall be solely responsible for and shall indemnify, defend and hold the Indemnified Parties harmless from and against any and all matters relative to payment of Grantee’s employees, including compliance with Social Security and withholdings.

   b. The indemnification obligations of Grantee set forth in this Franchise not limited in any way by the amount or type of damages or compensation payable by or for Grantee under Workers’ Compensation, disability or other employee benefit acts, acceptance of insurance certificates required under this Franchise or the terms, applicability or limitations of any insurance held by Grantee.

   c. City and/or Commission does not, and shall not, waive any rights against Grantee which it may have by reason of the indemnification provided for in this Franchise, because of the acceptance by City, or the deposit with City by Grantee, of any of the insurance policies described in this Franchise.

   d. The indemnification of City and Commission by Grantee provided for in this Franchise shall apply to all damages and claims for damages of any kind suffered by reason of any of Grantee’s operations referred to in this Franchise, regardless of whether or not such insurance policies shall have been determined to be applicable to any such damages or claims for damages.

   e. Grantee shall not be required to indemnify City and Commission for negligence or misconduct on the part of the City and the Commission or its officials, boards, commissions, agents, or employees, including any loss claims related to public access channels in which City and/or Commission participate subject to applicable state and federal statutory limitations.

5. **Grantee’s Insurance.**

   Grantee shall not commence any Cable System reconstruction work or permit any subcontractor to commence work until all insurance required under this Franchise has
been obtained. Said insurance shall be maintained in full force and effect until the expiration of this Franchise.

SECTION 10.
SALE, ABANDONMENT, TRANSFER AND REVOCATION OF FRANCHISE

   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.
   b. City may revoke this Franchise without the hearing otherwise required herein if Grantee is adjudged a bankrupt.

   a. City and/or Commission 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 therein, City and/or Commission 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 and/or Commission prior to the effective date of revocation, which public hearing shall follow the thirty (30) day notice provided in subparagraph (a) above. City and/or Commission 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 and/or Commission.
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 Security Fund 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 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 and such changes do not otherwise trigger review under Minnesota Statutes Section 238.083.
   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, Paragraph 5. The term “controlling interest” as used herein is not limited to majority stock ownership, but includes actual working control in whatever manner exercised.
   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 (Confidential, trade, business, pricing or marketing information, or information not otherwise publicly available may be redacted) pursuant to the Procedures for Handling Trade Secret and Privileged Data to be adopted by the Commission.

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.

d. City shall have such time as is permitted by federal law in which to review a transfer request.

e. As agreed to by Grantee in its previous franchise with City, Grantee shall reimburse City for all the legal, administrative, and consulting costs and fees associated with 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 if permitted by Applicable Laws.

f. In no event shall a sale, transfer, corporate change, or assignment of ownership or control pursuant to this Section 10, Paragraph 5.a. or b., 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 this Section 10, Paragraph 5.a. or b., 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 be 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, Paragraph 5g. 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 with 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, or disability. Grantee shall comply at all times with all other applicable federal, state, and city laws, and all executive and administrative orders relating to nondiscrimination.

2. Subscriber Privacy. Grantee shall, at all times, comply with Applicable Laws regarding subscriber privacy, including but not limited to 47 U.S.C. § 551.

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 and Commission 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 Law. The term of any renewed Franchise shall be limited to a period no longer than allowed by Applicable Law.

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 mutually agree, from time to time, to amend this Franchise. Such written amendments may be made subsequent to a review session pursuant to Section 8, Paragraph 7 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.

4. **Compliance with Federal, State and Local Laws.**

   a. The terms of this Franchise shall govern Grantee’s performance under this Franchise except where federal or state laws or regulation preempt such local regulation. In such cases the applicable federal or state laws or regulations shall govern Grantee’s performance under this Franchise.

   b. 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.

   c. If the Commission and Grantee do not agree that a material provision of this Franchise is affected by such federal or state law or regulation, then either the Commission or Grantee shall have the right to seek review of the provision in question as permitted by Applicable Laws.

   d. 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 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. Except as provided in Section 13, Paragraph 4 of this Franchise, Grantee agrees that it will not, at any time, set up against City or Commission in any claim or proceeding, any condition or term of the Franchise as unreasonable, arbitrary, void as of the Effective Date of this Franchise or that City or Commission had no power or authority to make such term or condition.

In the case of any dispute or question as to the meaning, interpretation, or application of any term, provision, or condition of this Franchise, City, in its reasonable discretion, shall promptly resolve such dispute or question.

8. Confidential and Trade Secret Information. The Commission shall adopt and follow, consistent with and permitted by Applicable Laws, procedures for protecting any confidential and trade secret information of Grantee that may be provided to Commission in conformance with the requirements of this Franchise. If required under this Franchise, such confidential or trade secret information shall be provided to City if City adopts similar procedures for protecting confidential and trade secret information.
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, Paragraph 2.

2. Acceptance.

   a. Grantee shall accept this Franchise within thirty (30) days of its enactment by the City Council, 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.

      ii. With its acceptance, Grantee shall also deliver any grant payments, performance bond and insurance certificates, and guaranties, as required herein that have not previously been delivered.

Passed and adopted this_____ day of ____________, 2000.

ATTEST:  CITY OF ________________, MINNESOTA

By:______________________________________  By:______________________________________
Its:______________________________________  Its:______________________________________

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

MEDIAONE OF ST. PAUL, INC.

Date:  ____________________________  By:______________________________________
Notary: ____________________________  Its:______________________________________
EXHIBIT A

OWNERSHIP

MediaOne of St. Paul, Inc. is a wholly owned subsidiary of MediaOne Group, Inc. as follows.

- MediaOne Group, Inc.
  - MediaOne of Colorado, Inc.
    - MediaOne of Delaware, Inc.
      - MediaOne of St. Paul, Inc.
1. **PUBLIC, EDUCATIONAL AND GOVERNMENT (PEG) ACCESS CHANNELS**

   Grantee shall continue to make seven (7) analog video Channels available exclusively for noncommercial PEG use (“PEG Channels”) as currently provided by Grantee. The PEG Channels shall be dedicated for PEG use for the term of the Franchise. City shall establish rules and procedures for such scheduling in accordance with Section 611 of the Cable Act (47 U.S.C. § 531).

   Grantee shall configure the Cable System to allow PEG programming to be discretely distributed (Narrowcast) to individual Member Municipalities via designated node sites. City and Grantee acknowledged that programming cannot be discretely distributed to one hundred percent (100%) of the City due to the location of particular node sites.

   City may not request additional channel capacity beyond the seven (7) Channels for PEG use except in accordance with applicable State laws. City shall be responsible for all programming requirements, including but not limited to scheduling, playback, training, staffing, copyright clearances, and equipment, maintenance and repair, on the PEG channels.

   Grantee shall also designate the standard VHF channel 6 for uniform regional channel usage currently provided by “Metro Channel 6” to the extent and under the terms required by Minn. Stat. § 238.43.

2. **PEG OPERATIONS**

   City may, in its sole discretion, negotiate agreements with neighboring jurisdictions served by the same Cable System, educational institutions or others to share the expenses of supporting the PEG Channels.

3. **TITLE TO PEG EQUIPMENT**

   City shall retain title to all PEG equipment and facilities purchased or otherwise acquired by City.

4. **RELOCATION OF PEG CHANNELS**

   City and Grantee agree to relocate the channel position of the PEG access channels at the time that the System is cut over to Grantee’s master headend in Roseville. Thereafter, Grantee shall not relocate any PEG access Channel to a different Channel number unless specifically required by Applicable Laws or unless otherwise agreed to in writing by City. Grantee shall provide at least sixty (60) days prior written notice of such relocation to Subscribers and the Commission, and Grantee shall reimburse the Commission for reasonable costs caused by such relocation, including (1) logo, business card or signage.
changes, (2) equipment modifications necessary to effect the change at the programmer’s production or receiving facility, or (3) reasonable constituency notification costs.

5. **PROMOTION OF PEG ACCESS**

To the extent permitted by Grantee’s billing process, Grantee shall allow Commission to place bill stuffers in Grantee’s Subscriber statements at a cost to Commission not to exceed Grantee’s cost, no less frequently than twice per year upon the written request of Commission and at such times that the placement of such materials would not materially and adversely effect Grantee’s cost for the production and mailing of such statements. Commission agrees to pay Grantee in advance for the actual cost of such bill stuffers. Grantee shall also make available PEG access information provided by Commission in Subscriber packets at the time of Installation and at the counter in the System’s business office serving the Service Area. Grantee shall also distribute, at no charge to Commission, through advertising insertion equipment, thirty (30) second promotional and awareness commercial spots, on a “run of schedule” basis in unsold time slots, produced at Commission’s cost and submitted by Commission once each month in a format compatible with such advertising insertion equipment. Grantee shall also include a listing of the known programming to be cablecast on PEG access Channels in or on any electronic program guide of services for the Cable System, if technically and economically reasonable.

6. **PEG SUPPORT.** In addition to satisfying the other requirements of this Franchise, Grantee is required to provide the following additional PEG use funding to the Commission:

Grantee will provide the following periodic capital grants for PEG access, in 1999 dollars.

a. Thirty (30) days after the effective date of the Franchise: $250,000.

b. On each of the first, second and third anniversaries of the effective date of the Franchise: $250,000.

c. On the second anniversary of the effective date of the Franchise: an additional $100,000.

d. On the seventh anniversary of the effective date of the Franchise: $200,000.

e. On the tenth anniversary of the effective date of the Franchise: $200,000.

In addition to the PEG fee associated with the recovery of the capital grants provided above, which may be recovered by Grantee over the term of the Franchise and may include any applicable FCC return on investment, Grantee shall collect payment of an eighty-three cent ($0.83) per month per subscriber local programming support fee (“PEG fee”) starting on April 1, 2000 and continuing throughout the term of the Franchise to be used by the Commission in support of PEG access. Payments pursuant to this subsection
shall be payable quarterly on the same schedule as Franchise fee payments. The $.83 PEG fee may be unilaterally increased no more than once each calendar year in the Commission’s sole discretion, upon sixty (60) days advance written notice to Grantee, annually compounded from the effective date of this Franchise, based on the increase from the Minneapolis/St. Paul Consumer Price Index for all consumers and/or three percent (3%) each year, whichever is lower.

7. TECHNICAL SUPPORT

a. Throughout the Franchise term, playback from the PEG access Channels must be configured so that the Commission or its designated entity is able to use their own independent automated playback facilities, located at the premises of its choice. Any master control that Grantee intends to use for its operations must be located outside the space occupied by a designated entity, unless the parties agree otherwise. The playback facility must be configured so as to permit the designated entity to program all Channels for which it is responsible for playback, on a live or taped basis. Grantee shall continue to have access to the designated entity’s master control so that it can conduct necessary maintenance and repair affecting Grantee’s network or equipment upon reasonable notice or at any time in the event emergencies, at no cost to City or Commission.

b. Grantee shall provide, at no cost to Commission, six (6) live feeds per year from the Commission’s offices to the offices of Regional Channel 6. Such feeds shall connect directly to Regional Channel 6 master control should Grantee have access to and connectivity with the Regional Channel 6 Master Control. Grantee shall also provide, at no cost to Commission, live feeds for PEG access and local origination programming from any location in the Commission’s Franchise area that is passed by the proposed Institutional Network. The Commission shall provide a minimum of seventy-two (72) hours advance notice to Grantee of the need for such live feeds and shall endeavor to provide a minimum seven days advance notice when possible. Grantee shall, upon two (2) weeks prior notice by Commission, work with Commission to accommodate one time programming via live feeds from areas not passed by the Institutional Network. Such live feeds shall be under Grantee’s direct supervision and on a frequency designated by Grantee.

c. Grantee shall also feed the local origination and PEG Channels provided in the City of St. Paul into the Commission’s master control for potential simulcasting on the PEG Channels required pursuant to this Franchise. Determination regarding the simulcasting of such PEG access and local origination signals from St. Paul shall be in the sole discretion of the Commission. Grantee shall also maintain its practice of providing regular satellite feeds from Grantee’s headend facility and/or hub site locations to be fed directly to the Commission’s master control facility. At a minimum, Grantee shall provide six (6) such satellite feeds as was Grantee’s current practice under its prior Franchise with City.
d. Grantee shall provide twenty-six (26) live feeds, free of charge, except for the cost of the equipment necessary to provide such feeds, which shall be the Commission’s responsibility, each year from Grantee’s headend facility (presently located in Roseville) to and from, other cable systems operated by Grantee to allow for the sharing of local programming such as high school sports and/or other programs with shared audiences.

e. Grantee shall provide, free of charge, cable modem service to the Commission’s facility for one (1) computer.

f. Grantee shall continue to provide free fiber optic links, including internal wiring to drop points and current optronics, to the West St. Paul City Hall, South St. Paul City Hall, Inver Grove Heights City Hall, Mendota Heights City Hall, as well as to the Commission’s facility. These fiber optic connections will permit the above-referenced Member Municipalities to cablecast live governmental meetings on the PEG channels, free of charge.

g. Grantee and City agree that the PEG fee referenced in this Exhibit B will not be deemed to be “franchise fees” within the meaning of Section 622 of the Cable Act (47 U.S.C. §542), and such obligations shall not be deemed to be (i) “payments in kind” or any involuntary payments chargeable against the Franchise Fees to be paid to the City by Grantee pursuant to Section 8 hereof or (ii) part of the Franchise Fees to be paid to City by Grantee pursuant to Section 8 hereof.

8. INTERCONNECTION

a. Grantee shall, at the Commission’s request, interconnect its System to other commonly owned, adjacent Systems located in the Minneapolis/St. Paul metropolitan area. Interconnection shall be completed within a reasonable timeframe mutually agreed upon by the Commission and Grantee, unless an extension is granted upon petition by Grantee.

b. Grantee shall, at the Commission’s request, interconnect its System to adjacent Cable Systems in the Minneapolis/St. Paul metropolitan area that are not commonly owned or controlled by Grantee or its Affiliates. Except as otherwise provided herein, interconnection shall be completed within a reasonable timeframe mutually agreed upon by the Commission and Grantee, unless an extension is granted upon petition by Grantee. The cost of establishing an interconnection link to the border of the adjacent jurisdiction shall be borne by Grantee. As to the actual costs of physical interconnection at the border, the Grantee shall bear no more than fifty percent (50%) of such costs, unless the parties agree otherwise. Grantee will obtain relief from this interconnection requirement where: (i) it shows to the satisfaction of the Commission that interconnection is technically infeasible to perform, and (ii) it proposes a reasonable alternative, in light of the purposes to be served by the interconnection. Alternatively, Grantee will obtain relief from this interconnection requirement if its unable to reach an agreement with the designated adjacent System, after a good
faith effort to reach an agreement, provided that Grantee provides the Commission with the proposed agreement and explains the reason(s) why the parties have been unable to reach agreement.

c. Grantee shall cooperate with any interconnection corporation, regional interconnection authority, or state or federal agency which may be hereafter established for the purpose of regulating, facilitating, financing or otherwise providing for the interconnection of cable systems beyond the boundaries of City.
EXHIBIT B-1

SERVICE TO PUBLIC AND PRIVATE BUILDINGS

Dakota County

IN NDC SYSTEM

Inver Glen Library
8098 Blaine Avenue
Inver Grove Heights, MN  55076

Northern Service Center
(under construction)
5 West Mendota Road

Wentworth Library
199 East Wentworth Avenue
West St. Paul, MN  55118

ISD #199

Inver Grove Elementary School
4100 East 66th Street
Inver Grove Heights, MN  55076

Pine Bend Elementary School
9875 Inver Grove Trail
Inver Grove Heights, MN  55076

Hilltop Elementary School
3201 East 68th Street
Inver Grove Heights, MN  55076

South Grove Elementary School
7650 Clayton Avenue
Inver Grove Heights, MN  55076

Salem Hills Elementary School
5899 East Babcock Trail
Inver Grove Heights, MN  55076

ALL IN ONE COMPLEX

Inver Grove Middle School
8167 Cahill Avenue East
Inver Grove Heights, MN  55076

Simley Senior High School
2920 East 80th Street
Inver Grove Heights, MN  55076

ISD #199 District Office
2990 80th Street East
Inver Grove Heights, MN  55076
Inver Grove Heights

Inver Grove Heights City Hall  
8150 Barbara Avenue  
Inver Grove Heights, MN  55077

Inver Grove Heights Police Department  
8150 Barbara Avenue  
Inver Grove Heights, MN  55077

IGH Fire Department  
2059 Upper 55th Street E  
Inver Grove Heights, MN  55077

IGH Fire Department  
7015 Clayton Avenue  
Inver Grove Heights, MN  55076

ISD #197

Henry Sibley High School  
1897 Delaware Avenue  
Mendota Heights, MN  55118

Friendly Hills Middle School  
701 Mendota Heights Road  
Mendota Heights, MN  55118

Heritage Middle School  
121 West Butler Avenue  
West St. Paul, MN  55118

Somerset Elementary School  
1355 Dodd Road  
Mendota Heights, MN  55118

Mendota Heights Elementary School  
1979 Summit Lane  
Mendota Heights, MN  55118

Moreland Elementary School  
217 West Moreland Avenue  
West St. Paul, MN  55118

Garlough Elementary School  
1740 Charlton Street  
West St. Paul, MN  55118

West St. Paul

West St. Paul City Hall  
1616 Humboldt Avenue  
West St. Paul, MN  55118
South St. Paul

South St. Paul City Hall
125 3rd Avenue
South St. Paul, MN 55075

South St. Paul Public Library
106 3rd Avenue N.
South St. Paul, MN 55075

Wakota Arena (School)
141 East 6th Street
South St. Paul, MN 55075

South St. Paul Municipal Airport (Fleming Field)
520 Airport Road
South St. Paul, MN 55075

(shall be considered a subsequently designated building pursuant to Section 6(2) of this Franchise)

Lilydale

Lilydale City Hall
855 Sibley Memorial Hwy
Lilydale, MN 55518

Sunfish Lake

Sites to be determined

Mendota

Sites to be determined

Mendota Heights

Mendota Heights City Hall
1101 Victoria Curve
Mendota Heights, MN 55118

Mendota Heights Police Department
1101 Victoria Curve
Mendota Heights, MN 55118

Mendota Heights Fire Department
2121 Dodd Road
Mendota Heights, MN 55120
South St. Paul Schools

South St. Paul High School
700 2nd St. N.
South St. Paul, MN  55075

District Office
104 5th Ave. So.
South St. Paul, MN  55075

ECFE
1549 5th Ave. So.
South St. Paul, MN  55075

Lincoln Center
357 9th Ave. N.
South St. Paul, MN  55075

Kaposia Education Center
1225 1st Ave. So.
South St. Paul, MN  55075

ALC
151 6th St. E.
South St. Paul, MN  55075

Private Schools

Convent of the Visitation School
2455 Visitation Drive
Mendota Heights, MN  55120

St. Croix Lutheran High School
1200 Oakdale Avenue
West St. Paul, MN  55118

St. Joseph's School
1138 Seminole Avenue
West St. Paul, MN  55118

St. Thomas Academy
949 Mendota Heights Road
Mendota Heights, MN  55120

Emanuel Lutheran School
115 Crusader Avenue
West St. Paul, MN  55118

St. John Vianney School
1815 Bromley Street
South St. Paul, MN  55075

St. Michael's School
335 E. Hurley Street
West St. Paul, MN  55118

Holy Trinity School
745 - 6th Avenue S.
South St. Paul, MN  55075

Colleges

Inver Hills Community College
2500 East 80th Street
Inver Grove Heights, MN  55076
EXHIBIT C

DESCRIPTION OF SYSTEM

1. The Cable System shall be designed, constructed, routinely inspected, and maintained to guarantee that the Cable System meets or exceeds the requirements of the most current editions of the National Electrical Code (NFRA 70) and the National Electrical Safety Code (ANSI C2). In all matters requiring interpretation of either of these codes, the City’s interpretation shall control over all other sources and interpretations.

2. General Requirements. Grantee shall use equipment used in high-quality, reliable, modern Cable Systems of similar design.

3. General Description. The Cable System shall provide Subscribers with a technically advanced and reliable Cable System. The System shall have at least 750 MHz of bandwidth capacity, capable of delivering approximately 80 analog channels of programming. The System will be two-way active, and it will be designed to have capability to transmit return signals upstream in the 5-40 MHz spectrum. The design will provide the benefits of proven 80-channel electronics while positioning the System for expansion of bandwidth and channel capacity as technology and future services develop.

4. Design. The design of the System shall be based upon a “Fiber to the node” architecture that will deliver the signals by fiber optics directly to each neighborhood. Grantee’s initial design includes a minimum of six (6) fibers to each node site having a neighborhood group average of approximately five hundred (500) homes. If Grantee splits nodes into smaller sizes, fewer fibers will extend to such smaller nodes. There shall be no more than seven (7) active amplifiers in a cascade from each node to the residential dwelling. The incorporation of stand-by power supplies, strategically placed throughout the system including all hubs, will further reduce the likelihood of service interruptions.

5. Technical Standards. The System shall meet or exceed FCC requirements. In no event shall the System fall below the following standards:

a. The System shall be capable of meeting the following distortion parameters:

1. Carrier to RMS Noise 48 dB
2. Carrier to Second Order 53 dB
3. Carrier to Cross Modulation 51 dB
4. Carrier to Composite Triple Beat 53 dB

b. The frequency response of a single channel as measured across any 6 MHz analog channel shall not exceed +/- 2 dB.

c. The frequency response of the entire passband shall not exceed N/10+ 2 dB for the entire System where N is the number of amplifiers in cascade.

d. The System shall be designed such that at a minimum all technical specifications of this Franchise Agreement are met.
e. The System shall be designed such that no noticeable degradation in signal quality will appear at the Subscriber terminal.
EXHIBIT D
MINIMUM I-NET PERFORMANCE STANDARDS

Signal Quality

The Institutional Network shall achieve the performance standards listed below, where applicable for fiber and/or fiber/HFC-based transmissions, under worst-case conditions for communications occurring between:

- Any institution to any institution
- Any institution to hub or headend and vice versa
- Any institution to any subscriber and vice versa

For Institutional Communications Incorporating HFC Infrastructure

- **Noise and Distortion Performance** - Under worst-case channel loading (including both analog and digital signals), the combined upstream and downstream performance of the system shall meet or exceed the following:
  - Carrier to noise ratio = 45 dB or better
  - Carrier to composite triple beat = 55 dB or better
  - Carrier to second order distortion = 55 dB or better
  - Carrier to cross modulation = 55 dB or better

- **Data Communications** - For any data communications link on the network, the Network shall provide the capability for a Bit Error Rate (BER) to be equal to or better than 1 x 10 to the minus 9, except where the link is 50% or more coaxial cable, the BER shall be equal to or better than 1 x 10 to the minus 8. This standard shall be met or exceeded under Normal Operating Conditions. Outage times shall not be considered for purposes of determining compliance with the BER prescribed in this paragraph.

- **Network Availability** - For each user of services on the network, network availability shall be equal to or better than 99.965% (no more than 184 minutes of network downtime per user) as measured on an annual basis.

- **Signal Level Variation** - The worst-case signal level variation (peak to valley) shall be better than or equal to N/10 + 2 (where "N" equals the number of RF amplifiers in cascade from the HFC node).

For End-to-End Fiber-Based Institutional Communications

- **Optical System Noise Performance** - Under worst-case link loss as measured for any voice, video or data service, the combined upstream and downstream performance of the system shall meet or exceed the following:
- Signal to noise equals 60 dB or better for links that utilize Grantee supplied equipment. For all other links, the network shall be capable of providing a signal to noise of 60 dB or better, dependent upon end-user equipment.

- **Optical Received Power Level at the Institution** – For all links that utilize Grantee-supplied equipment, the optical power level for any service delivered to the designated demarcation point at each I-Net user location shall meet or be better than 0 dBm and shall, in all cases, enable operation within the equipment manufacturer’s minimum specifications. For all other links on the network, I-Net users shall be able to satisfactorily employ non-custom network transmission and reception equipment, and the I-Net shall enable operation within the manufacturer’s minimum specifications for such equipment.

- **Network Availability** - For each user on the network, network availability on the backbone or for fully redundant, diverse path connections from hubs to user sites, shall be equal to or better than 99.99% (no more than 53 minutes of network downtime per user) as measured on an annual basis. For each user on the network, network availability for standard connections from the hub to the user site shall be equal to or better than 99.965% (no more than 184 minutes of network downtime per user) as measured on annual basis.

For purposes of this Exhibit D, the network shall be defined as "unavailable" under the standards herein for any given user when such user:

a. Cannot, because of a network problem, measured by SNMP software or other appropriate software and associated hardware, or through a failure of a Grantee-provided interconnect, transmit video, voice and/or data communications to, from, and/or on the network. Such problems shall be the result of a failure of one or more of the following: 1) the fiber optic cabling, connections and transmission equipment on the network and/or the coaxial cabling, connections and RF transmission equipment on the network; 2) the transmission equipment at Grantee's headend; 3) the transmission and network equipment at the customer's premise (if such equipment is provided by Grantee); 4) network powering systems; 5) the network equipment, connections and cabling, network management, hardware and software, and related equipment provided by Grantee at Grantee's headend; and/or 6) any other Grantee-provided transmission or network component; and or,

b. Experiences, due to a network problem, video, voice and data transmissions that are below the standards set forth in this Franchise and/or this Exhibit; and/or,

c. Experiences, due to a network problem, a data communication packet loss of greater than ten percent (10%).

For purposes of this availability standard, network problems shall not be defined as: infrequent scheduled preventative maintenance as long as I-Net users are notified well in advance,
Network downtime shall include, but not be limited to, network failures caused by: third party actions; commercial power outages of a typical, non-catastrophic nature; and power failures and other disturbances caused by weather occurrences typical to the Twin Cities area. Grantee shall comply with the requirements of Demand Maintenance/Service and Repair to restore service following any of these occurrences. Grantee will give the City, the Commission and affected I-Net users notice in the event of any of the foregoing occurrences.

Data Communications - For any data communications link on the network, the Bit Error Rate (BER) shall be equal to or better than $1 \times 10^{-9}$. This standard shall be met or exceeded under Normal Operating Conditions. Outage times shall not be considered for purposes of determining compliance with the BER prescribed in this paragraph.

Service Response

Network Maintenance - Grantee shall be responsible for the ongoing maintenance and performance of the I-Net from the demarcation point within a facility through the network, including the I-Net headend. Routine and preventive maintenance shall be performed continually on the network to ensure that it meets all performance criteria detailed herein.

Specific Performance Oversight Responsibilities of the Grantee will include:

1. Monitoring the operation of the fiber based transport backbone in conjunction with I-Net users;

2. Performance and fault monitoring of the transport backbone and distribution system in accordance with same terms and conditions referenced in Section 7, 1.c.;

3. Monitoring of selected parameters and tables to allow for early identification of potential service problems;

4. Monitoring and analyzing I-Net performance; and

5. Logging and reporting, as required, of data gathered from above monitoring activities.

Preventive Maintenance/Service Interruptions - I-Net users will be notified at least seven days in advance of any scheduled maintenance that may 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.
Demand Maintenance/Service and Repair - Response to all network problems shall occur at all hours (24 x 365). Specifically, when Grantee receives a trouble call or alarm, either by internal monitoring or by City, Commission or user personnel, the Grantee’s Network Operations Center will ensure that appropriate technical support shall respond within 10 minutes after receiving a call related to a network problem (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 Grantee shall then work continuously until the problem is resolved.

Network Support - Grantee shall provide an appropriate complement of administrative, headend and field personnel at all times to meet the performance criteria detailed herein.

Service Call Processing and Tracking - Grantee will establish mechanisms and procedures for all I-Net users to quickly and easily report System problems. All trouble or service calls will be documented, processed, and completed in an expedient manner.

Documentation will include monthly I-Net service call reports, as required, which will include a breakdown of reasons and resolutions as well as call handling efficiency. Notwithstanding the staffing, testing and equipment and response requirements set forth herein, the Grantee will provide the in-house and/or contractor staff, spare and back-up equipment, test and maintenance equipment and additional steps necessary to ensure that the network performs reliably in accordance with all standards detailed herein.

Network Performance Testing

Proof of Performance - Proof of performance testing will be conducted on the I-Net two (2) times per year at the same time residential subscriber system testing is performed during the months of January/February and July/August. Several geographically diverse I-Net test point locations for each ring and an additional test point per node will be established which are representative of worst-case performance for the area. Testing shall be completed at the mutually agreed upon entry demarcation point at the institution. All active channels upstream and downstream shall be tested at each test point location. If the testing will subject such channels to service interruptions, Grantee will work with Users to schedule the testing so as to minimize its impact upon the Users. Testing shall be performed to ensure compliance with all the network performance specifications included in this Appendix and applicable Service Agreements. Tests shall be performed using standard test methodologies, as mutually agreed to by the City, the Commission and Grantee.

Power Supply Inspections - All network power supplies and back-up devices will be continuously status monitored and manually inspected at least twice per year, which will include the following checks and tests:

- Full load transfer and runtime test
- Battery condition and maintenance check, including replacement if required
- Status monitoring functional test

I-Net User Location Performance Testing - All network performance specifications shall be met at each I-Net user location, and the network shall at all times enable I-Net user video, voice and data
communications to be successfully transmitted in accordance with the reliability and availability standards incorporated herein. Grantee shall schedule with each user such testing as required to ensure successful network performance at each I-Net user location.

Physical Network Characteristics - The physical and electrical configuration of the I-Net will comply with all applicable Federal, State, and Local requirements. Inspections of all cable runs and components will be made by Grantee during the I-Net construction process to ensure the integrity of the network and Grantee shall keep records thereof.

Performance Documentation - All tests and checks will be documented and, upon request, filed with the City and the Commission. At the City’s or the Commission’s request, all testing processes may be conducted under the observation of a representative from the City or the Commission.

All network performance standards herein relate to Grantee-supplied transmission and network, facilities, infrastructure, equipment and other components.
## EXHIBIT E

**FRANCHISE FEE PAYMENT WORKSHEET**

<table>
<thead>
<tr>
<th>Revenue Source</th>
<th>Number of Subscribers</th>
<th>Gross Revenue</th>
<th>5% Franchise Fee</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic and Satellite Service</td>
<td></td>
<td></td>
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<tr>
<td>Cable Guide</td>
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<tr>
<td>Equipment Rental</td>
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<tr>
<td>High Speed Data</td>
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<tr>
<td>Installation and Service Calls</td>
<td></td>
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<td></td>
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<tr>
<td>Interactive Program Guide</td>
<td></td>
<td></td>
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<tr>
<td>Late Fees</td>
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<tr>
<td>Music Choice</td>
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<tr>
<td>Pay-Per-View</td>
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<tr>
<td>Premium</td>
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<tr>
<td>PEG Fee</td>
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<td>Advertising</td>
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<td>Shopping</td>
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<tr>
<td>Other Income</td>
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<tr>
<td>TOTAL</td>
<td></td>
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</tbody>
</table>
REVENUE SOURCES INCLUDE:

INSTALLATION & SERVICE CALLS:

- Standard Installation: Commonly occurring normal Installation
- Additional Outlet: Installation on additional sets within a customer’s home
- VCR: Installation of converter to a VCR
- Reconnection of Service: Reconnection of cable to a customer’s address
- A/B Switch: Separate Installation of an A/B Switch
- Relocation: Moving an outlet within a customer’s home
- Non-Standard: Usually Installation of a commercial type of an account
- Change of Service: Charge for upgrading or switching a premium service
- Other Service Calls: Any service calls for which customers are charged a fee

BASIC AND SATELLITE SERVICE:

- Basic Service: Revenue derived from basic and satellite service
- Bulk Rates: Revenue derived from non-standard billings (i.e., apt. complex)
- Reduced Promotional Basic: Revenue derived from a discounted basic and satellite service

PAY-PER-VIEW:

- All Movies: Revenue derived from pay-per-view movies
- Events: Revenue derived from special events (i.e., concerts, boxing matches, etc.)

OTHER:

- Returned Check Fees: Revenue derived by Grantee from charges on returned checks
- Pre-wired Cable Purchases: Revenue generated from the sale of cable to individuals who pre-wire their home
- Antenna Rental: Any revenue derived from renting space on towers
- A/B Switch: Revenue generated from sale of an A/B Switch
- Late Fee: Revenue generated from receiving a late fee
OTHER:

DOES NOT INCLUDE:

Reimbursements

Revenues from the Department of Transportation or other government entities for mandatory relocations of cable system. Revenue from employee reimbursements for cash advances.

Verified and submitted this ___________ day of ______________, 2000.

________________________________________

By: ____________________________________
Its: ___________________________________
EXHIBIT F

CORPORATE GUARANTY

THIS AGREEMENT is made this ___ day of __________, 2000 between Meteor Acquisition Inc. (“Guarantor”), the Northern Dakota County Cable Communications Commission (“Franchising Authority”), and MediaOne of St. Paul, Inc. (“Company”).

WITNESSETH

WHEREAS, the Franchising Authority by action of its governing body on October ____, 1999 adopted Resolution No. __________ (“Resolution”) approving the transfer of control of the cable television franchise (“Franchise”) from MediaOne Group, Inc. to AT&T Corp.; and

WHEREAS, Guarantor is a parent of the Company; and

WHEREAS, Guarantor has a substantial interest in the conduct of the Company in complying with the Company’s obligations under the Franchise and any and all amendments thereof and any agreements related thereto; and

WHEREAS, the Resolution requires the Company to furnish a guaranty to ensure the faithful payment and performance by Company of the obligations under the Franchise; and

WHEREAS, the Guarantor desires to provide its unconditional guaranty that Company will fulfill the requirements of the Resolution.

NOW, THEREFORE, in consideration of the foregoing premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Guarantor hereby unconditionally guarantees Company’s due and punctual payment and performance of all of the debts, liabilities and obligations contained in the Franchise (“Indebtedness”).

This Agreement, unless terminated, substituted, or canceled, as provided herein, shall remain in full force and effect for the duration of the term of the Franchise, except as expressly provided otherwise in the Franchise.

Upon substitution of another Guarantor reasonably satisfactory to the Franchising Authority or upon transfer of the Franchise to another entity not under common control of Guarantor, this Agreement shall be terminated, substituted, or canceled upon thirty (30) days prior written notice from Guarantor to the Franchising Authority and the Company.

Such termination shall not affect liability incurred or accrued under this Agreement prior to the effective date of such termination or cancellation.

The Guarantor will not exercise or enforce any right of contribution, reimbursement, recourse or subrogation available to the Guarantor against the Company or any other person liable for payment of
the Indebtedness or any collateral security therefor, unless and until all of the Indebtedness shall have been fully paid and discharged.

The Guarantor will pay or reimburse the Franchising Authority for all reasonable costs and expenses (including reasonable attorneys’ fees and legal expenses) incurred by the Franchising Authority in connection with the protection, defense or enforcement of this guaranty in any arbitration, litigation or bankruptcy or insolvency proceedings.

The Guarantor will not assert, plead or enforce against the Franchising Authority any defense of discharge in bankruptcy of the Company, statute of frauds, or unenforceability of the Guaranty which may be available to the Company or any other person liable in respect of any Indebtedness, whether or not on account of a related transaction.

Any notices given pursuant to this Agreement shall be addressed to the Guarantor and Company at 10 River Park Plaza, St. Paul, MN 55107, Attn: Vice President and General Manager, and to the Franchising Authority at 5845 Blaine Avenue, Inver Grove Heights, MN 55076, Attn: Executive Director.

IN WITNESS WHEREOF, the Company, Franchising Authority, and Guarantor have executed this Corporate Guaranty as of the day, month and year first above written.

GUARANTOR:
METEOR ACQUISITION INC.

By: ________________________________
Its: ________________________________

COMPANY:
MEDIAONE OF ST. PAUL, INC.

By: ________________________________
Its: ________________________________

FRANCHISING AUTHORITY:
NORTHERN DAKOTA COUNTY
CABLE COMMUNICATIONS COMMISSION

By: ________________________________
Its: ________________________________
EXHIBIT G

I-NET USER SITES

Dakota County

Within NDC System

Historical Society and Museum
130 3rd Avenue North
South St. Paul, MN 55075

Northern Service Center
33 East Wentworth Avenue
West St. Paul, MN 55118

Inver Glen Library
8098 Blaine Avenue
Inver Grove Heights, MN 55076

Northern Service Center
(Under construction)
5 West Mendota Road
West St. Paul, MN 55118

Wentworth Library
199 East Wentworth Avenue
West St. Paul, MN 55118

ISD #199

Inver Grove Elementary School
4100 East 66th Street
Inver Grove Heights, MN 55076

Pine Bend Elementary School
9875 Inver Grove Trail
Inver Grove Heights, MN 55076

Hilltop Elementary School
3201 East 68th Street
Inver Grove Heights, MN 55076

South Grove Elementary School
7650 Clayton Avenue
Inver Grove Heights, MN 55076

Salem Hills Elementary School
5899 East Babcock Trail
Inver Grove Heights, MN 55076

Note: one elementary (potentially Inver Grove Elementary) may be closed due to declining enrollment.

All In One Complex

Inver Grove Middle School
8167 Cahill Avenue East
Inver Grove Heights, MN 55076

Simley Senior High School
2920 East 80th Street
Inver Grove Heights, MN 55076

ISD #199 District Office
2990 80th Street East
### City of Inver Grove Heights

<table>
<thead>
<tr>
<th>Location (Future)</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>IGH Fire Station</td>
<td>2059 Upper 55th Street E</td>
</tr>
<tr>
<td>Location is uncertain</td>
<td>Inver Grove Heights, MN 55077</td>
</tr>
<tr>
<td>Storm Water Lift Station</td>
<td>8481 College Trail</td>
</tr>
<tr>
<td>River Road Lift Station</td>
<td>6901 River Road</td>
</tr>
<tr>
<td>NDC4 and NDCTV Facility</td>
<td>5845 Blaine Avenue</td>
</tr>
<tr>
<td>ISD #197</td>
<td></td>
</tr>
<tr>
<td>Henry Sibley High School</td>
<td>1897 Delaware Avenue</td>
</tr>
<tr>
<td>Friendly Hills Middle School</td>
<td>701 Mendota Heights Road</td>
</tr>
<tr>
<td>Heritage Middle School</td>
<td>121 West Butler Avenue</td>
</tr>
<tr>
<td>Somerset Elementary School</td>
<td>1355 Dodd Road</td>
</tr>
</tbody>
</table>

**Inver Grove Heights, MN 55076**
Mendota Heights Elementary School
1979 Summit Lane
Mendota Heights, MN  55118

Moreland Elementary School
217 West Moreland Avenue
West St. Paul, MN  55118

Garlough Elementary School
1740 Charlton Street
West St. Paul, MN  55118

Community Education
1300 Mendota Heights Road
Mendota Heights, MN 55118

Transportation Building
1145 Medallion Drive
Mendota Heights, MN 55120

ISD 197 Senior Center
217 West Moreland Avenue
West St. Paul, MN 55118

City of West St. Paul

West St. Paul City Hall
1616 Humboldt Avenue
West St. Paul, MN 55118

Public Works Garage
1645 Livingston Avenue
West St. Paul, MN 55118

Thompson Oak Golf Course
1555 Oakdale Avenue
West St. Paul, MN 55118

Ice Arena
60 West Emerson Avenue
West St. Paul, MN 55118

West St. Paul Pool
92 W. Orme Street
West St. Paul, MN 55118

Water Tower
151 E. Marie Avenue
West St. Paul, MN 55118

Lift Station
455 W. Mendota Road
West St. Paul, MN 55118

Lift Station
1384 S. Smith Avenue
West St. Paul, MN 55118

Lift Station
485 W. Emerson Avenue
West St. Paul, MN 55118

Lift Station
355 E. Emerson Avenue
West St. Paul, MN 55118

Lift Station
1916 Oakdale Avenue
West St. Paul, MN 55118

Lift Station
15 W. Mendota Road
West St. Paul, MN 55118

Senior Center (Future)/Community Center (Future)
Possible location at Heritage School
OR in park property Butler and Hwy 52 (joint county/city project)
City of Mendota Heights

Mendota Heights City Hall
1101 Victoria Curve
Mendota Heights, MN 55118

Mendota Heights Police Department
1101 Victoria Curve
Mendota Heights, MN 55118

Mendota Heights Fire Department
2121 Dodd Road
Mendota Heights, MN 55120

Public Works Garage
2431 South Lexington
Mendota Heights, MN 55120

Lift Station
1180 Centre Point Boulevard
Mendota Heights, MN 55120

Lift Station
1237 Culligan Lane
Mendota Heights, MN 55120

Lift Station
987 Mendota Heights Road
Mendota Heights, MN 55120

Lift Station
1357 Mendota Heights Road
Mendota Heights, MN 55118

Lift Station
1444 Nothland Drive
Mendota Heights, MN 55118

Lift Station
1159 Veronica Lane
Mendota Heights, MN 55118

City of South St. Paul

South St. Paul City Hall
125 3rd Avenue
South St. Paul, MN 55075

South St. Paul Public Library
106 3rd Avenue N.
South St. Paul, MN 55075

Wakota Arena
141 East 6th Street
South St. Paul, MN 55075

Fleming Field Airport
520 Airport Road
South St. Paul, MN 55075

Municipal Service Center
400 E. Richmond
South St. Paul, MN 55075

Lift Station
1030 Concord St. No.
South St. Paul, MN 55075

Lift Station
291 Grand Avenue East
South St. Paul, MN 55075

City of Lilydale

Lilydale City Hall
855 Sibley Memorial Hwy
Lilydale, MN 55118

Lexington Riverside Condominium
1101 Sibley Memorial Hwy
Lilydale, MN 55118
Lift Station
1801 Lilydale
Lilydale, MN 55118

City of Sunfish Lake

Future splice-in along Hwy. 110
Current location is St. Anne’s Church
South West Corner of Charlton St. & Hwy. 110
Sunfish Lake, MN

City of Mendota

Future splice-in along Hwy. 13
Current location is VFW on Highway 13 in Mendota

South St. Paul Schools (District 6)

South St. Paul High School
700 2nd St. N.
South St. Paul, MN 55075

Kid Connections
1549 5th Avenue South
South St. Paul, MN 55075

District Office
104 5th Ave. So.
South St. Paul, MN 55075

ECFE
1549 5th Ave. So.
South St. Paul, MN 55075

Lincoln Center
357 9th Ave. N.
South St. Paul, MN 55075

Education Foundation
521 Marie Avenue
South St. Paul, MN 55075

Kaposia Education Center
1225 1st Ave. So.
South St. Paul, MN 55075

ALC
151 6th St. E.
South St. Paul, MN 55075

Adult Basic Education
517 Marie Ave.
South St. Paul, MN 55075

Family Connections
1515 5th Ave. So.
South St. Paul, MN 55075

Central Square
100 7th Ave. N.
South St. Paul, MN 55075
### Private Schools

<table>
<thead>
<tr>
<th>School Name</th>
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<tbody>
<tr>
<td>Convent of the Visitation School</td>
<td>2455 Visitation Drive</td>
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<tr>
<td></td>
<td>Mendota Heights, MN 55120</td>
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<tr>
<td>Emanuel Lutheran School</td>
<td>115 Crusader Avenue</td>
</tr>
<tr>
<td></td>
<td>West St. Paul, MN 55118</td>
</tr>
<tr>
<td>St. Croix Lutheran High School</td>
<td>1200 Oakdale Avenue</td>
</tr>
<tr>
<td></td>
<td>West St. Paul, MN 55118</td>
</tr>
<tr>
<td>St. John Vianney School</td>
<td>1815 Bromley Street</td>
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<td></td>
<td>South St. Paul, MN 55075</td>
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<tr>
<td>St. Joseph's School</td>
<td>1138 Seminole Avenue</td>
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<td>West St. Paul, MN 55118</td>
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<tr>
<td>St. Michael School</td>
<td>335 E. Hurley Street</td>
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<td></td>
<td>West St. Paul, MN 55118</td>
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<tr>
<td>St. Thomas Academy</td>
<td>949 Mendota Heights Road</td>
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<td></td>
<td>Mendota Heights, MN 55120</td>
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<tr>
<td>Holy Trinity School</td>
<td>745 - 6th Avenue S.</td>
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<td></td>
<td>South St. Paul, MN 55075</td>
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### Higher Education Institutions

<table>
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<td>Brown Institute</td>
<td>1440 Northland Drive</td>
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<tr>
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<td>Mendota Heights, MN 55120</td>
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<tr>
<td>Inver Hills Community College</td>
<td>2500 East 80th Street</td>
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<tr>
<td></td>
<td>Inver Grove Heights, MN 55076</td>
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### Proposed Interconnection Sites

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<tbody>
<tr>
<td>Administration Center</td>
<td>1590 West Hwy 55</td>
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<td></td>
<td>Hastings, MN 55033</td>
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<tr>
<td>Government Complex</td>
<td>1560 – 1590 West Hwy 55</td>
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<td>Hastings, MN 55033</td>
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<tr>
<td>Judicial Center</td>
<td>1560 West Hwy 55</td>
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<td>Hastings, MN 55033</td>
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<td>Law Enforcement Center</td>
<td>1580 West Hwy 55</td>
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<td>Hastings, MN 55033</td>
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<tr>
<td>Pleasant Hill Library</td>
<td>1490 South Frontage Road</td>
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<td>Hastings, MN 55033</td>
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<tr>
<td>Burnhaven Library</td>
<td>1101 West County Road 42</td>
</tr>
<tr>
<td></td>
<td>Burnsville, MN 55306</td>
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<tr>
<td>Burnsville Police Department</td>
<td>100 Civic Center Parkway</td>
</tr>
<tr>
<td></td>
<td>Burnsville, MN 55337</td>
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<tr>
<td>Library System Administration</td>
<td>1340 Wescott Road</td>
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<td></td>
<td>Eagan, MN 55123</td>
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</table>
Western Service Center
14955 Galaxie Avenue
Apple Valley, MN 55124

Galaxie Library
14955 Galaxie Avenue
Apple Valley, MN 55124

Pilot Knob Elementary School
1436 Lone Oak Road
Eagan, MN

Apple Valley Police Department
7100 147th Street West
Apple Valley, MN 55124-9016

Dakota County Technical College
1300 – 145th Street E.
Rosemount, MN 55068

*Grantee to provide interconnection between NDC4 I-Net hub and the I-Net hubs of other Twin Cities area MediaOne systems which have been built or may be built in the future. Future interconnection to sites within these systems or interconnection between Grantee’s system and other companies’ systems are subject to agreement with other franchisors and/or other companies where applicable.