

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 which 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 unreasonable 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 I.e., 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.

2. Hybrid Fiber-Coaxial Portions of the Institutional Network.

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