

FRANCHISE AGREEMENT

**BETWEEN
NORTHWEST SUBURBS CABLE
COMMUNICATIONS COMMISSION**

AND

Qwest Broadband Services, Inc. d/b/a CenturyLink

Dated: _____, 2016

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ORDINANCE NO. _____

AN ORDINANCE GRANTING A COMPETITIVE CABLE SERVICES FRANCHISE TO QWEST BROADBAND SERVICES, INC. D/B/A/ CENTURYLINK TO OPERATE AND MAINTAIN A CABLE SYSTEM IN THE MEMBER CITIES COMPRISING THE NORTHWEST SUBURBS CABLE COMMUNICATIONS COMMISSION; SETTING FORTH CONDITIONS ACCOMPANYING THE GRANT OF FRANCHISE; PROVIDING FOR REGULATION AND USE OF THE CABLE SYSTEM; AND PRESCRIBING PENALTIES FOR THE VIOLATION OF ITS PROVISIONS.

RECITALS

The Northwest Suburbs Cable Communications Commission is the Grantor with the powers, rights and duties of Grantor provided to it pursuant to a Joint Powers Agreement and adopted by each Member City and pursuant to applicable federal and state law. The Agreement was adopted pursuant to Minn. Stat. § 238.08 and this Franchise is subject to that Joint Powers Agreement; and, Grantor is authorized by it to grant one (1) or more nonexclusive cable television franchises to construct, operate, maintain and reconstruct cable television systems within the limits of the Member Cities.

Qwest Broadband Services, Inc., d/b/a CenturyLink (“Grantee”), applied for a cable franchise to serve the Member Cities of the Northwest Cable Communications Commission (the “Grantor”). The Grantor will adopt separate findings related to the application and the decision to grant a cable franchise to Grantee. The Grantor intends, by the adoption of this Franchise, to bring about competition in the delivery of Cable Services in each of the Member Cities.

Adoption of this Franchise is, in the judgment of the Grantor, in the best interests of the Grantor, its Member Cities, and their residents.

NOW, THEREFORE, GRANTOR DOES ORDAIN that Grantee’s request may be approved by Grantor and this Franchise is hereby granted to Grantee to operate and maintain a Cable System and provide Cable Services in the Member Cities upon the following terms and conditions:

**SECTION 1
DEFINITIONS**

For the purpose of this Franchise, the following, terms, phrases, words, and derivations shall have the meanings given herein. When not inconsistent with the context, words used in the present tense include the future tense, words in the plural number include the singular number and words in the singular number include the plural number. The words “shall” and “will” are

mandatory and “may” is permissive. Words not defined shall be given their common and ordinary meaning.

“Access Channel” means any Channel or portion of a Channel on a Cable System required by the Franchise to be set aside by the Grantee for public, educational or governmental programming (PEG).

“Affiliated Entity” or “Affiliates” means any enterprise that owns or controls the Grantee, or is owned or controlled by the Grantee, or otherwise has ownership or control in common with the Grantee, including, without limitations, Grantee’s Parent Corporation and any subsidiaries or Affiliates of such Parent Corporation who meet this definition.

“Applicable Laws” means the Act, and such state and federal laws and rules and Member City and Commission ordinances as may govern the construction, operation, and maintenance of a Cable System.

“Basic Service” or “Basic Service Tier” or “Basic Digital Cable Service” means any tier of Cable Service offered by Grantee and includes, at a minimum, all signals of domestic television broadcast stations provided to any Subscriber (except a signal secondarily transmitted by satellite carrier beyond the local service area of such station, regardless of how such signal is ultimately received by the Cable System), and any public, educational and governmental Programming required by the Franchise to be carried on the Basic Service Tier.

“Cable Act” or “Act” means the Cable Communications Policy Act of 1984, 47 U.S.C. §§ 521 et seq., as amended by the Cable Television Consumer Protection and Competition Act of 1992, as further amended by the Telecommunications Act of 1996, and as further amended from time to time.

“Cable Service” shall mean (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. For the purposes of this definition, “video programming” is programming provided by, or generally considered comparable to programming provided by a television broadcast station; and, “other programming service” is information that a cable operator makes available to all Subscribers generally. Cable Service shall also include any video programming service for which a franchise from a local government is permitted under state law.

“Cable System” or “System” shall have the meaning specified for “Cable System” in the Act as it means a system that (1) provides the service of receiving and amplifying (i) programs broadcast by one or more television or radio stations and (ii) other programs originated by a person operating a Cable System or by another Person, and (2) distributes those programs by wire, cable, microwave, or other means, regardless of whether the means are owned or leased, to Persons who subscribe to the service Unless otherwise specified, it shall in this document refer to the Cable System used by the Grantee in each Member City under this Franchise. This definition shall include any Facility that is a “Cable System” under federal law or a “cable communications system” under state law.

This definition does not include:

1. A System that serves fewer than fifty (50) Subscribers or a System that serves more than one thousand (1,000) Subscribers if the governing bodies of all political subdivisions served by the System, vote by resolution to remove the System from the provisions of this Section; provided that:

(a) no part of a System, nor any area within the Member City served by the System may be removed from the provisions of this Section if more than one thousand (1,000) Subscribers are served by the System; and

(b) any System service more than fifty (50) but fewer than one thousand (1,000) that has been removed from the provisions of this Section becomes subject to the provisions of this Section if the governing bodies of fifty percent (50%) or more of the political subdivisions served by the System vote by resolution, in favor of the return;

2. A master antenna television system;

3. A specialized closed-circuit system that does not use the Public Rights-of-Way for the construction of its physical plant; and

4. A translator system that receives and rebroadcasts over-the-air signals.

“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.

“City Code” means the Municipal Codes of the Member Cities, as may be amended from time to time.

“Complaint” For the purposes of Section 16 with the exception of Subsection 16.3, a “Complaint” shall mean any communication to Grantee or to the Grantor by a Subscriber or a Person who has requested Cable Service; an expression of dissatisfaction with any service, performance, or lack thereof, by Grantee under the obligations of this Franchise.

“Connection” means the attachment of the Subscribers wiring to the Set Top Box of the Subscriber.

“Day” unless otherwise specified shall mean a calendar day.

“Demarcation Point” means the physical point at which the Cable System enters a Subscribers home or building, or any point agreed upon by both parties.

“Downstream” means carrying a transmission from the Headend to remote points on the Cable System and/or to the interconnection points on the Cable System.

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

“Effective Date” means the date this Franchise becomes effective, in accordance with this Franchise and the rules and procedures of the Grantor as provided for in the Joint Powers Agreement.

“Electronic Programming Guide” or “EPG” refers to an interactive Channel guide that contains Channel programming information.

“Expanded Basic Service” means the next tier of service above the Basic Cable Service tier excluding premium or pay-per-view services.

“Facility” or “Facilities” means any tangible component of the Cable System.

“FCC” means the Federal Communications Commission, or a designated representative.

“Franchise” means the rights and obligations extended by the Grantor to Grantee as provided herein to lease, construct, maintain or operate a Cable System in the Streets and Public Property within the Franchise Area for the purpose of providing Cable Services. This Franchise granted by Grantor to Grantee, shall not mean or include: (i) any other permit or authorization generally required for the privilege of transacting and carrying on a business within the Member Cities required by the ordinances and laws of the Member Cities; and (ii) any permit, agreement or authorization generally required in connection with operations on Streets and Public Property including, without limitation, permits and agreements for placing devices on or in poles, conduits or other structures, whether owned by the Member Cities or a private entity, or for excavating or performing other work in or along Streets and Public Property.

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

“Franchise Fee” shall mean the fee assessed by the Grantor to Grantee, in consideration of Grantee’s right to operate the Cable System within the Grantor Member City Streets and rights of way, determined in amount as a percentage of Grantee’s Gross Revenues and limited to the maximum percentage allowed for such assessment by federal law. The term Franchise Fee does not include the exceptions noted in 47 U.S.C. § 542(g)(2)(A-E).

“GAAP” means generally accepted accounting principles as promulgated and defined by the Financial Accounting Standards Board (“FASB”), Emerging Issues Task Force (“EITF”) and/or the U.S. Securities and Exchange Commission (“SEC”). Notwithstanding the foregoing, the Grantor reserves its right to challenge Grantee’s calculation of Gross Revenues, including the use or interpretation of GAAP as promulgated and defined by the FASB, EITF and/or the SEC.

“Grantee” means Qwest Broadband Services, Inc. d/b/a CenturyLink, its agents, employees, lawful successors, transferees or assignees.

“Grantor” means the Northwest Suburbs Cable Communications Commission, a joint powers entity created pursuant to a Joint Powers Agreement authorized under the provisions of Minn. Stat. §§ 471.59 and 238.08 by the Member Cities and thereby having all the rights, duties, and responsibilities on behalf of such Member Cities as the Grantor of a Cable Service Franchise to the extent as provided for in the Joint Powers Agreement.

“Gross Revenues” means and shall be construed broadly to include, any and all compensation in whatever form, from any source, directly or indirectly earned by Grantee or any Affiliate of Grantee or any other Person who would constitute a cable operator of the Cable System under the Cable Act, derived from the operation of the Cable System to provide Cable Service within the Member Cities. Gross Revenues include, by way of illustration and not limitation, monthly fees charged Subscribers for Cable Services regardless of whether such Cable Services are provided to residential or commercial Subscribers including Basic Cable Service, any expanded tiers of Cable Service, optional premium or digital services; pay-per-view services; pay-per-event, audio channels and video-on-demand Cable Services; installation, disconnection, reconnection, downgrade, upgrade, maintenance, repair, or similar changes associated with Subscriber Cable Service; Leased Access Channel fees; all Cable Service lease payments from the Cable System to provide Cable Services in the Member Cities; late fees and administrative fees; payments or other consideration received by Grantee from programmers for carriage of programming on the Cable System and accounted for as revenue under GAAP; revenues from lease, rental or sales of Set Top Boxes, remote control and other Cable Service equipment; payments for pre-paid Cable Service and/or equipment; advertising sales revenues booked in accordance with Applicable Law and GAAP; revenues from program guides and electronic guides, additional outlet fees, Franchise Fees required by this Franchise, revenue from Interactive Services to the extent they are considered Cable Services under Applicable Law; revenue from the sale or carriage of other Cable Services, revenues from home shopping and other revenue-sharing arrangements. Copyright fees or other license fees paid by Grantee shall not be subtracted from Gross Revenues for purposes of calculating Franchise Fees. Gross Revenues shall include revenue received by any entity other than Grantee where necessary to prevent evasion or avoidance of the obligation under this Franchise to pay the Franchise Fees.

Gross Revenues shall not include any taxes on services furnished by Grantee, which taxes are imposed directly on a Subscriber or user by a city, county, state or other governmental unit, and collected by Grantee for such entity. The Franchise fee is not such a tax. Gross revenues shall not include amounts which cannot be collected by Grantee and are identified as bad debt; provided that if amounts previously representing bad debt are collected, then those amounts shall be included in Gross Revenues for the period in which they are collected. Gross Revenues shall not include payments for PEG Access support. The Grantor acknowledges and accepts that Grantee shall maintain its books and records in accordance with GAAP.

“Headend” means a Facility for signal reception and dissemination of a Cable System, including cables, antennas, wires, satellite dishes, monitors, switchers, modulators, processors for broadcast signals, equipment.

“Interactive Services” are those services provided to Subscribers whereby the Subscriber either (a) both receives information consisting of either television or other signal and transmits

signals generated by the Subscriber or equipment under his/her control for the purpose of selecting what information shall be transmitted to the Subscriber or for any other purpose; or (b) transmits signals to any other location for any purpose.

“Joint Powers Agreement” means a Joint and Cooperative Agreement entered into pursuant to the provisions of Minn. Stat. §§ 471.59 and 238.08, dated March 31, 1994 between the Member Cities, delegating authority to Grantor Cable Service franchise authority on behalf of the Member Cities in accordance with the provisions of the Agreement.

“Living Unit” means a distinct address contained in the QC network database that includes, but is not limited to, single family homes, multi-dwelling units (e.g., apartment buildings and condominiums) and business locations.

“Local Origination Channel” means a Channel designed pursuant to this Franchise to include Local Origination programming developed by the Grantor and its designees.

“Member City” or “Member Cities” means the Cities of Brooklyn Center, Brooklyn Park, Crystal, Golden Valley, Maple Grove, New Hope, Osseo, Plymouth and Robbinsdale, Minnesota, which are Members of Grantor pursuant to the Joint Powers Agreement. Upon withdrawal from Grantor, any former Member may become a Grantor pursuant to this Franchise and subject to the applicable withdrawal provisions of the Joint Powers Agreement. The Franchise may then be administered separately by that Member City as to its territorial boundaries, except that in no event should Grantee’s cumulative Franchise burden be increased thereby.

“Minnesota Cable Communications Act” means the provisions of Minnesota law governing the requirements for a cable television franchise as set forth in Minn. Stat. § 238, et. seq., as amended.

“Mosaic Channel” means a Channel which displays miniaturized media screens and related information for a particular group of Channels with common themes. The Mosaic Channel serves as a navigation tool for Subscribers, which displays the group of Access Channels on a single Channel screen and also provides for easy navigation to a chosen Access Channel in the group.

“Normal Business Hours” means those hours during which most similar businesses in Member Cities are open to serve customers. In all cases, “Normal Business Hours” must include some evening hours, at least one (1) night per week and/or some weekend hours.

“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 Cable System.

“Northwest Community Television” or “NWCT” means Northwest Community Television, its assignees or delegees, or any other entity designated by the Grantor whose duties

shall include the financing, management, and programming of the PEG Access and Local Origination Programming Channel, and whatever other duties with respect to PEG Access and Local Origination Programming Channel which the Grantor from time to time shall delegate.

“Northwest Suburbs Cable Communications Commission” or “NWSCCC” or “Commission” means the Joint Powers Commission established by the Member Cities.

“Pay Service” means programming (such as certain on-demand movie Channels or pay-per-view programs) offered individually to Subscribers on a per-Channel, per-program or per-event basis.

“Person” means any natural person and all domestic and foreign corporations, closely-held corporations, associations, syndicates, joint stock corporations, partnerships of every kind, clubs, businesses, common law trusts, societies and/or any other legal entity.

“Public, Educational or Government Access” or “PEG Access” or “PEG Services” means the availability for use of the Cable System in accordance with this Franchise by various agencies, institutions, organizations, groups and individuals in the community to acquire, create, and distribute non-commercial programming not intended to generate income which may be subject to federal, state, or local income taxes and not under the Grantee's editorial control, including, but not limited to:

(a) “Public Access” means programming where organizations, groups or individual members of the general public, on a nondiscriminatory basis, are the primary or designated programmers or users having editorial control over their Programming.

(b) “Educational Access” means programming where educational institutions are the primary or designated programmers or users having editorial control over their Programming.

(c) “Government Access” means Access where governmental institutions are the primary or designated programmers or users having editorial control over their Programming.

“Public Rights-of-Way” or “Rights-of-Way” means all roads, streets and alleys and all other dedicated Public Rights-of-Way and easements of the Grantor's Franchise Area and as may be further described by Applicable Laws

“QC” means Qwest Corporation d/b/a CenturyLink or Embarq Minnesota, Inc. d/b/a CenturyLink, Affiliates of Grantee.

“Qualified Living Unit” means a distinct address in the QC network database, whether a residence or small business, subscribing to or capable of receiving Cable Service. An address capable of receiving a minimum of 25 Mbps Downstream will generally be capable of receiving Cable Service subject to Grantee performing certain network qualification services. Grantee represents and warrants that it has access to the QC network database and shall demonstrate to the Commission's reasonable satisfaction how the data required in Section 3.2 is calculated and reported using the QC network database.

“Set Top Box” means an electronic device (sometimes referred to as a receiver or converter) which may serve as an interface between the System and a Subscriber’s television monitor, and which may convert signals to a frequency acceptable to a television monitor of a Subscriber and may, by an appropriate selector (e.g. remote), permit a Subscriber to view all signals of a particular service.

“Standard Installation” means any residential installation to a Qualified Living Unit completed within 7 business Days of receiving an order for service.

“Street” shall mean the surface of and the space above and below any public Street, road, highway, freeway, lane, path, public way, alley, court, sidewalk, boulevard, parkway, drive or any easement or right-of-way now or hereafter held by the Member Cities which shall, within its proper use and meaning in the sole opinion of Member Cities, entitle Grantee to the use thereof for the purpose of installing or transmitting over poles, wires, cables, conductors, ducts, conduits, vaults, man-holes, amplifiers, appliances, attachments and other property as may be ordinarily necessary and pertinent to a Cable System.

“Subscriber” or “Subscribers” means any Person who or which lawfully subscribes to a Cable Service provided by Grantee by means of or in connection with the Cable System.

“Upstream” means carrying a transmission to the Headend from remote points on the Cable System and/or from the Interconnection points on the Cable System.

“Wireline MVPD” means a multichannel video programming distributor that utilizes the Streets to install cable or fiber and is engaged in the business of making available for purchase, by Subscribers, multiple Channels of video programming in the Member Cities.

SECTION 2 FRANCHISE

2.1 Grant of Franchise. This Franchise shall constitute both a right and an obligation to build, operate, and maintain a Cable System to provide Cable Services in each of the Member Cities as required by the provisions of this Franchise. Nothing in this Franchise shall be construed to prohibit Grantee from: (1) providing services other than Cable Services to the extent not prohibited by Applicable Law; or (2) challenging any exercise of the Grantor or Member Cities’ legislative or regulatory authority in an appropriate forum. The Grantor and/or the Member Cities shall have all rights to regulate such other services to the extent not prohibited by Applicable Law and no provision herein shall be construed to limit or give up any such rights.

(a) Nothing in this Franchise shall be deemed to waive the lawful requirements of any generally applicable Member City ordinance existing as of the Effective Date.

(b) Each and every term, provision or condition herein is subject to the provisions of Applicable Laws. The Municipal Code of each Member City, as the same may be amended from time to time, is hereby expressly incorporated into this Franchise as if fully set out herein by this reference provided, however, the provisions of Section 3.2 shall not be materially altered.

(c) This Franchise shall not be interpreted to prevent each Member City from imposing additional lawful conditions, including additional compensation conditions for use of the Rights-of-Way, should Grantee provide service other than Cable Service.

(d) The parties acknowledge that Grantee intends that QC, will be primarily responsible for the construction and installation of the Facilities in the Rights-of-Way, constituting the cable communications system, which will be utilized by Grantee to provide Cable Service. Grantee promises and guarantees, as a condition of exercising the privileges granted by this Franchise, that any Affiliate of the Grantee, including QC, directly or indirectly involved in the construction, management, or operation of the cable communications system will comply with all Applicable Laws regarding the use of the Member City's Rights-of-Way. The Grantor agrees that to the extent QC violates any Applicable Laws, rules and regulations, the Grantor shall first seek compliance directly from QC. In the event, the Grantor cannot resolve these violations or disputes with QC, or any other Affiliate of Grantee, then the Grantor may look to Grantee to ensure such compliance. Failure by Grantee to ensure QC's or any other Affiliate's compliance with Applicable Laws, rules and regulations shall be deemed a material breach of this Franchise by Grantee. To the extent Grantee constructs and installs Facilities in the rights-of-way, such installation will be subject to the terms and conditions contained herein.

(e) No rights shall pass to Grantee by implication. Without limiting the foregoing, by way of example and not limitation, this Franchise shall not include or be a substitute for:

(i) Any other permit or authorization required for the privilege of transacting and carrying on a business within each Member City that may be required by the ordinances and laws of such Member City;

(ii) Any permit, agreement, or authorization required by any Member City for Right-of-Way users in connection with operations on or in Rights-of-Way or public property including, by way of example and not limitation, street cut permits; or

(iii) Any permits or agreements for occupying any other property of any Member City or private entities to which access is not specifically granted by this Franchise including, without limitation, permits and agreements for placing devices on poles, in conduits or in or on other structures.

(iv) This Franchise is intended to convey limited rights and interests only as to those Rights-of-Way in which each Member City has an actual interest. It is not a warranty of title or interest in any Right-of-Way; it does not provide the Grantee with any interest in any particular location within the Right-of-Way; and it does not confer rights other than as expressly provided in the grant hereof.

(f) This Franchise does not authorize Grantee to provide telecommunications service, or to construct, operate or maintain telecommunications facilities. This Franchise is not a bar to imposition of any lawful conditions on Grantee with respect to telecommunications, whether similar, different or the same as the conditions specified herein. This Franchise does not relieve

Grantee of any obligation it may have to obtain from the Commission or Member City an authorization to provide telecommunications services, or to construct, operate or maintain telecommunications facilities, or relieve Grantee of its obligation to comply with any such authorizations that may be lawfully required.

(g) The Grantor will send any notices regarding compliance with this Franchise to Grantee. If the Grantee maintains that such notice should have been sent to QC or any other Affiliate, Grantee agrees that it will not assert as a defense that such notice is not valid because such notice was not sent to QC or any other Affiliate.

2.2 Reservation of Authority. The Grantee specifically agrees to comply with the lawful provisions of Member City Codes and other applicable regulations of the Member Cities. Subject to the police power exception below, in the event of a conflict between (a) the lawful provisions of a City Code or applicable regulations of the Member Cities and (b) this Franchise, the express provisions of this Franchise shall govern. Subject to express federal and State preemption, the material terms and conditions contained in this Franchise may not be unilaterally altered by the Member Cities through subsequent amendments to the City Code, ordinances or any regulation of Member Cities, except in the lawful exercise of the Member Cities' police power. Grantee acknowledges that the Member City may modify its regulatory policies by lawful exercise of their police powers throughout the term of this Franchise, including but not limited to any generally applicable ordinances and regulations, and lawful and applicable zoning, building, permitting and safety ordinances and regulations. Grantee agrees to comply with such lawful modifications to the City Code as defined above; however, Grantee reserves all rights it may have to challenge such modifications to the City Code whether arising in contract or at law. The Member Cities reserve all rights and defenses to such challenges whether arising in contract or at law. Nothing in this Franchise shall (a) abrogate the right of the Member Cities to perform any public works or public improvements of any description; (b) be construed as a waiver of any codes or ordinances of general applicability promulgated by the Member Cities; or (c) be construed as a waiver or release of the rights of the Member Cities in and to the Streets.

2.3 Compliance with Minnesota Statutes. This Franchise shall comply with all applicable provisions contained in Minn. Stat. Ch. 238, and as amended.

2.4 Franchise Term. This Franchise shall be in effect for a term of five (5) years from the date of acceptance by Grantee, unless terminated sooner as hereinafter provided. Not later than six (6) months prior to the expiration of the initial five (5) year term, if Grantor determines that Grantee is in compliance with all other material terms of this Franchise including the build out obligations set forth in this Franchise as required by Applicable Law, Grantor shall have the unilateral right to extend the Franchise for an additional five (5) year term and notify Grantee in writing.

2.5 Franchise Nonexclusive. The Franchise granted herein shall be nonexclusive. The Grantor specifically reserves the right to grant, at any time, such additional franchises for a Cable System as it deems appropriate provided, however, such additional grants shall not operate to materially modify, revoke, or terminate any rights previously granted to Grantee. The grant of any additional franchise shall not of itself be deemed to constitute a modification, revocation, or

termination of rights previously granted to Grantee. Any additional cable franchise grants shall comply with Minn. Stat. § 238.08 and any other applicable federal level playing field requirements.

2.6 Transfer of Ownership.

(a) No sale, transfer, assignment or “fundamental corporate change,” as defined in Minn. Stat. § 238.083, of this Franchise shall take place until the parties to the sale, transfer, or fundamental corporate change files a written request with Grantor for its approval, provided, however, that said approval shall not be required where Grantee grants a security interest in its Franchise and assets to secure an indebtedness. If allowed under Applicable Law, Grantee shall pay all of Grantor’s reasonable costs in reviewing and acting upon a transfer application.

(b) Grantor shall have thirty (30) Days from the time of the request to reply in writing and indicate approval of the request or its determination that a public hearing is necessary due to potential adverse effect on Grantee’s Subscribers resulting from the sale or transfer. Such approval or determination shall be expressed in writing within thirty (30) Days of receipt of said request, or the request shall be deemed approved as a matter of law.

(c) If a public hearing is deemed necessary pursuant to (b) above, such hearing shall be commenced within thirty (30) Days of such determination and notice of any such hearing shall be given in accordance with local law or fourteen (14) Days prior to the hearing by publishing notice thereof once in a newspaper of general circulation in the Member Cities. The notice shall contain the date, time and place of the hearing and shall briefly state the substance of the action to be considered by Grantor.

(d) Within thirty (30) Days after the closing of the public hearing, Grantor shall approve or deny in writing the sale or transfer request. Grantor shall set forth in writing with particularity its reason(s) for denying approval. Grantor shall not unreasonably withhold its approval.

(e) The parties to the sale or transfer of the Franchise only, without the inclusion of the Cable System in which substantial construction has commenced, shall establish that the sale or transfer of only the Franchise will be in the public interest.

(f) Any sale or transfer of stock in Grantee so as to create a new controlling interest in the Cable System shall be subject to the requirements of this Section 2.6. The term “controlling interest” as used herein is not limited to majority stock ownership, but includes actual working control in whatever manner exercised.

(g) In no event shall a transfer or assignment of ownership or control 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 Grantor.

(h) In the event of any proposed sale or assignment pursuant to paragraph (a) of this Section, Grantor shall have the right of first refusal of any bona fide offer to purchase the Cable System. Bona fide offer, as used in this Section, means an offer received by the Grantee which it intends to accept subject to Grantor’s rights under this Section. This written offer must be conveyed to Grantor along with the Grantee’s written acceptance of the offer contingent upon the rights of

Grantor provided for in this Section. Grantor shall be deemed to have waived its rights under this paragraph (h) in the following circumstances:

- (i) If it does not indicate to Grantee in writing, within thirty (30) Days of notice of a proposed sale or assignment, its intention to exercise its right of purchase; or
- (ii) It approves the assignment or sale of the Franchise as provided within this Section.

However, notwithstanding Section 2.6, a transfer of the Franchise shall not include transfer of an ownership or other interest in Grantee to the parent of Grantee or to another Affiliate of Grantee; transfer of an interest in the Franchise or the rights held by Grantee under the Franchise to the parent of Grantee or to another Affiliate of Grantee; any action which is the result of a merger of the parent of Grantee; or any action which is the result of a merger of another Affiliate of Grantee.

2.7 Expiration. Upon expiration of the Franchise, the Grantor shall have the right at its own election and subject to Grantee's rights under Section 626 of the Cable Act to:

- (a) Extend the Franchise, though nothing in this provision shall be construed to require such extension;
- (b) Renew the Franchise, in accordance with Applicable Laws;
- (c) Invite additional franchise applications or proposals;
- (d) Terminate the Franchise subject to any rights Grantee has under Section 626 of the Cable Act; or
- (e) Take such other action as the Grantor deems appropriate.

2.8 Posting and Publication. All public notices or ordinances required to be published by Grantor or Member Cities, including this Franchise or the title thereof, shall be published in the official newspaper of all Member Cities. Grantee shall pay the costs for publication of this Franchise and amendments to it, as such publication is required or authorized by law.

2.9 Right to Require Removal of Property. At the expiration of the term for which the Franchise is granted provided no renewal is granted, or upon its forfeiture or revocation as provided for herein, the Grantor shall have the right to require Grantee to remove at Grantee's own expense all or any part of the Cable System used exclusively for the provision of Cable Service from all Streets and public ways within the Franchise Area within a reasonable time. If Grantee fails to do so, the Grantor may perform the work and collect the cost thereof from Grantee.

2.10 Continuity of Service Mandatory. It shall be the right of all Subscribers to receive all available services insofar as their financial and other obligations to Grantee are honored. In the event that Grantee elects to overbuild, rebuild, modify, or sell the system, or the Grantor revokes or fails to renew the Franchise, Grantee shall make its best effort to ensure that all Subscribers receive continuous uninterrupted service, regardless of the circumstances, during the lifetime of

the Franchise. In the event of expiration, purchase, lease-purchase, condemnation, acquisition, taking over or holding of plant and equipment, sale, lease, or other transfer to any other Person, including any other Grantee of a cable franchise, the current Grantee shall cooperate fully to operate the system in accordance with the terms and conditions of this agreement for a temporary period sufficient in length to maintain continuity of service to all Subscribers.

SECTION 3 FRANCHISE AREA

3.1 Franchise Area.

(a) As long as Grantee complies with this Franchise and Applicable Law, Grantee shall be authorized to provide Cable Services throughout the entire jurisdictional boundaries of the Member Cities, including any areas annexed by any Member City during the term of this Franchise.

(b) Grantee shall maintain accurate maps and improvement plans of its Facilities constructed in the Franchise Area that show the location, size and a general description of all Cable System Facilities installed in Rights-of-Way and any power supply sources, including voltages and connections.

(c) If requested, Grantee shall make available upon request a current map to the Grantor and to each Member City, with adequate detail showing the location of the Cable System Facilities within thirty (30) Days of a request by the Grantor or by one (1) or more of the Member Cities.

3.2 Reasonable Build-Out of each Member City. The Parties recognize that Grantee, or its Affiliate, has constructed a legacy communications system throughout each Member City that is capable of providing voice grade service. The Parties further recognize that Grantee or its Affiliate must expend a significant amount of capital to upgrade its existing legacy communications system and to construct new Facilities to make it capable of providing Cable Service. Further, there is no promise of revenues from Cable Service to offset these capital costs. The Parties agree that the following is a reasonable build-out schedule taking into consideration Grantee's market success and the requirements of Minnesota state law.

(a) Complete Equitable Build-Out. Grantee aspires to provide Cable Service to all Living Units within the Member Cities by the end of the initial term of this Franchise. In addition, Grantee commits that a significant portion of its investment will be targeted to areas below the median income in each of the Member Cities.

(b) Initial Minimum Build-Out Commitment. Grantee agrees to be capable of serving a minimum of fifteen percent (15%) of each Member City's Living Units with Cable Service during the first two (2) years of the initial Franchise term, provided, however that Grantee will make its best efforts to complete such deployment within a shorter period of time. This initial minimum build-out commitment shall include an equitable deployment to Living Units in each Member City and to a significant number of Living Units below the medium income in each Member City. Nothing in this Franchise shall restrict Grantee from serving additional Living Units in each

Member City with Cable Service. Grantee shall not deactivate any remote terminals once activated, nor withdraw the ability of Cable Service to any Qualified Living Unit (except due to non-payment or other customer compliance matter), without prior approval of the Grantor; which will not be unreasonably withheld.

(c) **Quarterly Meetings.** Commencing January 1, 2017, and continuing throughout the term of this Franchise, Grantee shall meet quarterly with the Commission Executive Director. At each quarterly meeting, Grantee shall present information acceptable to the Commission (to the reasonable satisfaction of the Commission) showing the number of Living Units Grantee is presently capable of serving with Cable Service and the number of Living Units that Grantee is actually serving with Cable Service. Grantee shall also present information acceptable to the Commission (to the reasonable satisfaction of the Commission) that Grantee is equitably serving all portions of each Member City in compliance with sections 3.2 and 3.3 below. In order to permit the Commission to monitor and enforce the provisions of this section and other provisions of this Franchise, the Grantee shall promptly, upon reasonable demand, show to the Commission (to the Commission's reasonable satisfaction) maps and provide other documentation showing exactly where within each Member City the Grantee is currently providing Cable Service.

(d) **Additional Build-Out Based on Market Success.** If, at any quarterly meeting, Grantee is actually serving twenty seven and one-half percent (27.5%) of the Living Units capable of receiving Cable Service in a Member City, then Grantee agrees the minimum build-out commitment shall increase to include all of the Living Units then capable of receiving Cable Service plus an additional fifteen (15%) of the total Living Units in that Member City, which Grantee agrees to serve within two (2) years from the quarterly meeting; provided, however, the Grantee shall make its best efforts to complete such deployment within a shorter period of time. For example, if, at a quarterly meeting with the Commission Executive Director, Grantee shows that it is capable of serving sixty percent of the Living Units in a Member City with Cable Service and is actually serving thirty percent of those Living Units with Cable Service, then Grantee will agree to serve an additional fifteen percent of the total Living Units in the Member City no later than 2 years after that quarterly meeting (a total of 75% of the total Living Units). This additional build-out based on market success shall continue until every Living Unit in each Member City is served.

3.3 Discriminatory Practices Prohibited. Grantee shall not deny service, deny access, or otherwise discriminate against Subscribers (or group of potential Subscribers) or general citizens on the basis of income, race, color, religion, national origin, sex, age, status as to public assistance, affectional preference or disability. Grantee shall comply at all times with all other Applicable Laws.

3.4 Reservation of Member Cities Rights-of-Way Rights. Nothing in this Franchise shall deprive Grantor of any rights or privilege to exercise its police powers in the regulation and control of the use of the Rights-of-Way. Nothing in this Franchise shall prevent Member Cities from constructing, maintaining or repairing any Member Cities Rights-of-Way or public work or improvement in Member Cities Rights-of-Way. All such work shall be done, insofar as practicable, so as not to obstruct, injure or prevent the use and operation of Grantee's Cable System. However, if any of Grantee's Cable System will interfere with the construction, maintenance or repair of any Member Cities Rights-of-Way or public work or improvement in the

Member Cities Rights-of-Way, at its own expense Grantee shall remove or relocate its Cable System as Grantor directs except that Grantor may not discriminate among Rights-of-Way users. Grantee shall be entitled to reimbursement of its relocation costs if made available to other users of the Rights-of-Way for that project or projects. Should Grantee fail to remove, adjust or relocate its Facilities by the date established by Member Cities Engineer's written notice to Grantee, Grantor may effect such removal, adjustment or relocation and recover the cost thereof from Grantee, including all costs and expenses incurred by Grantor due to Grantee's delay. Throughout this Franchise Agreement, the term "Public Rights-of-Way" or "Rights-of-Way" shall have the meaning set forth in Minn. Stat. § 237.163.

3.5 Additional Cable Franchises. The Grantor reserves the right to grant additional franchises or similar authorizations to provide Cable Service via Cable Systems located in the Public Rights-of-Ways. It is Grantor's intent to treat all Cable Service Providers in compliance with Applicable Law. The parties agree that this provision shall not require a word for word identical franchise.

3.6 Non-Waiver. Grantee shall not be relieved of its obligations to comply, promptly and completely, with any provision of this Franchise by reason of any failure of Grantor to promptly enforce compliance with this Franchise, nor does Grantor waive or limit any of its rights under this Franchise by reason of such failure.

SECTION 4 OPERATION IN STREETS AND RIGHTS-OF-WAY

4.1 Use of Streets.

(a) Grantee may, subject to the terms of this Franchise, including Section 2.1: erect, install, construct, repair, replace, reconstruct and retain in, on, over, under, upon, across and along the Streets within the Member Cities such Facilities that are necessary and appurtenant to the operation of a Cable System within the Member Cities. Without limiting the foregoing, construction work, operation and maintenance of any and all Facilities within each Member City's Rights-of-Way shall be done in compliance with, and subject to, the requirements of the each Member City's City Code, including by way of example and not limitation, those requirements governing the placement of Grantee's Cable System; and with other applicable Member City City Codes, and will obtain and maintain all permits and bonds required by any Member City in addition to those required in this Franchise.

(b) Facilities shall be so located, constructed, installed and maintained as not to endanger or unnecessarily interfere with the usual and customary trade, traffic and travel upon, or other use of, the Streets of Member Cities. Facilities shall be kept and maintained in good condition, order and repair so that the same shall not menace or endanger the life or property of any Person. Grantee shall keep accurate maps and records of Facilities located, constructed and maintained in the Member Cities.

(c) Subject to the applicable City Code of each Member City, Facilities, shall be constructed and installed in an orderly and workmanlike manner. All wires, conduits and cables shall be installed, where possible, parallel with electric and telephone lines. Multiple cable

configurations shall be arranged in parallel and bundled with due respect for engineering considerations.

4.2 Construction or Alteration. Subject to Section 2.1 of this Franchise and the applicable City Code of each Member City, all construction and maintenance of any and all Facilities within each of the Member Cities Rights-of-Way shall be and remain the Grantee's responsibility. In all cases, there shall be compliance with the City Code, Member City resolutions and Member City regulations regarding the acquisition of permits and/or such other items as may be reasonably required in order to construct, alter or maintain the Cable System. Grantee shall, provide information to the Grantor regarding its progress in completing or altering the Cable System in compliance with Section 3.2 and further upon request made by any Member City. In addition to the requirements contained in this Section 4 of this Franchise, Grantee shall comply and be responsible for ensuring that any construction requirements mandated by Applicable Law are complied with.

4.3 Non-Interference. Grantee shall exert its best efforts to construct and maintain a Cable System so as not to interfere with other use of Streets. Grantee shall, where possible in the case of above ground lines, make use of existing poles and other Facilities available to Grantee. When residents receiving underground service or who will be receiving underground service will be affected by proposed construction or alteration, Grantee shall provide such notice as set forth in the permit or in City Code of the same to such affected residents.

4.4 Consistency with Designated Use. Notwithstanding the above grant to use Streets, no Street shall be used by Grantee if the Member City, in its sole opinion, determines that such use is inconsistent with the terms, conditions or provisions by which such Street was created or dedicated, or presently used under Applicable Laws.

4.5 Undergrounding. Subject to the applicable City Code of each Member City, Grantee shall place underground all of its transmission lines which are located or are to be located above or within the Streets of the Member Cities in the following cases:

- (a) All other existing utilities are required to be placed underground by statute, resolution, policy or other Applicable Law;
- (b) Grantee is unable to get pole clearance;
- (c) Underground easements are obtained from developers of new residential areas; or
- (d) Utilities are overhead but residents prefer underground (service provided at the lowest legally permitted price to residents).

If an ordinance is passed by Grantor or a Member City, which involves placing underground certain utilities including Grantee's cable plant which is then located overhead, Grantee shall participate in such underground project and shall remove Facilities if requested to do so and place Facilities underground. Nothing herein shall mandate that a Member City provide reimbursement to Grantee for the costs of such relocation and removal. However, if a Member City provides any reimbursement to other right-of-way users or makes available funds for the cost of placing Facilities underground, nothing herein shall preclude the Grantee from participating in

such funding to the extent consistent with the City Code or Applicable laws. If the source of funding is from a third party for a specific utility; a Member City is not obligated to provide similar funding for these purposes to other utilities including Grantee.

Grantee shall use conduit or its functional equivalent to the greatest extent possible for undergrounding, except for Drops from pedestals to Subscribers' homes and for cable on other private property where the owner requests that conduit not be used. Cable and conduit shall be utilized which meets the highest industry standards for electronic performance and resistance to interference or damage from environmental factors. Grantee shall use, in conjunction with other utility companies or providers, common trenches for underground construction wherever available.

4.6 Maintenance and Restoration.

(a) In case of disturbance of any Street, public way, paved area or public improvement, Grantee shall, at its own cost and expense and in accordance with the requirements of Applicable Law, restore such Street, public way, paved area or public improvement to substantially the same condition as existed before the work involving such disturbance took place. All requirements of this Section pertaining to public property shall also apply to the restoration of private easements and other private property. Grantee shall perform all restoration work within a reasonable time and with due regard to seasonal working conditions. If Grantee fails, neglects or refuses to make restorations as required under this Section, then the Member City may do such work or cause it to be done, and the cost thereof to the Member City shall be paid by Grantee. If Grantee causes any damage to private property in the process of restoring Facilities, Grantee shall repair such damage.

(b) Grantee shall maintain all above ground improvements that it places on Member City Streets pursuant to the City Code and any permit issued by the Member City. In order to avoid interference with the Member City's ability to maintain the Streets, Grantee shall provide such clearance as is required by the City Code and any permit issued by the Member City. If Grantee fails to comply with this provision, and by its failure, property is damaged, Grantee shall be responsible for all damages caused thereby.

(c) In any dispute over the adequacy of restoration or maintenance relative to this Section, final determination shall be the prerogative of the Member City, Department of Public Works and consistent with the City Code and any permit issued by the Member City.

4.7 Work on Private Property. Grantee, with the consent of property owners, shall have the authority, pursuant to the City Code, to trim trees upon and overhanging Streets, alleys, sidewalks, and public ways so as to prevent the branches of such trees from coming in contact with the wires and cables of Grantee, except that at the option of the Member City, such trimming may be done by it or under its supervision and direction at the reasonable expense of Grantee.

4.8 Relocation.

(a) Member City Property. If, during the term of the Franchise, the Member City or any government entity elects or requires a third party to alter, repair, realign, abandon, improve,

vacate, reroute or change the grade of any Street, public way or other public property; or to construct, maintain or repair any public improvement; or to replace, repair install, maintain, or otherwise alter any cable, wire conduit, pipe, line, pole, wire-holding structure, structure, or other facility, including a facility used for the provision of utility or other services or transportation of drainage, sewage or other liquids, for any public purpose, Grantee shall, upon request, except as otherwise hereinafter provided, at its sole expense remove or relocate as necessary Facilities which it has installed. Nothing herein shall mandate that Member City provide reimbursement to Grantee for the costs of such relocation and removal. However, if the Member City provides any reimbursement to other right-of-way users or makes available funds for the cost of placing Facilities underground, nothing herein shall preclude the Grantee from participating in such funding to the extent consistent with the City Code or Applicable laws. If the source of funding is from a third party for a specific utility; a Member City is not obligated to provide similar funding for these purposes to other utilities including Grantee.

(b) Utilities and Other Franchisees. If, during the term of the Franchise, another entity which holds a franchise or any utility requests Grantee to remove or relocate such Facilities to accommodate the construction, maintenance or repair of the requesting party's facilities, or their more efficient use, or to "make ready" the requesting party's facilities for use by others, or because Grantee is using a facility which the requesting party has a right or duty to remove, Grantee shall do so, provided that the companies involved may decide among themselves who is to bear the cost of removal or relocation, pursuant to City Code, and provided that the Member City shall not be liable for such costs.

(c) Notice to Remove or Relocate. Any Person requesting Grantee to remove or relocate its Facilities shall give Grantee no less than forty-five (45) Days' advance written notice to Grantee advising Grantee of the date or dates removal or relocation is to be undertaken; provided, that no advance written notice shall be required in emergencies or in cases where public health and safety or property is endangered.

(d) Failure by Grantee to Remove or Relocate. If Grantee fails, neglects or refuses to remove or relocate its Facilities as directed by the Member City; or in emergencies or where public health and safety or property is endangered, the Member City may do such work or cause it to be done, and the cost thereof to the Member City shall be paid by Grantee. If Grantee fails, neglects or refuses to remove or relocate its Facilities as directed by another franchisee or utility, that franchisee or utility may do such work or cause it to be done, and if Grantee would have been liable for the cost of performing such work, the cost thereof to the party performing the work or having the work performed shall be paid by Grantee.

(e) Procedure for Removal of Cable. Grantee shall not remove any underground cable or conduit which requires trenching or other opening of the Streets along the extension of cable to be removed, except as hereinafter provided. Grantee may remove any underground cable from the Streets which has been installed in such a manner that it can be removed without trenching or other opening of the Streets along the extension of cable to be removed. Subject to Applicable Law, Grantee shall remove, at its sole cost and expense, any underground cable or conduit by trenching or opening of the Streets along the extension thereof or otherwise which is ordered to be removed by the Member City based upon a determination, in the sole discretion of the Member City, that removal is required in order to eliminate or prevent a hazardous condition. Underground cable and

conduit in the Streets which is not removed shall be deemed abandoned and title thereto shall be vested in the Member City

(f) **Movement of Buildings.** Grantee shall, upon request by any Person holding a building moving permit, franchise or other approval issued by the Member City, temporarily remove, raise or lower its wire to permit the movement of buildings. The expense of such removal, raising or lowering shall be paid by the Person requesting same, and Grantee shall be authorized to require such payment in advance. The Member City shall require all building movers to provide not less than fifteen (15) Days' notice to the cable company to arrange for such temporary wire changes.

SECTION 5

REMOVAL OR ABANDONMENT OF SYSTEM

5.1 Removal of Cable System. In the event that: (1) the use of the Cable System is discontinued for any reason for a continuous period of twelve (12) months; or (2) the Cable System has been installed in a Street without complying with the requirements of this Franchise, Grantee, at its expense shall, at the demand of the Member City remove promptly from the Streets all of the Cable System, used exclusively for the provision of Cable Service, and other than any which the Member City may permit to be abandoned in place. In the event of any such removal Grantee shall promptly restore to a condition as nearly as possible to its prior condition the Street or other public places in the Member City from which the Cable System has been removed.

5.2 Abandonment of Cable System. In the event of Grantee's abandonment of the Cable System, used exclusively for the provision of Cable Service, Member City shall have the right to require Grantee to conform to the state right-of-way rules, Minn. Rules, Ch. 7819. The Cable System to be abandoned in place shall be abandoned in the manner prescribed by the Member City. Grantee may not abandon any portion of the Cable System without having first given three (3) months written notice to the Member City. Grantee may not abandon any portion of the Cable System without compensating the Member City for damages resulting from the abandonment.

5.3 Removal After Abandonment or Termination. If Grantee has failed to commence removal of Cable System, or such part thereof as was designated by Member City, within thirty (30) Days after written notice of Member City's demand for removal consistent with Minn. Rules, Ch. 7819, is given, or if Grantee has failed to complete such removal within twelve (12) months after written notice of Member City's demand for removal is given, Member City shall have the right to apply funds secured by the Letter of Credit and Performance Bond toward removal and/or declare all right, title, and interest to the Cable System to be in Member City with all rights of ownership including, but not limited to, the right to operate the Cable System or transfer the Cable System to another for operation by it.

5.4 System Construction and Equipment Standards. The Cable System shall be installed and maintained in accordance with standard good engineering practices and shall conform, when applicable, with the National Electrical Safety Code, the National Electrical Code and the FCC's Rules and Regulations.

5.5 System Maps and Layout. Grantee shall maintain complete and accurate system maps of its construction, which shall include trunks, distribution lines, and nodes. Such maps shall include up-to-date route maps showing the location of the Cable System adjacent to the Streets. Grantee shall make all maps available for review by the appropriate Grantor personnel, subject to Grantee's reasonable security precautions including, but not limited to treating such documents as "Trade Secret" under Applicable Law.

SECTION 6 SYSTEM DESIGN AND CAPACITY

6.1 Availability of Signals and Equipment. The Cable System shall, at all times during the Franchise term, meet or exceed the following requirements:

(a) Industry-Accepted Equipment.

(1) The Cable System shall use equipment generally used in high-quality, reliable, modern systems of similar design, including, but not limited to, backup power supplies rated at a minimum of twelve (12) hours at the headend and two (2) hours at each fiber optic node located throughout the Cable System.

(2) In addition, the Cable System's electronics shall be capable of passing through the signals received at the headend without substantial alteration or deterioration.

(3) The Facilities and equipment of the Cable System must be able to deliver high quality signals that meet or exceed FCC technical quality standards, including but not limited to, those set forth in 47 C.F.R. § 76.601, regardless of the particular manner in which the signal is transmitted.

(4) Grantee shall comply with Applicable Laws and regulations concerning Cable System compatibility with Subscribers' television receivers and/or recording devices.

(b) Cable System Functionality. The Cable System shall have a bandwidth capable of providing the equivalent of a typical 750 MHz Cable System. Recognizing that the Grantor has limited authority under federal law to designate the technical method by which Grantee provides Cable Service, a Living Unit receiving a minimum of 25 Mbps may be capable of receiving Cable Service after Grantee performs certain network grooming and conditioning. Grantee shall determine in its discretion where to upgrade its network to convert these Living Units to Qualified Living Units.

(c) FCC Compliance. Grantee shall comply with all applicable FCC regulations regarding scrambling or other encryption of signals.

(d) Program Security. The Cable System shall include equipment so that any pay-per-view programming can only be activated by the positive action of a Subscriber using, for example, a private identification number or other individual section procedure.

(e) Service to Persons with Disabilities. The Cable System shall transmit closed captions for all programming that includes a closed caption signal, including all PEG Channels. In addition, Grantee must have means available, and a publicly listed telephone number for such means, that will allow hearing or speech-impaired persons to contact Grantee.

(f) Quality of Service. Grantee agrees to provide Cable Service at a level consistent with applicable FCC standards.

(g) Service Connections. Grantee shall provide Cable Services upon request from any person in the Member Cities who resides in a Qualified Living Unit within seven (7) business Days. A request shall be deemed placed on the date of signing a service agreement, receipt of funds by Grantee, or receipt by Grantee of a verified verbal or written request.

(h) Emergency Alert System. At all times during the term of this Franchise, Grantee shall provide and maintain an Emergency Alert System (“EAS”), consistent with applicable federal law and regulations including 47 C.F.R., Part 11, and any Minnesota State Emergency Alert System Plan requirements. The EAS shall allow authorized officials to override the audio and video signals on all Channels to transmit and report emergency information. In the case of any sudden, unforeseen event that has the potential to cause significant damage, destruction or loss of life, Grantee shall make the EAS available without charge and in a manner consistent with the Minnesota State Emergency Alert System Plan for the duration of such sudden, unforeseen event. Grantee shall cooperate with designated state officials to test the emergency override system, for periods not to exceed one (1) minute in duration and not more than once every six (6) months, and upon request by Member Cities, provide verification of compliance with Minnesota State Regency Alert System Plan. Member Cities may identify authorized emergency officials for activating Grantee’s EAS consistent with the Minnesota State Emergency Alert System Plan, and Member Cities may also develop a local planning contained methods of EAS message distribution, subject to Applicable Laws.

6.2 Free Cable Service to Public Buildings and Schools.

(a) Within one hundred eighty (180) Days of the Effective Date, Grantee shall, at no cost to any Member City or Grantor, provide Basic Service and Expanded Basic Service (currently Prism Essentials) or equivalent package of Cable Service and Grantor’s choice of Grantee’s reception equipment for up to three (3) outlets at the Technology Service Center for ISD 284.

(b) Within the first year of the Effective Date, Grantee shall, at no cost to any Member City or the Grantor, provide Basic Service and Expanded Basic Service (currently Prism Essentials) or equivalent package of Cable Service and Grantor’s choice of Grantee’s reception equipment for up to twelve (12) outlets at NWCT.

(c) Within two years of the Effective Date, Grantee shall, at no cost to any Member City or the Grantor, provide Basic Service and Expanded Basic Service (currently Prism Essentials) or equivalent package of Cable Service and Grantor’s choice of Grantee’s reception equipment for up to seven (7) outlets at Maple Grove City Hall, Brooklyn Park City Hall, and Plymouth City Hall.

(d) Grantee will make best efforts, taking market based success into consideration, at no cost to any Member City or the Grantor, provide Basic Service and Expanded Basic Service (currently Prism Essentials) or equivalent package of Cable Service and Grantor's choice of Grantee's reception equipment for up to seven (7) outlets by the end of the initial Franchise term to the following government buildings: (1) Brooklyn Center City Hall; (2) Crystal City Hall; (3) Golden Valley City Hall; (4) New Hope City Hall; (5) Osseo City Hall; and (6) Robbinsdale City Hall.

(e) Grantee will make best efforts, taking market based success into consideration, at no cost to any Member City or the Grantor, provide Basic Service and Expanded Basic Service (currently Prism Essentials) or equivalent package of Cable Service and Grantor's choice of Grantee's reception equipment for up to three (3) outlets by the end of the initial Franchise term to the following: (1) Hennepin Technical College; (2) Educational Service Center for ISD 281; (3) Educational Service Center for ISD 279; and (4) any additional PEG points of origination added pursuant to Section 8.13.

(f) Grantee will make best efforts to designate each of the government buildings, schools and public libraries located in the Franchise Area and identified in Exhibit A as Qualified Living Units capable of receiving PRISM Cable Service within the first year of the initial Franchise term. Once a location identified in Exhibit A is designated as a Qualified Living Unit and no other cable communications provider is providing complimentary service at such location, at no cost to any Member City or the Grantor, provide Basic Service and Expanded Basic Service (currently Prism Essentials) or equivalent package of Cable Service and Grantor's choice of Grantee's reception equipment for up to three (3) outlets to said location. If a Qualified Living Unit listed in Exhibit A requests to have Grantee provide Cable Service, Grantee shall install and furnish, at its own expense, complimentary service to said location once the other provider of Cable Service has disconnected its service. For purposes of this Subsection, "school" means all State-accredited K-12 public and private schools. Outlets of Basic and Expanded Basic Service provided in accordance with this Subsection may be used to distribute Cable Services throughout such buildings; provided such distribution can be accomplished without causing Cable System disruption and general technical standards are maintained. Such outlets may only be used for lawful purposes.

(g) Grantee will make best efforts to designate each of the government buildings, schools and public libraries located in the Franchise Area and identified in Exhibit B as Qualified Living Units by the end of the initial Franchise term. Once a location identified in Exhibit B is designated as a Qualified Living Unit and no other cable communications provider is providing complimentary service at such location, Grantee shall, at no cost to any Member City or the Grantor, provide Basic Service and Expanded Basic Service (currently Prism Essentials) or equivalent package of Cable Service and necessary reception equipment for up to three (3) outlets to said location. If a Qualified Living Unit listed in Exhibit B requests to have Grantee provide Cable Service, Grantee shall install and furnish, at its own expense, complimentary service to said location once the other provider of Cable Service has disconnected its service. For purposes of this Subsection, "school" means all State-accredited K-12 public and private schools. Outlets of Basic and Expanded Basic Service provided in accordance with this Subsection may be used to distribute Cable Services throughout such buildings; provided such distribution can be accomplished without

causing Cable System disruption and general technical standards are maintained. Such outlets may only be used for lawful purposes.

(h) Upon request, additional subscriber network Drops and/or outlets will be installed at designated locations by the Grantee at the lowest price allowed by law on the same terms as described above in Section 6.2(g). Alternatively, said location may add outlets at its own expense, as long as such Installation meets the Grantee's standards. The Grantee shall have three (3) months from the date of Grantor designation of additional locations(s) to complete construction of the Drop and/or outlet, unless weather or other conditions beyond the control of the Grantee require more time.

(i) Grantor agrees that the value of free services per this Section will not be deducted from the Franchise Fees.

6.3 System Specifications. System Maintenance. In all its construction and service provision activities, Grantee shall meet or exceed the construction, technical performance, extension and service requirements set forth in this Franchise.

6.4 Performance Testing. Grantee shall perform system tests at the intervals required by the FCC, and all other tests reasonably necessary to determine compliance with technical standards required by this Franchise. These tests shall include, at a minimum:

- (a) Initial proof of performance for any construction;
- (b) Semiannual compliance tests;
- (c) Tests in response to Subscriber complaints;
- (d) Tests requested by the Grantor to demonstrate franchise compliance;
- (e) Written records of all system test results performed by or for Grantee shall be maintained, and shall be available for Grantor inspection upon request.

6.5 Special Testing.

(a) Throughout the term of this Franchise, Grantor shall have the right to inspect all construction or installation work performed pursuant to the provisions of the Franchise. In addition, Grantor may require special testing of a location or locations within the Cable 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. Grantor 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. Grantor 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, Grantor 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 Grantee's qualified engineer. The Grantor shall have a right to participate in such testing by having an engineer of Grantor's choosing, and at Grantor's expense, observe and monitor said testing.

SECTION 7 PROGRAMMING AND SERVICES

7.1 Categories of Programming Service. Grantee shall provide video programming services in at least the following broad categories:

- Local Broadcast (subject to federal carriage requirements)
- Public Broadcast
- News and Information
- Sports
- General Entertainment
- Arts/Performance/Humanities
- Science/Technology
- Children
- Foreign Language or Ethnic Programming
- Public, Educational and Governmental Access Programming (to the extent required by the Franchise)
- Movies

7.2 Changes in Programming Services. Grantee shall not delete or so limit as to effectively delete any broad category of programming within its control without the Grantor's consent. Further, Grantee shall provide at least thirty (30) Days' prior written notice to Subscribers and to the Grantor of Grantee's request to effectively delete any broad category of programming or any Channel within its control, including all proposed changes in bandwidth or Channel allocation and any assignments including any new equipment requirements that may occur as a result of these changes.

7.3 Parental Control Device. Upon request by any Subscriber, Grantee shall make available at no charge, a parental control or lockout device compatible with the Subscriber's equipment that will enable the Subscriber to block access to any or all Channels. Grantee shall inform Subscribers of the availability of the lockout device at the time of original subscription and annually thereafter.

7.4 FCC Reports. The results of any tests required to be filed by Grantee with the FCC shall also be copied to Grantor within ten (10) Days of the conduct of the date of the tests and maintained as provided for in Section 6.4(e).

7.5 Annexation. Unless otherwise provided by Applicable Law, upon the annexation of any additional land area by Member Cities, the annexed area shall thereafter be subject to all the terms of this Franchise upon sixty (60) Days written notification to Grantee of the annexation

by Member City. Unless otherwise required by Applicable Laws, nothing herein shall require the Grantee to expand its Cable System to serve, or to offer Service to any area annexed by the Member City if such area is then served by another Wireline MVPD franchised to provide multichannel video programming.

7.6 Line Extension.

(a) Grantee shall construct and operate its Cable System so as to provide Cable Service within the Franchise Area where there exists a density equivalent of seven (7) dwelling units per one-quarter (1/4) mile of feeder cable as measured from the nearest active plant of the Cable System if the extension is to be constructed using aerial plant, and nine (9) 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 Member Cities, for their part, shall 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) Days of such a request. Grantee may offer the Persons requesting Service the opportunity to “prepay” some or all of the necessary line extensions according to its regular business policies. Grantee shall at all times implement such line extension policy in a nondiscriminatory manner throughout the Member Cities.

(c) Any residential unit located within one-hundred twenty-five (125) feet from the nearest point of access on the Street from which the Cable System is designed to serve the site shall be connected to the Cable System at no charge other than the standard installation charge. Grantee shall, upon request by any potential Subscriber residing in Member Cities 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, unless the Grantee agrees to waive said costs. To the extent consistent with Applicable Laws, Grantee agrees that it shall impose installation costs for non-standard installations in a uniform and nondiscriminatory manner throughout the Member Cities.

(d) Grantee shall not be subject to the above provisions within Section 7.6 until the first date by which Grantee is the dominant franchised cable operator within a Member City. At that time, the Grantee will be obligated to provide Cable Service with the same requirements above or similar requirements that are technically feasible at the time the obligation becomes effective. For this Section, the dominant franchised cable operator shall be defined as the franchised cable operator with the most cable subscribers in the Member City.

7.7 Non-voice Return Capability. Grantee is required to use cable and associated electronics having the technical capacity for non-voice return communications.

SECTION 8 PUBLIC, EDUCATIONAL AND GOVERNMENTAL ACCESS

8.1 PEG Channel Capacity. Grantee shall make available for the Member Cities' use Public, Educational and Governmental ("PEG") Access Channels. Any Channels provided pursuant to this Section shall not in any way relieve Grantee of its programming category requirements within any of the categories set forth in Section 7.

(a) Dedicated Channels. Within one hundred eighty (180) Days from the Effective Date, subject to Section 19.7 (Force Majeure) the Grantee shall provide at its sole cost thirteen (13) Channels (the "Access Channels") to be used for Public, Educational or Government programming on all of the Basic Service tiers. The Grantor has the sole discretion to designate the use of each Access Channel. Grantee shall provide and maintain a technically reliable path for Upstream and Downstream transmission of the Access Channels at no cost to the Grantor, which will in no way degrade the technical quality of the Access Channels, from an agreed upon Demarcation point to Grantee's headend, on which all Access Channels shall be transported for distribution on Grantee's subscriber network at the following locations: (1) NWCT; (2) Educational Service Center for ISD 281 and ISD 284; and (3) Educational Service Center for ISD 279. The Access Channels shall be delivered without degradation to Subscribers in the technical format (e.g. HD or SD) as delivered by the Grantor and any designated Access provider to Grantee at each Demarcation point at all of the PEG programming following locations: (1) NWCT; (2) Educational Service Center for ISD 281 and ISD 284; (3) Educational Service Center for ISD 279; and (4) any additional PEG points of origination added pursuant to Section 8.13.

(b) Advanced Format. If during the term of this Franchise Grantee introduces any advanced video format other than HD on its Cable System ("Advanced Format"), then whenever at least one-half (1/2) of the primary video feeds of the commercial programmers carried by Grantee are made available by Grantee to Subscribers in such Advanced Format, the Grantor shall have the option to require Grantee to carry the PEG Channels, selected by the Grantor, in such Advanced Format. Grantor will provide Grantee twelve (12) months' notice of the Grantor's intent to implement carriage of the PEG Channels in Advanced Format and the Parties agree that during the twelve (12) months' notice, the Grantee and the Grantor shall confer regarding the precise details for implementation of the PEG Channels in Advanced Format. Multiple video feeds from a single programmer that substantially replicate the same programming but are transmitted in different formats (for example, programming transmitted in digital SD, HD, and an Advanced Format) shall be counted only once for purposes of calculating the share of Advanced Format programming feeds in this Section. A PEG Channel transmitted in Advanced Format shall count toward the total PEG Channels specified in this Section. Nothing in this Franchise shall require Grantee to provide Subscribers with any equipment needed to view such Advanced Formats without charge or at reduced rates.

(c) Northwest Mosaic. All of the Access Channels will be made available through a multi-channel display (i.e. a picture in picture feed) on a single TV screen called a "mosaic" (the "Northwest Mosaic"), where a cable Subscriber can access via an interactive video menu one of any of the thirteen (13) PEG Access Channels. The Northwest Mosaic will be located on Channel 49. The thirteen SD Access Channels will be located at Channels 8200-8212. The thirteen HD

Access Channels will be located at Channels 8700-8712. The Northwest Mosaic will contain only Access Channels authorized by the Grantor.

(d) Electronic Programming Guide. Grantee shall include the PEG Channels and programming information in any electronic/interactive program guide, program listings, search options, record and DVR options, navigation systems and search functions accessible through a Set Top Box and remote controls, or their successor technologies, including, but not limited to on-screen, print and on-line program guides which include Channel and program listings of any local broadcast Channels. Grantee shall bear all capital, implementation and operating costs to include the basic programming information in the programming guides for the PEG Channels, free of charge and at no cost to the Grantor. The Grantor shall have the right to pay for more enhanced program information to be made available on the programming guides including the Channel name and logo/icon, program titles scheduled in thirty (30) minute time blocks, program descriptions, information needed for search and record features, and any other information similarly provided for other broadcast Channels and commercial cable/satellite Channels. Grantee shall, to the maximum extent possible, make available to the Grantor any price discounts Grantee may have in place with third party vendors that offer such programming guide services.

(e) In the event that Grantee becomes the dominant franchised cable operator during the initial Franchise term, Grantee will make available to the Grantor, at no cost to the Grantor, the ability to place detailed PEG programming information on the interactive channel guide for each of the PEG Access Channels.

(f) Signal Quality. For purposes of this Franchise, the term Channel shall be as commonly understood and is not any specific bandwidth amount. The System shall be so constructed and operated that there is no perceptible deterioration in the quality of Public, Educational or Governmental Access Channel signals after delivery of such signals to the first interface point with Grantee's fiber PEG transport line, Grantee's headend or the subscriber network, whichever is applicable, as compared with the quality of any other Channel on the System. As used in this paragraph, "deterioration" refers to delivery that is within the control of the Grantee;

(g) Public Service Announcements. Grantee will provide at no cost to the Grantor, air time on non-Access Channels during periods in which unsold/unused air time on such Channels exists for Grantor public service announcements (PSAs).

(h) Change to Cable System. In the event Grantee makes any change in the Cable System and related equipment and Facilities or in its signal delivery technology, which requires the Grantor to obtain new equipment in order to be compatible with such change for purposes of transport and delivery of the Access Channels to the Grantee's headend, Grantee shall, at its own expense and free of charge to the Grantor or its designated entities, purchase such equipment as may be necessary to facilitate the cablecasting of the Access Channels in accordance with the requirements of the Franchise.

(i) Designation of Channels. The Grantor shall have the right to rename, reprogram or otherwise change the use of these Channels at any time, in its sole discretion, provided such use is Noncommercial and public, educational, governmental or religious in nature. Nothing herein shall

diminish any rights of the Grantor to secure additional PEG Channels pursuant to Minn. Stat. § 238.084, which is expressly incorporated herein by reference.

(j) Relocation. No PEG Channel, including the Northwest Mosaic Channel, shall be relocated without the consent of the Grantor. If the Grantor agrees to change the Channel designation for any PEG Channel, the Grantee must provide at least three (3) months' notice to the Grantor prior to implementing the change, and shall reimburse the Grantor and/or PEG entity for any reasonable costs incurred for: (i) purchasing or modifying equipment (to the extent necessary), business cards and signage; (ii) any marketing and notice of the Channel change that the Grantor reasonably determines is necessary; (iii) logo changes; and (iv) promoting, marketing and advertising the Channel location of the affected PEG Channel(s) during the twelve-month period following the effective date of the Channel change. Alternatively, the Grantee may choose to supply necessary equipment itself, provided such equipment is satisfactory to the Grantor or PEG entity.

(k) Interactivity. In the event Grantee provides commercial interactive services on the Cable System and at such time as Subscriber's subscribe to such interactive services, Grantee shall make available to Grantor equivalent interactive capabilities in accordance with this Section 8.1(k). Any Subscriber equipment necessary to use interactive features on such Access Channels shall be made available to Subscribers on the same terms as for commercial uses. For purpose of this Section, "interactive services" means two (2) way communication over the Cable System in which the Subscriber interacts with the program being viewed, but does not include merely ordering and receiving pay-per-view, video on demand, or other Cable Services.

(l) Technical Support. Within twenty-four (24) hours of a request from Grantor to the Grantee identifying a technical problem with an Access Channel and requesting assistance, Grantee will provide technical assistance or diagnostic services to determine whether or not a problem with a PEG signal is the result of matters for which Grantee is responsible and if so, Grantee will take prompt corrective action. If the problem persists and there is a dispute about the cause, then the Parties shall meet with engineering representation from Grantee and Grantor in order to determine the course of action to remedy the problem.

8.2 Video On Demand. Within one hundred twenty (120) Days of a written request from the Grantor, Grantee shall make available as part of Basic Service to all Subscribers a PEG Access Video-on Demand (PEG-VOD) Service and maintain a PEG-VOD system. The PEG-VOD system shall be connected by the Grantee such that:

(a) Twenty-five (25) hours of programming per Member City of the Grantor as designated and supplied by the Grantor or its Designated Access Provider to the Grantee may be electronically transmitted and/or transferred and stored on the PEG-VOD system; and

(b) A database of that programming may be efficiently searched and a program requested and viewed over the PEG-VOD system by any Subscriber in a Member City; and

(c) Programming submitted for placement on the PEG-VOD system, shall be placed on and available for viewing from the PEG-VOD system within forty-eight (48) hours through Grantees best efforts, but not greater than seventy-two (72) hours of receipt of said programming.

(d) The hardware and software described in Subsection (e) below, shall be in all respects of the same or better technical quality as the hardware and software utilized by Grantee in the provision of any other video on demand services offered over the Cable System, and shall be upgraded at Grantee's cost, when new hardware or software is utilized on Grantee's Cable System for other video on demand services. Grantee shall provide reasonable technical assistance to allow for proper use and operation when encoding hardware or software is installed and/or upgraded at Grantor's Facilities.

(e) To ensure compatibility and interoperability, the Grantee shall supply and maintain all necessary hardware and software to encode, transmit and/or transfer Government Access programming from the Grantor to the PEG-VOD system. The Grantor shall be responsible for all monitoring of any equipment provided under this Section, and notifying Grantee of any problems. Grantee shall provide all technical support and maintenance for the equipment provided to the Grantor by Grantee under this Section. After notification of any equipment problems, Grantee shall diagnose and resolve the problem within forty-eight (48) hours. Major repairs which can't be repaired within the forty-eight (48) hour timeframe shall be completed within seven (7) Days of notice, unless, due to Force Majeure conditions, a longer time is required. "Major repairs" are those that require equipment to be specially obtained in order to facilitate the repairs. The quality of signal and the quality of service obtained by a Subscriber utilizing the PEG-VOD service shall meet or exceed the quality standards established for all other programming provided by the Grantee and as established elsewhere in this Franchise Agreement.

8.3 Twin Cities Metro PEG Interconnect Network. Grantee shall provide a discrete, non-public, video interconnect network, from the Active PEG Origination Points listed in Exhibit E, to Grantee's headend. The video interconnect network shall provide not less than 50 Mbps of allocated bandwidth, allowing PEG operators that have agreed with Grantee to share (send and receive) live and recorded programming for playback on their respective systems. Where available the Grantee shall provide the video interconnect network and the network equipment necessary, for the high-priority transport of live multicast HD/SD video streams as well as lower-priority file-sharing. Grantee shall provide a minimum of 50 Mbps bandwidth for each participating PEG entity to send its original programming, receive at least two additional multicast HD/SD streams from any other participating PEG entity, and allow the transfer of files. Each participating PEG entity is responsible for encoding its own SD/HD content in suitable bit rates to be transported by the video interconnect network without exceeding the 50 Mbps of allocated bandwidth.

8.4 Remote Cable Casting. If technically feasible, Grantee shall provide at least three (3) "open" modems for the use of Grantor to originate live programming from remote locations. The open modems will allow Grantor to plug into a Grantee Internet network at the remote location for purposes of data transport back to Grantor's master control. Each open modem will be assigned a static IP address and Grantee shall provide a VPN connection to the Twin Cities Metro PEG Interconnect Network.

8.5 Access Channel Support.

(a) Upon the Effective Date of this Franchise, Grantee shall collect and remit to the Grantor one dollar and forty-three cents (\$1.43) per Subscriber per month until the Franchise renews to be used by Grantor for operational or capital support of programming as determined in the Grantor's sole discretion (the "PEG Fee").

(b) Upon sixty (60) Days' written notice to Grantee, Grantor may elect to unilaterally change the PEG Fee to a different amount per Subscriber per month or change the format to a percentage of Gross Revenues, in an amount determined by the Grantor in its sole discretion. In no event shall the PEG Fee be assessed in an amount different from that imposed upon the existing franchised cable communications provider. In the event that the existing franchised cable communications provider agrees to a higher, or lower, PEG Fee, Grantee will increase or decrease, its PEG Fee upon sixty (60) Days' written notice from the Grantor.

(c) The PEG Fee is not intended to represent part of the Franchise Fee and is intended to fall within one or more of the exceptions in 47 U.S.C. § 542. The PEG Fee may be categorized, itemized, and passed through to Subscribers as permissible, in accordance with 47 U.S.C. § 542 or other Applicable Laws. Grantee shall pay the PEG Fee to the Grantor quarterly at the same time as the payment of Franchise Fees under Section 17 of this Franchise. Grantee agrees that it will not offset or reduce its payment of Franchise Fees required as a result of its obligation to remit the PEG Fee.

(d) Any PEG Fees owing pursuant to this Franchise which remain unpaid more than twenty-five (25) Days after the date the payment is due shall be delinquent and shall thereafter accrue interest at twelve percent (12%) per annum or two percent (2%) above prime lending rate as quoted by the Wall Street Journal on the day the payment was due, whichever is greater.

(e) If the incumbent franchised cable operator agrees to provide any support of the Access Channels in excess of the amount identified above or to any payment in support of any other PEG-related commitment after the Effective Date of this Franchise, the Grantor, in its reasonable discretion, after meeting with the Grantee, will determine whether Grantee's PEG Fee should be changed. If Grantee is required to pay any additional PEG Fee, such amount must be based upon a per Subscriber/per month fee.

8.11 Access Channel Viewership Information.

(a) Survey Data. To the extent permitted under Applicable Laws, Grantee will share with Grantor any data it obtains in its normal course of business (including Grantee Subscriber surveys) about PEG Channel viewership and community programming interest and viewership.

(b) Ratings. If technically feasible, Grantee shall promptly provide copies of any ratings information it obtains concerning viewership of PEG Channels to Grantor (for Cable Services provided on any Governmental or Educational Channel); provided, however, that with respect to any such ratings, Grantee shall redact any personally identifiable information prior to providing such information to Grantor. The preceding sentence shall not apply to any information

Grantee receives from an ascertainment it has commissioned in connection, with the renewal of the Franchise or to any information Grantee generates on its own in connection with such renewal.

8.12 PEG Information for Subscribers.

(a) Grantee may include information about Public, Educational and Governmental Access Programming and activities in materials provided to Subscribers at the time of Cable Service installation.

(b) The Grantee shall include appropriate designation of the PEG Channels on Channel cards and other Channel listings provided to Subscribers.

8.13 Additional PEG Point of Origination. The Grantor will give Grantee written notice detailing the point of origination and the capability sought by the Grantor for additional PEG origination site(s). Grantee agrees to submit a cost estimate to implement the Grantor's plan within a reasonable period of time. The cost estimate will reflect Grantee's lowest legally permitted costs, and will reflect that Grantee will accommodate the build up to three hundred fifty (350) feet if the Member City or other agency provides the necessary attachment point for aerial service or conduit pathway for underground service.

8.14 Relocation of Grantee's Headend. In the event Grantee relocates its headend, Grantee will be responsible for replacing or restoring the existing dedicated fiber connections at Grantee's cost so that all the functions and capacity remain available, operate reliably and satisfy all applicable technical standards and related obligations of the Franchise free of charge to the Grantor or its designated entities.

8.15 Regional Channel 6. Grantee shall make available Regional Channel 6 as long as it is required to do so by the State of Minnesota. Regional Channel 6 is a separate Channel and is not part of the Access Channel or Local Origination Channel agreements

8.16 Compliance with Minnesota Statutes Chapter 238. In addition to the requirements contained in this Section 8 of this Franchise, Grantee and Grantor shall comply with the PEG requirements mandated by Minn. Stat. § 238.084.

SECTION 9 LOCAL PROGRAMMING

9.1 Local Origination Channel. Grantee will maintain one (1) Local Origination Channel (Channel 241) in the technical format (e.g. HD or SD) as delivered by Grantee at the Demarcation Point at the NWCT studio for the term of the Franchise Agreement unless or until Grantor agrees to relinquish the Channel. Grantor shall provide the Local Origination Channel on the most basic tier of service offered by Grantee in accordance with the Cable Act, Section 611. Grantor acknowledges that receipt of an HD Local Origination Channel may require Subscribers to buy or lease special equipment, or pay additional HD charges applicable to all HD services.

9.2 Video on Demand. Local Origination programming submitted for placement on the PEG-VOD system in accordance with Section 8.2, shall be placed on and available for viewing from the PEG-VOD system within forty-eight (48) hours of receipt of said programming.

9.3 Simulcast. Grantor and Grantee agree that the Local Origination Channel in SD and the Local Origination Channel in HD will be simulcast. This means the same video content will air simultaneously on both the SD and HD Channel.

Any costs associated with the delivery of the Local Origination Channel in HD format, including transmission equipment (HD modulators and demodulators, encoder and decoder equipment, multiplex equipment, and necessary upgrades to video return lines) shall be borne by Grantor, and may be paid for out of PEG funds received by Grantor.

Grantor is responsible for acquiring all equipment necessary to produce programming in HD.

9.4 Control of the Local Origination Channel. The control and administration of the Local Origination Channel shall rest with Grantor and Grantor may delegate, from time to time over the term of the Franchise Agreement such control and administration to various entities as determined in Grantor's sole discretion.

9.5 Local Origination Channel Locations. The Local Origination SD Channel shall be carried on the Basic Cable Service tier to the extent required by Applicable Law and as set forth in Section 9.1. Nothing herein precludes Grantee from charging for equipment needed for Basic Cable Service.

Grantee shall make reasonable efforts to minimize Channel movements for the SD and HD Local Origination Channel, and shall make reasonable efforts to locate the HD channel in its HD lineup in a manner that is easily accessible to Subscribers.

The Local Origination Channel shall not be relocated without the consent of the Grantor. If the Grantor agrees to change the Channel designation for any Local Origination Channel, Grantee must provide at least three (3) months' notice to the Grantor prior to implementing the change, and shall reimburse the Grantor for any reasonable costs incurred for: (i) purchasing or modifying equipment (to the extent necessary), business cards and signage; (ii) any marketing and notice of the Channel change that the Grantor reasonably determines is necessary; (iii) logo changes; and (iv) promoting, marketing and advertising the Channel location during the twelve-month period following the effective date of the Channel change. Alternatively, Grantee may choose to supply necessary equipment itself, provided such equipment is satisfactory to the Grantor.

9.6 Navigation to Local Origination Channel. Grantee agrees that if it utilizes a visual interface under its control on its Cable System for all Channels, the Local Origination Channel shall be treated in a non-discriminatory fashion consistent with Applicable Law so that Subscribers will have ready access to the Local Origination Channel. This shall not be construed to require Grantee to pay any third party fees that may result from this obligation.

9.7 Ownership of Local Origination Channel. Grantee does not relinquish its ownership of or ultimate right of control over a Channel by designating it for Local Origination use. Grantor or Local Origination Producers— acquires no property or other interest by virtue of

the use of a Channel position so designated. Grantee shall not exercise editorial control over any Local Origination use of a Channel position, except Grantee may refuse to transmit any Local Origination program or portion of a Local Origination program that contains obscenity, indecency, or nudity in violation of Applicable Law.

9.8 Local Origination Channel Carriage. Any and all costs associated with any modification of the Local Origination Channel or signals after the Local Origination Channel/signals leave Grantor's designated playback Facilities, or any designated playback center authorized by Grantor shall be borne entirely by Grantee. Grantee shall not cause any programming to override Local Origination programming on any Local Origination Channel, except by oral or written permission from Grantor, with the exception of emergency alert signals.

Grantor or its designee shall be responsible for developing, implementing, interpreting and enforcing rules for the Local Origination Channel use and shall be responsible for complying with all applicable state and federal statutes and regulations regarding content requirements.

Grantee shall monitor the Local Origination Channel for technical quality to ensure that they meet FCC technical standards including those applicable to the carriage of Local Origination Channel, provided however, that Grantee is not responsible for the production quality of Local Origination programming productions. Grantor, or its designee, shall be responsible for the production and quality of all Local Origination programming. Grantee shall carry all components of the standard definition and high definition Local Origination Channel including, but not limited to, closed captioning, stereo audio and other elements associated with the programming.

9.9 Local Origination Technical Quality. Grantee shall not be required to carry a Local Origination Channel in a higher quality format than that of the Channel signal delivered to Grantee, but Grantee shall not implement a change in the method of delivery of Local Origination Channel that results in a material degradation of signal quality or impairment of viewer reception of Local Origination Channel, provided that this requirement shall not prohibit Grantee from implementing technologies that may also be utilized for commercial Channels carried on its Cable System. Grantee shall meet FCC signal quality standards when offering Local Origination Channel on its Cable System and shall continue to comply with closed captioning pass-through requirements. There shall be no significant deterioration in a Local Origination Channel signal from the point of origination Upstream to the point of reception Downstream on the Cable System.

Within twenty-four (24) hours of a written request from Grantor to Grantee identifying a technical problem with the Local Origination Channel and requesting assistance, Grantee will provide technical assistance or diagnostic services to determine whether or not a problem with a Local Origination signal is the result of matters for which Grantee is responsible and if so, Grantee will take prompt corrective action. If the problem persists and there is a dispute about the cause, then the parties shall meet with engineering representation from Grantee and Grantor in order to determine the course of action to remedy the problem.

9.10 Change in Technology. In the event Grantee makes any change in the Cable System and related equipment and Facilities or in its signal delivery technology, which requires NWSCCC to obtain new equipment in order to be compatible with such change for purposes of transport and delivery of the Local Origination Channel, Grantee shall, at its own expense and free

of charge to Grantor or its designated entities, purchase such equipment as may be necessary to facilitate the cablecasting of the Local Origination Channel in accordance with the requirements of this Franchise.

9.11 Electronic Programming Guide. Recognizing that the Local Origination Channel is unique and is not subject to the federal requirements associated with the Public, Educational and Government Channels, Grantee will make available to the Grantor, at no cost to the Grantor, the ability to place detailed Local Origination Channel programming information on the interactive Channel guide by putting the Grantor in contact with the electronic programming guide vendor ("EPG provider") that provides the guide service. Grantee shall include the Local Origination Channel and programming information in any electronic/interactive program guide, program listings, search options, record and DVR options, navigation systems and search functions accessible through a Set Top Box and remote controls, or their successor technologies, including, but not limited to on-screen, print and on-line program guides which include Channel and program listings of any local broadcast Channels. Grantee shall bear all capital, implementation and operating costs to include detailed programming information in the programming guides for the Channel, free of charge and at no cost to the Grantor. Grantee will also pay for more enhanced program information to be made available on the programming guides including the Channel name and logo/icon, program titles scheduled in thirty (30) minute time blocks, program descriptions, information needed for search and record features, and any other information similarly provided for other broadcast Channels and commercial cable/satellite Channels. The Grantor shall be responsible for providing programming information to the EPG provider.

9.12 Twin Cities Metro PEG Interconnect Network. The Twin Cities Metro PEG Interconnect Network shall be available for Local Origination programming use as provided under Section 8.3.

9.13 CenturyLink Network for Video File Transfer. Grantee will explore and facilitate the ability for Grantor's video file transfer data needs via a CenturyLink Business Services Agreement.

9.14 Ad Avail Grants. In the event that Grantee becomes the dominant franchised cable operator during the initial Franchise term, Grantee will provide Grantor with up to thirty thousand dollars (\$30,000) worth of ad avails each year at Grantee's lowest unit cost, at no cost to promote programming on Grantor's Local Origination Channel. The ad avails will be produced at Grantor's cost and submitted to Grantee in a format compatible with such advertising insertion equipment of Grantee. The ad avails will be a run of schedule basis and shall appear on Channel used by Grantee for local advertising. For this Section, the dominant franchised cable operator shall be defined as the franchised cable operator with the most cable subscribers in the Franchise Area.

9.15 Local Origination Channel Support. The Local Origination Channel may be supported by those fees available under this Franchise.

9.16 Relocation of Grantee's Headend. In the event Grantee relocates its headend, Grantee will be responsible for replacing or restoring the existing dedicated fiber connections at Grantee's cost so that all the functions and capacity remain available, operate reliably and satisfy all applicable technical standards and related obligations of the Franchise free of charge to Grantor or its designated entities.

SECTION 10 REGULATORY PROVISIONS

10.1 Intent. The Grantor shall have the right to administer and regulate activities under the Franchise up to the full extent permitted by Applicable Law.

10.2 Delegation of Authority to Regulate. The Grantor reserves the right to delegate its regulatory authority wholly or in part to agents of the Grantor, including, but not limited to, an agency which may be formed to regulate several franchises in the region in a manner consistent with Applicable Laws. This may include but shall not be limited to the Grantor or other entity as Grantor may determine in its sole discretion. Any existing delegation in place at the time of the grant of this Franchise shall remain intact unless expressly modified by Grantor.

10.3 Areas of Administrative Authority. In addition to any other regulatory authority granted to the Grantor by law or franchise, the Grantor shall have administrative authority in the following areas:

- (a) Administering and enforcing the provisions of this Franchise, including the adoption of administrative rules and regulations to carry out this responsibility.
- (b) Coordinating the operation of Access Channels
- (c) Formulating and recommending long-range Cable Service and Cable System policy for the Franchise Area.
- (d) Disbursing and utilizing Franchise Fees and other payments or funding as required by this Franchise and paid by Grantee to the Grantor.
- (e) Administering the regulation of rates, to the extent permitted by Applicable Law.
- (f) All other regulatory authority permitted under Applicable Law.

The Grantor or its designee shall have continuing regulatory jurisdiction and supervision over the Cable System and the Grantee's operations under the Franchise to the extent allowed by Applicable Law.

10.4 Regulation of Rates and Charges.

(a) **Right to Regulate.** The Grantor reserves the right to regulate rates or charges for any Cable Service within the limits of Applicable Law, to enforce rate regulations prescribed by the FCC, and to establish procedures for said regulation or enforcement.

(b) Notice of Change in Rates and Charges. Throughout the term of this Franchise, Grantee shall give the Grantor and all Subscribers within the Franchise Area at least thirty (30) Days' notice of any intended increase in Subscriber rates or charges. Nothing in this subsection shall be construed to prohibit the reduction or waiving of rates or charges in conjunction with promotional campaigns for the purpose of attracting Subscribers or users.

(c) Rate Discrimination Prohibited. Within any category of Grantee services to Subscribers, Grantee shall not discriminate among Subscribers with regard to rates and charges made for any service based on considerations of race, color, creed, sex, marital or economic status, national origin, sexual preference, or (except as allowed by Applicable Law) neighborhood of residence, except as otherwise provided herein; and for purposes of setting rates and charges, no categorization of Subscribers shall be made by Grantee on the basis of those considerations. Nevertheless, Grantee shall be permitted, but not required to establish (1) discounted rates and charges for providing Cable Service to low-income, handicapped, or low-income elderly Subscribers, (2) promotional rates, and (3) bulk rate and package discount pricing.

SECTION 11 BOND

11.1 Performance Bond. Within 30 Days of the Effective Date of this Franchise and at all times thereafter Grantee shall maintain with Grantor a bond in the sum of One Hundred Thousand Dollars (\$100,000.00) in such form and with such sureties as shall be acceptable to Grantor, conditioned upon the faithful performance by Grantee of this Franchise and the acceptance hereof given by Grantor and upon the further condition that in the event that there is an uncured breach by Grantee in failing to comply with any law, ordinance or regulation, there shall be recoverable jointly and severally from the principal and surety of the bond, any damages or losses suffered by Grantor or the Member Cities as a result, including the full amount of any compensation, indemnification or cost of removal of any property of Grantee, including a reasonable allowance for attorneys' fees and costs (with interest at two percent in excess of the then prime rate), up to the full amount of the bond, and which bond shall further guarantee payment by Grantee of all claims and liens against Grantor or any Member City, public property, and taxes due to Grantor, which arise by reason of the construction, operation, maintenance or use of the Cable System.

11.2 Rights. The rights reserved by Grantor with respect to the bond are in addition to all other rights the Grantor may have under this Franchise or any other law.

11.3 Reduction of Bond Amount. Grantor may, in its sole discretion, reduce the amount of the bond.

11.4 Procedure for Draw on Bond. Whenever the Grantor finds that Grantee has allegedly failed to comply with any law, ordinance or regulation, a written notice shall be given to Grantee. The written notice shall describe in reasonable detail the alleged violation so as to afford Grantee an opportunity to remedy the violation. Grantee shall have thirty (30) Days subsequent to receipt of the notice in which to correct the violation before the Grantor may require Grantee to make payment of damages, and further to enforce payment of damages through the bond. Grantee may, within ten (10) Days of receipt of notice, notify the Grantor that there is a dispute as to

whether a violation or failure has, in fact, occurred. Such notice by Grantee shall specify with particularity the matters disputed by Grantee and shall stay the running of the above-described time.

(a) Grantor shall hear Grantee's dispute at the next regularly scheduled or specially scheduled Grantor meeting. Grantee shall have the right to speak and introduce evidence. The Grantor shall determine if Grantee has committed a violation and shall make written findings of fact relative to its determination. If a violation is found, Grantee may petition for reconsideration.

(b) If after hearing the dispute, the claim is upheld by the Grantor, then Grantee shall have thirty (30) Days within which to remedy the violation before the Grantor may require payment of all liquidated damages due it.

SECTION 12 SECURITY FUND

12.1 Security Fund. If there is an uncured breach by Grantee of a material provision of this Franchise or a pattern of repeated violations of any provision(s) of this Franchise, then Grantee shall, upon written request from Grantor, establish and provide to the Grantor, as security for the faithful performance by Grantee of all of the provisions of this Franchise, a letter of credit from a financial institution satisfactory to the Grantor in the amount of Twenty Thousand Dollars (\$20,000.00). In no event shall Grantee fail to post a Twenty Thousand Dollars (\$20,000.00) letter of credit within thirty (30) Days' receipt of a notice of Franchise violation pursuant to this Section 12.1. Failure to post said letter of credit shall constitute a separate material violation of this Franchise, unless the breach is cured within such thirty (30) Day period or longer period allowed under the Franchise. The letter of credit shall serve as a common security fund for the faithful performance by Grantee of all the provisions of this Franchise and compliance with all orders, permits and directions of the Grantor and the payment by Grantee of any claim, liens, costs, expenses and taxes due the Grantor which arise by reason of the construction, operation or maintenance of the Cable System. Interest on this deposit shall be paid to Grantee by the bank on an annual basis. The security may be terminated by Grantor, after notice to Grantee, upon the resolution of the alleged noncompliance. The obligation to establish the security fund required by this paragraph is unconditional. The fund must be established in those circumstances where Grantee disputes the allegation that it is not in compliance, and maintained for the duration of the dispute. If Grantee fails to establish the security fund as required, the Grantor may take whatever action is appropriate to require the establishment of that fund and may recover its costs, reasonable attorneys' fees, and an additional penalty of Two Thousand Dollars (\$2,000.00) in that action.

12.2 Withdrawal of Funds. As set forth in Section 12.1, Grantor may withdraw funds from the security fund. Grantee shall not use the security fund for other purposes.

12.3 Liquidated Damages. In addition to recovery of any monies owed by Grantee to Grantor as a result of any acts or omissions by Grantee pursuant to the Franchise, Grantor in its sole discretion may charge to and collect from the security fund the following liquidated damages:

(a) For failure to provide data, documents, reports or information or to cooperate with Grantor during an Application process or Cable System review, the liquidated damage shall be

One Hundred Dollars (\$100.00) per Day for each Day, or part thereof, such failure occurs or continues.

(b) For failure to comply with any of the provisions of this Franchise for which a penalty is not otherwise specifically provided pursuant to this Section 12.3, the liquidated damage shall be One Hundred Fifty Dollars (\$150.00) per Day for each Day, or part thereof, such failure occurs or continues.

(c) For failure to test, analyze and report on the performance of the Cable System following a request by Grantor, the liquidated damage shall be Two Hundred Fifty Dollars (\$250.00) per Day for each Day, or part thereof, such failure occurs or continues.

(d) For failure to comply with the reasonable build-out provisions in Section 3 and for economic redlining in violation of Section 3.9 herein and 47 U.S.C. § 541(a)(3): Five Hundred dollars (\$500) per Day for each Day or part thereof that such violation continues.

(e) Forty-five (45) Days following notice from Grantor of a failure of Grantee to comply with construction, operation or maintenance standards, the liquidated damage shall be Two Hundred Dollars (\$200.00) per Day for each Day, or part thereof, such failure occurs or continues.

(f) For failure to provide the services Grantee has proposed, including but not limited to the implementation and the utilization of the Access Channels and the Local Origination Channel the liquidated damage shall be One Hundred Fifty Dollars (\$150.00) per Day for each Day, or part thereof, such failure occurs or continues.

12.4 Each Violation a Separate Violation. Each violation of any provision of this Franchise shall be considered a separate violation for which separate liquidated damages can be imposed.

12.5 Maximum One Hundred Twenty (120) Days. Any liquidated damages for any given violation shall be imposed upon Grantee for a maximum of one hundred twenty (120) Days. If after that amount of time Grantee has not cured or commenced to cure the alleged breach to the satisfaction of the Grantor, the Grantor may pursue all other remedies.

12.6 Withdrawal of Funds. If Grantee fails to pay to the Member Cities or fails to repay to the Member Cities, any damages, costs or expenses which the Member Cities shall be compelled to pay by reason of any act or default of the Grantee in connection with this Franchise; or fails, after thirty (30) Days' notice of such failure by the Grantor to comply with any provision of the Franchise which the Grantor reasonably determines can be remedied by an expenditure of the security, the Grantor may then withdraw such funds from the security fund. Payments are not Franchise Fees as described in Section 18 of this Franchise.

12.7 Procedure for Draw on Security Fund. Whenever the Grantor finds that Grantee has allegedly violated one (1) or more terms, conditions or provisions of this Franchise, a written notice shall be given to Grantee. The written notice shall describe in reasonable detail the alleged violation so as to afford Grantee an opportunity to remedy the violation. Grantee shall have thirty (30) Days subsequent to receipt of the notice in which to correct the violation before the Grantor

may require Grantee to make payment of damages, and further to enforce payment of damages through the security fund. Grantee may, within ten (10) Days of receipt of notice, notify the Grantor that there is a dispute as to whether a violation or failure has, in fact, occurred. Such notice by Grantee shall specify with particularity the matters disputed by Grantee and shall stay the running of the above-described time.

(a) Grantor shall hear Grantee's dispute at the next regularly scheduled or specially scheduled Grantor meeting. Grantee shall have the right to speak and introduce evidence. The Grantor shall determine if Grantee has committed a violation and shall make written findings of fact relative to its determination. If a violation is found, Grantee may petition for reconsideration.

(b) If after hearing the dispute, the claim is upheld by the Grantor, then Grantee shall have thirty (30) Days within which to remedy the violation before the Grantor may require payment of all liquidated damages due it.

12.8 Time for Correction of Violation. The time for Grantee to correct any alleged violation may be extended by the Grantor if the necessary action to correct the alleged violation is of such a nature or character as to require more than thirty (30) Days within which to perform provided Grantee commences corrective action within fifteen (15) Days and thereafter uses reasonable diligence, as determined by the Grantor, to correct the violation.

12.9 Replenish Security Fund. Grantee shall have the opportunity to make prompt payment of any assessed liquidated damages and if Grantee fails to promptly remit payment to the Grantor, the Grantor may resort to a draw from the security fund in accordance with the terms of this Section 12 of the Franchise. If Grantor draws upon the security fund delivered pursuant hereto, in whole or in part, Grantee shall replace the same within three (3) Days and shall deliver to Grantor a like replacement security fund for the full amount stated in Section 12.1 as a substitution of the previous security fund.

12.10 Failure to so Replenish Security Fund. If any security fund is not so replaced, Grantor may draw on said security fund for the whole amount thereof and hold the proceeds, without interest, and use the proceeds to pay costs incurred by Grantor in performing and paying for any or all of the obligations, duties and responsibilities of Grantee under this Franchise that are not performed or paid for by Grantee pursuant hereto, including attorneys' fees incurred by the Grantor in so performing and paying. The failure to so replace any security fund may also, at the option of Grantor, be deemed a default by Grantee under this Franchise. The drawing on the security fund by Grantor, and use of the money so obtained for payment or performance of the obligations, duties and responsibilities of Grantee which are in default, shall not be a waiver or release of such default.

12.11 Collection of Funds Not Exclusive Remedy. The collection by Grantor of any damages or monies from the security fund shall not affect any other right or remedy available to Grantor, nor shall any act, or failure to act, by Grantor pursuant to the security fund, be deemed a waiver of any right of Grantor pursuant to this Franchise or otherwise. Notwithstanding this Section, however, should the Grantor elect to impose liquidated damages that remedy shall remain the Grantor's exclusive remedy for the one hundred twenty (120) Day period set forth in Section 12.5.

SECTION 13

DEFAULT

13.1 Basis for Default. Grantor shall give written notice of default to Grantee if Grantor, in its sole discretion, determines that Grantee has:

- (a) Violated any material provision of this Franchise or the acceptance hereto or any rule, order, regulation or determination of the Member Cities, state or federal government, not in conflict with this Franchise.
- (b) Attempted to evade any provision of this Franchise or the acceptance hereof.
- (c) Practiced any fraud or deceit upon Grantor, Member Cities or Subscribers.
- (d) Made a material misrepresentation of fact in the application for or negotiation of this Franchise.

13.2 Default Procedure. If Grantee fails to cure such default within thirty (30) Days after the giving of such notice (or if such default is of such a character as to require more than thirty (30) Days within which to cure the same, and Grantee fails to commence to cure the same within said thirty (30) Day period and thereafter fails to use reasonable diligence, in Grantor's sole opinion, to cure such default as soon as possible), then, and in any event, such default shall be a substantial breach and Grantor may elect to terminate the Franchise. The Grantor may place the issue of revocation and termination of this Franchise before the governing body of Grantor at a regular meeting. If Grantor decides there is cause or reason to terminate, the following procedure shall be followed:

- (a) Grantor shall provide Grantee with a written notice of the reason or cause for proposed termination and shall allow Grantee a minimum of thirty (30) Days subsequent to receipt of the notice in which to correct the default.
- (b) Grantee shall be provided with an opportunity to be heard at a public hearing prior to any decision to terminate this Franchise.
- (c) If, after notice is given and an opportunity to cure, at Grantee's option, a public hearing is held, and after such public hearing Grantor determines there was a violation, breach, failure, refusal or neglect, the Grantor may declare by resolution this Franchise revoked and of no further force and effect unless there is compliance within such period as the Grantor may fix, such period may not be less than thirty (30) Days provided no opportunity for compliance need be granted for fraud or misrepresentation.

13.3 Mediation. If the Grantee and Grantor are unable to resolve a dispute through informal negotiations during the period of thirty (30) Days following the submission of the claim giving rise to the dispute by one (1) party to the other, then unless that claim has been waived as provided in the Franchise, such claim may be subject to mediation if jointly agreed upon by both parties. Unless the Grantee and Grantor mutually agree otherwise, such mediation shall be in accordance with the rules of the American Arbitration Association currently in effect at the time of the mediation. A party seeking mediation shall file a request for mediation with the other party

to the Franchise and with the American Arbitration Association. The request may be made simultaneously with the filing of a complaint, but, in such event, mediation shall proceed in advance of legal proceedings only if the other party agrees to participate in mediation. Mutually agreed upon Mediation shall stay other enforcement remedies of the parties for a period of ninety (90) Days from the date of filing, unless stayed for a longer period by agreement of the Grantee and Grantor. The Grantee and Grantor shall each pay one-half (1/2) of the mediator's fee and any filing fees. The mediation shall be conducted at a mutually agreed upon location. Agreements reached in mediation shall be enforceable as a settlement agreement in any court having jurisdiction thereof. Nothing herein shall serve to modify or on any way delay the franchise enforcement process set forth in Section 12 of this Franchise.

13.4 Failure to Enforce. Grantee shall not be relieved of any of its obligations to comply promptly with any provision of this Franchise by reason of any failure of the Grantor to enforce prompt compliance, and Grantor's failure to enforce shall not constitute a waiver of rights or acquiescence in Grantee's conduct.

13.5 Compliance with Applicable Laws.

(a) If any Applicable Laws shall require or permit Grantor or Grantee to perform any service or act or shall prohibit Grantor 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 Grantor shall conform to state laws and rules regarding cable systems not later than one (1) year after they become effective, unless otherwise stated, and shall conform to federal laws and regulations regarding cable as they become effective.

(b) If any term, condition or provision of this Franchise or the application thereof to any Person or circumstance shall, to any extent, be held to be invalid or unenforceable, the remainder hereof and the application of such term, condition or provision to Persons or circumstances other than those as to whom it shall be held invalid or unenforceable shall not be affected thereby, and this Franchise and all the terms, provisions and conditions hereof shall, in all other respects, continue to be effective and complied with provided the loss of the invalid or unenforceable clause does not substantially alter the agreement between the parties. In the event such law, rule or regulation is subsequently repealed, rescinded, amended or otherwise changed so that the provision which had been held invalid or modified is no longer in conflict with the law, rules and regulations then in effect, said provision shall thereupon return to full force and effect and shall thereafter be binding on Grantee and Grantor.

SECTION 14 FORECLOSURE AND RECEIVERSHIP

14.1 Foreclosure. Upon the foreclosure or other judicial sale of all or a part of the Cable System, Grantee shall notify the Grantor of such fact and such notification shall be treated as a notification that a change in control of Grantee has taken place, and the provisions of this Franchise governing the consent to transfer or change in ownership shall apply without regard to how such transfer or change in ownership occurred.

14.2 Receivership. The Grantor shall have the right to cancel this Franchise subject to any applicable provisions of state law, including the Bankruptcy Act, one hundred twenty (120) Days after the appointment of a receiver or trustee to take over and conduct the business of Grantee, whether in receivership, reorganization, bankruptcy or other action or proceeding, unless such receivership or trusteeship shall have been vacated prior to the expiration of said one hundred twenty (120) Days, or unless:

(a) Within one hundred twenty (120) Days after his election or appointment, such receiver or trustee shall have fully complied with all the provisions of this Franchise and remedied all defaults thereunder; and

(b) Such receiver or trustee, within said one hundred twenty (120) Days, shall have executed an agreement, duly approved by the Court having jurisdiction in the premises, whereby such receiver or trustee assumes and agrees to be bound by each and every provision of this Franchise.

SECTION 15 REPORTING REQUIREMENTS

15.1 Quarterly Reports. Within thirty (30) calendar Days after the end of each calendar quarter, Grantee shall submit to the Grantor along with its Franchise Fee payment a report showing the basis for computation of such fees prepared by an officer or designee of Grantee showing the basis for the computation of the Franchise Fees paid during that period in a form and substance substantially equivalent to Exhibit C attached hereto. This report shall separately indicate revenues received by Grantee within the Grantor including, but not limited to such items as listed in the definition of “Gross Revenues” at Section 1 of this Franchise.

15.2 Monitoring and Compliance Reports. Upon request, but no more than once a year, Grantee shall provide a written report of any and all FCC technical performance tests for the residential network required in FCC Rules and Regulations as now or hereinafter constituted. In addition, Grantee shall provide Grantor with copies of reports, if any, of the semi-annual test and compliance procedures established by this Franchise no later than thirty (30) Days after the completion of each series of tests.

15.3 Reports. Upon request of the Grantor and in no event later than thirty (30) Days from the date of receipt of such request, Grantee shall, free of charge, prepare and furnish to the Grantor, at the times and in the form prescribed, such additional reports with respect to its operation, affairs, transactions, or property, as may be reasonably necessary to ensure compliance with the terms of this Franchise. Grantee and Grantor may in good faith agree upon taking into consideration Grantee’s need for the continuing confidentiality as prescribed herein. Neither Grantor nor Grantee shall unreasonably demand or withhold information requested pursuant with the terms of this Franchise.

15.4 Communications with Regulatory Agencies.

(a) Upon written request, Grantee shall submit to Grantor copies of any pleading, applications, notifications, communications and documents of any kind, submitted by Grantee or its Affiliates to any federal, State or local courts, regulatory agencies and other government bodies

if such documents directly relate to the operations of Grantee 's Cable System within the Franchise Area. Grantee shall submit such documents to Grantor no later than thirty (30) Days after receipt of Grantor's request. Grantee shall not claim confidential, privileged or proprietary rights to such documents unless under federal, State, or local law such documents have been determined to be confidential by a court of competent jurisdiction, or a federal or State agency. With respect to all other reports, documents and notifications provided to any federal, State or local regulatory agency as a routine matter in the due course of operating Grantee 's Cable System within the Franchise Area, Grantee shall make such documents available to Grantor upon Grantor's written request.

(b) In addition, Grantee and its Affiliates shall within ten (10) Days of any communication to or from any judicial or regulatory agency regarding any alleged or actual violation of this Franchise, Grantor regulation or other requirement relating to the System, use its best efforts to provide the Grantor a copy of the communication, whether specifically requested by the Grantor to do so or not.

SECTION 16

CUSTOMER SERVICE POLICIES

16.1 Response to Customers and Cooperation with Grantor. Grantee shall promptly respond to all requests for service, repair, installation and information from Subscribers. Grantee acknowledges the Grantor's interest in the prompt resolution of all cable complaints and shall work in close cooperation with the Grantor to resolve complaints.

16.2 Customer Service Agreement and Written Information. Grantee shall provide to Subscribers a comprehensive service agreement and information in writing for use in establishing Subscriber service. Written information shall, at a minimum, contain the following information:

- (a) Products and services offered;
- (b) Prices and options for 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 programming carried on the system;
- (f) Set Top Box/Subscriber terminal equipment policy.
- (g) How complaints are handled including Grantee's procedure for investigation and resolution of Subscriber complaints.
- (h) The name, address, and phone number of the Person identified by the Grantor as responsible for handling cable questions and complaints for the Grantor. This information shall be prominently displayed. A copy of the written information shall

be provided to each Subscriber at the time of initial Connection and any subsequent reconnection.

16.3 Reporting Escalated Complaints. The requirements of this Section 16.3 shall be subject to federal law regarding Subscriber privacy. Grantee shall maintain all Subscriber data relevant to the resolution of any complaint referred to and handled by the Grantee's customer advocacy group for a reasonable period. Subscriber data shall include the date, name, address, the telephone number of Subscriber complaints as well as the subject of the complaint, date and type of action taken to resolve the complaint, any additional action taken by Grantee or the Subscriber.

16.4 Customer Service Standards. Consistent with Section 16.7 (Installations, Outages and Service Calls), the Grantor hereby adopts the customer service standards set forth in Part 76, § 76.309 of the FCC's rules and regulations, as amended now and in the future. Attached hereto and made part of this Franchise as Exhibit D is the current version of the Rules. Grantee shall, upon request, which request shall include the reason for the request, provide Grantor with information which shall describe in detail Grantee's compliance with each and every term and provision of this Section 16.4. Grantee shall comply in all respects with the applicable customer service requirements established by the FCC and those set forth herein. To the extent that this Franchise imposes requirements greater than those established by the FCC, Grantee reserves whatever rights it may have to recover the costs associated with compliance in any manner consistent with Applicable Law.

16.5 Local Office.

(a) Grantee shall maintain convenient local Subscriber service location(s) where Subscribers may make payments, request service information and schedule service and installation appointments. Grantee shall also maintain bill payment locations within the Franchise Area for the purpose of receiving Subscriber payments. Unless otherwise requested by the Subscriber, Grantee shall deliver replacement equipment directly to the Subscriber at no cost to the Subscriber. The Grantee shall maintain a business office or offices for the purpose of receiving and resolving all complaints regarding the quality of service, equipment malfunctions, billings disputes and similar matters. The office must be reachable by a local, toll-free telephone call, and Grantee shall provide the Grantor with the name, address and telephone number of an office that will act as the Grantee's agent to receive complaints, regarding quality of service, equipment malfunctions, billings, and similar matters.

(b) At a minimum Grantee shall also provide the following during the term of this Franchise:

1. Subscribers can remit payments at multiple third party commercial locations within the Franchise Area (such as grocery stores or the Western Union). A current list of payment locations will be provided to Grantor;

2. Grantee will provide a service technician to any Qualified Living Unit in the Franchise Area, free of charge to the Subscriber to replace or troubleshoot equipment issues; and

3. Subscribers shall be able to return equipment, free of charge, via national overnight courier service (such as Fed Ex or UPS).

(c) In the event that Grantee becomes the dominant franchised cable operator, Grantee shall maintain at least one (1) convenient local customer service and bill payment location within the Franchise Area for matters such as receiving Subscriber payments, handling billing questions, equipment replacement and customer service information. For this Section, the dominant franchised cable operator shall be defined as the franchised cable operator with the most cable Subscribers in the Franchise Area.

16.6 Cable System Office Hours and Telephone Availability.

(a) 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.

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

(ii) 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.

(b) 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.

(c) Grantee shall 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.

(d) Under Normal Operating Conditions, the customer will receive a busy signal less than three percent (3%) of the time.

(e) Customer service center and bill payment locations will be open at least during Normal Business Hours and will be conveniently located.

16.7 Installations, Outages and Service Calls. Under Normal Operating Conditions, each of the following standards will be met no less than ninety-five percent (95%) of the time measured on a quarterly basis:

(a) Standard Installations will be performed within seven (7) business Days after an order has been placed. "Standard Installations" are those to a Qualified Living Unit

(b) 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.

(c) The "appointment window" alternatives for Installations, Service calls, and other Installation activities will be either a specific time or, at maximum, a four (4) hour time block during Normal Business Hours. (Grantee may schedule Service calls and other Installation activities outside of Normal Business Hours for the express convenience of the customer.)

(d) Grantee may not cancel an appointment with a customer after the close of business on the business Day prior to the scheduled appointment.

(e) 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.

16.8 Communications Between Grantee and Subscribers.

(a) Refunds. Refund checks will be issued promptly, but no later than either:

- (i) The customer's next billing cycle following resolution of the request or thirty (30) Days, whichever is earlier; or
- (ii) The return of the equipment supplied by Grantee if Cable Service is terminated.

(b) Credits. Credits for Cable Service will be issued no later than the customer's next billing cycle following the determination that a credit is warranted.

16.9 Billing.

(a) Consistent with 47 C.F.R. § 76.1619, bills will be clear, concise and understandable. Bills must be fully itemized, with itemizations including, but not limited to, Basic Cable Service and premium Cable Service charges and equipment charges. Bills will also clearly delineate all activity during the billing period, including optional charges, rebates and credits.

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

16.10 Subscriber Information. Subscribers shall be advised of the procedures for resolution of complaints about the quality of the television signal delivered by Grantee, including the address of the responsible officer of the Grantor. Subscribers 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 promptly with a minimum of thirty (30) Days in advance of such changes if the change is within the control of Grantee. In addition, Grantee shall notify Subscribers thirty (30) Days in advance of any significant changes in the information required by this Section 16.10.

16.11 Notice or Rate Programming Change. In addition to the requirement of this Section 16.11 regarding advance notification to Subscribers of any changes in rates, programming

services or Channel positions, Grantee shall give thirty (30) Days written notice to both Subscribers and the Grantor before implementing any rate or Service change. Such notice shall state the precise amount of any rate change and briefly explain in readily understandable fashion the cause of the rate change (e.g., inflation, change in external costs or the addition/deletion of Channels). When the change involves the addition or deletion of Channels, each Channel added or deleted must be separately identified. For purposes of the carriage of digital broadcast signals, Grantee need only identify for Subscribers, the television signal added and not whether that signal may be multiplexed during certain dayparts.

16.12 Subscriber Contracts. Grantee shall, upon written request, provide the Grantor with any standard form residential Subscriber contract utilized by Grantee. If no such written contract exists, Grantee shall file with the Grantor a document completely and concisely stating the length and terms of the Subscriber contract offered to customers. The length and terms of any standard form Subscriber contract(s) shall be available for public inspection during Normal Business Hours. A list of Grantee's current Subscriber rates and charges for Cable Service shall be maintained on file with Grantor and shall be available for public inspection.

16.13 Refund Policy. If a Subscriber's Cable Service is interrupted or discontinued, without cause, for twenty-four (24) or more consecutive hours, Grantee shall, upon request by the Subscriber, credit such Subscriber pro rata for such interruption. For this purpose, every month will be assumed to have thirty (30) Days.

16.14 Late Fees. Grantee shall comply with all Applicable Laws with respect to any assessment, charge, cost, fee or sum, however characterized, that Grantee imposes upon a Subscriber for late payment of a bill. The Grantor reserves the right to enforce Grantee's compliance with all Applicable Laws to the maximum extent legally permissible.

16.15 Disputes. All Subscribers and members of the general public may direct complaints, regarding Grantee's Service or performance to the chief administrative officer of the Grantor or the chief administrative officer's designee.

16.16 Customer Bills. Customer bills shall be designed in such a way as to present the information contained therein clearly and comprehensibly to customers, and in a way that (a) is not misleading and (b) does not omit material information. Notwithstanding anything to the contrary in Section 16.9, above, Grantee may, in its sole discretion, consolidate costs on Customer bills as may otherwise be permitted by Section 622(c) of the Cable Act (47 U.S.C. §542(c)).

16.17 Failure to Resolve Complaints. Grantee shall resolve a complaint within thirty (30) Days in a manner deemed reasonable by the Grantor under the terms of the Franchise.

16.18 Maintain a Complaint Phone Line. Grantee shall maintain a local or toll-free telephone Subscriber complaint line, available to its Subscribers twenty-four (24) hours per Day, seven (7) Days a week.

16.19 Notification of Complaint Procedure. Grantee shall have printed clearly and prominently on each Subscriber bill and in the customer service agreement provided for in Section

16.2, the twenty-four (24) hour Grantee phone number for Subscriber complaints. Additionally, Grantee shall provide information to customers concerning the procedures to follow when they are unsatisfied with measures taken by Grantee to remedy their complaint. This information will include the phone number of the Grantor office or Person designated to handle complaints. Additionally, Grantee shall state that complaints should be made to Grantee prior to contacting the Grantor.

16.20 Subscriber Privacy.

(a) To the extent required by Minn. Stat. §238.084 Subd. 1(s) Grantee shall comply with the following: No signals including signals of a Class IV Channel may be transmitted from a Subscriber terminal for purposes of monitoring individual viewing patterns or practices without the express written permission of the Subscriber. The request for permission must be contained in a separate document with a prominent statement that the Subscriber is authorizing the permission in full knowledge of its provisions. Such written permission shall be for a limited period of time not to exceed one (1) year which may be renewed at the option of the Subscriber. No penalty shall be invoked for a Subscriber's failure to provide or renew such permission. The permission shall be revocable at any time by the Subscriber without penalty of any kind whatsoever.

(b) No information or data obtained by monitoring transmission of a signal from a Subscriber terminal, including but not limited to lists of the names and addresses of Subscribers or any lists that identify the viewing habits of Subscribers shall be sold or otherwise made available to any party other than to Grantee or its agents for Grantee's business use, and also to the Subscriber subject of that information, unless Grantee has received specific written permission from the Subscriber to make such data available. The request for permission must be contained in a separate document with a prominent statement that the Subscriber is authorizing the permission in full knowledge of its provisions. Such written permission shall be for a limited period of time not to exceed one (1) year which may be renewed at the option of the Subscriber. No penalty shall be invoked for a Subscriber's failure to provide or renew such permission. The permission shall be revocable at any time by the Subscriber without penalty of any kind whatsoever.

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

16.21 Grantee Identification. Grantee shall provide all customer service technicians and all other Grantee employees entering private property with appropriate picture identification so that Grantee employees may be easily identified by the property owners and Subscribers.

SECTION 17 SUBSCRIBER PRACTICES

17.1 Subscriber Rates. There shall be no charge for disconnection of any installation or outlet unless otherwise authorized by Applicable Law. If any Subscriber fails to pay a properly due monthly Subscriber fee, or any other properly due fee or charge, Grantee may disconnect the Subscriber's service outlet in accordance with its regular and nondiscriminatory business practices.

17.2 Refunds to Subscribers Shall Be Made or Determined in the Following Manner:

(a) If Grantee fails, upon request by a Subscriber, to provide any service then being offered, Grantee shall promptly refund all deposits or advance charges paid for the service in question by said Subscriber. This provision does not alter Grantee's responsibility to Subscribers under any separate contractual agreement or relieve Grantee of any other liability.

(b) If any Subscriber terminates any monthly service because of failure of Grantee to render the service in accordance with this Franchise, Grantee shall refund to such Subscriber the proportionate share of the charges paid by the Subscriber for the services not received. This provision does not relieve Grantee of liability established in other provisions of this Franchise.

(c) If any Subscriber terminates any monthly service prior to the end of a prepaid period, a proportionate amount of any prepaid Subscriber service fee, using the number of Days as a basis, shall be refunded to the Subscriber by Grantee.

**SECTION 18
COMPENSATION AND FINANCIAL PROVISIONS.**

18.1 Franchise Fees. During the term of this Franchise, Grantee shall pay to the Grantor a Franchise Fee of five percent (5%) of Gross Revenues. If any such law, regulation or valid rule alters the five percent (5%) Franchise Fee ceiling enacted by the Cable Act, then Grantor shall have the authority to (but shall not be required to) increase or decrease the Franchise Fee accordingly, provided such increase or decrease is for purposes not inconsistent with Applicable Laws and applied in the same manner to all franchised Cable Service providers in the Franchise Area. In the event Grantee bundles or combines Cable Services (which are subject to the Franchise Fee) with non-Cable Services (which are not subject to the Franchise Fee) so that Subscribers pay a single fee for more than one (1) class of service resulting in a discount on Cable Services, Grantee agrees that for the purpose of calculation of the Franchise Fee, it shall allocate to Cable Service revenue no less than a pro rata share of the revenue received for the bundled or combined services. The pro rata share shall be computed on the basis of the published charge for each service in the bundled or combined classes of services when purchased separately. In the alternative, Grantee may calculate revenues to be included in Gross Revenues by applying a uniform price discount equally to the published rate card of the Cable Service and the published rate card of each non-Cable Service of a discounted bundle of services.

Example: Prior to any bundle-related price discount, if the published rate card for Cable Service is \$100.00 per month, and the published rate card for high speed data ("HSD") service is \$50.00 per month, and the published rate card for voice service is \$50.00 per month, the total of these services would equal \$200.00 per month. If the above mentioned services are offered together in a bundle at a price of \$110.00 per month, the bundle-related price discount would equal \$90.00. If Grantee chooses to calculate the revenues by applying a uniform price discount equally to Cable Service and to the non-Cable Services (i.e. HSD and voice services), the discount allocation is \$30.00 per month for each of the services mentioned above. That is, Cable Services would be discounted \$30.00 (i.e. \$100.00 minus \$30.00), the HSD services would be discounted \$30.00 (i.e. \$50.00 minus \$30.00), and voice service would be discounted \$30.00 (i.e. \$50.00 minus \$30.00).

In this example, the net revenue for the Cable Service would equal \$70.00 per month. Thus the Franchise Fees for the discounted Cable Service would amount to 5% of \$70.00 which is \$3.50.

(a) Franchise fees shall be paid quarterly not later than thirty (30) Days following the end of a given quarter. In accordance with this Section 18, Grantee shall file with the Grantor a Franchise Fee payment worksheet, attached as Exhibit C, signed by an authorized representative of Grantee: which identifies Gross Revenues earned by Grantee during the period for which payment is made. No acceptance of any payment shall be construed as an accord that the amount paid is, in fact, the correct amount, nor shall such acceptance of payment be construed as a release of any claim which the Grantor may have for further or additional sums payable under the provisions of this Franchise. All amounts paid shall be subject to audit and recomputation by Grantor.

(b) Neither current nor previously paid Franchise Fees shall be subtracted from the Gross Revenue amount upon which Franchise Fees are calculated and due for any period, unless otherwise required by Applicable Law.

(c) Any Franchise Fees owing pursuant to this Franchise which remain unpaid more than thirty (30) Days after the dates specified herein shall be delinquent and shall thereafter accrue interest at twelve percent (12%) per annum or two percent (2%) above prime lending rate as quoted by the Wall Street Journal, whichever is greater.

18.2 Auditing and Financial Records. Throughout the term of this Franchise, the Grantee agrees that the Grantor, upon reasonable prior written notice of twenty (20) Days to the Grantee, may review such of the Grantee's books and records regarding the operation of the Cable System and the provision of Cable Service in the Franchise Area which are reasonably necessary to monitor and enforce Grantee's compliance with the provisions of this Franchise. Grantee shall provide such requested information as soon as possible and in no event more than thirty (30) Days unless Grantee explains that it is not feasible to meet this timeline and provides a written explanation for the delay and an estimated reasonable date for when such information will be provided. All such documents pertaining to financial matters that may be the subject of an inspection by the Grantor shall be retained by the Grantee for a minimum period of six (6) years, pursuant to Minn. Stat. § 541.05. The Grantee shall not deny the Grantor access to any of the Grantee's records on the basis that the Grantee's records are under the control of any parent corporation, Affiliated entity or a third party. The Grantor may request in writing copies of any such records or books that are reasonably necessary, and the Grantee shall provide such copies within thirty (30) Days of the receipt of such request. One copy of all reports and records required under this or any other section shall be furnished to the Grantor at the sole expense of the Grantee. If the requested books and records are too voluminous, or for security reasons (at Grantee's sole discretion) cannot be copied or removed, then the Grantee may request, in writing within ten (10) Days of receipt of such request, that the Grantor inspect them at the Grantee's local offices or at one of Grantee's offices more convenient to Grantor or its duly authorized agent. If any books or records of the Grantee are not kept in such office and not made available in copies to the Grantor upon written request as set forth above, and if the Grantor determines that an examination of such records is necessary for the enforcement of this Franchise, then all reasonable travel expenses incurred in making such examination shall be paid by the Grantee.

18.3 Review of Record Keeping Methodology. Grantee agrees to meet with a representative of the Grantor upon request to review its methodology of record-keeping, financial reporting, computing Franchise Fee obligations, and other procedures the understanding of which the Grantor deems necessary for understanding the meaning of reports and records.

18.4 Audit of Records. The Grantor or its authorized agent may at any time and at the Grantor's own expense conduct an independent audit of the revenues and Subscriber numbers of Grantee in order to verify the accuracy of Franchise Fees paid to the Grantor. Grantee and each parent company of Grantee shall cooperate fully in the conduct of such audit. In the event it is determined through such audit that Grantee has underpaid Franchise or PEG Fees in an amount of five percent (5%) or more than was due the Grantor, then Grantee shall reimburse the Grantor for the entire cost of the audit within thirty (30) Days of the completion and acceptance of the audit by the Grantor.

18.5 Records to be Reviewed. The Grantor agrees to request access to only those books and records, in exercising its rights under this Section, which it deems reasonably necessary for the enforcement and administration of the Franchise.

18.6 Indemnification by Grantee. Grantee shall, at its sole expense, fully indemnify, defend and hold harmless the Grantor and Member Cities, and their officers, boards, commissions, elected officials, agents and employees at all times during this Franchise, from and against any and all claims, suits, actions, liability and judgments for damage or otherwise except those arising wholly from negligence on the part of the Grantor and/or Member Cities or its employees; for actual or alleged injury to persons or property, including loss of use of property due to an occurrence, whether or not such property is physically damaged or destroyed, in any way arising out of or through or alleged to arise out of or through the acts or omissions of Grantee or its officers, agents, employees, or contractors or to which Grantee's or its officers, agents, employees or contractors acts or omissions in any way contribute, and whether or not such acts or omissions were authorized or contemplated by this Franchise or Applicable Law; arising out of or alleged to arise out of any claim for damages for Grantee's invasion of the right of privacy, defamation of any Person, firm or corporation, or the violation of infringement of any copyright, trademark, trade name, service mark or patent, or of any other right of any Person, firm or corporation; arising out of or alleged to arise out of Grantee's failure to comply with the provisions of any Applicable Law Nothing herein shall be deemed to prevent the Grantor, its officers, or its employees from participating in the defense of any litigation by their own counsel at such parties' expense. Such participation shall not under any circumstances relieve Grantee from its duty of defense against liability or of paying any judgment entered against the Grantor, its officers, or its employees.

Grantee shall contemporaneously with this Franchise execute an Indemnity Agreement in a form acceptable to the City attached as Exhibit F, which shall indemnify, defend and hold the City harmless for any claim for injury, damage, loss, liability, cost or expense, including court and appeal costs and reasonable attorneys' fees or reasonable expenses arising out of the actions of the City in granting this Franchise. This obligation includes any claims by another franchised cable operator against the City that the terms and conditions of this Franchise are less burdensome than another franchise granted by the City or that this Franchise does not satisfy the requirements of Applicable Laws.

18.7 Grantee Insurance. 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 the Grantee, Grantor and their officials, officers, directors, employees and agents from claims which may arise from operations under this Franchise, whether such operations be by the 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 Three Million Dollars (\$3,000,000). The liability policy shall include:

- (a) The policy shall provide coverage on an “occurrence” basis.
- (b) The policy shall cover personal injury as well as bodily injury.
- (c) The policy shall cover blanket contractual liability subject to the standard universal exclusions of contractual liability included in the carrier’s standard endorsement as to bodily injuries, personal injuries and property damage.
- (d) Broad form property damage liability shall be afforded.
- (e) Grantor shall be named as an additional insured on the policy.
- (f) An endorsement shall be provided which states that the coverage is primary insurance with respect to claims arising from Grantee’s operations under this Franchise and that no other insurance maintained by the Grantor will be called upon to contribute to a loss under this coverage.
- (g) Standard form of cross-liability shall be afforded.
- (h) An endorsement stating that the policy shall not be canceled without thirty (30) Days’ notice of such cancellation given to Grantor. The Grantee shall provide a certificate of coverage to the City. The policy shall either state that the City shall be notified in writing by the insurer thirty (30) days in advance of any cancellation or termination of any such policy or, in the alternative, Grantee shall provide immediate written notice (no less than thirty (30) days) to City whenever a cancellation or termination notice is received by Grantee and Grantee shall thereafter undertake immediate steps to secure a replacement policy which meets the obligations set forth herein.
- (i) Grantor reserves the right to adjust the insurance limit coverage requirements of this Franchise no more than once every three (3) years. Any such adjustment by Grantor will be no greater than the increase in the State of Minnesota Consumer Price Index (all consumers) for such three (3) year period.
- (j) Within 30 Days of the Effective Date, Grantee shall submit to Grantor a certificate documenting the insurance required by this Franchise and this Section 18.7, as well as any necessary properly executed endorsements effective as of the Effective Date. The certificate

and documents evidencing Insurance shall be in a form acceptable to Grantor and shall provide satisfactory evidence that Grantee has complied with all insurance requirements. Renewal certificates shall be provided to Grantor prior to the expiration date of any of the required policies. Grantor will not be obligated, however, to review such endorsements or certificates or other evidence of insurance, or to advise Grantee of any deficiencies in such documents and receipt thereof shall not relieve Grantee from, nor be deemed a waiver of, Grantor's right to enforce the terms of Grantee's obligations hereunder. Grantor reserves the right to examine any policy provided for under this paragraph or to require further documentation reasonably necessary to form an opinion regarding the adequacy of Grantee's insurance coverage.

SECTION 19 MISCELLANEOUS PROVISIONS.

19.1 Guarantee of Performance. Grantee agrees that it enters into this Franchise voluntarily in order to secure and in consideration of the grant from the Grantor for the term of the Franchise. Performance pursuant to the terms and conditions of this Franchise is guaranteed by Grantee.

19.2 Entire Agreement. This Franchise contains the entire agreement between the parties, supersedes all prior agreements or proposals except as specifically set forth herein, and cannot be changed orally but only by an instrument in writing executed by the parties. This Franchise is made pursuant to Minn. Stat. Ch. 238 and Applicable Laws and is intended to comply with all requirements set forth therein.

19.3 Consent. Wherever the consent or approval of either Grantee or the Grantor is specifically required in this agreement, such consent or approval shall not be unreasonably withheld.

19.4 Effective Date of Franchise. This Franchise and the Ordinance granting it shall become effective based upon the requirements for adoption and approval of an Ordinance granting a Franchise as set forth in the Joint Powers Agreement. The Ordinance and Franchise granted by it shall be accepted in writing by Grantee after notice of public hearing, adoption, review by the Members, and a publication of the Ordinance granting this Franchise and such other requirements and in accordance with the schedule as outlined and required by the Joint Powers Agreement.

19.5 Amendment of Franchise. Grantee and Grantor may agree, from time to time, to amend this Franchise. Such written amendments may be made subsequent to a review session pursuant to this Section 19.5 and pursuant to Section 19.18 or at any other time if Grantor and Grantee agree that such an amendment will be in the public interest or if such an amendment is required due to changes in Applicable Laws; provided, however, nothing herein shall restrict Grantor's exercise of its police powers.

19.6 Notice. Any notification that requires a response or action from a party to this Franchise, within a specific time-frame or would trigger a timeline that would affect one or both parties' rights under this Franchise, shall be made in writing and shall be sufficiently given and served upon the other party by hand delivery, first class mail, registered or certified, return receipt requested, postage prepaid, or by reputable overnight courier service and addressed as follows:

To the Grantor: Northwest Suburbs Cable Communications Commission
6900 Winnetka Avenue North
Brooklyn Park, MN 55428

To the Grantee: Qwest Broadband Services, Inc. d/b/a CenturyLink
Attn: Public Policy
200 S. 5th Street, 21st Floor
Minneapolis, MN 55402

With a copy to: Qwest Broadband Services, Inc. d/b/a CenturyLink
Attn: Public Policy
1801 California Street, 10th floor
Denver, CO 80202

Recognizing the widespread usage and acceptance of electronic forms of communication and emails will be acceptable as formal notification related to the conduct of general business amongst the parties to this contract, including but not limited to programming and price adjustment communications. Such communication should be addressed and directed to the Person of record as specified above.

19.7 Force Majeure. In the event that either party is prevented or delayed in the performance of any of its obligations, under this Franchise by reason of acts of God, floods, fire, hurricanes, tornadoes, earthquakes, or other unavoidable casualties, insurrection, war, riot, vandalism, strikes, delays in receiving permits where it is not the fault of Grantee, public easements, sabotage, acts or omissions of the other party, or any other similar event beyond the reasonable control of that party, it shall have a reasonable time under the circumstances to perform such obligation under this Franchise, or to procure a substitute for such obligation to the reasonable satisfaction of the other party.

19.8 Work of Contractors and Subcontractors. Work by contractors and subcontractors is subject to the same restrictions, limitations and conditions as if the work were performed by Grantee. Grantee shall be responsible for all work performed by its contractors and subcontractors, and others performing work on its behalf as if the work were performed by it and shall ensure that all such work is performed in compliance with this Franchise and other Applicable Laws, and shall be jointly and severally liable for all damages and correcting all damage caused by them. It is Grantee's responsibility to ensure that contractors, subcontractors or other Persons performing work on Grantee's behalf are familiar with the requirements of this Franchise and other Applicable Laws governing the work performed by them.

19.9 Duty to Grantee. Nothing contained in this Franchise shall relieve any Person from liability arising out of the failure to exercise reasonable care to avoid injuring the Grantee's Facilities while performing any work connected with grading, regrading or changing the line of any Street or Public Property or with the construction or reconstruction of any sewer or water system or utility system.

19.10 Interest Rate. For purposes of this Franchise, “prime rate” shall mean the interest reported from time to time by the Wall Street Journal for short-term unsecured loans to commercial borrowers of the highest credit rating.

19.11 Administration of Franchise. The Grantor shall be responsible for the continued administration of this Franchise, except as otherwise assumed by Member Cities pursuant to the enforcement of applicable codes and ordinances required by Member Cities to construct, operate and maintain Grantee’s Cable System and Facilities within Streets of a Member City.

19.12 General Provision on Rights and Remedies.

(a) All rights and remedies given to Grantor by this Franchise shall be in addition to and cumulative of all other rights or remedies available to Grantor or Member Cities, at law or in equity. The rights and remedies provided by this Franchise are not exclusive and the exercise of any right or remedy hereunder shall not be deemed a waiver of the right to exercise any other right or remedy. No delay or omission of Grantor in the exercise of any right or remedy shall impair any such right or remedy, nor shall any such delay or omission be construed to be a waiver of or acquiescence to any default. The exercise of any such right or remedy by Grantor shall not release Grantee from its obligations or any liability under this Franchise.

(b) Grantee shall not claim that any condition or term of this Franchise is unreasonable, arbitrary, void as of the Effective Date or that Grantor or Member Cities had no power or authority to make such term or condition.

(c) Grantor reserves the right to delegate any of its rights or obligations under this Franchise to any Person. Any delegation by Grantor shall be effective upon written notice by Grantor to Grantee of such delegation. Upon receipt of notice by Grantee of Grantor’s delegation, Grantee shall be bound by all terms and conditions of the delegation not in conflict with this Franchise. Any such delegation shall not be deemed an amendment to this Franchise or require any consent of Grantee.

19.13 Governing Law. This Franchise shall be deemed to be executed in the State of Minnesota, and shall be governed in all respects, including validity, interpretation and effect, and construed in accordance with, the laws of the State of Minnesota, as applicable to contracts entered into and performed entirely within the State.

19.14 Non-enforcement by Grantor. Grantee shall not be relieved of its obligation to comply with any of the provisions of this Franchise by reason of any failure of the Grantor or to enforce prompt compliance.

19.15 Captions. The paragraph captions and headings in this Franchise are for convenience and reference purposes only and shall not affect in any way the meaning of interpretation of this Franchise.

19.16 Calculation of Time. Where the performance or doing of any act, duty, matter, payment or thing is required hereunder and the period of time or duration for the performance is prescribed and fixed herein, the time shall be computed so as to exclude the first and include the

last Day of the prescribed or fixed period or duration of time. When the last Day of the period falls on Saturday, Sunday or a legal holiday, that Day shall be omitted from the computation and the next business Day shall be the last Day of the period.

19.17 Survival of Terms. Upon the termination or forfeiture of the Franchise, Grantee shall no longer have the right to occupy the Streets for the purpose of providing Cable Service. However, Grantee's obligations to the Grantor (other than the obligation to provide service to Subscribers) shall survive according to their terms.

19.18 Periodic Evaluation.

(a) The Grantor may require evaluation sessions at any time during the term of this Franchise, upon thirty (30) Days' written notice to the Grantee in addition to the Quarterly Meetings as defined under Section 3 of this Franchise.

(b) Topics which may be discussed at any evaluation session may include, but are not limited to, application of new technologies, programming offered, PEG Access Channel capacity and the Local Origination Channel, Facilities and support, municipal uses of cable, Subscriber rates, customer complaints, amendments to this Franchise, judicial rulings, FCC rulings, the line extension policy and any other topics the Grantor deems relevant.

(c) As a result of a periodic review or evaluation session, upon notification from the Grantor, the Grantee shall meet with the Grantor 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. Nothing herein shall be deemed to require such changes and/or modifications unless both parties agree.

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Passed and adopted this _____ day of _____ 2016.

ATTEST

GRANTOR

By: _____
Its: Grantor Clerk

By: _____
Its: _____

By: _____
Its: Grantor _____

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

Qwest Broadband Services, Inc.
d/b/a CenturyLink.

Date: _____

By: _____
Its: _____

Notary: _____

Exhibit A- Free Cable Service to Public Buildings

Cust Name	Addr1	Addr2	City	Zip
FIRE DEPT,B CENTER - EAST STATION	6500 DUPONT AVE N		BROOKLYN CENTER	55430
HIGH,BROOKLYN CENTER	6500 HUMBOLDT AVE N		BROOKLYN CENTER	55430
SCHOOL,ODYSSEY	6201 NOBLE AVE N		BROOKLYN CENTER	55429
ELEMENTARY,NORTHPOR	5421 BROOKLYN BLVD		BROOKLYN CENTER	55429
POLICE,BROOKLYN CENTER	6645 HUMBOLDT AVE N		BROOKLYN CENTER	55430
NORTHVIEW JUNIOR HIGH	5869 69TH AVE N		BROOKLYN PARK	55429
COLLEGE,NHC	7411 85TH AVE N		BROOKLYN PARK	55445
ELEMENTARY,BIRCH GR	4690 BROOKDALE DR N		BROOKLYN PARK	55443
ELEMENTARY,CRESTVIE	8200 ZANE AVE N		BROOKLYN PARK	55443
POLICE DEPT,BROOKLYN PARK	5400 85TH AVE N		BROOKLYN PARK	55443
FIRE STATION,BP	9700 REGENT AVE N		BROOKLYN PARK	55443
EXCELL ACADEMY FOR HIGHE,*	6510 ZANE AVE N STE 107		BROOKLYN PARK	55429
ELEMENTARY,FOREST	6800 47TH AVE N		CRYSTAL	55428
ELEMENTARY,NEILL	6600 27TH AVE N		CRYSTAL	55427
CENTER,CRYSTAL COMM	4800 DOUGLAS DR N		CRYSTAL	55429
SCHOOL,MEADOWBROOK	5430 GLENWOOD AVE		GOLDEN VALLEY	55422
ELEMENTARY,NOBLE	2601 NOBLE AVE N		GOLDEN VALLEY	55422
OF TRANSPORTATION,DEPT	2055 LILAC DR N		GOLDEN VALLEY	55422
COLLEGE,HENN TECH	715 FLORIDA AVE S		GOLDEN VALLEY	55426
NUMBER279,ISD	9375 ZACHARY LN N		MAPLE GROVE	55369
OSSEO ADM,MEDIA SV	11200 93RD AVE N		MAPLE GROVE	55369
JR HIGH SCH,OSSEO	10223 93RD AVE N		MAPLE GROVE	55369
FIRE DEPT,MAPLE GROVE	6880 HEMLOCK LN N		MAPLE GROVE	55369
GARAGE,MAPLE GROVE	9030 FORESTVIEW LN N		MAPLE GROVE	55369
AMBULANCE,NORTH	6880 HEMLOCK LN N APT 1		MAPLE GROVE	55369
SENIOR HIGH,MAPLE GRV	9800 FERNBROOK LN N		MAPLE GROVE	55369
GROVE COMMCTR,MAPLE	12951 WEAVER LAKE RD		MAPLE GROVE	55369
ELEMENTARY,RUSH CR	8801 COUNTY RD 101		MAPLE GROVE	55311
FIRE STATION#5,MAPLE GROVE	6900 LAWDALE LN N		MAPLE GROVE	55311
SENIOR HIGH,COOPER	8230 47TH AVE N		NEW HOPE	55428
ELEMENTARY,NEW HOPE	8301 47TH AVE N		NEW HOPE	55428
ELEMENTARY,SONNESYN	3421 BOONE AVE N		NEW HOPE	55427

ROBBINSDALE SPANISH IMMERSION	8808 MEDICINE LAKE RD		NEW HOPE	55427
EDUCATION CENTER,NORTH	5530 ZEALAND AVE N		NEW HOPE	55428
SENIOR HIGH,OSSEO	317 2ND AVE NW		OSSEO	55369
POLICE DEPT,OSSEO	408 1ST AVE NW		OSSEO	55369
CITY HALL,OSSEO	415 CENTRAL AVE		OSSEO	55369
LIBRARY,OSSEO	415 CENTRAL AVE		OSSEO	55369
ELEMENTARY,ZACHARY	4350 ZACHARY LN N		PLYMOUTH	55442
MIDDLE SCHOOL,PLYMOUTH	10011 36TH AVE N		PLYMOUTH	55441
SENIOR HIGH,ARMSTRONG	10635 36TH AVE N		PLYMOUTH	55441
ELEM SCHOOL,BIRCHVIEW	425 RANCHVIEW LN N		PLYMOUTH	55447
WAYZATA CENTRAL MIDDLE SCHOOL	305 VICKSBURG LN N		PLYMOUTH	55447
SCHOOL,OAKWOOD	17340 COUNTY RD 6		PLYMOUTH	55447
FIRE DEPT,PLYMOUTH	12000 OLD ROCKFORD RD		PLYMOUTH	55441
SENIOR HIGH,WAYZATA	4955 PEONY LN N		PLYMOUTH	55446
ELEMENTARY,GLEASON LAKE	310 COUNTY RD 101 N		PLYMOUTH	55447
SCHOOL,SACRED HEART	4050 HUBBARD AVE N		ROBBINSDALE	55422
CITY SHOP,ROBBINSDALE	4601 TOLEDO AVE N		ROBBINSDALE	55422

Exhibit B - Free Cable Service to Public Buildings

Cust Name	Addr1	Addr2	City	Zip
ELEMENTARY,WILLOW L	7020 PERRY AVE N		BROOKLYN CENTER	55429
ELEMENTARY,EARL BROWN	1500 59th Avenue North		BROOKLYN CENTER	55430
Brookdale Library or Hennepin Service Center	6125 SHINGLE CREEK PKWY		BROOKLYN CENTER	55430
ELEMENTARY,EVERGREEN PK	7020 DUPONT AVE N		BROOKLYN CENTER	55430
FIRE DEPT,BROOKLYN CENTER - West Station	6250 BROOKLYN BLVD		BROOKLYN CENTER	55429
ELEMENTARY,GRDN CTY	3501 65TH AVE N		BROOKLYN CENTER	55429
ELEMENTARY,PALMER LAKE	7300 PALMER LAKE DR W		BROOKLYN CENTER	55429
PUBLIC WORKS,BROOKLYN CENT	6844 SHINGLE CREEK PKWY		BROOKLYN CENTER	55430
ST,ALPHONSUS	7025 HALIFAX AVE N		BROOKLYN CENTER	55429
COMM CORNER,BROOKLYN CENTE	1500 69TH AVE N		BROOKLYN CENTER	55430
RELIEF ASSOC,BCFD	6250 BROOKLYN BLVD OFC 2 ND		BROOKLYN CENTER	55429
ELEMENTARY,FAIROAKS	5600 65TH AVE N		BROOKLYN PARK	55429
EDUCATION CENT,EDGEWOOD	6601 XYLON AVE N		BROOKLYN PARK	55428
PARK BROOK ELEMENTARY SCHOOL	7400 HAMPSHIRE AVE N		BROOKLYN PARK	55428
BROOKLYN JUNIOR HIGH	7377 NOBLE AVE N		BROOKLYN PARK	55443
ELEMENTARY,MONROE	901 BROOKDALE DR		BROOKLYN PARK	55444
FIRE DEPT,BROOKLYN PARK	1707 85TH AVE N		BROOKLYN PARK	55444
FIRE DEPT,BROOKLYN PARK	5700 85TH AVE N		BROOKLYN PARK	55443
ELEMENTARY,RIVERVIE	1400 93RD AVE N		BROOKLYN PARK	55444
ELEMENTARY,RIVERVIEW	9300 W RIVER RD	BCH	BROOKLYN PARK	55444
LIBRARY,HENN COUNTY	8600 ZANE AVE N		BROOKLYN PARK	55443
PARK CENTER SENIOR HIGH SCHOOL	7300 BROOKLYN BLVD		BROOKLYN PARK	55443
ELEMENTARY,ZANEWOOD	7000 ZANE AVE N		BROOKLYN PARK	55429
ELEMENTARY,EDIN BRK	8925 ZANE AVE N		BROOKLYN PARK	55443
FIRE DEPT,BROOKLYN PARK	7301 W BROADWAY AVE		BROOKLYN PARK	55428
ST VINCENT DE PAUL	9050 93RD AVE N		BROOKLYN PARK	55445
COMMUNITY CEN,BROOKLYN PAR	5600 85TH AVE N		BROOKLYN PARK	55443
DISTRICT 287,INTERMEDIATE	7008 NORTHLAND DR N	STE 100	BROOKLYN PARK	55428
MAINT,O & M	8300 NOBLE AVE N		BROOKLYN PARK	55443
AMBULANCE,N MEMORIAL	7301 W BROADWAY AVE		BROOKLYN PARK	55428
COMM CENTER,ZANEWOOD	7100 ZANE AVE N		BROOKLYN PARK	55429
ST VINCENT,DEPAUL	9050 93RD AVENUE NORTH		BROOKLYN PARK	55445
ELEMENTARY SCHOOL,ST RAPHA	7301 BASS LAKE RD		CRYSTAL	55428
FIRE DEPT,CRYSTAL	4101 DOUGLAS DR N	CRYSTAL FIRE DEPT	CRYSTAL	55422
LIBRARY,ROCKFORD	6401 42ND AVE N		CRYSTAL	55427
FIRE DEPT,CRYSTAL	5354 DOUGLAS DR N	CRYSTAL FIRE DEPT	CRYSTAL	55429
Crystal Public Works	5001 W. Broadway		CRYSTA;	55429
Robbinsdale Schools Adult Education Center	305 Willow Bend		CRYSTAL	55428

FIRE DEPT,GOLDEN VALLEY	3700 GOLDEN VALLEY RD		GOLDEN VALLEY	55422
SCHOOL,BRECK	123 OTTAWA AVE N		GOLDEN VALLEY	55422
LIBRARY,GLDN VLY	830 WINNETKA AVE N		GOLDEN VALLEY	55427
MUN BUILDING,GOLDEN VALLEY	7700 GOLDEN VALLEY RD		GOLDEN VALLEY	55427
FIRE DEPT,GOLDEN VALLEY	400 TURNERS XRD S		GOLDEN VALLEY	55416
ACADEMY,LOVE WORKS	2225 ZENITH AVE N		GOLDEN VALLEY	55422
OF ART,MN SCHOOL	6125 OLSON MEMORIAL HWY	APT 1	GOLDEN VALLEY	55422
MAINT BUILDING,GV STREET	7800 GOLDEN VALLEY RD	SUITE A	GOLDEN VALLEY	55427
MAINT BUILDIN,GV UTILITIES	7800 GOLDEN VALLEY RD	SUITE B	GOLDEN VALLEY	55427
SHERIFF,HENNEPIN COUNTY	9300 NAPER ST		GOLDEN VALLEY	55427
ACADEMY,LOVEWORKS	2225 ZENITH AVE N	COMM'L	GOLDEN VALLEY	55422
MAINT,GV VEHICLE	7800 GOLDEN VALLEY RD	SUITE B	GOLDEN VALLEY	55427
STATION 1,FIRE DEPT	7700 GOLDEN VALLEY RD		GOLDEN VALLEY	55427
ELEMENTARY,ELMCREEK	9830 REVERE LN N		MAPLE GROVE	55369
ELEMENTARY,CEDAR IS	6677 N HEMLOCK LN		MAPLE GROVE	55369
ELEMENTARY,RICE LAKE	13755 89TH AVE N		MAPLE GROVE	55369
FIRE DEPT,MAPLE GROVE	9875 ZACHARY LN N		MAPLE GROVE	55369
FIRE DEPT,MAPLE GROVE	13450 MAPLE KNOLL WAY		MAPLE GROVE	55369
SCHOOL,ST JOHNS LUTH	9141 N HIGHWAY 101		MAPLE GROVE	55311
CENTER,MAPLE GROVE TRAININ	11370 89TH AVE N		MAPLE GROVE	55369
JUNIOR HIGH,MAPLE GR	7000 HEMLOCK LN N		MAPLE GROVE	55369
ELEMENTARY,OAKVIEW	6710 E FISH LAKE RD		MAPLE GROVE	55369
FIRE DEPT 4,MAPLE GROVE	8925 N LAWDALE LN		MAPLE GROVE	55369
ELEMENTARY,FERNBROO	9661 FERNBROOK LN N		MAPLE GROVE	55369
ELEMENTARY,WEAVER	15900 WEAVER LAKE RD		MAPLE GROVE	55311
ELEMENTARY,BASSWOOD	15425 BASS LAKE RD		MAPLE GROVE	55311
HUB,TRANSIT	12350 MAIN ST N		MAPLE GROVE	55369
***MAPLE GROVE PUPS	11350 89TH AVE N		MAPLE GROVE	55369
AVA MARIA ACADEMY	6950 W FISH LAKE RD		MAPLE GROVE	55311
PARKWAY TRANSIT STATION	9870 MAPLE GROVE PKWY N		MAPLE GROVE	55369
Maple Grove Public Library	8001 Main Street N.		MAPLE GROVE	55369
FIRE RESCUE,WEST MET	4251 XYLON AVE N		NEW HOPE	55428
ELEMENTARY,MEADOW L	8525 62ND AVE N		NEW HOPE	55428
REC CENTER,DIST 281	4148 WINNETKA AVE N		NEW HOPE	55427
GARAGE ROBB,SCH DIST	4124 WINNETKA AVE N		NEW HOPE	55427
PUBLIC WORKS,NEW HOPE	5500 INTERNATIONAL PKWY		NEW HOPE	55428
CHURCH,HOLY TRINITY LUTHER	4240 GETTYSBURG AVE N		NEW HOPE	55428
AMBULANCE,N MEMORIAL	4251 XYLON AVE N		NEW HOPE	55428
Osseo Public Services	800 Broadway Street East		OSSEO	55369

Osseo Education Center	324 6 th Avenue N.E.		OSSEO	55369
WAYZATA EAST MIDDLE SCHOOL	12000 RIDGEMOUNT AVE W		PLYMOUTH	55441
SCHOOL, GREENWD	18005 MEDINA ROAD		PLYMOUTH	55446
ELEM SCHOOL, SUNSET HILL	13005 SUNSET TRL		PLYMOUTH	55441
FIRE DEPT, PLYMOUTH	13205 COUNTY RD 6		PLYMOUTH	55441
CITY HALL, PLYMOUTH	3400 PLYMOUTH BLVD		PLYMOUTH	55447
PLYMOUTH CREEK ELEMENTARY	16005 41ST AVE N		PLYMOUTH	55446
FIRE DEPT, PLYMOUTH	3300 DUNKIRK LN N		PLYMOUTH	55447
ELEMENTARY, KIMBERLY	17405 OLD ROCKFORD RD		PLYMOUTH	55446
HIGH, LUTHERN WEST	3350 HARBOR LN N		PLYMOUTH	55447
Elementary, Meadow Ridge	17905 County RD 47		PLYMOUTH	55447
LIBRARY, PLYMOUTH	15700 36TH AVE N		PLYMOUTH	55446
SCHOOL, ADMIN BUILDING	210 COUNTY RD 101 N		PLYMOUTH	55391
NPUBLIC SAFETY ,PLYMOUTH	3400 PLYMOUTH BLVD		PLYMOUTH	55447
CREEK CENTER, PLYMOUTH	14800 34TH AVE N		PLYMOUTH	55447
ELEMENTARY, LAKEVIEW	4110 LAKE DRIVE AVE N		ROBBINSDALE	55422
FIRE POLICE DEP, ROBBINSDALE	4101 HUBBARD AVE N		ROBBINSDALE	55422
ROBBINSDALE MIDDLE SCHOOL	3730 TOLEDO AVE N		ROBBINSDALE	55422
SPECIAL NEEDS, ROBBINSDALE	4172 ADAIR AVE N APT 2		ROBBINSDALE	55422

Exhibit C - Franchise Fee Payment Worksheet

TRADE SECRET – CONFIDENTIAL

	Month/Year	Month/Year	Month/Year	Total
A la Carte Video Services				
Audio Services				
Basic Cable Service				
Installation Charge				
Bulk Revenue				
Expanded Basic Cable Service				
Pay Service				
Pay-per-view				
Guide Revenue				
Franchise Fee Revenue				
Advertising Revenue				
Home Shopping Revenue				
Digital Services				
Inside Wiring				
Other Revenue				
Equipment Rental				
Processing Fees				
PEG Fee				
FCC Fees				
Bad Debt				
Late Fees				
REVENUE				
Fee Calculated				

Fee Factor: 5%

This Franchise Fee worksheet dated _____ is authorized by a representative of CenturyLink.

By _____
Its _____

Exhibit D - Customer Service Standards

CODE OF FEDERAL REGULATIONS TITLE 47 -- TELECOMMUNICATION CHAPTER I -- FEDERAL COMMUNICATIONS COMMISSION SUBCHAPTER C -- BROADCAST RADIO SERVICES PART 76--CABLE TELEVISION SERVICE

§76.309 Customer Service Obligations

(a) A cable franchise authority may enforce the customer service standards set forth in section (c) of this rule against cable operators. The franchise authority must provide affected cable operators ninety (90) days written notice of its intent to enforce the standards.

(b) Nothing in this rule should be construed to prevent or prohibit:

(1) A franchising authority and a cable operator from agreeing to customer service requirements that exceed the standards set forth in section (c) of this rule;

(2) A franchising authority from enforcing, through the end of the franchise term, preexisting customer service requirements that exceed the standards set forth in section (c) of this rule and are contained in current franchise agreements;

(3) Any State or any franchising authority from enacting or enforcing any consumer protection law, to the extent not specifically preempted herein; or

(4) The establishment or enforcement of any State or municipal law or regulation concerning customer service that imposes customer service requirements that exceed, or address matters not addressed by, the standards set forth in section (c) of this rule.

(c) Effective July 1, 1993, a cable operator shall be subject to the following customer service standards:

(1) Cable system office hours and telephone availability.

(i) The cable operator 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.

(A) Trained company representatives will be available to respond to customer telephone inquiries during normal business hours.

(B) 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 company 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) The operator 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 and will be conveniently located.

(2) 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 the operator, the cable operator will begin working on "service interruptions" promptly and in no event later than twenty-four (24) hours after the interruption becomes known. The cable operator 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. (The operator may schedule service calls and other installation activities outside of normal business hours for the express convenience of the customer.)

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

(v) If a cable operator 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.

- (3) Communications between cable operators and cable subscribers.
- (i) Refunds. Refund checks will be issued promptly, but no later than either-
 - (A) The customer's next billing cycle following resolution of the request or thirty (30) days, whichever is earlier, or
 - (B) The return of the equipment supplied by the cable operator if service is terminated.
 - (ii) Credits. Credits for service will be issued no later than the customer's next billing cycle following the determination that a credit is warranted.
- (4) Definitions.
- (i) Normal Business Hours. The term "normal business hours" means those hours during which most similar businesses in the community are open to serve customers. In all cases, "normal business hours" must include some evening hours at least one night per week and/or some weekend hours.
 - (ii) Normal Operating Conditions. The term "normal operating conditions" means those service conditions which are within the control of the cable operator. Those conditions which are not within the control of the cable operator 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 the cable operator 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 Cable System.
 - (iii) Service Interruption. The term "service interruption" means the loss of picture or sound on one or more cable channels.

Exhibit E - Active PEG Origination Sites

1. Brooklyn Park City Hall, 5200 85th Ave N, Brooklyn Park
 2. Northwest Community Television, 6900 Winnetka, Brooklyn Park
 3. Hennepin Technical College, 9000 77th Ave., Brooklyn Park
 4. New Hope City Hall, 4401 Xylon Avenue N, New Hope
 5. Educational Service Center for ISD 281, 4148 Winnetka Ave. N., New Hope
 6. Maple Grove City Hall, 12800 Arbor Lanes Parkway, Maple Grove
 7. Osseo City Hall, 415 Central Ave., Osseo
 8. Educational Service Center for ISD 279, 11200 93rd Ave N, Osseo
 9. Plymouth City Hall, 3400 Plymouth Boulevard, Plymouth
 10. Robbinsdale City Hall, 4221 Lake Road, Robbinsdale
 11. Brooklyn Center City Hall, 6301 Shingle Creek Parkway, Brooklyn Center
 12. Crystal City Hall, 4141 Douglas Drive, Crystal
 13. Golden Valley City Hall, 7800 Golden Valley Road, Golden Valley
 14. Technology Service Center for ISD 284, 305 Vicksburg Ln North, Plymouth
-

Exhibit F - INDEMNITY AGREEMENT

INDEMNITY AGREEMENT made this ____ day of _____, 2016, by and between Qwest Broadband Services, Inc., a Delaware Corporation, party of the first part, hereinafter called "CenturyLink," and the Northwest Suburbs Cable Communications Commission, a Minnesota Municipal Joint Powers Commission, party of the second part, hereinafter called "Commission."

WITNESSETH:

WHEREAS, the Commission has awarded to Qwest Broadband Services, Inc. a franchise for the operation of a cable communications system in the Commission's Member Cities; and

WHEREAS, the Commission has required, as a condition of its award of a cable communications franchise, that it and its Member Cities be indemnified with respect to all claims and actions arising from the award of said franchise.

NOW THEREFORE, in consideration of the foregoing promises and the mutual promises contained in this agreement and in consideration of entering into a cable television franchise agreement and other good and valuable consideration, receipt of which is hereby acknowledged, CenturyLink hereby agrees, at its sole cost and expense, to fully indemnify, defend and hold harmless the Commission and its Member Cities, its officers, boards, commissions, employees and agents against any and all claims, suits, actions, liabilities and judgments for damages, cost or expense (including, but not limited to, court and appeal costs and reasonable attorneys' fees and disbursements assumed or incurred by the Commission and its Member Cities in connection therewith) arising out of the actions of the Commission and its Member Cities in granting a franchise to CenturyLink. This includes any claims by another franchised cable operator against the City that the terms and conditions of the CenturyLink franchise are less burdensome than another franchise granted by the Commission or that the CenturyLink Franchise does not satisfy the requirements of applicable federal, state, or local law(s). The indemnification provided for herein shall not extend or apply to any acts of the Commission constituting a violation or breach by the Commission of the contractual provisions of the franchise ordinance, unless such acts are the result of a change in Applicable Law, the order of a court or administrative agency, or are caused by the acts of CenturyLink.

The Commission shall give CenturyLink reasonable notice of the making of any claim or the commencement of any action, suit or other proceeding covered by this agreement. The Commission shall cooperate with CenturyLink in the defense of any such action, suit or other proceeding at the request of CenturyLink. The Commission and its Member Cities may participate in the defense of a claim, but if CenturyLink provides a defense at CenturyLink's expense then CenturyLink shall not be liable for any attorneys' fees, expenses or other costs that the Commission and its Member Cities may incur if it chooses to participate in the defense of a claim, unless and until separate representation is required. If separate representation to fully protect the interests of both parties is or becomes necessary, such as a conflict of interest, in accordance with the Minnesota Rules of Professional Conduct, between the Commission and the

counsel selected by CenturyLink to represent the Commission and/or the Member Cities, Century Link shall pay, from the date such separate representation is required forward, all reasonable expenses incurred by the Commission and its Member Cities in defending itself with regard to any action, suit or proceeding indemnified by CenturyLink. Provided, however, that in the event that such separate representation is or becomes necessary, and the Commission or its Member Cities desires to hire a counselor any other outside experts or consultants and desires CenturyLink to pay those expenses, then the Commission and/or Member Cities shall be required to obtain CenturyLink's consent to the engagement of such counsel, experts or consultants, such consent not to be unreasonably withheld. Notwithstanding the foregoing, the parties agree that the Commission and/or Member Cities may utilize at any time, at its own cost and expense, its own attorney or outside counsel with respect to any claim brought by another franchised cable operator as described in this agreement.

The provisions of this agreement shall not be construed to constitute an amendment of the cable communications franchise ordinance or any portion thereof but shall be in addition to and independent of any other similar provisions contained in the cable communications franchise ordinance or any other agreement of the parties hereto. The provisions of this agreement shall not be dependent or conditioned upon the validity of the cable communications franchise ordinance or the validity of any of the procedures or agreements involved in the award or acceptance of the franchise, but shall be and remain a binding obligation of the parties hereto even if the cable communications franchise ordinance or the grant of the franchise is declared null and void in a legal or administrative proceeding.

It is the purpose of this agreement to provide maximum indemnification to the Commission and its Member Cities under the terms set out herein and, in the event of a dispute as to the meaning of this Indemnity Agreement, it shall be construed, to the greatest extent permitted by law, to provide for the indemnification of the Commission and its Member Cities by CenturyLink. This agreement shall be a binding obligation of and shall inure to the benefit of, the parties hereto and their successor's and assigns, if any.

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Qwest Broadband Services, Inc. d/b/a CenturyLink

Dated: _____, 2016

By: _____

Its: _____

STATE OF NEVADA

COUNTY OF CLARK

The foregoing instrument was acknowledged before me this _____ day of 2016, by _____, the _____ of Qwest Broadband Services, Inc. d/b/a CenturyLink, a Delaware Corporation, on behalf of the corporation.

NOTARY PUBLIC

Print Name: _____

Bar Roll #/Notary ID #: _____

My Commission Expires: _____

**Northwest Suburbs Cable Communications
Commission**

By: _____

Its: _____

EXHIBIT G - Energy Efficiency Letter

[CenturyLink Letterhead]

[Date]

Northwest Suburbs Cable Communications Commission
6900 Winnetka Avenue North
Brooklyn Park, MN 55428

Dear Northwest Suburbs Cable Communications Commission:

CenturyLink is a signatory to a “Voluntary Agreement for Ongoing Improvement to the Energy Efficiency of Set-Top Boxes” (the “Voluntary Agreement”), effective November 2012. The Voluntary Agreement contains energy efficiency standards for pay-tv set-top boxes that are expected to result in significant energy savings for more than 90 million U.S. homes. These new standards, developed through a non-regulatory voluntary arrangement between the pay-tv industry, the consumer electronics industry and energy efficiency advocates, are expected to improve set-top box efficiency by 10 to 45% (depending on box type) by 2017, and may result in savings of more than \$1 billion on consumer energy bills annually.

You can find more information about the Voluntary Agreement and the efforts of the industry as a whole on the NCTA web page (www.ncta.com).

If you have questions or concerns, please do not hesitate to contact our office.

[Signature]