

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding is entered into this 3rd day of November, 1994, by and between the North Suburban Cable Communications Commission (hereinafter "Commission"), a joint powers commission consisting of the cities of Arden Hills, Falcon Heights, Lauderdale, Little Canada, Mounds View, New Brighton, North Oaks, Roseville, St. Anthony and Shoreview (hereinafter "Member Cities"), and Meredith/New Heritage Strategic Partners, L.P.; North Central Cable Communications Corporation; and Group W of the North Suburbs, Inc., d/b/a Meredith Cable (hereinafter "Meredith").

Meredith is the operator of cable communications systems operating pursuant to franchises granted by the Member Cities ("Cable System"). The franchises granted by those cities to Meredith shall be hereinafter collectively referred to as the "Franchise". The Franchise is administered and enforced pursuant to a Joint and Cooperative Agreement (hereinafter "Agreement") creating Commission.

The purpose of this Memorandum of Understanding (hereinafter "Memorandum") is to set forth certain understandings, stipulations and agreements between Commission and Meredith with regard to Meredith's basic service rates and related equipment charges, certain refunds by Meredith of basic service rate overcharges, provision by Meredith of "Universal PEG Service", certain Grants to be paid by Meredith to Commission, and treatment of "Profits" upon any sale or transfer of ownership of any part of Meredith's cable system sufficient to require Member Cities' approval pursuant to the Franchise.

On behalf of the Member Cities, Commission is authorized under the Agreement, the Franchise and applicable state and federal laws and regulations, to regulate rates and order refunds, and is further authorized to negotiate and make such contracts or agreements and take such other action as it deems necessary and appropriate to accomplish its purposes in administering and enforcing the Franchise. The Commission has entered this Memorandum based on the Commission's reasonable interpretation of the applicable Federal law and regulations, and based upon factors on the record of the current rate proceeding.

The understandings, stipulations and agreements between Commission and Meredith herein are in addition to and external to the Franchise and are as follows:

1. RECITALS AND STIPULATION OF FACTS.

Meredith filed FCC Form 393 with the Commission on or about November 15, 1993. During the proceedings which followed, legal counsel for both Meredith and the Commission filed legal memoranda and responsive memoranda concerning their clients' respective positions. The Commission, through Resolution No. 3.3.94.1, denied Meredith's rate request based on Commission's disapproval of Meredith's external treatment of certain Public, Educational, and Governmental ("PEG") fees and disapproval of certain equipment/disconnect and inflation-related adjustments. Meredith appealed this decision to the Federal Communications Commission ("FCC"). The Appeal was dismissed by the FCC Cable Services Bureau. Meredith has filed an Application for Review regarding said dismissal.

To avoid further litigation and consistent with the record of the proceedings before the Commission, Meredith and the Commission agree to certain stipulations as set forth in this Agreement.

2. SETTLEMENT.

Meredith and the Commission agree that Meredith shall dismiss with prejudice and without costs to either party its appeal to the FCC of the Commission's Resolution Regarding Regulation of Rates (hereinafter "Rate Order"), adopted March 3, 1994, as well as all related motions, requests for review, or other proceedings (hereinafter collectively referred to as the "Appeal"). Meredith agrees to seek dismissal of the Appeal within three (3) working days of the effective date of this Memorandum by Meredith mailing, via certified mail, a formal request for dismissal to the Federal Communications Commission (hereinafter "FCC") with a copy to the Commission. Meredith further agrees to take any and all additional steps necessary, as directed by the FCC or otherwise, to secure a dismissal of the Appeal. The parties agree that this Memorandum resolves all outstanding issues between the parties related to Commission's Rate Order of March 3, 1994.

If the FCC issues an Order or other ruling regarding the Appeal before dismissal, or if Meredith is otherwise unsuccessful in procuring a dismissal of the Appeal, Meredith and Commission expressly agree to be bound by this Memorandum notwithstanding any FCC resolution of the Appeal.

3. REFUNDS.

Meredith shall refund \$764,443.25 (plus interest which shall accrue from the drafting hereof to its execution by all parties) as set forth in Exhibit "A" and confirmed by the Commission's accountant, for the period from September 1, 1993, to July 14, 1994, including franchise fees, state sales taxes, and interest, in accordance with the accounting/billing method set forth in Exhibit "B" attached and incorporated herein by reference, less:

- a. Funds to build studios at Mounds View High School and/or Roseville High School and/or to remodel the studio at Irondale High School. Such funds shall be placed in escrow under the exclusive control of the Commission in the amount of \$110,000.
- b. The franchise fees and sales taxes associated with "a." above.

Said refund to be commenced within fifteen (15) days after the effective date of this Memorandum.

4. FRANCHISE FEE RECOUPMENT.

Meredith agrees that it will not seek direct repayment from the Commission or its Member Cities nor credit against future franchise fees due the Commission or its Member Cities, for any franchise fee overpayments made in 1993 and 1994 due to subscriber refunds pursuant to this Memorandum. The Commission acknowledges that the credits on subscriber bills provided in Paragraph No. 3 will reduce gross revenues and the corresponding franchise fee payments to the Commission for the period in which the credits are given.

5. UNIVERSAL PEG SERVICE.

Meredith agrees to make available on or before January 1, 1996 to all subscribers and nonsubscribers whose dwelling unit is passed by cable plant, Universal PEG Service, with free installation of one

Standard Drop and one outlet and free monthly service to all non-subscribers and with free monthly service and the assessment of a downgrade fee (charged in compliance with Federal rate regulatory laws and rules) to all existing subscribers. Universal PEG Service shall be offered for the duration of the Franchise and all renewals thereof (the sum total of which not to exceed fifteen (15) years), unless modified by mutual agreement to the parties hereto, or their successors. Meredith agrees to provide at no cost to subscribers an A/B switch and necessary associated cable-related equipment (meant to exclude antennas, antennae wires, etc.) to allow reception of broadcast stations on the subscriber's television, provided said television is capable of receiving broadcast signals.

The parties agree that the rates charged to subscribers will not increase as a result of implementation of Universal PEG Service, except that Meredith may recoup the expense of such service as provided below as an inclusion in the PEG fee.

The parties agree that realignment will be accomplished as set forth in Exhibit C.

For purposes of this Memorandum , the following definitions apply:

"Universal PEG Service" shall be defined as the provision to a recipient, free of any charges, monthly or otherwise, of all of the public, educational, and governmental access channels (hereinafter "PEG access channels") designated in Exhibit C, attached hereto and made a part hereof.

"Outlet" shall be defined as the cable and associated connectors which runs from the point of connection to the subscriber dwelling unit to the subscriber receiver.

"Standard Drop" shall be defined as the cable, not to exceed 250 feet, which shall run from the nearest connection point on the feeder cable of the Meredith system to the point of connection to the subscriber dwelling unit. Standard Drop includes both aerial and underground drops.

Should the subscriber require or request a converter, or other equipment not essential to the reception of Universal PEG Service, or should the subscriber require additional Outlets or Drops which are other than standard, the subscriber will be responsible for the regulated charges for such services or equipment. Additional charges for drops which are other than standard shall credit the expense of the first 250 feet of the drop.

Meredith shall pass through in the PEG Fee portion of subscribers' bills the costs of design and technical reconfiguration of the Universal PEG Service in the amount of six cents per month beginning April 1995. See Exhibit D. Upon Meredith's activation and provision of Universal Service and each year thereafter, Meredith shall provide the Commission with a reconciliation of amounts collected and expended related to this cost recovery and agree to an adjustment to the PEG Fee for any overpayment or underpayment.

Meredith shall provide an initial written notice to non-subscribers announcing the availability of the Universal PEG Service. Meredith shall also mention the availability of the Universal PEG Service periodically in other marketing, promotional, or information material to non-subscribers and shall mention the Universal PEG Service in these materials at least quarterly. Universal PEG Service will be included in any literature which lists all services generally available from Meredith. Existing subscribers shall receive notice of the availability of the Universal PEG Service as a part of Meredith's

notice concerning the channel line-up changes and thereafter, at least annually. The Commission may promote the availability of Universal PEG Service, and Meredith shall make available to the Commission during the first sixty (60) days of the availability of the Universal PEG Service at least four ad avails per week to be chosen at the sole discretion of Meredith.

The Commission acknowledges that it has received from its legal counsel an opinion that Universal PEG Service is permitted under applicable federal and state law, and that Meredith need not change other services or rates to bring them into compliance with federal or state law.

6. GRANTS.

Meredith agrees to continue paying to the Commission the full amount it collects for the Access Grant, the Scholarship Grant, and the Capital Grant ("Annual Grants") throughout the remainder of the current Franchise and for any subsequent renewed franchise period in which such collection in fact occurs (the sum total of which not to exceed fifteen (15) years). Said amount shall be not less than previously agreed upon amounts for such grants (as inflated) regardless of the number of subscribers or amounts actually collected by Meredith.

Commencing on June 1, 1995, and continuing every six (6) months thereafter, Meredith shall provide the Commission with a reconciliation of amounts collected from subscribers via the PEG Fees related to the Annual Grants and amounts paid to the Commission for the Annual Grants. Any amounts collected but not paid to the Commission as Annual Grants will be paid to the Commission within thirty (30) days of such reconciliation. Any amounts paid to Commission but not collected by Meredith (overpayments) shall result in Meredith and Commission agreeing upon an adjustment to the "PEG Fees" collected from subscribers to reconcile any such overpayment.

Commencing on January 1, 1995, and continuing each January 1 thereafter, Meredith shall pay an annual Equipment Grant in the amount of \$50,000 per year, as previously agreed, and the Commission consents to Meredith's passing through this expense as a component of the PEG Fee as per the amortization schedule attached as Exhibit E and made a part hereof.

Commencing on January 1, 1995, Meredith shall double payments of the Scholarship Grant which shall continue to increase pursuant to the previously agreed upon formula. The Commission consents to Meredith's passing through of this expense as a component of the PEG Fee.

7. PROFITS OF SALE.

Meredith agrees that, should it sell or transfer any interest in the Cable System (sufficient to require Member Cities' approval pursuant to the Franchise) for a Profit (as defined below) prior to expiration of the current Franchise on November 8, 1997, it shall pass the full amount of any said Profit on to subscribers, up to, and not exceeding the total dollar amount of Relief granted by this Memorandum (as defined below). For any sale or transfer of a partial interest in the Cable System, Profit shall be calculated on a pro rata basis as set forth below. Nothing in this section shall constitute an admission or precedent for future rate regulation or transfer or sales of the Cable System which may occur beyond the initial term of the Franchise.

"Profit" shall mean the total Sale Price (including the value of any and all non-monetary benefits or incentives) received for the Cable System by Meredith, less the Acquisition Cost, less an annual rate of return of 9% on the Acquisition Cost (subject to verification that 9% was the average of Meredith's actual cost of money since the September 1, 1992 acquisition date), as agreed upon by the parties, less the verifiable capital expenditures made since the acquisition date, less the reasonable costs of sale (attorney's fees, broker's fees, etc.). The parties expressly agree that no allowance or other reductions or considerations in Profit calculations shall be made for any past or current accumulated operating deficits.

"Relief" shall mean the total of that additional amount per month per subscriber, since July 14, 1994, which Meredith may collect and/or retain under this Memorandum, which was previously termed "PEG Costs" or "Other Franchise Fees" by Meredith, and for which the Commission has previously disputed pass-through or external treatment.

8. EQUIPMENT REPLACEMENT.

Meredith shall pay the Commission \$100,000 upon sale or transfer of any interest in the Cable System (sufficient to require Member Cities' approval pursuant to the Franchise) prior to expiration of the current Franchise, for replacement of two video production vans, or for any other equipment repair or replacement the Commission deems necessary in its sole discretion. If there is a Profit in the sale, consistent with the definitions above, the \$100,000 shall be taken out of the Profit before the remainder of the Profit is distributed to the subscribers as outlined above. Should there not be a Profit in such sale, the Commission consents to Meredith's passing through the expense in the PEG Fee on subscriber's bills pursuant to the agreed upon amortization schedule in Exhibit E. For any sale or transfer of a partial interest in the Cable System, the \$100,000 shall be calculated on a pro rata basis.

9. SERVICE RATES.

Meredith is allowed to charge a basic service rate of \$8.05, as is consistent with its current FCC Forms 1200 and 1205 filings, plus all amounts identified herein in Exhibit E as costs which are to be given external treatment, costs which may be passed through, or costs to be borne by the subscribers, all of which shall not exceed \$2.83 except as provided for below, and which shall be identified on the subscriber bill and itemized as a "PEG Fee". The components of the "PEG" Fee as of the date of this Memorandum are those amounts which are agreed to by the parties to this Memorandum and further delineated in Exhibit E.

Future external increases, inflation and any other rate increases allowed pursuant to federal law and regulation shall be based on the basic service rate of \$8.05. No increases are allowed until April of 1995.

While the total "PEG" costs passed through to subscribers are initially capped at \$2.83, grant amounts paid to the Commission will continue to incrementally increase as a result of previous agreements. At the time that the total amount paid to the Commission for the Annual Grant equals \$2.83 per month, per subscriber, the Commission will not dispute increases in the \$2.83 cap as a result of the pass-through treatment of these additional PEG Fees, subject to audit and verification of such costs, and further provided that any such increases which are not the subject of this Memorandum are consistent with then current and applicable state and federal law. Nothing in this Agreement shall limit other

external increases not addressed in the Memorandum and other rate adjustments consistent with federal law and regulations.

The parties agree that pass through of the amortization of the \$650,000 capital grant shall cease upon the expiration of the current term of the Franchise.

The parties agree that on or before January 1, 1995, Meredith will no longer include in the PEG fee calculation any expenses or costs associated with the provision of local origination programming. As of that date, Meredith will be relieved of its franchise obligation, if any, to provide local origination programming in the North Suburban franchise area.

10. SUCCESSORS BOUND.

Any parent, general partner, subsidiary, successor-in-interest, transferee, or assign shall be expressly bound by this Memorandum. Meredith agrees to disclose the terms of this Memorandum at the outset of negotiations with any potential purchasers of the Cable System or to any other individual involved in any other contemplated ownership transfer of the Cable System. Failure of any such potential successor in interest to Meredith to agree to all terms and conditions of this Memorandum shall be grounds for Meredith not to agree to the sale, and shall be reasonable and acceptable grounds for the Commission and its Member Cities not to approve any such transfer of ownership or other transfer of interest.

11. COMPETITION.

Should effective competition develop within the Commission's cable service territory in the provision of video or cable services, as agreed by both parties to this Memorandum at any time in the future, Meredith and the Commission agree to commence discussions regarding issues which give said competition an unfair advantage over Meredith. Should any other Multi-channel Video Programming Distributor ("MVPD") over which the Commission or the Member Cities have regulatory jurisdiction provide service in the current cable service area, the Commission and its Member Cities agree not to grant more favorable terms to such MVPD than are granted to Meredith.

12. SEVERABILITY.

Should any term of this Memorandum be determined to be unenforceable by the FCC or any court of competent jurisdiction, the remainder of the Memorandum shall be treated as severed and shall remain in full force and effect. In the event that any court, the FCC, or any other body with jurisdiction over either party revises or voids any part of this Memorandum, the parties mutually agree to make any amendments to this Memorandum or other applicable agreement or ordinances necessary to effectuate the intention of this Memorandum. In the event that such amendments or changes are barred by any legal requirements governing either party, the parties shall use their best efforts to avoid prejudice to the respective parties' interests, and to implement changes to effectuate the intent in entering into this Memorandum. If either party finds unacceptable the remainder of this Memorandum as severed by operation of this section, and either party cannot agree with proposals by the other to amend this Memorandum to further the original intent of said party in nonagreement, then the parties agree to submit the remaining issues to binding arbitration.

13. FRANCHISE COMPLIANCE.

At the time of execution of this Memorandum, the Commission acknowledges that Meredith has not been notified of any existing franchise violations, other than those contemplated to be dismissed by this Memorandum, and that no enforcement actions at law, other than those contemplated to be dismissed by this Memorandum, are currently underway.

14. WAIVER OF CLAIMS.

Neither Commission nor Meredith waive any rights to negotiate other items during the franchise renewal process. The Commission and Meredith each acknowledge and agree that this Memorandum was fully negotiated and entered into by them in good faith. Commission and Meredith agree not to assert, and specifically waive any and all right either may have to assert, that any provision, term or condition of this Memorandum is unenforceable under federal, state, or local law. Notwithstanding the foregoing, nothing herein shall require either the Commission or Company to act in contravention of an applicable judicial ruling or an applicable ruling of the Federal Communications Commission. Except as to those rights expressly waived in this subsection, Commission and Meredith expressly reserve all of their other rights under federal, state and local law.

15. EFFECTIVE DATE.

This Memorandum is effective thirty days (30) days after approval and execution by the parties. If an appeal or complaint is filed by a third party relating to any rate in or provision of this Memorandum within this thirty (30) days, the parties shall consider any appeal or complaint and, to the extent necessary, amend or interpret this Memorandum pursuant to the understandings in Section 13 above to ensure compliance with applicable federal or state law. This Memorandum shall constitute a Rate Order as of the date of Commission approval for the purpose of the approval of Meredith's Forms 1200 and 1205.

Executed this 3rd day of November, 1994.

NORTH SUBURBAN CABLE
COMMUNICATIONS COMMISSION

By: *Guadalupe*
Its Chair

By: *Donald W. Kelley*
Its Secretary

GROUP W CABLE OF THE NORTH
SUBURBS, INC.

By: *[Signature]*
Its: *General Mga*

NORTH CENTRAL CABLE
COMMUNICATIONS CORPORATION

By: *[Signature]*
Its *President*

MEREDITH/NEWHERITAGE STRATEGIC
PARTNERS, L.P.

By: *David J. Ludwig*
Its: *V. Adams*

NORTH SUBURBAN - EXHIBIT A
(Class C)

MONTH:	Bop		Eop		Avg Basic Subs	Basic Rate Variance	Basic Credit Pool	Peg Fee Rate Variance	Peg Fee Credit Pool	HSC Credit Pool	TOTAL CREDIT POOL	FRANCHISE FEE 5.00%	SALES TAX 6.50%	TOTAL OVERCHARGE CREDIT POOL 7.00% INTEREST	Class A Subs (REFUND)	Class B Subs (CREDIT)	Class D Subs (REFUND)	Class E Subs (REFUND)
	Basic Subs	Subs	Basic Subs	Subs														
September	22,318	22,308	22,312	22,308		\$0.08	\$1,338.72	\$2.71	\$80,485.52	\$218.24	\$81,804.24	\$3,080.21	\$4,218.14	\$89,112.58				
October	22,308	22,402	22,355	22,402		\$0.08	\$1,341.30	\$2.71	\$80,582.05	\$218.24	\$81,823.35	\$3,086.17	\$4,228.27	\$89,245.78				
November	22,402	22,458	22,431	22,458		\$0.08	\$1,345.83	\$2.71	\$80,788.88	\$218.24	\$82,132.48	\$3,106.82	\$4,240.54	\$88,478.95				
December	22,458	22,516	22,488	22,516		\$0.08	\$1,348.25	\$2.71	\$80,841.13	\$218.24	\$82,290.38	\$3,114.52	\$4,251.32	\$88,696.21				
January	22,516	22,488	22,508	22,488		\$0.08	\$1,350.36	\$2.71	\$80,891.26	\$218.24	\$82,341.82	\$3,117.08	\$4,254.82	\$88,713.52				
February	22,488	22,537	22,517	22,537		\$0.08	\$1,350.88	\$2.71	\$81,018.72	\$218.24	\$82,370.71	\$3,118.54	\$4,258.80	\$88,740.04				
March	22,537	22,519	22,528	22,519		\$0.08	\$1,351.68	\$2.71	\$81,050.88	\$218.24	\$82,402.58	\$3,120.13	\$4,258.87	\$88,781.68				
April	22,519	22,640	22,580	22,640		\$0.08	\$1,354.77	\$2.71	\$81,180.45	\$218.24	\$82,545.22	\$3,127.28	\$4,268.71	\$88,841.19				
May	22,640	22,815	22,828	22,815		\$0.08	\$1,357.65	\$2.71	\$81,320.53	\$218.24	\$82,678.18	\$3,133.91	\$4,277.78	\$89,099.87				
June	22,815	23,095	22,855	23,095		\$0.08	\$1,371.30	\$2.71	\$81,837.05	\$218.24	\$83,308.35	\$3,185.42	\$4,328.78	\$89,784.58				
July	23,095		11,548			\$0.08	\$882.85	\$2.71	\$31,283.73	\$218.24	\$32,204.82	\$1,810.24	\$2,197.88	\$38,013.03	\$48,148.30	\$8,580.75	\$237.71	\$8,887.45
Sub-Total							\$14,204.70	\$28.81	\$841,578.95	\$218.24	\$858,001.89	\$32,800.09	\$44,772.13	\$733,574.11	\$48,148.30	\$8,580.75	\$237.71	\$8,887.45
Interest Only																		
AMOUNT TO BE CREDITED (less Refunds, specific credits)																		
AMOUNT GOING TO COMMISSION																		
(less franchise fees/sales tax) 11.50%																		
TOTAL ONE-TIME CREDIT POOL																		

EXHIBIT A



Kevin C. Griffin
President & General Manager

934 Woodhill Drive
Roseville, MN 55113

(Fax) 612/483-9184
612/483-3233

April 20, 1994

Ms. Coralie Wilson
North Suburban Cable Commission
950 Woodhill Drive
Roseville, MN 55113

Re: Request for Stipulated Stay of Enforcement of
Rate Regulation Resolution

Dear Cor:

We have previously advised you of our desire to work expeditiously with your Commission to enter into a Stipulated Stay of Enforcement of your Rate Regulation Order. We have now filed our Petition for Review of Rate Order with the Federal Communications Commission ("FCC") and accompanying Emergency Petition for Stay which is required to be filed simultaneously with the Petition for Review. It remains our desire to work with the Commission and its Staff and Legal Counsel to effectuate a Stipulated Stay. This letter outlines our proposal in greater detail after discussions with the Commission's legal counsel.

I. Proposed Refund and Evidence of Financial Strength Protects All Parties.

As a condition of a stay, Meredith/New Heritage ("Meredith") would agree to make any refunds that would ultimately become due to its subscribers to the classes of subscribers set forth below. In general, subscribers will receive a one-time credit reflecting the cumulative overcharge (less any offset for recoverable undercharges, if any) for the period beginning September 1, 1993 pursuant to Section 76.942(a) of the FCC's Rules. Meredith is willing, as a condition of the Stay, to define classes of subscribers as follows:

Subscriber A: All customers who were Basic Service subscribers on April 20, 1994, and who discontinued service prior to effective date of any refund required following final action by the FCC.

Subscriber B: All customers who became Basic Service subscribers after April 20, 1994, and who are still subscribers on the effective date of any refund required following final action by the FCC.

Subscriber C: All customers who were Basic Service subscribers on April 20, 1994, and who are still subscribers on the effective date of any refund required following final action by the FCC.

Ltr./Wilson
April 20, 1994
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Subscriber D: All customers who become Basic Service subscribers after April 20, 1994, and who discontinued service prior to any refund required following final action by the FCC.

Subscriber E: All customers who were subscribers in one Meredith system prior to April 20, 1994, who have moved or will move, to become a subscriber in another area served by Meredith.

The Subscriber A Class would receive a refund check for any amounts to be refunded prorated from September 1, 1993 to their discontinuation of service. The Subscriber B Class would receive a one-time credit on their cable bills prorated from the date of commencement of their service to the date of any required refund. The Subscriber C Class would receive a one-time credit as well. The Subscriber D Class would receive a prorated refund check upon request for the months in which they had service after September 1, 1993. The Subscriber E Class will receive a credit upon request, based on their pro rata time as a customer in each of the respective Meredith systems. The refund credit pool will be calculated such that all amounts required to be refunded shall be distributed to one of these Classes of subscribers.

Further, Meredith will, at its expense, publicize the fact that it is accruing this refund liability and advise all current subscribers that they are included in the class, that should they move before the appeal is resolved, they should leave Meredith a forwarding address so they can receive any refund if the appeal is unsuccessful. Publication shall include notices in a bill stuffer or cable subscriber newsletter; a notice in a publication of general circulation within the communities; and possibly City newsletters and/or Government Access. Thus, Meredith's cable customers will obtain the entire benefit of the rate reduction ordered in the event it is affirmed on appeal.

Meredith has also provided the Commission Staff and its Legal Counsel with evidence of financial ability to maintain operations in the event a refund is ordered. Enclosed is a copy of a letter from Meredith's Bank Facility outlining its acknowledgement of the ongoing rate regulation proceedings and the available line of credit in the event a refund is ordered and credited to subscribers with an attendant cashflow impact on operations.

II. Merits of the Appeal and Irreparable Harm.

As more fully set forth in its Emergency Petition for a Stay filed with the FCC, Meredith respectfully believes that it has a likelihood of prevailing on the merits. Even the Commission's Legal Counsel has acknowledged that reasonable people can differ over the application of the FCC Rules.

In requesting this Stipulated Stay, Meredith believes it would suffer irreparable injury if compelled to reduce its rates to refund claimed overcharges while its appeal is pending. In the event Meredith prevails, there would be no mechanism for Meredith to recoup the money it would have lost if compelled to roll-back rates and make refunds which are ultimately struck down.

As previously noted, there is no risk to the Commission and to cable subscribers if Meredith's appeal falls. Refunds will be made retroactively in a manner which benefits all current and future subscribers.

Ltr./Wilson
April 20, 1994
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III. **Computation of Refund.**

Commission Staff and Legal Counsel have raised certain questions regarding computation of the refund. First, this is to advise you that the portion of sales tax which was paid on refunded amounts would also be refunded with a sales tax credit sought from the State of Minnesota. Second, Meredith would be willing to work with the Commission concerning the franchise fees paid to the commissions from September to December of 1993, which must be included in any cash refund. We would be willing to deduct from future franchise fee payments. Third, consistent with FCC rules, Meredith will apply an interest rate of 7% for overcharges and 6% for undercharges (if any), to minimize any impact on commission cashflow and to minimize administrative burdens on the Commission.

IV. **Expedited consideration of Stipulated Request for a Stay.**

We would ask the Commission to expedite its action on this request for a Stipulated Stay. Expedited action will avoid the Commission incurring expenses in responding to the FCC Emergency Petition for a Stay. As a part of a Stipulated Stay, Meredith would, of course, withdraw its Emergency Petition to the FCC. We recognize that the next Commission meeting is scheduled for May 5, 1994. We are prepared to work with Commission Legal Counsel and Staff to prepare a draft Resolution for consideration by the Commission. We would be happy to answer any questions before or at the Commission meeting.

If you have any questions, please do not hesitate to contact me at 483-3233.

Respectfully submitted,


Kevin C. Griffin

KCG/grs
Enclosure
cc: Tom Creighton



THE TORONTO-DOMINION BANK

U.S.A. Division
31 West 52nd Street
New York, N.Y. 10019-6101

Telephone No. (212) 468-0717

April 19, 1994

BANK LETTER

To whom it may concern:

The Toronto-Dominion Bank USA is a division of The Toronto-Dominion Bank, one of the largest banks in Canada with US\$64.4 billion in total assets. We are one of the premier lending institutions to the communications and media industry including significant commitments and loans outstanding to cable television. We have represented Meredith/New Heritage Associates Strategic Partners L.P. ("New Heritage" or the "Company") as their lead bank since 1991, and are currently Agent for their \$138,000,000 credit facility (the "Bank Facility"). As such, we have over time monitored and analyzed the financial and operating performance of the Company. While recent FCC rules regulating rates have adversely impacted cash flows of all cable companies, New Heritage has kept us fully apprised and recognized the need to respond to these changing conditions.

New Heritage has \$3,500,000 available on their current credit line upon which they could draw for operational purposes.





Please feel free to call me at (212) 468-0717 if you have any questions.

Sincerely,

Melissa S. Glass
Director
Communications Finance

cc: David Lundquist, Meredith/New Heritage
Loran Schiltz, Meredith/New Heritage

EXHIBIT C

- Universal trap 
- Bdcst Basic Jerrold trap 
- Bdcst Basic Zenith trap 
- Scrambled Pay Services 

NOTE: NO BROADCAST OR COMMERCIAL
SATELLITE SERVICES SHALL BE
PROVIDED IN THE UNIVERSAL PEG SERVICE

Cable Ready			Old Jerrold Converter		NORTH SUBURBAN
Channel	LTR	MHZ	Channel	Channel	
2		54	27	27	C-SPAN
3		60	3	46	VH-1
4		66	28	28	C-SPAN II
1	A-8	72	54	57	BET
5		78	36	58	Travel
6		84	6	6	Regional Access
95	A-5	90	57	64	Ed. Access 623
96	A-4	96	58	67	Ed. Access 621
FM	FM	102.1	FM		Roseville Studio
FM	FM	102.5	FM		WWV
FM	FM	102.9	FM		C-SPAN 1
FM	FM	103.3	FM		WFMT
FM	FM	103.7	FM		C-SPAN 2
FM	FM	104.1	FM		BRN
FM	FM	104.5	FM		MTV
FM	FM	104.9	FM		VH-1
FM	FM	105.3	FM		NOOA
FM	FM	105.7	FM		CMTV
FM	FM	106.1	FM		Columbia Hts. Stud
97	A-3	106.6			DATA/JERR. CONV.
98	A-2	108	60	51	Ed. Access
99	A-1	114	61	62	Community Bulletin
14	A	120	14	52	KABL/Deut/Val Vis
15	B	126	15	33	Public Access
16	C	132	16	16	Govt. Access
17	D	138	17	17	KTCI - PBS
18	E	144	18	69	QVC
19	F	150	19	60	KVBM (45) (HSN)
20	G	156	20	40	Showtime
21	H	162	21	41	Showtime 2
22	I	168	22	43	Cinemax
7		174	7	50	TMC
8		180	8	64	Univision
9		186	38	61	EWTN/INSP.
10		192	10	68	Nostalgia
11		198	39	38	WCCO Wea/Prevue
12		204	12	12	WTBS
13		210	13	13	WGN
23	J	216	23	23	KLGT - Ind.
24	K	222	24	44	HBO
25	L	228	25	45	HBO 2
26	M	234	26	42	Disney
27	N	240	2	2	KTCA - PBS
28	O	246	4	4	WCCO - CBS
29	P	252	29	29	KITN - Ind.
30	Q	258	30	47	Viewer's Choice
31	R	264	31	37	Adam/Eve/Break
32	S	270	32	49	Spice/Cont. Hts
33	T	276	33	48	Request
34	U	282	34	63	Religious Access
35	V	288	35	66	Ed. Access
36	W	294	5	5	KSTP - ABC
37	AA	300	37	53	Lib. Acc./Bravo/AD
38	BB	306	9	9	KMSP - Ind.
39	CC	312	11	11	KARE - NBC
40	DD	318	40	14	Family Channel
41	EE	324	41	24	Lifetime
42	FF	330	42	32	Nickelodeon
43	GG	336	43	8	TNT
44	HH	342	44	33	USA
45	II	348	45	15	A & E
46	JJ	354	46	25	Discovery
47	KK	360	47	18	Midwest Sports
48	LL	366	48	7	ESPN
49	MM	372	49	26	CNBC
50	NN	378	50	30	CNN Headline
51	OO	384	51	3	CNN
52	PP	390	52	36	TNN
53	QQ	396	53	34	MTV
54	RR	402	54	65	Sci-Fi
55	SS	408	55	35	CMTV
56	TT	414	56	21	Court TV
57	UU	420	57	39	Weather
58	VV	426	58	31	TLC
59	WW	432	59	20	AMC
60	XX	438	60	19	Prime Sports
61	YY	444	61	22	Comedy Central

EXHIBIT C

NORTH SUBURBAN UNIVERSAL PEG SERVICE

Cable Ready Channel	MHz	Converter Channel	Service
6	84	6	Regional Channel
95	90	57	Educational Access District 623
96	96	58	Educational Access District 621
98	108	60	Educational Access
99	114	61	Community Bulletin Board
14	120	14	KABL
15	126	15	Public Access
16	132	16	Government Access

**NOTE: NO BROADCAST OR COMMERCIAL SATELLITE
SERVICES SHALL BE PROVIDED IN THE
UNIVERSAL PEG SERVICE**

UNIVERSAL INSTALLATION COSTS

Material Costs:	Unwired Qty	Prewired Qty	U.G. Qty	Price	Total Item Cost	Unwired Home Cost	Prewired Home Cost	Unwired Home-UG Cost
Cable footage per outlet	200	20	200	\$0.078	\$15.58	\$15.58	\$1.56	\$15.58
Fittings - Primary	13	4	13	\$0.149	\$1.93	\$1.93	\$0.59	\$1.93
Wall Plate	1	0	1	\$0.10	\$0.10	\$0.10	\$0.00	\$0.10
Transformer per outlet	1	1	1	\$0.319	\$0.16	\$0.16	\$0.32	\$0.16
Cable Clips per outlet	25	5	25	\$0.018	\$0.44	\$0.44	\$0.09	\$0.44
Entry Sleeve	1	0	1	\$0.03	\$0.03	\$0.03	\$0.00	\$0.03
Sealant	0.05	0	0.05	\$1.83	\$0.09	\$0.09	\$0.00	\$0.09
Barrell per outlet	1	0	1	\$0.198	\$0.20	\$0.20	\$0.00	\$0.20
Splitters - A/O	0	0	0	\$0.732	\$0.00	\$0.00	\$0.00	\$0.00
A/B Switch/fittings	1	1	1	\$2.750	\$2.75	\$2.75	\$2.75	\$2.75
Ground Blocks	1	0.5	1	\$0.165	\$0.17	\$0.17	\$0.08	\$0.17
Ground Strap/Split Bolt	1	0.5	1	\$0.572	\$0.57	\$0.57	\$0.29	\$0.57
Ground Wire	3	1	3	\$0.051	\$0.15	\$0.15	\$0.05	\$0.15
Span Clamp	1	0	0	\$0.363	\$0.36	\$0.36	\$0.00	\$0.00
P-Hook	1	0	0	\$0.077	\$0.08	\$0.08	\$0.00	\$0.00
Tie Wrap	6	3	0	\$0.022	\$0.13	\$0.13	\$0.07	\$0.00
Tags	1	1	1	\$0.110	\$0.11	\$0.11	\$0.11	\$0.11
Band Pass Filter	2	2	2	\$6.88	\$13.75	\$13.75	\$13.75	\$13.75
TOTAL						\$36.59	\$19.65	\$36.02
TOTAL W/RETURN	111.25%					\$40.71	\$21.86	\$40.07
LABOR COSTS						\$25.00	\$20.25	\$62.75
TOTAL INSTALL COST						\$65.71	\$42.11	\$102.82
% OF UNWIRED HOMES* WEIGHTED AVG.						25.00%	50.00%	25.00%
						\$16.43	\$21.06	\$25.71
TOTAL WEIGHTED AVG. PER UNIVERSAL INSTALL								\$63.19

* Assumption that 50% of total homes are non-subs, stats show that 50% are non-wired, assume 50% underground

Labor - 50% In-House, 50% Contract

	In-House 50.00%	Contract 50.00%	Weighted Avg.
Unwired	\$12.00	\$38.00	\$25.00
Pre-Wired	\$12.00	\$28.50	\$20.25
Underground	\$52.50	\$73.00	\$62.75

Channel	Equipment Description	Equipment Cost
Religious Access (57)	Phase Lock Local Oscillator	\$422
	Output Converter	\$389
Ed. Access (58)	Phase Lock Local Oscillator	\$422
	Output Converter	\$389
Ed. Access (60)	Phase Lock Local Oscillator	\$422
	Output Converter	\$389
Community Bulletin (61)	Phase Lock Local Oscillator	\$422
	Output Converter	\$389
Public Access (15)	Phase Lock Local Oscillator	\$563
	Output Converter	\$518
Showtime (20)	Phase Lock Local Oscillator	\$282
	Output Converter	\$258
Showtime 2 (21)	Phase Lock Local Oscillator	\$282
	Output Converter	\$258
Cinemax (22)	Phase Lock Local Oscillator	\$282
	Output Converter	\$258
The Movie Channel (7)	Phase Lock Local Oscillator	\$282
	Output Converter	\$258
WCCO Wea./Guide (39)	Phase Lock Local Oscillator	\$469
	Output Converter	\$432
HBO (24)	Phase Lock Local Oscillator	\$282
	Output Converter	\$258
HBO 2 (25)	Phase Lock Local Oscillator	\$282
	Output Converter	\$258
Disney (26)	Phase Lock Local Oscillator	\$282
	Output Converter	\$258
Viewer's Choice (30)	Phase Lock Local Oscillator	\$282
	Output Converter	\$258
Adam-Eve/Sneak (31)	Phase Lock Local Oscillator	\$282
	Output Converter	\$258
Spice/Cont. Hits (32)	Phase Lock Local Oscillator	\$282
	Output Converter	\$258
Request (33)	Phase Lock Local Oscillator	\$282
	Output Converter	\$258
Ed. Access (34)	Phase Lock Local Oscillator	\$422
	Output Converter	\$389
Ed. Access (35)	Phase Lock Local Oscillator	\$422
	Output Converter	\$389
Ed. Access (37)	Phase Lock Local Oscillator	\$422
	Output Converter	\$389
	Misc. cost (cable, fittings, Avv Dist. AMPS, ect.)	\$2,575

Total cost for North Suburbs realignment

\$16,176

EXHIBIT D

UNIVERSAL SERVICE COSTS

**NORTH
SUBURBS**

Homes Passed		54,303
Non-Subscribers		32,050
Current Total Subs		22,253
Current Basic Subs		607
Traps Required		2
Total Traps To Be Changed		1,214
Price Per Trap	\$6.88	\$13.75
Total Material Cost of Trap Change Out		\$16,693
Labor Cost of Trap Change Out		\$6,070
Channel Realignment Cost		\$16,176
Total Cost to Create Universal		\$38,939
Cost Per Sub/Month		\$0.15
Average Sub Life	3.42	\$0.04
Standard Install Cost		\$63.19
Estimated Universal Hookups - Year 1	1.00%	321
Universal Hookup Cost - Year 1		\$20,252
Cost/Sub/Month (Avg. Life in Years)	3.42	\$0.02
TOTAL COST/SUB/UNIVERSAL SERVICE		\$0.06

NORTH SUBURBAN

PEG FEE:

7/14/94

SCHOLARSHIP

\$14,160

SALE PAYMENT AMORTIZATION

\$125,808

EQUIPMENT GRANT

\$0

OPERATING GRANT

\$546,972

LO

\$78,372

TOTAL PEG RELATED

\$765,312

ESTIMATED SUBS

22,519

SCHOLARSHIP

\$0.05

SALE PAYMENT AMORTIZATION

\$0.47

EQUIPMENT GRANT

\$0.00

OPERATING GRANT

\$2.02

LO

\$0.29

PER SUB PER MONTH

\$2.83