

CITY OF _____

RESOLUTION NO. _____

A RESOLUTION TRANSFERRING COMMUNITY TELEVISION
PROGRAMMING RESPONSIBILITIES FROM
GROUP W CABLE OF THE NORTH SUBURBS, INC., d/b/a
CABLE TV NORTH CENTRAL

WHEREAS, the Cable Communications Franchise Ordinances between Group W. Cable of the North Suburbs, Inc., d/b/a Cable TV North Central (hereinafter "Company") and the ten (10) Member Cities of the North Suburban Cable Commission (hereinafter "Commission"): Arden Hills, Falcon Heights, Lauderdale, Little Canada, Mounds View, New Brighton, North Oaks, Roseville, St. Anthony and Shoreview (hereinafter "Member Cities"), require the Company to provide and maintain certain cable television program facilities and equipment, provide certain community access and local origination bandwidth, provide certain cable programming staff, provide certain cable programming, and provide certain funding, as delineated in the Application For Cable Television Franchise dated October 1, 1981, as amended, and as required in the Franchise Ordinances such delineation and requirements to be more fully specified in Amendment Agreement No. 2, (hereinafter "community cable television programming"); and

WHEREAS, the Company has proposed divesting itself of all responsibility for providing the above-mentioned support for the community cable television programming; and

WHEREAS, the Commission at the direction of the Member Cities has investigated the possibility and ramifications of assuming responsibility for community cable television program-

ming within the geographic area of the ten (10) Member Cities' area, see map attached as Exhibit A made a part hereof; and

WHEREAS, the Commission at the direction of the Member Cities and the Company have negotiated mutually acceptable terms to effect the transfer of all of the community cable television programming requirements from the Company to the Member Cities and then to the Commission pursuant to the Amended Joint and Cooperative Agreement and as delineated below.

NOW, THEREFORE, BE IT RESOLVED that the City of _____ and Company agree to the following terms and conditions:

1. The Commission will assume all responsibility for community cable television programming within or for the geographic area of the ten (10) Member Cities of the Commission, Exhibit A.
2. The Company is relieved of all responsibility as more fully specified in Amendment Agreement No. 2 for providing community cable television programming within or for the geographic area of the ten (10) Member Cities of the Commission, Exhibit A, except for the maintenance, repair and technical performance of the cable and related active and passive electronics which carry the channels delineated in paragraph 5, excluding all equipment owned and operated by the Commission or its designee.
3. The Company shall transfer to the Commission title to and ownership of all equipment listed in Exhibit B, attached

hereto and made a part hereof. All equipment shall be operable and free and clear of any and all encumbrances.

4. The Commission shall have forty-five days prior to the effective date of this resolution to verify the presence in inventory of all equipment listed on Exhibit B and to verify its operational status. If the Commission determines that any piece of equipment or part thereof is inoperable or missing from inventory, the Commission shall notify Company in writing. The Company and Commission must agree to a list of equipment or part thereof, if any, which is inoperable or missing and both parties must agree in writing to a reasonable timetable for necessary repair or replacement. In the event both parties cannot agree as required above, this agreement shall not become effective until such time or in the event that both parties can agree as required above.
5. The Company shall make available for the term of the Franchise and any renewals thereof for noncommercial, as defined below, use by the Commission and its Member Cities those channels currently on the North Suburban Cable System and currently known as the Public Access Channel (now carried on Channel 33), the Government Access Channel (now carried on Channel 16), the Educational Access Channel (now carried on Channel 51), the Local Origination Access Channel (now carried on Channel 52), the Community Access Channel (now carried on Channel 62), the Religious Access Channel (now carried on Channel 63), the Higher Education Access

Channel (now carried on Channel 66), the Special Needs Access Channel (now carried on Channel 68), the Independent School District #621 Channel (now carried on Channel 67), the Independent School District #623 Channel (now carried on Channel 64), the Library Channel (now carried on Channel 53) and the Public Access Channel - Narrow Cast (now carried on Channel 69). The Company is still bound by Article III, Section 5 of the Franchise which requires that whenever any of the access channels required by state law is in use during 80 percent of the weekdays, for 80 percent of the time during any consecutive three hour period for six weeks running, and there is demand for use of an additional channel for the same purpose, the Company shall provide a newly designated access channel for the same purpose at no additional cost to the subscribers. The Commission and its Member Cities shall have complete and unrestricted access to the above-mentioned channels, however, the Company shall have full responsibility for the maintenance, repair, and technical performance of the cable and related active and passive electronics which carry said channels (excluding all equipment owned and operated by the Commission or its designee) for the term of the Franchise and any renewals thereof. The Company shall provide to the Commission and the Member Cities ninety (90) days written notice of any proposed access channel realignment, and both parties hereby reserve all rights available to them regarding such proposed

realignment. For the purpose of this agreement, "noncommercial" shall mean that the Commission and the Member Cities may sell and/or produce advertising on the Local Origination Access channel, now carried on Channel 52, provided however that none of the access channels listed above may be leased in whole or in part or otherwise made available for commercial use by third parties.

6. As of the effective date of this resolution, the Commission and the Member Cities shall allow the Company the exclusive use of two access channels now carried on 68 and 69. At anytime after six months from the effective date of this resolution, with no requirement for justification, and in the sole discretion of the Commission, the Commission may demand the return of up to two (2) channels to the Commission and the Member Cities. The Company must return the use of one or both of the two (2) channels, whichever is requested by the Commission, to the Commission and the Member Cities no later than one (1) year after written notice by the Commission to the Company or at the expiration or termination of any contract with a program supplier whose program is being cablecast on the channel(s) at the time of receipt of notice, whichever is earlier.
7. The Company shall pay on the effective date hereof to the Commission or its designee \$178,000. Upon Franchise renewal, the Company shall pay to the Commission or its designee \$50,000.00 annually due and payable on the first

business day of each year. The Company will be responsible for the 1989 \$75,000.00 payment as required by the Franchise. No subsequent annual \$75,000.00 payments as required by the Franchise shall be required from the Company so long as this Agreement is in effect.

8. In 1990, the Company shall pay the Commission or its designee \$450,000 in equal quarterly installments commencing the first business day of 1990 pro rated from the effective date of this Resolution for the remainder of 1990. Commencing the first business day of 1991, and on the first business day of each year thereafter, continuing to the end of the franchise term and any renewals thereof, the annual contribution paid quarterly shall be the previous year's total contribution, increased by the Consumer Price Index for Minneapolis-St. Paul for the year ending December 31 prior to the payment of the first business day of the year, as published by the U. S. Bureau of Labor Statistics or an escalator as described below, whichever is greater. Even though a pro rata payment is to be made in 1990, the "previous year's total contribution" for the purpose of escalation in 1991 shall be \$450,000, as if the entire amount had been paid in 1990. The escalator shall be five percent (5%) of the previous annual payment so long as the Company's gross revenue increase for the year ending December 31 before the payment of the first business day of the year was thirteen percent (13%) or less. If the

Company's gross revenue increase for the year ending December 31 before the payment of the first business day of the year was above thirteen percent (13%), the escalator will be five percent (5%) plus 1/10 of a percent for each one percent (1%) or part thereof increase of the gross revenue (e.g. 13.0001% increase would equate to a 5.1% escalator, 14.0001% increase would equate to a 5.2% escalator, etc.). At no time will the escalator under this formula exceed eight percent (8%). If the Consumer Price Index is being used because it is greater than the escalator, the annual payment will be increased by whatever the Consumer Price Index was. The five percent (5%) minimum annual escalator shall be applied in four (4) equal installments to each quarterly payment, with any additional escalator, if the C.P.I. is more than five percent (5%) or if the gross revenues increased in the previous year by more than thirteen (13%), being applied in two (2) equal installments to the third and fourth quarter payment.

9. The Company shall pay to the Commission or its designee a total of \$650,000.00 upon sale or transfer of the system serving the ten Member Cities or upon renewal of the Franchise whichever is sooner.
10. The Company shall sublease to the Commission or its designee the Local Origination and Access studios and associated office and supplementary space (as more fully set out in Exhibit C) located at 934 Woodhill Drive, Roseville,

Minnesota 55113, and previously known as Lake Owasso Elementary School (hereinafter "Owasso"). The sublease shall be on a year to year basis for the term of the Franchise, or any renewal thereof. The Commission's obligation shall be pursuant to the same terms and conditions of the Company's lease obligations to the School District including the same rental and property tax obligations pro rated per square foot leased to the Commission. Commission or its designee shall contract separately for utility services. Any rent and property tax paid to Company by Commission or its designee for this space shall not be considered Gross Revenue. If the landlord of Owasso Independent School District #623, releases the Company from its rent obligation for the square footage allocated to the Commission in Owasso, the Commission may negotiate its own lease with the landlord. If the Company chooses to terminate the sublease, the Company shall pay all reasonable expenses associated with the removal and relocation of the office, studio space, and cable system from Owasso to another comparable facility within the ten (10) city area. The Company shall be responsible for any rent property tax differential between that which was being paid by the Company at the Owasso site and the actual rental/property tax rate at the new location. If the Commission chooses to vacate the premises at Owasso, the Company shall connect the cable system to the new location within the ten (10) city

area, so long as the new location is within one mile of the Institutional and subscriber networks, and shall pay documented costs of up to \$15,000.00 for leasehold improvements and other miscellaneous expenses at the new location.

11. Effective on the effective date of this resolution, the Commission shall assume from the Company the Lease for the current Edgewood facility, located at 510 North Edgewood Drive, Moundsvew, Minnesota. The Company shall relocate the equipment now at the Edgewood facility to Irondale and shall pay all reasonable costs and expenses of removal of the equipment and setting it up at the facility at Irondale and relocating the cable system to the Irondale facility.
12. The Company shall provide and transfer to the ownership of the Commission the Master Control, including headend switchers and controllers, containing the equipment delineated in Exhibit B attached hereto and made a part hereof allowing for play-back on all channels delineated in paragraph 5, above. In any event, the ability to play-back on a 24-hour a day, every day, basis on all such channels shall be complete and unrestricted.
13. The Company shall reimburse the Commission for all documented attorney's fees not to exceed \$20,000 throughout the discussion and negotiation of the transfer of the community cable television programming function from June 1, 1989 until all issues to effect such transfer are complete.

14. The Company shall pay \$2,500 to place a logo designated by Commission on all vans, equipment, and Owasso entrance and internal signage.
15. The Company shall provide to the Commission at no cost, ad insertion time on the system of two (2), thirty (30) second ads per day, allocated through a system known as "run of schedule" which would provide that the ads be evenly rotated throughout time slots on all channels upon which the Company has ad avail space.
16. The Company will provide at no cost to the Commission, one black and white, single page, front-only unfolded, bill stuffer per fiscal year, provided the Commission may enhance this bill stuffer at its expense consistent with the Company's specifications for bill stuffers.
17. The terms and conditions of this Resolution shall not be changed without the mutual consent of the Company, the Commission, and the Member Cities.
18. As of the execution of this resolution by the Company and the Member Cities, the Commission/Member Cities acknowledge that the Company is in compliance with all issues and requirements of the Franchise Ordinances and the offering which were within the scope of review in the five (5) year performance review conducted by the Commission as more fully delineated in Exhibit D attached hereto, except for the Institutional Network which is the subject of separate review and action of the Company and Commission. It is

understood that all ongoing and future obligations of the Franchise Ordinances remain effective unless otherwise waived by mutual consent of the Member Cities and the Company.

19. The Company, the Commission and its Member Cities hereby reserve all rights and duties afforded pursuant to the Cable Communications Policy Act of 1984, the Cable Communications Franchise Ordinance as amended, and applicable local, state and federal law, and nothing contained in this Agreement shall constitute a waiver of such rights and duties.
20. Any violation of this resolution and/or the resulting Amendment Agreement #2 shall be a violation of each of the Franchise Ordinances of the ten (10) Member Cities, including any and all enforcement rights, remedies, and procedures therein.
21. Should the Commission cease to exist, the obligations of the Company pursuant to this resolution shall be binding upon Company and go to the benefit of the Commission's legal successor, if any, or the ten (10) Member Cities pro rata in proportion to each city's Franchise Fee receipt for the year of the obligation.
22. This Resolution shall be effective ninety (90) days after the approval of the last of the ten (10) Member Cities plus the Commission's and the Company's acceptance of Amendment Agreement #2, except Commission and Company may effect this resolution sooner by mutual consent. Both the Commission

and the Company must agree to and execute the equipment repair and replacement list, if any, required by paragraph 4 hereof and Amendment Agreement No. 2 before this Resolution shall become effective.

23. This resolution shall not be severable. A judicial determination as to the ineffectiveness of any provision herein may render the entire resolution null and void in the sole discretion of the Commission, or its legal successor, returning the Company's obligations to those levels required by the original Franchise Ordinances, as amended prior to the effective date of this resolution. In such event, the Commission shall return all equipment delineated in Exhibit B in an operable condition, or the Member Cities may relieve the Company of its obligation to provide such equipment, studios or services related to any such unavailable or inoperable equipment. As to any Franchise violations existing or alleged as of the execution of this resolution, any waivers or forgiveness thereof contained herein shall also become null and void, reinstating the Commission/Member Cities' rights to any remedies delineated in the Franchise Ordinances, as if this resolution had never been effective.
24. Pursuant to Section 613(a)(2), of the Cable Communications Act, the Commission/Member Cities hereby acknowledge that they do not hold an "ownership interest" in the cable system.

25. Upon the effective date hereof the Company may reduce the Performance Bonds now in place to one (1) Performance Bond in the amount of Fifty Thousand Dollars (\$50,000) naming all ten (10) Member Cities as Secured Parties and eligible drawers thereon. The Performance Bond shall be replenishable so that each time any one City draws thereon or makes a claim against such Bond, the Company shall immediately replenish the one Bond. It is further agreed that at any time, for the term of the Franchise Ordinance, or any renewal thereof, the Commission or any Member City in its sole discretion may require the amount of the one replenishable Performance Bond to be increased to an amount not to exceed Two Hundred Fifty Thousand Dollars (\$250,000).

26. This Resolution was moved by Councilmember _____ and seconded by Councilmember _____.

The following Councilmembers voted in the affirmative:

The following Councilmembers voted in the negative:

Adopted this _____ day of _____, 1990.

CITY OF _____

Dated: _____

Mayor

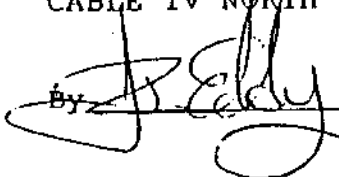
By _____

We have reviewed the terms and conditions of this Resolution and by our signature below agree to all said terms and conditions.

CABLE TV NORTH CENTRAL

Dated:

5/9/98

By  _____

By _____