

CORRECTIVE PLAN AGREEMENT

December 22, 1997

Whereas, the City of St. Paul and Continental Cablevision ("Company") entered into a Transfer and Franchise Modification Agreement in November, 1996 (the "Transfer Agreement") that required Continental Cablevision to submit a Corrective Plan for the Institutional Network, and to implement that Corrective Plan by August 15, 1997; and

WHEREAS that Transfer Agreement required the company provide an Institutional Network that could be reliably used to provide high-quality, bi-directional voice, video and data transmissions (including packet-switched data) among multiple users, and that can support expansion of services and transmission capabilities; and

WHEREAS, the City issued a Notice of Violation to Continental Cablevision in September based upon that agreement; and

WHEREAS, the parties have now agreed upon a Corrective Plan that is intended to accomplish the goals of the Transfer Agreement, which Plan is attached hereto; and

WHEREAS the parties have further agreed that the Institutional Network upgrade described by the Plan shall be completed by a time certain;

IT IS THEREFORE AGREED THAT:

1. The Corrective Plan consists of the document entitled "Corrective Plan" and all the attachments thereto.
2. The City accepts the Corrective Plan in full satisfaction of Company's obligation to submit a Corrective Plan under Section 4 of the Transfer Agreement. The City further agrees to rescind the Notice of Violation, so there is no outstanding Notice of Violation. These agreements are subject to the following. Company agrees that it will comply with all its obligations under the Corrective Plan, and agrees that each obligation shall be fully enforceable against it, notwithstanding any other provision of federal, state, or local law that might otherwise preempt or limit the enforceability of a particular requirement. If Company ever raises as a claim or defense, directly or indirectly, that any part of the Corrective Plan is invalid or unenforceable, then the City's acceptance of the same, and its rescission of the Notice of Violation, will be null and void, as if the same had never occurred.
3. In the event of a conflict between the Corrective Plan, and the obligations of the Company with respect to the Institutional Network set out in Appendix H, Section 2 and Section 3, the Corrective Plan shall control. Company's obligations are not

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limited by implication. By way of example and not limitation, Company's obligations with respect to the CityLink are not affected by the Corrective Plan. By way of example and not limitation, the Institutional Network technical performance standards set forth in Section XV of the application for a franchise that is incorporated into Appendix H by reference are intended to be superseded by the Corrective Plan. The parties agree to make such amendments to Appendix H as are appropriate to reflect this understanding, and to reflect the obligations imposed by the Corrective Plan, including by incorporating this Agreement and the Corrective Plan by reference into Appendix H. Pending incorporation of this Agreement into Appendix H, without limiting the other provisions of this Agreement, the City shall have all remedies available to it that it would have, had this Agreement and the Corrective Plan already been incorporated into Appendix H. Any breach of this Agreement and the Corrective Plan will also constitute a breach of the franchise. During the upgrade of the Institutional Network, existing obligations under Appendix H will continue to apply until the upgraded system is completed and operating at a particular location.

4. The Corrective Plan will be interpreted in the light most favorable to the City. In the event of a conflict between portions of the Plan, the provision of most benefit to the City will control.

5. The parties agree that, notwithstanding any other provision of Appendix H, if the Company fails to complete construction and activation of the upgraded Institutional Network to the standards set forth in the Corrective Plan by August 1, 1998, then Company will be deemed to be in default of its obligations under its Franchise and this Agreement. Provided, however, that the time for completion will be extended if the Company files for permits and site authorizations required from the City within the time limits set forth in the Corrective Plan, and the City fails to act upon the permit requests and site authorizations submitted by the Company within 30 days. The extension will be for one day for every day after 30 that the City fails to act upon the permit requests for that part of the Corrective Plan affected by the City's failure to act. The City, without providing any opportunity to cure, may impose any remedy or take any action that it could take under the Franchise or this Agreement after having provided full notice and opportunity to cure (including drawing upon the security provided for herein). Provided, however, that the City will not take any such action without providing the Company notice that it intends to act, the reasons why it is believed that the Company is in default, and providing the Company, in lieu of hearing requirements that might otherwise apply, 15 days to show to the City's satisfaction that it in fact is in full compliance with the Corrective Plan. The notice may be provided by letter from the Cable Communications Officer. The parties agree to make such amendments to Appendix H as may be required to implement this provision.

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6. The parties agree that this Corrective Plan is intended to address obligations of the Company arising under its existing Franchise. It is not intended to establish the requirements for a renewal franchise, nor does the acceptance of this Corrective Plan constitute an admission or evidence that the upgraded Institutional Network will reasonably satisfy the future cable-related needs and interests of the City. The parties further agree that there is nothing in the Corrective Plan that constitutes a franchise fee within the meaning of federal, state or local law.
7. The parties agree that the Corrective Plan is in the nature of a settlement related to existing obligations. The parties stipulate that implementation of the Corrective Plan will not result in a rate increase to subscribers.
8. The upgraded Institutional Network shall continue to be available for use at no charge to the City and its authorized Users and the ongoing obligations of the Company under the Corrective Plan shall continue, until or unless a renewal franchise or replacement franchise goes into effect.
9. No later than January 15, 1998, the Company shall deliver to the City an irrevocable Letter of Credit in the principal amount of \$500,000, in a form and from a surety acceptable to the City and payable to the City upon demand, upon the occurrence of an Event of Default under the Corrective Plan.

The Company shall, at least 30 days prior to the expiration of the Letter of Credit, deliver to the City a replacement for the Letter of Credit meeting these same requirements and in a form and from a surety acceptable to the City, if the City has not confirmed completion of the activities required by the Corrective Plan 30 days prior to the expiration of the original Letter of Credit.

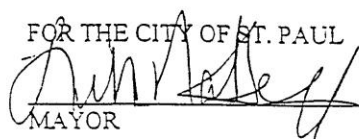
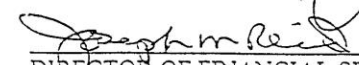
Provided no Event of Default has occurred and not been fully cured as provided in the Corrective Plan, upon confirmation of completion by the City, the City shall surrender the Letter of Credit to the Company.

10. For the purposes of Section 9 above, the following shall be "Events of Default" under this Agreement and the Corrective Plan, and the term "Event of Default" shall mean whenever it is used in this Agreement or the Corrective Plan any one or more of the following events:
 - a. failure by the Company to meet the deadline for completion of the Institutional Network upgrade; or
 - b. failure by the Company to observe or perform any other covenant, condition, obligation or agreement on its part to be observed or performed

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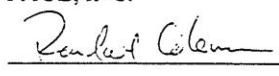
under the Agreement or Corrective Plan and the continuation of such failure for a period of 15 days after written notice of such failure.

SIGNED AND AGREED TO THIS ____ day of December, 1997

FOR THE CITY OF ST. PAUL

MAYOR

DIRECTOR OF FINANCIAL SERVICES

SIGNED AND AGREED TO THIS ____ day of December, 1997

FOR CONTINENTAL CABLEVISION OF ST. PAUL, INC.



BY:
ITS: VICE PRESIDENT OPERATIONS - MN

December 20, 1997 (10:54AM)
version 6

CORRECTIVE PLAN
December 18, 1997

1. Institutional Network.

- a. Company shall upgrade its Institutional Network pursuant to the design and construction schedule set forth in this Corrective Plan and the attachments to it, which shall be incorporated herein by reference and thereby made a part hereof. The Institutional Network upgrade shall commence with the process of initial application by Company for permits and site authorizations by January 15, 1998. Construction of the upgrade shall be completed by August 1, 1998, unless the time for completion is extended in accordance with the Corrective Plan Agreement between the parties. The construction schedule is set forth in Attachment G hereto. Within thirty (30) days after completion of Institutional Network upgrade construction, all acceptance testing shall have been completed as further described in Attachment 2-E. City confirmation of the Institutional Network upgrade shall be provided in writing to Company in accordance with Attachment 2-F. The Institutional Network shall continue to be interconnected with the subscriber network, except where specifically noted otherwise.

2. Upgrade Institutional Network Design and Equipment.

- a. The upgraded Institutional Network shall be of hybrid-fiber coaxial (HFC) design consisting of 15 interconnected segments. The 15 segments of the Institutional Network will result from 13 optical fiber trunks (each with no more than 10 amplifier cascades) and two coaxial cable trunks (each with no more than 14 amplifier cascades) and will include appropriate switching, all as described generally in Attachment 2-A hereto and, more specifically, on the design set forth on Attachment 2-B hereto. In addition, the Institutional Network will include two links referred to below as "Connecting Links." The first is a direct optical fiber link between City Hall and Company's Headend located at 1140 Sims Avenue. This link, which includes a fiber link from the City Hall to the router at the Headend, and a link from the City Hall Annex to the Ethernet switch at the Headend, is more particularly described in the attachments hereto. Company also shall place and dedicate 12 single mode fibers and 12 multi mode fibers dedicated for City use between City Hall Annex and the Public Safety Annex located in downtown St. Paul, as generally described on Attachment 2-A hereto and consistent with its design reflected on Attachment 2-B hereto.
- b. Basic equipment to be provided by Company and utilized in the upgraded Institutional Network is as set forth in Attachment 2-C hereto. The list contains the basic model identification and several general categories described with terms

such as generic or miscellaneous. The total group of equipment, cable, hardware and associated items which the Company actually installs will contain various additional items and modules that are not specifically listed. However, the Company will provide all equipment, modules, cable, connectors, hardware, and any additional items needed to have a totally operational Institutional Network that is in full compliance with the operational standards set forth herein. The Company is responsible for maintaining and replacing as necessary any equipment that it provides or has provided that is to be used in the upgraded Institutional Network. The Corrective Plan is to result in an Institutional Network that can be reliably used to provide high-quality, bi-directional voice, video and data transmissions (including packet-switched data) among multiple users, and that can support expansion of services and transmission capabilities.

- c. Consistent with Attachment 2-C hereto, Company shall provide requisite transport switching, modulator and demodulator equipment sufficient to facilitate a Channelization Plan as set forth in Attachment 2-D hereto. It is understood that the Channelization Plan will change over time based on specific utilization by institutions. The City may alter the Channelization Plan so long as it does not interfere with the use of the channels reserved for Company's use, or the pilot and control channels described in the Channelization Plan.
- d. The Company is not required to interconnect the fiber connecting the City Hall Annex and the Public Safety Annex to the other portions of the Institutional Network, but the City may do so. The fibers provided will be "dark fibers." City shall provide and be responsible for any transmission, end user, or terminal equipment required for utilization of the City Hall Annex/Public Safety Annex link described herein.
- e. Institutional users may add equipment at any time, upon providing Company sixty (60) days advance written notice, and subject to the approval of the Company to ensure that the equipment to be attached to the system will not interfere with the technical performance of the network for which it is responsible. Approval will not be unreasonably withheld, and will be deemed granted if the Company does not disapprove of the attachment within 60 days of notice. No approval is required for attachment of equipment in connection with the Institutional Network upgrade.
- f. Status monitoring equipment will be installed at the end of the longest cascade (or, if appropriate, based on consultation with the City, the user location furthest from the Headend in any given "Segment" or run) from the Headend for each (29) of the primary trunk segments off each OTN. In addition, each of the OTN's and Power Supply locations shall be monitored. This approach results in 13 monitors at OTN locations, 29 monitors on coaxial segments off the OTN locations and 3

monitors on coaxial only segments plus 71 power supply locations. The exact location of the monitors shall be jointly planned by the Company and city to provide the greatest benefit to the City user community. This is consistent with that generally demonstrated on Attachment 2-E hereto and as more specifically demonstrated on the design at Attachment 2-B hereto. In addition, status monitoring will be deployed at the Headend. C/W carriers utilized for status monitoring will also be installed at every longest cascade on each leg of the upgraded Institutional Network in order to facilitate testing and monitoring of the return path.

- g. When fiber or coaxial cable and associated equipment is being installed, replaced or relocated as part of the upgrade within a location, the cable and equipment shall be brought to a point or points within the location designated by the location.

3. **Maintenance, Performance Standards and Testing.**

- a. Company shall be responsible for the ongoing maintenance and performance of the upgraded Institutional Network from a Demarcation Point through the network, including the Headend.
- b. The Demarcation Point will be as follows:
 - i. For the Connecting Link between the City Hall Annex and the Public Safety Annex, the termination point of the fiber, which shall be at a point designated by the City within those buildings.
 - ii. For the Connecting Link between the City Hall and the Headend,
 - (1) the Demarcation point for the fibers from the City Hall Annex to the Headend shall be the Ethernet switch, with the Company being responsible for that switch;
 - (2) the Demarcation point for the link furthest from the City Hall to the Headend shall be the modulators in City Hall used to place signals on the link, with the Company being responsible for those modulators.
 - iii. For the remainder of the Institutional Network that is being upgraded as part of this plan, the Demarcation Point will be the point within the location where the Institutional Network connects to the internal distribution system of that location, or to the signal processing devices that place the signal on the Institutional Network (modulators or modems), whichever is closest to the Headend, and not including the device except as described below. *Provided, however*, that an Institutional Network User may elect to make the Demarcation Point the outside of the building, in which case Company will ensure that it can test at the outside of the

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building for compliance with the requirements of the Corrective Plan. If an Institutional Network User does not elect to establish the Demarcation Point at the outside of the building, then the Company reserves the right to charge the User Company's costs for service calls that result from Users moving or otherwise abusing the interior connections for which the Company is responsible.

- c. Company will also be responsible for ongoing maintenance and performance and replacement of any equipment that it provides or has provided, whether located behind the Demarcation Point or not.
 - d. Company will not charge municipal and non-commercial public sector users of the dedicated bandwidth for maintaining or operating that portion of the network, including transport network connections between the Institutional Network, the subscriber network and Citylink, or for the ongoing maintenance, performance and replacement of equipment that it is obligated to perform. Users shall be responsible for all standard maintenance beyond the Demarcation Point and maintenance of all end user or institution-owned equipment, except as described above.
 - e. Commencing with completion of construction of the upgraded Institutional Network, Company shall implement the maintenance program set forth in Attachment 2-F hereto. Commencing with completion of construction of the upgraded Institutional Network, Company shall assure compliance with the performance standards, measuring techniques, and testing set forth therein, including the reliability standards.
4. **Capacity available to the City.**
- a. The City or its designated Users will have the exclusive use of the Connecting Links. With respect to the other portions of the Institutional Network upgraded as part of this Corrective Plan, the Company will make available all existing Institutional Network frequency spectrum bandwidth in each upstream and downstream category to municipal and noncommercial public sector uses, to be used at the city's discretion to the extent such capacity is not currently utilized by Company for providing commercial services. If the Institutional Network's bandwidth is increased, fifty (50) percent of any increased bandwidth will be dedicated to municipal and noncommercial public sector uses pursuant to a mutually acceptable channelization plan. There will be full interconnection between the Institutional Network and the remote origination points on it, the teleconference capacities (if any) of the Institutional Network and the subscriber network, and technical assistance will be provided in using the interconnection. Institutional Network capacity will be provided at no charge. The Company will

maintain and operate the Institutional Network from the Demarcation Point through the network, including the Headend, and will not charge municipal and noncommercial public sector users of the dedicated bandwidth for maintaining or operating that portion of the network, including transport network connections between the Institutional Network, the subscriber network and city link. The current spectrum used by the Company's commercial users is 12 MHZ in the forward path and 12 MHZ in the reverse path.

5. **Non Commercial Use.** The limitations on noncommercial use shall extend to the upgraded Institutional Network, including the Connecting Links.
6. **Free Drops.**
 - a. As part of the upgrade, the Company will provide an Institutional Network drop to every location that has an Institutional Network drop or had an Institutional Network drop at any time prior to December 1, 1997. There will be no charge for these drops. The Company is not required to provide a drop to a location that does not desire a drop.
 - b. The Company shall provide, upon written request, one free subscriber and/or Institutional Network coaxial drop as appropriate to each public and private school, public library branch, police and fire station, community center and public building and to such other institutions as the city may reasonably request from time to time, as set forth in Appendix H, Article I, Section 12.c. except that the Company is only required to provide Institutional Network drops to a facility that, at the time the request is made, is adjacent to the then-existing Institutional Network path (regardless of specific accessibility); *provided that*, if a requesting location had been passed by the Institutional Network prior to the upgrade, it will be treated as passed by the Institutional Network after the upgrade .
 - c. Basic service will be provided free of charge with each free subscriber network drop path (regardless of specific accessibility).
7. **Implementation and Management.** City shall be entitled to make final decisions and is solely responsible for making final decisions with respect to allocation of the channel capacity on the Institutional Network and for managing issues of use and resolving all disputes that may arise between Users.
8. **Payment.** No later than January 15, 1998, Company shall make a payment to the City in the amount of \$280,000 to be used, at City's discretion, for any Institutional Network purpose (including by way of example and not limitation, for purchase and deployment of modems and internal wiring, and operational support).

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9. **Confirmation.** Upon confirmation of Institutional Network upgrade by City as provided in the attachments hereto, the Company shall be deemed in compliance with all prior or current Institutional Network obligations under the Franchise, and City shall have no claim of any prior violation or default of any such obligation.

10. **Alteration of Cable System.** If the Company alters its Cable System, or moves its Headend so that the Institutional Network must be changed, or additional equipment and facilities are required to prevent any change in the quality of service or additional costs to the Institutional Network Users, the Company must make the changes or otherwise act to ensure that the change in its plant in no way affects the Institutional Network or the use of it by the City or the City's authorized users.