

PURCHASING AND LICENSING COMMITTEE

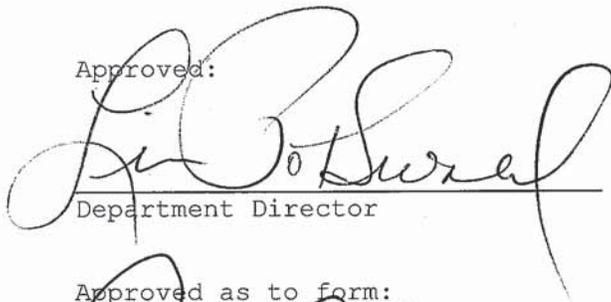
11-0688R

RESOLUTION AUTHORIZING AGREEMENT WITH NESC FOR FIBER  
OPTIC CABLE CONNECTIONS BETWEEN VARIOUS CITY FACILITIES  
IN THE AMOUNT OF \$129,924.

CITY PROPOSAL:

RESOLVED, that the proper city officials are hereby authorized to enter into an agreement, substantially in the form of that agreement on file in the office of the city clerk as Public Document No. \_\_\_\_\_, with the Northeast Minnesota Cooperative for the construction, installation and maintenance of fiber optic cable connections between city facilities in the monthly estimated amount of \$9,762 and a one-time installation cost of \$120,172, \$63,434 of which shall be payable from Fund 250-015-2010-5580 CE250-E1004 (Capital Equipment, Administrative Services, 2010) and the remainder of which shall be payable from Fund 110-117-1107-5319 (General, Management Information Services, MIS).

Approved:



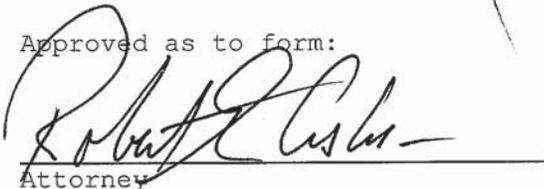
Department Director

Approved for presentation to council:



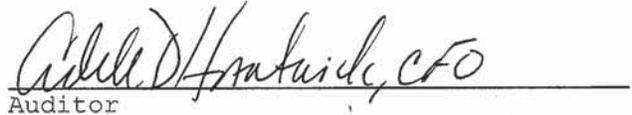
Chief Administrative Officer

Approved as to form:



Attorney

Approved:



Auditor

PRCH/ATTY REA:dma 12/12/2011

STATEMENT OF PURPOSE: The purpose of this resolution is to authorize an agreement with NESC Network Services Agreement Contract to bring high speed fiber to 21 City facilities including redundant connections at city hall and police

headquarters. This contract includes one-time installation charges in the amount of \$120,172.

This will allow for high speed network connectivity for data, application and file access between the connected facilities and allows for wireless expansion for remote users data access needs. The monthly recurring charges of \$9,752 will be billed beginning in 2012 at varying times as sites are connected through several budgeted funds. The NESC project is a federal grant initiative to bring greater broadband access to northern Minnesota and therefore providing significant discounts to allow us to provide the high speed services to these facilities at greatly discounted prices. The bandwidth on these services is upgradeable without limitation or additional charges at anytime based on our equipment.

The total cost of the contract over its life is estimated to be \$1,290,412.

**NESC NETWORK SERVICES AGREEMENT**

THIS NESC NETWORK SERVICES AGREEMENT, including any Exhibit attached hereto ("Agreement"), is made and entered into as of December 19, 2011 (the "Effective Date"), by and between Northeast Service Cooperative, a Minnesota cooperative with principal offices located at 5525 Emerald Avenue, Mountain Iron, Minnesota, 55768, ("NESC"); and the City of Duluth, with principal offices located at 411 W 1<sup>st</sup> Street, Duluth Minnesota (hereinafter, "Customer").

**SERVICE LOCATIONS:** as described in Exhibit "B"

**SERVICES:** any Capacity and/or other offerings provided by NESC to Customer as described in Exhibit "C".

**ESTIMATED AVAILABILITY DATES:** as shown in Exhibit "C".

**FEES:** Total Monthly Recurring Charge 9,752 (Exhibit "D") – Year 1\*  
\*Additional Years are subject to Annual Rate Escalation as shown on Exhibit "D"

Total Installation Non-Recurring Charge 120,172 (Exhibit "D")

**SERVICE TERM:** Subject to the General Terms and Conditions, unless earlier terminated pursuant to Section 19 or 20, the Initial Term of the Agreement shall commence on the Effective Date and end

60            120            months following the first "Operational Service Date".

By its signature below, each party acknowledges that it has read the Agreement, and the General Terms, each of which is expressly incorporated by reference into the Agreement, and agrees to be bound by the terms thereof.

IN CONFIRMATION AND WITNESS WHEREOF, and intending to be legally bound hereby, the Parties have executed this Agreement as of the date first above written.

Northeast Service Cooperative

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

City of Duluth

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## General Terms and Conditions

Unless the context otherwise requires, any reference herein to the "Agreement" shall be deemed to include these General Terms and Conditions.

Customer desires to acquire from NESC certain Services on the Northeast Middle Mile Project-MN1111-A40 on the terms and conditions set forth below.

Accordingly, in consideration of the mutual promises set forth in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, NESC and Customer hereby agree as follows:

### 1. DEFINITIONS

1.1. As used in this Agreement, the capitalized terms listed in this Article and derivatives thereof shall have the meanings respectively set forth below:

1.2. "Affiliate" shall mean an entity owning, owned by or under common ownership with a party to the Agreement.

1.3. "Capacity" shall be comprised of Circuits and Optically Switched Dark Fiber as hereinafter defined, as well as dark fiber.

1.4. "Circuit" shall mean a lit fiber transmission path between two or more Service Locations.

1.5. "Demarcation Point" shall mean the first point of access to the NESC Network located at the Customer's POP.

1.6. "Leased Capacity" shall mean the Capacity which NESC delivers to Customer pursuant to this Agreement.

1.7. "Network" shall mean the Northeast Middle Mile Project (MN1111-A40) comprised of NESC's ring architecture fiber optic system and any service loops provided by NESC or a contractor to connect such ring architecture to Customer's POPs.

1.8. "Operational Service Date" shall mean the date the Capacity installation is completed and accepted by the Customer and Services are made available to Customer.

1.9. "Optically Switched Dark Fiber" shall mean dark fiber on which NESC is able to monitor signal amplitude for Customer.

1.10. "Optional Capacity" shall have the meaning set forth in Section 3.3 below.

1.11. "POP" shall mean the NESC or Customer terminal facility (point of presence) where the Capacity subject to this lease is delivered to Customer.

1.12. "Technical Specifications" shall mean the technical specifications and operating standards set forth in Exhibit A hereto which will be met by the Capacity in its nominal operating condition.

1.13. "Term" shall mean the Initial Term of this Agreement and any extensions or curtailment thereof in accordance with the terms and conditions hereof.

### 2. CAPACITY ACCEPTANCE

2.1. NESC shall notify the Customer by written or electronic means when the Capacity is complete and ready for acceptance testing.

2.2. The Capacity will be automatically considered accepted after the 10<sup>th</sup> business day following NESC's written notice to the Customer unless Customer otherwise notifies NESC in writing based on the results of its acceptance testing.

### 3. PROVISION OF SERVICES

3.1. As of the Operational Service Date and during the Term of this Agreement, NESC shall provide to Customer, and Customer shall receive from NESC, the Services as defined in Exhibit C on the terms and conditions set forth in this Agreement. This Agreement shall convey no title or right of ownership to Customer in any infrastructure, systems, equipment,

facilities or other property of NESC utilized in connection with the provision of Leased Capacity to Customer, which ownership shall remain exclusively in NESC.

3.2. NESC represents and warrants that it possesses all rights and authority necessary for NESC to deliver the Services to Customer hereunder. During the Term of this Agreement, NESC shall assure Customer of quiet enjoyment of the Leased Capacity, provided that Customer shall at all times utilize the Capacity in accordance with NESC's technical requirements and operational procedures, and in compliance with all applicable laws and regulations. NESC shall keep the Leased Capacity free from all claims, liens, encumbrances, rights or claims of any third party attributable to NESC which could have a material adverse effect on the right of Customer to use the Capacity as contemplated by this Agreement.

3.3. At any time during the Term from and after the Effective Date, and subject to availability, Customer may, at its option, elect to lease from NESC additional Capacity on the Network ("Optional Capacity") by giving written notice of such election to NESC (the "Option Election"), provided, however, that NESC may, at its sole discretion, charge Customer for such Optional Capacity at the then prevailing market rate. Except where otherwise specifically agreed by the parties, such Optional Capacity shall be considered as part of the Leased Capacity for the purposes of this Agreement. NESC shall use commercially reasonable efforts to deliver the Optional Capacity within ninety (90) days of NESC's acceptance of Customer's Option Election.

3.4. Tariff Services. Provision of the Services may be subject to tariffs filed with certain state regulatory agencies having jurisdiction over the Services or with the Federal Communications Commission ("Tariff Services"). NESC will expressly inform Customer not less than sixty (60) days before filing any new or amended tariff. In the event a new or amended tariff imposed or created as a result of regulation will materially increase the

cost of the Tariff Services to Customer, or materially decrease the value of the Tariff Services to Customer, the parties will discuss modifications to this Agreement and to the Tariff Services to mitigate such effects to the extent commercial feasible. In the event the Customer reasonably determines that such mitigation is insufficient for its purposes, Customer may terminate this Agreement by giving NESC thirty (30) days notice. Tariff Services shall be provided in accordance with the provisions of any applicable tariff, which provisions are incorporated herein by reference. In the event that the fees, rates, terms and conditions set forth in the Agreement applicable to any Tariff Service conflict at any time with those set forth in the applicable tariff, the rates, terms and conditions of the applicable tariff shall control. NESC shall notify Customer in writing in a timely manner of the conversion, at NESC's discretion and in NESC's sole judgment, of any non-Tariff Service to a Tariff Service or of the modification of the terms of an applicable tariff.

#### 4. CAPACITY AVAILABILITY

4.1. During the Term, NESC will maintain and operate the Leased Capacity in accordance with the Technical Specifications at no extra charge to Customer.

4.2. Notwithstanding anything to the contrary contained in this Agreement, in the event of unavailability of the Leased Capacity or failure of the Capacity to meet the Technical Specifications due to any reason other than Force Majeure or Customer's fault, NESC may, in its sole discretion, procure and deliver to Customer, at no additional cost to Customer, any portion of the Leased Capacity by means of replacement facilities from third parties, whether under lease, sublease, or otherwise, provided any such replacement facilities shall be capable of connecting the meet points set forth in Exhibit B hereto and of providing transmission capacity equal to or greater than that provided to Customer in the Leased Capacity hereunder.

4.3. In the event of unavailability of the Leased Capacity or failure of the Leased Capacity to meet the Technical Specifications due

to any reason other than Force Majeure or Customer's fault, Customer shall be entitled to receive credits against its Monthly Fees obligation (as hereinafter defined) as set forth in Sections 9 and 10.

## 5. PAYMENT

5.1. In consideration of the provision of Services hereunder by NESC to Customer, Customer agrees to pay to NESC the monthly fees as set forth at Exhibit D attached hereto (the "Monthly Fees"). NESC will invoice Customer in advance on a monthly basis for the Monthly Fees. Customer shall pay such invoices within thirty (30) days of receipt. The Monthly Fees will be inclusive of all operating and maintenance costs for the Leased Capacity.

5.2. Customer shall also pay NESC a one-time installation charge for Leased Capacity in the amount set forth in Exhibit D hereto (the "Installation Fee"), which Installation Fee shall be due and payable upon Capacity Acceptance.

5.3. All payments made by Customer to NESC under this Agreement shall include any taxes or similar charges or fees of any nature whatsoever imposed on the Services hereunder by any U.S. federal, state or local government, except for taxes on NESC's revenues. If NESC and Customer mutually agree that NESC is eligible for any reimbursement of non-United States taxes or assessments levied, NESC will refund to Customer the reimbursement amount up to but no higher than any gross-up.

5.4. Customer's obligation to pay for the Services, and other amounts under the Agreement, shall not be subject to any rights of set-off, counterclaim, deduction, defense or other right which Customer may have against any other party.

5.5. In the event Customer fails to make any undisputed payments under this Agreement when due, Customer shall also be obligated to reimburse NESC for any costs incurred in pursuing collection efforts, including, but not limited to, reasonable attorneys fees.

5.6. The continuation of this agreement beyond December 31 of

any year is contingent upon continued City Council appropriation of funds for the purposes of this agreement. If these funds are not appropriated, City must submit written notice to NESC at least 30 days prior to December 31 of that year and the effected agreement(s) will suspend on the December 31 of that year for the period of non-appropriation, not to exceed 1 year. The City shall not be assessed any penalty because of the decision of the City Council not to appropriate funds. Contracting with another carrier for similar services during the suspension due to non-appropriation will constitute a material breach of the agreement.

## 6. TERM

6.1. The Term of this Agreement shall commence as of the Capacity Acceptance Date, provided that any Installation Fee which is due for Leased Capacity shall have been received by NESC. Such Term shall continue thereafter for a period of time indicated on the first page of this Agreement from the Operational Service Date, unless extended thereafter in accordance with the terms of Section 6.2 below or terminated earlier in accordance with the terms of Section 20 of the General Terms and Conditions.

6.2. Prior to the end of the Initial Term and subject to the continued availability of adequate Capacity, Customer may elect, at its option, by written notice to NESC to extend the acquisition of Services for an additional period hereto (the "Renewal Term"). Customer shall provide NESC with a minimum of three (3) months prior written notice of its intent to exercise such option.

6.3. At the expiration of the Term, including any renewal thereof, this Agreement shall immediately terminate and all rights of Customer to use the Services shall cease. The expiration of the Term or other termination of this Agreement shall not relieve Customer from any liabilities to NESC arising prior to such expiration or termination. In the event Customer terminates the lease of any Capacity prior to the end of the Initial Term or any renewal thereof, for reasons not attributable to NESC Customer shall,

upon such termination, pay NESC any and all of the remaining Monthly Fees payable with respect to the Initial Term or the Renewal Term, as the case might be, for such Capacity.

## 7. COLLOCATION

7.1. Unless Customer has separately arranged for collocation space in any NESC POP as evidenced by a collocation agreement entered into by the parties to this Agreement, it shall be the responsibility of Customer to obtain any required facilities to interconnect with the leased Network facilities at such NESC POP.

## 8. OPERATION & MAINTENANCE

8.1. Customer's Rights and Obligations. Except as otherwise specifically provided herein, Customer acknowledges that it has no right to control any network or service configuration or design, or any similar or related functions with regard to the Network. In its use of its Leased Capacity, Customer shall comply at all times with the operating procedures of NESC. NESC shall provide Customer access to the Leased Capacity at the provider demarc located at the Customer facility. Any collocation services provided by NESC to Customer will be contained in a separate Collocation Agreement. Should Customer require additional space and power at the NESC POP, such space and power shall be the subject of a separate agreement on commercially reasonable terms and conditions. At times and for periods to be agreed upon in advance by the Parties, the Network shall be made available to NESC to permit tests and adjustments to be carried out as may be necessary for maintaining the Leased Capacity in satisfactory working order.

8.2. NESC's Obligations. NESC shall maintain the Leased Capacity granted in the segments described in Exhibit B attached hereto in accordance with the Technical Specifications set forth in Exhibit A attached hereto from the Effective Date for the duration of the Term. If any Circuits fall below such standards, NESC shall procure or undertake remedial measures to restore the Circuit to the Technical Specifications. For operational and maintenance

purposes only, NESC reserves the right to alter temporarily each applicable route, provided that such alterations do not result in changes to the endpoints (the NESC POPs) of such applicable route.

8.3. At least thirty (30) days prior to Capacity Acceptance, NESC shall provide to Customer NESC's documented processes regarding each of the following:

- (a) single point of contact regime;
- (b) escalation list;
- (c) trouble resolution;
- (d) change management processes.

Customer agrees to comply with each of the foregoing.

## 9. OUTAGE CREDITS.

9.1. Customer acknowledges the possibility of an unscheduled, continuous and/or interrupted period of time when the Leased Capacity or any portion thereof is unavailable for use based on the criteria set forth herein (hereafter an "Outage"). For purposes of this Agreement, an Outage on a segment of the Leased Capacity shall be deemed to have occurred if it affects the telecommunications transmission facilities on the NESC Network, except for on service loops provided by third-party contractors. In the event of an Outage, Customer shall be entitled to a credit (the "Outage Credit"), determined in accordance with the formula set out in Section 10. Before incurring a liability to Customer for Outage Credits, NESC shall be entitled to up to a 4 hour credit per Outage incident limited to an annual aggregate credit of 8 hours for unscheduled Outages, and to an annual aggregate credit of 4 hours for scheduled Outages. Upon reaching the credit limit in each calendar year of the Term for the applicable Outage, the Outage Credit shall be based on the total hours of interrupted Services for such Outage.

9.2. Determination of Outage. The length of each Outage shall be calculated in hours and shall include fractional portions thereof. An Outage shall be deemed to have commenced upon verifiable notification thereof by Customer to NESC, or, when indicated by network control information actually

known to NESC network personnel operating the Network at the time of the Outage, whichever is earlier. Each Outage shall be deemed to terminate upon restoration of the affected route or Circuit, as evidenced by appropriate network tests by NESC.

9.3. **Scheduled Outages.** NESC shall give notice to Customer of any scheduled or planned maintenance that will result in an Outage in accordance with the documented NESC Change Management Process, a copy of which will be provided to Customer. Only scheduled or planned maintenance or interruptions exceeding the agreed limit set forth in Section 9.1 shall constitute an Outage hereunder. Scheduled outages shall take place between the hours of 12:00 a.m. and 6:00 a.m. local time. Furthermore, NESC agrees that no scheduled outage will result in two or more routes or Circuits being out of service simultaneously if the effect would be to isolate one or more nodes in the Capacity from all other nodes in the entire Network or one or more POPs from all other Customer POPs.

9.4. **Malfunction.** No Outage Credit shall be granted if the malfunction of any Leased Capacity is due to an outage or other defect occurring on Customer's side of the Demarcation Point between the Network and Customer's premises or facilities.

9.5. **Force Majeure.** No Outage Credit shall be granted if the Outage is due to a Force Majeure Event, as described in Section 16, below.

9.6. **Remedies.** The Outage Credit described in this Agreement is the sole and exclusive remedy of Customer in the event of any Outage, and under no circumstance shall an Outage be deemed a default or a material breach. Notwithstanding the foregoing, in the event outages occur with durations or frequency that materially diminishes the value of the service to Customer, Customer may terminate this Agreement.

## 10. OUTAGE CREDIT CALCULATION

10.1. The Outage Credit will be determined in accordance with the following formula:

Outage Credit = Hours of Outage/720 hours x Monthly Fee.

10.2. Outage Credits shall be credited on the next monthly invoice for the affected segment, route or facility after receipt of Customer's request for credit. At the end of the term hereof, NESC shall refund any unapplied Outage Credit to Customer.

10.3. All Outage Credits must be claimed by Customer with six (6) months of the time of the claimed Outage.

10.4. No Outage Credit in excess of the actual aggregate Monthly Fees paid to NESC hereunder shall be due or paid to Customer.

## 11. USE OF THE NETWORK; REPRESENTATIONS OF CUSTOMER

11.1. Customer represents, warrants and covenants that, at all times during the Term, (a) it will use the Network and Services it receives from NESC in compliance with and subject to all applicable government codes, ordinances, laws, rules and regulations and it will have a similar requirement in agreements with its customers that purchase telecommunications services, circuits or capacity from Customer on the Network; (b) in the event NESC notifies Customer that Customer's operation of its systems materially interferes in any way with or adversely affects NESC's operation of its capacity on the Network or any other person's use of the Network, Customer and NESC will reasonably cooperate to mitigate such interference or adverse affect. And Customer will have a similar requirement in agreements with its customers using the Services; (c) it shall secure with respect to each leased Circuit, and maintain in full force and effect during the Term of such Circuit, any and all necessary consents, franchises or similar approvals from all governmental and other authorities which are necessary or required to be obtained by Customer for NESC to lease the Capacity to Customer and for the use, resale and operation of the Leased Capacity by Customer, as applicable from time to time.

11.2. Customer shall be solely responsible for the contents of its data transported by means of the Services,

for delivering its materials to NESC's POP, and for the technical quality of its signal up to NESC's receipt thereof at the Demarcation Point.

11.3. In the event Customer's use of the Services interferes with or adversely affects NESC's operation of its capacity on the Network or any other person's use of the Network, NESC shall promptly notify Customer, and the parties will reasonably work together to eliminate the interference or adverse affects. In the event NESC reasonably believes Customer's use of the Services poses an imminent threat of material harm to NESC's Network, NESC may suspend Customer's use of the Leased Capacity until the parties can remedy the situation.

## 12. RESPONSIBILITY

12.1. Each party shall be responsible for the claims, losses, damages and expenses that are proximately caused by the wrongful or negligent acts or omissions of that party or its agents, employees or representatives acting within the scope of their duties. Nothing herein shall be construed to limit either party from asserting against third parties any defenses or immunities (including common law, statutory and constitutional) it may have or be construed to create a basis for a claim or suit when none would otherwise exist. Neither party shall be liable to each other for any indirect, consequential, incidental, lost profit, or expectancy damages. This provision shall survive the termination of this Agreement. To the extent NESC is required under the terms and provisions of any easement, right-of-way, lease or indefeasible right of use agreement relating to the provisioning of the Services hereunder ("Use Agreements") to indemnify the grantor or provider thereof from and against any and all claims, demands, suits, judgments, liabilities, losses or expenses arising out of or related to such Use Agreements, regardless of the cause, Customer hereby releases and waives any claims against, such grantor or provider from the same, regardless of whether such claims, suits, judgments, liabilities, losses or expenses arise from the sole or partial negligence, willful misconduct or other action or inaction, of such grantor or

provider or its employees, servants, agents, contractors, subcontractors or other persons using the property covered by such Use Agreements.

## 13. WARRANTIES; LIMITATION OF LIABILITY

13.1. EXCEPT AS SET FORTH IN THIS AGREEMENT, NESC MAKES NO WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE SERVICES, THE NETWORK, OR ANY WORK PERFORMED BY NESC UNDER THIS AGREEMENT INCLUDING ANY AND ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE OR USE, AND ALL SUCH WARRANTIES ARE HEREBY EXPRESSLY DISCLAIMED. THE WARRANTIES SET FORTH IN THIS AGREEMENT CONSTITUTE THE ONLY WARRANTIES MADE BY NESC TO CUSTOMER WITH RESPECT TO THIS AGREEMENT AND ARE MADE IN LIEU OF ALL OTHER WARRANTIES, WRITTEN OR ORAL, STATUTORY, EXPRESS OR IMPLIED.

13.2. Notwithstanding anything contained in this Agreement to the contrary, the parties acknowledge and agree that, from and after the Effective Date of the Agreement, Customer's sole rights and remedies against NESC with respect to any defect in or late delivery of the Services or failure of the Services to perform in accordance with the Technical Specifications shall be limited to the remedies expressly set forth in the Agreement.

13.3. NOTWITHSTANDING ANY PROVISION OF THIS AGREEMENT TO THE CONTRARY, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR ANY SPECIAL, INCIDENTAL, INDIRECT, PUNITIVE OR CONSEQUENTIAL COSTS, LIABILITIES OR DAMAGES, WHETHER FORESEEABLE OR NOT, ARISING OUT OF, OR IN CONNECTION WITH, SUCH PARTY'S PERFORMANCE OF ITS OBLIGATIONS UNDER THIS AGREEMENT OR OTHERWISE RELATED TO THIS AGREEMENT.

13.4. The parties expressly agree that no claim for losses or damages whatsoever in connection

with this Agreement shall be made more than one (1) year after the date that the event giving rise to such claim is known or reasonably should have been known to the party making such claim.

#### 14. REPRESENTATIONS AND WARRANTIES

14.1. By executing this Agreement, each party represents and warrants to the other: (a) that the representing party is duly incorporated and validly existing in good standing under the laws of its state of incorporation; (b) that the representing party has full right and authority to enter into and perform this Agreement in accordance with the terms hereof, and that by entering into or performing this Agreement, the representing party is not and will not be in violation of its charter or bylaws, or any law, regulation, judicial or administrative order or other agreement by which it is bound or to which it is subject; and (c) that the execution, delivery and performance of this Agreement by such party has been duly authorized by all requisite corporate action, that the signatories for such party hereto are authorized to sign this Agreement, and that a joinder or consent of any other party, including a court or trustee, is not necessary to make valid and effective the execution, delivery and performance of this Agreement by such party.

#### 15. CONFIDENTIALITY

15.1. Any and all information ("Confidential Information") disclosed or submitted in writing or in other tangible form that is clearly and conspicuously labeled "CONFIDENTIAL" or "PROPRIETARY" shall not be disclosed to any third party. Confidential Information shall also include oral and visual disclosures, which are identified as confidential at the time of such disclosures and which are confirmed and summarized within fifteen (15) days of the disclosure by the disclosing party in a writing that sets forth the substance of the Confidential Information disclosed. Neither party shall use said Confidential Information for any purpose other than those purposes specified in this Agreement.

15.2. The parties may disclose Confidential Information to employees

requiring such access for the purposes of this Agreement provided, however, that prior to making any such disclosures each such employee shall be apprised of the duty and obligation to maintain Confidential Information in confidence and not to use such information for any purpose other than in accordance with the terms and conditions of this Agreement. Neither party shall be held financially liable for any inadvertent disclosure, but each will agree to use its reasonable efforts not to disclose any agreed-to Confidential Information. IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR PUNITIVE, EXEMPLARY, INCIDENTAL, CONSEQUENTIAL, OR SPECIAL DAMAGES.

15.3. Nothing contained herein will in any way restrict or impair either party's right to use, disclose, or otherwise deal with any Confidential Information that at the time of its receipt:

1. Is generally available in the public domain, or thereafter becomes available to the public through no act of the receiving party;
2. Was independently known prior to its receipt, or made available to such receiving party as a matter of lawful right by a third party;
3. Is received without obligation of confidentiality from a third party who was free to disclose the information; or
4. Is required by law (including disclosures under the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13), regulation, or court order to be disclosed, in which case the disclosing party shall be notified promptly.

15.4. At any time, upon the request of the disclosing party, the receiving party promptly shall deliver to the disclosing party any property of the disclosing party, which may be in the receiving party's possession or control, including any and all documents and materials containing Confidential Information of the disclosing party (and all copies of the foregoing, except that the receiving party may retain one copy for archival purposes).

15.5. Nothing herein shall be construed as granting any right or license under any copyrights, inventions, or patents now or hereafter owned or controlled by a party.

15.6. Neither party shall, without first obtaining the written consent of the other party, use any trademark or trade name of such other party or refer to the subject matter of this Agreement or such other party in any promotional activity or otherwise. Neither party shall issue any publication or press release relating directly or indirectly to this Agreement without first notifying the other party of the same and attempting mutually to agree on the content of such publication or press release. If no agreement as to the content is reached after reasonable mutual effort, each party may issue separate press releases.

15.7. It is recognized by the parties that a breach of the terms of this Article may not be adequately compensated by means of monetary damages, and that resort to equitable proceedings to secure injunctive relief may be necessary and justified.

15.8. The provisions of this Article shall survive expiration or other termination of this Agreement.

#### 16. FORCE MAJEURE EVENTS

16.1. Neither party shall be in default under the Agreement if and to the extent that any failure or delay in such party's performance of one or more of its obligations hereunder is caused by any of the following conditions, and such party's performance of such obligation or obligations shall be excused and extended for and during the period of any such delay: act of God; fire; flood; shortages or unavailability or other delay in delivery not resulting from the responsible party's failure to timely place orders therefor; lack of or delay in transportation not resulting from the responsible party's failure to timely place orders therefor; permitting delays provided such delay is not resulting from the responsible party's failure to timely prosecute the same; unanticipated material change in government codes, ordinances, laws, rules, regulations or restrictions; war or civil disorder; wildcat strikes; failure of a third party to grant or recognize a required property, right of way or license right, provided such delay is not resulting from the responsible party's failure to timely prosecute the same; or any other cause beyond the

reasonable control of such party (collectively, "Force Majeure Events").

16.2. The party claiming relief under this Article shall notify the other in writing of the existence of the event relied on and the cessation or termination of said event, and the party claiming relief shall exercise reasonable commercial efforts to minimize the time of any such delay. Without limiting the foregoing, a failure, shortage, unavailability or other delay in delivery of the fiber, cable, equipment or component shall not preclude Customer from receiving an Outage Credit if one is available under this Agreement.

16.3. In the event of a Force Majeure Event which materially prevents the use of Services hereunder and which cannot be remedied for a period of thirty (30) days or more, either party may, by written notice to the other party, terminate this Agreement without further liability or obligation hereunder but without claim for loss or damages against the other party.

#### 17. ASSIGNMENT AND TRANSFER RESTRICTIONS

17.1. Neither party may transfer or assign all or any part of its interest under the Agreement, including subleasing any Capacity, or delegating any duties, burdens, or obligations arising hereunder, without the other's prior written consent, which consent shall not be unreasonably withheld or delayed. A transfer, assignment or sublease in violation of this Article shall constitute a material breach of this Agreement. If any such consent for assignment or transfer is given, the assignor nevertheless shall remain fully and primarily liable for all obligations under this Agreement.

17.2. Nothing contained in this Article shall be deemed or construed to prohibit NESC from assigning or otherwise transferring the Agreement in whole or in part to (a) any Affiliate of NESC, or (b) any person that purchases all or substantially all of the assets of NESC, or any other person formed by or surviving the merger or acquisition of NESC, or (c) any creditor of NESC to whom this Agreement is assigned as collateral security for any indebtedness of NESC or its Affiliates.

In each case, the assignee or transferee shall accept this Agreement subject to all rights, obligations and liabilities herein contained.

## 18. NOTICES

18.1. All notices and other communications required or permitted under the Agreement shall be in writing and shall be given by overnight courier, U.S. registered mail, or by facsimile addressed as follows:

To Customer:

Attention:  
Facsimile:

With a copy to

Phone:  
Fax:

If to NESC

Northeast Service Cooperative  
5525 Emerald Avenue  
Mountain Iron, MN 55768  
Attention: Director of Information Technology  
Facsimile: 218-741-1719

With a copy to:

Dorsey & Whitney, LLP  
Suite 1500  
50 South Sixth Street  
Minneapolis, MN 55402-1498  
Attention: Karly Baraga Werner  
Fax: 612-340-2868

Any such notice or other communication shall be deemed to be effective when actually received or refused. Either party may by similar notice change the address to which future notices or other communications shall be sent.

## 19. DEFAULT

19.1. A default shall be deemed to have occurred under this Agreement if:

19.2. in the case of a failure to pay any amount when due under the Agreement, Customer fails to pay such amount within five (5) business days after notice from NESC that payment has not been received, or

19.3. in the case of any other material breach of this Agreement, a party fails to cure such material breach

within thirty (30) days after notice specifying such breach, or

19.4. either of the following occurs: (i) the a party makes a general assignment for the benefit of its creditors, files a voluntary petition in bankruptcy or any petition or answer seeking, consenting to, or acquiescing in reorganization, arrangement, adjustment, composition, liquidation, dissolution or similar relief; or (ii) an involuntary petition in bankruptcy or other insolvency proceeding is filed against either party and not dismissed within ninety (90) days.

19.5. In the event of any default under the Agreement, the non-defaulting party may terminate this Agreement and, subject to the terms of the Agreement, pursue any legal remedies it may have under applicable law.

## 20. TERMINATION

20.1 This Agreement shall automatically terminate on the expiration of the Term identified in the Agreement, or earlier as provided in this Agreement. Upon the expiration of the Term or other termination of the Agreement, the Services provided shall immediately terminate and all rights of Customer to use of the Network shall cease and all such rights shall revert to NESC.

20.2. Termination of the Agreement shall not affect the rights or obligations of either party that arise before the date of termination. In the event of termination of the Agreement due to Customer's default, Customer shall remain responsible to NESC for a termination liability equal to 100% of the Monthly Fees as shown on Exhibit C multiplied by the number of months remaining in the Term.

20.3 If Customer ceases operation of a location identified in Exhibit B and no longer needs the capacity subject to this Agreement, it may elect to utilize the capacity at a new, alternate location served by the Network. Customer will be liable for an Installation Charge for the new location, but may transfer the monthly payment obligation.

## 21. DISPUTE RESOLUTION

21.1. The Parties desire to resolve certain disputes, controversies, and claims arising out of this Agreement without litigation. Accordingly, except in the case of (i) a

dispute, controversy or claim relating to a breach or alleged breach of the provisions governing confidentiality; (ii) a suit, action or proceeding to compel Supplier or Customer to comply with its obligations to indemnify the other Party pursuant to this Agreement; or (iii) a suit, action or proceeding to compel either Party to comply with the dispute resolution procedures set forth in this Section, or otherwise seeking injunctive relief, the Parties agree to use the following alternative dispute procedure as their sole recourse with respect to any dispute, controversy or claim arising out of or relating to this Agreement or its breach. The term "Dispute" means any dispute, controversy, or claim to be resolved in accordance with this dispute resolution procedure.

21.2. At the written request of a Party, each Party shall appoint a knowledgeable, responsible representative to meet and negotiate in good faith to resolve any Dispute. These negotiations shall be conducted by non-lawyer, business representatives. Discussions and correspondence among the representatives for purposes of these negotiations shall be treated as Confidential Information developed for purposes of settlement, shall be exempt from discovery and production, and shall not be admissible in any proceeding or lawsuit without the concurrence of both Parties. Documents identified in or provided with such communications, which are not prepared for purposes of the negotiations, are not so exempted, and may, if otherwise admissible, be admitted in evidence in the arbitration or lawsuit.

21.3. If the negotiations do not resolve the Dispute within ten (10) business days of their commencement or such negotiations do not commence within seven (7) days of request by the other Party in writing, then either Party shall be free to pursue all rights and remedies available at law and/or in equity.

## 22. MISCELLANEOUS PROVISIONS

22.1. Binding Effect. The Agreement and each of the parties' respective rights and obligations under the Agreement, shall be binding on and shall inure to the benefit of the

parties hereto and each of their respective permitted successors and assigns.

22.2. Waiver. The failure of either party hereto to enforce any of the provisions of the Agreement, or the waiver thereof in any instance shall not be construed as a general waiver or relinquishment on its part of any such provision, but the same shall nevertheless be and remain in full force and effect.

22.3. Governing Law. The Agreement shall be governed by and construed in accordance with the laws of the Minnesota, without giving effect to the conflicts of laws principles thereof.

22.4. Rules of Construction. The captions or headings in this Agreement are strictly for convenience and shall not be considered in interpreting this Agreement or as amplifying or limiting any of its content. Words in this Agreement which import the singular connotation shall be interpreted as plural, and words which import the plural connotation shall be interpreted as singular, as the identity of the parties or objects referred to may require. This Agreement has been negotiated by the parties, each with the benefit of counsel, and no provision hereof shall be deemed, for purposes of construction or interpretation, to have been drafted by any single party.

22.5. No Personal or Parental Liability. Each action or claim against any party arising under or relating to this Agreement shall be made only against such party as a corporation and any liability relating thereto shall be enforceable only against the corporate assets of such party.

22.6. Relationship of the Parties. The relationship between Customer and NESC shall not be that of partners, agents, or joint venturers of, for or to one another, and nothing contained in this Agreement shall be deemed to constitute a partnership or agency agreement between them for any purposes, including, but not limited to income tax purposes. Customer and NESC, in performing any of their obligations hereunder, shall be independent contractors or independent parties and shall

discharge their contractual obligations at their own risk subject, however, to the terms and conditions hereof.

22.7. Severability. If any term, covenant or condition contained herein is, to any extent, held invalid or unenforceable in any respect under the laws governing this Agreement, the remainder of this Agreement shall not be affected thereby, and each term, covenant or condition of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

22.8. Entire Agreement. This Agreement, including all Exhibits attached hereto and incorporated herein, constitutes the entire and final agreement and understanding between the Parties with respect to the subject matter hereof and supersedes, replaces and cancels all prior agreements relating to the subject matter hereof. This Agreement may be modified or supplemented only by an instrument in writing executed by each Party and delivered to the Party relying on the writing.

22.9. Counterparts. This Agreement may be executed in one or more counterparts, all of which taken together shall constitute one and the same instrument.

**EXHIBIT A  
TECHNICAL SPECIFICATIONS**

**1.0 STANDARDS AND INTERCONNECT SPECIFICATIONS.**

1.1 The Network will be compatible with the ITU-T G.709/Y.1331 and will meet requirements found in **Recommendation G.709/Y.1331 (2009) Erratum 1 (05/10)**, Approved in 2010-05, Status: In force

1.1.1 As of this writing, the current ITU Specifications can be found at <http://www.itu.int/rec/T-REC-G.709/e>.

1.2 The Network will be compatible with the IEEE 802.3ba-2010.

1.2.1 As of this writing, the current IEEE standard can be found at <http://standards.ieee.org/findstds/standard/802.3ba-2010.html>

1.3 Customer equipment must also meet the standards and interconnect specifications listed above.

**2.0 PERFORMANCE OBJECTIVES.**

2.1 Circuit performance will be measured using two parameters: Availability and Error-Free Seconds. The following assumptions apply to the performance objectives:

2.1.1 The circuits originate and terminate on the Network

2.1.2 MTTR for Network equipment: 4 hours

2.1.3 MTTR for Network fiber optic cable: 12 hours (Bellcore Standard)

2.1.4 Cable cut rate: 4.39 /year/1,000 sheath miles (Bellcore Standard)

2.2 The availability objective for all circuits utilizing NESC Network ring architecture is to provide performance levels over a twelve (12) month period as follows:

V&H Miles	Network Ring Architecture
0-2500	99.999%
2501-4000	99.998%

2.3 Error-Free Seconds (EFS) and Error Seconds (ES) are the primary measure of error performance. An Error-Free Second is defined as any second in which no bit errors are received. Conversely, an Error Second is any second in which one or more bit errors are received.

3.0 ACCEPTANCE CRITERIA.

3.1 The acceptance criteria for Capacity between NESC Network Interface points is to provide the performance levels shown below during a 60 minute test period. If no errors are observed during the first 15 minutes of the test, the facility shall be considered accepted by the Customer.

3.2 OTN. The table below defines the general performance objectives for OTN delivery.

V&H Miles	EFS	BER
0 - 250	99.989%	$10^{-14}$
251 - 500	99.984%	$10^{-14}$
501 - 1000	99.974%	$10^{-14}$
1001 - 1500	99.964%	$10^{-14}$
1501 - 2000	99.954%	$10^{-14}$
2001 - 2500	99.944%	$10^{-14}$
2501 - 3000	99.933%	$10^{-14}$
3000 - 3500	99.923%	$10^{-14}$
3501 - 4000	99.913%	$10^{-14}$

EXHIBIT "B" - SERVICE LOCATIONS

---

**Site ID: 1258**                      Business Class: City  
   latitude 46.785756      longitude -92.129188

Communications Bldg #3 - Radio Tower  
1005 Observation Rd  
Duluth                                      Minnesota                                      55811

Primary Administrative      Elysia                                      Fourniea  
Mobile:                                      218-730-5139  
   [efourniea@duluthmn.gov](mailto:efourniea@duluthmn.gov)

Secondary Administrative: Karla                                      Culhane  
   218-730-5119  
   [kculhane@duluthmn.gov](mailto:kculhane@duluthmn.gov)

Primary Technical:                      John                                      Saaristo  
   218-730-5122  
   [jsaaristo@duluthmn.gov](mailto:jsaaristo@duluthmn.gov)

Secondary Technical:                      Paul                                      Collins  
   218-730-5133  
   [pcollins@duluthmn.gov](mailto:pcollins@duluthmn.gov)

Access Times:                                      8:00 - 16:30                                      24x7 Access: No  
After Hours Contact:                      Karla Culhane

---

**Site ID: 1296**                      Business Class: Fire  
   latitude 46.667674      longitude -92.226244

Firehall #10  
1102 Commonwealth Ave  
Duluth                                      Minnesota                                      55808

Primary Administrative      Elysia                                      Fourniea  
Mobile:                                      218-730-5139  
   [efourniea@duluthmn.gov](mailto:efourniea@duluthmn.gov)

Secondary Administrative: Karla                                      Culhane  
   218-730-5119  
   [kculhane@duluthmn.gov](mailto:kculhane@duluthmn.gov)

Primary Technical:                      John                                      Saaristo  
   218-730-5122  
   [jsaaristo@duluthmn.gov](mailto:jsaaristo@duluthmn.gov)

Secondary Technical:                      Paul                                      Collins  
   218-730-5133  
   [pcollins@duluthmn.gov](mailto:pcollins@duluthmn.gov)

Access Times:                                      8:00 - 16:30                                      24x7 Access: No  
After Hours Contact:                      Karla Culhane

---





EXHIBIT "B" - SERVICE LOCATIONS

**Site ID: 2045**      Business Class: Police  
 latitude 46.816755      longitude -92.131934

911 Police Station  
 2030 N Arlington Ave  
 Duluth      Minnesota

Primary Administrative Mobile:      Elysia      Fourniea  
 218-730-5139  
[efourniea@duluthmn.gov](mailto:efourniea@duluthmn.gov)

Secondary Administrative:      Karla      Culhane  
 218-730-5119  
[kculhane@duluthmn.gov](mailto:kculhane@duluthmn.gov)

Primary Technical:      John      Saaristo  
 218-730-5122  
[jsaaristo@duluthmn.gov](mailto:jsaaristo@duluthmn.gov)

Secondary Technical:      Paul      Collins  
 218-730-5133  
[pcollins@duluthmn.gov](mailto:pcollins@duluthmn.gov)

Access Times:      8:00 - 16:30      24x7 Access: No  
 After Hours Contact:

**Site ID: 2311**      Business Class: E12  
 latitude      longitude

Duluth Exchange - DUC  
 209 W 1st St  
 Duluth      Minnesota      55802

Primary Administrative Mobile:      Elysia      Fourniea  
 218-730-5139  
[efourniea@duluthmn.gov](mailto:efourniea@duluthmn.gov)

Secondary Administrative:      Karla      Culhane  
 218-730-5119  
[kculhane@duluthmn.gov](mailto:kculhane@duluthmn.gov)

Primary Technical:      Network      Operations  
 866-306-3926  
[support@nenet.us](mailto:support@nenet.us)

Secondary Technical:      Network      Operations  
 866-306-3926  
[support@nenet.us](mailto:support@nenet.us)

Access Times:      -      24x7 Access: Yes  
 After Hours Contact:





EXHIBIT "B" - SERVICE LOCATIONS

**Site ID: 1292**      Business Class: Fire  
 latitude 46.815117      longitude -92.089099

Firehall #4  
 425 W College St  
 Duluth      Minnesota      55812

Primary Administrative: Elysia      Fourniea  
 Mobile: 218-730-5139  
efourniea@duluthmn.gov

Secondary Administrative: Karla      Culhane  
 218-730-5119  
kculhane@duluthmn.gov

Primary Technical: John      Saaristo  
 218-730-5122  
jsaaristo@duluthmn.gov

Secondary Technical: Paul      Collins  
 218-730-5133  
pcollins@duluthmn.gov

Access Times: 8:00 - 16:30      24x7 Access: No  
 After Hours Contact: Karla Culhane

**Site ID: 1379**      Business Class: City  
 latitude 46.73996      longitude -92.159219

Fleet Service Center  
 4825 Mike Colallilo Dr  
 Duluth      Minnesota      55807

Primary Administrative: Elysia      Fourniea  
 Mobile: 218-730-5139  
efourniea@duluthmn.gov

Secondary Administrative: Karla      Culhane  
 218-730-5119  
kculhane@duluthmn.gov

Primary Technical: John      Saaristo  
 218-730-5122  
jsaaristo@duluthmn.gov

Secondary Technical: Paul      Collins  
 218-730-5133  
pcollins@duluthmn.gov

Access Times: 8:00 - 16:30      24x7 Access: No  
 After Hours Contact: Karla Culhane











EXHIBIT "C" - SERVICES

<b>Circuit ID: 68</b>	Type: Optical Switch (3DMems)	Capacity (Mbps):
"A" Location: 2627 Duluth Exchange - DUH Hermantown	Haines and Arrowhead Minnesota	
"Z" Location: 2045 911 Police Station Duluth	46.816755 2030 N Arlington Ave Minnesota	-92.131934
<b>Circuit ID: 447</b>	Type: Optical Switch (3DMems)	Capacity (Mbps):
"A" Location: 2311 Duluth Exchange - DUC Duluth	209 W 1st St Minnesota	55802
"Z" Location: 1228 Facilities Maintenance Bldg Duluth	46.771315 1532 W Michigan St Minnesota	-92.117154 55806
<b>Circuit ID: 448</b>	Type: Optical Switch (3DMems)	Capacity (Mbps):
"A" Location: 2311 Duluth Exchange - DUC Duluth	209 W 1st St Minnesota	55802
"Z" Location: 1290 Firehall #1 Duluth	46.782392 602 W 2nd St Minnesota	-92.107964 55802
<b>Circuit ID: 449</b>	Type: Optical Switch (3DMems)	Capacity (Mbps):
"A" Location: 2627 Duluth Exchange - DUH Hermantown	Haines and Arrowhead Minnesota	
"Z" Location: 1296 Firehall #10 Duluth	46.667674 1102 Commonwealth Ave Minnesota	-92.226244 55808
<b>Circuit ID: 450</b>	Type: Optical Switch (3DMems)	Capacity (Mbps):
"A" Location: 2311 Duluth Exchange - DUC Duluth	209 W 1st St Minnesota	55802
"Z" Location: 1297 Firehall #11 Duluth	46.84501 3501 Woodland Ave Minnesota	-92.08293 55803

## EXHIBIT "C" - SERVICES

---

<b>Circuit ID: 451</b>	Type: Optical Switch (3DMems)	Capacity (Mbps):
"A" Location: 2311 Duluth Exchange - DUC Duluth	209 W 1st St Minnesota	55802
"Z" Location: 1291 Firehall #2 Duluth	46.761987 2627 W Superior St Minnesota	-92.131076 55806
<hr/>		
<b>Circuit ID: 452</b>	Type: Optical Switch (3DMems)	Capacity (Mbps):
"A" Location: 2627 Duluth Exchange - DUH Hermantown	Haines and Arrowhead Minnesota	
"Z" Location: 1292 Firehall #4 Duluth	46.815117 425 W College St Minnesota	-92.089099 55812
<hr/>		
<b>Circuit ID: 454</b>	Type: Optical Switch (3DMems)	Capacity (Mbps):
"A" Location: 2627 Duluth Exchange - DUH Hermantown	Haines and Arrowhead Minnesota	
"Z" Location: 1294 Firehall #6 Duluth	46.832771 5031 E Superior St Minnesota	-92.023069 55804
<hr/>		
<b>Circuit ID: 456</b>	Type: Optical Switch (3DMems)	Capacity (Mbps):
"A" Location: 2627 Duluth Exchange - DUH Hermantown	Haines and Arrowhead Minnesota	
"Z" Location: 1295 Firehall #7 Duluth	46.807706 1419 W Maple Grove Rd Minnesota	-92.157788 55811
<hr/>		
<b>Circuit ID: 458</b>	Type: Optical Switch (3DMems)	Capacity (Mbps):
"A" Location: 2627 Duluth Exchange - DUH Hermantown	Haines and Arrowhead Minnesota	
"Z" Location: 1379 Fleet Service Center Duluth	46.73996 4825 Mike Colallilo Dr Minnesota	-92.159219 55807

EXHIBIT "C" - SERVICES

---

**Circuit ID: 463**                      Type:    Optical Switch (3DMems)    Capacity (Mbps):

"A" Location: 2311  
 Duluth Exchange - DUC              209 W 1st St  
 Duluth                                    Minnesota                                    55802

"Z" Location: 2033                      46.781794                                    -92.104671  
 Main Library                              520 W Superior St  
 Duluth                                      Minnesota                                    55802

---

**Circuit ID: 809**                      Type:    Optical Switch (3DMems)    Capacity (Mbps):

"A" Location: 2311  
 Duluth Exchange - DUC              209 W 1st St  
 Duluth                                    Minnesota                                    55802

"Z" Location: 1229                      46.789739                                    -92.102171  
 Central Hillside Comm Center  
 Duluth                                      12 E 4th St  
     Minnesota                                    55805

---

**Circuit ID: 812**                      Type:    Optical Switch (3DMems)    Capacity (Mbps):

"A" Location: 2311  
 Duluth Exchange - DUC              209 W 1st St  
 Duluth                                    Minnesota                                    55802

"Z" Location: 1232                      46.783734                                    -92.104671  
 City Hall                                    411 W 1st St  
 Duluth                                      Minnesota                                    55802

---

**Circuit ID: 813**                      Type:    Optical Switch (3DMems)    Capacity (Mbps):

"A" Location: 2311  
 Duluth Exchange - DUC              209 W 1st St  
 Duluth                                    Minnesota                                    55802

"Z" Location: 1253                      46.760241                                    -92.080106  
 Communications Bldg #2 - Radi  
 Duluth                                      2138 Minnesota Ave  
     Minnesota                                    55802

---

**Circuit ID: 814**                      Type:    Optical Switch (3DMems)    Capacity (Mbps):

"A" Location: 2311  
 Duluth Exchange - DUC              209 W 1st St  
 Duluth                                    Minnesota                                    55802

"Z" Location: 1258                      46.785756                                    -92.129188  
 Communications Bldg #3 - Radi  
 Duluth                                      1005 Observation Rd  
     Minnesota                                    55811

---

EXHIBIT "C" - SERVICES

**Circuit ID: 817** Type: Optical Switch (3DMems) Capacity (Mbps):

"A" Location: 2311  
 Duluth Exchange - DUC  
 Duluth 209 W 1st St  
 Minnesota 55802

"Z" Location: 1340  
 Bayfront Park - Family Center  
 Duluth 46.781574  
 S 5th Ave W & Waterfront  
 Minnesota -92.103465  
 55802

**Circuit ID: 820** Type: Optical Switch (3DMems) Capacity (Mbps):

"A" Location: 2311  
 Duluth Exchange - DUC  
 Duluth 209 W 1st St  
 Minnesota 55802

"Z" Location: 1380  
 Woodland Water Tower  
 Duluth 46.85326  
 Minneapolis & Mankato  
 Minnesota -92.076236  
 55803

**Circuit ID: 823** Type: Optical Switch (3DMems) Capacity (Mbps):

"A" Location: 2311  
 Duluth Exchange - DUC  
 Duluth 209 W 1st St  
 Minnesota 55802

"Z" Location: 1388  
 PW&U - Garfield  
 Duluth 46.75474  
 520 Garfield Ave  
 Minnesota -92.105503  
 55802

**Circuit ID: 836** Type: Optical Switch (3DMems) Capacity (Mbps):

"A" Location: 2627  
 Duluth Exchange - DUH  
 Hermantown Haines and Arrowhead  
 Minnesota

"Z" Location: 1374  
 City Center West  
 Duluth 46.737585  
 5830 Grand Ave  
 Minnesota -92.170862  
 55807

**Circuit ID: 851** Type: Optical Switch (3DMems) Capacity (Mbps):

"A" Location: 2311  
 Duluth Exchange - DUC  
 Duluth 209 W 1st St  
 Minnesota 55802

"Z" Location: 2627  
 Duluth Exchange - DUH  
 Hermantown Haines and Arrowhead  
 Minnesota

EXHIBIT "C" - SERVICES

---

**Circuit ID: 852**                      Type:    Optical Switch (3DMems)    Capacity (Mbps):

"A" Location: 2627  
Duluth Exchange - DUH                      Haines and Arrowhead  
Hermantown                                      Minnesota

"Z" Location: 1232                      46.783734                      -92.104671  
City Hall    411 W 1st St  
Duluth    Minnesota                      55802

---

**Circuit ID: 853**                      Type:    Optical Switch (3DMems)    Capacity (Mbps):

"A" Location: 2311  
Duluth Exchange - DUC                      209 W 1st St  
Duluth    Minnesota                      55802

"Z" Location: 2045                      46.816755                      -92.131934  
911 Police Station                              2030 N Arlington Ave  
Duluth    Minnesota

---

**Circuit ID: 854**                      Type:    Optical Switch (3DMems)    Capacity (Mbps):

"A" Location: 2627  
Duluth Exchange - DUH                      Haines and Arrowhead  
Hermantown                                      Minnesota

"Z" Location: 2476  
SCADA - Highland Pump Statio              1701 N. Arlington Avenue  
Duluth    Minnesota

---

**Circuit ID: 855**                      Type:    Optical Switch (3DMems)    Capacity (Mbps):

"A" Location: 2311  
Duluth Exchange - DUC                      209 W 1st St  
Duluth    Minnesota                      55802

"Z" Location: 1385                      46.821123                      -92.074514  
Mount Royal Library                              105 Mount Royal Shopping Circle  
Duluth    Minnesota                      55803



EXHIBIT "D" - FEES

TELECOMMUNICATIONS AND INTERNET SERVICES

SELECT

**Circuit ID: 447** Capacity (Mbps):  
 "A" Location: 2311 Duluth Exchange - DUC  
 "Z" Location: 1228 Facilities Maintenance Bldg  
 Diversity Available: N  
 Original Grant Site:  
 Reported MRC Exp: \$155.00  
 ER Status: ER Required  
 Est. Installation: 9/1/2012  
 Earliest Billing Start: 9/1/2012

**Circuit ID: 809** Capacity (Mbps):  
 "A" Location: 2311 Duluth Exchange - DUC  
 "Z" Location: 1229 Central Hillside Comm Center  
 Diversity Available: N  
 Original Grant Site:  
 Reported MRC Exp: \$155.00  
 ER Status: ER 1.0 (2011)  
 Est. Installation: 3/1/2012  
 Earliest Billing Start: 3/1/2012

**Circuit ID: 812** Capacity (Mbps):  
 "A" Location: 2311 Duluth Exchange - DUC  
 "Z" Location: 1232 City Hall  
 Diversity Available: N  
 Original Grant Site:  
 Reported MRC Exp: \$0.00  
 ER Status: ER 1.0 (2011)  
 Est. Installation: 1/1/2012  
 Earliest Billing Start: 1/1/2012

**Circuit ID: 813** Capacity (Mbps):  
 "A" Location: 2311 Duluth Exchange - DUC  
 "Z" Location: 1253 Communications Bldg #2 - Radio Tower  
 Diversity Available: N  
 Original Grant Site:  
 Reported MRC Exp: \$351.00  
 ER Status: ER Required  
 Est. Installation: 9/1/2012  
 Earliest Billing Start: 9/1/2012

CAPACITY DESCRIPTION	MRC	NRC
<b>BASIC SERVICES</b>		
<input checked="" type="checkbox"/> Optical Switch (3DMems)	\$400.00	\$17,275.00
Protection - Network	STD	STD
<b>OPTIONAL SERVICES</b>		
<input type="checkbox"/> Protection - Active/Passive	\$300.00	\$2,500.00
<input type="checkbox"/> Protection - Active/Active	\$400.00	\$2,500.00
<input type="checkbox"/> Diverse Entrance	\$0.00	\$0.00
<input type="checkbox"/> Custom Inside Wiring/Cabling	N/A \$ _____	
<input type="checkbox"/> Customer Premise Equipment \$	\$ _____	\$ _____

CAPACITY DESCRIPTION	MRC	NRC
<b>BASIC SERVICES</b>		
<input checked="" type="checkbox"/> Optical Switch (3DMems)	\$400.00	\$6,827.00
Protection - Network	STD	STD
<b>OPTIONAL SERVICES</b>		
<input type="checkbox"/> Protection - Active/Passive	\$300.00	\$2,500.00
<input type="checkbox"/> Protection - Active/Active	\$400.00	\$2,500.00
<input type="checkbox"/> Diverse Entrance	\$0.00	\$0.00
<input type="checkbox"/> Custom Inside Wiring/Cabling	N/A \$ _____	
<input type="checkbox"/> Customer Premise Equipment \$	\$ _____	\$ _____

CAPACITY DESCRIPTION	MRC	NRC
<b>BASIC SERVICES</b>		
<input checked="" type="checkbox"/> Optical Switch (3DMems)	\$400.00	\$9,509.00
Protection - Network	STD	STD
<b>OPTIONAL SERVICES</b>		
<input type="checkbox"/> Protection - Active/Passive	\$300.00	\$2,500.00
<input type="checkbox"/> Protection - Active/Active	\$400.00	\$2,500.00
<input type="checkbox"/> Diverse Entrance	\$0.00	\$0.00
<input type="checkbox"/> Custom Inside Wiring/Cabling	N/A \$ _____	
<input type="checkbox"/> Customer Premise Equipment \$	\$ _____	\$ _____

CAPACITY DESCRIPTION	MRC	NRC
<b>BASIC SERVICES</b>		
<input checked="" type="checkbox"/> Optical Switch (3DMems)	\$400.00	\$67,461.00
Protection - Network	STD	STD
<b>OPTIONAL SERVICES</b>		
<input type="checkbox"/> Protection - Active/Passive	\$300.00	\$2,500.00
<input type="checkbox"/> Protection - Active/Active	\$400.00	\$2,500.00
<input type="checkbox"/> Diverse Entrance	\$0.00	\$0.00
<input type="checkbox"/> Custom Inside Wiring/Cabling	N/A \$ _____	
<input type="checkbox"/> Customer Premise Equipment \$	\$ _____	\$ _____

TELECOMMUNICATIONS AND INTERNET SERVICES

SELECT

**Circuit ID: 814** Capacity (Mbps):  
 "A" Location: 2311 Duluth Exchange - DUC  
 "Z" Location: 1258 Communications Bldg #3 - Radio Tower  
 Diversity Available: N  
 Original Grant Site:  
 Reported MRC Exp: \$500.00  
 ER Status: ER Required  
 Est. Installation: 9/1/2012  
 Earliest Billing Start: 9/1/2012

CAPACITY DESCRIPTION	MRC	NRC
<b>BASIC SERVICES</b>		
<input checked="" type="checkbox"/> Optical Switch (3DMems)	\$400.00	\$20,674.00
Protection - Network	STD	STD
<b>OPTIONAL SERVICES</b>		
<input type="checkbox"/> Protection - Active/Passive	\$300.00	\$2,500.00
<input type="checkbox"/> Protection - Active/Active	\$400.00	\$2,500.00
<input type="checkbox"/> Diverse Entrance	\$0.00	\$0.00
<input type="checkbox"/> Custom Inside Wiring/Cabling	N/A \$ _____	
<input type="checkbox"/> Customer Premise Equipment	\$ _____	\$ _____

**Circuit ID: 448** Capacity (Mbps):  
 "A" Location: 2311 Duluth Exchange - DUC  
 "Z" Location: 1290 Firehall #1  
 Diversity Available: N  
 Original Grant Site:  
 Reported MRC Exp: \$0.00  
 ER Status: ER 1.0 (2011)  
 Est. Installation: 3/1/2012  
 Earliest Billing Start: 3/1/2012

CAPACITY DESCRIPTION	MRC	NRC
<b>BASIC SERVICES</b>		
<input checked="" type="checkbox"/> Optical Switch (3DMems)	\$400.00	\$12,356.00
Protection - Network	STD	STD
<b>OPTIONAL SERVICES</b>		
<input type="checkbox"/> Protection - Active/Passive	\$300.00	\$2,500.00
<input type="checkbox"/> Protection - Active/Active	\$400.00	\$2,500.00
<input type="checkbox"/> Diverse Entrance	\$0.00	\$0.00
<input type="checkbox"/> Custom Inside Wiring/Cabling	N/A \$ _____	
<input type="checkbox"/> Customer Premise Equipment	\$ _____	\$ _____

**Circuit ID: 451** Capacity (Mbps):  
 "A" Location: 2311 Duluth Exchange - DUC  
 "Z" Location: 1291 Firehall #2  
 Diversity Available: N  
 Original Grant Site:  
 Reported MRC Exp: \$120.00  
 ER Status: ER Required  
 Est. Installation: 9/1/2012  
 Earliest Billing Start: 9/1/2012

CAPACITY DESCRIPTION	MRC	NRC
<b>BASIC SERVICES</b>		
<input checked="" type="checkbox"/> Optical Switch (3DMems)	\$400.00	\$5,675.00
Protection - Network	STD	STD
<b>OPTIONAL SERVICES</b>		
<input type="checkbox"/> Protection - Active/Passive	\$300.00	\$2,500.00
<input type="checkbox"/> Protection - Active/Active	\$400.00	\$2,500.00
<input type="checkbox"/> Diverse Entrance	\$0.00	\$0.00
<input type="checkbox"/> Custom Inside Wiring/Cabling	N/A \$ _____	
<input type="checkbox"/> Customer Premise Equipment	\$ _____	\$ _____

**Circuit ID: 450** Capacity (Mbps):  
 "A" Location: 2311 Duluth Exchange - DUC  
 "Z" Location: 1297 Firehall #11  
 Diversity Available: N  
 Original Grant Site:  
 Reported MRC Exp: \$120.00  
 ER Status: ER Required  
 Est. Installation: 9/1/2012  
 Earliest Billing Start: 9/1/2012

CAPACITY DESCRIPTION	MRC	NRC
<b>BASIC SERVICES</b>		
<input checked="" type="checkbox"/> Optical Switch (3DMems)	\$400.00	\$5,005.00
Protection - Network	STD	STD
<b>OPTIONAL SERVICES</b>		
<input type="checkbox"/> Protection - Active/Passive	\$300.00	\$2,500.00
<input type="checkbox"/> Protection - Active/Active	\$400.00	\$2,500.00
<input type="checkbox"/> Diverse Entrance	\$0.00	\$0.00
<input type="checkbox"/> Custom Inside Wiring/Cabling	N/A \$ _____	
<input type="checkbox"/> Customer Premise Equipment	\$ _____	\$ _____

EXHIBIT "D" - FEES

TELECOMMUNICATIONS AND INTERNET SERVICES

SELECT

**Circuit ID: 817** Capacity (Mbps):  
 "A" Location: 2311 Duluth Exchange - DUC  
 "Z" Location: 1340 Bayfront Park - Family Center  
 Diversity Available: N  
 Original Grant Site:  
 Reported MRC Exp: \$100.00  
 ER Status: ER Required  
 Est. Installation: 9/1/2012  
 Earliest Billing Start: 9/1/2012

CAPACITY DESCRIPTION	MRC	NRC
<b>BASIC SERVICES</b>		
<input checked="" type="checkbox"/> Optical Switch (3DMems)	\$400.00	\$7,392.00
Protection - Network	STD	STD
<b>OPTIONAL SERVICES</b>		
<input type="checkbox"/> Protection - Active/Passive	\$300.00	\$2,500.00
<input type="checkbox"/> Protection - Active/Active	\$400.00	\$2,500.00
<input type="checkbox"/> Diverse Entrance	\$0.00	\$0.00
<input type="checkbox"/> Custom Inside Wiring/Cabling	N/A \$ _____	
<input type="checkbox"/> Customer Premise Equipment \$	\$ _____	

**Circuit ID: 820** Capacity (Mbps):  
 "A" Location: 2311 Duluth Exchange - DUC  
 "Z" Location: 1380 Woodland Water Tower  
 Diversity Available: N  
 Original Grant Site:  
 Reported MRC Exp: \$130.00  
 ER Status: ER Required  
 Est. Installation: 9/1/2012  
 Earliest Billing Start: 9/1/2012

CAPACITY DESCRIPTION	MRC	NRC
<b>BASIC SERVICES</b>		
<input checked="" type="checkbox"/> Optical Switch (3DMems)	\$400.00	\$9,314.00
Protection - Network	STD	STD
<b>OPTIONAL SERVICES</b>		
<input type="checkbox"/> Protection - Active/Passive	\$300.00	\$2,500.00
<input type="checkbox"/> Protection - Active/Active	\$400.00	\$2,500.00
<input type="checkbox"/> Diverse Entrance	\$0.00	\$0.00
<input type="checkbox"/> Custom Inside Wiring/Cabling	N/A \$ _____	
<input type="checkbox"/> Customer Premise Equipment \$	\$ _____	

**Circuit ID: 855** Capacity (Mbps):  
 "A" Location: 2311 Duluth Exchange - DUC  
 "Z" Location: 1385 Mount Royal Library  
 Diversity Available: N  
 Original Grant Site:  
 Reported MRC Exp: \$155.00  
 ER Status: ER 1.0 (2011)  
 Est. Installation: 9/1/2012  
 Earliest Billing Start: 9/1/2012

CAPACITY DESCRIPTION	MRC	NRC
<b>BASIC SERVICES</b>		
<input checked="" type="checkbox"/> Optical Switch (3DMems)	\$400.00	\$2,500.00
Protection - Network	STD	STD
<b>OPTIONAL SERVICES</b>		
<input type="checkbox"/> Protection - Active/Passive	\$300.00	\$2,500.00
<input type="checkbox"/> Protection - Active/Active	\$400.00	\$2,500.00
<input type="checkbox"/> Diverse Entrance	\$0.00	\$0.00
<input type="checkbox"/> Custom Inside Wiring/Cabling	N/A \$ _____	
<input type="checkbox"/> Customer Premise Equipment \$	\$ _____	

**Circuit ID: 823** Capacity (Mbps):  
 "A" Location: 2311 Duluth Exchange - DUC  
 "Z" Location: 1388 PW&U - Garfield  
 Diversity Available: N  
 Original Grant Site:  
 Reported MRC Exp: \$337.00  
 ER Status: ER Required  
 Est. Installation: 9/1/2012  
 Earliest Billing Start: 9/1/2012

CAPACITY DESCRIPTION	MRC	NRC
<b>BASIC SERVICES</b>		
<input checked="" type="checkbox"/> Optical Switch (3DMems)	\$400.00	\$26,340.00
Protection - Network	STD	STD
<b>OPTIONAL SERVICES</b>		
<input type="checkbox"/> Protection - Active/Passive	\$300.00	\$2,500.00
<input type="checkbox"/> Protection - Active/Active	\$400.00	\$2,500.00
<input type="checkbox"/> Diverse Entrance	\$0.00	\$0.00
<input type="checkbox"/> Custom Inside Wiring/Cabling	N/A \$ _____	
<input type="checkbox"/> Customer Premise Equipment \$	\$ _____	

TELECOMMUNICATIONS AND INTERNET SERVICES

SELECT

**Circuit ID: 463** Capacity (Mbps):  
 "A" Location: 2311 Duluth Exchange - DUC  
 "Z" Location: 2033 Main Library  
 Diversity Available: N  
 Original Grant Site: 1  
 Reported MRC Exp: \$552.00  
 ER Status: ER 1.0 (2011)  
 Est. Installation: 3/1/2012  
 Earliest Billing Start: 3/1/2012

**Circuit ID: 853** Capacity (Mbps):  
 "A" Location: 2311 Duluth Exchange - DUC  
 "Z" Location: 2045 911 Police Station  
 Diversity Available: N  
 Original Grant Site: 1  
 Reported MRC Exp: \$0.00  
 ER Status: ER Required  
 Est. Installation: 1/1/2012  
 Earliest Billing Start: 1/1/2012

**Circuit ID: 851** Capacity (Mbps):  
 "A" Location: 2311 Duluth Exchange - DUC  
 "Z" Location: 2627 Duluth Exchange - DUH  
 Diversity Available: N  
 Original Grant Site: 1  
 Reported MRC Exp: \$0.00  
 ER Status: ER Required  
 Est. Installation: 1/1/2012  
 Earliest Billing Start: 1/1/2012

**Circuit ID: 852** Capacity (Mbps):  
 "A" Location: 2627 Duluth Exchange - DUH  
 "Z" Location: 1232 City Hall  
 Diversity Available: N  
 Original Grant Site: 1  
 Reported MRC Exp: \$0.00  
 ER Status: ER 1.0 (2011)  
 Est. Installation: 1/1/2012  
 Earliest Billing Start: 1/1/2012

CAPACITY DESCRIPTION	MRC	NRC
<b>BASIC SERVICES</b>		
<input checked="" type="checkbox"/> Optical Switch (3DMems)	\$552.00	\$2,500.00
Protection - Network	STD	STD
<b>OPTIONAL SERVICES</b>		
<input type="checkbox"/> Protection - Active/Passive	\$300.00	\$2,500.00
<input type="checkbox"/> Protection - Active/Active	\$400.00	\$2,500.00
<input type="checkbox"/> Diverse Entrance	\$0.00	\$0.00
<input type="checkbox"/> Custom Inside Wiring/Cabling	N/A \$	
<input type="checkbox"/> Customer Premise Equipment \$	\$	

CAPACITY DESCRIPTION	MRC	NRC
<b>BASIC SERVICES</b>		
<input checked="" type="checkbox"/> Optical Switch (3DMems)	\$400.00	\$2,500.00
Protection - Network	STD	STD
<b>OPTIONAL SERVICES</b>		
<input type="checkbox"/> Protection - Active/Passive	\$300.00	\$2,500.00
<input type="checkbox"/> Protection - Active/Active	\$400.00	\$2,500.00
<input type="checkbox"/> Diverse Entrance	\$0.00	\$0.00
<input type="checkbox"/> Custom Inside Wiring/Cabling	N/A \$	
<input type="checkbox"/> Customer Premise Equipment \$	\$	

CAPACITY DESCRIPTION	MRC	NRC
<b>BASIC SERVICES</b>		
<input checked="" type="checkbox"/> Optical Switch (3DMems)	\$400.00	\$2,500.00
Protection - Network	STD	STD
<b>OPTIONAL SERVICES</b>		
<input type="checkbox"/> Protection - Active/Passive	\$300.00	\$2,500.00
<input type="checkbox"/> Protection - Active/Active	\$400.00	\$2,500.00
<input type="checkbox"/> Diverse Entrance	\$0.00	\$0.00
<input type="checkbox"/> Custom Inside Wiring/Cabling	N/A \$	
<input type="checkbox"/> Customer Premise Equipment \$	\$	

CAPACITY DESCRIPTION	MRC	NRC
<b>BASIC SERVICES</b>		
<input checked="" type="checkbox"/> Optical Switch (3DMems)	\$400.00	\$9,509.00
Protection - Network	STD	STD
<b>OPTIONAL SERVICES</b>		
<input type="checkbox"/> Protection - Active/Passive	\$300.00	\$2,500.00
<input type="checkbox"/> Protection - Active/Active	\$400.00	\$2,500.00
<input type="checkbox"/> Diverse Entrance	\$0.00	\$0.00
<input type="checkbox"/> Custom Inside Wiring/Cabling	N/A \$	
<input type="checkbox"/> Customer Premise Equipment \$	\$	

EXHIBIT "D" - FEES

TELECOMMUNICATIONS AND INTERNET SERVICES

SELECT

**Circuit ID: 452** Capacity (Mbps):  
 "A" Location: 2627 Duluth Exchange - DUH  
 "Z" Location: 1292 Firehall #4  
 Diversity Available: N  
 Original Grant Site:  
 Reported MRC Exp: \$120.00  
 ER Status: ER 1.0 (2011)  
 Est. Installation: 3/1/2012  
 Earliest Billing Start: 3/1/2012

CAPACITY DESCRIPTION	MRC	NRC
<b>BASIC SERVICES</b>		
<input checked="" type="checkbox"/> Optical Switch (3DMems)	\$400.00	\$6,390.00
Protection - Network	STD	STD
<b>OPTIONAL SERVICES</b>		
<input type="checkbox"/> Protection - Active/Passive	\$300.00	\$2,500.00
<input type="checkbox"/> Protection - Active/Active	\$400.00	\$2,500.00
<input type="checkbox"/> Diverse Entrance	\$0.00	\$0.00
<input type="checkbox"/> Custom Inside Wiring/Cabling	N/A \$	
<input type="checkbox"/> Customer Premise Equipment \$	\$	\$

**Circuit ID: 454** Capacity (Mbps):  
 "A" Location: 2627 Duluth Exchange - DUH  
 "Z" Location: 1294 Firehall #6  
 Diversity Available: N  
 Original Grant Site:  
 Reported MRC Exp: \$120.00  
 ER Status: ER Required  
 Est. Installation: 9/1/2012  
 Earliest Billing Start: 9/1/2012

CAPACITY DESCRIPTION	MRC	NRC
<b>BASIC SERVICES</b>		
<input checked="" type="checkbox"/> Optical Switch (3DMems)	\$400.00	\$10,876.00
Protection - Network	STD	STD
<b>OPTIONAL SERVICES</b>		
<input type="checkbox"/> Protection - Active/Passive	\$300.00	\$2,500.00
<input type="checkbox"/> Protection - Active/Active	\$400.00	\$2,500.00
<input type="checkbox"/> Diverse Entrance	\$0.00	\$0.00
<input type="checkbox"/> Custom Inside Wiring/Cabling	N/A \$	
<input type="checkbox"/> Customer Premise Equipment \$	\$	\$

**Circuit ID: 456** Capacity (Mbps):  
 "A" Location: 2627 Duluth Exchange - DUH  
 "Z" Location: 1295 Firehall #7  
 Diversity Available: N  
 Original Grant Site:  
 Reported MRC Exp: \$120.00  
 ER Status: ER 1.0 (2011)  
 Est. Installation: 3/1/2012  
 Earliest Billing Start: 3/1/2012

CAPACITY DESCRIPTION	MRC	NRC
<b>BASIC SERVICES</b>		
<input checked="" type="checkbox"/> Optical Switch (3DMems)	\$400.00	\$9,042.00
Protection - Network	STD	STD
<b>OPTIONAL SERVICES</b>		
<input type="checkbox"/> Protection - Active/Passive	\$300.00	\$2,500.00
<input type="checkbox"/> Protection - Active/Active	\$400.00	\$2,500.00
<input type="checkbox"/> Diverse Entrance	\$0.00	\$0.00
<input type="checkbox"/> Custom Inside Wiring/Cabling	N/A \$	
<input type="checkbox"/> Customer Premise Equipment \$	\$	\$

**Circuit ID: 449** Capacity (Mbps):  
 "A" Location: 2627 Duluth Exchange - DUH  
 "Z" Location: 1296 Firehall #10  
 Diversity Available: N  
 Original Grant Site:  
 Reported MRC Exp: \$120.00  
 ER Status: ER Required  
 Est. Installation: 9/1/2012  
 Earliest Billing Start: 9/1/2012

CAPACITY DESCRIPTION	MRC	NRC
<b>BASIC SERVICES</b>		
<input checked="" type="checkbox"/> Optical Switch (3DMems)	\$400.00	\$6,461.00
Protection - Network	STD	STD
<b>OPTIONAL SERVICES</b>		
<input type="checkbox"/> Protection - Active/Passive	\$300.00	\$2,500.00
<input type="checkbox"/> Protection - Active/Active	\$400.00	\$2,500.00
<input type="checkbox"/> Diverse Entrance	\$0.00	\$0.00
<input type="checkbox"/> Custom Inside Wiring/Cabling	N/A \$	
<input type="checkbox"/> Customer Premise Equipment \$	\$	\$

TELECOMMUNICATIONS AND INTERNET SERVICES

SELECT

**Circuit ID: 836** Capacity (Mbps):  
 "A" Location: 2627 Duluth Exchange - DUH  
 "Z" Location: 1374 City Center West  
 Diversity Available: N  
 Original Grant Site:  
 Reported MRC Exp: \$1,235.00  
 ER Status: ER Required  
 Est. Installation: 9/1/2012  
 Earliest Billing Start: 9/1/2012

CAPACITY DESCRIPTION	MRC	NRC
<b>BASIC SERVICES</b>		
<input checked="" type="checkbox"/> Optical Switch (3DMems)	\$400.00	\$26,680.00
Protection - Network	STD	STD
<b>OPTIONAL SERVICES</b>		
<input type="checkbox"/> Protection - Active/Passive	\$300.00	\$2,500.00
<input type="checkbox"/> Protection - Active/Active	\$400.00	\$2,500.00
<input type="checkbox"/> Diverse Entrance	\$0.00	\$0.00
<input type="checkbox"/> Custom Inside Wiring/Cabling	N/A \$ _____	
<input type="checkbox"/> Customer Premise Equipment \$	\$ _____	

**Circuit ID: 458** Capacity (Mbps):  
 "A" Location: 2627 Duluth Exchange - DUH  
 "Z" Location: 1379 Fleet Service Center  
 Diversity Available: N  
 Original Grant Site:  
 Reported MRC Exp: \$155.00  
 ER Status: ER Required  
 Est. Installation: 9/1/2012  
 Earliest Billing Start: 9/1/2012

CAPACITY DESCRIPTION	MRC	NRC
<b>BASIC SERVICES</b>		
<input checked="" type="checkbox"/> Optical Switch (3DMems)	\$400.00	\$13,130.00
Protection - Network	STD	STD
<b>OPTIONAL SERVICES</b>		
<input type="checkbox"/> Protection - Active/Passive	\$300.00	\$2,500.00
<input type="checkbox"/> Protection - Active/Active	\$400.00	\$2,500.00
<input type="checkbox"/> Diverse Entrance	\$0.00	\$0.00
<input type="checkbox"/> Custom Inside Wiring/Cabling	N/A \$ _____	
<input type="checkbox"/> Customer Premise Equipment \$	\$ _____	

**Circuit ID: 68** Capacity (Mbps):  
 "A" Location: 2627 Duluth Exchange - DUH  
 "Z" Location: 2045 911 Police Station  
 Diversity Available: N  
 Original Grant Site: 1  
 Reported MRC Exp: \$0.00  
 ER Status: ER Required  
 Est. Installation: 1/1/2012  
 Earliest Billing Start: 1/1/2012

CAPACITY DESCRIPTION	MRC	NRC
<b>BASIC SERVICES</b>		
<input checked="" type="checkbox"/> Optical Switch (3DMems)	\$400.00	\$2,500.00
Protection - Network	STD	STD
<b>OPTIONAL SERVICES</b>		
<input type="checkbox"/> Protection - Active/Passive	\$300.00	\$2,500.00
<input type="checkbox"/> Protection - Active/Active	\$400.00	\$2,500.00
<input type="checkbox"/> Diverse Entrance	\$0.00	\$0.00
<input type="checkbox"/> Custom Inside Wiring/Cabling	N/A \$ _____	
<input type="checkbox"/> Customer Premise Equipment \$	\$ _____	

**Circuit ID: 854** Capacity (Mbps):  
 "A" Location: 2627 Duluth Exchange - DUH  
 "Z" Location: 2476 SCADA - Highland Pump Station  
 Diversity Available: N  
 Original Grant Site:  
 Reported MRC Exp: \$0.00  
 ER Status: ER Required  
 Est. Installation: 9/1/2012  
 Earliest Billing Start: 9/1/2012

CAPACITY DESCRIPTION	MRC	NRC
<b>BASIC SERVICES</b>		
<input checked="" type="checkbox"/> Optical Switch (3DMems)	\$400.00	\$17,928.00
Protection - Network	STD	STD
<b>OPTIONAL SERVICES</b>		
<input type="checkbox"/> Protection - Active/Passive	\$300.00	\$2,500.00
<input type="checkbox"/> Protection - Active/Active	\$400.00	\$2,500.00
<input type="checkbox"/> Diverse Entrance	\$0.00	\$0.00
<input type="checkbox"/> Custom Inside Wiring/Cabling	N/A \$ _____	
<input type="checkbox"/> Customer Premise Equipment \$	\$ _____	

EXHIBIT "D" - FEES

TELECOMMUNICATIONS AND INTERNET SERVICES

BASIC SERVICES SUBTOTAL: \$ 300,344

**10 Year Term Discount** # of Circuits Selected (24) x (\$2500.00) = \$ 60,000  
Can not exceed total NRC charges as shown on the Service Date(s) Total

BASIC SERVICES TOTAL LESS TERM DISCOUNT \$ 240,344

**Anchor Discount** Basic Services Less Term Discount x 50% = \$ 120,172  
Anchor Discount is subject to availability and not available after Mar 31, 2012  
Discount does not apply to additional protection, diverse entrance, customer inside wiring and cabling and customer premise equipment charges.

BASIC SERVICES TOTAL: \$ 120,172

OPTIONAL SERVICES TOTAL: \$ \_\_\_\_\_

BASIC AND OPTIONAL SERVICES TOTAL\*: \$ 9,152 \$ 120,172

\*Carry Total to Page 1 of Network Services Agreement

ANNUAL CONTRACT ESCALATOR

**5 YEAR CONTRACTS** - Year 1 - 0%, Years 2 through 5 - Fixed 5%  
Year 1 MRC = Telecommunications and Internet Services Total shown on this page.  
Years 2-5 MRC are subject to escalation using a fixed rate multiplier of 1.05  
Years 2-5 MRC = Previous Year MRC x 1.05

**10 YEAR CONTRACTS** - Years 1 through 5 - 0%, Years 6 through 10 - 3% Max (Subject to CPI)  
Years 1-5 MRC = Telecommunications and Internet Services Total shown on this page.  
Years 6-10 are subject escalation to Not To Exceed Rate Formula based on Urban Consumer Price Index (CPI-U),  
Unadjusted (NSA), 12 Month (12MO) % Change  
Years 6-10 MRC = Previous Year MRC x CPI-U-12MO-NSA

