TOWN OF MAY
WASHINGTON COUNTY
OFFICIAL TOWN BOARD MINUTES
June 6, 2013

The Board of Supervisors of the Town of May met at their regular monthly meeting on Thursday, June 6, 2013, at the May Town Hall. Those present included: Bill Voedisch, Board Chair; John Adams, Supervisor; John Pazlar, Supervisor; Cheryl Bennett, Town Treasurer; Linda Klein, Town Clerk; Dave Snyder, Town Attorney; Diane Hankee, Town Engineer; Pete Kluegel, Building Inspector; and residents of the Town of May. Chairman Voedisch called the meeting to order at 7:00.

Minutes, Checks, Treasurer's Report
Adams moved, seconded by Pazlar, to approve the minutes of the May 2, 2013, Town Board meeting as presented. All approved. Pazlar has reviewed bank statements January through May.

Treasurer Bennett read the Treasurer's Report into the record, which includes a total balance of $1,104,780.64, of which $506,854.78 is investments. Adams moved, seconded by Pazlar, to approve the Treasurer's Report as presented. All approved. Adams moved, seconded by Voedisch, to approve checks 17310 through 17351,as well as electronic funds transfers EFTS613, EFTF613 to the State and IRS, respectively. All approved. The check register and treasurer's report are attached to these minutes and serve as the official record.

Amendment to Approved 2013 Budget
Adams moved, seconded by Voedisch, to approve an amended budget of $804,800.50 and disbursements of $943,565.00. The disbursements are higher because of transfers and use of cash on hand. All approved .

Planning Commission Report

Northern Natural Gas CUP Amendment
Absent the Planning Commission Chair, Board Chairman Voedisch led the discussion regarding the requested amendment to the Conditional Use Permit for Northern Natural Gas (NNG).

Northern Natural Gas has made an application for a CUP Amendment to modify their site located at 10810 121st St south of County Road 7 and the railroad tracks. The site was established by a Conditional Use Permit in 1991 and is located in the NW corner of the parcel addressed as 10810 121st St. and is zoned Rural Residential. The facility is used for transferring natural gas from the transmission level to the distribution level for delivery to customers.

Currently, the site has two buildings. One building is for the electronic flow measurement equipment and the other houses the meter and regulator. The proposal is to remove the two buildings and replace them with three total new buildings. The meter and regulator are planned to be in separate buildings at the conclusion of this project. The buildings are currently within a fenced area, which will remain generally the same but the fence will be replaced. The applicant is stating that the use of the facility will not be changing.

Voedisch indicated that the Planning Commission gave unanimous approval to the application, with the conditions noted by the Planner in his report.

Voedisch moved, seconded by Adams, to approve Resolution 2013-05 with supporting Findings of Fact for a Conditional Use Permit (CUP) Amendment for Northern Natural Gas to upgrade and operate a substation in the Town with all conditions as presented in the resolution. On a role call vote: Voedisch, yes; Adams, yes; Pazlar, yes. All approve.

Because NNG stated that time was of the essence, a new Conditional Use Permit was also created and presented at the meeting. Voedisch moved, seconded by Pazlar, to approve the new Conditional Use Permit as drafted by Attorney Syder and accepted by Northern Natural Gas. All approve.

Amendment to Nuisance Ordinance related to Noise

Board Chairman Bill Voedisch explained the reasoning behind the amendment, which is to differentiate between extremely loud equipment (pile driver, jack hammer, etc.) and more typical construction equipment, like power saws, etc. and the hours during which they can operate. The amendment is intended to clear up a conflict between Sections 506.09 E and 506.09 H.

After the Planning Commission meeting, a change was made to the proposed amendment which would exempt all snow removal operations from the hours stated in the ordinance. Voedisch also noted a change he found which he reviewed with Attorney Snyder, removing "provided, however" language which could have negated the restrictions it was intending to control.

Voedisch moved, seconded by Adams, to adopt Ordinance 2013-01 as presented regarding Article 506.09, noise nuisance ordinance, the times that major types of equipment can be used, removing snow blower from the list of items, and that snow removal be included in the ordinance as an exemption to the restricted hours provisions. On a voice vote: Adams, yes; Voedisch, yes; Pazlar, yes, the ordinance was enacted.

Engineering & Roads

Gombold Site Inspection Report

Chairman Voedisch reported on his Gombold site visit on Panorama and went over the letter he sent to the landowner regarding the construction project, and specifically how the piling of soil across the road has caused problems for the road and the far bank. Attorney Snyder suggested having the engineer put together a punch list of violations for which the landowner is responsible and that must be addressed. If the items on the list are not taken care of in the next 7-10 days, the property owner should be advised that the board will take action. He also suggested communicating with the watershed district and County so every agency is on board regarding the violations and what is being asked of the landowner.

As to the road itself, residents advised that the grader was able to get through on this day, but it was still mud. Once the road dries out the road crew suggested additional Class 5 gravel. The

main issue is that this road is one of the most narrow in the Town (30 foot ROW width) and the grader cannot create a crown on this road. One resident suggested a new type of grading tool that might be considered distributed by M. L. Mesabi Company. Voedisch moved, seconded by Pazlar, to authorize the engineer to come up with a punch list including a general plan for the hillside on the opposite side of the Gombold property, which will be presented to the Gombold's, asking for immediate compliance. All approved. The Board also authorized the attorney to send a follow up letter in the event the resident does not respond, and that the Town retain the road escrow until the restoration is accomplished. All approved.

Road Tour: The road tour on May 8 resulted in an extensive report which is an addendum to these minutes. The Board decided to review the road tour report at the next meeting.

130th Street Bids
The engineer requested approval to work with Hardrives, who submitted the low bid for $124,248.50. Voedisch moved, seconded by Adams, to award the bid to Hardrives. All approved.

Dust Control: Pazlar reported that the first application will take place on June 18. Voedisch remains interested in Lendt township in Chisago County who does their own application, and would like to drive up and observe.

Carnelian-Marine-St. Croix Watershed Management Plan Update: Voedisch and Hankee reported on the Town's continuing work with Karen Kill at BCWD and Jim Shaver at CMSCWD regarding the Surface Water Plan as contained in the Comp Plan. The Town must now have a Public Hearing in front of the Planning Commission to amend the Comprehensive Plan regarding these changes.

Reclamation of County Road 7 – Washington County
Resolution 2013-02
Voedisch moved, seconded by Adams, to approve Resolution 2013-02 authorizing approval of the Washington County reconstruction of County Road 7. All approved.

Old Business

Roger Johnson – Request to adjust finance charge
Johnson came forward again to discuss the finance charge on the Green Acres assessment against his father's property. In view of current market rates, which are at historic lows, he requested that the Board consider reducing the 7 percent rate to something less, perhaps around 2 to 2.6 percent. Considerable discussion followed including the fact that the Town and its citizens did pay for the road while the Johnson debt was not being paid. Voedisch moved,seconded by Pazlar, to have the Treasurer inquire at the Marine bank for the interest on a $35,000 loan and move any consideration of any adjustment of Johnson's rate to the July Board meeting. All approved.

Arcola Trail – Speed limits on Arcola Trail
Slow – Children at play sign request

Residents on Arcola Trail came forward to discuss potential speed limits on Arcola Trail now that the NPS Visitor Center trial period is up and running. One resident who is closest to the road and has 5 children requested a "Children at Play" sign. For speed limits, the engineer stated that to reduce the speed limit on a road a MnDOT study is needed, and if we request such a study it can sometimes be increased rather than decreased. Assunta Bagnoli asked about the designation of rustic or scenic roads. The Board responded that those Town Road designations have to do with maintenance and not speed.

Based on these discussions, additional 35 MPH speed limit signs and two Children at Play signs are authorized for Arcola and will be added to the current "sign order" list. Based on the recommendation of the engineer, Adams moved, seconded by Pazlar, to approve a not to exceed limit of $3,000 for the first 2013 sign order.

Cable Franchise Ordinance
Voedisch reported that after months of work we finally have a new cable ordinance that replaces the old one. Adopted in 1991, never amended, and franchise having been temporarily extended on numerous occasions, it needed replacing for both technology and business reasons.

Voedisch moved, seconded by Pazlar, to approve ordinance 2013-02, an ordinance that replaces the existing Cable Franchise Ordinance found in Article 601 of the May Town Code with a new Cable Franchise Ordinance. On a roll call vote: Adams, yes; Pazlar, yes; Voedisch, yes. Ordinance is adopted. Attorney Snyder will provide the Town with a summary ordinance for publication.

New Business

Kami Mendlik – Small Business Discussion
Kami Mendlik is looking for property in May Township. She is a landscape artist and is looking at property on Arcola Trail. She would like to move her studio to her home and would like to know if building a studio at a property at 127xx Arcola would require a Small Business Permit, and that the property is only 6.3 acres. She noted that she has classes every year in various cycles, and each class would have about 10 people in attendance. Voedisch added up about 40 classes per year with about 10 cars per class. Mendlik asked for clarification so she can decide whether to purchase the property or not. The board advised that the process of amending the small business permit acreage restrictions would take time. Attorney Snyder advised asking the applicant to draw up a document outlining what she wants to do and present it to the board. Voedisch thought we could get as much information as we need tonight.

The board advised Mendlik that, as of now, because an accessory building is being used and that a not insignificant amount of traffic is being invited in, the applicant would need an IUP for a small business, but that 10 acres is required. The Board discussed whether to reconsider the 10-acre minimum in the future. The board agreed to send this 10-acre minimum to the consultants and the Planning Commission for consideration of modifying the ordinance.

Jeff Chase – Height Restriction Variance Discussion
Jeff Chase presented his concept plan for a building higher than currently allowed by May Township ordinances. The height of his building would be 20.3 feet, and the Town ordinance height limit is 18 feet. The board suggested that Pete Kluegel check and see what the County restrictions are on height and what other communities have as a height limit. The board is reticent to grant such a variance, given that it would set a precedent for the future. The board will discuss again at the July meeting after hearing from Pete.

Court Service Resolutions and Agreements
Voedisch moved, seconded by Adams, to approve Resolution 2013-03 approving a master subscriber agreement for Minnesota Court Data Services for governmental agencies, and a master subscriber agreement amendment for first appearance support track (fast) access. On a roll call vote: Adams, yes; Pazlar, yes; Voedisch, yes. Resolution is adopted.

Adams moved, seconded by Pazlar, to approve Resolution 2013-04 approving a revised master subscriber agreement for Minnesota Court Data Services for governmental agencies, and fast access subscriber amendment for the Washington County Pilot Program. On a roll call vote: Adams, yes; Pazlar, yes; Voedisch, yes. Resolution is adopted.

Both Agreements were executed at the table and were to be returned to Sarah at Johnson, Turner.

Stillwater Fire – ISO Ratings, reduction proposal
Insurance Service Ratings exist on all structures and dictate how much fire protection any residence is entitled to. According to Stillwater Fire Department, most people in May Township are paying maximum rates for their insurance. Stillwater Fire is proposing putting fire units in the new Myeron Avenue maintenance building and possibly using volunteers from May Township for some fire calls. The board discussed the potential costs vs. benefits to the Town if they became involved in this suggestion. The board agreed that perhaps May Township does not want to be the first municipality to agree to participation in this program.

Town Park Equipment
Voedisch moved, seconded by Pazlar, to approve of purchase of a sweeper to be used at the Park. All approved at a level not to exceed $300.

Hearing no further business, Adams moved, seconded by Pazalr, to commence the executive session. All approved.

Closed Executive Session

Jamie Guderian appeared on behalf of Jardine, Logan and O'Brien who represents the Town in the Bollig matter. She presented a Settlement Agreement that is acceptable to plaintiff for an amount of $20,000, which is also acceptable to all other defendants, the County and C & B, based on the negotiated contributions of each to the settlement amount.

Upon the advice of counsel, in order to avoid further burden and expense to the Township. Pazlar moved, seconded by Voedisch, to approve the settlement and direct litigation counsel to act as

necessary to finalize the settlement. On a roll call vote: Adams, yes; Pazlar, yes; Voedisch, yes. Motion passes.

Voedisch moved to return to open session, seconded by Adams. All approved

Adams moved, seconded by Pazlar, to adjourn. All approved.

Respectfully Submitted:

Attest: Clerk Linda Klein

Bill Voedisch, Chair, Town Board

LINDA L. KLEIN
May Township Clerk, Washington County, Minnesota
Notarial Officer (ex-officio notary public)
My term is indeterminate

Addendum to June 6, 2013 minutes
Road Tour Report

Present on the road tour: Bill Voedisch Board Chair, John Adams Board member, Marv and Tommy Schroeder Road Crew, Diane Hankee WSB Engineers.

Street Sweeping

The roads are scheduled to swept on May 9-10, 2013 weather permitting, by Brian Lauzon out of Mahtomedi 651-429-5612.

Tree Clearing

There were multiple locations noted in need of tree removal and or trimming. Tommy was either currently working on them or will add them to the list.

Dust Control

For 2013 the Township will use Enviro Services [formerly DCI] at an application rate of 0.25 gallons. Researching information to determine if it is feasible to complete dust control with the Road Crew.

2013 Sign Replacement List

Id	MUTCD	Street-1	Sign Numbering-1	Street-2	Sign Numbering-2	Description	*SIGN SIZE*
89	N/A	144th Street N	16800	Saint Croix Trail	14400	Street ID	N/A
95	N/A	Arcola Trail N	see photo			City Ordinance	
	N/A	144th Street N	14300	Racine Avenue N	14400	Street ID	N/A
84	N/A	152nd Street N	16700	Saint Croix Trail	15200	Street ID	N/A
87	N/A	154th Street N	16600	Saint Croix Trail	15400	Street ID	N/A
78	N/A	Orwell Road N	15800	Nason Hill Road N	15200	Street ID	N/A
174	N/A	Oldfield Road N	14500	Ostlund Trail N	14100	Street ID	N/A
4	N/A	169th Street N	10500	Kirby Avenue N	16900	Street ID	N/A
3	W14-1	180th Street N				Dead End	30x30
163	W14-1	Paris Avenue				Dead End	30x30

		N					
	W14-1	140th Street N				Dead End	30x30

2013 Potholes

Potholes need to be filled on 122nd St. and Morgan Avenue. Tommy will obtain a quote from Brian Lauzon while working with him on the sweeping.

2013 Crack Filling/Flex Patch

There are various roadways within the Township that not only have cracks but they have developed a depression. There is a new product called Flex Patch which is intended to fill the crack and level out the depression. The following needs were noted:

Flex Patch:

- Norell Ave Ct
- 126th St (Woodridge?)
- 142nd St west of Manning Avenue
- Carnelian Meadows (Paragon Ave, Partridge Ct, 122nd St)
- Paul Ct
- Hunter's Ridge (124th St, Queens and Quail Way)
- Ridgewood East (124th St, Ravine Circle)
- Ostlund Trail
- Northridge Ave

Crack Fill:

- Moonlight Bay (Public section approx. 500')
- May Avenue (North of CR 7 to the tracks)
- Oakland Rd and Ct N
- Northbrook Ave
- 130th St (west of Panorama)
- 148th St (west of CR 15)
- Arcola Trl (500' from TH 95)
- 127th Street
- Lynch Road
- Ozark Avenue and Court (by Square Lake)

Staff will work within the budget to address the needed maintenance.

2014 Seal Coat

The following are in need of seal coat:

- Carnelian Meadows (Partridge Ct and 122nd St)
- Ridgewood acres West (124th St.)
- Ostlund Trail

130th Street Paving

130th Street is being reclaimed and paved in 2013 from CR 51 (Pasture Ridge) to Panorama Ave.

Storm Sewer Maintenance

Big Carnelian Lake: Tommy will contact Velento Excavating of Scandia to clean 3 manholes, 2 pipe outlets (along 130th Street), the rain garden at Carnelian Creek, and the two rain gardens down the hill of Panorama Avenue.

The tour discussed what to do about the major winter sand accumulation at this location where Tommy cleaned up a major amount with his Bobcat and truck before the sweeper got there. The sand was over 6" deep and washed into the north rain garden, overwhelmed that, and was about a foot short of entering the lake.

Keller Lake: Replace (2) 15 inch CMP culverts 30 feet long on Keystone Avenue. WSB to contact Rick Fuhr for cost estimate.

Suggested Paving for Roadway Maintenance

WSB will contact Washington County to discuss gravel road intersections with County roads. Would they pave the aprons off of County roads? A 40 foot apron was recommended. Roadways that are the hardest to grade as they intersect the County road are: 180th St (east and west of Manning), 176 St by Marine, and 131st St off of Otchipwe Ave.

Arcola Trail is paved from the south ending at the train bridge. To train bridge area is difficult to grade and there is consistently a pothole. Parking along the road has historically been a problem and as a result guardrail exists on the east side to prevent parking. The guard rail has been hit and needs repair. It was suggested by the Road Crew to pave the roadway from the train bridge, 300 feet north, and to remove the guard rail and excavate a ditch.

Guardrail Repair

WSB is going to get quotes to repair guardrail at the intersection of May Ave and Lomond Trl. One section of plate beam needs to be replaced and a couple of posts.

Aggregate

In 2013 the Township will be working with Mike Raleigh who will supply gravel with 12% passing the #200 sieve.

180th St: WSB is to contact Scandia to see if they will share in the cost of graveling. Currently, Scandia contributes to half of the cost of the first dust control application.

CMSCWD Joint Storm Water Quality Project on Panorama Avenue

Jim Shaver the CMSCWD administrator attended the road tour around Big Carnelian Lake. He suggested that the watershed district and Township collaborate on a project to obtain BWSR

Clean Water Legacy Funding to improve storm water quality. The proposed project included paving Panorama Avenue, including the private section, collecting storm water and obtaining a site for treatment.

Another option is to gravel, grade and pave the road and collect no water at all, just at least ensure that clean water runs off the road.

TOWN of MAY
WASHINGTON COUNTY, MINNESOTA

RESOLUTION NO. 2013-02

A RESOLUTION APPROVING A COUNTY ROAD PROJECT WITHIN THE BOUNDARIES OF THE TOWN

WHEREAS, a County Recommended Layout ("Layout"), dated April 3, 2013, for State Project No. 082-607-014 and State Aid Project No. 082-602-016, showing proposed pavement improvements for County State Aid Highway No. 7 within the limits of the Town of May as a Federal Aid Project, has been prepared and given to the Town; and

WHEREAS, the Town Engineer presented the Layout to the Town Board at their regular monthly meeting held May 2, 2013 at the May Town Hall, and the Board deemed the project Layout as acceptable.

NOW, THEREFORE, BE IT RESOLVED, that the May Town Board approves said Layout in all respects presented, and supports the County continuing with the development of final plans necessary for the construction of the project.

BY ROLL CALL VOTE: ADAMS YES **; PAZLAR** YES **;**
VOEDISCH YES **; THIS RESOLUTION IS ADOPTED THIS 6TH DAY OF JUNE, 2013.**

Attest: Linda Klein, Town Clerk

Bill Voedisch, Town Board Chair

LINDA L. KLEIN
May Township Clerk, Washington County, Minnesota
Notarial Officer (ex-officio notary public)
My term is indeterminate

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TOWN of MAY
WASHINGTON COUNTY, MINNESOTA
RESOLUTION NO. 2013-03

A RESOLUTION APPROVING A MASTER SUBSCRIBER AGREEMENT FOR MINNESOTA COURT DATA SERVICES FOR GOVERNMENTAL AGENCIES, AND A MASTER SUBSCRIBER AGREEMENT AMENDMENT FOR FIRST APPEARANCE SUPPORT TRACK (FAST) ACCESS

WHEREAS, the Town of May desires to improve efficiencies through participating in a paperless court process with the Minnesota Judicial Branch; and

WHEREAS, the Town Attorney for the Town of May has reviewed the Master Subscriber Agreement for Governmental Agencies and Master Subscriber Agreement Amendment for First Appearance Support Track Access; and

WHEREAS, as the Minnesota Judicial Branch moves towards a paperless court, the eCourtMN initiative is committed to ensuring that non-court governmental agencies have appropriate access to court records and documents. The FAST Access Washington County Pilot Program will permit attorneys' electronic access to court records and documents in Washington County Adult Criminal Cases scheduled for first appearance, bail hearing and arraignment calendars.

WHEREAS, the Town of May desires to subscribe to the FAST Access Washington County Pilot Program that will permit attorneys in the offices of the May Town Attorney to electronically access court records.

NOW, THEREFORE, BE IT RESOLVED by the Town Board of the Town of May, Minnesota, as follows:

The MASTER SUBSCRIBER AGREEMENT FOR MINNESOTA GOVERNMENTAL AGENCIES AND MASTER SUBSCRIBER AGREEMENT AMENDMENT for the FAST (First Appearance Support Track) Access Washington County Pilot Program is approved and the Board Chair and Clerk are authorized and directed to execute and deliver said documents.

BY ROLL CALL VOTE OF THE TOWN BOARD: ADAMS YES **, PAZLAR** YES **, VOEDISCH** YES **, THIS RESOLUTION IS ADOPTED BY THE MAY TOWN BOARD OF SUPERVISORS ON THIS 6th DAY OF JUNE, 2013.**

TOWN OF MAY

By: _____
William Voedisch, Chairman

Attest:

By: _____
Linda Klein, Clerk

TOWN of MAY
WASHINGTON COUNTY, MINNESOTA
RESOLUTION NO. 2013-04

A RESOLUTION APPROVING A REVISED MASTER SUBSCRIBER AGREEMENT FOR MINNESOTA COURT DATA SERVICES FOR GOVERNMENTAL AGENCIES AND A FAST ACCESS SUBSCRIBER AMENDMENT FOR THE WASHINGTON COUNTY PILOT PROGAM

WHEREAS, pursuant to M.S. § 471.59, the State of Minnesota and May Township may enter into cooperative agreements for the joint exercise of powers or for the provision of governmental services, and;

WHEREAS, the State of Minnesota, Office of State Court Administration, offers and provides certain court data services, including access to state court records and documents, solely for certain governmental use, and;

WHEREAS, the Town of May desires to have its Township Attorney access and use that data to assist in the efficient performance of its duties.

NOW, THEREFORE, BE IT RESOLVED by the May Township Board that the Board Chair and Clerk, Town Attorney, or other appropriate officers of the Town are hereby authorized to execute on behalf of the Town the aforementioned Agreement, Amendment, and related documents and forms required by the State to allow access to the specified court service data.

BY ROLL CALL VOTE OF THE TOWN BOARD: ADAMS Yes, **PAZLAR** Yes, **VOEDISCH** Yes, **THIS RESOLUTION IS ADOPTED BY THE MAY TOWN BOARD OF SUPERVISORS ON THIS 6th DAY OF JUNE, 2013.**

TOWN OF MAY

By: William Voedisch
William Voedisch, Chairman

Attest:

By: Linda L Klein
Linda Klein, Clerk

LINDA L. KLEIN
May Township Clerk, Washington County, Minnesota
Notarial Officer (ex-officio notary public)
My term is indeterminate

TOWN OF MAY
WASHINGTON COUNTY, MINNESOTA
RESOLUTION NO. 2013 - 05

A RESOLUTION WITH SUPPORTING FINDINGS OF FACT APPROVING A CONDITIONAL USE PERMIT ("CUP") AMENDMENT FOR NORTHERN NATURAL GAS TO UPGRADE AND OPERATE A SUBSTATION IN THE TOWN

WHEREAS, the Town received a request from Northern Natural Gas ("NNG") to upgrade a gas substation within the Town, specifically to replace two buildings with three in NNG's now standard blue color with white trim, and to replace the existing fence with a new fence at the same footprint; and

WHEREAS the Town determined that this site change was sufficient to warrant an amendment to the existing CUP granted in 1991, and that some of the provisions in that permit referred to documents that were not available and thus a new, all inclusive permit should be drafted; and

WHEREAS, the legal description of the subject property is:
That part of the West Half of the West Half of the Southeast Quarter (W ½ of the W ½ of the SE ¼) Section 31, Township 31 North Range 20 West that lies southerly of the centerline of CSAH #7, all in Washington County, Minnesota.

WHEREAS, the site is located at 10810 121st St. and is referred to in Washington County records with the property identification number of 31.031.20.43.0005; and

WHEREAS, the subject site is zoned Rural Residential and guided for a Rural Residential Land Use in the Comprehensive Plan; and

WHEREAS, Essential Services are permitted as a conditional use in the Rural Residential District; and

WHEREAS, the proposed upgrade would not change the use of the facility; and

WHEREAS, the Planning Commission reviewed the application and held a duly noticed public hearing at its regularly scheduled meeting on May 30, 2013; and

WHEREAS, the Town of May Planning Commission recommended approval of the request with conditions by a 6 – 0 vote based on the following findings of fact:

1. The proposed upgrade and use will not be detrimental to the health, safety, or general welfare of the Town.

2. The proposed upgrade and use will not cause serious traffic congestion or hazards.

3. The proposed upgrade and use will not seriously depreciate surrounding property values.

4. The proposed upgrade and use is in harmony with the general purpose of the Zoning Ordinance and Comprehensive Plan.

WHEREAS, the Board of Supervisors reviewed the application and the Planning Commission's findings and recommendation at the Board's June 6, 2013 meeting and the Board agrees with the Planning Commission's findings and recommendation.

NOW, THEREFORE, BE IT RESOLVED, that based on the preceding findings of fact, the Town of May Board of Supervisors hereby approves the request from Northern Natural Gas for an upgrade to the site as proposed and approves a CUP amendment subject to all the requirements of the Town of May Ordinances and all applicable County, Regional, or State requirements, with the following conditions:

1. A new CUP must be executed by all parties and a building permit must be obtained from the Town before any work can commence.
2. Construction shall adhere to all plans and specifications supplied with the application and which are exhibits to the new CUP.
3. The applicant shall apply for and receive a building permit for the project within one year of this approval, or this approval is rescinded.

BY VOTE OF THE TOWN BOARD: ADAMS YES, **PAZLAR** YES, **VOEDISCH** YES, **THIS RESOLUTION IS ADOPTED / NOT ADOPTED BY THE BOARD OF SUPERVISORS OF THE TOWN OF MAY THIS 6th DAY OF JUNE, 2013.**

Bill Voedisch, Chairman

Attest: Linda Klein, Clerk

LINDA L. KLEIN
May Township Clerk, Washington County, Minnesota
Notarial Officer (ex-officio notary public)
My term is indeterminate

TOWN OF MAY
WASHINGTON COUNTY, MINNESOTA

Ordinance No. 2013-02

ARTICLE 601: CABLE COMMUNICATIONS FRANCHISE

AN ORDINANCE THAT REPLACES THE EXISTING CABLE FRANCHISE ORDINANCE FOUND IN ARTICLE 601 OF THE MAY TOWN CODE, WITH A NEW CABLE FRANCHISE ORDINANCE

Section 1. Background

WHEREAS, Article 601 of the May Town Code currently contains an existing Cable Franchise Ordinance which served the interests of the Town, its citizens and the initial cable provider when adopted in 1992; and

WHEREAS, the initial 15-year term of the Franchise as specified in Article 601 has expired, has been only temporarily extended by the Town Board, and a new term needs to be reestablished; and

WHEREAS, the cable system has been acquired by a new provider who has requested that a new ordinance be adopted since certain terms and conditions of the existing ordinance no longer apply or do not properly serve the parties, to which the Town in general agrees.

NOW THEREFORE, the Board of Supervisors of the Town of May does ordain that Article 601 of the May Town Code be replaced with the ordinance that follows.

Section 2. The Ordinance

ARTICLE 601: CABLE COMMUNICATIONS FRANCHISE

An ordinance granting a franchise to Midcontinent Communications to construct, operate, and maintain a cable communications system in the Town of May, setting forth conditions accompanying the grant of the franchise, providing for regulation and use of the system, and prescribing penalties for the violation of the provisions of this Article 601 of the May Town Code.

Preamble

The Board of Supervisors of the Town of May does ordain that it is in the public interest to continue to permit the use of public rights-of-way and easements for the construction, maintenance, and operation of a cable communications system under the terms of this Franchise Ordinance, said public interest being specifically the enhancement of

communications within the Town, and the provision of programming of a local interest.

Section 601.01: Statement of Intent and Purpose

A. Statement of Intent and Purpose. The Town intends, by the adoption of this Ordinance, to authorize the continued operation of a cable communications system operating within the Town. This can contribute significantly to the communications needs and desires of many individuals, associations, and institutions.

B. Fees and Costs. Grantee shall not be required to reimburse the Town for costs, or post an administrative escrow, associated with this ordinance, except for the basic application fee as defined in the Town's Fee Schedule as contained in the Town of May Municipal Code, Chapter 13.

Section 601.02: Short Title

This Article shall be known and cited as the "Town of May Cable Communications Franchise Ordinance."

Section 601.03: Definitions

For the purpose of this Franchise, the following terms, phrases, words and their derivations shall have the meaning given herein. When not inconsistent with the context, words used in the present tense include the future, words in the plural number include the singular number, and words in the singular number include the plural number. The words "shall" and "will" are mandatory while "may" is permissive. Words not defined shall be given their common and ordinary meaning.

(1) Basic Service means any level of service that includes the retransmission of local television broadcast signals and the access channels required therein. Basic Cable Service as defined herein shall not be inconsistent with 47 U.S.C. § 543(b)(7).

(2) Cable Mile means a mile of cable bearing strand.

(3) Channel means a portion of the electromagnetic frequency spectrum which is used in a Cable System and which is capable of delivering a television Channel as defined by the Federal Communications Commission.

(4) Town means the Town of May, Minnesota, a municipal corporation, or its delegations. The Board of Supervisors is the authority of the Town.

(5) Class IV Channel means a signaling path provided by the System to transmit signals of any type from a subscriber terminal to another point in the System.

(6) Complaint means any verbal or written inquiry, allegation or assertion made by a

person which requires subsequent corrective action to the System or any portion thereof, or raises an objection to the programming or business practices of Grantee. The term "Complaint" does not include an inquiry which is immediately answered by the Grantee.

(7) Converter means an electronic device by which an appropriate channel selector permits a subscriber to view all signals included in the Basic Service and Pay Television service delivered at designated converter dial locations.

(8) Drop means the cable that connects the subscriber terminal at a point in the subscriber's home, designated by a subscriber, to the nearest feeder cable of the System.

(9) FCC means the Federal Communications Commission.

(10) Franchise Administrator means the Town Official designated by the Board of Supervisors who shall be responsible for the continuing administration of the Franchise.

(11) Franchise or Franchise Ordinance means this Franchise Ordinance/Article together with all of the exhibits hereto, and all amendments or renewals hereof.

(12) Grantee means Midcontinent Communications, its agents, employees, lawful successors, transferees or assignees.

(13) Gross Revenues means the annual gross revenues of Grantee, as determined in accordance with generally accepted accounting principles, from all sources of operations of the System within the Town for Cable Service including, without limitation, Basic Service monthly fees, Pay Television fees, installation and reconnection fees, and advertising revenues. This term does not include any sales, excise or other taxes collected by Grantee on behalf of the state, Town, or other governmental unit. The term does include any bad debt of Grantee. so long as the bad debt is equal to or less than two percent (2%) of the annual Gross Revenues. A franchise fee shall be imposed on that portion of bad debt in excess of two percent (2%) of the annual Gross Revenues. The term "Gross Revenues" shall include revenues derived from the provision of Internet Service, to the extent Internet Services are deemed "Cable Services" under federal law.

(14) Installation means the act of connecting the System from the feeder cable to the subscriber terminal so that cable television service may be received by the subscriber.

(15) Pay Television means the delivery over the System of per-channel or per-program audio-visual signals to Subscribers for a fee or charge, in excess of the charge for Basic Service.

(16) Person means any corporation, partnership, proprietorship, individual or organization

authorized to do business in the State of Minnesota, or any nature person.

(17) Proposal of Grantee or Proposal means that certain document entitled "Cable Television Proposal to Town of May."

(18) Public Property means any real property, other than a street, owned by any governmental unit.

(19) Residential Unit means any building, structure, or portion thereof which is occupied as, or designed or intended for occupancy as a residence by one or more individuals. The term Residential Unit is not limited to units occupied by persons as their usual place of residence and includes units rented periodically or used only as seasonal homes.

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

(21) Subscriber means any person or entity who subscribes to a service provided by Grantee by means of or in connection with the System whether or not a fee is paid for such service.

(22) System means the facility consisting of a set of closed transmission paths and associated signal generation, reception, and control equipment designed to provide cable television service (including, without limitation, video programming) and which is provided to multiple subscribers within the Town pursuant to this Franchise. "System" does not include (a) a facility that serves only to retransmit the television signals of one (1) or more television broadcast stations; (b) a facility that services only subscribers in one (1) or more multiple unit dwellings under common ownership, control or management, unless such facility or facilities crosses or uses any public right-of-way, including streets or easements; (c) a facility of a common carrier which is subject, in whole or part to the provisions of Title II of the Cable Communications Policy Act of 1984, except that such facility shall be considered a System to the extent such facility is used in the transmission of video programming directly to subscribers; or (d) any facilities of any electric utility used solely for operating its electric utility systems.

(23) System Upgrade means the process by which the System shall be upgraded.

(24) Tapping means monitoring communications signals, where the monitor is not an authorized monitor of the communications, whether the communications is monitored by visual or electronic means, for any purpose whatsoever.

(25) Two-Way System means a System that can pass video, voice, and/or data signals in both directions simultaneously.

Section 601.04: Grant of Authority and General Provisions

A. Grant of Franchise. This Franchise is granted pursuant to the terms and conditions contained herein and incorporates by reference all of the terms and provisions of the Proposal (including, without limitation, all letters or documents clarifying the Proposal) submitted by Grantee to the Town in connection with Grantee's application for a franchise. Such terms and conditions shall be subordinate to all applicable provisions of state and federal laws, rules, and regulations.

B. Criteria of Selection. The Grantee's technical ability, financial condition, and legal qualifications were among those items considered and approved by the Town in full public proceedings of which Grantee was afforded reasonable notice an a reasonable opportunity to be heard.

C. Authority for Use of Streets.

1. For the purpose of constructing, operating, and maintaining the System, Grantee may erect, install, construct, repair, replace, relocate, reconstruct and retain in, on, over, under, upon, across and along the Streets within the Town such lines, cables, conductors, ducts, conduits, vaults, manholes, amplifiers, appliances, pedestals, attachments and other property and equipment as are necessary and appurtenant to the operation of the System (hereinafter, "System Infrastructure"), provided that all System Infrastructure of a common or public nature must remain within the Town's street easements and right's-of-way, and that applicable permits are applied for and granted, all fees paid, and all other Town codes and ordinances are otherwise complied with.

2. Prior to the construction or expansion of the System, Grantee shall, in each case, file plans with the Town and receive written approval of such plans, which approval shall not be unreasonably withheld.

3. Grantee shall construct and maintain the System so as not to interfere with other uses of Streets. Grantee shall make use of existing poles and other facilities available to Grantee. Grantee shall widely publicize proposed construction work prior to commencement of that work. Grantee shall individually notify in writing all residents affected by proposed underground work not less than forty-eight (48) hours prior to commencement of that work. Such notice shall include the Grantee's telephone number and the responsible employee of the Grantee.

4. Notwithstanding the above grant to use the Streets, no Street shall be used by Grantee if the Town, in its sole opinion, determines that such use is inconsistent with the terms, conditions or provisions by which such Street was created or dedicated, or presently used.

D. Franchise Term. This franchise shall commence upon acceptance by Grantee in accordance with the provisions of Section 601.10 hereof, and shall expire fifteen (15) years from such date unless renewed, revoked or terminated sooner as herein provided.

E. Area Covered. This Franchise is granted for the territorial boundary of the Town. In the event of annexation by the Town, any new territory shall become part of the area covered.

F. Police Powers. Grantee's rights are subject to the police powers of the Town to adopt and enforce ordinances necessary for the health, safety and welfare of the public. Grantee shall comply with all applicable general laws and ordinances enacted by the Town pursuant to that power.

G. Use of Grantee Facilities. The Town shall have the right to install and maintain, free of charge, upon the poles and within the underground pipes and conduits of Grantee, any wires and fixtures desired by the Town, to the extent that such installation and maintenance does not interfere with existing and future operations of Grantee.

H. Written Notice. All notices, reports, or demands required to be given in writing under this Franchise shall be deemed to be given when delivered personally to the person designated below, or when five (5) days have elapsed after it is deposited in the United States mail in a sealed envelope, with registered or certified mail postage prepaid thereon, or on the next addressed business day if sent by express mail or overnight air courier addressed to the party to which it is being given as follows:

If to Town: Town of May
13519 May Avenue North
Stillwater, MN 55082
Attn: Town Clerk
Ph: 651-439-1706

If to Grantee: Midcontinent Communications
Ms. Nancy Vogel
Director of Regulatory Finance
Midcontinent Communications
3901 North Louise Avenue
Sioux Falls, SD 57107
Ph: 605 357-5485

Such addresses and phone numbers may be changed by either party upon notice to the other party given as provided in this section.

I. Franchise Non-Exclusive. The Franchise granted herein is non-exclusive. The Town specifically reserves the right to grant, at any time, additional franchises for a System in accordance with State and Federal law.

J. Compliance with Laws. This Franchise complies with the Minnesota franchise standards contained in Minnesota Statutes, Chapter 238.

Section 601.05: Design Provisions

A. System Design. Grantee shall, upon acceptance of this Franchise pursuant to Section 601.01 hereof, immediately undertake all necessary steps to construct and thereafter operate and maintain the System to a minimum of 440 MHz. Grantee shall provide a full description of the System proposed for construction and comply with the following requirements:

1. Within ninety (90) days of the Town's grant of the franchise, Grantee shall apply for the necessary governmental permits, licenses, certificates, and authorizations;

2. Energized trunk cable must be extended substantially throughout the authorized area within one year after receipt of the necessary government permits, licenses, certificates, and authorizations, and persons along the route of the energized cable will have individual "drops" as desired during the same period of time; and

3. This section may be waived by the Town only upon occurrence of unforeseen events or acts of God.

B. Two-Way System. Grantee shall provide a cable communications system having the technical capability to perform as a Two-way System as defined herein.

C. Interconnection. The System shall be designed to be interconnected with other systems. During the term of this Franchise, Grantee and Town shall periodically evaluate the technical and economic feasibility of interconnecting the System with the system serving Stillwater, Minnesota, including Stillwater area schools.

D. Service Area. The service area will encompass those areas so marked on the attached map. As home density in areas contiguous to the service area reaches twenty (20) homes per cable mile, cable service will be extended to those areas.

E. Provision of Service. After service has been established in any area, Grantee shall provide service to any requesting subscribers within that area thirty (30) days from the date of the request.

F. Technical Standards. Grantee intends to design, construct, and operate the System so as to meet those technical standards set forth in Exhibit A.

G. Special Testing.

1. At any time after commencement of service to subscribers, the town may require or may retain an independent engineer to perform additional tests, full or partial repeat tests, different test procedures, or test involving a specific subscriber's drop. Such additional tests will be made on the basis of complaints received or other evidence indicating an unresolved controversy or significant noncompliance, and such tests will be limited to the particular matter in controversy.

2. The Town shall endeavor to so arrange its requests for such special test so as to minimize hardship or inconvenience to Grantee or to the subscriber.

3. If such special testing establishes that the System meets all technical standards imposed by the FCC, the Town shall bear the expense for such special testing.

4. If such special testing establishes that the System does not meet all FCC technical standards, Grantee shall bear the expense for such special testing.

H. Signal Quality. The System shall produce a picture that is undistorted and free from internally generated ghost images, and without degradation of color fidelity. The System shall produce a sound that is undistorted from its reception quality and of a consistent level on an audio receiver of average quality.

I. Test and Compliance Procedures.

1. Grantee will periodically (but no less than once each year) shall perform necessary tests to verify compliance with the technical standards imposed by the FCC as set forth in Exhibit A.

2. These tests shall be performed at not more than six (6) locations approved by the Town.

3. The tests may, upon request of the Town, be witnessed by representatives of the Town. If one or more of the locations tested fail to meet the performance standards, Grantee shall complete corrective measures and report to the Town the corrective measures so taken. The entire test shall be repeated for the locations. Grantee shall bear the expense of all such testing and shall file a copy of all reports with the Town within ten days of the testing.

Section 601.06: Service Provisions

A. Basic Service. Grantee shall offer a broad variety of programming subject to the provisions of 47 USC §545.

B. Pay Television. Grantee shall offer pay television services. A subscriber must subscribe to Basic Service in order to receive any Pay Television service. A subscriber shall not be required to subscribe to a monthly Pay Television service to receive pay-per-view programming.

C. FM Broadcast Service. Grantee shall offer to Basic Service Subscribers an FM broadcast service with a broad selection of programming.

D. Programming Decisions. Subject to the provisions of 47 U.S.C., Section 545, Grantee shall provide the broad variety of programming and shall provide the Town with thirty (30) days written notice of any channel realignment. Any such addition or deletion of programming shall not require an amendment to this Franchise, but shall be subject to the terms and conditions of this Franchise.

The Town and Grantee acknowledge that because the Town's System is linked to the Forest Lake, Minnesota system ("Base System"), any programming changes made by Grantee in the Base System will also be made in the Town. The Town and Grantee further acknowledge that they desire to avoid any such programming changes without providing the Town with notice and an opportunity to be heard on the matter. Accordingly, in the event Grantee proposes to make any programming changes in the Base System, Grantee shall provide the Town with the same notice of such proposed change as is required under the Base System franchise (but, in no event, will adequate notice not be given). The Town's citizens shall then have an opportunity to be heard at any public hearing regarding the Base System and any proposed changes.

E. Emergency Alert System. Grantee shall install and thereafter maintain for use by the Town an Emergency Alert System (EAS). This system shall be remotely activated by telephone and shall allow a representative or the Town to override the audio on all channels of the System in the event of a civil emergency or for reasonable tests.

F. Service to Public Buildings.

Grantee shall provide one free drop from the Cable System to each public school within the Town and to the Town Hall that is within 300 feet of the Cable System. If a drop in excess of 300 feet is required, Grantee shall provide the first 300 feet free of charge and the remainder of such drop at the cost of Grantee's time and material.

G. Access Channels.

1. Grantee shall provide to each of its subscribers who receive some or all of the

service offered on the System, reception on at least one specially designated noncommercial public access channel available for use by the general public on a first-come, first-served nondiscriminatory basis. The VHF spectrum must be used for at least one of the specially designated noncommercial public access channels required in this section.

2. No charges may be made for channel time or playback of pre-recorded programming on at least one of the specially designated noncommercial public access channels required by this section. Personnel, equipment, and production costs may be assessed, however, for live studio presentations exceeding five minutes in length. Charges for those production costs and fees for use of other public access channels must be consistent with the goal of affording the public a low cost of television access.

3. Whenever the specially designated noncommercial public access channel, the specially designated education access channel, the specially designated local government access channel, or the specially designated leased access channel is in use during eighty percent (80%) of the weekdays, Monday to Friday, for eighty percent (80%) of the time during any consecutive three (3) hours period for six weeks running, and if there is demand for use of an additional channel for the same purpose, Grantee shall have six (6) months in which to provide a new specially designed access channel for the same purpose.

4. Grantee and the Town shall jointly establish rules pertaining to the administration of the specially designated noncommercial public access channel.

5. In the event Grantee offers subscribers the option of receiving programs on one or more special service channels without also receiving the regular subscriber services, Grantee may comply with the requirements of this section by providing the subscribers who receive the special service only, at least one specially designated composite access channel composed of the programming on the specially designated noncommercial public access channel, the specially designated education access channel, and the specially designated government channel required in this Section.

6. In the event Grantee provides only alarm services or only data transmission services for computer-operated functions, Grantee need not provide access channel reception to alarm or data only service subscribers.

H. Access Equipment and Facilities.

1. Upon sixty (60) prior written notice from the Town, Grantee shall implement a public access fee of fifty cents (.50) per subscriber per month for the Town to acquire and maintain a camcorder, a character generator, modulator, and associated cables and materials (excluding

tapes).

2. Public access production equipment set forth in paragraph 1 above shall be made available for access use subject only to those terms and conditions set forth in the Bylaws of the respective access organizations.

I. Regional Channel. The standard VHF channel 6 shall be designated for usage as a regional channel. Subject to approval by the Town, the designated regional channel may be shared with the government access channel as may be required until such time as the Town requests a separate channel or until combined usage of the channel expands to such point as it is in use during eighty percent (80%) of the time between 8:00 a.m. and 10:00 p.m. during any consecutive six (6) week period.

Section 601.07: System Expansion - Construction Provisions

Grantee may apply to the Town for approval to expand the system, and if such approval is granted, provisions governing such expansion construction will be as follows:

A. Construction Timetable.

1. Grantee shall give notice to the Town sixty (60) days prior to the anticipated completion date and again at such time as Grantee has completed all expansion construction.

2. Upon receipt of notice from Grantee that all construction has been completed, the Town shall have forty-five (45) days to obtain, at its expense, a written report from an independent engineer confirming the completion of construction; provided, however, that if the Town fails to obtain such a written report within said forty-five (45) days, the construction shall be deemed completed, unless the Town's failure to obtain such a report is due to unforeseen events, acts of God, or events beyond the reasonable control of the Town.

3. Notwithstanding any provision contained herein to the contrary, the Town may condition completion of construction upon receipt of a written report from an independent engineer which confirms the following:

(a) That all construction has been completed or otherwise satisfactorily resolved;

(b) Satisfactory test results using the technical standards set forth herein at up to ten (10) widely separated subscriber drops selected by the independent engineer that the system complies with FCC technical standards outlined in federal law and in Exhibit A hereto.

(c) Compliance with all applicable codes and standards.

(d) Installation and the proper working of the proper working of the Emergency Alert System required herein.

(e) Carriage of the Basic Service, as available, set forth herein.

B. Construction Delay. Grantee shall notify the Town of any delay in the construction of the system expansion.

C. Construction Progress Reports. Grantee shall furnish the Town, upon request of the Town, with written monthly progress reports, in a formal approved by the Town, detailing the progress of the construction of the system expansion.

D. Construction Standards.

1. All construction practices shall be in accordance with all applicable section of the then current Occupational Safety and Health Act, as well as all state and local codes where applicable.

2. All installation of electronic equipment shall be of a permanent nature, durable and installed in accordance with the provisions of the National Electrical and Safety Code and National Electrical and Safety Code and National Electrical Code as amended.

3. Antennas and their supporting structures (tower) shall be painted, lighted, erected and maintained in accordance with all applicable rules and regulations of the Federal Aviation Administration and all other applicable state or local codes and regulations.

4. All of Grantee's plant and equipment, including but not limited to the antenna site, headend and distribution system, towers, house connections, structures, poles, wire, cable, coaxial cable, fixtures and appurtenances shall be installed, located, erected, constructed, reconstructed, replaced, removed, repaired, maintained and operated in accordance with good engineering practices, performed by experienced maintenance and construction personnel so as not to endanger or interfere with improvements the Town may deem appropriate to make, or to interfere in any manner with the rights of any property owner, or to unnecessarily hinder or obstruct pedestrian or vehicular traffic.

5. Grantee shall at all times employ ordinary care and shall install and maintain in use commonly accepted methods and devices preventing failures and accidents which are likely to cause damage, injury or nuisance to the public.

E. Construction Codes and Permits.

1. Grantee shall obtain all required permits from the Town before commencing any work requiring a permit, including the opening of disturbance of any Street, or public property or public easement within the Town. Grantee shall strictly adhere to all building and zoning codes currently or hereafter applicable to construction, operation or maintenance of the System in the Town.

2. The Town shall have the right to inspect all construction or installation work performed pursuant to the provisions of this Franchise and, at its expense, to make such tests as it shall find necessary to ensure compliance with the terms of the Franchise and applicable provisions of local, state and federal law.

3. Nothing contained in this Franchise, shall be construed to give Grantee the authority to enter upon or work on private property in areas not encumbered with public easements without the permission of the property owner.

F. Repair of Streets and Property. Any and all Streets or public property or private property which are disturbed or damaged during the construction, repair, replacements, relocation, operation, maintenance or reconstruction of the System shall be promptly repaired by Grantee, at its expense to a condition as good as that prevailing prior to Grantee's construction.

G. Use of Existing Poles. Grantee shall not erect, for any reason, any pole on or along any Street in an existing aerial utility system without the advance written approval of the Town. Grantee shall exercise its best efforts to negotiate the lease of pole space and facilities from the existing pole owners for all aerial construction.

H. Undergrounding of Cable. Cable shall be installed underground at Grantee's expense where both the existing telephone and electrical utilities are already underground. Grantee shall place cable undergrounding newly platted areas in concert with both the telephone and electrical utilities, unless this requirement is waived by the Town. In the event that telephone or electric utilities are reimbursed by the Town or any agency thereof for the placement of cable underground or the movement of cable, Grantee shall be reimbursed upon the same terms and conditions as the telephone or electric utilities.

I. Reservation of Street Rights.

1. Nothing in this Franchise shall be construed to prevent the Town from construction, maintaining, repairing or relocating sewers; grading, paving, maintaining, repairing, relocating and/or altering any Street; constructing, laying down, repairing, maintaining or relocating any water mains; or constructing, maintaining, relocating, or repairing any sidewalk or other public work.

2. All such work shall be done, insofar as practicable in such a manner as not to obstruct, injure or prevent the free use and operation of the poles, wires, conduits, conductors, pipes or appurtenances of Grantee.

3. If any such property of Grantee shall interfere with the construction or relocation, maintenance or repair of any Street or public improvement, whether it be construction, repair, maintenance, removal or relocation of a sewer, public sidewalk, or water main, Street or any other public improvement, thirty (30) days notice shall be given to Grantee by the Town and all such poles, wires, conduits or other appliances and facilities shall be removed or replaced by Grantee in such manner as shall be directed by the Town so that the same shall not interfere with the said public work of the Town, as determined by the Town, and such removal or replacement shall be at the expense of Grantee herein.

4. Nothing contained in this Franchise shall relieve any person from liability arising out of the failure to exercise reasonable care to avoid injuring Grantee's facilities while performing any work connected with grading, regarding, or changing the line of any street or public place or with the construction or reconstruction of any sewer or water system.

J. Trimming of Trees. Grantee shall have the authority to trim trees upon and hanging over streets, alleys, sidewalks, and public places of the Town so as to prevent the branches of such trees from coming in contact with the wires and cables of Grantee; provided, however, all trimming shall be done under the supervision and direction of the Town, if requested by the Town, at the expense of the Grantee.

K. Street Vacation or Abandonment. In the event any street or portion thereof used by Grantee shall be vacated by the Town or the use thereof discontinued by Grantee, during the term of this Franchise, Grantee shall, at Grantee's expense, forthwith remove its facilities therefrom unless specifically permitted by the Town to continue the same, and on the removal thereof restore, repair or reconstruct the Street area where such removal has occurred, and place the street area where such removal has occurred to a condition similar to that existing before such removal took place. In the event of failure, neglect or refusal of Grantee, after thirty (30) days notice by the Town to remove the facilities or to repair, restore, reconstruct, improve or maintain such street portion, the Town may do such work or cause it to be done, and the cost thereof as found and declared by the Town and collection may be made by any available remedy.

L. Movement of Facilities. The Town and Grantee acknowledge that during the term of this Franchise it may be necessary temporarily to move or remove some of the Grantee's wires, cables, poles, or other facilities placed pursuant to this Franchise in order to lawfully move a large object, vehicle, building or other structure over the streets of the Town. In such event, provided the Town gives Grantee two weeks prior

notice and the person requesting the move reimburse Grantee in advance for the cost incurred by Grantee in moving or removing its facilities, Grantee shall move such of his facilities as may be required to facilitate such movements. Any service disruption provisions of this Franchise shall not apply in the event that the removal of Grantee's wires, cable, poles, or other facilities results in temporary service disruptions.

Section 601.08: Operation and Maintenance

A. Open Books and Records. The Town shall have the right to inspect, upon twenty-four (24) hours written notice, at any time during normal business hours at Grantee's local business office all books, records, maps, plans, financial statements, service complaint logs, performance test results, record of requests for service and other like materials of Grantee which are reasonably necessary to monitor compliance with the terms of this Franchise.

B. Communications with Regulatory Agencies. Upon request, copies of all petitions, applications, communications and reports submitted by Grantee or on behalf of or relating to Grantee, to the FCC, Securities and Exchange Commission or any other federal or state regulatory commission or agency having jurisdiction in respect to any matters affecting the System authorized pursuant to this Franchise, shall also be submitted simultaneously to the Town. Copies of responses from the regulatory agencies to Grantee shall likewise be furnished to the Town within fifteen (15) days of receipt of the response.

C. Annual Report. On or before April 1 of each year during the term of this Franchise, Grantee shall file with the Town a copy of the following information regarding the System as operated by Grantee in the Town:

1. A statement prepared and certified by a financial officer of Grantee which details for each month during the prior calendar year the Gross Revenue of Grantee.

2. A copy of all reports (regarding the same time period as the statement required by paragraph 1 above) filed by Grantee with the Forest Lake franchising authority, to the extent such reports relate to the operation of the System in the Town.

D. Additional Reports. Grantee shall prepare and furnish to the Town, at the times and in the form prescribed, such additional reports with respect to its operations, affairs, transactions or property, which are mutually acceptable and reasonably necessary for the administration and enforcement of this Franchise.

E. Maps. Grantee shall maintain on file with the Town at all times a current strand map or set of maps drawn to scale showing the System and all equipment installed or in place in streets and other public places.

F. Audit. The Town and its agents and representatives shall have the authority, during normal business hours, to arrange for and conduct an inspection of the books, records, and equipment of Grantee. Grantee shall first be given a twenty-four (24) hours written notice of the inspection request, a description of and purpose for the inspection, and a description, to the best of the Town's ability, of the books, records, documents, or equipment it wants to inspect.

G. Periodic Evaluation and Renegotiation. The field of cable communications is subject to change and may see many regulatory, technical, financial, marketing and legal changes during the term of this Franchise. Therefore, in order to provide for a maximum degree of flexibility in this Franchise, and to allow the parties to address problems or concerns which may arise during the term of this Franchise regarding the operation of the System, the following evaluation provisions will apply:

1. The Town reserves the right to adopt rules and regulations, to the extent they are consistent with the terms of this Franchise, controlling the procedures as set forth below for evaluation and renegotiation. In the absence of any Town action taken to exercise these rights, Grantee shall be subject to at least the procedures and subjects described in this section.

2. The Town may require, in its sole discretion, a system evaluation at any time during the term of this Franchise; provided, however, there shall not be more than one evaluation during any calendar year. At a minimum, such evaluation sessions shall be conducted by the Town within thirty (30) days of the fifth (5th) and tenth (10th) anniversary dates of the adoption of this Franchise.

3. Topics which may be discussed during any evaluation and/or renegotiation include, without limitation, channel capacity, system performance, programming, access, municipal uses of cable, subscriber complaints, judicial rulings, FCC rulings and any other topics the Town or Grantee deem relevant.

4. During an evaluation, Grantee shall fully cooperate with the Town and shall provide without cost such information and documents as the Town may reasonably request to perform the evaluation.

5. If at any time during its evaluation the Town determines that reasonable evidence exists of inadequate System performance, the Town may require Grantee to perform, at Grantee's expense, tests and analysis directed toward such suspected inadequacies. Grantee shall fully cooperate with the Town in performing such testing and any report prepared by Grantee shall include at least:

   (a) A description of the problem in the System performance which precipitated the special tests.

(b) The System component tested.

(c) The equipment used and procedures employed in testing.

(d) The method, if any, by which such the System performance problem was resolved.

(e) Any other information pertinent to said tests and analysis which may be required by the Town, or determined when the test is performed. If after receiving Grantee's report the Town determines that reasonable evidence still exists of inadequate System performance, the Town may enlist an independent engineer, at Grantee's expense, to perform tests and analysis directed toward such suspected inadequacies.

6. As a result of an evaluation and renegotiation session, the Town and/or Grantee may determine that a change in the terms of the Franchise is desirable or necessary. If the change is consistent with the terms of this Franchise, the needs of the Town, and existing state-of-the-art cable television systems (or due to regulatory, technical, financial, marketing, economic, or legal factors or requirements), and implementation of a change would not unreasonably add to the cost of providing cable television services hereunder, Grantee and the Town will, in good faith, negotiate the terms of the change and any required amendment to this Franchise. Upon adoption of such a Franchise amendment, if one is required, the change will become effective and Grantee shall accept same. No provision of this Section 601.08, Subd. G shall be construed as a waiver of any of the Town's other rights and remedies under this Franchise.

Section 601.09: Consumer Protection Provisions

A. Approval of Basic Service Rate Changes. Grantee shall maintain on file with the Town at all times a current schedule of all rates and charges. The Town reserves the right to regulate rates for Basic Service, to the extent not prohibited by federal or state law, through approval or disapproval of a rate revision request after affording Grantee due process.

B. Non-Regulated Rates. Prior to implementing any rate increase for Basic Service not requiring the Town's approval, Grantee shall give the following notice:

1. At least thirty (30) days advance written notice to the Town; and

2. At least thirty (30) days advance written notice to subscriber of Basic Service.

C. Charges for Disconnection or Downgrading of Service.

1. Grantee may impose a charge reasonably related to the cost incurred for a downgrade or service, except that no such charge may be imposed when:

   (a) A subscriber requests total disconnection from the System; or

   (b) A subscriber requests the downgrade within a thirty (30) day period following any rate increase relative to the service in question.

2. If a subscriber requests disconnection from the service prior to the effective date of an increase in rates, the subscriber shall not be charged the increased rate if Grantee fails to disconnect service prior to the effective date. Any subscriber who has paid in advance for the next billing period and who requests disconnection from service shall receive a prorated refund of any amounts paid in advance.

D. Subscriber Complaint Practices.

1. Grantee shall maintain a service office which shall be open for visits during normal business hours. Grantee shall have a publicly listed toll-free telephone number for a customer call center to be so operated as to receive subscriber complaints and inquiries on a twenty-four (24) hour-a-day, seven (7) days-a-week basis. Grantee shall maintain and make available for the Town to inspect a written log listing all customer calls and the dispositions thereof.

2. Grantee shall render efficient service and make repairs promptly at its expense. Grantee shall not interrupt service except for good cause and for the shortest time possible. Such interruptions, insofar as possible, shall be preceded by notice to the Town and to subscribers, and shall occur during periods of minimum use of the System. A written log available for Town inspection shall be maintained for all service interruptions.

3. Grantee shall maintain adequate call center capacity and field personnel to respond in a timely manner, to answer subscriber calls and complaints, and to schedule service calls as required by this Section 601.09, Subd. D.

4. Grantee shall use its best efforts to respond to and resolve the same day any subscriber request for maintenance or repairs which Grantee receives prior to 2:00 p.m., Monday through Friday.

5. Grantee shall use its best efforts to respond to and resolve within twenty-four (24) hours any subscriber request for maintenance or repairs received after 2:00 p.m., Monday through Friday, or on weekends.

6. Service calls for maintenance or repair shall be performed at no charge; provided, however, if such maintenance or repair is required as a result of damage caused by the subscriber, then Grantee may charge according to its

actual cost for time and material.

7. If Grantee fails to correct a reported service problem within seventy-two (72) hours, Grantee shall, upon the request of a Subscriber, credit 1/30th of the monthly charge to the affected Subscriber for each twenty-four (24) hours or fraction thereof after the first twenty-four (24) hours during which a subscriber is without service, except to the extent that restoration of service is prevented by strike, injunction or other cause beyond the control of Grantee.

E. Subscriber Information. Grantee shall provide to the Town subscriber service information in writing, whether such service is prompted by a customer call or by Grantee's initiation, which shall include, but not be limited to, the following:

1. The procedure for investigation and resolution of subscriber service complaints;

2. Programming services and rates for such services;

3. Billing practices as required herein;

4. A/B switch;

5. Service termination procedures;

6. Change in service procedures; and

7. Refund policy.

Grantee shall provide this information to the subscriber upon request.

F. Subscriber Billing Practices.

1. Grantee shall notify each of its subscribers, through the written service information of its billing practices. The service information shall describe Grantee's billing practices including, but not limited to, the following: frequency of billing, time periods upon which billing is based, advance billing practices, security deposit requirements, charges for late payments and returned checks, payments required to avoid account delinquency, availability of credits for service outages, procedures to be followed by request for service deletions including the notice period a subscriber must give to avoid liability for such services and procedures to be followed in the event of a billing dispute.

2. Grantee shall notify all affected subscribers not less than thirty (30) days prior to any change in the billing practices and such notice shall include a

description of the changed practice.

3. The subscriber bill shall contain the following information presented in plain language and format:

   (a) Name and address of Grantee;

   (b) The period of time over which each chargeable service is billed including prorated periods as a result of the establishment and termination of service;

   (c) The charge levied for services;

   (d) Taxes due, if any;

   (e) The amount of the bill for the current billing period, separate from any balance due;

   (f) Grantee's telephone number and a statement that the subscriber may call this number with any questions or complaints about the bill; and

   (g) The date on which payment is due from the subscriber.

Section 601.10: General Financial and Insurance Provisions

A. Payment to Town.

1. Grantee shall pay to the Town an annual amount equal to five percent (5%) of its Gross Revenues, which amount the parties deem fair and reasonable. The foregoing payment shall be compensation for use of streets and other public property.

2. Payment due the Town under this provision shall be payable monthly and shall be computed at the end of each month during the term of this Franchise. Payments shall be due and payable thirty (30) days after the close of each calendar month. Each payment shall be accompanied by a brief report showing the basis for the computation and other relevant facts as may be required by the Town.

3. No acceptance of any payment shall be construed as an accord that the amount paid is in fact the correct amount, nor shall such acceptance of payment be construed as a release of any claim the Town may have for further or additional sums payable under the provisions of this Franchise. All amounts paid shall be subject to audit and re-computation by the Town.

4. The certification of Gross Revenues provided to the Town by Grantee

pursuant to this Article shall be used to determine the amount of payments due the Town and to correct any overpayments or underpayments by Grantee.

5. In the event any payment is not made on the due date, interest on the amount due shall accrue from such date at the annual rate of Twelve Percent (8%).

B. Performance Bond.

1. At the time the Franchise is accepted, Grantee shall furnish and file with the Town a performance and payment bond, or such other security (or a combination of bonds and other security) as is approved by the Town. The bond or other security shall run in favor of the Town to be used in case of Grantees' non-performance under this Franchise, in the penal sum of Twenty-five Thousand Dollars ($25,000.00). The bond or other security shall be conditioned upon the faithful performance of Grantee of all terms and conditions of any construction. The rights reserved to the Town with respect to the bond or other security are in addition to all other rights the Town may have under the Franchise or any other law.

2. Following the completion of the construction as determined by the Town in accordance with Section 601.07, Subd. A(2), the bond or other security shall be reduced and Grantee shall maintain a security fund pursuant to Section 601.10, Subd. C hereof.

3. The rights reserved by the Town with respect to the bond or other security are in addition to all other rights the Town may have under the Franchise or any other law.

4. Any bond posted by Grantee shall be subject to the approval of the Town and shall contain the following endorsement:

> "It is hereby understood and agreed that this bond may not be canceled without the consent of the Town until sixty (60) days after receipt by the Township by registered mail, return receipt requested, or a written notice of intent to cancel or not to renew."

C. Security Fund.

1. At the time this Franchise is accepted, Grantee shall deposit into a bank account, established by the Town in its favor, and maintain on deposit through the term of this Franchise, A security fund in the sum of Five Thousand Dollars ($5,0000) as a common security fund for the faithful performance by it of all the provisions of this Franchise and compliance with all orders, permits and directions the Town and the payment by Grantee of any claim, liens and taxes due the Town which arise by reason of the construction, operation or maintenance of the System. Interest on this deposit shall be paid to Grantee by

the bank at such intervals as the bank pays interest, but at least on an annual basis.

2. Provisions shall be made to permit the Town to withdraw funds from the security fund. Grantee shall not use the security fund for other purposes and shall not assign, pledge or otherwise use this security fund as security for any purpose. The Town reserves the right, in its sole discretion, to change the required amount of the security fund as business needs may dictate.

3. Within ten (10) days after notice to it that any amount has been withdrawn by the Town from the security fund pursuant to paragraph (1) of this Section, Grantee shall deposit a sum of money sufficient to restore such security fund to the required amount.

4. If Grantee fails to pay to the Town any revenue share, permit fees, or taxes due, or fails to repay to the Town, any damage, costs or expenses which the Town shall be compelled to pay by reason of any act or default of the Grantee in connection with this Franchise; or fails, after ten (10) days notice of such failure by the Town to comply with any provision of the Franchise with the Town reasonably determines can be remedied by an expenditure of the security fund.

D. Penalties from Security Fund. In addition to any other remedies provided herein, penalties for violations of this Franchise are set forth below. As a result of any acts or omissions by Grantee pursuant to the Franchise, the Town may charge to and collect from the security fund the following penalties:

1. For failure to complete any construction in accordance with the Franchise unless the Town approves the delay, the penalty shall be One Hundred Dollars ($100.00) per day for each day, or part thereof, such failure occurs or continues.

2. For failure to provide to the Town the date, documents, reports or information required to be provided hereunder, the penalty shall be One Hundred Dollars ($100.00) per day.

3. For failure to comply with any provisions of this Franchise, for which a penalty is not otherwise specifically provided, the penalty shall be One Hundred Dollars ($100.00) per day.

4. For failure to test, analyze and report on the performance of the System following a request by the Town the penalty shall be One Hundred Dollars ($100.00) per day.

5. For failure of Grantee to comply with operation or maintenance standards the penalty shall be One Hundred Dollars ($100.00) per day.

6. For failure to comply with all conditions of the Town permits to disturb streets, fix streets, or other terms or conditions of the Town, the penalty shall be One Hundred Dollars ($100.00) per day.

E. Procedure for Imposition of Penalties.

1. Whenever the Town finds that Grantee has allegedly violated one (1) or more terms, conditions or provisions of this Franchise, a written notice shall be given to Grantee. The written notice shall specify with particularity the alleged violation so as to afford Grantee an opportunity to remedy the violation. Grantee shall have thirty (30) days subsequent to receipt of the notice in which to correct the violation before the Town may resort to the security fund. Grantee may, within ten (10) days of receipt of notice, notify the Town that there is dispute as to whether a violation or failure has, in fact, occurred. Such notice by Grantee to the Town shall specify with particularity the matters disputed by Grantee and shall stay the running of the above-described time.

   (a) The Town shall hear Grantee's dispute at a regularly or specially scheduled meeting. Grantee shall have the right to subpoena and cross-examine witnesses. The Town shall determine if Grantee has committed a violation and shall make written findings of fact relative to its determination. If a violation is found, Grantee may petition for reconsideration.

   (b) If after hearing the dispute the claim is upheld by the Town, Grantee shall have ten (10) days from such a determination to remedy the violation or failure. At any time after that ten (10) day period, the Town may draw against the security fund all penalties due it.

2. The time for Grantee to correct any alleged violation may be extended by the Town if the necessary action to correct the alleged violation is of such a nature or character to require more than thirty (30) days within which to perform provided Grantee commences the corrective action within the thirty (30) day period and thereafter uses reasonable diligence, as determined by the Town, to correct the violation.

3. The security fund deposited pursuant to this Section shall become the property of the Town in the event that the Franchise is canceled by reason of the default of Grantee or revoked for cause. Grantee, however, shall be entitled to the return of such security fund, or portion thereof, as remains on deposit as the expiration of the term of the Franchise.

4. The rights reserved to the Town with respect to the security fund are in addition to all the other rights of the Town whether reserved by this Franchise or authorized by law, and no action, proceeding or exercise of right with respect to such security fund shall affect any other right the Town may have.

5. The Town shall stay or waive the imposition of any penalties set forth above upon a finding that any failure or delay is a result of an act of God or due to circumstances beyond the reasonable control of Grantee.

F. Damages and Defense.

1. Grantee shall indemnify, defend and hold harmless the Town for all damages and penalties, at all times during the term of this Franchise, as a result of the procedures for granting this Franchise, or the granting of this Franchise, or of Grantee's exercise of this Franchise. These damages and penalties shall include, but shall not be limited to, damages arising out of personal injury, property damage, copyright infringement, defamation, antitrust, errors and omission, theft, fire, and all other damages arising out of Grantee's exercise of this Franchise, whether or not any act or omission complained of is authorized, allowed or prohibited by this Franchise, such indemnification shall include, but not be limited to, reasonable attorney's fees and costs.

2. In order for the Town to assert its rights to be indemnified, defended, and held harmless, the Town must:

   (a) Promptly notify Grantee of any claim or legal proceeding which gives rise to such right;

   (b) Afford Grantee the opportunity to participate in and fully control any compromise, settlement or other resolution or disposition of such claim or proceeding; unless, however, the Town, in its sole discretion, determines that its interests cannot be represented in good faith by Grantee; and

   (c) Fully cooperate with the reasonable requests of Grantee, at Grantee's expense, in its participation in, and control, compromise, settlement or resolution or other disposition of such claim or proceeding subject to paragraph (b) above.

3. The Town reserves the right to participate in the defense of any litigation in which it is named as a defendant either through intervention or otherwise. In the event the Town elects to defend itself in any such litigation, Grantee shall pay, upon receipt of written demand from the Town, all expenses incurred by the Town in defending itself with regard to any matters set forth in this Section 601.10. These expenses shall include, without limitation, costs and

disbursement, attorneys' fees, and the reasonable value of services (as determined by the Town) rendered by the Town or any of its employees, agents, or representatives.

G. Liability Insurance.

1. Grantee shall add the Town as an additional insured on its existing liability insurance policy(ies) and shall maintain throughout the term of the Franchise, liability insurance insuring Grantee and the Town with regard to all damages and harms mentioned in Section 601.10 hereof, in the minimum amounts of:

   (a) Five Hundred Thousand Dollars ($500,000.00) for bodily injury or death to any one (1) person;

   (b) Two Million Dollars ($2,000,000.00) for bodily injury or death resulting from any one accident;

   (c) Five Million Dollars ($5,000,000.00) for all other types of liability.

2. At the time of acceptance, Grantee shall furnish to the Town a certificate evidencing that the Town has been named as an additional insured on an insurance policy which comports with the requirements of Section 601.10. Said certificate shall require that the Town be notified thirty (30) days prior to any expiration of cancellation.

H. Town's Right to Revoke. In addition to all other rights which the Town has pursuant to law or equity, the Town reserves the right to revoke, terminate or cancel this Franchise, and all rights and privileges pertaining thereto, in the event that:

1. Grantee substantially violates any provisions of this Franchise; or

2. Grantee attempts to evade any of the provisions of this Franchise and refuses to cure it; or

3. Grantee practices any fraud or deceit upon the Town or subscriber; or

4. Grantee becomes insolvent, unable or unwilling to pay its debts, or is adjudged bankrupt; or

5. Grantee materially misrepresents a fact in the application for or negotiation of, or renegotiation of, or renewal of, the Franchise.

I. Revocation Procedures. In the event that the Town determines that Grantee has violated any provision of the Franchise, or any applicable federal, state or local law, the Town may make a written demand on Grantee that it remedy such violation and

that continued violation may be cause for revocation. If the violation, breach, failure, refusal, or neglect is not remedied to the satisfaction of the Town within thirty (30) days following such demand, the Town shall determine whether or not such violation, breach failure, refusal or neglect by Grantee is due to acts of God or other causes which result from circumstances beyond Grantee's control.

1. A public hearing shall be held and Grantee shall be provided with an opportunity to be heard upon fourteen (14) days written notice to Grantee of the time and place of the hearing. The causes for pending revocation and the reasons alleged to constitute such cause shall be recited in the notice. Said notice shall affirmatively recite the causes that need to be shown by the Town to support a revocation.

2. If notice is given and, at Grantee's option, after a full public proceeding is held, the Town determines there is a violation, breach, failure, refusal, or neglect by Grantee, the Town shall direct Grantee to correct or remedy the same within such reasonable additional time, in such manner and upon such reasonable terms and conditions as Town may direct.

3. If after a public hearing it is determined that Grantee's performance of any of the terms, conditions, obligations, or requirements of Franchise was prevented or impaired due to any cause beyond its reasonable control or not reasonably foreseeable, such inability to perform shall be deemed to be excused and no penalties or sanctions shall be imposed as a result thereof, provided Grantee has notified Town in writing within thirty (30) days of its discovery of the occurrence of such an event. Such causes beyond Grantee's reasonable control or not reasonably foreseeable shall include, but shall not be limited to, acts of God, civil emergencies and labor strikes.

4. If, after notice is given and, at Grantee's option, a full public proceeding is held, the Town determines there was a violation, breach, failure, refusal, or neglect, then the Town may declare, by resolution, the Franchise revoked and canceled and of no further force and effect unless there is compliance within such period as Town may fix. Such period shall not be less than thirty (30) days, provided no opportunity for compliance needs to be granted for fraud, misrepresentation, or violation of privacy rights.

5. The issue of revocation shall automatically be placed upon the Town Board agenda at the expiration of the time set by it for compliance. The Town then may terminate Franchise forthwith upon finding that Grantee has failed to achieve compliance or may further extend the period, in its discretion.

6. If the Town, after notice is given and, at Grantee's option, a full public proceeding is held and appeal is exhausted, declares the Franchise breached, the parties may pursue their remedies pursuant to Franchise or any other

remedy, legal or equitable.

Section 601.11: Foreclosure, Receivership and Abandonment

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

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

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

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

C. Abandonment. Grantee may not abandon any portion of the System thereof without having first given three (3) months written notice to the Town. Grantee may not abandon any portion of the System without compensating the Town for damages resulting from the abandonment.

Section 601.12: Removal and Transfer

A. Removal After Revocation or Expiration.

1. At the expiration of the term for which the Franchise is granted, or upon its revocation, as provided for, the Town shall have the right to require Grantee to remove, at Grantee's expense, all or any portion of the System from all streets and public property within the Town. In so removing the System, Grantee shall refill, compact, re-grade, seed, and otherwise stabilize at its own expense, any excavation that shall be made and shall leave all streets, public property and private property in as good a condition as that prevailing prior to Grantee's removal of the System, and without affecting, altering or disturbing in any way electric, telephone or utility, cables, wires, or attachments. The Town, or its delegation, shall have the right to inspect and approve the condition of such streets and public property after removal. The

security fund, insurance, indemnity, and penalty provisions of the Franchise shall remain in full force and effect during the entire term of removal.

2. If, in the sole discretion of the Town, Grantee has failed to commence removal of the System, or such part thereof as was designated within thirty (30) days after written notice of the Town's demand for removal is given, or if Grantee has failed to complete such removal within one (1) year after written notice of the Town's demand for removal is given, the Town shall have the right to exercise one of the following options:

   (a) Declare all right, title and interest to the System to be in the Town or its delegator with all rights of ownership including, but not limited to, the right to operate the System or transfer the System to another for operation by it; or

   (b) Declare the System abandoned and cause the System, or such part thereof as the Town shall designate, to be removed at no cost to the Town. The cost of said removal shall be recoverable from the security fund, indemnity and penalty section provided for in the Franchise, or from Grantee directly.

B. Transfer of Ownership or Control.

1. This Franchise shall not be sold, assigned, or transferred, either in whole or in part, leased or sublet in any manner, nor shall title thereto, either legal or equitable, or any right, interest, or property therein, pass to or vest in any person without full compliance with the procedure set forth in this Section.

2. The provisions of this Section shall apply to the sale or transfer of all or a majority of Grantee's assets, merger (including any parent and its subsidiary corporation), consolidation, creation of a subsidiary corporation or sale or transfer of stock in Grantee so as to create a new controlling interest. The term "controlling interest" as used herein is not limited to majority stock ownership, but includes actual working control in whatever manner exercised.

   (a) The parties to the sale or transfer shall make a written request to the Town for its approval of a sale or transfer. The Town shall then make a determination pursuant to this Franchise as to the exercise of its first right of refusal to purchase the System.

   (b) The Town shall reply in writing within thirty (30) days of the request and shall indicate approval of the request or its determination that public hearing is necessary due to potential adverse effect on Grantee's subscribers.

   (c) If a public hearing is deemed necessary pursuant to (b) above, such

hearing shall be commenced within thirty (30) days of such determination and notice of any such hearing shall be given fourteen (14) days prior to the hearing by publishing notice thereof. The notice shall contain the date, time, and place of the hearing and shall briefly state the substance of the action to be considered by the Town.

(d) Within thirty (30) days after the closing of the public hearing, the Town shall approve or deny in writing the sale or transfer request.

(e) Within thirty (30) days of any transfer, Grantee shall file with the Town a copy of the deed, agreement, mortgage, lease or other written instrument evidencing such sale, transfer of ownership, or control or lease, certified and sworn to as correct by the Grantee.

3. In reviewing a request for sale or transfer pursuant to paragraph (a) above, the Town may inquire into the legal, technical, and financial qualifications of the prospective controlling party, and Grantee shall assist the Town in so inquiring. The Town shall not unreasonably withhold its approval. In no event shall a transfer of assignment of ownership or control be approved without the transferee becoming a signatory to this Franchise.

C. Town's Right to Purchase System. The Town shall be entitled to a right of first refusal of any bona fide offer to purchase the System made to Grantee. Bona fide offer as used in this Section means a written offer which has been accepted by Grantee subject to the Town's rights under this Franchise. The price to be paid by the Town shall be the bona fide offer including the same terms and conditions as the bona fide offer. The Town shall notify Grantee of its decision to purchase within thirty (30) days of the Town's receipt from Grantee of a copy of written bona fide offer.

Section 601.13: Rights of Individuals Protected

A. Discriminatory Practices Prohibited. Grantee shall not deny service, deny access, or otherwise discriminate against subscribers, programmers or general citizens on the basis of race, color, religion, national origin, sex, age or sexual orientation. Grantee shall comply at all times with all other applicable, federal, state and the Town laws, and all executive and administrative orders relating to non-discrimination.

B. Subscriber Privacy.

1. No signal of a Class IV cable communications channel may be transmitted from a subscriber terminal for purposes of monitoring individual viewing patterns or practices without the express written permission of the subscriber. The request for such permission shall be contained in a separate document with a prominent statement that the subscriber is authorizing the permission in full knowledge of its provision. Such written permission shall be for a limited period of time not to exceed one (1) year which shall be renewed at the option

of the subscriber. No penalty shall be invoked for a subscriber's failure to provide or renew such authorization. The authorization shall be revocable at any time by the subscriber without penalty of any kind whatsoever. Such permission shall be required for each type or classification of Class IV cable communications activity planned for the purpose of monitoring individual viewer patterns or practices.

2. No information or data obtained by monitoring transmission of a signal from a subscriber terminal, or any other means, including but not limited to lists of the names and addresses of such subscribers of any lists that identify the viewing habits of subscribers shall be sold or otherwise made available to any party other than to Grantee and its employees for internal business use, and also to the subscriber subject of that information, unless Grantee has received specific written authorization from the subscriber to make such data available.

3. Written permission from the subscriber shall not be required for the conducting of the System wide or individually addressed electronic sweeps for the purpose of verifying the system integrity or monitoring for the purpose of purpose of billing. Confidentiality of such information shall be subject to the provision set forth in paragraph (1) of this Section.

Section 601.14: Miscellaneous Provisions

A. Compliance with Laws. Grantee and Town shall conform to all state laws and rules regarding cable television not later than one year after they become effective unless otherwise stated. Grantee and the Town shall conform to all state and federal laws and rules regarding cable television as they become effective, unless otherwise stated. Grantee shall also conform with all the Town ordinances, resolutions, rules and regulation heretofore or hereafter adopted or established during the entire term of the Franchise.

B. Franchise Renewal. This Franchise may be renewed in accordance with applicable state and federal law.

C. Continuity of Service Mandatory. Upon expiration or the termination of this Franchise the Town may require Grantee to continue to operate the System for an extended period of time not to exceed six (6) months. Grantee shall, as trustee for its successor in interest, continue to operate the System under the terms and conditions of this Franchise. In the event Grantee does not so operate the System, the Town may take such steps as it, in its sole discretion, deems necessary to assure continued service to subscriber.

D. Work Performed by Others.

1. Grantee shall give notice to the Town specifying the names and addresses of

any other entity, other than Grantee, which performs services pursuant to this Franchise, provided, however, that all provisions of this Franchise shall remain the responsibility of Grantee, and Grantee shall be responsible for and hold the Town harmless for any claim or liability arising out of work performed by persons other than Grantee.

2. All provisions of this Franchise shall apply to any subcontractor or others performing any work or services pursuant to the provisions of this Franchise.

E. The Franchise Shall Comply With All Compliance with Federal, State and Local Laws.

1. If any federal or state law or regulation shall require or permit Grantee to perform any service or act or shall prohibit Grantee from performing any service or act which may be in conflict with the terms of this Franchise, then as soon as possible following knowledge thereof, Grantee shall notify the Town of the point of conflict believed to exist between such law or regulation.

2. If any term, condition or provisions of this Franchise or the application thereof to any person or circumstance shall, to any extent, be held to be invalid or unenforceable, the remainder hereof and the application of such term, condition or provision to persons or circumstances other than those as to whom it shall be held invalid or unenforceable shall not be affected thereby, and this Franchise and all the terms, provisions and conditions hereof shall, in all other respects, continue to be effective and to be complied with. In the event that such law, rule or regulation is subsequently repealed, rescinded, amended or otherwise changed so that the provision which had been held invalid or modified is no longer in conflict with the law, rules and regulations then in effect, said provision shall then be effective and be complied with.

3. Notwithstanding anything to the contrary, in the event that any court, agency, commission, legislative body or other authority or competent jurisdiction (i) declares any part of this Article 601 invalid, or (ii) requires Grantee either to (a) perform any act which is inconsistent with any of the said Section or (b) cease performing any act required by said Section, Grantee shall immediately notify the Town. Such notice shall state whether Grantee intends to exercise its rights pursuant to such declaration or requirement. If the Town determines within six (6) months of receiving such notice that said declaration or requirement has a material and adverse effect on the Franchise, the Town shall notify Grantee and Town and Grantee will negotiate in good faith the required changes to this Franchise.

4. The Cable Franchise shall comply with all public utility requirements of Chapter 6.

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

G. Administration of Franchise.

1. The Town shall have continuing regulatory jurisdiction and supervision over the System and the Grantee's operation under the Franchise. The Town may issue such reasonable rules and regulations concerning the construction, operation, and maintenance of the System as are consistent with the provisions of this Franchise.

2. Grantee shall construct, operate and maintain the System subject to the supervision of all the authorities of the Town and all other regulatory authorities who have jurisdiction in such matters, and in strict compliance with all laws, ordinances, departmental rules and regulations affecting the System.

3. Grantee shall notify subscriber and the Town by mail of completion of installation. If the subscriber or the Town believes restoration is not satisfactory the grantee shall immediately restore the site to equal or better condition than previously existed.

4. The System and all parts thereof shall be subject to the right of periodic inspection by the Town provided that such inspection shall not interfere with the operation of the System and such inspections take place during normal business hours.

H. Cable Television Advisory Commission. The Town may provide for an ongoing cable television advisory commission. The specific nature, composition, and authority of the commission shall be determined by the Town.

I. Miscellaneous Violations.

1. From and after the acceptance of the Franchise, it shall be unlawful, for any person to establish, operate or to carry on the business of distributing to any persons in the Town any television signals or radio signals by means of a System using public rights of ways unless a Franchise therefore has first been obtained pursuant to the provisions of an ordinance, and unless such Franchise is in full force and effect.

2. From and after the acceptance of the Franchise, it shall be unlawful for any person to construct, install or maintain within any street in the Town, or within any other public property of the Town, or within any privately owned area within the Town which has not yet become a public street but is

designated or delineated as a proposed public street on any tentative subdivision map approved by the Town, of the Town's official map or the Town's major thoroughfare plan, any equipment or facilities for distributing any television signals or radio signals through a System, unless a franchise authorizing such use of such street or property or areas has first been obtained.

J. Emergency Use. In the case of any emergency or disaster, Grantee shall, upon request of the Town, make available its System and related facilities to the Town for emergency use during the emergency or disaster period.

K. Construction. This Franchise shall be construed and enforced in accordance with the substantive laws of the State of Minnesota and without reference to its principals of conflicts of law.

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

M. Calculation of Time. Where the performance or doing of any act, duty, matter, payment or thing is required hereunder and the period of time or duration for the performance or during thereof is prescribed and fixed herein, the time shall be computed so as to exclude the first and include the last day of the prescribed or fixed period or duration of time. When the last day of the period falls on Saturday, Sunday or a legal holiday, that day shall be omitted from the computation.

Section 3. Severability. If any portion of this ordinance is found illegal or invalid, this will not affect he legality or validity of the reminder of this ordinance.

Section 4. Publication and Effective Date

1. Publication; Effective Date. This Franchise Ordinance shall be signed by the Chairman of the Town and attested by the Town Clerk. The Franchise Ordinance shall be published in accordance with the requirements of Town and state law, and shall take effect upon publication.

2. The Town may publish only the title and a summary of the Franchise Ordinance,

provided that the Town Board directs that only the title of the Franchise Ordinance and a summary be published.

BY ROLL CALL VOTE OF THE MAY TOWN BOARD: ADAMS YES; **PAZLAR** YES; **VOEDISCH** YES; **THIS ORDINANCE IS ADOPTED THIS 6th DAY OF JUNE, 2013.**

Attest: Linda Klein, May Town Clerk

Bill Voedisch, Chair, May Town Board

LINDA L. KLEIN
May Township Clerk, Washington County, Minnesota
Notarial Officer (ex-officio notary public)
My term is Indeterminate

EXHIBIT A

TECHNICAL STANDARDS FOR THE CABLE SYSTEM

1. The Cable System shall be designed, constructed, routinely inspected, and maintained to guarantee that the Cable System meets or exceeds the requirements of the most current editions of the National Electrical Code (NFRA 70) and the National Electrical Safety Code (ANSI C2). In all matters requiring interpretation of either of these codes, the City's interpretation shall control over all other sources and interpretations.

2. General Requirements. Grantee shall use equipment used in high-quality, reliable, modern Cable Systems of similar design.

3. General Description. The Cable System shall provide Subscribers with a technically advanced and reliable Cable System. The System shall have at least 440 MHz of bandwidth capacity, capable of delivering approximately 80 analog channels of programming. The System will be two-way active. The design will provide the benefits of proven 80-channel electronics while positioning the System for expansion of bandwidth and channel capacity as technology and future services develop.

4. Design. The design of the System shall be based upon a "Fiber to the node" architecture that will deliver the signals by fiber optics directly to each neighborhood.

5. Technical Standards. The System shall meet or exceed FCC requirements. In no event shall the System fall below the following standards:

a. The System shall be capable of meeting the following distortion parameters:

1.	Carrier to RMS Noise	48 dB
2.	Carrier to Second Order	53 dB
3.	Carrier to Cross Modulation	51 dB
4.	Carrier to Composite Triple Beat	53 dB

b. The frequency response of a single channel as measured across any 6 MHz analog channel shall not exceed +/- 2 dB.

c. The frequency response of the entire passband shall not exceed N/10+ 2 dB for the entire System where N is the number of amplifiers in cascade.

The System shall be designed such that at a minimum all technical specifications of this Franchise Agreement are met.

Fund Name: All Funds
Date Range: 06/01/2013 to 06/06/2013

Date	Vendor Name	Description	Check #	Total	Account #	Amount
06/06/2013	Payroll Period Ending 06/01/2013		17310	$290.00	100-41110-100	$290.00
06/06/2013	Payroll Period Ending 06/01/2013		17311	$1,337.47	100-41510-100	$1,337.47
06/06/2013	Payroll Period Ending 06/01/2013		17312	$2,227.07	100-41400-100	$2,227.07
06/06/2013	Payroll Period Ending 06/01/2013		17313	$290.00	100-41110-100	$290.00
06/06/2013	Payroll Period Ending 06/01/2013		17314	$3,535.72	201-43102-100	$3,535.72
06/06/2013	Payroll Period Ending 06/01/2013		17315	$2,774.58	201-43103-100	$2,774.58
06/06/2013	Payroll Period Ending 06/01/2013		17316	$290.00	100-41110-100	$290.00
06/06/2013	MARVIN L. SCHROEDER	Building rental - May, Insurance - June	17317	$912.20	201-43100-412	$800.00
					201-43102-130	$112.20
06/06/2013	THOMAS SCHROEDER	Tractor & Loader	17318	$660.00	201-43126-415	$660.00
06/06/2013	WALLY CARLSON AND SONS INC	Fuel	17319	$2,783.16	201-43126-212	$2,783.16
06/06/2013	CARQUEST AUTO PARTS	Supplies for Sterling & Freightliner	17320	$137.98	201-43126-438	$137.98
06/06/2013	NOBLES TIRE SERVICE	Tire disposal, o-ring - grader	17321	$76.50	201-43126-438	$76.50
06/06/2013	NORTHERN SAFETY TECHNOLOGY, INC	Strobe lights for Sterling	17322	$425.22	201-43126-438	$425.22
06/06/2013	BLUE CROSS & BLUE SHIELD OF MN	Health insurance	17323	$436.00	201-43103-130	$436.00
06/06/2013	BF LAUZON ENTERPRISES, INC	Street sweeping	17324	$1,470.00	201-43121-405	$1,470.00
06/06/2013	VACUUM EXCAVATING SERVICE, INC.	Clean storm drain 130th St. N and Ozark Trl	17325	$975.00	201-43150-403	$975.00
06/06/2013	ON SITE SANITATION	Porta potties for park	17326	$387.15	220-45202-387	$387.15
06/06/2013	OLSON POWER AND EQUIPMENT, INC	Kubota tractor repair Invoice #95256	17327	$32.66	220-45206-438	$32.66
06/06/2013	WASHINGTON COUNTY - PUBLIC HEALTH	1st quarter maintenance 2013	17328	$4,796.74	230-49450-400	$4,796.74
06/06/2013	CONNEXUS ENERGY	201 Sewer Electric - 2 months	17329	$237.32	230-49490-380	$237.32
06/06/2013	CENTURY LINK	Clerk, town hall and 201 Sewer phone	17330	$213.44	100-41940-380	$161.50
					230-49489-380	$51.94
06/06/2013	FRONTIER	Phone listing	17331	$3.30	100-41940-380	$3.30
06/06/2013	XCEL ENERGY	Town hall electric	17332	$26.57	100-41940-380	$26.57

Date	Vendor Name	Description	Check #	Total	Account #	Amount
06/06/2013	MANTYLA WELL DRILLING, INC.	Service on well	17333	$158.00	220-41940-380	$158.00
06/06/2013	FINANCE & COMMERCE, INC	Ad for bid on 130th St N	17334	$183.05	100-41001-351	$183.05
06/06/2013	MN ASSOC OF TOWNSHIPS AGENCY	Commercial Pkg - Liability	17335	$2,125.00	100-41001-360	$2,125.00
06/06/2013	PAUSZEK INC	Assessor	17336	$1,300.00	100-41950-314	$1,300.00
06/06/2013	PETER KLUEGEL	Building Inspector	17337	$1,037.45	100-42400-315	$1,037.45
06/06/2013	SHERRILL REID ANIMAL CONTROL	Dog to HAH	17338	$90.00	100-42700-309	$90.00
06/06/2013	HELMER PRINTING, INC	Township letterhead	17339	$119.00	100-41001-200	$119.00
06/06/2013	COUNTRY MESSENGER	Legal notices	17340	$32.00	100-41001-351	$32.00
06/06/2013	WASHINGTON CO TREASURER	Tax petition fee, MF/PP/PILT fee	17341	$666.75	100-41001-314	$666.75
06/06/2013	WASHINGTON CO TREASURER	2013 Truth in Taxation notices	17342	$332.60	100-41001-430	$332.60
06/06/2013	MINNESOTA ASSOC. OF TOWNSHIPS	Summer Short Course - Clerk	17343	$50.00	100-41001-310	$50.00
06/06/2013	TJB HOMES	Return road escrow 12101 Quail Ave	17344	$1,000.00	100-49500-450	$1,000.00
06/06/2013	ELENI TOMOLILLO	Clean town hall - 2 months	17345	$30.00	100-41940-110	$30.00
06/06/2013	CHERYL D. BENNETT	Insurance, mileage	17346	$273.83	100-41001-331	$18.08
					100-41510-130	$255.75
06/06/2013	LINDA L. KLEIN	Mileage, insurance, postage, Kuboda supplies	17347	$274.19	100-41001-322	$8.92
					100-41001-331	$22.60
					100-41400-130	$182.00
					220-45206-438	$60.67
06/06/2013	WSB & ASSOCIATES, INC	Engineering	17348	$3,152.50	201-41911-303	$3,152.50
06/06/2013	NAC	Planning & zoning	17349	$981.60	100-41910-317	$796.60
					100-49499-317	$115.50
					100-49501-317	$69.50
06/06/2013	JOHNSON/TURNER ATTORNEYS AT LAW	Legal fees	17350	$1,122.00	100-41610-304	$798.00
					100-41610-907	$192.00
					100-41610-908	$78.00
					100-49499-304	$24.00
					230-49450-304	$30.00
06/06/2013	PERA	Coordinated & DCP w/holdings/616000	17351	$1,874.63	100-41110-121	$93.00
					100-41400-121	$297.32
					100-41510-121	$274.71
					201-43102-121	$645.30
					201-43103-121	$564.30
06/06/2013	IRS - INTERNAL REVENUE SERVICE	Federal withholdings	EFTF613	$3,697.28	100-41110-170	$27.00
					100-41400-170	$86.22
					100-41400-171	$368.66
					100-41400-172	$245.54
					100-41510-170	$59.02
					100-41510-171	$252.34
					100-41510-172	$296.48
					201-43102-170	$138.62
					201-43102-171	$592.72

Date	Vendor Name	Description	Check #	Total	Account #	Amount
					201-43102-172	$396.56
					201-43103-170	$121.22
					201-43103-171	$518.32
					201-43103-172	$594.58
06/06/2013	MN DEPARTMENT OF REVENUE	State withholdings ID# 2478214	EFTS613	$655.63	100-41400-173	$124.39
					100-41510-173	$118.12
					201-43102-173	$183.30
					201-43103-173	$229.82

Total For Period **$43,473.59**

Total Year To Date **$341,339.61**

Town of May

Cash Control Statement

05/31/2013

For the Period 05/01/2013 to 05/31/2013

Name of Fund	Beginning Balance	Total Receipts	Total Disbursed	Ending Balance	Less Deposits In Transit	Plus Outstanding Checks	Total Per Bank Statement
General Fund	$155,455.45	$482.62	$12,614.15	$143,323.92			
Road & Bridge Fund	$374,622.89	$266.39	$21,525.12	$353,364.16			
Fire Fund	$72,559.41	$14.99	$0.00	$72,574.40			
Levied Park Fund	$1,500.06	$0.31	$0.00	$1,500.37			
Park Fund	$6,049.05	$1.25	$0.00	$6,050.30			
201 Sewer Fund	$4,364.25	$0.90	$1,113.13	$3,252.02			
Capital Projects Fund	$15,357.52	$3.17	$0.00	$15,360.69			
201 Sewer Replacement	$0.00	$0.00	$0.00	$0.00			
201 Sewer Pumping Fund	$0.00	$0.00	$0.00	$0.00			
Midcontinent Com Security	$2,510.00	$0.00	$10.00	$2,500.00			
Vets Rest Camp Security	$0.00	$0.00	$0.00	$0.00			
Total	**$632,418.63**	**$769.63**	**$35,262.40**	**$597,925.86**	**$769.63**	**$59,317.90**	**$656,474.13**

MONTH OF MAY

May 31, 2013

CASH

	CHECKING	$1,000.00
	MONEY MARKET	$594,425.86
TOTAL CASH		$595,425.86

ESCROW

CENTURY LINK	$3,529.61
CONNEXUS ENERGY	$338.00
FRONTIER UTILITY ESCROW	$3,056.00
NORTHERN NATUAL GAS	$1,060.50
SCIENCE MUSEUM OF MN	$0.00
WILDER FOUNDATION	$0.00
XCEL UTILITY ESCROW	$4,916.29
ROAD ESCROWS	$1,000.00
PLANNING FEES ESCROW	$5,046.46
TOTAL ESCROW	$18,946.86
TOTAL CASH & INVESTMENTS*	$1,104,780.64

PLANNING FEES AS OF 6/6/13

ARCOLA MILLS	($210.00)
BTG	$517.11
BTGII	$577.61
MIDCONTINENT COMMUNICATIONS	$3,664.54
LINDA NELSON/A ANDERSON	$599.20
WASHINGTON COUNTY MINE	($102.00)
TOTAL	$5,046.46

*Some of these funds are restricted for specific uses and are unavailable for general use in the Town.

Letters of Credit: None

TOWN OF MAY

CURRENT INVESTMENT SUMMARY	As of 5/31/13
GENERAL	
Security Bank - CD 10/5/13	$59,446.37
TOTAL GENERAL	**$59,446.37**
ROAD & BRIDGE	
Gravel expires 8/18/13	$3,146.02
Blacktopping expires 9/6/13	$101,405.45
Gravel expires 9/17/13	$24,511.36
Blacktopping expires 11/30/13	$59,425.90
Gravel expires 7/7/13	$9,361.91
Blacktopping expires 7/7/13	$15,160.03
Road Construction expires 7/7/13	$22,739.33
TOTAL ROAD & BRIDGE	**$235,750.00**
PARK	
Security Bank - CD 10/5/13	$20,342.54
TOTAL PARK	**$20,342.54**
CAPITAL	
Security Bank - CD 1/31/13	$37,688.37
TOTAL CAPITAL	**$37,688.37**
201 SEWER REPLACEMENT	
Security Bank - CD 10/5/13	$87,177.96
Security Bank - CD 11/30/13	$66,449.54
TOTAL 201 REPLACEMENT	**$153,627.50**
Total CDs	$506,854.78
TOTAL INVESTMENTS	**$506,854.78**

COMMITTED AND UNASSIGNED DOLLARS BY FUND

As of 5/31/13

GENERAL FUND	
MONEY MARKET	$143,323.92
INVESTMENTS	$59,446.37
COMMITTED	
OFFICE FURNITURE/FIXTURES	$3,400.00
ROAD ESCROWS	$1,000.00
ESCROWS	$18,946.86
CONTINGENCY	$50,000.00
CASH FLOW	$76,520.00
COMMITTED TOTAL	$149,866.86
UNCOMMITTED	$52,903.43
ROAD & BRIDGE FUND	
MONEY MARKET	$353,364.16
INVESTMENTS	$235,750.00
COMMITTED	
SIGNS	$1,000.00
BRUSHING/MOWING	$0.00
GRAVEL TAX (MAY AVE.)	$37,019.29
CAPITAL PROJECTS:	
ROAD CONSTRUCTION	$0.00
INVESTMENTS	$22,739.33
BLACKTOPPING	$118,000.00
INVESTMENTS	$175,991.38
LYNCH ROAD	$30,000.00
PAVEMENT REPAIR	$2,000.00
CALCIUM CHLORIDE	$100,000.00
SEALCOATING	$45,100.00
LYNCH ROAD	$20,000.00
CULVERT REPAIRS	$1,000.00
CASH FLOW	$147,015.50
COMMITTED TOTAL	$699,865.50
UNCOMMITTED	($110,751.34)
FIRE FUND	
MONEY MARKET	$72,574.40
COMMITTED TOTAL	$72,574.40
LEVIED PARK FUND	
MONEY MARKET	$1,500.37
COMMITTED	
CASH FLOW	$3,588.50
COMMITTED TOTAL	$3,588.50
UNCOMMITTED	($2,088.13)
CAPITAL FUND	
MONEY MARKET	$15,360.69
INVESTMENTS	$37,688.37
COMMITTED	
HEAVY EQUIPMENT	$53,049.06
COMMITTED TOTAL	$53,049.06

INVESTMENTS - 2013 ACTIVITY

May 31, 2013

FUND	ID #	PURCHASE DATE	TYPE OF INVESTMENT	PAR VALUE [COST]	INTEREST RATE	MATURITY DATE	DATE SOLD	SALE VALUE	INTEREST REVENUE
201	19131	07/07/12	SECURITY BANK-CD-GRAVEL	$9,361.91	0.40%	07/07/13			
201	19133	07/07/12	SECURITY BANK - CD - BLACKTOPPING	$15,160.03	0.40%	07/07/13			
201	19134	07/07/12	SECURITY BANK - CD - RD CONST.	$22,739.33	0.40%	07/07/13			
100	20664	10/05/12	SECURITY BANK-CD-GENERAL	$59,446.37	0.40%	10/05/13			
225	20665	10/05/12	SECURITY BANK-CD-PARK	$20,342.54	0.40%	10/05/13			
406	21075	10/07/12	SECURITY BANK-CD-201 REPLACE	$87,177.96	0.40%	10/07/13			
201	21117	11/30/12	SECURITY BANK-CD-BLKTP	$59,425.90	0.40%	11/30/13			
406	191446835	11/30/12	SECURITY BANK-CD-201 REPLACE	$66,449.54	0.40%	11/30/13			
400	21183	01/31/13	SECURITY BANK -CD-CAPITAL	$37,688.37	0.35%	01/31/14			
201	19957	02/18/13	SECURITY BANK - CD - GRAVEL	$3,146.02	0.25%	08/18/13			
201	5815	03/06/13	SECURITY BANK-CD-BLACKTOP	$101,405.45	0.20%	09/06/13			
201	19643	03/17/13	SECURITY BANK-CD-GRAVEL	$24,511.36	0.20%	09/17/13			

TOTAL INVESTMENTS	$506,854.78
YTD INTEREST EARNED	$317.04