



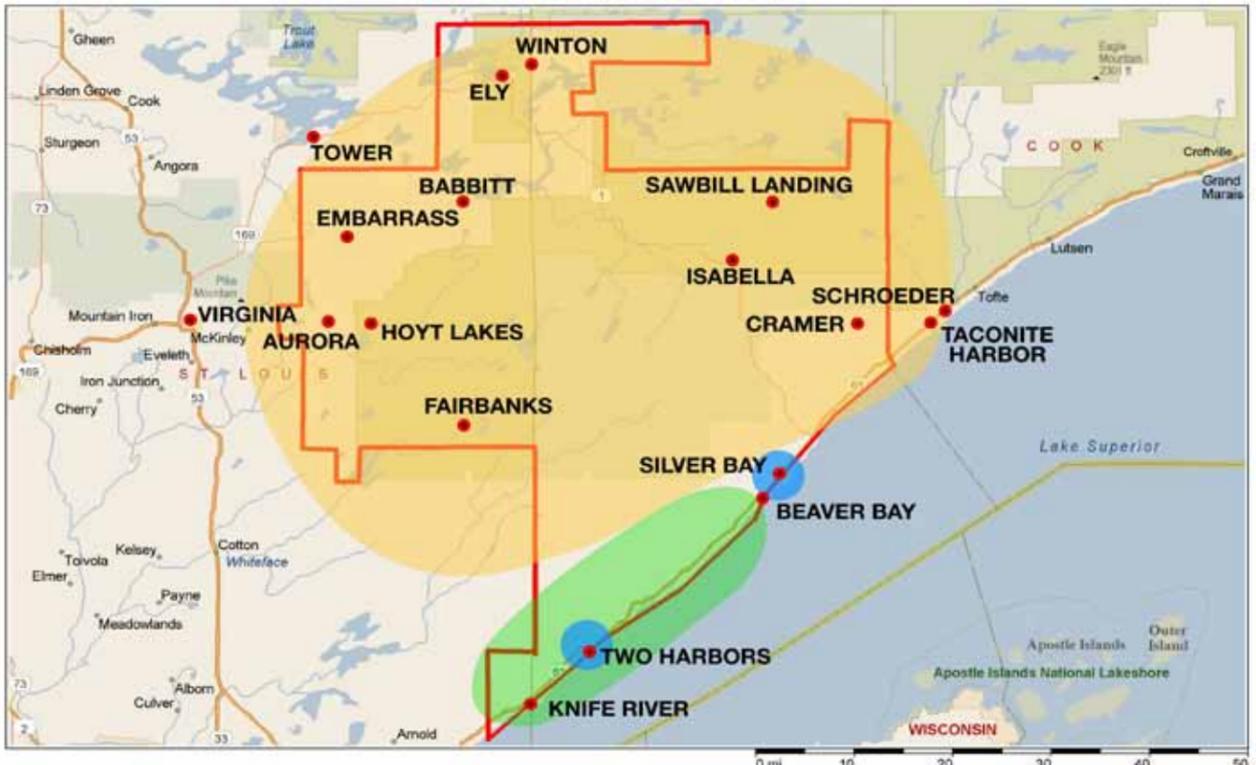
A fast-read update on Lake County's county-owned, high-speed fiber optic network



## Federal Audit – A-OK!

On April 29, the Rural Utilities Service, from which Lake Connections received both a federal grant and loan to build the network, gave a clean audit report on Lake Connections compliance with guidelines and requirements for plant (network) accounting and other related financial records. The audit report period was from September 10, 2010 through March 13, 2013.

LAKE COUNTY FIBER NETWORK



■ PHASE 1

■ PHASE 2

■ PHASE 3



Lake Connections construction crew burying fiber.

## Construction Update

April weather created some delays, but work is now moving forward on or under budget. See the map above to see which phase of construction your home or business may be in.

As Lake Connections construction crews move through the project phases, you will be notified when they will be in your area. Your permission is required for crews to run fiber to your home.

ALL PHASES ARE SCHEDULED IN THE MOST EFFICIENT MANNER.

### Phase One:

#### Two Harbors • Silver Bay

Construction in Two Harbors has been delayed over issues related to pole ownership and placement of fiber on poles in relation to Frontier lines already on the poles. Both the City of Two Harbors and Lake County have engaged attorneys to assist in solving the pole ownership and fiber placement issues. In Silver Bay, crews have installed a total of 40,860 feet of fiber on poles, or about 75% of the total. The remaining construction of the main line should be complete by mid-May.

Approximately 37% of the 75% of homes and businesses in Silver Bay that have granted permission to have fiber brought to their homes or businesses, now have it on site.

### Phase Two:

#### Duluth Township • Knife River • Silver Creek Township • Beaver Bay Township

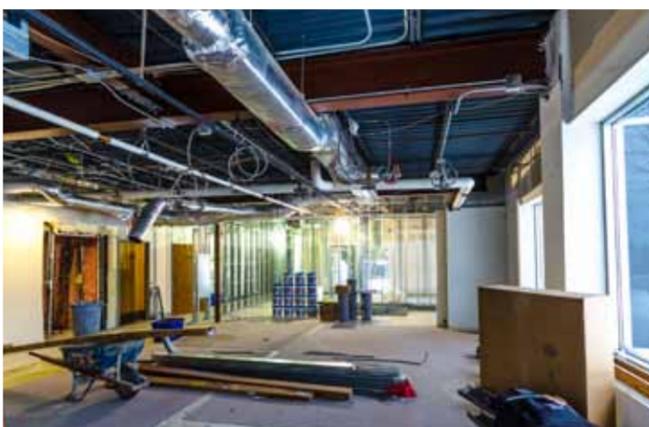
A pre-construction meeting was held during the first week of April on construction of the fiber feed from Duluth to Two Harbors. This fiber will also serve as part of the redundant loop that will back up the network, should there be a fiber break in the network.

This phase of construction will involve 200 miles of aerial fiber placed on about 3100 poles, and 100 miles of buried. Much of the pole "make-ready" is already done and with an anticipated mid-May start date, the construction should be completed in March 2014, pending weather and "make-ready" on poles.

### Phase Three:

#### Ely • Aurora • Babbitt • Hoyt Lakes • Basset Township • Colvin Township • Crystal Bay Township • Embarrass Township • Fall Lake Township • Morse Township • Stony River Township • Waasa Township • White Township • And several unorganized townships

Construction bids were opened the week of March 11 and are being reviewed. Rohl Networks was awarded the contract and is waiting on the Rural Utility Services approval. The 750+ miles of construction will begin this summer and be completed within the next two years.



Construction underway at the Lake Connections headquarters

## Administration/Service Center

The former First Solutions administrative building in Two Harbors is under extensive remodeling and is on schedule to be completed by the end of July.

The Lake Connections Administration and Customer Service Center is located at 409 17th Avenue in Two Harbors.

## Employment Opportunities

Lake Connections will be hiring! Please see the [Lake Connections website](http://www.lakeconnections.com) for positions as they become available.