

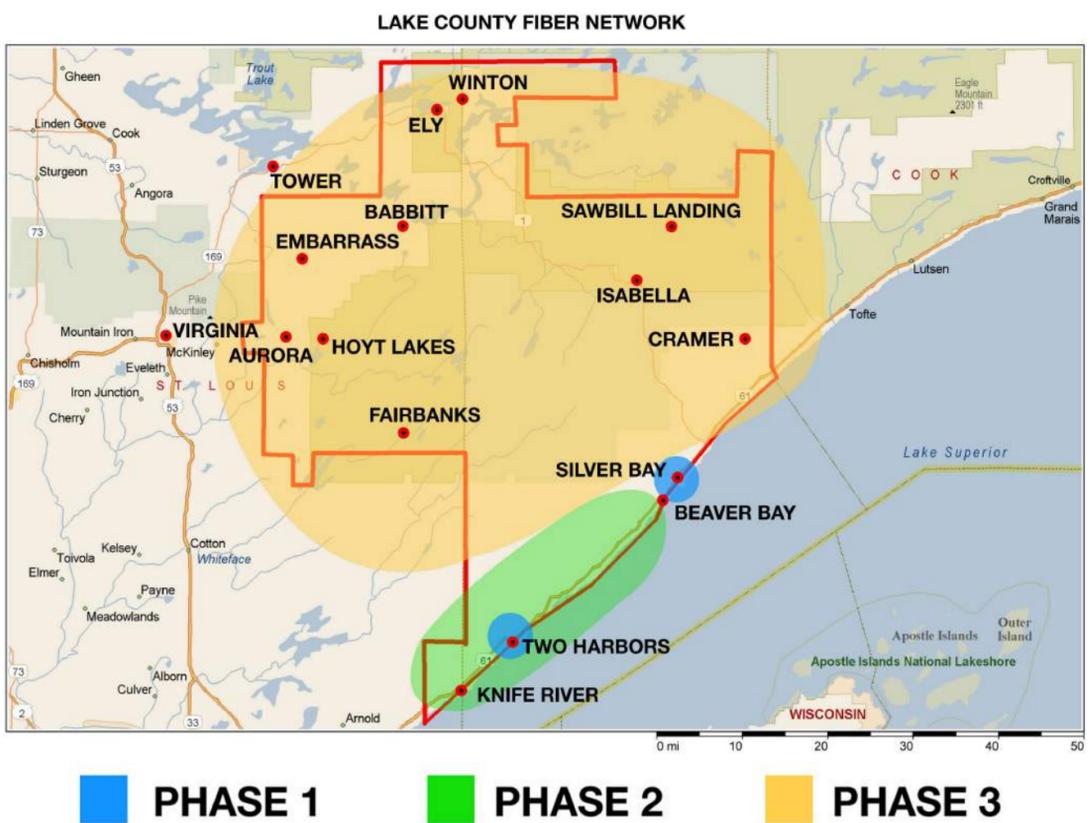


A fast-read update on Lake County's county-owned, high-speed fiber optic network

Lake Connections is pleased to announce Frank Bernhardt of Knife River has won a free year of Internet service - congratulations, Frank! Lake County Commissioner Rich Sve drew Frank's name from over 400 entries collected since the open house at the end of August.



With cooler days upon us the Lake Connections main line and drop line crews are still hard at work hanging the Network's fiber to get YOU connected. If you haven't scheduled a fiber drop for your home or business, contact the Lake Connections headquarters to see if there is still time for a drop yet this winter.



Construction Update

Over 100,000 feet of fiber has been hung from late September through November. The construction crews worked hard through the fall to complete as much buried work as possible, before the ground was snow covered earlier this month. Any buried work that remaining will resume in the spring of 2014, as soon as weather permits.

Lake Connections has initiated the first step toward Digital TV service, which is projected to be available during the first half of 2014. Transmission requests were sent to local broadcast companies with the installation of the satellites and receivers at the Service Center.

Pending any unforeseen circumstances, service will begin to be available in parts of Phase I later this winter.

As a reminder, construction timelines are often at the mercy of several unforeseen factors. One of those factors seen earlier this fall was the government shutdown. The two-week shutdown affected construction crews and created a small delay in progression of the project, however, as of October 21 the crews were back on track. The project's progress is contingent upon many factors including:

- Pole attachment and ownership discrepancies
- Permitting
- Railroad and road crossings
- Challenges with boring into granite and bedrock
- Weather – especially snow and rain
- Preparation of "make-ready" on power poles for fiber and strand attachment
- Central office infrastructure and network equipment must all be in place before service begins
- Network and fiber testing

IMPORTANT NOTE: If you are interested in having fiber to your home or business and you see crews drive by or working in your area without stopping, do not worry, that is the main line crew. Pre sales will start this fall and the drop crew will be along eventually to get you connected if you have requested them to do so.

ALL PHASES ARE SCHEDULED IN THE MOST EFFICIENT MANNER.

Phase One:

Two Harbors • Silver Bay

The crews in Silver Bay have completed burying the fiber that will connect the network from the Service Center building to the point of presence location in Silver Bay. Pole ownership disputes continue to delay advancement in Two Harbors.

On November 15, Lake Connections and Lake County filed a complaint with the Federal Communications Commission (FCC) regarding Frontier Communications (Frontier). Lake County's decision to file this complaint is based on Frontier's demand that it is entitled to the bottom position on all utility poles and Lake County must pay to move Frontier's existing copper cables down on all utility poles, while placing Lake Connections' new fiber optic cable above Frontier's cables. To read the entire complaint, visit the Lake County Website: www.co.lake.mn.us

Phase Two:

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

Approximately 100,000+ feet of fiber has been hung since early fall. In the 2A area the crews are continuing to work on splicing. The crews have also started to blow (insert) the fiber into the nearly 100 miles of buried duct. Phase 2A is over 60% completed, and is slated to be completed in the first half of 2014.

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

Rural Utilities Service (RUS) is currently reviewing the \$20.3 million construction contract. Construction on the 750 miles of this phase should begin before the end of the year.

Administration/Service Center

The Lake Connections Administration and Customer Service Center is open for business in Two Harbors. The satellite dishes and receivers are installed and powered-up. This was an important step to keeping the project on track for expected service delivery dates. The dishes are state-of-the-art, withstanding even the toughest weather. They even heat up to remove snow buildup during the long winter months.

The Lake Connections team has also expanded, with the hire of two new Customer Support Specialists, Josh Brodin and Georgia Walker are both excited to be part of the growing team at Lake Connections.



Josh Brodin



Georgia Walker

Other Items of Note:

The Blandin Foundation announced that it has awarded 29 grants totaling \$401,631 that assist rural Minnesota communities in advancing high-speed Internet access and use in their communities. Lake County will benefit from three of these grants, through which area organizations will support local residents and community leaders in taking advantage of the region's growing high-speed Internet (broadband) network.

Find out more here: www.lakeconnections.com/wp-content/uploads/2013/06/lake-blandingrantawards-june3pressrelease.pdf

The Superior National Forest is required to conduct an environmental analysis for the portion of the fiber optic project that will occur on National Forest System lands.

For more information please visit: www.fs.usda.gov/goto/superior/fiberoptics

Employment Opportunities

Lake Connections is currently hiring for the position of Service Technician. For more information, please visit the website at www.lakeconnections.com/careers and be sure to continue to check the site for future employment opportunities.

For project and construction updates see "Gaining Speed" on www.lakeconnections.com



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