

**CABLE TELEVISION FRANCHISE AGREEMENT
BY AND BETWEEN**

THE COUNTY OF LAKE, ILLINOIS

AND

COMCAST OF CALIFORNIA/ILLINOIS, LP;

COMCAST OF ILLINOIS/WEST VIRGINIA, LLC;

**COMCAST OF CALIFORNIA/COLORADO/
ILLINOIS/INDIANA/MICHIGAN, LP;**

COMCAST OF ILLINOIS XIII, LP;

COMCAST OF ILLINOIS XII, LP;

AND

COMCAST OF NORTHERN ILLINOIS, INC.

This Franchise Agreement (hereinafter, the “Agreement” or “Franchise Agreement”) is made between The County of Lake, Illinois, a body politic and corporate (hereinafter, the “County”), and Comcast of California/Illinois, LP; Comcast of Illinois/West Virginia, LLC; Comcast of California/Colorado/Illinois/Indiana/Michigan, LP; Comcast of Illinois XIII, LP; Comcast of Illinois XII, LP; and Comcast of Northern Illinois, Inc., (hereinafter collectively and individually referred to as “the Grantee”) this ____ day of _____, 2012 (the “Effective Date”).

The County, having determined that the financial, legal, and technical abilities of the Grantee are reasonably sufficient to provide the services, facilities, and equipment necessary to meet the future cable-related needs of the community, desires to enter into this Franchise Agreement with the Grantee for the construction, operation and maintenance of a Cable System on the terms and conditions set forth herein.

This Agreement is entered into by and between the parties under the authority of, and shall be governed by, the Cable Act and the Illinois Counties Code, including, without limitation, 55 ILCS 5/5-1095, as amended from time to time; provided that any provisions of the Illinois Counties Code that are inconsistent with the Cable Act shall be deemed to be preempted and superseded.

SECTION 1: Definition of Terms

For the purpose of this Franchise Agreement, capitalized terms, phrases, words, and abbreviations shall have the meanings ascribed to them in the Cable Act, unless otherwise defined in this Agreement.

"Cable Act" or "Act" means the Cable Communications Policy Act of 1984, as amended by the Cable Consumer Protection and Competition Act of 1992 and the Telecommunications Act of 1996, 47 U.S.C. §§ 521 *et seq.*, as the same may be amended from time to time.

“Cable Operator” means any Person or group of Persons who provides Cable Service over a Cable System and directly or through one or more affiliates owns a significant interest in such Cable System; or who otherwise controls or is responsible for, through any arrangement, the management and operation of such a Cable System.

"Cable Service" or “Service” means the one-way transmission to Subscribers of Video Programming or Other Programming Service and Subscriber interaction, if any, which is required for the selection or use of such Video Programming or Other Programming Service.

“Cable System” or “System” has the meaning set forth in the Cable Act at 47 U.S.C. §522, and means Grantee's facilities, consisting of a set of closed transmission paths and associated signal generation, reception and control equipment, that is designed to provide Cable Service which includes Video Programming and which is provided to multiple Subscribers within the Franchise Area, but such term does not include (i) a facility that serves only to re-transmit the television signals of one or more television broadcast stations; (ii) a facility that serves Subscribers without using any public right-of-way; (iii) a facility of a common carrier which is subject, in whole or in part, to the provisions of Title II of the Communications Act of 1934, as amended, except that such a facility shall be considered a Cable System (other than for purposes of section 621(c) of the Cable Act) to the extent such facility is used in the transmission of Video Programming directly to Subscribers, unless the extent of such use is solely to provide Interactive On-Demand Services; (iv) an open video system that complies with section 653 of the Cable Act; or (v) any facilities of any electric utility used solely for operating its electric utility systems.

“Channel” or “Cable 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 a television channel is defined by the Federal Communications Commission by regulation.

“County” means The County of Lake, Illinois or its designee.

“Customer” or “Subscriber” means a Person who lawfully receives and pays for Cable Service with the Grantee’s express permission.

“FCC” means the Federal Communications Commission, or successor governmental entity thereto.

“Franchise” means the initial authorization, or renewal thereof, issued by the County, whether such authorization is designated as a franchise, agreement, permit, license, resolution, contract, certificate, ordinance or otherwise, which authorizes the construction and operation of the Cable System.

“Franchise Agreement” or “Agreement” shall mean this Agreement and any amendments or modifications hereto.

“Franchise Area” means the areas within the current legal boundaries of the County that are outside of a Municipality as of the Effective Date, and shall be adjusted from time to time to exclude any territory that is annexed by a Municipality and to include any territory that is

disconnected from a Municipality, such annexations and disconnections to be in the manner provided by law.

“Grantee” shall mean Comcast of California/Illinois, LP; Comcast of Illinois/West Virginia, LLC; Comcast of California/Colorado/Illinois/Indiana/Michigan, LP; Comcast of Illinois XIII, LP; Comcast of Illinois XII, LP; and Comcast of Northern Illinois, Inc.

“Gross Revenue” means the Cable Service revenue received by the Grantee from the operation of the Cable System in the Franchise Area to provide Cable Services, calculated in accordance with generally accepted accounting principles. Cable Service revenue includes monthly fees for Basic Cable Service and cable programming service regardless of Service Tier, premium and pay-per-view video fees, advertising and home shopping revenue, installation fees and equipment rental fees. Gross Revenues shall also include such other revenue sources related to Cable Service delivered over the Cable System as may now exist or hereafter develop, provided that such revenues, fees, receipts, or charges may be lawfully included in the gross revenue base for purposes of computing the County’s permissible Franchise Fee under the Cable Act, as amended from time to time. Gross Revenue shall not include refundable deposits, bad debt, investment income, programming launch support payments, advertising sales commissions and agency fees, nor any taxes, fees or assessments imposed or assessed by any governmental authority. Gross Revenues shall include amounts collected from Subscribers for Franchise Fees pursuant to *City of Dallas, Texas v. F.C.C.*, 118 F.3d 393 (5th Cir. 1997), and amounts collected from non-Subscriber revenues in accordance with the Court of Appeals decision resolving the case commonly known as the “Pasadena Decision,” *City of Pasadena, California et. al., Petitions for Declaratory Ruling on Franchise Fee Pass Through Issues, CSR 5282-R, Memorandum Opinion and Order, 16 FCC Rcd. 18192 (2001)*, and *In re: Texas Coalition of Cities for Utility Issues v. F.C.C.*, 324 F.3d 802 (5th Cir. 2003).

“Initial Franchise Service Area” means that portion of the Franchise Area served by the Grantee’s Cable System as of the Effective Date of this Franchise Agreement.

“Municipality” means a city, village or incorporated town in the State of Illinois as set forth in Section 1-1-2 of the Illinois Municipal Code, 65 ILCS 5/1-1-2.

“Person” means any natural person or any association, firm, partnership, joint venture, corporation, limited liability company, or other legally recognized entity, whether for-profit or not-for profit, but shall not mean the County.

“Prior Agreements” shall mean the following agreements between the County and one or more of Grantee and predecessors to Grantee, as they may have been amended or modified from time to time:

- (i) Cable Television Franchise Agreement By and Between Lake County, Illinois and U.S. Cable of Lake County, L.P. d/b/a TCI of Northeast Illinois and n/k/a Comcast of California/Colorado/Illinois/Indiana/Michigan, LP, dated May 11, 1999 for the unincorporated areas of the County in the vicinity of Waukegan, Gurnee, Zion, Wadsworth, North Chicago, Antioch, Fox Lake and Lindenhurst, effective through May 11, 2012; and

(ii) Cable Television Franchise Agreement By and Between Lake County, Illinois and U.S. Cable of Lake County, L.P. d/b/a TCI of Northeast Illinois and n/k/a Comcast of Illinois XII, LP, dated May 11, 1999 for the unincorporated areas of the County in the vicinity of Port Barrington, Bannockburn, Highwood, Riverwoods, Round Lake Beach, Round Lake Heights, and Island Lake, effective through May 11, 2012; and

(iii) Lake County Cable Television Franchise Renewal Agreement By and Between Lake County, Illinois and Cable TV Fund 12-A, Ltd. n/k/a Comcast of Illinois XIII, LP, dated July 14, 1998 for the unincorporated areas of the County in the vicinity of Libertyville, Mundelein, Wauconda, and Grayslake, effective through September 30, 2012; and

(iv) Lake County Cable Television Franchise Renewal Agreement By and Between Lake County, Illinois and Cable TV Fund 15-A, Ltd. n/k/a Comcast of Illinois/West Virginia, LLC, dated July 14, 1998 for the unincorporated areas of the County in the vicinity of Lake Zurich and Vernon Hills, effective through September 30, 2012; and

(v) Cable Communications Franchise Agreement By and Between County of Lake and United Cable Television Corporation of Northern Illinois d/b/a United Artists Cable of Northern Illinois n/k/a Comcast of Northern Illinois, Inc. for the unincorporated areas of the County in the vicinity of Cary, effective through August 14, 2001 with this franchise area subsequently consolidated into the franchise area of the agreement in item (ii) of this definition; and

(vi) Cable Communications Franchise Agreement By and Between County of Lake and Omnicom Cablevision of Illinois, Inc. d/b/a Post-Newsweek Cable n/k/a Comcast of California/Illinois, LP for the unincorporated areas of the County in the vicinity of Highland Park, effective through February 12, 2004 with this franchise area subsequently consolidated into the franchise area of the agreement in item (i) of this definition.

“Public, Educational and Governmental (PEG) Access Channel” or “Access Channel” shall mean a video Channel designated for non-commercial use by the County, the public, and/or educational institutions such as public or private schools, but not “home schools,” community colleges, and universities.

“Public, Educational and Government (PEG) Access Programming” shall mean non-commercial programming produced by any County residents or organizations, schools and government entities and the use of designated facilities, equipment and/or Channels of the Cable System in accordance with 47 U.S.C. § 531 and this Agreement.

“Public Way” shall mean the surface of, and the space above and below, any county highway, street, alley, other land, or waterway, dedicated or commonly used for pedestrian or vehicular traffic or other similar purposes, including, but not limited to, public utility easements and other easements dedicated for compatible purposes, in which the County may have an interest, to the extent that the County has the right and authority to authorize, regulate, or permit the location of facilities other than those of the County. Public Way shall not include any real or personal County property that is not specifically described in this definition and shall not include

County buildings, fixtures, and other structures and improvements, regardless of whether they are situated in the Public Way.

“Standard Installation” means those installations to Subscribers that are located up to one hundred twenty-five (125) feet from the existing distribution system (Cable System).

“Video Programming” or “Programming” means programming provided by, or generally considered comparable to programming provided by, a television broadcast station.

SECTION 2: Grant of Authority

2.1. Scope. The County, pursuant to Section 621(a) of the Cable Act, 47 U.S.C. §541(a), Section 5-1095 of the Counties Code, 55 ILCS 5/5-1095, and County Resolution No. _____, grants to the Grantee a nonexclusive Franchise authorizing the Grantee to construct and operate a Cable System within the Franchise Area, and for that purpose to erect, install, construct, repair, replace, reconstruct, maintain, or retain in any Public Way in the Franchise Area such poles, wires, cables, conductors, ducts, conduits, vaults, manholes, pedestals, amplifiers, appliances, attachments, and other related property or equipment as may be necessary or appurtenant to the Cable System, and to provide Cable Service, and such other services over the Cable System as may be lawfully allowed, over the Cable System.

2.2. Term of Franchise. The term of the Franchise granted hereunder shall be ten (10) years from the Effective Date, unless the Franchise is renewed or is lawfully terminated in accordance with the terms of this Franchise Agreement and/or applicable law.

2.3. Effect on Prior Agreements. The parties recognize the existence of the Prior Agreements, which are heretofore separate cable franchise agreements for various unincorporated areas of the County by and between the County and other Cable Operators that have been acquired by the Grantee since such separate cable franchise agreements were effective. The parties agree that each of the Prior Agreements will be superseded on the Effective Date, except as follows: (i) the payment of Franchise Fees shall continue pursuant to those Prior Agreements listed in this Agreement as having an “effective through” date subsequent to the Effective Date, as required pursuant to Section 5-1095 of the Counties Code, 55 ILCS 5/5-1095; (ii) matters pertaining to the Preexisting Review described in Section 5.2 of this Agreement; and (iii) matters described in Section 7.3 of this Agreement.

2.4. Renewal. Any renewal of this Franchise shall be governed by and comply with the provisions of Section 626 of the Cable Act, 47 U.S.C. §546, as amended, and applicable Illinois law which is not superseded by the Cable Act.

2.5. Police Powers. Nothing in this Franchise Agreement shall be construed as an abrogation by the County of any of its police powers to adopt and enforce generally applicable ordinances deemed necessary by the County for the health, safety, and welfare of the public, and the Grantee shall comply with all generally applicable laws, codes and ordinances enacted by the County pursuant to such police power.

2.6 Reservation of Authority.

2.6.1. Nothing in this Franchise Agreement shall (A) abrogate the right of the County to authorize the use of Public Ways for public purposes or to perform any public works or public improvements of any description, (B) be construed as a waiver of any laws, codes or ordinances of general applicability promulgated or enforceable by the County, or (C) be construed as a waiver or release of the rights of the County in and to the Public Ways.

2.6.2. No reference herein to the Public Way shall be deemed to be a representation or guarantee by the County that its title or interest in any property is sufficient to permit use by the Grantee for any of the purposes of this Agreement. This Agreement shall be deemed to grant only such rights to use property in the Franchise Area as the County may have the actual right and power to grant herein. The County shall have no affirmative duty to use its police or other powers to create, provide access to, or perfect any easement or dedication or expand an existing easement or dedication for use by the Grantee.

2.6.3. The County and Grantee acknowledge that portions of the Franchise Area (the unincorporated areas of the County) are subject to the jurisdictional authority of governmental agencies other than the County. The County and Grantee agree that although this Franchise authorizes the Grantee to operate a Cable System throughout the Franchise Area, in order to do so the Grantee may need to obtain permits or similar authorizations from governmental agencies other than the County, and nothing in this Agreement shall be construed to relieve the Grantee of the obligation to comply with generally applicable permitting requirements of other governmental agencies with jurisdiction within the Franchise Area.

2.7. Competitive Equity.

2.7.1. In the event the County grants an additional Franchise to use and occupy the Public Way for the purposes of operating a Cable System, the additional Franchise shall only be granted in accordance with the Illinois Level Playing Field Statute, 55 ILCS 5/5-1095.

2.7.2. In the event an application for a new cable television franchise or other similar authorization is filed with the County proposing to serve the Franchise Area, in whole or in part, the County shall, to the extent permitted by law, promptly notify the Grantee of such filing, or require the Grantee to be notified, and include a copy of such application.

SECTION 3: Construction and Maintenance of the Cable System

3.1. Construction Standards. Except as may be otherwise provided in this Franchise Agreement, all construction, maintenance, placement, operation, removal, relocation, modification, and abandonment of the Cable System in portions of the Franchise Area under the County's jurisdiction shall be in accordance with those provisions of the Lake County Highway Temporary Closure and Utility and Facility Placement Ordinance generally applicable to all other occupants and users of the Public Way for the construction of utility facilities in the Public Way, as may be amended from time to time; provided further that if any land that is a Public Way is not subject to such Ordinance by its terms, the Grantee agrees to abide by such Ordinance for such portion of the Public Way.

3.2. Aerial and Underground Construction. At the time of Cable System construction, if all of the transmission and distribution facilities of all of the respective public or municipal utilities in any area of the Franchise Area are underground, the Grantee shall place its Cable

Systems' transmission and distribution facilities underground, provided that such underground locations are actually capable of accommodating the Grantee's cable and other equipment without technical degradation of the Cable System's signal quality. In any region(s) of the Franchise Area where the transmission or distribution facilities of the respective public or municipal utilities are both aerial and underground, the Grantee shall have the discretion to construct, operate, and maintain all of its transmission and distribution facilities, or any part thereof, aerially or underground. Nothing in this Section shall be construed to require the Grantee to construct, operate, or maintain underground any ground-mounted appurtenances such as customer taps, line extenders, system passive devices, amplifiers, power supplies, pedestals, or other related equipment.

3.3. Undergrounding and Beautification Projects. In the event the County requires users of the Public Way who operate aerial facilities to relocate such aerial facilities underground, Grantee shall participate in the planning for relocation of its aerial facilities, if any, contemporaneously with such users. Grantee shall be reimbursed its relocation costs from public or private funds allocated for the project to the same extent as such funds are made available to other users of the Public Way, if any, provided that any utility's exercise of authority granted under its tariff to charge consumers for said utility's cost of the project that are not reimbursed by the County shall not be considered to be public or private funds.

3.4. Relocation. The Grantee shall relocate its facilities that are located in Public Ways as required by Section 5.2.2 of the Lake County Highway Temporary Closure and Utility and Facility Placement Ordinance, as may be amended from time to time.

SECTION 4: Service Obligations

4.1. Initial Service Obligation. As of the Effective Date of this Agreement, Grantee's Cable System has been designed to provide, and is capable of providing, Cable Service throughout the Initial Franchise Service Area. Except to the extent that the Franchise Area is reduced in the manner provided by law, the Grantee shall continue to make Cable Service available in the Initial Franchise Service Area throughout the term of this Agreement and Grantee shall extend its Cable System to other portions of the Franchise Area from time to time, and provide service consistent with the provisions of this Franchise Agreement.

4.2. General Service Obligation. The Grantee shall make Cable Service available beyond the Initial Franchise Service Area to every residential dwelling unit within the Franchise Area where the minimum density is at least thirty (30) dwelling units per mile and within one (1) mile of the existing Cable System's technically feasible connection point. Subject to the density requirement, Grantee shall offer Cable Service to all new homes or previously unserved homes located within one hundred twenty-five (125) feet of the Grantee's distribution cable (*e.g.*, a Standard Installation).

4.2.1. The Grantee may elect to provide Cable Service to areas not meeting the above density and distance standards. The Grantee may impose an additional charge in excess of its regular installation charge for any service installation requiring a drop in or line extension in excess of a Standard Installation. Any such additional charge shall be computed on a time plus materials basis plus a reasonable rate of return.

4.3. Programming. The Grantee agrees to provide cable programming services in the following broad categories:

Children's	General Entertainment	Family Oriented
Ethnic/Minority	Sports	Weather
Arts, Culture and Performing Arts	News & Information	Educational

Pursuant and subject to federal law, all Video Programming decisions, excluding PEG Access Programming, are at the sole discretion of the Grantee.

4.4. New Developments. In cases of new construction, planned developments, or property development where undergrounding or extension of the Cable System is required, the County shall provide, or require the developer or property owner to provide, the Grantee with notice of the same. Such notices shall be provided at the time of notice to all utilities or other like occupants of the County's Public Ways. If advance notice of such new construction, planned developments, or property development is not provided, the Grantee shall be allowed an adequate time to prepare, plan and provide a detailed report as to the timeframe for it to construct its facilities and provide the services required under this Franchise Agreement.

4.5. Technical Standards. The Grantee shall comply with all applicable technical standards of the FCC as published in 47 C.F.R., Part 76, Subpart K, as amended from time to time. The Grantee shall cooperate with the County in conducting inspections related to those standards upon reasonable prior request from the County based on a significant number of Subscriber complaints.

4.6. Service to School Buildings and Governmental Facilities.

4.6.1. Service. The County and the Grantee acknowledge the provisions of 220 ILCS 5/22-501(f), whereby the Grantee shall provide complimentary Basic Cable Service and a free Standard Installation at one outlet to all eligible buildings as defined in said state statute. Eligible buildings shall not include buildings leased to non-governmental third parties or buildings such as storage facilities at which government employees are not regularly stationed.

4.6.2. Long Drops. The Grantee may impose an additional charge in excess of its regular installation charge for any service installation requiring a drop or line extension in excess of a Standard Installation. Any such additional charge shall be computed on a time plus materials basis to be calculated on that portion of the installation that exceeds a Standard Installation.

4.7. Emergency Alerts. At all times during the term of this Franchise Agreement, the Grantee shall provide and maintain an "Emergency Alert System" ("EAS") consistent with applicable Federal law and regulation – including 47 C.F.R., Part 11 and the "State of Illinois Emergency Alert System State Plan" – as may be amended from time to time. Should the County become qualified and authorized to activate the EAS, the Grantee shall provide instructions on the access and use of the EAS by the County to the County on an annual basis. The County agrees to indemnify and hold the Grantee harmless from any damages or penalties arising out of the negligence of the County, its employees or agents in using such system.

4.8. Customer Service Obligations. The Grantee and the County acknowledge that the customer service standards and customer privacy protections are set forth in the Cable and Video Customer Protection Law, 220 ILCS 5/22-501 *et seq.* Enforcement of such requirements and standards and the penalties for non-compliance with such requirements and standards shall be consistent with the Cable and Video Customer Protection Law, 220 ILCS 5/22-501 *et seq.* The Grantee acknowledges and agrees that the County may adopt an ordinance providing for a schedule of penalties for any material breach of the Cable and Video Consumer Protection Law, 220 ILCS 5/22-501 *et seq.*, to the extent permitted by law.

SECTION 5: Oversight and Regulation by County

5.1. Franchise Fees. The Grantee shall pay to the County a Franchise Fee in an amount equal to five percent (5%) of annual Gross Revenues received from the operation of the Cable System to provide Cable Service in the Franchise Area; provided, however, that Grantee shall not be compelled to pay any higher percentage rate of Franchise Fees than the rate paid by any other Person paying a video service provider or similar fee, under state authorization or otherwise, providing service in the Franchise Area. The payment of Franchise Fees shall be made on a quarterly basis and shall be due forty-five (45) days after the close of each calendar quarter. The Franchise Fee shall be considered paid on: (i) if mailed, the date it is postmarked, and (ii) if by electronic funds transfer, on the date deposited in the County's designated account. With each Franchise Fee payment, Grantee shall concurrently submit a report prepared by a representative of the Grantee showing the basis for the computation of the Franchise Fees paid during that period, including the Gross Revenues of the Cable System in the Franchise Area. Any undisputed Franchise Fee payment which remains unpaid in whole or in part, after the date specified herein shall be delinquent. For any delinquent Franchise Fee payments, Grantee shall make such payments including interest from the time the payment would have been due at the prime lending rate as quoted by J.P. Morgan Chase & Co. or its successor, computed daily from the time due until paid. Any undisputed overpayments made by the Grantee to the County shall be credited upon discovery of such overpayment until such time when the full value of such credit has been applied to the Franchise Fee liability otherwise accruing under this Section.

5.1.1 The Grantee shall pay Franchise Fees to the County for a period of five years after any part of the Franchise Area is annexed to a Municipality, or until this Franchise Agreement expires by its terms, whichever comes first.

5.1.2. The parties acknowledge that, at present, the Cable Act limits the County to collection of a maximum permissible Franchise Fee of five percent (5%) of Gross Revenues. In the event that a change in the Cable Act would allow the County to increase the Franchise Fee above five percent (5%), the County shall hold a public hearing and determine if the County should collect the additional amount. Following the determination, the County shall notify the Grantee of its intent to collect the increased Franchise Fee and Grantee shall have a reasonable time (not to exceed ninety (90) days from receipt of notice from the County) to effectuate any changes necessary to begin the collection of such increased Franchise Fee or notify the Grantee of its intent to not collect the increased fee. In the event that the County increases said Franchise Fee, the Grantee shall notify its Subscribers of the County's decision to increase said fee prior to the implementation of the collection of said fee from Subscribers as required by law.

5.1.3. In the event a change in state or federal law requires the County to reduce the franchise fee percentage that may be collected, the parties agree the Grantee shall reduce the percentage of franchise fees collected to the lower of: i) the maximum permissible franchise fee percentage; or ii) the lowest franchise fee percentage paid by any other Cable Operator granted a cable franchise by the County pursuant to Section 5-1095 of the Illinois Counties Code; provided that: (a) such amendment is in compliance with the change in state or federal law; (b) the County approves the amendment by ordinance; and (c) the County notifies Grantee at least ninety (90) days prior to the effective date of such an amendment.

5.1.4. Taxes Not Included. The Grantee acknowledges and agrees that the term “Franchise Fee” does not include any tax, fee, or assessment of general applicability (including any such tax, fee, or assessment imposed on both utilities and Cable Operators on their services but not including a tax, fee, or assessment which is unduly discriminatory against Cable Operators or Cable Subscribers).

5.2. Franchise Fees Subject to Audit. The County and Grantee acknowledge that the audit standards are set forth in the Counties Code at 55 ILCS 5/5-1095.1. Any audit shall be conducted in accordance with generally applicable auditing standards. This Section 5.2 shall not apply to that certain franchise fee review initiated by the County in a letter dated July 29, 2010, and requests for information related thereto, which review was initiated by the County pursuant to the terms and conditions of the Prior Agreements in effect on July 29, 2010 (the “Preexisting Review”) and which is not terminated or waived by the approval and execution of this Agreement. This Agreement does not constitute a waiver, release or abrogation of any claim, right, defense, immunity or power either party may have with respect to the Preexisting Review, payment and collection of franchise fees as permitted by and provided for in such Prior Agreements.

5.3. Proprietary Information. Notwithstanding anything to the contrary set forth in this Agreement, the Grantee shall not be required to disclose information which it reasonably deems to be proprietary or confidential in nature, with the exception of the information directly related to an audit of fees set forth in Sections 5.2 and 8.3. The County agrees to treat any information disclosed by the Grantee as confidential and only to disclose it to those employees, representatives, and agents of the County that have a need to know in order to enforce this Franchise Agreement and who agree to maintain the confidentiality of all such information. For purposes of this Section, the terms “proprietary or confidential” include, but are not limited to, information relating to the Cable System design, customer lists, marketing plans, financial information unrelated to the calculation of Franchise Fees or rates pursuant to FCC rules, or other information that is reasonably determined by the Grantee to be competitively sensitive. Grantee may make proprietary or confidential information available for inspection but not copying or removal by the Franchise Authority’s representative. In the event that the County has in its possession and receives a request under the Illinois Freedom of Information Act, 5 ILCS 140/1 *et seq.*, or similar law for the disclosure of information the Grantee has designated as confidential, trade secret or proprietary, the County shall notify Grantee of such request and cooperate with Grantee in opposing such request. Grantee shall indemnify and defend the County from and against any claims arising from the County’s opposition to disclosure of any information Grantee designates as proprietary or confidential. Compliance by the County with an opinion or directive from the Illinois Public Access Counselor or the Illinois Attorney General

under the Illinois Freedom of Information Act, 5 ILCS 140/1 *et seq.*, or with a decision or order of a court with jurisdiction over the County, shall not be a violation of this Section.

SECTION 6: Transfer of Cable System or Franchise or Control of Grantee

6.1. Neither the Grantee nor any other Person may transfer the Cable System or the Franchise, or assign this Franchise Agreement, without the prior written consent of the County, which consent shall not be unreasonably withheld or delayed.

6.2 No transfer of control of the Grantee, defined as an acquisition of fifty-one percent (51%) or greater ownership interest in Grantee, shall take place without the prior written consent of the County, which consent shall not be unreasonably withheld or delayed.

6.3 No consent shall be required, however, for (i) a transfer in trust, by mortgage, hypothecation, or by assignment of any rights, title, or interest of the Grantee in the Franchise or in the Cable System in order to secure indebtedness, or (ii) a transfer to an entity directly or indirectly owned or controlled by Comcast Corporation.

6.4. The Grantee, and any proposed transferee under this Section 6, shall submit a written application to the County containing or accompanied by such information as is required in accordance with applicable law and FCC regulations, specifically including a completed Form 394 or its successor, and in compliance with the processes established for transfers under FCC rules and regulations, including Section 617 of the Cable Act, 47 U.S.C. §537. Within thirty (30) days after receiving a request for consent, the County shall, in accordance with FCC rules and regulations, notify the Grantee in writing of the additional information, if any, it requires to determine the legal, financial and technical qualifications of the transferee or new controlling party. If the County has not taken final action on the Grantee's request for consent within one hundred twenty (120) days after receiving such request, consent shall be deemed granted. As a condition to granting of any consent, the County may require the transferee to agree in writing to assume the obligations of the Grantee under this Franchise Agreement.

6.5. Any transfer of control resulting from or after the appointment of a receiver or receivers or trustee or trustees, however denominated, designated to take over and conduct the business of the grantee, whether in a receivership, reorganization, bankruptcy or other action or proceeding, unless such receivership or trusteeship shall have been vacated prior to the expiration of a one hundred twenty (120) day period, shall be treated as a transfer of control pursuant to 47 U.S.C. §537 and require the County's consent thereto in the manner described in Section 6 above.

SECTION 7: Insurance and Indemnity

7.1. Insurance. Throughout the term of this Franchise Agreement, the Grantee shall, at its own cost and expense, maintain insurance meeting the requirements of the County's Highway Temporary Closure and Utility and Facility Placement Ordinance for Grantee's use of any and all Public Ways subject to this Agreement and provide the County with certificates of insurance in compliance with such Ordinance.

7.2. Indemnification. The Grantee shall indemnify, defend and hold harmless the County, its officers, employees, and agents (the "Indemnitees") from and against any injuries,

claims, demands, judgments, damages, losses and expenses, including reasonable attorney's fees and costs of suit or defense, (the "Indemnification Events") arising in the course of the Grantee constructing and operating its Cable System within the County as contemplated by this Agreement. The Grantee's obligation with respect to the Indemnitees shall apply to Indemnification Events which may occur during the term of this Agreement, provided that the claim or action is initiated within the applicable statute of limitations, notwithstanding that the claim may be made or action filed subsequent to the termination or expiration of this Agreement. The Lake County State's Attorney shall have the right to approve counsel selected to defend the County in any such matter, pursuant to his authority to defend the County in all claims as set forth in 55 ILCS 5/3-9005(4), which approval shall not be unreasonably withheld. The County shall give the Grantee timely written notice of its obligation to indemnify and defend the County after the County's receipt of a claim or action pursuant to this Section. For purposes of this Section, the word "timely" shall mean within a time period that does not cause prejudice to the respective positions of the Grantee and/or the County. If the County elects in its own discretion to employ additional counsel, the costs for such additional counsel for the County shall be the responsibility of the County.

7.2.1. The Grantee shall not indemnify the County for any liabilities, damages, costs or expense resulting from any conduct for which the County, its officers, employees and agents, is liable under the laws of the State of Illinois.

7.2.2 Nothing herein shall be construed to limit the Grantee's duty to indemnify the County by reference to the limits of insurance coverage described in this Agreement.

7.3. Effect of Renewal on Indemnification. The Grantee and County acknowledge that this Franchise Agreement is a renewal and consolidation of the Prior Agreements between the County and Grantee, and agree that the Grantee's obligations to defend, indemnify and hold harmless under the Prior Agreements are unaffected with respect to any Indemnification Event which may have occurred during the term of those Prior Agreements and for which a claim is made within the period of the applicable statute of limitations.

SECTION 8: Access Programming

8.1. PEG Access Capacity. The Grantee shall provide capacity for the County's noncommercial Public, Educational and Governmental Access ("PEG") Programming through one Channel (the "Access Channel") on the Grantee's Cable System. Unless otherwise agreed to by the County and the Grantee, to the extent required by applicable law, the Access Channel shall be carried on the Grantee's basic digital service tier. The County's PEG Access Programming shall be provided consistent with Section 611 of the Cable Act (47 U.S.C. § 531), as amended from time to time.

8.1.1. Access Channel Position. As of the Effective Date of this Agreement, the County utilizes one (1) Access Channel that is available in portions of the County at one of two numeric Channel positions on the Grantee's Cable System. The County and the Grantee agree that they will meet on an annual basis, within thirty (30) days of the Effective Date of this Agreement, to discuss expanding the availability of the Access Channel, taking into account relevant factors, including without limitation technical, economic, and operational feasibility, to those of Grantee's Cable Service Subscribers residing in unincorporated and incorporated Lake County who are not served by the Access Channel as of the Effective Date. In the event the

Grantee plans to change the numeric Channel position of the Access Channel from that available as of the Effective Date of this Agreement, the Grantee shall notify the County's Communications Manager of the numeric Channel position as soon as practicable following the identification of same. Additionally, the Grantee shall notify the affected Subscribers of the change in writing thirty (30) days in advance of the change.

8.1.2. Additional Access Channel.

A. The County may request, and Grantee shall provide, a second PEG Access Channel upon 180 days advance written notice by the County and sufficient proof that the current Channel is inadequate for all programming offered. "Sufficient proof" shall include a verified program log of all original, non-repeat, first-run, locally produced programs that are carried on the existing PEG Access Channel for the prior six month period during the times of noon to midnight. In the event that 80% of the programming on the existing PEG Access Channel meets the criteria of being original, non-repeat, first-run locally produced programming, Grantee shall provide a second PEG Access Channel. The Grantee agrees to submit a cost estimate to activate the second PEG Access Channel within sixty (60) days after the County's request. The County may accept or decline Grantee's cost estimate in the County's sole discretion. After an agreement to reimburse the Grantee the costs of activating the second PEG Access Channel, the Grantee shall proceed to activate the PEG Access Channel. If no reimbursement agreement is reached between Grantee and County, Grantee is not obligated to activate the additional PEG Access Channel.

B. Once provided, the additional PEG Access Channel may not be removed or withdrawn by Grantee for the first twelve (12) months following the provision of such additional PEG Access Channel. Any such removal or withdrawal shall not occur until the Grantee has given the County written notice that the Threshold Use Requirement for the initial channels provided as of the Effective Date of this Agreement is not being satisfied. The County shall have one hundred twenty (120) days to cure, or take diligent steps towards curing such condition, in which to establish that the Threshold Use Requirement on the initial PEG Access Channels is satisfied.

8.2. Allocation and Use of the PEG Access Channel. The County acquires no property or other interest by virtue of the use of a Channel designated as a PEG Access Channel; however, the County shall be responsible for establishing, and thereafter enforcing, rules for the non-commercial use of the PEG Access Channel and to promote the use and viewership of the Channel.

8.3. Comcast Access Facility Use. To the extent that Grantee operates and maintains public access studio facilities and equipment in the metropolitan Chicago area, Grantee shall make these facilities and equipment available to residents of the County on a first-come, non-discriminatory basis for the production of public access programming consistent with the Grantee's public access rules and procedures. Nothing in this Section shall be construed to require the Grantee to operate or maintain any public access studios or equipment.

8.4. Editorial Control. Grantee shall not exercise any editorial control over any use of the PEG Access Channel except as permitted by 47 U.S.C. §531(e).

8.5. Origination Point. At such time that the County determines that it wants to establish capacity to allow its residents who subscribe to Grantee's Cable Service to receive PEG Access Programming originated from facilities other than those having a signal point of origination at the time of the execution of this Agreement; or, at such time that the County determines that it wants to change or upgrade a location from which PEG Access Programming is originated, the County will give the Grantee written notice detailing the point of origination and the capability sought by the County. The Grantee agrees to submit a cost estimate to implement the County's plan within a reasonable period of time. After an agreement to reimburse the Grantee for its expenditure, the Grantee will implement any necessary system changes within a reasonable period of time.

8.6. PEG Signal Quality. Provided the PEG signal feed is delivered by the County to the designated signal input point without material degradation, the PEG Access Channel delivery system from the designated signal input point shall meet the same FCC technical standards as the remainder of the Cable System set forth in this Agreement.

8.7. PEG Capital Support. At its sole discretion, the County may designate PEG access capital projects to be funded by the County as set forth herein. The County shall send written notice of the County's desire for Grantee to collect as an external charge a PEG Capital Fee of up to thirty-five cents (\$0.35) per month to be placed on each Basic Subscriber bill pursuant to Section 622(g)(2)(C) of the Cable Act (47 U.S.C. §542(g)(2)(C)). The notice shall include a detailed and itemized description (the "Plan") of the intended utilization of the PEG Capital Fee for PEG Access Channel facilities and/or equipment and the Grantee shall have sixty (60) days from receipt of the Plan to review and make recommendations upon the County's Plan prior to agreeing to collect and pay to the County the requested amount. The Grantee shall collect the external charge over such period of time as is mutually agreed upon in writing, and shall make the PEG capital payments from such sums at the same time and in the same manner as Franchise Fee payments. The capital payments shall be expended for capital costs associated with PEG access. Consistent with the description of the intended utilization of the PEG Capital Fee, the County shall be permitted to hold all or a portion of the PEG Capital Fee from year to year as a designated fund to permit the County to make large capital expenditures, if necessary, as long as any funds remaining at the end of the term of this Agreement are credited to PEG Capital obligations in the subsequent Franchise. Moreover, if the County chooses to borrow, from itself or a financial institution, revenue for large PEG capital purchases or capital expenditures, the County shall be permitted to make periodic repayments using the PEG Capital Fee. Said PEG Capital Fee shall be imposed within one hundred twenty days (120) of the County's written request.

8.7.1. For any payments owed by Grantee in accordance with this Section 8.7 which are not made on or before the due dates, Grantee shall make such payments including interest at an annual rate of the prime lending rate as quoted by JP Morgan Chase & Co. or its successor, computed from time due until paid. Any undisputed overpayments made by the Grantee to the County shall be credited upon discovery of such overpayment until such time when the full value of such credit has been applied to the PEG Capital Fee liability otherwise accruing under this section.

8.7.2. Grantee and County agree that the capital obligations set forth in this Section are not "Franchise Fees" within the meaning of 47 U.S.C. § 542.

8.8. Grantee Use of Unused Time. Because the County and Grantee agree that a blank or underutilized PEG Access Channel is not in the public interest, in the event the County does not completely program a Channel, Grantee may utilize the Channel for its own purposes. Grantee may program unused time on the Channel subject to reclamation from the County upon no less than sixty (60) days' notice. Time on the Channel that is programmed by the Grantee shall be subject to reclamation by the County upon no less than sixty (60) days' notice. Except as otherwise provided herein, the programming of the PEG Access Channel with text messaging, or playback of previously aired programming shall not constitute unused time. Text messaging containing out of date or expired information for a period of thirty (30) days shall be considered unused time. A programming schedule that contains playback of previously aired programming that has not been updated for a period of ninety (90) days shall be considered unused time. Unused time shall be considered to be a period of time, in excess of six (6) hours, where no community produced programming of any kind can be viewed on a PEG Access Channel. Unused time shall not include periods of time where programming cannot be viewed that are caused by technical difficulties, transition of broadcast media, signal testing, replacement or repair of equipment, or installation or relocation of facilities.

SECTION 9: Enforcement of Franchise

9.1. Notice of Violation or Default. In the event the County believes that the Grantee has not complied with any of the material terms of the Franchise, it shall notify the Grantee in writing with specific details regarding the exact nature of the alleged noncompliance or default.

9.2. Grantee's Right to Cure or Respond. The Grantee shall have thirty (30) days from the receipt of the County's written notice: (A) to respond to the County, contesting the assertion of noncompliance or default; or (B) to cure such default; or (C) in the event that, by nature of the default, such default cannot be cured within the thirty (30) day period, initiate reasonable steps to remedy such default and notify the County of the steps being taken and the projected date that the cure will be completed.

9.3. Enforcement. Subject to applicable federal and state law, and following notice and an opportunity to cure and respond pursuant to the provisions of 9.2 above, in the event the County determines that the Grantee is in default of any material provision of the Franchise, the County may:

9.3.1. seek specific performance of any provision that reasonably lends itself to such remedy, or seek other relief available at law or equity, including declaratory and/or injunctive relief; or

9.3.2. in the case of a substantial or frequent default of a material provision of the Franchise, declare the Franchise Agreement to be revoked in accordance with the following:

(i) The County shall give written notice to the Grantee of its intent to revoke the Franchise on the basis of a pattern of noncompliance by the Grantee. The notice shall set forth with specificity the exact nature of the noncompliance. The Grantee shall have ninety (90) days from the receipt of such notice to object in writing and to state its reasons for such objection. In the event the County has not received a response from the Grantee or upon receipt of the response does not agree with the Grantee's proposed remedy, or in the event that Grantee has not taken action to cure the default, it may then seek termination of the Franchise at a public

hearing. The County shall cause to be served upon the Grantee, at least ten (10) days prior to such public hearing, a written notice specifying the time and place of such hearing and stating its intent to request termination of the Franchise.

(ii) At the designated hearing, the County shall give the Grantee an opportunity to state its position on the matter, present evidence and question witnesses, after which the County shall determine whether or not the Franchise shall be terminated. The public hearing shall be on the record. A copy of the transcript shall be made available to the Grantee at its sole expense. The decision of the County shall be in writing and shall be delivered to the Grantee in a manner authorized by Section 10.2. The Grantee may appeal such determination to any court with jurisdiction whose jurisdiction includes Lake County, Illinois within thirty (30) days after receipt of the County's decision.

9.4. Remedies Not Exclusive. In addition to the remedies set forth in this Section 9, the Grantee acknowledges the County's ability: (i) pursuant to Section 4.8 of this Franchise Agreement to enforce the requirements and standards, and the penalties for non-compliance with such standards, consistent with the Illinois Cable and Video Customer Protection Law; and (ii) pursuant to Section 3.1 of this Franchise Agreement, to enforce the Grantee's compliance with the County's requirements in the Lake County Highway Temporary Closure and Utility and Facility Placement Ordinance; and (iii) pursuant to Sections 2.5 and 2.6 of this Franchise Agreement, to enforce the County's other ordinances. Notwithstanding the foregoing, nothing in this Agreement shall be interpreted to permit the County to exercise such rights and remedies in a manner that permits duplicative recovery from, or payments by, the Grantee. Such remedies may be exercised from time to time and as often and in such order as may be deemed expedient by the County. The County's remedies under this Franchise Agreement may be pursued singly, successively or together against any or all of Grantee.

SECTION 10: Miscellaneous Provisions

10.1. Force Majeure. The Grantee shall not be held in default under, or in noncompliance with, the provisions of the Franchise, nor suffer any enforcement or penalty relating to noncompliance or default (including termination, cancellation or revocation of the Franchise), where such noncompliance or alleged defaults occurred or were caused by strike, riot, war, earthquake, flood, tidal wave, unusually severe rain or snow storm, hurricane, tornado or other catastrophic act of nature, labor disputes, failure of utility service necessary to operate the Cable System, governmental, administrative or judicial order or regulation, or other event that is reasonably beyond the Grantee's ability to anticipate or control. This provision also covers work delays caused by waiting for utility providers to service or monitor their own utility poles on which the Grantee's cable or equipment is attached, as well as unavailability of materials or qualified labor to perform the work necessary. This provision shall apply only if Grantee has given written notice to the County within fourteen (14) days of the occurrence of (a) the force majeure event or (b) the date on which Grantee knew or should have known that the event would cause, or be likely to cause, Grantee to not be in compliance with this Agreement. Noncompliance or default shall be corrected within a reasonable time after the force majeure event has ceased.

10.2. Notice. Any notice or communication required or permitted to be given under this Agreement that (a) requires a response or action by a party to this Agreement, (b) may affect

any fees paid pursuant to this Agreement, or (c) may affect any time period for performance by a party under this Agreement, shall be in writing and shall be delivered (i) by hand delivery, (ii) by a reputable overnight courier, or (iii) by certified or registered mail, return receipt requested, and deposited in the U.S. Mail, postage prepaid, to the parties at the address set forth below:

To the County:

The County of Lake
18 North County Street, 9th Floor
Waukegan, Illinois 60085
ATTN: Communications Manager
Email: JVana@lakecountyil.gov

To the Grantee:

Comcast
1500 McConnor Parkway
Schaumburg, Illinois 60173
ATTN: Director of Government Affairs
Email: Daniel_Maloney@cable.comcast.com

Unless otherwise expressly provided in this Agreement, the aforesaid notices shall be deemed received upon the earlier of (a) actual receipt; (b) one business day after deposit with an overnight courier as evidenced by a receipt of deposit; or (c) three business days following deposit in the U.S. mail, as evidenced by a return receipt. By notice complying with the requirements of this Section, each party shall have the right to change the address or the addressee, or both, for all future notices and communications to such party, but no notice of a change of addressee or address shall be effective until actually received.

Other notices or communications relating to this Agreement may be given by one of the methods listed above or by electronic internet mail ("e-mail"). E-mail notices shall be deemed valid and received by the addressee thereof when (a) delivered by e-mail and (b) opened by the recipient on a business day at the address set forth above.

10.3. Entire Agreement. This Franchise Agreement embodies the entire understanding and agreement of the County and the Grantee with respect to the subject matter of this Agreement and, except as otherwise provided in Section 2.3 of this Agreement, supersedes all prior agreements, understandings, negotiations and communications, whether written or oral.

10.3.1. The County may adopt a cable television/video service provider regulatory ordinance that complies with applicable law, provided the provisions of any such ordinance adopted subsequent to the Effective Date of this Franchise Agreement shall not apply to the Grantee during the term of this Franchise Agreement.

10.4. Severability. If any section, subsection, sentence, clause, phrase, or other portion of this Franchise Agreement is, for any reason, declared invalid, in whole or in part, by a final and binding decision of any court, agency, commission, legislative body, or other authority of competent jurisdiction over the parties, such portion shall be deemed a separate, distinct, and independent portion. Such declaration shall not affect the validity of the remaining portions hereof, which other portions shall continue in full force and effect. If any material provision of this Agreement is made or found to be unenforceable by such a binding and final decision, either party may notify the other in writing that the Franchise has been materially altered by the change and of the election to begin negotiations to amend the Franchise in a manner consistent with said proceeding or enactment in order to reach a mutual agreement to effect the same general intent of the parties.

10.5. Governing Law. This Franchise Agreement shall be deemed to be executed in the State of Illinois, and shall be governed in all respects, including validity, interpretation and

effect, and construed in accordance with, the laws of the State of Illinois and/or Federal law, as applicable. In the performance of its obligations pursuant to this Agreement, Grantee shall comply with all applicable federal, state, and local laws, ordinances, rules and regulations.

10.6 Venue. Except as to any matter within the jurisdiction of the federal courts or the FCC, all judicial actions relating to any interpretation, enforcement, dispute resolution or any other aspect of this Agreement shall be brought in the Circuit Court of the State of Illinois, Lake County, Illinois. Any matter brought pursuant to the jurisdiction of the federal court shall be brought in the United States District Court of the Northern District of Illinois.

10.7. Modification. Except as provided in Sections 5.1.2 and 5.1.3, no provision of this Franchise Agreement shall be amended or otherwise modified, in whole or in part, except by an instrument, in writing, duly executed by the County and the Grantee, which amendment shall be authorized on behalf of the County through the adoption of an appropriate resolution or ordinance by the County, as required by applicable law.

10.8. No Third-Party Beneficiaries. Nothing in this Franchise Agreement is intended to confer third-party beneficiary status on any person, individual, corporation or member of the public to enforce the terms of this Franchise Agreement.

10.9. No Waiver of Rights. Nothing in this Franchise Agreement shall be construed as a waiver of any rights, substantive or procedural, that the County or Grantee may have under Federal or state law unless such waiver is expressly stated herein.

10.10. Validity of Franchise Agreement. The parties acknowledge and agree in good faith on the validity of the provisions, terms and conditions of this Franchise Agreement, in their entirety, and that the parties have the power and authority to enter into the provisions, terms, and conditions of this Agreement. The parties further agree that the parties shall not, at any time, challenge any provision, term, or condition of this Franchise Agreement on the basis that it is unreasonable, arbitrary, or void, or that the parties had no power or authority to make such provision, term, or condition as part of, or pursuant to this Agreement, except as to those matters which are hereafter preempted by new or amended federal or state law or judicial or administrative orders or decrees.

10.11. Authority to Sign Agreement. Grantee warrants to the County that it is authorized to execute, deliver and perform this Franchise Agreement. The individual signing this Franchise Agreement on behalf of the Grantee warrants to the County that s/he is authorized to execute this Franchise Agreement in the name of the Grantee. At or before the Effective Date of this Agreement, the Grantee shall deliver to the County a certified copy of the resolution(s) of the Board of Directors or other governing body or individual(s) of each Grantee, and, as applicable, each affiliated person and person holding control of each Grantee, authorizing execution of this Agreement.

10.12. Responsibility of Grantee. Grantee and any and all others who are now or may become responsible for all or any part of the obligations of Grantee under this Franchise Agreement agree to be jointly and severally, and directly and primarily, bound by this Franchise Agreement.

IN WITNESS WHEREOF, this Franchise Agreement has been executed by the duly authorized representatives of the parties as set forth below, as of the date set forth below:

For The County of Lake, Illinois:

**For Comcast of California/Illinois, LP;
Comcast of Illinois/West Virginia, LLC;
Comcast of California/Colorado/Illinois/
Indiana/Michigan, LP; Comcast of Illinois
XIII, LP; Comcast of Illinois XII, LP; and
Comcast of Northern Illinois, Inc.:**

By: _____

Name: _____

Title: _____

ATTEST:

By: _____

By: _____

County Clerk

Name: _____

Title: _____

Date: _____

Date: _____

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