

RESOLUTION R-93-17

**A RESOLUTION APPROVING A CABLE TELEVISION FRANCHISE AGREEMENT  
BY AND BETWEEN THE CITY OF WHEATON, ILLINOIS AND  
COMCAST OF ILLINOIS V, INC.**

**WHEREAS**, the City of Wheaton, DuPage County, Illinois ("City") is an Illinois Home Rule municipality pursuant to provisions of Article VII, Section 6, of the Illinois Constitution, 1970, and as such, the City may exercise any power and perform any function pertaining to its government and affairs; and

**WHEREAS**, the City and Centel Cable Television Company of Illinois entered into a Cable Television Franchise Agreement on July 2, 1984; and

**WHEREAS**, the Franchise Agreement with Central Cable Television Company of Illinois, now Comcast of Illinois V, Inc. ("Comcast") was extended over the years through September 2007, at which time it expired; and

**WHEREAS**, over the last ten years, the City of Wheaton and Comcast have been working on an updated franchise agreement; and

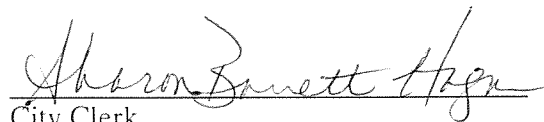
**WHEREAS**, the City of Wheaton and Comcast believe it is in the best interest of the parties to enter into a new franchise agreement.

**NOW, THEREFORE, BE IT RESOLVED** by the Mayor and the City Council of the City of Wheaton, that the Mayor is hereby authorized to sign and the City Clerk is hereby directed to attest, to the Cable Television Franchise Agreement by and Between the City of Wheaton, Illinois and Comcast of Illinois V, Inc. attached hereto and incorporated herein as fully set forth as Exhibit 1.

ADOPTED this 18<sup>th</sup> day of September 2017.

  
Mayor

ATTEST:

  
City Clerk

Ayes:

Roll Call Vote:

Councilman Prendiville  
Mayor Gresk  
Councilman Rutledge  
Councilman Scalzo  
Councilman Barbier  
Councilwoman Fitch

Nays:

None

Absent:

Councilman Suess

Motion Carried Unanimously



**CABLE TELEVISION FRANCHISE AGREEMENT**  
**BY AND BETWEEN**  
**The CITY OF WHEATON, ILLINOIS**  
**And**  
**COMCAST OF ILLINOIS V, INC.**

This Franchise Agreement (hereinafter, the "Agreement" or "Franchise Agreement") is made between the City of Wheaton, Illinois (hereinafter, the "City") and Comcast of Illinois V, Inc. (hereinafter, "Grantee"), this 18<sup>th</sup> day of September 2017 (the "Effective Date").

The City, 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 the Cable Act, the Illinois Constitution of 1970, and the Illinois Municipal Code, as amended from time to time; and shall be governed by the Cable Act and the Illinois Municipal Code, as amended from time to time; provided that any provisions of the Illinois Municipal 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 herein.

"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 47 U.S.C. 522 of the Cable Act, 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 retransmit 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.

"City" means the City of Wheaton, Illinois, and all the territory within its present and future boundaries and including any other area over which the City or its designee exercises jurisdiction pursuant to pre-annexation agreements. The City Council is the governing authority of the City.

"City Code" means the Wheaton City Code.

"Customer" or "Subscriber" means the City or a Person who lawfully receives and pays for Cable Service with the Grantee's express permission.

"Dwelling Unit" means any individual or multiple residential place of occupancy.

"FCC" means the Federal Communications Commission or successor governmental entity thereto.

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

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

"Franchise Area" means the present legal boundaries of the City of Wheaton, Illinois as of the Effective Date, and shall also include any additions thereto, by annexation or other legal means as provided in this Agreement.

"Grantee" shall mean Comcast of Illinois V, 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 Basic Cable Service, 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 from 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 City'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, third party 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 (5<sup>th</sup> 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 (5<sup>th</sup> 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.

"Person" means any natural person or any association, firm, partnership, joint venture, corporation, or other legally recognized entity, whether for-profit or not-for profit, but shall not mean the City.

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

"Public, Educational and Government (PEG) Access Programming" shall mean noncommercial programming produced by any City 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 Ways" shall mean, pursuant and in addition to the City's Right of Way Ordinance (Chapter 58, Article VIII entitled "Construction of Facilities in the Public Ways"), the surface of, and the space above and below, any 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 uses, now or hereafter held by the City in the Franchise Area, to the extent that the City has the right and authority to authorize, regulate, or permit the location of facilities other than those of the City. Public Way shall not include any real or personal City property that is not specifically described in this definition and shall not include City 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. Pursuant to Section 621(a) of the Cable Act, 47 U.S.C. 541 (a), 65 ILCS 5/1142-11(a) of the Illinois Municipal Code, and City Ordinance No. \_\_\_\_\_ approving and authorizing the execution of this Agreement, the City hereby grants to the Grantee a nonexclusive Franchise authorizing the Grantee to construct and operate a Cable System in the Public Ways within the Franchise Area, and for that purpose to erect, install, construct, repair, replace, reconstruct, maintain, or retain in any Public Way 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 such services over the Cable System as may be lawfully allowed.

2.2. Term of Franchise. The term of the Franchise granted hereunder shall be eight (8) 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. From and after the Effective Date of this Franchise Agreement, the Parties acknowledge that this Franchise Agreement is intended to be the sole and exclusive Franchise Agreement between the Parties pertaining to the Grantee's Franchise for the provision of Cable Service.

2.3. Renewal. Any renewal of this Franchise shall be governed by and comply with the provisions of Section 626 of the Cable Act, as amended, and any applicable State law which may exist at the time of renewal, and which is not superseded by the Cable Act.

2.4. Police Powers. Nothing in this Franchise Agreement shall be construed as an abrogation by the City of any of its police powers to adopt and enforce generally applicable ordinances deemed necessary 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 City pursuant to such police power.

### 2.5. Reservation of Authority.

2.5.1 Nothing in this Franchise Agreement shall (A) abrogate the right of the City to perform any public works or public improvements of any description; (B) be construed to in any manner qualify the City's exercise of its discretion in providing essential public services related to the location, installation and repair of public water lines, sewer lines, and drainage ways; (C) be construed as a waiver of any laws, codes or ordinances of general applicability promulgated or enforceable by the City; (D) be construed as a waiver or release of the rights of the City in and to the Public Ways; or (E) be construed as a release or waiver of the Corporate Authorities of the City's lawful exercise of its legislative authority which cannot be contracted away as a matter of law. No reference herein to the Public Way shall be deemed to be a representation or guarantee by the City that its title or interest in any property is sufficient to permit use by the Cable Operator 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 City may have the actual right and power to grant herein.

2.5.2. The City and Cable Operator acknowledge that portions of the Franchise Area are subject to the jurisdictional authority of governmental agencies other than the City. The City and Cable Operator agree that although this Franchise Agreement authorizes the Cable Operator to operate a Cable System throughout the Franchise Area, in order to do so the Cable Operator may need to obtain permits or similar authorizations from governmental agencies other than the City.

## 2.6. Competitive Equity.

2.6.1. In the event the City grants an additional Franchise to use and occupy any 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, 65 ILCS 5/11-42-11.

2.6.2. In the event an application for a new cable television franchise or other similar authorization is filed with the City proposing to serve the Franchise Area, in whole or in part, the City shall to the extent permitted by law promptly notify the Grantee, 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. 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 City's jurisdiction shall be in accordance with City ordinances, regulations and codes, including Chapter 58, Article VIII of the Wheaton City Code, entitled "Construction of Facilities in the Public Ways," as may be amended from time to time.

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.

3.3.1. In the event the City 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. The City shall provide Grantee notice of such requirement at the time of notice to all other utilities or like occupants of the City's Public Ways. 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 the said utility's cost of the project that are not reimbursed by the City shall not be considered to be public or private funds. The Cable Operator's failure to participate with undergrounding shall make it responsible for the City's portion of the expenses incurred due to Cable Operator not participating, if any.

3.3.2. Except in cases of public emergency, the Grantee shall be afforded at least sixty (60) days' notice to relocate its facilities. Within thirty (30) days of the notice, the Grantee shall provide the grantor and any third party seeking relocation of the Grantee's facility, with an estimate of the reasonable cost of relocation. In an instance where a third party seeks relocation of the Grantee's facilities, not associated with a project that will result in an upgrade to the City right-of-way, utilities, and appurtenances, the Grantee shall be entitled to prepayment of its reasonable relocation costs from the third party, prior to its relocation of its facilities.

3.4 Parking Restrictions Exemption. Provided that appropriate vehicle safety markings have been deployed, Grantee's vehicles shall be exempt from City parking restrictions while used in the course of installation, repair, and maintenance work on the Cable System. The foregoing exemption shall not apply to fire lanes and designated handicapped parking spaces. Nothing herein shall be construed in any manner to limit the City's authority to establish and enforce parking requirements and restrictions in construction zones and in emergency situations as determined by the City in its sole discretion.

## **SECTION 4: Service Obligations**

4.1. Initial Service Obligations. As of the Effective Date of this Agreement, Grantee's Cable System has been designed to provide, and is capable of providing, Cable Service to residential Customers throughout the Initial Franchise Service Area. The Grantee shall continue to make Cable Service available in the Initial Service Area throughout the term of this Agreement and Grantee shall extend its Cable System 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 linear Cable System network mile as measured from 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 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	General Entertainment	Family Oriented
Ethnic/Minority	Sports	Weather
Educational	Arts, Culture and Performing Arts	News & Information

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

4.4. 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 City in conducting inspections related to these standards upon reasonable prior written request from the City based on a significant number of Subscriber complaints relating to persistent or ongoing service issues.

4.5. Annexations and New/Planned Developments. In cases of annexation, the City shall provide the Grantee written notice of such annexation. In cases of new construction, planned developments or property development where undergrounding or extension of the Cable System is required, the City shall provide or cause the developer or property owner to provide notice of the same. Such notices shall be provided at the time of notice to all utilities or other like occupants of the City's Public Way. If advance notice of such annexation, new construction, planned development 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.

4.6. Service to School Buildings and Governmental Facilities.

4.6.1. The City 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 City become qualified and authorized to activate the EAS, the Grantee shall provide instructions on the access and use of the EAS by the City to the City on an annual basis. The City agrees to indemnify and hold the Grantee harmless from any damages or penalties arising out of the negligence of the City, its employees or agents in using such system.

4.8. Customer Service Obligations. The City and Grantee 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., and enforcement provisions are included in Chapter 26 Article VIII, entitled, "Cable and Video Customer Protection Ordinance" of the Wheaton City Code. Enforcement of such requirements and standards and the penalties for non-compliance with such standards shall be consistent with the Cable and Video Customer Protection Law, 220 ILCS 5/22-501 et seq.

## **SECTION 5: Oversight and Regulation by City**

5.1. Franchise Fees. The Grantee shall pay to the City 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 of fees than any other video service provider, 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. If mailed, the Franchise Fee shall be considered paid on the date it is postmarked. If by electronic funds transfer, the Franchise Fee shall be considered paid on the date deposited in the City's designated account. Each Franchise Fee payment shall be accompanied by 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 at the prime lending rate as quoted by JP Morgan Chase & Company or its successor, computed from time due until paid. Any undisputed overpayments made by the Grantee to the City 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 Parties acknowledge that, at present, the Cable Act limits the City 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 City to increase the Franchise Fee above five percent (5%), the City may make a determination that it should collect the additional amount; provided that should the City make a determination to collect the additional amount, it shall do

so by ordinance. Following any such determination, the City shall notify the Grantee of its intent to collect the increased Franchise Fee and Grantee shall have a reasonable time (not to be less than ninety (90) days nor greater than one hundred twenty (120) days from receipt of notice from the City) 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 City increases said Franchise Fee, the Grantee shall notify its Subscribers of the City's decision to increase said fee prior to the implementation of the collection of said fee from Subscribers as required by law.

5.1.2. In the event a change in state or federal law requires the City 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 City pursuant to the Cable Act, and Section 11-42-11 of the Illinois Municipal Code; provided that: (a) such amendment is in compliance with the change in state or federal law; (b) the City approves the amendment by ordinance; and (c) the City notifies Grantee at least ninety (90) days prior to the effective date of such an amendment.

5.1.3. 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 and PEG Fees Subject to Audit. The City and Grantee acknowledge that the audit standards are set forth in the Illinois Municipal Code at 65 ILCS 5/11-42-11.05 (Municipal Franchise Fee Review; Requests for Information). Any audit shall be conducted in accordance with generally applicable auditing standards.

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 Franchise Fees as set forth in Section 5.2. All information that the Grantee desires the City to keep confidential shall be so expressly designated by the Grantee. The City agrees to treat any such information disclosed by the Grantee as confidential and only to disclose it to those employees, representatives, and agents of the City 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" shall generally 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 City 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 City shall notify Grantee of such request and cooperate with Grantee

in opposing such request. Grantee shall indemnify and defend the City from and against any claims arising from the City's opposition to disclosure of any information Grantee designates as proprietary or confidential, which indemnification obligation shall include payment of the City's costs including reasonable attorney fees. Compliance by the City 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 City, 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 without the prior written consent of the City, as provided for in Section 617 of the Cable Act, 47 U.S.C.537, and 47 C.F.R. §76.502, as may be amended.

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 City, 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 City 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. As a condition to granting of any consent, the City 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 City's consent thereto in the manner described in this Section 6.

## **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 Commercial General Liability Insurance meeting the requirements for Grantee's use of any and all Public Ways subject to this Agreement and provide the City with certificates of insurance designating the City and its officers, boards, commissions, councils, elected officials, agents and employees as additional insureds and demonstrating that

the Grantee has obtained the insurance required in this Section. Except as may be reduced or waived by the Wheaton City Manager, the Grantee shall purchase and maintain during this Agreement insurance coverage which will satisfactorily insure the Grantee and, where appropriate, the City, against claims and liabilities which may arise out of the use of the Public Way. Such insurance shall be issued by companies licensed to do business in the State of Illinois. The insurance carrier shall have an A.M. Best rating of not less than A<sup>+</sup>. The insurance coverage shall include the following:

(A) Workers' compensation insurance with limits as required by the applicable workers' compensation statutes. The employer's liability coverage under the workers' compensation policy shall have limits of not less than \$500,000 each accident/injury; \$500,000 each employee/disease; \$500,000 policy limit.

(B) Commercial general liability insurance protecting Cable Operator against any and all public liability claims which may arise in the course of using the Public Ways. The limits of liability shall not be less than \$1,000,000 each occurrence bodily injury/property damage combined single limit and \$2,000,000 aggregate bodily injury/property damage combined single limit. The policy of commercial general liability insurance shall include contractual liability coverage and an endorsement naming the City as an additional insured.

(C) Commercial automobile liability insurance covering Cable Operator's owned, non-owned and leased vehicles which protects City against vehicular liability claims whether on or off the City's Public Ways with coverage limits of not less than \$1,000,000 each accident bodily injury/property damage combined single limit.

(D) Umbrella or Excess Liability insurance with limits of not less than \$1,000,000 each occurrence bodily injury/property damage combined single limit and \$1,000,000 aggregate bodily injury/property damage combined single limit. The Umbrella or Excess coverage shall apply in excess of the limits stated in subparagraphs (B) and (C) above, and shall include an endorsement naming the City as an additional insured.

7.2. Indemnification. The Grantee shall indemnify, defend and hold harmless the City, 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 City. 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 City shall give the Grantee timely written notice of its obligation to indemnify and defend the City after the City'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 City. In the event that there may be a conflict of interest with the Grantee's choice of counsel, the City and Grantee shall meet promptly to determine the final provision of counsel.

7.2.1. The Grantee shall not indemnify the City for any liabilities, damages, costs or expense resulting from any conduct for which the City, its officers, employees and agents is solely liable for 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 City by reference to the limits of insurance coverage described in this Agreement.

## **SECTION 8: Public, Educational and Governmental (PEG) Access**

8.1. PEG Capacity. Grantee shall provide capacity for the City's noncommercial public, educational and governmental ("PEG") programming through Grantee's Cable Service consistent with the requirements set forth herein. Unless otherwise agreed to by the City and the Grantee to the extent required by applicable law, the PEG channels shall be carried on the Grantee's basic digital service tier. The City's PEG Access Programming shall be provided consistent with Section 611 of the Cable Act, as amended from time to time. As of the Effective Date of this Agreement, the City utilizes three (3) PEG channels on the Grantees Cable System that, for informational purposes only, are available in the City on Channel 10 (Wheaton Governmental Access Channel); Channel 17 (Wheaton Community Programming Channel); and Channel 99 (Wheaton Education Channel). The Grantee shall use reasonable efforts to maintain Channel 10 as the Wheaton Governmental Access Channel, Channel 17 as the Wheaton Community Programming Channel, and Channel 99 as the Wheaton Education Channel. 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 the Agreement, the Grantee shall provide the City 180 days notice of such change. Grantee shall also provide notice to all cable subscribers of the change in channel position by providing notice of such change with the cable bills prior to the effective date of the change. In addition, for a period of at least 30 days prior to the change in channel position, the City shall retain the right to provide notice of the new channel locations on any of its designated PEG Access channel broadcasts. Such notice may be accomplished by providing a banded notice at the bottom of the broadcast screen. Nothing in this agreement shall require the City to offer or provide public access on the Governmental Access Channel.

The City may request, and Grantee shall provide, an additional PEG channel upon 120 days advance written notice by the City and sufficient proof that the current channels are 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 channel for the prior six month period during the times of noon to midnight. In the event that 80% of the programming on the channel meets the criteria of being original, non-repeat, first-run locally produced programming, Grantee shall provide an additional channel. Unless otherwise agreed to by the City and the Grantee to the extent required by applicable law, the PEG Channel's described in this Section 8.1. shall be carried on the most basic service tier offered by the Grantee.

8.2. Rules and Procedures for Use of the PEG Access Channel. The City acquires no property, ownership, or other interest by virtue of a Channel designated as a PEG Access Channel; however, the City 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. Allocation and Use of the PEG Access Channel. The Grantee does not relinquish its ownership of a Channel by designating it for PEG use. However, the PEG Access Channels are, and shall be, operated by the City or its designee. The City shall adopt rules and procedures under which Grantee may use the PEG Access Channels for the provision of Video Programming if the PEG Access channels are not being used for its designated purpose(s) pursuant to Section 611(d) of the Cable Act, 47 U.S.C. 531.

8.4. Editorial Control. Grantee shall not exercise any editorial control over any use of the PEG Access Channels except as permitted by 47 U.S.C. 5531 (e).

8.5. Origination Point. At such time that the City 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 Schools and/or City 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 City determines that it wants to change or upgrade a location from which PEG Access Programming is originated; the City will give the Grantee written notice detailing the point of origination and the capability sought by the City. The Grantee agrees to submit a cost estimate to implement the City's plan within a reasonable period of time, not exceeding 60 days. After an agreement to reimburse the Grantee for its expenditure within a reasonable period of time, the Grantee will implement any necessary system changes within a 120 days or such period of time as mutually agreed by the parties.

8.6. PEG Signal Quality. Provided the PEG signal feed is delivered by the City to the designated signal input point without material degradation, the PEG 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 Fee Support. At its sole discretion, the City may designate a PEG access capital project to be funded by the City as set forth herein. The City shall send written notice of the City's desire for Grantee to collect as an external charge a PEG Capital Fee of up to thirty-five cents (\$0.35) per customer per month charge to be passed on to each Subscriber pursuant to Section 622(g)(2)(C) of the Cable Act (47 U.S.C. §542(g)(2)(C)). The Grantee shall collect the external charge over a period of twelve (12) months, unless some other period 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 notice shall include a copy of the City's annual budget describing the intended utilization of the PEG Capital Fee for PEG Access Channel facilities and/or equipment, which budget may be amended from time to time as the City determines necessary. The City shall, from time to time, provide the Grantee with an annual Capital Plan setting forth the expenditures for capital facilities and/or equipment to be made within the fiscal year. The Grantee may review and comment on the compatibility of any facilities and/or equipment to be acquired by the City within 30 days of the Grantee's receipt of the Capital Plan, but such review shall not affect the collection and payment of PEG Capital Fees. The capital payments shall be expended for PEG facilities and equipment. Upon the request of the Grantee,

the City shall provide documentation on all expenditures of PEG Capital Fees. Consistent with the description of the intended utilization of the PEG Capital Fee, the City 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 City to make large capital expenditures, if necessary, provided that any funds remaining at the end of the term of this Agreement shall be used by the City for PEG Capital obligations during the subsequent Franchise renewal. Moreover, if the City chooses to borrow from itself or a financial institution, revenue for large PEG capital purchases or capital expenditures, the City shall be permitted to make periodic repayments using the PEG Capital Fee. Said PEG Capital Fee shall be imposed within one hundred twenty (120) days of the City'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 & Company or its successor, computed from time due until paid. Any undisputed overpayments made by the Grantee to the City 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.

8.7.2. Grantee and City 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 City and Grantee agree that a blank or under-utilized PEG Access Channel is not in the public interest, in the event the City 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 City 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 City believes that the Grantee has not complied with a material term 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 City's written notice, which may include electronic notice: (A) to respond to the City, 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 City 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 Section 9.1 and 9.2 above, in the event the City determines that the Grantee is in default of any material provision of the Franchise, the City may:

9.3.1. Seek specific performance of any provision that reasonably lends itself to such remedy or seek other relief available at law, including declaratory 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 City 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 City 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 the Grantee has not taken action to cure the default, it may then seek termination of the Franchise at a public hearing before the City Council. The City 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 City shall give the Grantee an opportunity to state its position on the matter, present evidence and question witnesses, after which the City 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 City 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 within thirty (30) days after receipt of the City's decision.

9.4. Remedies Not Exclusive. In addition to the remedies set forth in this Section 9, the Grantee acknowledges the City's ability 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 enacted by the City as Chapter 26, Article VIII of the Wheaton City Code; and, pursuant to Section 3.1 of this Franchise Agreement and Chapter 58 Article VIII of the Wheaton City Code, to enforce the Grantee's compliance with the City's requirements regarding "Construction of Facilities in the Public Ways." Notwithstanding the foregoing, nothing in this Agreement shall be interpreted to permit the City 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 City.

## **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. Upon request from the City, based upon a significant number of Subscriber complaints, Grantee shall provide the City with the basis for its assertion of this clause within a reasonable amount of time after the event. Noncompliance or default shall be corrected within a reasonable time after the force majeure event has ceased.

10.2. Notice. Any notification that requires a response or action from a party to this franchise within a specific time-frame, or that would trigger a timeline that would affect one or both parties' rights under this franchise, shall be in writing and shall be sufficiently given and served upon the other party by hand delivery; first class mail, registered or certified, return receipt requested, postage prepaid; or by reputable overnight courier service and addressed as follows:

To the City:

City of Wheaton  
303 W. Wesley Street  
Wheaton, Illinois 60187  
ATTN: City Manager

To the Grantee:

Comcast  
155 West Industrial Drive  
Elmhurst, Illinois 60126  
ATTN: Government Affairs Director

Recognizing the widespread usage and acceptance of electronic forms of communication, emails and faxes will be acceptable as formal notification related to the conduct of general business amongst the parties to this contract, including but not limited to programming and price adjustment communications. Such communication should be addressed and directed to the person of record as specified above. Either party may change its address and addressee for notice by notice to the other party under this Section.

10.3. Entire Agreement. This Franchise Agreement embodies the entire understanding and agreement of the City and the Grantee with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, negotiations and communications, whether written or oral. Except for ordinances specifically referenced in this Agreement and subject to Section 2.5.1 of this Agreement, all ordinances or parts of ordinances related to the provision of Cable Service that are in conflict with or otherwise impose obligations different from the provisions of this Franchise Agreement are superseded by this Franchise Agreement.

10.3.1. The City 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 any court, agency, commission, legislative body, or other authority of competent jurisdiction, 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; provided, however, that any such negotiated modification shall be competitively neutral, and the parties shall be given sufficient time to implement any changes necessitated by the agreed upon modification.

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.

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, DuPage 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 5.1.1 and 5.1.2, 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 City and the Grantee, which amendment shall be authorized on behalf of the City through the adoption of an appropriate ordinance or resolution by the City, 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 City 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.

10.11. Authority to Sign Agreement. Grantee warrants to the City 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 City that s/he is authorized to execute this Franchise Agreement in the name of the Grantee.

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 City of Wheaton:**

By: Michael J. Greer

Name: Michael J. Greer

Title: Mayor

Date: 9/18/17

**For Comcast of Illinois V, Inc.:**

By: John Crowley

Name: John Crowley

Title: RSVP

Date: 10/4/17