

12118 117 - 1211107 401 111

FRANCHISE AGREEMENT

This Franchise Agreement (hereinafter, the "Agreement" or "Franchise Agreement") is made between the Lower St. Croix Valley Cable Commission ("Grantor") which consists of the Lower St. Croix Valley cities of Lakeland, Lakeland Shores, St. Mary's Point, Lake St. Croix Beach, and Afton (hereinafter, the "Member Cities") and Comcast of Minnesota/Wisconsin, Inc. (hereinafter, "Grantee").

The Lower St. Croix Valley Cable Commission, having determined that the financial, legal, and technical ability of the Grantee is 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.

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 Communications Policy Act of 1984, as amended from time to time, 47 U.S.C. §§ 521 et seq. (the "Cable Act").

1.1 "Cable Service" shall mean (a) the one-way transmission to Subscribers of (i) Video Programming or (ii) Other Programming Service, and b) Subscriber interaction, if any, which is required for the selection or use of such video programming or other programming service. For the purposes of this definition, "video programming" is programming provided by, or generally considered comparable to programming provided by a television broadcast station; and, "other programming service" is information that a cable operator makes available to all Subscribers generally.

1.2 "Cable System" shall have the meaning specified for "Cable System" in the Act. Unless otherwise specified, it shall in this document refer to the Cable System constructed and operated in the Member Cities under this Franchise.

1.3 "Drop" shall mean the cable that connects the Subscriber terminal to the nearest feeder cable of the Cable System.

1.4 "Effective Date" means the date on which all persons necessary to sign this Agreement in order for it to be binding on both parties have executed this Agreement as indicated on the signature page(s), unless a specific date is otherwise provided in the "Term" section herein.

1.5 "Franchise Area" means the present legal boundaries of the Member Cities as of the Effective Date, and shall also include any additions thereto, by annexation or other legal means.

1.6. "Gross Revenue" means the Cable Service revenue derived 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 ("GAAP"). Cable Service revenue includes monthly basic, premium and pay-per-view video fees, advertising and home shopping revenue, installation fees and equipment rental fees. Gross Revenue shall not include refundable deposits, bad debt, late fees, investment income, programming launch support payments, advertising sales commissions, nor any taxes, fees or assessments imposed or assessed by any governmental authority.

1.7 "Person" means any natural person and all domestic and foreign corporations, closelyheld corporations, associations, syndicates, joint stock corporations, partnerships of every kind, clubs, businesses, common law trusts, societies and/or any other legal entity.

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

1.9 "Subscriber" or "Subscribers" means any Person who or which lawfully subscribes to a Cable Service provided by Grantee by means of or in connection with the Cable System.

SECTION 2 - Grant of Authority

2.1 Grant. The Grantor 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 Ways 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 ten (10) years, commencing upon the Effective Date of the Franchise, unless the Franchise is renewed or is lawfully terminated in accordance with the terms of this Franchise Agreement and the Cable Act.

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.

2.4 Reservation of Authority. Nothing in this Franchise Agreement shall (A) abrogate the right of the Member Cities to perform any public works or public improvements of any description, (B) be construed as a waiver of any codes or ordinances of general applicability promulgated by the Member Cities, or (C) be construed as a waiver or release of the rights of the Member Cities in and to the Public Ways.

SECTION 3 – Construction and Maintenance of the Cable System

3.1 New Grades or Lines or Condition. If the grades or lines or condition of any Public Way within the Franchise Area are lawfully changed at any time during the term of this Franchise Agreement, then the Grantee shall, upon reasonable advance written notice from the Grantor (which shall not be less than ten (10) business days except in case of emergency when only so much advance notice as is reasonably possible shall be given) and at its own cost and expense, protect or promptly alter or relocate the Cable System, or any part thereof, so as to conform with any such new grades or lines or condition. If public funds are available to any other user of the Public Way for the purpose of defraying the cost of any of the foregoing, the Grantor shall notify Grantee of such funding and make available such funds to the Grantee.

3.2 Relocation at request of Third Party. The Grantee shall, upon reasonable prior written request of any Person holding a permit issued by a Member City to move any structure, temporarily move its wires to permit the moving of such structure; provided (i) the Grantee may impose a reasonable charge on any Person for the movement of its wires, and such charge may be required to be paid in advance of the movement of its wires; and (ii) the Grantee is given not less than ten (10) business days advance written notice to arrange for such temporary relocation.

3.3 Undergrounding and Beautification Projects. In the event all users of the Public Way relocate aerial facilities underground as part of an undergrounding or neighborhood beautification project, Grantee shall participate in the planning for relocation of its aerial facilities contemporaneously with other utilities. Grantee's relocation costs shall be included in any computation of necessary project funding by the municipality or private parties. Grantee shall be entitled to reimbursement of its relocation costs from public or private funds raised for the project and made available to other users of the Public Way.

3.4 Line Extension.

(a) Grantee shall construct and operate its Cable System so as to provide Cable Service within the Franchise Area where there exists a density equivalent of seven (7) dwelling units per one-quarter (1/4) mile of feeder cable as measured from the nearest active plant of the Cable System if the extension is to be constructed using aerial plant, and nine (9) dwelling units per one-quarter (1/4) mile of feeder cable as measured from the nearest active plant if the extension is to be constructed using underground plant. The Member Cities, for their part,

shall require developers and utility companies to provide the Grantee with at least fifteen (15) days advance notice of an available open trench for the placement of necessary cable.

(b) Where the density is less than that specified above, Grantee shall inform Persons requesting service of the possibility of paying for installation or a line extension and shall offer to provide them with a free written estimate of the cost, which shall be provided within fifteen (15) working days of such a request. Grantee may offer the Persons requesting Service the opportunity to "prepay" some or all of the necessary line extensions according to its regular business policies. Grantee shall at all times implement such line extension policy in a nondiscriminatory manner throughout the Member Cities.

(c) Any residential unit located within one-hundred twenty-five (125) feet from the nearest point of access on the Street from which the Cable System is designed to serve the site shall be connected to the Cable System at no charge other than the standard installation charge. Grantee shall, upon request by any potential Subscriber residing in Member Cities beyond the one hundred twenty-five (125) foot limit, extend service to such Subscriber provided that the Subscriber shall pay the net additional Drop costs, unless the Grantee agrees to waive said costs. To the extent consistent with Applicable Laws, Grantee agrees that it shall impose installation costs for non-standard installations in a uniform and nondiscriminatory manner throughout the Member Cities.

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

SECTION 4 - Customer Service Standards; Customer Bills; and Privacy Protection

4.1 Response to Customers and Cooperation with Grantor. Grantee shall promptly respond to all requests for service, repair, installation and information from Subscribers. Grantee acknowledges the Grantor's interest in the prompt resolution of all cable complaints and shall work in close cooperation with the Grantor to resolve complaints.

4.2 Customer Service Standards. The Grantor hereby adopts the customer service standards set forth in Part 76, §76.309 of the FCC's rules and regulations, as amended.

4.3 Privacy Protection. The Grantee shall comply with all applicable federal and state privacy laws, including Section 631 of the Cable Act and regulations adopted pursuant thereto.

4.4 Local Office. Grantee shall maintain a convenient local customer service and bill payment location for matters such as receiving Subscriber payments, handling billing questions, equipment replacement and customer service information. Grantee shall comply with the standards and requirements for customer service set forth below during the term of this Franchise.

4.5 Cable System office hours and telephone availability.

(a) Grantee will maintain a local, toll-free or collect call telephone access line which will be available to its Subscribers twenty-four (24) hours a Day, seven (7) days a week.

(i) Trained Grantee representatives will be available to respond to customer telephone inquiries during Normal Business Hours.

(ii) After Normal Business Hours, the access line may be answered by a service or an automated response system, including an answering machine. Inquiries received after Normal Business Hours must be responded to by a trained Grantee representative on the next business Day.

(b) Under Normal Operating Conditions, telephone answer time by a customer representative, including wait time, shall not exceed thirty (30) seconds when the connection is made. If the call needs to be transferred, transfer time shall not exceed thirty (30) seconds. These standards shall be met no less than ninety percent (90%) of the time under Normal Operating Conditions, measured on a quarterly basis.

(c) Grantee shall not be required to acquire equipment or perform surveys to measure compliance with the telephone answering standards above unless an historical record of complaints indicates a clear failure to comply.

(d) Under Normal Operating Conditions, the customer will receive a busy signal less than three percent (3%) of the time.

4.5 Installations, Outages and Service Calls. Under Normal Operating Conditions, each of the following standards will be met no less than ninety-five percent (95%) of the time measured on a quarterly basis:

(a) Standard Installations will be performed within seven (7) business days after an order has been placed. "Standard" Installations are those that are located up to one hundred twenty-five (125) feet from the existing distribution system as more specifically set forth in Section 3.4 (c).

(b) Excluding conditions beyond the control of Grantee, Grantee will begin working on "Service Interruptions" promptly and in no event later than twenty-four (24) hours after the interruption becomes known. Grantee must begin actions

to correct other Service problems the next business Day after notification of the Service problem.

(c) The "appointment window" alternatives for Installations, Service calls, and other Installation activities will be either a specific time or, at maximum, a four (4) hour time block during Normal Business Hours. (Grantee may schedule Service calls and other Installation activities outside of Normal Business Hours for the express convenience of the customer.)

(d) Grantee may not cancel an appointment with a customer after the close of business on the business Day prior to the scheduled appointment.

(e) If Grantee's representative is running late for an appointment with a customer and will not be able to keep the appointment as scheduled, the customer will be contacted. The appointment will be rescheduled, as necessary, at a time which is convenient for the customer.

SECTION 5 - Oversight and Regulation by Franchising Authority

5.1 **Franchise Fees.** The Grantee shall pay to the Member Cities 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 franchise fees than any other video service provider 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]. Each franchise fee payment shall be accompanied by an accurate report prepared by a representative of the Grantee showing the basis for the computation of the Franchise Fees paid during that period. Upon request, Grantee shall supply such other information as is necessary to allow Grantor to verify the accuracy of the fees.

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

6.1 **Transfer.** Neither the Grantee nor any other Person may transfer the Cable System or the Franchise without the prior written consent of the Grantor, which consent shall not be unreasonably withheld or delayed. No transfer of control of the Grantee, defined as an acquisition of 51% or greater ownership interest in Grantee, shall take place without the prior written consent of the Grantor, which consent shall not be unreasonably withheld or delayed. 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.

SECTION 7- PEG Access Programming

7.1 Access Channels. Grantee understands and acknowledges that the Grantor has an agreement with the Central St. Croix Valley Joint Cable Commission to receive the Public, Educational and Government access programming that is produced by Valley Access, and that Grantor provides those Channels to Subscribers in the Member Cities. Grantee agrees to provide the same number of PEG channels to the Grantor as the Grantor provides to the Central St. Croix Valley Joint Cable Commission on the Cable System in order to allow the Subscribers in the Member Cities to receive the PEG programming produced by Valley Access.

7.2 Free Cable Service to Public Buildings.

(a) Throughout the term of this Franchise Grantee shall provide, free of charge one (1) service Drop, up to three (3) Converters, if necessary and requested, and Basic Cable Service and the next highest level of Service generally available to all Subscribers (as of the Effective Date referred to as Expanded Basic Cable Service) ("Complimentary Service"), to all of the sites listed on Exhibit A attached hereto. In addition, complimentary service shall be provided to any Member City's public building or area fire hall constructed after effective date of this Franchise, but not to include any public office that may be located in a privately-owned building, unless otherwise approved by the Grantee.

(b) If the Drop line to such building exceeds three hundred fifty (350) feet, Grantee will accommodate the Drop up to three hundred fifty (350) feet if the Member City or other agency provides the necessary attachment point for aerial service or conduit pathway for underground service. If the necessary pathway is not provided, the Member City or other agency agrees to pay the incremental cost of such Drop in excess of two hundred (200) feet for an aerial service Drop, or in excess of one hundred twenty-five (125) feet for an underground service Drop. For purposes of this paragraph, "incremental cost" means Grantee's actual cost to provide the drop beyond the applicable distances, with no mark-up for profit. The recipient of the service will secure any necessary right of entry.

(c) Notwithstanding anything to the contrary set forth in this section, Grantee shall not be required to provide Complimentary Service to such buildings unless it is technically feasible. Outlets and maintenance of said Complimentary Service shall be provided free of fees and charges.

SECTION 7 - Enforcement and Termination of Franchise

7.1 Notice of Violation or Default. In the event the Grantor believes that the Grantee has not complied with 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.

7.2 Grantee's Right to Cure or Respond. The Grantee shall have forty-five (45) days from the receipt of the Franchising Authority's written notice: (A) to respond to

the Franchising Authority, 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 forty-five (45) day period, initiate reasonable steps to remedy such default and notify the Grantor of the steps being taken and the projected date that the cure will be completed, provided, however, that in case of emergency which threatens health, safety or property, the Grantee shall cure any non-compliance or default immediately.

7.3 Public Hearings. In the event the Grantee fails to respond to the Grantor's notice or in the event that the alleged default is not remedied within forty-five (45) days or the date projected by the Grantee, the Grantor shall schedule a public hearing to investigate the default. Such public hearing shall be held at the next regularly scheduled meeting of the Franchising Authority that is scheduled at a time that is no less than ten (10) business days therefrom. The Grantor shall notify the Grantee in writing of the time and place of such meeting and provide the Grantee with a reasonable opportunity to be heard.

SECTION 8 – Competitive Equity

8.1 New Video Service Provider.

8.1.1. Notwithstanding any other provision of this Agreement or any other provision of law, if any Video Service Provider ("VSP") (i) enters into any agreement with the Grantor or a Member City to provide video services to subscribers in the Franchise Area, or (ii) otherwise begins to provide video services to subscribers in the Franchise Area (with or without entering into an agreement with the Grantor or a Member City), the Grantor, upon written request of the Grantee, shall permit the Grantee to construct and operate its Cable System and to provide video services to subscribers in the Franchise Area under the same agreement and/or under the same terms and conditions as apply to the new VSP. The Grantee and the Grantor shall enter into an agreement or other appropriate authorization (if necessary) containing the same terms and conditions as are applicable to the VSP within sixty (60) days after the Grantee submits a written request to the Grantor.

8.1.2. If there is no written agreement or other authorization between the new VSP and the Grantor, the Grantee and the Grantor shall use the sixty (60) day period to develop and enter into an agreement or other appropriate authorization (if necessary) that to the maximum extent possible contains provisions that will ensure competitive equity between the Grantee and other VSPs, taking into account the terms and conditions under which other VSPs are allowed to provide video services to subscribers in the Member Cities.

8.2 The term "Video Service Provider" or "VSP" shall mean any entity using the public rights-of-way to provide multiple video programming services to subscribers, for purchase or at no cost, regardless of the transmission method, facilities, or technology used. A VSP shall include but is not limited to any entity that provides cable services,

multichannel multipoint distribution services, broadcast satellite services, satellite-delivered services, wireless services, and Internet-Protocol based services.

SECTION 9 - Expiration

9.1 Expiration. Upon expiration of the Franchise, the Grantor shall have the right at its own election and subject to Grantee's rights under Section 626 of the Cable Act to:

extend the Franchise, though nothing in this provision shall be construed to require such extension;

renew the Franchise, in accordance with Applicable Laws;

invite additional franchise applications or proposals;

terminate the Franchise subject to any rights Grantee has under Section 626 of the Cable Act; or

(e) take such other action as the Grantor deems appropriate.

Section 10 – Miscellaneous Provisions

10.1 Force Majeure. No party 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.

10.2 Notice. All notices 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 Grantor:

Richard Glasgow
Lower St. Croix Valley Cable Commission

City of Lakeland
690 Quinnell Avenue North
Lakeland, MN 55043

To the Grantee:

Comcast Regional Vice President of Operations
10 River Park Plaza
St. Paul, MN 55107

10.3 Entire Agreement. This Franchise Agreement, including all Exhibits, embodies the entire understanding and agreement of the Franchising Authority and the Grantee with respect to the subject matter hereof and supersedes all prior understandings, agreements and communications, whether written or oral. All ordinances or parts of ordinances that are in conflict with or otherwise impose obligations different from the provisions of this Franchise Agreement are superseded by 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.

10.5 Modification. 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 Franchising Authority and the Grantee, which amendment shall be authorized on behalf of the Franchising Authority through the adoption of an appropriate resolution or order by the Franchising Authority, as required by applicable law.

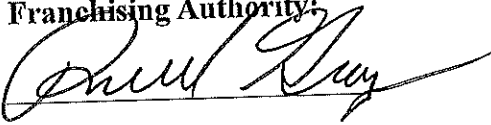
10.6 No Third-Party Beneficiaries. Nothing in this Franchise Agreement is intended to confer third-party beneficiary status on any member of the public to enforce the terms of this Franchise Agreement.

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

10.8 Compliance with Laws. Grantee and Grantor shall conform to all state laws and rules regarding cable television not later than one year after they become effective unless otherwise stated. Grantee shall also conform with all the Grantor's ordinances, resolutions, rules and regulations heretofore or hereafter adopted or established during the entire term of the franchise. However, nothing herein shall be interpreted to prevent Grantee from challenging the lawfulness or enforceability of any provisions of applicable law.

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 Franchising Authority:

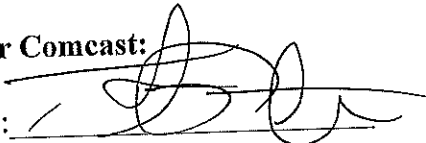
By: 

Name: Richard Glasgow

Title: Chair, Lower St. Croix Cable Commission

Date: December 18, 2014

For Comcast:

By: 

Name: Timothy T. Nester
SVP - Finance and Accounting

Title: _____



