

TOWN OF GRANITE FALLS

ORDINANCE NO. 391

AN ORDINANCE GRANTING A RENEWAL FRANCHISE TO TELE-VUE SYSTEMS, INC. dba VIACOM CABLEVISION TO OPERATE AND MAINTAIN A CABLE SYSTEM IN THE TOWN OF GRANITE FALLS, AND SETTING FORTH CONDITIONS ACCOMPANYING THE GRANT OF FRANCHISE.

BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF GRANITE FALLS:

SECTION 1. STATEMENT OF INTENT AND PURPOSE: AUTHORITY

1.01 Statement of Intent and Purpose. Grantee has been operating a System pursuant to the Town's Cable Television Ordinance adopted and authorized January 23, 1969, and expiring January 22, 1988. Town intends, by the adoption of this Franchise, commencing effective January 22, 1988, to authorize the continued operation of a System within the Town's territorial boundaries. Such a development can contribute significantly to the communication needs and desires of Town and many individuals, associations, and institutions.

1.02 Authority. Insofar as the State of Washington has delegated to the Town the authority to grant a Franchise for cable system operation within the Town's territorial boundaries, the Town hereby exercises its authority to grant a non-exclusive Franchise permitting the operation of a cable system within the Town.

SECTION 2. SHORT TITLE

This ordinance shall be known and cited as the "Town of Granite Falls Cable Franchise Ordinance". Within this document it shall also be referred to as "this Franchise".

SECTION 3. DEFINITIONS

For the purpose of this Franchise, the following terms, phrases, words, and their derivations shall have the meaning given herein. Words not defined shall be given their common and ordinary meaning within the cable television industry.

3.01 "Basic Service" shall mean the level of cable service which is available to customers for the lowest fee offered.

3.02 "Cable Service Territory" shall mean the area within the present or future limits of the Town.

3.03 "Channel" shall mean a frequency band which is capable of carrying either one video signal, a number of audio, digital or other non-video signals, or some combination of such signals.

3.04 "Customer" shall mean any Person who elects to subscribe to and is authorized by Grantee to receive and/or pay for a cable service provided by Grantee by means of the System.

3.05 "FYCC" shall mean the Federal Communications Commission.

3.06 "Grantee" shall mean Tele-Vue Systems, Inc., dba Viacom Cable vision and its successors, transferees or assignees.

3.07 "Gross Revenue" shall mean Customer monthly fees received by Grantee from the operation of the System, but which shall not include taxes, fees and other assessments collected for direct pass through to local, state or federal government authorities, refundable deposits, bad debt expense, and copyright and non-broadcast television programming fees. Gross revenues shall also include leased channel fees, but the Franchise fee due upon such leased channel fees shall be credited with all taxes, fees, or other assessments which Town may collect from channel lessees with respect to provision of leased channel services.

3.08 "Owner" shall mean a person with a legal or equitable interest in ownership of real property.

3.09 "Person" shall mean any natural person or legally recognized entity.

3.10 "Public Property" shall mean any real property owned by Town other than a Street.

3.11 "Street" 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 and any temporary or permanent fixtures or improvements located thereon now or hereafter held by Town, or dedicated for use by the Town, use by the general public, or use compatible with cable system operations.

3.12 "System" shall mean a system of antennas, cables, wires, lines, towers, waveguides or other conductors, converters, equipment or facilities utilizing the Streets and Public Property, used for distributing video programming to customers, and/or producing, receiving, amplifying, storing, processing, or distributing audio, video, digital or other forms of electrical signals to Customers.

3.13 "Town" shall mean the Town of Granite Falls.

SECTION 4. GRANT OF AUTHORITY

4.01 Grant of Franchise. For the purposes of operating and maintaining a System in the Cable Service Territory, Grantee may erect, install, construct, repair, replace, reconstruct, and retain in, on, over, under, upon, across and along the Streets and approved Public Property such lines, cables, conductors, ducts, conduits, vaults, manholes, amplifiers, appliances, pedestals, attachments and other property and equipment as are necessary and appropriate to the operation of the system.

4.02 Franchise Term. The initial term of this Franchise shall commence upon January 22, 1988, and shall expire fifteen (15) years from said date, (the "Term") unless renewed as provided in Section 11.02.

4.03 Conditions of Franchise. The rights afforded to Grantee by Sections 4.01 and 4.02 are granted subject to the conditions hereinafter provided.

Said franchise is a privilege held in personal trust by the grantee. It cannot in any event be sold, transferred, assigned or disposed of, without prior consent of the Town; provided, however, that no such consent shall be required for any transfer in trust, mortgage, or other hypothecation, as a whole, to secure an indebtedness or for any transfer by the franchisee to an affiliate or parent company. Said consent of the Town may not be arbitrarily withheld.

SECTION 5. DESIGN AND SERVICES PROVISIONS.

5.01 Service Modifications. The Town understands and agrees that the grantee may make reasonable changes in its basic service programming throughout the duration of this franchise, including additions, deletions, substitutions, or establishing tiers for different levels of service at different rates, consistent with the rules and regulations of the Federal Communications Commission. However, grantee agrees that any modification pursuant to this authority will not reduce the number of active channels to less than 20 channels.

5.02 Technical Requirements. Grantee shall construct and maintain a System that meets at least the technical standards applied to cable systems by the FCC. Procedures for testing the technical capacity of the System shall conform with the technical and testing standards applied to cable systems by the FCC. The results of any tests required by the FCC shall be filed annually.

5.03 Level of Services. Grantee's present program services are set forth in Exhibit A, but Grantee retains the right to delete, replace and/or rearrange programming at its discretion upon prior written notice to the Town during the Franchise Term.

SECTION 6. CONSTRUCTION PROVISIONS.

6.01 Service Area. All dwelling units within the Cable Service Territory will be provided with access to service from the System, provided that all such permission as may be required from the Owner of the property or any authorized person is reasonably available and that service to multiple dwelling units need be provided only on terms acceptable to Grantee. All annexed and newly developed areas with occupancy densities of more than thirty-five (35) homes per mile which are contiguous to the System will be provided with access to service within six (6) months from the time of obtaining necessary permits. In the event request is made for service by a resident living in an area not meeting such criteria, the Grantee may make such installation available to the requesting subscriber on a time and material cost basis.

6.02 Construction Requirements. Grantee may make use of existing poles and other facilities available to Grantee. Grantee may erect its own poles and install its own conduit, with approval of the Town, which approval shall not be unreasonably withheld. All poles and conduit installed within the Cable Service Territory shall be made available for attachment or use by Grantee to the extent possible, at just and reasonable rates applied to public utilities under the formula presently established in 47 U.S.C. Section 224.

In the case of new construction or property development where utilities are to be placed underground, the developer or property owner shall give Grantee reasonable notice of not less than thirty (30) days prior to such construction or development, and of the particular date on which open trenching will be available for Grantee's installation of conduit, pedestals and/or vaults, and laterals. Grantee shall also provide specifications as needed for trenching. The cost of trenching and easements required to bring service to and within the development shall be borne by the developer or property owner.

6.025 Construction Codes and Permits. Grantee shall obtain any required permits from Town, but without being required to pay a regular permit fee for same, before commencing construction involving the opening or disturbance of any street or public property. The Town shall cooperate with the grantee and use its lines, cables and other appurtenances on any street or public property in such manner as to cause no unreasonable interference with the usual and customary use of said street or public property by any person.

6.03 Repair of Streets and Public Property. Any and all Streets or Public Property which are disturbed or damaged during the construction, operation or maintenance of the System shall be promptly repaired by Grantee, at its expense and to the condition prior to the disturbance or damage.

6.04 Trimming of Trees. Grantee may cut or trim trees or vegetation interfering with National Electrical Safety Code and other clearance requirements.

6.05 Movement of Facilities. In the event it is necessary temporarily to move any of Grantee's wires, cables, poles, or other facilities placed pursuant to this Franchise, in order lawfully to move a large object, vehicle, building or other structure over the streets of Town, upon thirty (30) days prior notice by Town to Grantee, Grantee shall move at the expense of the person requesting the temporary removal such of Grantee's facilities as may be required to facilitate such movements.

6.06 Right-of-Way Changes. If at any time the Town shall require others to, or shall itself, improve, relocate or change any town road, right-of-way, or other town property subject to this franchise by grading or regrading, planking or paving the same, changing the grade, altering, changing, repairing or re-locating the same or by construction of drainage facilities, or in the event that such town road, right-of-way or other town property subject to this franchise shall become a primary state highway as provided by law, the grantee upon reasonable written notice from the Mayor of the Town or the Mayor's designee, or the Director of Highways, shall at its expense, immediately change the location or readjust the elevation of its cable television transmission and distribution lines and facilities so that such lines and facilities shall conform to such new grades or routes as may be established, without cost to the Town. The Town shall in no way be held liable for any damages to said grantee that may occur by reason of any of the Town or State's improvements, changes or works above enumerated.

SECTION 7. OPERATION AND MAINTENANCE.

7.01 Maintenance and Complaints.

A. Grantee shall maintain a local business office which shall be open during all usual business hours, and shall have a publicly-listed toll-free or

collect telephone number, so as to receive complaints and requests for repairs and adjustments. Calls received outside regular business hours may be routed to an answering service.

B. Grantee shall use its reasonable business efforts to render efficient service, make repairs promptly and interrupt service only for good cause. Unavoidable interruptions, insofar as possible, shall be preceded by notice and shall occur during period of minimum use of the System.

C. All employees of Grantee having regular contact with Customers shall be clearly identified as employees of Grantee.

7.02 Annual REports. Within one hundred twenty (120) days of the end of its fiscal year, and upon request, Grantee shall file with the Town:

A. A financial statement by Grantee's chief executive officer certifying its Gross Revenues for the preceding year.

B. A current list of names and addresses of Grantee's principal management personnel.

C. On request of the Town, copies of all public filings made with federal, state and local agencies with respect to the System.

7.03 Inspection. Town shall have the right to inspect during the normal business hours, the non-proprietary books and records of Grantee which relate to service within the Cable Service Territory; provided that, in order to protect the privacy of customers, inspection shall not include records of individual complaints. Grantee shall be given reasonable prior notice of the inspection request, the description of and purpose for the inspection and description of the books and records, the Town wishes to inspect.

7.04 Safety.

A. Grantee shall at all times take reasonable precautions for preventing failures and accidents which are likely to cause damage or injury to the public, to employees of Grantee, and to public or private property.

B. All lines, equipment and facilities within the Cable Service Territory shall at all times be kept and maintained in a safe and suitable condition and in good order and repair.

7.05 Customer Practices.

A. If any Customer fails to pay a properly due monthly customer fee, or any other properly due fee or charge, Grantee may disconnect the Customer's service outlet, provided, however, that such disconnection shall not be effectuated until (i) after fifteen (15) days after the due date of said delinquent fee or charge, or (ii) upon delivery to Customer of written notice of the intent to disconnect. After the first disconnection, upon payment in full of the delinquent fee or charge and the payment of a reconnection charge, Grantee shall reinstate the customer's cable service.

B. The Grantee may conduct promotional campaigns in which standard rates are uniformly discounted or waived.

C. The Grantee may make special contracts for non-profit charitable, educational, governmental and religious organizations.

D. The Grantee may offer bulk rate discounts for multiple dwellings, hotels, motels and similar institutions.

E. Grantee shall not deny service, deny access to its facilities, or otherwise discriminate against Customers on the basis of race, color, religion, national origin, sex or age.

F. Grantee shall comply with applicable federal law regarding the protection of privacy of Customers, including the collection, sale and release of information relating to Customers.

G. Grantee shall have authority to promulgate such rules, regulations, terms and conditions governing the conduct of its business as shall be necessary or appropriate to enable Grantee to operate under this Franchise.

7.06 Rates and Other Charges. The Town recognizes that Grantee operates the System in a competitive market in competition with other purveyors of information, entertainment and communication. The Town shall not regulate or oversee Grantee's rates, fees or charges.

SECTION 8. FRANCHISE FEE.

8.01 Amount. Grantee shall pay to the Town an annual Franchise fee in the amount of five per cent (5%) of Gross Revenues. The Franchise fees due hereunder shall be credited with all property taxes, fees or other assessments due as a result of the Grantee's use of the airspace above and/or the ground-space below the streets and Public Property. Franchise fees may be passed through to Customers as a line item on Customer invoices and otherwise.

8.02 Payment Periods. Payments due Town under this provision shall be submitted quarterly for the preceding period.

SECTION 9. REMEDIES.

9.01 Notice of Violation. Town shall provide Grantee with a detailed written notice of any Franchise violation upon which it proposes to take action, and a ninety (90) day period within which Grantee may demonstrate that a violation does not exist or cure an alleged violation, or if the violation cannot be corrected in said ninety (90) days, submit a plan satisfactory to the Town to correct the violation.

9.02 Default. If Grantee fails to disprove or correct the violation within ninety (90) days or, in the case of a violation which cannot be corrected in said ninety (90) days and Grantee has timely submitted a satisfactory plan, if Grantee fails to implement the plan within the time set forth therein, then Town may declare Grantee in default, which declaration must be in writing. In the event that the Town declares Grantee in default, the Town shall have the right to institute legal proceedings to collect damages from the date of default, or to exercise any other rights and remedies afforded to the Town in law or equity, provided, however, that the Town may institute revocation proceedings against Grantee only after declaration of default, pursuant to Section 9.05 and only on the grounds set forth therein.

9.03 Hearing. Within thirty (30) days after receipt of a written declaration of default from the Town, Grantee may request, in writing, a hearing before the Town in a full public proceedings affording due process. Such hearing shall be held within thirty (30) days of the receipt of the request therefore and a decision rendered within fifteen (15) days after the conclusion of the hearing. Any decision must be made by a majority vote of the Town Council, shall be in writing and shall be based upon written findings of fact.

9.04 Appeal of Default. Grantee may seek de novo judicial review of any declaration of default made pursuant to Section 9.03.

9.05 Revocation. The Town may revoke the Franchise only after declaration of fault and only for defaults by Grantee arising from the following circumstances:

A. Intentional material misrepresentation by Grantee to Town of information required to be provided under the Franchise.

B. Grantee becomes insolvent and such insolvency is not cured on notice within sixty (60) days of Grantee is judged bankrupt.

C. If grantee fails to pay franchise fees as provided in Section 8 hereof.

9.06 Procedures Governing Revocation.

A. The Town shall give written notice to the Grantee of its intent to revoke the Franchise and the lawful grounds therefor. Grantee shall have ninety (90) days from such notice to object, in writing, and to state its reasons for such objection.

B. In the event the Town does not receive a response satisfactory to it, the Town may then proceed to place its request for revocation of the Franchise at a council meeting. The Town shall serve upon the Grantee, at least ten (10) days prior to the time and place of such meeting, a written notice of its intent to request such revocation, and the time and place of the meeting. Notice shall also be published by the Town at least once, ten (10) days before such meeting in the Town's official newspaper.

C. At the designated meeting, the Grantee shall be afforded fair opportunity for full participation, including the right to introduce evidence, to require the production of evidence, to be represented by counsel, and to question witnesses. A transcript shall be made of any such proceeding.

D. Any decision to revoke shall be made by a majority vote of the Town Council, shall be in writing and shall be based upon written findings of fact. Grantee shall have the right to have such determination of revocation reviewed de novo, in a court of appropriate jurisdiction.

E. Any revocation hereunder shall become effective 60 days after publication of such revocation in the Town's official newspaper. Notwithstanding the foregoing, should judicial review of such revocation be sought pursuant to subsection E, hereof, revocation shall not be effective until such time as a final decision on the merits and not subject to appeal has been rendered.

9.07 Unauthorized Operations. It shall be unlawful for any Person to establish, operate or carry on the business of distributing to any Persons in the Cable Service Territory any television signals or radio signals by means of a System unless a franchise therefor has first been obtained pursuant to the provisions of this Ordinance, and unless such Franchise is in full force and effect.

9.08 Unauthorized Use.

A. No Person shall intercept, descramble, decode or receive or assist in intercepting, descrambling, decoding or receiving any signals from the System unless specifically authorized to do so by Grantee. "Assist in intercepting, descrambling, decoding or receiving" includes the distribution for unauthorized reception of signals over a System.

B. No Person shall tamper with, remove or injure any cable, wire or equipment used with the System unless specifically authorized to do so by the Grantee.

C. No Person shall intentionally deprive Grantee of a lawful charge for cable service.

D. No Person shall resell Grantee's cable services without Grantee's express, written consent.

E. A knowing violation of this section shall be punishable by a fine and/or jail sentence as provided by law.

F. A knowing violation of this Section shall be punishable by a fine not to exceed five hundred (\$500.00) dollars for each day of infraction.

G. If an authorized device designed to intercept, descramble or decode a cable television signal is present on the premises or property occupied and used by a Person, it is presumed that the Person knowingly used the device to intercept, descramble or decode cable signals. If an unauthorized cable connection is present on the premises or property occupied and used by a Person, it is presumed that the Person knowingly used the connection to intercept cable signals. If equipment of Grantee which has been tampered with, changed, or modified is present on the premises or property occupied by a Person, it is presumed that the Person knowingly used the equipment to intercept, descramble or decode cable signals.

H. Grantee has expressly reserved its applicable rights and remedies available in law or in equity.

9.09 Conditions of Access. In addition to the provisions of Section 4.01, no Person who owns or controls any residential multiple dwelling unit, trailer park, condominium or apartment complex or subdivision shall interfere with the right of any tenant or lawful resident thereof to receive service from the Grantee, nor demand or accept payment of any fee, charge or thing of value from Grantee or any tenant or resident in exchange for giving such tenant or resident access to service from the Grantee; provided, however, that an Owner may receive reasonable reimbursement for direct adverse economic impact of such access, if any, based upon evidence of diminution of investment-backed expectations, the impairment of the premises' usefulness, the amount of space occupied by the facilities of the system, the prior use, if any, of the

space, the continued physical availability of space on the premises for installation of alternative modes of television program reception or delivery, the difference in fair market value of the premises resulting from the installation of System facilities and other reasonable, nonspeculative factory excluding the hold-up value resulting from a landlord's monopoly control of such access. The aforesaid economic impact shall be rebuttably presumed to be a one-time charge of one dollar (\$1.00) per dwelling unit.

SECTION 10. INDEMNITY AND INSURANCE.

10.01 Indemnity. Grantee shall indemnify and hold harmless the Town at all times during the term of this Franchise from and against all claims for injury or damages to persons or property, both real and personal, caused by the construction, erection, operation, and maintenance of the System by Grantee, its officers, employees and agents.

10.02 Liability Insurance. The Grantee shall at all times during the existence of said franchise maintain in force, furnish and file with the Town, at its own expense, a general comprehensive liability insurance policy, in protection of the Town, its boards, commissions, officers, agents and employees, with a company authorized to do business in the State of Washington, protecting the Town and said persons against liability for loss or damages for personal injury, death and property damage occasioned by the construction, operation, and/or maintenance of the franchisee under said franchise, with minimum liability limits of ONE MILLION (\$1,000,000.00) DOLLARS for personal injury or death of any one person, and ONE MILLION (\$1,000,000.00) DOLLARS for personal injury of death of two or more persons in any one occurrence.

The policy mentioned in the foregoing paragraph shall name the Town as an additional insured.

10.03 Bond. Franchisee shall promptly repair or cause to be repaired any damage to Town property caused by franchisee or any agent of franchisee. Franchisee shall comply with all present and future ordinances and regulations regarding excavation or construction and if deemed necessary by the Town, shall be required to file a bond or other security in an amount not to exceed \$10,000 in favor of the Town, warranting that all restoration work will be done promptly and in a workmanlike manner.

SECTION 11. VARIANCE AND RENEWAL.

11.01 Variance. Applications for a variance to this Franchise, to accommodate a significant change in circumstances, to prevent unreasonable hardship to Grantee, or to permit technical variations which will satisfy the purpose of this Franchise, may be made by the Grantee to Town. Town shall review the application within thirty (30) calendar days, or earliest meeting of the Town Council, and shall issue a report of the findings of the Town and shall act on a request within thirty (30) days. Grantee may seek judicial review of any adverse determination or failure to act by the Town.

Also, the Town may request of the grantee a variance to this franchise. The grantee shall consider such request in a timely manner so long as such changes do not materially increase the burdens and obligations of the grantee nor materially diminish the rights of the grantee pursuant to this agreement.

11.02 Franchise Renewal.

A. This Franchise shall be renewed for a period of fifteen (15) years pursuant to the renewal procedures set forth in this Section.

B. During the six (6) month period which begins with the thirty-sixth (36th) month before the Franchise expiration, the Town may, on its own initiative, and shall at the request of the Grantee, commence proceedings for the purpose of:

- (1) Identifying the future cable-related community needs and interests;
- (2) Reviewing the performance of the Grantee under the Franchise during the then current Franchise term; and
- (3) Specifying the material to be submitted with a proposal for renewal.

Community needs and interests may not be established on the basis of facilities, equipment, or services which another party has indicated it is willing to provide. Such proceeding shall be completed within twelve (12) months of its commencement.

C. At any time after the thirty-sixth (36th) month before Franchise expiration, but not prior to completion of any ongoing proceeding under subsection B., the Grantee seeking renewal of the Franchise may, on its own initiative or as the request of the Town, submit a proposal for renewal.

D. (1) Upon submittal by the Grantee of a proposal to the Town for the renewal of the Franchise, the Town shall provide prompt public notice of such proposal and, during the four (4) month period which begins upon submittal of the renewal proposal but not later than on completion of any proceedings under subsection B., renew the Franchise or issue a preliminary assessment that the Franchise should not be renewed and, at the request of Grantee, or on its own initiative, commence an administrative proceeding to consider whether:

(a) The Grantee has substantially complied with the material terms of the existing Franchise and with applicable law;

(b) The quality of the Grantee's service, including signal quality, response to consumer complaints, and billing practices, but without regard to the mix, quality or level of cable services or other services provided over the System has been reasonable in light of community need.

(c) The Grantee has the financial, legal, and technical ability to provide the services, facilities, and equipment as set forth in the Grantee's proposal; and

(d) The Grantee's proposal is reasonable to meet the future cable-related community needs and interests, taking into account the cost of meeting such needs and interests. The Town may not declare Grantee's proposal unreasonable and deny renewal, nor may community needs be established, on the basis of facilities, equipment, or services which another party has indicated it is willing to provide.

(2) In any renewal proceeding, the Grantee shall be afforded adequate notice and the Grantee and the Town, or its designee, shall be afforded fair opportunity for full participation, including the right to introduce evidence, to require the production of evidence, and to question witnesses. A transcript shall be made of any such proceeding.

(3) A proceeding under this subsection shall be completed within twelve (12) months of its commencement, within which time the Town shall issue a written decision granting or denying the proposal for renewal based upon the record of such proceeding, and transmit a copy of such decision to the Grantee. Such decision shall state the reasons therefore.

E. Any denial of a proposal for renewal shall be based on one or more adverse findings made with respect to the factors described in subparagraphs (a) through (d) of subsection D1., pursuant to the records of the proceeding under subsection D. Town may not base a denial or renewal on a failure to substantially comply with the material terms of the Franchise under subsection D1. (a) or on events considered under subsection D1. (b) unless Town has provided Grantee contemporaneous written notice and the opportunity to cure, or in any case in which Town has waived its right to object, or has effectively acquiesced.

F. Grantee has expressly reserved its rights of appeal under federal and state law. In addition to such rights, this Franchise shall remain in effect at all times during which a renewal proceeding or appeal remains pending.

G. Notwithstanding the provisions of subsections B through E of this Section, Grantee may submit a proposal for the renewal of the Franchise at any time, and Town may, after affording the public adequate notice and opportunity for comment, grant or deny such proposal at any time (including after proceedings pursuant to this Section have commenced). The provisions of subsection B through E of this Section shall not apply to a decision to grant or deny a proposal under this subsection. The denial of a renewal pursuant to this subsection shall not affect action on a renewal proposal that is submitted in accordance with subsections B through E.

H. If Franchise is revoked for cause or renewal of Grantee's franchise is denied for cause, the Grantor may acquire an ownership interest in the System or by its actions effect a transfer of ownership of the System to another party. Any such acquisition or transfer shall be at fair market value for the System valued as a going concern.

SECTION 12. MISCELLANEOUS.

12.01 Severability. If any law, ordinance, regulation or court decision shall render any provision of this Franchise invalid, the remaining provisions of the Franchise shall remain in full force and effect.

12.02 Laws Governing. This Franchise shall be governed by and construed in accordance with the laws of the State of Washington and applicable federal laws.

12.025 Discounts.

A. Eligibility. The eligibility for the special rate considerations set forth in this section shall be limited to those customers who qualify as a "low income senior" or "low income disabled" under the Town's prevailing standards and procedures. As of the date of this Ordinance, "low income" shall mean a person whose annual gross income is Seven Thousand Dollars (\$7000.00) or less, as determined by the Town of Granite Falls. A senior citizen is defined as a person who is sixty-two (62) years of age or older. The low income senior must be the owner-occupant of a single family residence or the legally responsible lessee of a rental residential unit. A disabled citizen is defined as being considered a "disabled person" under the laws of the State of Washington having a permanent physical or mental impairment, disease or loss which substantially precludes said person from engaging in a useful occupation, job or employment. A low income disabled must be the owner-occupant of a single family residence or the legally responsible lessee of a rental residential unit.

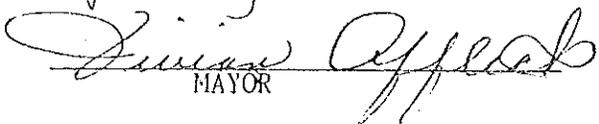
B. Basic Rates. Franchise will provide an 8.50% discount in basic rates to those eligible under Subsection 12 (a) above. In determining the amount of basic rate, the Franchisee may take into consideration bulk or other applicable rate discounts so that the total rate discount will not exceed 8.50% for any customer.

12.03 Force Majeure. In the event GRantee's performance of any of the terms, conditions, obligations or requirements of this Franchise is prevented or impaired due to any cause beyond its reasonable control, such inability to perform shall be deemed to be excused and no penalties or sanctions shall be imposed as a result thereof. Such causes beyond Grantee's reasonable control shall include, but shall not be limited to, Acts of God or public enemies, war (declared or undeclared) or armed conflict, riot or civil disturbance, labor disputes or strikes, inability to obtain personnel or material or facilities, any municipal ordinance, any state or federal law, governmental order or regulation or any thing or occurrence not within the Grantee's control.

12.04 More Favorable Terms. In the event that Town approves or permits a System to operate in the Cable Service Territory on terms and conditions more favorable than those contained in this Franchise, such more favorable terms shall be applicable in this Franchise.

12.05 Effective Date. This Franchise shall be effective when adopted, for the term set forth in Section 4.02.

Passed and adopted this 13 day of January, 1988.


MAYOR

Attest:

Arny James
Clerk

APPROVED BY TOWN COUNCIL: January 13, 1988
DATE OF PUBLICATION: January 22, 1988
EFFECTIVE DATE: January 22, 1988