

ORDINANCE NO. 16-05

AN ORDINANCE APPROVING THE ASSIGNMENT OF A NON-EXCLUSIVE TELECOMMUNICATION FRANCHISE

WHEREAS, the City of Astoria ("Grantor") granted to CoastCom, Inc., an Oregon corporation ("Grantee"), a franchise as set forth in Ordinance No. 16-03, dated March 21, 2016, to own and operate a telecommunications system in Astoria, Oregon (the "Franchise");

WHEREAS, on June 3, 2016, Grantee and Astound Broadband, LLC ("Assignee") entered into an Asset Purchase Agreement (the "Purchase Agreement") for the sale of the assets of Grantee, including the Franchise, to Assignee (the "Transaction"); and

WHEREAS, Grantee and Assignee submitted a letter to Grantor on or about July 22, 2016, requesting Grantor's consent to the assignment and transfer of the Franchise from Grantee to Assignee (the "Consent Request"); and

WHEREAS, Grantor has conducted a review of the qualifications of Assignee to hold the Franchise and own and operate the telecommunications network authorized by the Franchise; and

WHEREAS, based on its review, Grantor can find no reason to object to the transfer of this franchise.

THE CITY OF ASTORIA DOES ORDAIN AS FOLLOWS:

Section 1. Grantor hereby consents to the assignment of the Franchise from Grantee to Assignee effective upon the closing of the Transaction.

Section 2. Grantor confirms that: (a) the Franchise was duly issued to Grantee, is valid and enforceable in accordance with its terms, and is in full force and effect; (b) other than as set forth in this Consent and Approval, there have been no amendments or modifications to the Franchise; (c) to Grantor's knowledge, there are no defaults under the Franchise, and no event has occurred and is continuing which, with the giving of notice or passage of time, or both, could constitute a default thereunder; and (d) upon the closing of the Transaction, the duly authorized franchisee under the Franchise will be Assignee.

Section 3. Assignee may hereafter, without the need to obtain the prior consent of Grantor, from time to time pledge or grant a security interest in its assets, including but not limited to the Franchise, or of the ownership interests in Assignee, to any secured lender(s) solely for purposes of securing indebtedness (and not operational control).

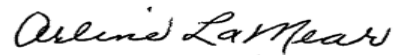
Section 4. The Franchise and this Consent and Approval were and are made, passed and adopted in accordance with all applicable notice and procedure requirements under all laws applicable to Grantor, and with all applicable notice and procedure requirements, and do not conflict with the laws, ordinances, resolutions and other regulations of Grantor, as presently in effect or as the same were in effect at the time the particular action was taken.

Section 5. Grantor's approval of the Consent Request and its consent to the assignment of the Franchise to Assignee shall be effective from and after its adoption and approval by the Grantor. Assignee shall notify the Grantor in writing upon the closing of the Transaction (the "Closing Date").

Section 6. Assignee, shall assume all obligations and liabilities (including any guarantee or surety) under the Franchise whether related to the period before or after the Closing Date. However this this not relieve Grantee from all obligations and liabilities to Grantor which may have arisen prior to the Closing Date.

ADOPTED BY THE CITY COUNCIL THIS 6TH DAY OF SEPTEMBER, 2016.

APPROVED BY THE MAYOR THIS 6TH DAY OF SEPTEMBER, 2016.



Mayor

ATTEST:



City Manager

ROLL CALL ON ADOPTION	YEA	NAY	ABSENT
Councilor Nemlowill	X		
Herzig	X		
Price	X		
Warr	X		
Mayor LaMear	X		