

CONSENT AND APPROVAL TO ASSIGNMENT OF FRANCHISE

Findings

WHEREAS the City of Newport ("Grantor") granted to CoastCom, Inc., an Oregon corporation ("Grantee"), a franchise as set forth in Ordinance No. 2053, dated July 15, 2013, to own and operate a telecommunications system in the City of Newport (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 June 23, 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 legal, technical and financial qualifications of Assignee to hold the Franchise and own and operate the telecommunications network authorized by the Franchise; and

WHEREAS, all written comments and staff reports have been received, and made a part of the record; and

WHEREAS, based on the foregoing, Grantor has concluded Assignee has established it meets the legal, technical and financial criteria to hold the Franchise and to operate the telecommunications network.

Based on these findings,

THE CITY OF NEWPORT CONSENTS, ACKNOWLEDGES AND AGREES AS FOLLOWS:

- Section 1. Grantor hereby approves the Consent Request and consents to the transactions contemplated by the Purchase Agreement and 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: (a) assign or transfer its assets, including the Franchise, provided however, that such assignment or transfer is to a parent or subsidiary of Assignee or another entity under direct or indirect control of the parent of Assignee; (b) restructure its debt or change the ownership interests among its equity participants, and/or its affiliates; (c) 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) for purposes of securing indebtedness.

- 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.

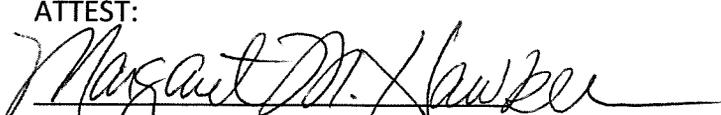
- Section 5. Grantor's approval of the Consent Request and its consent to the assignment of the Franchise to Assignee shall be effective from and after its adoption and approval by the Grantor. Assignee shall notify the Grantor in writing upon the closing of the Transaction (the "Closing Date").

- Section 6. To facilitate the transaction contemplated by Grantee and Assignee, Grantor hereby waives the sixty (60) day notice period set forth in Section 11.1 of the Franchise.

- Section 7. Grantor releases Grantee, effective upon the Closing Date, from all obligations and liabilities (including any guarantee or surety) under the Franchise related to the period on and after the Closing Date; and Assignee shall be responsible for any obligations and liabilities under the Franchise related to the period on and after the Closing Date.

Adopted by the Newport City Council on July 18, 2016.

CITY of NEWPORT, OREGON
 By: Ted Smith
 Name: Ted Smith
 Title: Acting City Manager

ATTEST:

 Margaret M. Hawker, City Recorder