

DRAFT DATED 9-20-19

AGREEMENT

THIS AGREEMENT (“Agreement”) is made and entered into as of the ____ day of _____, 2019 between Redmond, Washington (the “City”), Frontier Communications Northwest Inc. (“Franchisee”) and Northwest Fiber, LLC (“Northwest Fiber”), sometimes hereinafter referred to collectively as the “Parties”.

RECITALS:

WHEREAS, Franchisee is duly authorized to operate and maintain a cable system in the City pursuant to an agreement dated September 2, 2008 by and between the City and Frontier (the “Franchise”);

WHEREAS, Northwest Fiber and Frontier Communications Corporation and Frontier Communications ILEC Holdings LLC (hereinafter, these two Frontier entities are referred to together as “Frontier”) have entered into a Purchase Agreement dated as of May 28, 2019 (the “Purchase Agreement”), pursuant to which Northwest Fiber will acquire Franchisee, the cable franchisee in the City, resulting in a change in control of Franchisee (the “Change In Control”);

WHEREAS, Frontier and Northwest Fiber have requested that the City consent to the Change In Control, and in accordance with the requirements of the Franchise and federal law, Frontier and Northwest Fiber have filed an FCC Form 394 together with Exhibits and related materials on July 22, 2019 (all hereinafter collectively the “Application”) with the City and the City has relied on the Application and the supplemental information in the “Response” dated August 16, 2019 provided by Frontier and Northwest Fiber through the request for information process undertaken by the City in making its decision to now consent to the Change In Control;

WHEREAS, the City is willing to consent to the Change In Control, subject to the closing of the Change In Control (the “Closing”), and the appropriate approvals (if any) by the state and federal regulatory entities;

WHEREAS, Franchisee and Northwest Fiber hereby agree to unconditionally be bound by the terms of this Agreement and the Franchise and to comply with any other agreements existing between Franchisee and the City; and

WHEREAS, the City is willing to consent to the Change In Control subject to the terms and conditions enumerated below.

NOW, THEREFORE, IN CONSIDERATION OF THE FOLLOWING MUTUAL COVENANTS, TERMS AND CONDITIONS, THE PARTIES AGREE AS FOLLOWS:

The City hereby consents to the Change In Control in accordance with the terms of applicable law, subject to the following conditions:

1. The City, by and through its City Council, hereby consents to and approves the Change In Control effective upon the Closing of the transactions contemplated by the Purchase Agreement and the continuation of Franchisee's obligations under the Franchise, to the extent that such consent is required by the terms of the Franchise and applicable law.
2. In all respects and without exception, Franchisee up until the Closing agrees to continue to abide by all terms and provisions of the Franchise and acknowledges that the Change In Control will not affect, diminish, or impair its obligations arising up until the Closing and Franchisee shall continue to meet its Franchise Fee and other obligations under the Franchise which arise prior to the Closing even if the responsibility for them require Franchisee to make payment after the Closing. From and after the Closing, Franchisee shall continue to comply with each and every term of the Franchise and all related applicable federal and state laws, lawful orders, amendments and regulatory actions.
3. The City's consent to the Change In Control shall not be construed to constitute a waiver or release of any rights the City may have now or in the future under federal, state or local law, the Franchise or any separate written agreements with Franchisee. Upon the Closing, Franchisee shall remain responsible for any and all Franchise requirements and obligations.
4. The Change In Control of Franchisee between Frontier and Northwest Fiber shall be substantially and materially consistent with the Application and the supplemental information provided by Frontier and Northwest Fiber in the Response through the request for information process undertaken by the City.
5. The Change In Control shall be contingent upon and take effect only upon the consummation of all of the transactions contemplated by the Purchase Agreement and upon Northwest Fiber's submission to the City, pursuant to the Franchise, of the Letter of Credit, Bonds if required, Insurance Certificate and the written agreement by both Franchisee and Northwest Fiber below evidencing Franchisee's and Northwest Fiber's agreement to be bound by the terms of this Agreement.
6. Franchisee agrees that it shall pay to the City all Franchise Fees and other accrued permit and other fees owed under the Franchise for the period up until the date of Closing. Payment of these amounts shall be made within thirty (30) days following the date of Closing.
7. Franchisee and Northwest Fiber agree they shall be responsible for the payment of all Franchise Fees owed to the City and all of the obligations and liabilities under the Franchise for the period from and after the date of Closing.

8. In the event that the Change In Control which is the subject of this Agreement does not occur for any reason; or in the event approval is not granted by the state and appropriate federal regulatory entities (to the extent any such approval is required), or in the event that the Change In Control or Closing occurs on terms substantially or materially different from the terms described in the Application and Response provided by Frontier and Northwest Fiber that is relied upon by the City; then the consent provided for herein shall be null and void, and the City shall be deemed to have disapproved the Change In Control under the Franchise and federal law, and all remedies under the Franchise and applicable laws shall be available to the City. In the event that the Change In Control or Closing does not occur before May 28, 2020, Frontier and Northwest Fiber will provide notice of such circumstance to the City and an update of the reasons for such a delay in Closing or the Change In Control process.
9. By consenting to the Change In Control, the City does not waive or release any claim or issue of non-compliance it may have, known or unknown, now or in the future, against Franchisee or Northwest Fiber.
10. The City's consent to this Change In Control in no way affects the rights and obligations of the City or Franchisee with respect to the Franchise and the cable system affected thereby.
11. This Agreement shall have the force of a continuing agreement with Franchisee and Northwest Fiber and the City shall not amend or otherwise alter this Agreement without the written consent of Franchisee and Northwest Fiber.
12. If any section, sentence, clause or phrase of this Agreement shall be held to be invalid or found to be unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this Agreement.

[signature page follows]

IN WITNESS WHEREOF, this Agreement is signed in the name of Redmond, Washington this _____ day of _____, 2019.

REDMOND, WASHINGTON

By: _____
Title: _____

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

Accepted and approved this __ day of _____, 2019.

FRONTIER COMMUNICATIONS NORTHWEST INC.

ATTEST:

Title: _____

By: _____
Title: _____

Accepted and approved this __ day of _____, 2019.

NORTHWEST FIBER, LLC

ATTEST:

Title: _____

By: _____
Title: _____