

TOWN OF WOODWAY

ORDINANCE NO. 19-605

AN ORDINANCE OF THE TOWN OF WOODWAY, WASHINGTON, APPROVING THE CHANGE OF CONTROL OF FRONTIER COMMUNICATIONS NORTHWEST, INC., WITH CONDITIONS AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, on August 18, 2008, the Town of Woodway (the "Town") adopted Ordinance No. 08-496 granting a nonexclusive cable franchise to Verizon Northwest Inc., to operate a cable system (the "System") within the Town limits of the Town of Woodway, with an effective date of August 26, 2008 (the "Franchise"); and

WHEREAS, on November 16, 2009, the Town adopted Ordinance No. 09-515 approving the transfer of control of Verizon Northwest Inc., from Verizon Communications Inc. (its parent entity) to Frontier Communications Corporation; and

WHEREAS, Frontier Communications Corporation changed the name of the franchisee Verizon Northwest Inc., to Frontier Communications Northwest Inc., (the "Franchisee") which is the duly authorized holder of the Franchise; and

WHEREAS, on May 28, 2019, Northwest Fiber, LLC ("Northwest Fiber") entered into an agreement (the "Purchase Agreement") with Frontier Communications Corporation and its wholly-owned subsidiary Frontier Communications ILEC Holdings, LLC (together "Frontier") in order to acquire control of the Franchisee, among other Frontier controlled entities (the "Transaction"); and

WHEREAS, pursuant to the Purchase Agreement, Franchisee will become a direct, wholly-owned subsidiary of Northwest Fiber; and

WHEREAS, Northwest Fiber has requested that the Town consent to the Transfer and, in accordance with the requirements of the Franchise and federal law, Northwest Fiber has filed an FCC Form 394, together with Exhibits and related materials (all hereinafter collectively the "Application") with the Town; and

WHEREAS, Section 11 of the Franchise requires that the Franchisee obtain the consent of the Town for any change of control, including such change of control that will occur as a result of this Transaction; and

WHEREAS, the consent of the Town to the change of control that will occur as a consequence of the closing of the Transaction shall not constitute a waiver or release of any rights the Town or Franchisee may have under the Franchise; and

WHEREAS, the Town is willing to consent to the change of control, subject to the closing of the Transaction between Northwest Fiber and Frontier and the appropriate approvals by the Washington State Utilities and Transportation Commission and federal regulatory entities; and

WHEREAS, Northwest Fiber, who will become the parent company of Franchisee, has agreed to continue to unconditionally accept the terms of the existing Franchise and to comply with any other agreements existing between the Franchisee and the Town; and

WHEREAS, the Town Council deems it to be in the public interest to grant the requested consent; NOW THEREFORE,

THE TOWN COUNCIL OF THE TOWN OF WOODWAY, WASHINGTON
DO ORDAIN AS FOLLOWS:

Section 1. The Town hereby consents to the change of control that will occur as a consequence of the closing of the Transaction and in accordance with the terms of applicable law, subject to and contingent on the fulfillment of the conditions set forth in Section 2 hereof:

Section 2. Section 1 of this Ordinance is contingent on the fulfillment of the following condition: Northwest Fiber shall acknowledge that the change of control will not affect, diminish, impair or supersede the binding nature of the Franchise and any other ordinances, resolutions, side letters and agreements, if any, applicable to the operation of the System in the Town. Further, Northwest Fiber shall acknowledge that the Franchisee shall remain responsible for any and all non-compliance issues, if any, under the Franchise and any other ordinances, resolutions, side letters, and agreements, if any, applicable to the operation of the System in the Town that may have arisen prior to, or that may arise contemporaneous with, or after, the closing of the Transaction.

Section 3. The Franchise shall remain in full effect through the remainder of the Franchise term. The Transaction and the Town's consent to the change of control do not modify the terms of the Franchise. Franchisee remains responsible for any obligations and liabilities under the Franchise. The Town's consent to the change of control shall not be construed to constitute a waiver or release of any rights the Town may have now, or in the future, under federal, state or local law, the Franchise, or any separate written agreements or side letters, if any, between the Town and the Franchisee that relate to the Franchise.

Section 4. By consenting to this change of control, the Town expressly reserves and does not waive or release any rights of the Town in and to the rights-of-way as provided by state

law and the Woodway Municipal Code, nor does the Town waive or release any claim or issue of non-compliance it may have, known or unknown, now or in the future related to the Franchise.

Section 5. Written acknowledgement as provided in Section 2 shall be filed by Northwest Fiber with the Town Clerk within thirty (30) days of the date of the closing of the Transaction. If any of the construction and completion bonds, security funds or insurance are amended as a result of the change of control, then Northwest Fiber shall file with the Town Clerk such revised bonds, security funds or evidence of insurance within thirty (30) days of the date of the closing of the Transaction. This provision in no way permits Northwest Fiber to operate the System under the Franchise without bonds, security funds and insurance in place.

Section 6. Northwest Fiber or Franchisee may change the name or legal form of the Franchisee subsequent to the passage of this Ordinance.

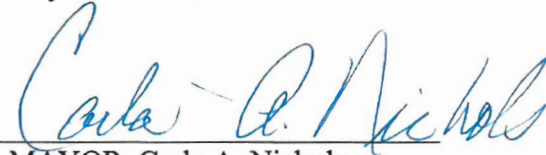
Section 7. If any section, sentence, clause or phrase of this Ordinance shall be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this Ordinance.

Section 8. In the event that the Transaction does not close for any reason; or in the event approval is not granted by the Washington State Utilities and Transportation Commission and appropriate federal regulatory entities, or in the event that the Transaction closes on terms substantially or materially different from the terms described in the Application and supplemental written information provided by Frontier and Northwest Fiber that is relied upon by the Town, or Northwest Fiber does not provide the Statement of Acknowledgement; then the consent provided for herein shall be null and void, and the Town shall be deemed to have

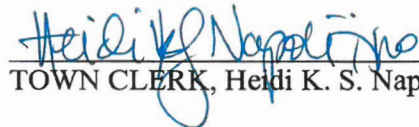
disapproved the change of control under the Franchise and federal law, and all remedies under the Franchise and applicable laws shall be available to the Town. In the event the Transaction does not close before May 28, 2020, Northwest Fiber and Frontier will provide notice of that event to the Town as well as an update on the reasons for such a delay in closing or notice of the termination of the Transaction.

Section 9. This Ordinance, or a summary thereof, consisting of the title shall be published in the official newspaper of the Town, and shall take effect and be in full force five (5) days after publication.

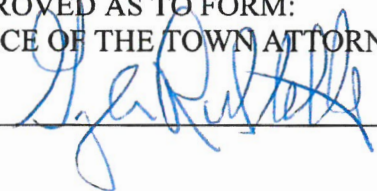
PASSED by the Town Council of the Town of Woodway this 4th day of November 2019. Signed by the Mayor on this 5th day of November 2019.


MAYOR, Carla A. Nichols

ATTEST/AUTHENTICATED:


TOWN CLERK, Heidi K. S. Napolitano

APPROVED AS TO FORM:
OFFICE OF THE TOWN ATTORNEY:

By: 

PASSED BY THE TOWN COUNCIL: 4 Nov 2019
PUBLISHED: 7 Nov 2019
EFFECTIVE DATE: 12 Nov 2019

STATEMENT OF ACKNOWLEDGEMENT

WHEREAS, the Town Council of the Town of Woodway, Washington, has acknowledged the pending transaction (the "Transaction") between Frontier Communications Corporation, the parent company of Frontier Communications Northwest, Inc. ("Franchisee"), and Northwest Fiber LLC ("Northwest Fiber") and has consented to the resulting change of control of the Franchisee, the holder of the cable franchise (the "Franchise") issued by the Town to the Franchisee as Ordinance No. 19-605

NOW, THEREFORE, Northwest Fiber, hereby acknowledges said Franchise and any side letter agreements or ancillary agreements and all the terms and conditions thereof, and files this, its written acknowledgement of the change of control of the Franchisee.

Northwest Fiber hereby acknowledges that the change of control will not affect, diminish, impair or supersede the binding nature of the Franchise and any other ordinances, resolutions, and agreements, if any, applicable to the operation of the System in the Town. Northwest Fiber hereby agrees that, Franchisee will comply with the Franchise, and subject to the Franchise, the Woodway Municipal Code and all applicable federal and state laws, lawful orders, contracts, agreements, commitments, and regulatory actions. Northwest Fiber affirms that all bonds, security funds and insurance required by the Franchise remain in full effect and in place or will be replaced consistent with the requirements of the Franchise. Further, Northwest Fiber acknowledges that the Franchisee shall remain responsible for any and all non-compliance issues, if any, under the Franchise and any other ordinances, resolutions, and agreements, if any, applicable to the operation of the System in the Town that may have arisen prior to or that may arise contemporaneous with or after the closing of the Transaction.

This Statement of Acknowledgement is contingent upon the consummation of the Transaction.

IN TESTIMONY WHEREOF, Northwest Fiber, has caused this written Statement of Acknowledgement to be executed in its name by its duly authorized officer on this 14th day of November, 2019.

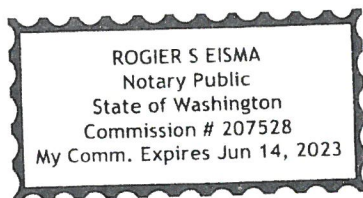
NORTHWEST FIBER LLC

By: [Signature]
Name Printed: Byron E. Snipes, Jr.
Title: General Counsel
November 14, 2019

STATE OF WA)
)ss.
COUNTY OF King)

I certify that I know or have satisfactory evidence that Byron E Springer Jr is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the General Counsel of Northwest Fiber LLC, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: 11 / 14 / 2019



Printed: Rogier S Eisma
Notary Public in and for WA,
My appointment expires: 6 / 14 / 23

Received by the Town of Woodway on 14 NOVEMBER, 2019.

By: Heidi K. Napolitano
Town Clerk
HEIDI K. S. NAPOLITANO