

ACCEPTANCE

January 21, 2014

Auditor of the City of Portland
City Hall Room 140
1221 SW 4th Avenue
Portland, Oregon 97204

This is to advise the City of Portland, Oregon that LCP Oregon Holdings, LLC hereby accepts the terms and provisions of Ordinance No. 186387, passed by the Portland City Council on December 18, 2013, **Consent to franchise transfer from Paramount of Oregon, LLC to LCP Oregon Holdings, LLC for pipeline facilities (Ordinance; Transfer Ordinance No. 180378)**, and in consideration of the benefits received thereunder by the corporation, LCP Oregon Holdings, LLC hereby agrees to abide by and perform each and all of the applicable terms and provisions thereof.



David J. Schulte, President

David J. Schulte
President
LCP Oregon Holdings, LLC
4200 W. 115th Street, Suite 210
Leawood, KS 66211

Approved as to form: APPROVED AS TO FORM


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1/27/14

City Attorney

CITY ATTORNEY

*When an acceptance is signed by an officer of a firm or corporation, his or her official title must be stated.

Andrew Bergman
Attorney

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Kansas City, MO 64112
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January 23, 2014

VIA FEDERAL EXPRESS

Toni Anderson, Deputy Auditor
City of Portland
1221 SW 4th Ave, Room 140
Portland, OR 97204-1900

Re: LCP Oregon Holdings, LLC Acceptance of Franchise

Dear Ms. Anderson,

Further to my email to you on January 23, 2014, enclosed is the original, executed version of LCP Oregon Holdings, LLC's Acceptance of the Franchise under Ordinance No. 186387. Please let us know if you require anything further.

Best regards,



Andrew T. Bergman
Attorney

ORDINANCE No. 186387

Consent to franchise transfer from Paramount of Oregon, LLC to LCP Oregon Holdings, LLC for pipeline facilities (Ordinance; transfer Ordinance No. 180378)

The City of Portland ordains:

Section 1. The Council finds:

1. By Ordinance No. 180378, effective October 15, 2006, the City of Portland granted Paramount of Oregon, Inc. a franchise to construct, operate and maintain pipeline facilities for a period of ten years.
2. Portland City Charter Section 10-216 provides that no franchise shall be sublet or assigned, nor shall any of the franchise rights or privileges be leased, assigned, sold or transferred, without the consent of the City expressed by non-emergency ordinance. Section 14.1(A) of the franchise states that the franchise shall not be assigned or transferred, except to an affiliate of the franchisee, without the prior written consent of the City as expressed by ordinance, which consent shall not be unreasonably delayed or withheld.
3. In 2006, Paramount of Oregon, Inc. merged with and into its affiliate Paramount of Oregon, LLC.
4. LCP Oregon Holdings, LLC, a Delaware limited liability company, has entered into an agreement under which it will acquire the assets of Paramount of Oregon, LLC, including, but not limited to, all the pipeline system of Paramount of Oregon, LLC underlying the City streets. The parties have informed the City that the transaction is scheduled to close on November 20, 2013.
5. The two companies have asked that the Council provide consent to the transfer of the existing franchise and pipeline system under the City streets to LCP Oregon Holdings, LLC.
6. Staff has reviewed available information and determined that LCP Oregon Holdings, LLC appears to have the technical, legal and financial ability to meet the obligations of the franchise.
7. Staff recommends that the Council provide its consent to the proposed transfer of Ordinance No. 180378 to LCP Oregon Holdings, LLC.


NOW, THEREFORE, the Council directs:

- a. Pursuant to Portland City Charter Section 10-216 and Section 14 of Ordinance No. 180378, consent is hereby given to the transfer of the franchise and pipeline system under the City streets to LCP Oregon Holdings, LLC.

186387

- b. Effective upon the closing of the acquisition, LCP Oregon Holdings, LLC will be responsible for performing, complying with and assuming all of the covenants, duties, obligations and liabilities under Ordinance No. 180378, including the provision of insurance and bonds required under the existing franchise. In response to the written notice of proposed transfer received by the City, the City may request additional documentation for clarification of any questions regarding assumption of the franchise obligations and responsibilities for future performance of such obligations. Within 30 days after the closing of the acquisition, LCP Oregon Holdings, LLC shall provide certificates of insurance and bonds, naming LCP Oregon Holdings, LLC and the City as required under Ordinance No. 180378.
- c. Within 30 days after the closing of the acquisition, LCP Oregon Holdings, LLC shall file in the Office of the Auditor of the City of Portland a written acceptance of this ordinance meeting the approval of the City Attorney. Such acceptance shall be unqualified and shall be construed to be an acceptance of all the terms, conditions and restrictions contained in this ordinance and Ordinance No. 180378. A failure on the part of LCP Oregon Holdings, LLC to file such written acceptance within such time shall be deemed a rejection and abandonment, and this ordinance shall thereupon be null and void.

Passed by Council, DEC 18 2013
Mayor Charlie Hales
Prepared by Li/Walters
November 14, 2013

LaVonne Griffin-Valade
Auditor of the City of Portland
By 
Deputy