

South Bay Cities Council of Governments

August 28, 2025

TO: SBCCOG Board of Directors

FROM: Jacki Bacharach, Executive Director

SUBJECT: Rescission of Resolution 2025-1

BACKGROUND

At the April 24, 2025 SBCCOG Board of Directors meeting, Resolution 2025-1 was adopted. This resolution provided SBCCOG's approval of the sale of American Dark Fiber's South Bay Fiber Network Assets and the assignment of the Amended and Restated Master Services Agreement (ARMSA) to Fabric Networks Inc., the California-based affiliate of Rigstar Communications Inc. The Board approval was made subject to several conditions, including Rigstar/Fabric providing satisfactory evidence of funding and staffing.

In the ensuing weeks after this Board action was taken, discussions continued and in late June, Rigstar/Fabric informed staff that they did not have the financing that they had anticipated and were not going to be able to obtain it. They informed us that as a consequence, they were not going to close the purchase or fulfill certain conditions in the resolution.

American Dark Fiber assured us that they would fulfill their obligations under the ARMSA to provide uninterrupted service and would continue pursuing another operator in collaboration with the SBCCOG.

RECOMMENDATION

That the SBCCOG Board of Directors approve Resolution 2025-2 rescinding the previously adopted resolution approving the sale of the network and assignment of the ARMSA.

RESOLUTION NO. 2025 –2

**A RESOLUTION OF THE SOUTH BAY CITIES COUNCIL OF GOVERNMENTS
RESCINDING RESOLUTION NO. 2025-1**

RECITALS

A. On April 24, 2025, the Board of Directors of the South Bay Cities Council of Governments approved Resolution No. 2025-1, approving the sale of American Dark Fiber's South Bay Assets and the Assignment of the Amended and Restated Master Services Agreement to Fabric Networks, Inc.

B. Subsequent to adoption of Resolution No. 2025-1, Fabric Networks, Inc. withdrew from the transaction.

NOW, THEREFORE, the Board of Directors of the South Bay Cities Council of Governments does hereby resolve and order as follows:

Section 1. Resolution No. 2025-1 is hereby rescinded in its entirety and of no further force and effect.

PASSED, APPROVED AND ADOPTED by the South Bay Cities Council of Governments Board of Directors this ____ day of April 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Bernadette Suarez, Chair

Jacki Bacharach, Board Secretary