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Ralphine N. O'Rourke, Esq.
Primmer, Piper, Eggleston & Cramer, PC
30 Main Street
Suite 500
PO Box 1489
Burlington, VT 05402-1489

RE: City of Burlington
LOI's for Burlington Telecom

Dear Ralphine:

I have been engaged to review the three LOI's (Letter of Intent) from Ting/Tucows, Schurz Communications, Inc. and Keep BT Local (KBTL) for the financial components and to assess the financial strength of the three companies.

- Purchase Price Offer:

Ting/Tucows	27.5 Million
Schurz Communications, Inc.	30.8 Million
Keep BT Local	12.0 Million

Considerations in regards to Purchase Price:

Ting/Tucows

- .5M increase in price if FY 2018 EBITDA reaches 4.25M
- Offer does not specify what assets are being bought or what liabilities are being assumed
- Cash Offer

Schurz Communications, Inc.

- Offer could increase if 2018 EBITDA is in excess of plan

- Offer assumes FY 2018 capital budget of 2.5 Million will be continued to be worked on and any shortfall in FY 2018 would be recouped.
- Assumes cash balance left in company at zero and working capital (current assets less current liabilities) will be zero
- Cash offer

Keep BT Local

- Offer is to purchase 87.5% of company
- Offer is assuming 10 Million in long-term financing at 14% interest rate.
- City of Burlington would own 12.5%
- Assumes cash balance left in company at zero and current assets and current liabilities would be assumed.
- Cash and minority interest offer

Other financial consideration

Ting/Tucows

- They will be responsible for moving out Memorial Auditorium at an estimated cost of \$800,000
- \$250,000 to be spent on BTV Ignites and alike
- Minority interest available to City of Burlington
- They would retain first right of refusal for sale of City of Burlington minority interest

Schurz Communications, Inc.

- No financing contingencies
- Committed to spending 6.2 Million to 8.84 Million in capital expenditures between FY 2019 and FY 2021 without and dilution of minority ownership
- City of Burlington can maintain up to 33.3% interest in company

Keep BT Local

- Need to negotiate 10 year pricing structure
- After acquisition all Burlington subscribers of BT would become member/owners
- Need 5 year option on 200 Church Street

The financial strength and history of both Ting/Tucows and Schurz Communications are strong. These two companies have been around for 24 and 145 years respectively. Keep BT Local is a new company.

I would be more than happy to discuss an aspects of this analysis and the financial strength and weakness of the companies in detail if that is requested or needed.

Sincerely,

Jeffery D. Small, CPA/ABV, CVA, CFF

A handwritten signature in blue ink, appearing to read 'Jeffery D. Small', is written over the typed name. The signature is fluid and cursive, with a large loop at the beginning and a long tail extending to the right.