

RAYMOND C. PECOR III
King Street Dock
Burlington, VT 05401

June 9, 2014

City of Burlington, Vermont
d/b/a Burlington Telecom
149 Church Street
Burlington, VT 05401

RE: Burlington Telecom Financing

Ladies and Gentlemen:

Reference is made to the Commitment Letter dated March 21, 2014 (the "Commitment Letter") between Raymond C. Pecor III and the City of Burlington. The Commitment Letter contemplates that Raymond C. Pecor III will form a special purpose entity to be the lessor under the financing lease transaction set out in the Commitment Letter.

The Commitment Letter, and the current draft of the Management and Sale Agreement (the "Management and Sale Agreement"), proposed to be executed at closing of the financing lease described in the Commitment Letter, provide for the subsequent sale of the Telecom System.

The City has a period of time within which to find a qualified purchaser. The Commitment Letter and the Management and Sale Agreement both provide that the lessor may give pre-approval in order to facilitate the City's sale of the Telecom System. This letter constitutes such pre-approval and consent, and is provided by the undersigned both individually and on behalf of the special purpose entity to be formed to implement the financing lease transaction and to be the "lessor" under the financing lease. Closing of the sale of the Telecom System, and the allocation of proceeds of such a sale, shall be subject to, and as set forth in, the Management and Sale Agreement.

The undersigned hereby agrees as follows:

1. If the City finds a qualified purchaser that is prepared to pay a purchase price of at least [REDACTED] for the Telecom System, with at least [REDACTED] of such purchase price paid in cash at the closing of the sale, the lessor's consent shall be deemed given and the City shall not be required to seek any further consent from the lessor. As set forth in the Management and Sale Agreement, the lessor will then cooperate with the City to close such sale. In the event a

proposed sale of the Telecom System is for a purchase price of less than [REDACTED] then the City shall be required to obtain further consent from the lessor.

2. If the City finds a qualified purchaser that is prepared to pay a purchase price of at least [REDACTED] for the Telecom System, but the purchase price will be paid as an installment purchase with less than [REDACTED] of the purchase price paid in cash at the closing of the sale, then the City shall be required to obtain further consent from the lessor; *provided, however*, that if the City agrees to accept part or all of the City's share of sale proceeds on a deferred basis so that the lessor's share of the sale proceeds to be paid to the lessor in cash at closing would not be reduced by reason of the purchaser's deferred cash payment of the purchase price, the lessor's consent shall be deemed given and the City shall not be required to seek any further consent from the lessor.

3. In addition, in the event a proposed sale of the Telecom System is for a purchase price of at least [REDACTED], with at least [REDACTED] of such purchase price paid in cash at the closing of the sale, an amount equal to the Initial Account Balance of [REDACTED], deposited by the City in the Operating Fund pursuant to the terms of the Management and Sale Agreement, may be returned to the City from the sale proceeds, in accordance with the schedule of payment priority set forth in the Management and Sale Agreement.

The undersigned consents and agrees that the City may file this preapproval letter with the Vermont Public Service Board in the proceeding seeking approval of the financing lease transaction, and joins in the City's request that this preapproval letter be filed under seal and that its contents be treated as confidential.

Sincerely,

Raymond C. Pecor, III