Introduction

The Keep Burlington Telecom Local Cooperative (KBTL) was formed in 2013 for the sole purpose of acquiring Burlington Telecom (BT). At present, we have no officers or employees and are working as a dedicated group of Burlington residents, including a six-member Board of Directors who have met regularly since 2013.

As detailed below, the cooperative is a group of over 500 residents of Burlington. Our vision for Burlington Telecom is that it remain under local control – we built it, it's ours.

Since bids for BT were first submitted this summer and narrowed to two bidders in October, we have worked with city and BT officials.

In October and early November, we attempted to form a joint venture with one or more of the other bidders but were unsuccessful. The reason is simple. The ultimate goals of a cooperative and that of a commercial for profit enterprise are incompatible.

We don't want to be misunderstood here, we are not against for-profit businesses; our view is that the cooperative model is best for BT and the residents of Burlington. Hence, the KBTL cooperative is patterned after other successful cooperatives in Vermont: Onion River Coop, Vermont Electric Coop, Cabot Creamer, and many credit unions.

A summary of the changes to our specific proposal follows:

- I. Carried Interest or cash for City and Citibank for the 'base' purchase offer of \$12M
 - a. City can take a carried interest in Burlington Telecom, cash, or a combination of the two,
 - b. Citibank will be give the same two options through Burlington's share
 - c. All spreadsheets assume that both City and Citibank take cash
 - d. See the document (1) KBTL Offer.docx and (2) Business Plan.docx for further information
- II. Increase in our offer from \$12M to \$18M
 - a. Based on \$6M in equity to be raised. If we raise at least \$1.5M this will replace the preferred equity we are raising via Milk Money VT. If we are unable to raise \$6M in equity we will offer notes (or optionally carried interest) to each of City; Citibank; Blue Water Holdings, LLC; and Dorman & Fawcett. If these parties cannot agree on a mixture of notes, carried interest, and cash using the total cash, notes, and carried interest that comprise our \$18M offer, we are willing to reduce our offer, if needed to \$12M, to satisfy these parties needs to avoid notes and/or carried interest.
 - b. We include three versions of a pro-forma to support these options.
 - i. (10) Pro-Forma and Financing 18M Equity: assumes we raise \$6M in new equity
 - ii. (10) Pro-Forma and Financing 18M Notes: assumes we use preferred equity from Milk Money and \$5M in notes.
 - iii. (10) Pro-Forma and Financing 12M: assumes that no parties will accept notes or carried interest so our offer is limited to \$12M.

III. Contracts

- a. School Contract—accept with the existing contract in place that is in the due diligence data room.
- b. City Contract—we still need to see the contract that is being negotiated, but we expect that we can accept this.

IV. Maine Fiber Company

a. See (12) Notes to Revised Pro-Forma.docx to Pro-forma document to see a discussion of the changes as well as well as the Pro-forma spreadsheets.

V. Working Capital improvement

- a. We include a loan for \$1.5M from the Vermont Economic Development Authority (VEDA); this is a 15 year loan at an interest rate under 4%. The loan is in review; additional details are in the financing section of the business plan.
- b. We will enter into a guaranteed LOC for working capital. LOC to be provided by a financial institution and guaranteed by a third-party deposit with the institution. LOC will be at least \$1,000,000.

VI. Investing in the Tech Economy

- a. Increased the direct payments to BTV Ignite to \$50,000 beginning in FY 2019.
- b. Support targeted technical training and co-working spaces that develop skilled workers for the tech economy
- c. Support local educational institutions and assist in hosting events such as technical competitions
- d. Provide opportunities for high school and college students such as internships and/or scholarships
- e. Support Public Educational and Governmental Access channels as the world moves from cable subscriptions to directly streaming video content

VII. Pricing

- a. Internet-Commit to no price increases for three years
- b. Phone—Commit to no price increases for three years
- c. Cable—Commit to only passing through to customers the costs associated with content cost increases

TERMS OF THE KEEP BT LOCAL ("KBTL") OFFER

KBTL is pleased to present the City of Burlington with the following multi-faceted offer for the acquisition of BT:

1. Financial Terms:

The price offered by KBTL to the City of Burlington for the acquisition of Burlington Telecom is up to \$18,000,000. Our bid includes several options (detailed below), and depending on those options, may be between \$18,000,000 and \$12,000,000.

KBTL understands that the proceeds of this purchase price must be divided in accordance with the settlement agreement among the Merchant's Bank, City of Burlington, Blue Water Holdings, LLC, Dorman & Fawcett, and Citibank. While the exact formula for the distribution of the acquisition price will be left to the City of Burlington, we estimate that the payments to each party will be (assuming that the remaining balance of the loan from Merchants Band plus various costs that will be paid out of the sale proceeds total \$6,000,000):

Payment to Merchant's Bank:

- Cash

Payment to Blue Water Holdings, LLC:

- \$2.4M cash, plus up to \$2.4M in cash, deferred payments, or notes.

Payment to Citibank:

- \$1.5M cash or carried interest, plus up to \$1.5M in cash, deferred payments, or notes.

Payment to Dorman & Fawcett:

- \$0.6M cash, plus up to \$0.6M in cash, deferred payments, or notes.

Payment to the City of Burlington:

- \$1.5M in cash or carried interest, plus up to \$1.5M in cash, deferred payments, or notes.

2. Subsequent KBTL Ownership by Subscribers:

Upon KBTL's acquisition of BT, all subscribers of BT would become member/owners of the KBTL cooperative or its successor operating cooperative.

Each subscriber will pay a cooperative membership share buy-in of \$500. For Burlington accounts, \$250 of this will be waived. Funds paid toward KBTL membership are transferrable toward membership in the BT operating coop. Cooperative membership may be paid over time, at a minimum rate of \$5/month, with subscribers in the lifeline program or other subsidized programs paying \$1/month towards membership and having

the remaining \$4/month waived. Cooperative membership funds actually paid by will be refunded to departing members on request. For members who are in good standing (have paid membership shares at the minimum rate or faster) undistributed patronage may also be refunded to departing members at the discretion of the cooperative board.

3. Additional Terms and Conditions Offered to the City of Burlington and its Residents:

- Burlington (The City of Burlington) and the Burlington School District will continue their existing service contracts with BT.
- As part of the purchase, KBTL will acquire either a 5-year option to purchase 200 Church Street, at a determined price before closing, or perpetual rights for use of 200 Church Street at a negotiated price reflecting market rent.
- For all other Burlington property that is currently being used by BT, KBTL would enter into long term (20-year minimum) renewable leases at rates to be determined with Burlington or the Burlington School District. KBTL understands that it will likely have to move its equipment from Memorial Auditorium in the near future and has priced the cost of this move into its offer price.
- Current subscribers of BT and subsequent Burlington residents, businesses, and other organizations who become subscribers of the resulting entity would become members of KBTL or its successor coop.
- Compliance with all of the BTAB's and communities' criteria relating to the sale of BT (as explained in further detail in Section G below).

F. FINANCING

KBTL intends to finance its bid as follows:

- \$10 million in long-term financing with a third-party entity, Maine Fiber Company.
- \$1.5 million long term loan from the Vermont Economic Development Authority (VEDA).
- Equity: either
 - \$1 million in preferred equity from the KBTL community via Milk Money VT (with \$600,000 committed as of 11/19/17) or:
 - At least 1.5M in equity (to be raised) plus: up to \$4.5M in either additional equity, deferred payments or notes.
- \$1M line of credit from a financial institution (detailed below).
- Membership share purchases (detailed in the Financing section of the Business Plan).
- Options and the bid prices that they support:
 - o Bid price of \$18,000,000:
 - Additional \$6,000,000 in equity to be raised,

- If we raise at least \$1.5M but less than \$6M in additional, we offer deferred payments or notes to bring the bid up to \$18,000,000.
- o Bid price of \$12,000,000 or more (with any offer over \$12M based on additional equity to be raised), but no deferred payments or notes.

With each of these options we include \$1,000,000 of the cash raised as working capital for BT's operations (with up to \$500,000 of this from the LOC, to be repaid from member equity purchases).

Additional caveats for KBTL's offer

- Although this is being treated as an asset sale, it is assumed that all current assets and current liabilities at the time of closing will convey to the purchaser. The purchaser will have the right to review the liabilities and ensure that they are relevant to the ongoing performance of Burlington Telecom.
- KBTL's offer expects that the existing management team remains in place at least for a transition period and that KBTL would be able negotiate employment agreements with the seven individuals listed in the Management Team Bio's document in the One Hub data room, though this is not a requirement. For Stephen Barraclough, this would likely mean reaching agreement with Dorman & Fawcett regarding his continued employment.

Keep BT Local Cooperative

Proposal to the

City of Burlington

Keep BT Local Cooperative ("KBTL") is a Burlington based cooperative dedicated to the purchase of and the eventual profitable operation of Burlington Telecom ("BT"). KBTL's goal is to enhance the quality of life, promote economic development and reinvest in its community by providing its individuals businesses and institutions with high quality and unfettered access to the Internet, communications services, video entertainment and unmatched customer service. KBTL is committed to returning profits and benefits to the community and expanding this enterprise both within Burlington and beyond.

A. INTRODUCTION

This Proposal to the City of Burlington ("Burlington") includes details about KBTL's initial offer, a brief discussion of its operating and management plans and a discussion of how its proposal meets the public criteria that were developed by the Burlington Telecom Advisory Board ("BTAB") and adopted by the Burlington City Council ("Council").

B. ABOUT KEEP BT LOCAL COOPERATIVE

KBTL was formed in 2013 for the sole purpose of purchasing BT from Burlington. The goal of KBTL is to create an organization that will provide the governance and financial structure to ensure that BT remains a locally owned and controlled company. At the time of KBTL's incorporation, nearly 500 local residents and businesses committed to joining the cooperative and about 150 contributed capital to become voting member/owners of the cooperative. Since that time many more individuals and businesses have become paid-in member/owners.

Over the past four years KBTL developed a business plan, monitored the progress of BT, and participated in many meeting of the Burlington Telecom Advisory Board (BTAB) as they developed the criteria for the sale of BT. KBTL also elected a Board of Directors that meets regularly, held annual and informational meetings and elections, worked to raise capital through its members and others, and actively brought together the components required to support this proposal.

KBTL's current focus is on the acquisition of BT. Should it be successful in doing so, it will transition from an acquisition entity to an operating cooperative. Moreover, as explained in further detail below, should KBTL is successful in acquiring BT from Burlington, all of BT's subscribers will become members of the operating cooperative, bringing the cooperative's membership to over 7,200.

C. KBTL BUSINESS STRUCTURE, VISION AND FINANCING

1) Business Structure

KBTL will create an operating cooperative which will be structured as a utility cooperative with subscribers as members. Each member will buy into the cooperative with a full share price of \$500; Burlington subscribers will have 50% of their share purchase requirement waived, hence their buy-in cost is \$250, which can be paid over time at a rate not slower than \$5/month. Lifeline and other subsidized subscribers will have \$4/month of their membership purchase waived by the cooperative. KBTL membership will be transferrable to the operating cooperative with full credit for KBTL paid membership. The waived and paid-in membership funds and any retained (non-distributed) member patronage will be treated as member equity; paid-in amounts are fully owned by the member and can be withdrawn when the member leaves the cooperative. Patronage is earned in proportion to billed services. Net earnings in the cooperative will be allocated (to members) as patronage which may be held by the cooperative or distributed; these amounts will be computed and reported to members. Undistributed patronage may be paid out to departing members at the discretion of the board. The cooperative management and/or board will decide how much (if any) patronage to distribute each year.

Cooperative members each have one vote to elect the board of the cooperative. The board of the operating cooperative will consist of eleven members, with eight of these representing geographic districts in Burlington. The remaining three members of the board will be professionals with relevant experience in telecommunications appointed by the eight elected board members. The board sets policy and hires a general manager. The general manager hires the staff and manages the operation of the BT cooperative.

Our proposal also supports (budgets for) incentive payments to the management team, which we intend to include. We also expect to create mechanisms for the BT management and staff to have an active voice in policy decisions.

2) Business Vision

The core of KBTL's vision is to realize the full potential of the original vision for Burlington Telecom. This vision includes providing a state-of-the art telecom option, ensuring local control of at least some telecommunications providers, creating and maintaining long-term competition in the local market for telecommunications service - ensuring that service options remain first class and that rates remain competitive, fully recognizing that these contribute to the strength and growth of both the technology community in the region as well as the regional economy. In addition, KBTL's vision is to use a cooperative structure to not only allow all members of our community to partake of these services, but also to participate in the economic growth of BT. The vision that includes all members of our community in building an equity stake in BT is a particularly important component given national economic trends towards extreme inequality of income and wealth. Adherence to long established cooperative principles is a central part of our vision. The cooperative principles are:

1. Voluntary and Open Membership

Cooperatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

2. Democratic Member Control

Cooperatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary cooperatives members have equal voting rights (one member, one vote) and cooperatives at other levels are also organized in a democratic manner.

3. Member Economic Participation

Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their cooperative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.

4. Autonomy and Independence

Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.

5. Education, Training and Information

Cooperatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their cooperatives. They inform the general public - particularly young people and opinion leaders - about the nature and benefits of cooperatives.

6. Cooperation among Cooperatives

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.

7. Concern for Community

Cooperatives work for the sustainable development of their communities through policies approved by their members.

3) Financing

KBTL's bid is financed with a combination of loans, member equity, carried interest, community equity, deferred payments, and notes.

Most of the funds for the purchase of BT come to KBTL as a loan from Maine Fiber; this is a \$10,000,000 loan with effective annually compounded interest of 13.55%, graduated payments, a \$5,000,000 balloon after 10 years, and an early repayment option. The Maine Fiber loan payments for the first two years will be \$800,000/year, for years 3-5 payments will be \$1,400,000/year, and in subsequent years the payments will be \$2,585,136/year. The terms of this loan provide a reasonable amount of time to find good solutions if the cooperative has difficulty making these scheduled payments. In the unlikely event that KBTL defaults on its loan with Maine Fiber, KBTL will have an extended period of one and half years to cure the default as long as it is making interest payments of equal to at least 8% of the principal. And in the even greater unlikely event that KBTL is unable cure the default, the City will be given the opportunity to repurchase BT for the amount then due the Maine Fiber loan. The equipment and operations of BT are collateral for this loan.

The cooperative also plans to borrow \$1,500,000 from the Vermont Economic Development Authority (VEDA) on a long-term loan at under 4% interest. We expect this loan from VEDA will be pari-pasue with Maine Fiber's loan in using the equipment and operations of BT as collateral (this is not yet confirmed). In addition, there will be guarantors for this loan. The application for this loan is in review at VEDA. We expect to have a provisional loan approval and guarantors identified before City Council meets on November 27, 2017; the provisional elements may include final underwriting approval for KBTL and/or guarantors.

The cooperative also plans to have a line of credit for \$1,000,000 to be used, as needed, for short-term operating needs. This loan will be from a financial institution and will be backed (collateralized and guaranteed) by long-term deposits owned by a KBTL supporter. Documentation of this line of credit will be provided before November 27, 2017.

Paid-in member shares will accumulate over time. Member share purchase obligations are described in part 1 C above. We expect to accumulate member shares of over \$1,000,000 in approximately three years, \$2,000,000 in approximately 6 years, and \$3,000,000 in approximately 10 years. Because we expect only a small portion of paid in shares to be available for the cooperative to use by closing, these funds are not included in the funds used to purchase BT.

We are raising additional equity which, if it does not exceed \$1,000,000 in each of 2017 and 2018 (\$2,000,000 by closing) may be via Milk Money VT. We expect to raise \$6,500,000 in additional equity. We have an active campaign to raise \$1,000,000 in preferred equity via Milk Money VT; these non-voting shares have a target dividend of 4%; the actual dividend amount

will be decided by the cooperative board. These preferred shares are callable; the cooperative may choose to repurchase these shares at face value at any time. As of November 19, 2017, \$600,000 of the 2017 Milk Money VT \$1,000,000 target have been contributed or pledged.

The City of Burlington is offered a carried interest in the form of non-voting preferred shares that pay no dividend, are callable by the cooperative at any date, and may be sold back to the cooperative at any time six years or more after closing. The repurchase price for these preferred shares will be based on the average of the value of a member share purchased at the closing date (including any retained or paid patronage) and the market value of the cooperative (as assessed by an independent third party).

Deferred payments or notes may be part of KBTL's financing. Notes will earn 5% annual interest which will be paid at least annually. The face value of notes will be payable at the first of the following:

- The cooperative's annual EBITA for two successive years exceeds 50% of the total amount due on notes,
- The total of all other cooperative debt (other than notes created at closing) is smaller than 125% of the cooperative's accumulated cash, or
- 15 years after closing.

D. PRELIMINARY DUE DILIGENCE AND BUSINESS PLAN

In 2014, KBTL retained the services of Casco Bay Advisors, LLC and its principal, Brian Lippold (who has over 30 years of telecommunications experience) to prepare KBTL's business plan for the operations of BT once acquired by KBTL. (Brian's Resume and Resume Supplement are included in this proposal.)

Casco Bay Advisors' original due diligence, completed in 2015, showed that BT: (1) is cash-flow positive and profitable on an operating basis, (2) has engaged in a prudent and logical capital upgrade program, (3) continues to increase its market share, (4) has a lean and capable staff, and (5) has sufficient cash flow to support ongoing operations and ongoing capital upgrades. These conclusions remain the same as of the date of the submission of this proposal.

Below are KBTL's plans for its three major business objectives, including: (1) Continued Operations, (2) Providing Service to Unserved Areas of Burlington and (3) Expansion to Other Communities.

1. Continued Operations:

KBTL seeks to operate BT in a similar fashion to how it is currently being operated. KBTL will continue to provide the business and residential triple-play services and engage in marketing that highlights the value provided by a locally owned and operated telecom. Additionally, the marketing will highlight the unparalleled speed offered by

Fiber To The Home (FTTH) especially as users migrate away from cable television and phone services. That beings said, the three core services will be operated as follows:

Internet - While 95% of BT subscribers purchase the Internet product, most users are not utilizing the high speeds enabled by BT's network. KBTL will market the benefits of upgrading to higher speeds (1 GB) to existing customers and encourage Burlington subscribers to make the best use of the high-end Internet services available.

For business subscribers, KBTL plans to promote the availability of high speed data able to support distributed work environments and bandwidth-intensive business needs. Additionally, KBTL will work with the local business and creative community, through such initiatives as BTV Ignite & incubator facilities, to support budding, creative endeavors.

Voice - BT offers a wide range of telephone calling plans for both residential and business users. Voice services represent 18%+ of all revenues. With the widespread adoption of cell phones, residential voice services will likely continue to decline, although overall commercial voice services revenue will continue to grow and perhaps accelerate given KBTL's plan to increase the focus on commercial sales.

Video – KBTL will continue to provide BT's television subscribers with the various tiers of video service as well as HD and popular content. It is KBTL's expectation that over the next ten years, the classic video (cable) delivery market will shift significantly. The rapid transformation of the cable TV industry and the myriad Over The Top ("OTT") options now available will require that KBTL management embrace OTT and help customers to take advantage of this flexibility. Given the low margins associated with classic cable TV service, any corresponding reduction in video revenues will have little to no impact on its operating cash flow and will likely increase operating cash flow. Further, as KBTL embraces OTT services and provide its member/owners with assistance in this transformation, it will be a form of internal marketing that will build customer loyalty. Finally, BT, as do all cable providers, dedicates a portion of cable revenue to the support of Public Access stations. KBTL will proactively work to keep funding for Public Access even as cable revenue dwindles.

2. Unserved Areas of Burlington:

BT's network currently passes between 80-85% of the potential customers (businesses and households) within Burlington. While many of the unserved areas may be difficult and expensive to build out because utility poles do not exist in these areas, KBTL seeks to achieve a 100% service area within the City of Burlington. For neighborhoods (identified by BT in their existing plans) that are prohibitively expensive to add to the fiber network, we will explore alternative (wireless) solutions.

During the Public Service Board Hearings and in the private documents provided as part of this process, BT has estimated the costs for building out the network to the unserved areas of Burlington. While KBTL was not involved in developing these estimates, KBTL have reviewed them and would look to identify areas that could be built in an economically viable fashion. Additionally, KBTL would employ the following approaches:

- a. Neighborhood Financing—This approach is very similar to the approach Vermont Gas takes when they look to run additional lines within Burlington. If KBTL could identify enough potential customers who would commit to long-term service to make the capital expenditure feasible, KBTL would run fiber to the neighborhood.
- b. Partnerships with Utilities—This approach involves working with other utilities when they are either running new service or have accessed their buried services for repair/upgrade. It should be noted that this approach is currently being used by BT, with the current Red Rocks expansion as an example.
- c. Employing Hybrid Solutions—This approach involves using wireless technologies to provide that "last mile" service from the fiber. In the past several years, wireless technologies that can provide multi-user service at necessary bandwidths have been developed that did not exist during the initial fiber build out for BT. These technologies could be used to connect residents in otherwise expensive to build neighborhoods.

3. Expansion to Other Communities:

KBTL recognizes the importance of expanding the BT service territory to adjacent communities. BT already has some fiber capability in Winooski and South Burlington that serves Champlain College and Burlington International Airport respectively. KBTL's plan would be to use those existing fiber lines (as well as others) to begin the build out to adjacent communities using both fiber and wireless solutions. KBTL's plan will also focus on a build out similar to that done in Burlington, beginning with municipal customers as well as large businesses. After these cornerstone customers have supported early capital expenditures, KBTL will then focus on extending the service to the residential areas of the local communities that are adjacent to the newly run fiber.

While the central office infrastructure supports significant expansion into neighboring communities, expansion capital (cost) will be needed for the fiber build out, the additional huts and the equipment required at the end user site. For these reasons, the value of expansion will accrue to the ongoing entity and does not materially add to the current value of BT. Additionally, the expansion costs are highly dependent upon market density and variables in outside plant construction that can only be determined by detailed network planning and engineering analysis at the time of the build out. As part of the documentation provided to the bidders during this process, there are estimates for buildouts into the communities adjacent to Burlington. Once the assets of BT have been

acquired, KBTL management would undertake do a further review of this analysis and expand the network where appropriate and profitable.

It should be noted that expanding cable services beyond Burlington will require an expansion of the existing Certificate of Public Good (CPG). If this is desirable it will need to be considered prior to applying for the new CPG at the time of sale.

D. MANAGEMENT PLAN

KBTL intends to hire a general manager to oversee and manage the day to day operations of BT, including the hiring of a professional staff to run the business.

BT is currently managed by a full time general manager, Stephen Barraclough, who is a consultant with Dorman & Fawcett. KBTL's preference is for the current general manager to remain with BT on a permanent basis. If, however, the current general manager is unable to stay on in that way, KBTL would ask that he continue to serve on an interim basis while KBTL engages in a rigorous search for a permanent general manager. KBTL has also identified other telecom professionals with experience in the BT market who can advise KBTL on the management of BT and assist in the search for a new general manager.

- Our offer includes offering all existing management jobs with the resulting Telecom Company for the immediate future post sale.
- We have been asked to address what we would do should either the existing management (including Stephen Barraclough and/or Dorman & Fawcett) choose to exit or no longer be able to provide services to Burlington Telecom
- Our plans include the following
 - Brian Lippold-Brian is a telecom executive who now has a telecom consulting
 practice in Maine. Brian has worked extensively on our business and acquisition
 plans and is a former executive in Burlington for Telcove, Adelphia and others.
 Brian has said that he would be interested in being interviewed for a position
 should KBTL succeed in its offer and have need for a general manager.
 - Maine Fiber has various telecom service providers as clients, is well-connected in the New England area when it comes to telecom personnel and has already brought ideas for possible managers to our attention.
 - There are various cooperative entities who we have spoken with who have also offered to bring management talent, both business and technical, to our attention should we succeed with our offer. In particular the Rural Broadband Association (www.ntca.org), has over the past couple years, introduced us to other telecom cooperatives and executives and from these introductions have built additional financing and consulting connections.
 - At least two parties who we have had other financing discussions with have offered to bring telecom executives to the table as either possible hires or possible advisors.

- With all of these connections, and others, we feel that we would have no issue hiring a telecom team should we succeed AND should we be required to pursue a different path from what we have proposed.
- Finally, both David Mount (Westaff) and Andy Montrol have substantial experience hiring corporate professionals; both are on the KBTL board. Their experience includes hiring a general manager of a fiber to the home telecom.

KBTL PRO-FORMA and FINANCING 18M EQUITY

Revenu	ue Growth	2019-2022	2023+			
	Residential	5	5%	4%		BT's 5-year plan ranges from 6-10%
	Business	5	5%	4%		BT's 5-year plan ranges from 8-11%
	Municipal	3	3%	3%		BT's 5-year plan ranges from 0-4%
	Other	3	3%	3%		BT's 5-year plan is over 20% per year
COGS	Growth					
	Internet	C	0%	3%		BT's 5-year Plan are the same
	Voice	4	4%	3%		BT's 5-year Plan are the same
	Video	6	5%	0%		BT's 5-year Plan are similar
	Other	3	3%	3%		
SG&A	Growth					
	Total	5	5%	3%		BT's 5-year Plan are lowerin the 2% range
Capital	Spending					
	Maintenance	C	0%	3%		
	Base Maintenance Amount				1,000,000	BT's 5-year Plan are similar
	Baseline Depreciation and Amortization				600,000	

Equity Amount Rate Cost 6,000,000 0% \$

Working Capital Average Balance

\$ 1,000,000 0% \$

Additional Costs

		2019	Projected	202	0 Projected	2021	l Projected	202	2 Projected	2023	Projected	202	4 Projected	2025	Projected	2026	6 Projected	2027	7 Projected	2028	3 Projected
	Cost of Working Capital	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
	Additional Projected Employment Costs	\$	100,000	\$	105,000	\$	110,250	\$	115,763	\$	121,551	\$	125,197	\$	128,953	\$	132,822	\$	136,806	\$	140,910
	Additional funds for BTV Ignitecash	\$	25,000	\$	25,000	\$	25,000	\$	25,000	\$	25,000	\$	25,000	\$	25,000	\$	25,000	\$	25,000	\$	25,000
		\$	125,000	\$	130,000	\$	135,250	\$	140,763	\$	146,551	\$	150,197	\$	153,953	\$	157,822	\$	161,806	\$	165,910
Members	hip Projections																				
	Burlington Passings**		15,800		16,963		18,125		19,288		20,450		20,450		20,450		20,450		20,450		20,450
6,000	Non-Burlington Passings												1,200		2,400		3,600		4,800		6,000
	Burlington Members**		7,700		8,400		9,100		9,800		10,500		11,200		11,900		12,600		13,300		14,000
50%	Non-Burlington Members		-		-		-		-		-		600.0		1,200.0		1,800.0		2,400.0		3,000.0
	Burlington Market Penetration		49%		50%		50%		51%		51%		55%		58%		62%		65%		68%
	Percentage of Reduced Payment Members		25%		25%		25%		25%		25%		25%		25%		25%		25%		25%
\$62.50	Payment per year FullBurlington	\$	360,938	\$	393,750	\$	426,563	\$	459,375	\$	131,250	\$	131,250	\$	131,250	\$	131,250	\$	131,250	\$	131,250
\$12.00	Payment per year ReducedBurlington	\$	23,100	\$	25,200	\$	27,300	\$	29,400	\$	8,400	\$	8,400	\$	8,400	\$	8,400	\$	8,400	\$	8,400
\$62.50	Payment per year FullNon-Burlington	\$	-	\$	-	\$	-	\$	-	\$	-	\$	28,125	\$	56,250	\$	84,375	\$	112,500	\$	140,625
\$12.00	Payment per year ReducedNon-Burlington	\$	-	\$	-	\$	-	\$	-	\$	-	\$	1,800.00	\$	3,600.00	\$	5,400.00	\$	7,200.00	\$	9,000.00
	Total Capital Contribution	\$	384,038	\$	418,950	\$	453,863	\$	488,775	\$	139,650	\$	169,575	\$	199,500	\$	229,425	\$	259,350	\$	289,275

^{**}Assumptions here come directly from BT Documents

	FY 2016	FY 2017	Budget 2018	_
GPON Capex Totals	531,321	399,988	292,973	_
Add. Service Materials	191,805	261,916	284,759	
Other Replacement Equipment	273,602	-	103,839	
Misc Capex Totals	287,216	316,400	200,600	
Swaps Cost/Upgrades		136,031	54,413	
New Builds/Extension	224,180	835,665	1,063,416	
Maintenance Capex	1,283,945	1,114,335	936,584	
Unaccounted		100,000	0	
Expansion Capex	224,180	835,665	1,063,416	
Install Labor	357,973	401,918	507,117	
			4	
	Memorial Auditorium Mo			From BT's Information
	Employee Benefit Change	Cost	\$ 50,000	*One Time Charge
	PSB Approval Costs		\$ 250,000	*One Time Charge
	KBTL Liabilities		\$ 75,000	*One Time Charge

MFC			VEDA		
Loan Amount	\$	10,000,000	Loan Amount	\$	1,500,000
Target IRR		14%	Rate		4%
Initial Return		8%	Initial Return		4%
Years at Initial Return		2	Years at Initial Return		15
Total Years Interest O	nly	5	Total Years Interest O	nly	0
Balloon Payment	\$	5,000,000	Balloon Payment	\$	-
Year	Total Paymer	nts (No Call)	Year	Total Payments	5
	1 \$	800,000.0		1 \$	134,912.0
	2 \$	800,000.0		2 \$	134,912.0
	3 \$	1,400,000.0		3 \$	134,912.0
	4 \$	1,400,000.0		4 \$	134,912.0
	5 \$	1,400,000.0		5 \$	134,912.0
	6 \$	2,585,136.0		6 \$	134,912.0
	7 \$	2,585,136.0		7 \$	134,912.0
	8 \$	2,585,136.0		8 \$	134,912.0
	9 \$	2,585,136.0		9 \$	134,912.0
	10 \$	2,585,136.0		10 \$	134,912.0

	FY 2015	FY 2016	FY 2017 Budget/Actual	2018 Budget	2019 Projected	2020 Projected	2021 Projected	2022 Projected	2023 Projected	2024 Projected	2025 Projected	2026 Projected	2027 Projectec 2	2028 Projected	2029 Projected	2030 Projected	2031 Projected	2032 Projected	2033 Projected	2034 Projected
REVENUE				8,600																
RESIDENTIAL REVENUE	4,748,684	5,361,987	5,909,908	6,628,464	6,959,887	7,307,882	7,673,276	8,056,939	8,459,786	8,798,178	9,150,105	9,516,109	9,896,754	10,292,624	10,704,329	11,132,502	11,577,802	12,040,914	12,522,550	13,023,452
BUSINESS REVENUE	1,839,565	1,961,163	2,102,262	2,115,742	2,221,529	2,332,606	2,449,236	2,571,698	2,700,283	2,808,294	2,920,626	3,037,451	3,158,949	3,285,307	3,416,719	3,553,388	3,695,523	3,843,344	3,997,078	4,156,961
MUNICIPAL REVENUE	1,035,100	1,011,183	997,539	1,058,196	1,089,942	1,122,640	1,156,319	1,191,009	1,226,739	1,263,541	1,301,448	1,340,491	1,380,706	1,422,127	1,464,791	1,508,734	1,553,997	1,600,616	1,648,635	1,698,094
ALL OTHER REVENUE	101,369	87,438	78,201	66,000	67,980	70,019	72,120	74,284	76,512	78,807	81,172	83,607	86,115	88,698	91,359	94,100	96,923	99,831	102,826	105,911
REVENUE TASK				200,000																
TOTAL REVENUE	7,724,718	8,421,770	9,087,911	10,068,402	10,339,338	10,833,147	11,350,951	11,893,930	12,463,320	12,948,820	13,453,350	13,977,658	14,522,523	15,088,756	15,677,198	16,288,724	16,924,245	17,584,705	18,271,089	18,984,418
COGS																				
INTERNET PROVISIONING	224,857	167,096	174,250	212,382	241,704	241,704	241,704	241,704	241,704	248,955	256,424	264,116	272,040	280,201	288,607	297,265	306,183	315,369	324,830	334,575 460,779
VOICE PROVISIONING	330,152	339,437	267,721	273,600	284,544	295,926	307,763	320,073	332,876	342,863	353,148	363,743	374,655	385,895	397,472	409,396	421,678	434,328	447,358	
VIDEO PROVISIONING	1,391,206	1,446,014	1,513,130	1,720,012	1,823,213	1,932,606	2,048,562	2,171,476	2,301,764	2,301,764	2,301,764	2,301,764	2,301,764	2,301,764	2,301,764	2,301,764	2,301,764	2,301,764	2,301,764	2,301,764
MISC EXPENSE	8,907 1,955,122	1,952,547	1,955,101	2,205,994	2,349,461	2,470,236	2,598,029	2,733,253	2,876,345	2,893,582	2,911,337	2,929,624	2.948.460	2.967.860	2,987,843	3,008,426	3,029,625	3,051,461	3,073,952	3,097,118
TOTAL COGS	1,955,122	1,932,347	1,955,101	2,203,354	2,349,461	2,470,230	2,390,029	2,733,233	2,070,343	2,093,302	2,911,557	2,929,024	2,946,460	2,907,800	2,367,043	5,006,426	3,029,023	3,031,461	3,073,932	3,097,110
GROSS MARGIN	5,769,596	6,469,223	7,132,810	7,862,408	7,989,877	8,362,911	8,752,922	9,160,676	9,586,976	10,055,238	10,542,013	11,048,034	11,574,063	12,120,895	12,689,354	13,280,298	13,894,619	14,533,244	15,197,137	15,887,300
OPERATING																				
OUTSIDE PLANT	767,704	416,247	413,105	465,648	488,931	513,377	539,046	565,998	594,298	612,127	630,491	649,406	668,888	688,955	709,623	730,912	752,839	775,424	798,687	822,648
NETWORK OPS	504,855	558,059	547,064	579,396	608,366	638,784	670,723	704,259	739,472	761,656	784,506	808,041	832,283	857,251	882,969	909,458	936,741	964,844	993,789	1,023,603
SALES	130,958	128,815	139,575	146,945	154,293	162,007	170,108	178,613	187,544	193,170	198,965	204,934	211,082	217,414	223,937	230,655	237,575	244,702	252,043	259,604
CUSTOMER SVC	584,740	537,972	485,201	556,538	584,365	613,583	644,263	676,476	710,300	731,608	753,557	776,163	799,448	823,432	848,135	873,579	899,786	926,780	954,583	983,221
ADMIN	584,090	532,497	528,104	524,573	550,802	578,342	607,259	637,622	669,503	689,588	710,276	731,584	753,532	776,138	799,422	823,405	848,107	873,550	899,756	926,749
BUSINESS	752,672	719,064	637,433	605,550	635,828	667,619	701,000	736,050	772,852	796,038	819,919	844,517	869,852	895,948	922,826	950,511	979,026 240.897	1,008,397	1,038,649	1,069,808
LEGAL & REGULATORY	224,547	203,149 296.157	152,291	149,000 359,788	156,450 377,777	164,273	172,486 416.499	181,110 437.324	190,166 459.190	195,871 472,966	201,747 487.155	207,799 501.770	214,033 516.823	220,454 532.328	227,068 548,297	233,880 564,746	240,897 581.689	248,123 599,139	255,567 617.114	263,234 635.627
SERVICE SUPPORT/HELP DESK MARKETING	260,662	, -	354,163	,	. ,	396,666	-,	. , .	,	,	. ,	,	,		, .	,	,	,	. ,	414,040
OTHER	176,826	184,892 27,800	219,634 77,088	234,361 40,697	246,079 42,732	258,383 44,868	271,303 47,112	284,868 49,468	299,111 51,941	308,084 53,499	317,327 55,104	326,847 56,757	336,652 58,460	346,752 60,214	357,154 62,020	367,869 63,881	378,905 65,797	390,272 67,771	401,980 69,804	71,898
Additional Costs (Assumption Page)		27,800	77,000	40,697	125,000	130,000	135,250	140,763	146,551	150,197	153,953	157,822	161,806	165,910	62,020	03,001	03,797	67,771	09,004	/1,030
SUPPORT FOR REVENUE TASK				154,043	161,745	169,832	178,324	187,240	196,602	202,500	208,575	214,832	221,277	227,915	234,753	241,795	249,049	256,521	264,216	272,143
SOFF ON TON REVENUE TASK				134,043	101,743	103,032	170,324	107,240	130,002	202,300	200,373	214,032	221,277	227,513	234,733	241,733	243,043	230,321	204,210	272,143
TOTAL OPERATING	3,987,054	3,604,650	3,553,658	3,816,540	4,132,367	4,337,735	4,553,372	4,779,790	5,017,530	5,167,306	5,321,575	5,480,472	5,644,136	5,812,711	5,816,204	5,990,690	6,170,411	6,355,523	6,546,189	6,742,575
EBITDA	1,782,542	2,864,573	3,579,152	4,045,868	3,857,510	4,025,176	4,199,550	4,380,886	4,569,446	4,887,933	5,220,438	5,567,562	5,929,927	6,308,185	6,873,150	7,289,608	7,724,208	8,177,721	8,650,948	9,144,726
Memorial Auditorium					500,000	500,000														
Startup costs					375,000	300,000														
MAINTENANCE CAP (post 2018)	966,702	1.508.125	2.050.000	2,000,000	1.000.000	1,000,000	1.000.000	1.000.000	1.000.000	1.030.000	1.060.900	1.092.727	1.125.509	1,159,274	1,194,052	1,229,874	1.266,770	1,304,773	1.343.916	1,384,234
CAPITAL INSTALL LABOR	,	357,973	401,918	507,117	532,473	559,096	587,051	616,404	647,224	666,641	686,640	707,239	728,456	750,310	772,819	796,004	819,884	844,481	869,815	895,909
CASH FLOW PRE-DEBT SERVICE	815,840	998,474	1,127,233	1,538,751	1,450,038	1,966,080	2,612,499	2,764,482	2,922,222	3,191,292	3,472,898	3,767,595	4,075,962	4,398,601	4,906,279	5,263,730	5,637,554	6,028,467	6,437,216	6,864,582
MFC Loan Service	279,266	558,532	558,532	558,532	800,000	800,000	1,400,000	1,400,000	1,400,000	2,585,136	2,585,136	2,585,136	2,585,136	2,585,136	10,000,000	-	-	-	-	-
VEDA Loan Service					134,912	134,912	134,912	134,912	134,912	134,912	134,912	134,912	134,912	134,912	134,912	134,912	134,912	134,912	134,912	
Equity					-	-	-	-	- 1	-	-	-	-	-	-	-	-	-	-	-
Cost Added Double Deal					4 000	-	-	-			-	-	-	-	-	-	-	-	-	-
Cash Added During Deal Member Capital Contributions					1,000,000 384.038	418.950	453.863	488,775	420.000	450 575	199,500	220 425	259,350	200 275						
Cash Flow after Financing				980.219	384,038 1,899,163	418,950 1,450,118	453,863 1,531,449	1.718.345	139,650 1,526,960	169,575 640,819	199,500 952,350	229,425 1.276.972	1.615.264	289,275 1.967.828	(5.228.633)	5.128.818	5.502.642	5.893.555	6.302.304	6.864.582
				980,219	1,899,163		, , .	, .,			,	, .,.	, , .	,,.		., ., .	-,,-	5,893,555 25,875,649	6,302,304 32,177,954	6,864,582 39,042,536
Cumulative Cash Available After Financi Debt Service Coverage Ratio	iiig				2.62	3,349,281 2.10	4,880,730 1.70	6,599,075 1.80	8,126,034 1.90	8,766,853 1.17	9,719,203 1.28	10,996,176 1.39	12,611,440 1.50	14,579,267 1.62	9,350,634 0.48	14,479,452 39.02	19,982,094 41.79	25,875,649 44.68	32,177,954 47.71	33,042,536
Debt Jervice Coverage Natio					2.62	2.10	1.70	1.80	1.90	1.17	1.28	1.59	1.30	1.02	0.48	59.02	41.79	44.08	47.71	
Assumed Depreciation & Amortization					676,624	754,578.47	833,931.03	914,751.23	997,112.43	581,944.47	669,321.47	759,319.78	852,018.04	947,497.25	1,045,840.84	1,147,134.73	1,251,467.44	1,358,930.13	1,469,616.70	1,583,623.87

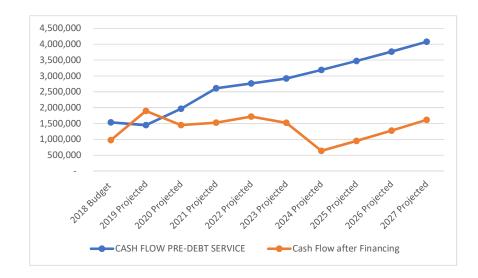
Member Capital Contributions account for member payments modeled on Assumptions Page

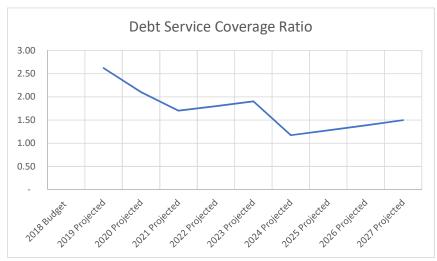
Cash Flow after Financing is the cash available after all maintenance capital expenditures have been met as well as all expected expenses of the Telecom have been met. This cash is available for expansion or for other projects.

Cumulative Cash Available After Financing is the cumulative amount of internally generated funds available for use in expansion or other projects.

Grey Section comes directly from BT's FY17-FY23 BT Plan Summary
*See Capital Spending Breakout Page to understand the One-Time Charges

	201	.9 Projected	202	0 Projected	20	21 Projected	20	22 Projected	20	23 Projected	20	24 Projected	202	25 Projected	20	26 Projected	20	27 Projected	202	8 Projected
MFC Loan**	\$	10,600,000	\$	11,200,000	\$	11,500,000	\$	11,700,000	\$	11,900,000	\$	10,520,000	\$	9,140,000	\$	7,760,000	\$	6,380,000	\$	5,000,000
VEDA Loan	\$	1,500,000	\$	1,500,000	\$	1,500,000	\$	1,500,000	\$	1,500,000	\$	1,500,000	\$	1,500,000	\$	1,500,000	\$	1,500,000	\$	1,500,000
Total Debt	\$	12,100,000	\$	12,700,000	\$	13,000,000	\$	13,200,000	\$	13,400,000	\$	12,020,000	\$	10,640,000	\$	9,260,000	\$	7,880,000	\$	6,500,000
Burlington Equity	\$	-	\$	-	\$	_	\$	_	\$	-	\$	_	\$	_	\$	-	\$	-	\$	-
Equity	\$	6,000,000	\$	6,000,000	\$	6,000,000	\$	6,000,000	\$	6,000,000	\$	6,000,000	\$	6,000,000	\$	6,000,000	\$	6,000,000	\$	6,000,000
Capital Contributions	\$	384,038	\$	802,988	\$	1,256,850	\$	1,745,625	\$	1,885,275	\$	2,054,850	\$	2,254,350	\$	2,483,775	\$	2,743,125	\$	3,032,400
Retained Capital	\$	-	\$	276,589	\$	520,245	\$	835,064	\$	1,225,261	\$	1,114,560	\$	1,198,089	\$	1,486,316	\$	1,990,212	\$	2,721,267
Total Equity and Retained Member	\$	6,384,038	\$	7,079,577	\$	7,777,095	\$	8,580,689	\$	9,110,536	\$	9,169,410	\$	9,452,439	\$	9,970,091	\$	10,733,337	\$	11,753,667
**MFC Principal Balance Annual Average	e																			
Debt/Equity Ratio		65%		64%		63%		61%		60%		57%		53%		48%		42%		36%





KBTL PRO-FORMA and FINANCING 12M

Revenue Growth	2019-2022	2023+	
Residential	59	% 4%	BT's 5-year plan ranges from 6-10%
Business	59	% 4%	BT's 5-year plan ranges from 8-11%
Municipal	39	% 3%	BT's 5-year plan ranges from 0-4%
Other	39	% 3%	BT's 5-year plan is over 20% per year
COGS Growth			
Internet	09	% 3%	BT's 5-year Plan are the same
Voice	49	% 3%	BT's 5-year Plan are the same
Video	69	% 0%	BT's 5-year Plan are similar
Other	39	% 3%	
SG&A Growth			
Total	59	% 3%	BT's 5-year Plan are lowerin the 2% range
Capital Spending			
Maintenance	09	% 3%	
Base Maintenance Amount			1,000,000 BT's 5-year Plan are similar
Baseline Depreciation and Amortization			600,000

Amo	unt	Kate		Cost	
	-		5%	\$	-
	1,000,000)	4%	\$	40,000
Aver	age Baland	ce			
\$	500,000		5%	\$	25,000
		1,000,000 Average Baland		- 5% 1,000,000 4% Average Balance	- 5% \$ 1,000,000 4% \$ Average Balance

Additional Costs

		2019	Projected	202	20 Projected	202	1 Projected	202	22 Projected	202	3 Projected	202	4 Projected	2025	Projected	2026	Projected	2027	7 Projected	2028	3 Projected
	Cost of Working Capital	\$	25,000	\$	25,000	\$	25,000	\$	25,000	\$	25,000	\$	25,000	\$	25,000	\$	25,000	\$	25,000	\$	25,000
	Additional Projected Employment Costs	\$	100,000	\$	105,000	\$	110,250	\$	115,763	\$	121,551	\$	125,197	\$	128,953	\$	132,822	\$	136,806	\$	140,910
	Additional funds for BTV Ignitecash	\$	25,000	\$	25,000	\$	25,000	\$	25,000	\$	25,000	\$	25,000	\$	25,000	\$	25,000	\$	25,000	\$	25,000
		\$	150,000	\$	155,000	\$	160,250	\$	165,763	\$	171,551	\$	175,197	\$	178,953	\$	182,822	\$	186,806	\$	190,910
Members	hip Projections																				
	Burlington Passings**		15,800		16,963		18,125		19,288		20,450		20,450		20,450		20,450		20,450		20,450
6,000	Non-Burlington Passings												1,200		2,400		3,600		4,800		6,000
	Burlington Members**		7,700		8,400		9,100		9,800		10,500		11,200		11,900		12,600		13,300		14,000
50%	Non-Burlington Members		-		-		-		-		-		600.0		1,200.0		1,800.0		2,400.0		3,000.0
	Burlington Market Penetration		49%		50%		50%		51%		51%		55%		58%		62%		65%		68%
	Percentage of Reduced Payment Members		25%		25%		25%		25%		25%		25%		25%		25%		25%		25%
\$62.50	Payment per year FullBurlington	\$	360,938	\$	393,750	\$	426,563	\$	459,375	\$	131,250	\$	131,250	\$	131,250	\$	131,250	\$	131,250	\$	131,250
\$12.00	Payment per year ReducedBurlington	\$	23,100	\$	25,200	\$	27,300	\$	29,400	\$	8,400	\$	8,400	\$	8,400	\$	8,400	\$	8,400	\$	8,400
\$62.50	Payment per year FullNon-Burlington	\$	-	\$	-	\$	-	\$	-	\$	-	\$	28,125	\$	56,250	\$	84,375	\$	112,500	\$	140,625
\$12.00	Payment per year ReducedNon-Burlington	\$	-	\$	-	\$	-	\$	-	\$	-	\$	1,800.00	\$	3,600.00	\$	5,400.00	\$	7,200.00	\$	9,000.00
	Total Capital Contribution	\$	384,038	\$	418,950	\$	453,863	\$	488,775	\$	139,650	\$	169,575	\$	199,500	\$	229,425	\$	259,350	\$	289,275

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			4	
	Memorial Auditorium Mo			From BT's Information
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	PSB Approval Costs		\$ 250,000	*One Time Charge
	KBTL Liabilities		\$ 75,000	*One Time Charge

MFC			VEDA			Line of credit		
Loan Amount	\$	10,000,000	Loan Amount	\$	1,500,000	Loan Amount	\$	1,500,000
Target IRR		14%	Rate		4%	Rate		5%
Initial Return		8%	Initial Return		4%	Initial Return		5%
Years at Initial Return		2	Years at Initial Return		15	Years at Initial Re	turr less than	n 1 year
Total Years Interest Only	У	5	Total Years Interest Or	nly	0	Total Years Intere	est Only	
Balloon Payment	\$	5,000,000	Balloon Payment	\$	-	Balloon Payment		
Year	Total Paym	ents (No Call)	Year	Total Payments		Year	Total Pa	yments
	1 \$	800,000.0		1 \$	134,912.0		1 \$	500,000.0
	2 \$	800,000.0		2 \$	134,912.0			
	3 \$	1,400,000.0		3 \$	134,912.0			
	4 \$	1,400,000.0		4 \$	134,912.0			
	5 \$	1,400,000.0		5 \$	134,912.0			
	6 \$	2,585,136.0		6 \$	134,912.0			
	7 \$	2,585,136.0		7 \$	134,912.0			
	8 \$	2,585,136.0		8 \$	134,912.0			
	9 \$	2,585,136.0		9 \$	134,912.0			
	10 \$	2,585,136.0		10 \$	134,912.0			

	FY 2015	FY 2016	FY 2017 Budget/Actual	2018 Budget	2019 Projected	2020 Projected	2021 Projected	2022 Projected	2023 Projected	2024 Projected	2025 Projected	2026 Projected	2027 Projected	2028 Projected	2029 Projected	2030 Projected	2031 Projected	2032 Projected	2033 Projected	2034 Projected
REVENUE				8,600																
RESIDENTIAL REVENUE	4,748,684	5,361,987	5,909,908	6,628,464	6,959,887	7,307,882	7,673,276	8,056,939	8,459,786	8,798,178	9,150,105	9,516,109	9,896,754	10,292,624	10,704,329	11,132,502	11,577,802	12,040,914	12,522,550	13,023,452
BUSINESS REVENUE	1,839,565	1,961,163	2,102,262	2,115,742	2,221,529	2,332,606	2,449,236	2,571,698	2,700,283	2,808,294	2,920,626	3,037,451	3,158,949	3,285,307	3,416,719	3,553,388	3,695,523	3,843,344	3,997,078	4,156,961
MUNICIPAL REVENUE	1,035,100	1,011,183	997,539	1,058,196	1,089,942	1,122,640	1,156,319	1,191,009	1,226,739	1,263,541	1,301,448	1,340,491	1,380,706	1,422,127	1,464,791	1,508,734	1,553,997	1,600,616	1,648,635	1,698,094
ALL OTHER REVENUE	101,369	87,438	78,201	66,000	67,980	70,019	72,120	74,284	76,512	78,807	81,172	83,607	86,115	88,698	91,359	94,100	96,923	99,831	102,826	105,911
REVENUE TASK				200,000																
TOTAL REVENUE	7,724,718	8,421,770	9,087,911	10,068,402	10,339,338	10,833,147	11,350,951	11,893,930	12,463,320	12,948,820	13,453,350	13,977,658	14,522,523	15,088,756	15,677,198	16,288,724	16,924,245	17,584,705	18,271,089	18,984,418
COGS																				
	224,857	167,096	174,250	212,382	241,704	241,704	241,704	241,704	241,704	248,955	256,424	264,116	272,040	280,201	288,607	297,265	306,183	315,369	324,830	334,575
INTERNET PROVISIONING	330,152	339.437	267,721	273,600	241,704	295,926	307,763	320,073	332,876	342,863	353,148	363,743	374,655	385,895	397,472	409,396	421,678	434,328	324,830 447,358	460,779
VOICE PROVISIONING	1,391,206	1,446,014	1,513,130	1,720,012	1,823,213	1,932,606	2,048,562	2,171,476	2,301,764	2,301,764	2,301,764	2,301,764	2,301,764	2,301,764	2,301,764	2,301,764	2,301,764	2,301,764	2,301,764	2,301,764
VIDEO PROVISIONING MISC EXPENSE	8,907	1,440,014	1,313,130	1,720,012	1,023,213	1,952,000	2,040,302	2,171,470	2,301,704	2,301,764	2,501,764	2,301,764	2,301,704	2,301,764	2,301,764	2,501,704	2,301,764	2,501,764	2,301,764	2,301,704
TOTAL COGS	1,955,122	1,952,547	1,955,101	2,205,994	2,349,461	2,470,236	2,598,029	2,733,253	2,876,345	2,893,582	2.911.337	2,929,624	2.948.460	2,967,860	2,987,843	3,008,426	3,029,625	3,051,461	3,073,952	3,097,118
TOTAL COGS	1,555,122	1,332,347	1,555,101	2,203,334	2,345,401	2,470,230	2,330,023	2,733,233	2,070,343	2,033,302	2,311,337	2,323,024	2,346,400	2,507,000	2,567,645	3,000,420	3,023,023	3,031,401	3,073,332	3,037,116
GROSS MARGIN	5,769,596	6,469,223	7,132,810	7,862,408	7,989,877	8,362,911	8,752,922	9,160,676	9,586,976	10,055,238	10,542,013	11,048,034	11,574,063	12,120,895	12,689,354	13,280,298	13,894,619	14,533,244	15,197,137	15,887,300
OPERATING										I										
OUTSIDE PLANT	767,704	416,247	413.105	465,648	488.931	513.377	539.046	565,998	594,298	612,127	630.491	649,406	668.888	688.955	709.623	730.912	752.839	775.424	798.687	822.648
NETWORK OPS	504,855	558,059	547,064	579,396	608,366	638.784	670,723	704,259	739,472	761,656	784,506	808,041	832,283	857,251	882,969	909,458		964,844	993,789	1,023,603
SALES	130,958	128,815	139,575	146,945	154,293	162,007	170,108	178,613	187,544	193,170	198,965	204,934	211,082	217,414	223,937	230,655		244,702	252,043	259,604
CUSTOMER SVC	584,740	537,972	485,201	556,538	584,365	613,583	644,263	676,476	710,300	731,608	753,557	776,163	799,448	823,432	848,135	873,579		926,780	954,583	983,221
ADMIN	584,090	532,497	528,104	524,573	550,802	578.342	607.259	637.622	669,503	689,588	710.276	731,584	753,532	776,138	799.422	823,405	848.107	873.550	899.756	926,749
BUSINESS	752,672	719,064	637,433	605,550	635,828	667,619	701,000	736,050	772,852	796,038	819,919	844,517	869,852	895,948	922,826	950,511	979,026	1,008,397	1,038,649	1,069,808
LEGAL & REGULATORY	224,547	203,149	152,291	149,000	156,450	164,273	172,486	181,110	190,166	195,871	201,747	207,799	214,033	220,454	227,068	233,880		248,123	255,567	263,234
SERVICE SUPPORT/HELP DESK	260.662	296.157	354.163	359,788	377,777	396,666	416,499	437,324	459.190	472,966	487.155	501,770	516.823	532,328	548,297	564,746		599.139	617.114	635,627
MARKETING	176,826	184,892	219,634	234,361	246,079	258,383	271,303	284,868	299,111	308,084	317,327	326,847	336,652	346,752	357,154	367,869	378,905	390,272	401,980	414,040
OTHER	,	27,800	77,088	40,697	42,732	44,868	47,112	49,468	51,941	53,499	55,104	56,757	58,460	60,214	62,020	63,881	65,797	67,771	69,804	71,898
Additional Costs (Assumption Page)		,	,	-,	150,000	155,000	160,250	165,763	171,551	175,197	178,953	182,822	186,806	190,910		-				
SUPPORT FOR REVENUE TASK				154,043	161,745	169,832	178,324	187,240	196,602	202,500	208,575	214,832	221,277	227,915	234,753	241,795	249,049	256,521	264,216	272,143
-										· ·										
TOTAL OPERATING	3,987,054	3,604,650	3,553,658	3,816,540	4,157,367	4,362,735	4,578,372	4,804,790	5,042,530	5,192,306	5,346,575	5,505,472	5,669,136	5,837,711	5,816,204	5,990,690	6,170,411	6,355,523	6,546,189	6,742,575
EBITDA	1,782,542	2,864,573	3,579,152	4,045,868	3,832,510	4,000,176	4,174,550	4,355,886	4,544,446	4,862,933	5,195,438	5,542,562	5,904,927	6,283,185	6,873,150	7,289,608	7,724,208	8,177,721	8,650,948	9,144,726
Memorial Auditorium					500,000	500,000				I										
Startup costs					375,000															
MAINTENANCE CAP (post 2018)	966,702	1,508,125	2,050,000	2,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,030,000	1,060,900	1,092,727	1,125,509	1,159,274	1,194,052	1,229,874	1,266,770	1,304,773	1,343,916	1,384,234
CAPITAL INSTALL LABOR		357,973	401,918	507,117	532,473	559,096	587,051	616,404	647,224	666,641	686,640	707,239	728,456	750,310	772,819	796,004	819,884	844,481	869,815	895,909
CASH FLOW PRE-DEBT SERVICE	815,840	998,474	1,127,233	1,538,751	1,425,038	1,941,080	2,587,499	2,739,482	2,897,222	3,166,292	3,447,898	3,742,595	4,050,962	4,373,601	4,906,279	5,263,730	5,637,554	6,028,467	6,437,216	6,864,582
MFC Loan Service	279,266	558,532	558,532	558,532	800,000	800,000	1.400.000	1.400.000	1.400.000	2,585,136	2.585.136	2,585,136	2.585.136	2.585.136	10.000.000					
VEDA Loan Service	2,3,230	550,532	330,332	330,332	134,912	134,912	134,912	134,912	134,912	134,912	134,912	134,912	134,912	134,912	134,912	134,912	134,912	134,912	134,912	
Line of credit principle and interest					525,000	154,512	154,512	154,512	154,512	154,512	154,512	154,512	154,512	154,512	154,512	154,512	154,512	154,512	104,512	
Preferred equity dividends					40,000	40.000	40,000	40,000	40.000	40,000	40.000	40.000	40.000	40.000	40,000	40.000	40.000	40.000	40.000	40,000
Cash Added During Deal					1,000,000	12,200	12,200	,500	,	I,	,	,	,	,000	,000	,000	,000	,000	,500	.5,500
Member Capital Contributions					384,038	418,950	453,863	488,775	139,650	169,575	199,500	229,425	259,350	289,275						
Cash Flow after Financing				980,219	1,309,163	1,385,118	1,466,449	1,653,345	1,461,960	575,819	887,350	1,211,972	1,550,264	1,902,828	(5,268,633)	5,088,818	5,462,642	5,853,555	6,262,304	6,824,582
Cumulative Cash Available After Financi	ing			.,	1,309,163	2,694,281	4,160,730	5,814,075	7,276,034	7,851,853	8,739,203	9,951,176	11,501,440	13,404,267	8,135,634	13,224,452	18,687,094	24,540,649	30,802,954	37,627,536
Debt Service Coverage Ratio					1.62	1.99	1.64	1.74	1.84	1.15	1.25	1.36	1.47	1.58	0.48	30.09	32.23	34.47	36.80	171.61
_					-															
Assumed Depreciation & Amortization					676,624	754,578.47	833,931.03	914,751.23	997,112.43	581,944.47	669,321.47	759,319.78	852,018.04	947,497.25	1,045,840.84	1,147,134.73	1,251,467.44	1,358,930.13	1,469,616.70	1,583,623.87

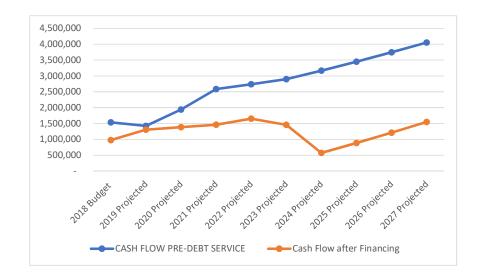
Member Capital Contributions account for member payments modeled on Assumptions Page

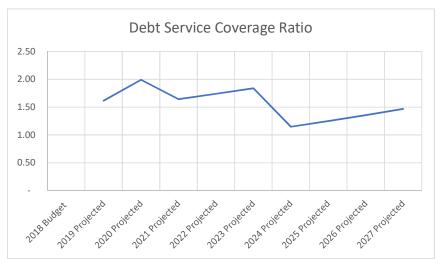
Cash Flow after Financing is the cash available after all maintenance capital expenditures have been met as well as all expected expenses of the Telecom have been met. This cash is available for expansion or for other projects.

Cumulative Cash Available After Financing is the cumulative amount of internally generated funds available for use in expansion or other projects.

Grey Section comes directly from BT's FY17-FY23 BT Plan Summary
*See Capital Spending Breakout Page to understand the One-Time Charges

	201	L9 Projected	202	0 Projected	20	21 Projected	20	22 Projected	20	23 Projected	20	24 Projected	20	25 Projected	20	26 Projected	20	27 Projected	202	8 Projected
MFC Loan**	\$	10,600,000	\$	11,200,000	\$	11,500,000	\$	11,700,000	\$	11,900,000	\$	10,520,000	\$	9,140,000	\$	7,760,000	\$	6,380,000	\$	5,000,000
VEDA Loan	\$	1,500,000	\$	1,500,000	\$	1,500,000	\$	1,500,000	\$	1,500,000	\$	1,500,000	\$	1,500,000	\$	1,500,000	\$	1,500,000	\$	1,500,000
Line of credit	\$	500,000																		
Total Debt	\$	12,600,000	\$	12,700,000	\$	13,000,000	\$	13,200,000	\$	13,400,000	\$	12,020,000	\$	10,640,000	\$	9,260,000	\$	7,880,000	\$	6,500,000
Preferred shares	\$	1,000,000	\$	1,000,000	\$	1,000,000	\$	1,000,000	\$	1,000,000	\$	1,000,000	\$	1,000,000	\$	1,000,000	\$	1,000,000	\$	1,000,000
			\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Capital Contributions	\$	384,038	\$	802,988	\$	1,256,850	\$	1,745,625	\$	1,885,275	\$	2,054,850	\$	2,254,350	\$	2,483,775	\$	2,743,125	\$	3,032,400
Retained Capital	\$	-	\$	211,589	\$	390,245	\$	640,064	\$	965,261	\$	789,560	\$	808,089	\$	1,031,316	\$	1,470,212	\$	2,136,267
Total Equity and Retained Member	\$	1,384,038	\$	2,014,577	\$	2,647,095	\$	3,385,689	\$	3,850,536	\$	3,844,410	\$	4,062,439	\$	4,515,091	\$	5,213,337	\$	6,168,667
**MFC Principal Balance Annual Averag	e																			
Debt/Equity Ratio		90%		86%		83%		80%		78%		76%		72%		67%		60%		51%





KBTL PRO-FORMA and FINANCING 18M NOTES

Revenue Growth	2019-2022	2023	} +		
Residential	5	%	4%		BT's 5-year plan ranges from 6-10%
Business	5	%	4%		BT's 5-year plan ranges from 8-11%
Municipal	3	%	3%		BT's 5-year plan ranges from 0-4%
Other	3	%	3%		BT's 5-year plan is over 20% per year
COGS Growth					
Internet	0	%	3%		BT's 5-year Plan are the same
Voice	4	%	3%		BT's 5-year Plan are the same
Video	6	%	0%		BT's 5-year Plan are similar
Other	3	%	3%		
SG&A Growth					
Total	5	%	3%		BT's 5-year Plan are lowerin the 2% range
Capital Spending					
Maintenance	0	%	3%		
Base Maintenance Amount				1,000,000	BT's 5-year Plan are similar
Baseline Depreciation and Amortiz	ation			600,000	

	Amount Rate	Cost	
Notes	5,000,000	5% \$	250,000
preferred equity	1,000,000	4% \$	40,000
Working Capital	Average Balance		
	\$ 1,000,000	0% \$	-

Additional Costs

		2019	Projected	202	0 Projected	2021	l Projected	202	2 Projected	202	3 Projected	202	4 Projected	2025	Projected	2026	Projected	2027	Projected	2028	3 Projected
	Cost of Working Capital	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
	Additional Projected Employment Costs	\$	100,000	\$	105,000	\$	110,250	\$	115,763	\$	121,551	\$	125,197	\$	128,953	\$	132,822	\$	136,806	\$	140,910
	Additional funds for BTV Ignitecash	\$	25,000	\$	25,000	\$	25,000	\$	25,000	\$	25,000	\$	25,000	\$	25,000	\$	25,000	\$	25,000	\$	25,000
		\$	125,000	\$	130,000	\$	135,250	\$	140,763	\$	146,551	\$	150,197	\$	153,953	\$	157,822	\$	161,806	\$	165,910
Members	hip Projections																				
	Burlington Passings**		15,800		16,963		18,125		19,288		20,450		20,450		20,450		20,450		20,450		20,450
6,000	Non-Burlington Passings												1,200		2,400		3,600		4,800		6,000
	Burlington Members**		7,700		8,400		9,100		9,800		10,500		11,200		11,900		12,600		13,300		14,000
50%	Non-Burlington Members		-		-		-		-		-		600.0		1,200.0		1,800.0		2,400.0		3,000.0
	Burlington Market Penetration		49%		50%		50%		51%		51%		55%		58%		62%		65%		68%
	Percentage of Reduced Payment Members		25%		25%		25%		25%		25%		25%		25%		25%		25%		25%
\$62.50	Payment per year FullBurlington	\$	360,938	\$	393,750	\$	426,563	\$	459,375	\$	131,250	\$	131,250	\$	131,250	\$	131,250	\$	131,250	\$	131,250
\$12.00	Payment per year ReducedBurlington	\$	23,100	\$	25,200	\$	27,300	\$	29,400	\$	8,400	\$	8,400	\$	8,400	\$	8,400	\$	8,400	\$	8,400
\$62.50	Payment per year FullNon-Burlington	\$	-	\$	-	\$	-	\$	-	\$	-	\$	28,125	\$	56,250	\$	84,375	\$	112,500	\$	140,625
\$12.00	Payment per year ReducedNon-Burlington	\$	-	\$	-	\$	-	\$	-	\$	-	\$	1,800.00	\$	3,600.00	\$	5,400.00	\$	7,200.00	\$	9,000.00
	Total Capital Contribution	\$	384,038	\$	418,950	\$	453,863	\$	488,775	\$	139,650	\$	169,575	\$	199,500	\$	229,425	\$	259,350	\$	289,275

^{**}Assumptions here come directly from BT Documents

	FY 2016	FY 2017	Budget 2018	_
GPON Capex Totals	531,321	399,988	292,973	_
Add. Service Materials	191,805	261,916	284,759	
Other Replacement Equipment	273,602	-	103,839	
Misc Capex Totals	287,216	316,400	200,600	
Swaps Cost/Upgrades		136,031	54,413	
New Builds/Extension	224,180	835,665	1,063,416	
Maintenance Capex	1,283,945	1,114,335	936,584	
Unaccounted		100,000	0	
Expansion Capex	224,180	835,665	1,063,416	
Install Labor	357,973	401,918	507,117	
	NA		¢ 4.000.000	For a PTIs Is for a setting
	Memorial Auditorium Mo			From BT's Information
	Employee Benefit Change	Cost	\$ 50,000	*One Time Charge
	PSB Approval Costs		\$ 250,000	*One Time Charge
	KBTL Liabilities		\$ 75,000	*One Time Charge

MFC			VEDA		
Loan Amount	\$	10,000,000	Loan Amount	\$	1,500,000
Target IRR		14%	Rate		4%
Initial Return		8%	Initial Return		4%
Years at Initial Return		2	Years at Initial Return		15
Total Years Interest O	nly	5	Total Years Interest O	nly	0
Balloon Payment	\$	5,000,000	Balloon Payment	\$	-
Year	Total Paymen	its (No Call)	Year	Total Payment	S
	1 \$	800,000.0		1 \$	134,912.0
	2 \$	800,000.0		2 \$	134,912.0
	3 \$	1,400,000.0		3 \$	134,912.0
	4 \$	1,400,000.0		4 \$	134,912.0
	5 \$	1,400,000.0		5 \$	134,912.0
	6 \$	2,585,136.0		6 \$	134,912.0
	7 \$	2,585,136.0		7 \$	134,912.0
	8 \$	2,585,136.0		8 \$	134,912.0
	9 \$	2,585,136.0		9 \$	134,912.0
	10 \$	2,585,136.0		10 \$	134,912.0

	FY 2015	FY 2016	FY 2017 Budget/Actual	2018 Budget	2019 Projected	2020 Projected	2021 Projected	2022 Projected	2023 Projected	2024 Projected	2025 Projected	2026 Projected	2027 Projected	2028 Projected	2029 Projected	2030 Projected	2031 Projected	2032 Projected	2033 Projected	2034 Projected
REVENUE				8,600																
RESIDENTIAL REVENUE	4,748,684	5,361,987	5,909,908	6,628,464	6,959,887	7,307,882	7,673,276	8,056,939	8,459,786	8,798,178	9,150,105	9,516,109	9,896,754	10,292,624	10,704,329	11,132,502	11,577,802	12,040,914	12,522,550	13,023,452
BUSINESS REVENUE	1,839,565	1,961,163	2,102,262	2,115,742	2,221,529	2,332,606	2,449,236	2,571,698	2,700,283	2,808,294	2,920,626	3,037,451	3,158,949	3,285,307	3,416,719	3,553,388	3,695,523	3,843,344	3,997,078	4,156,961
MUNICIPAL REVENUE	1,035,100	1,011,183	997,539	1,058,196	1,089,942	1,122,640	1,156,319	1,191,009	1,226,739	1,263,541	1,301,448	1,340,491	1,380,706	1,422,127	1,464,791	1,508,734	1,553,997	1,600,616	1,648,635	1,698,094
ALL OTHER REVENUE	101,369	87,438	78,201	66,000	67,980	70,019	72,120	74,284	76,512	78,807	81,172	83,607	86,115	88,698	91,359	94,100	96,923	99,831	102,826	105,911
REVENUE TASK				200,000																
TOTAL REVENUE	7,724,718	8,421,770	9,087,911	10,068,402	10,339,338	10,833,147	11,350,951	11,893,930	12,463,320	12,948,820	13,453,350	13,977,658	14,522,523	15,088,756	15,677,198	16,288,724	16,924,245	17,584,705	18,271,089	18,984,418
cogs																				
	224,857	167,096	174,250	212,382	241,704	241,704	241,704	241,704	241,704	248,955	256,424	264,116	272,040	280,201	288,607	297,265	306,183	315,369	324,830	334,575
INTERNET PROVISIONING	330,152	339.437	267,721	273,600	241,704	295,926	307,763	320,073	332,876	342,863	353,148	363,743	374,655	385,895	397,472	409,396	421,678	434,328	324,830 447,358	460,779
VOICE PROVISIONING	1,391,206	1,446,014	1,513,130	1,720,012	1,823,213	1,932,606	2,048,562	2,171,476	2,301,764	2,301,764	2,301,764	2,301,764	2,301,764	2,301,764	2,301,764	2,301,764	2,301,764	2,301,764	2,301,764	2,301,764
VIDEO PROVISIONING MISC EXPENSE	8,907	1,440,014	1,313,130	1,720,012	1,023,213	1,952,000	2,040,302	2,171,470	2,301,764	2,301,704	2,501,764	2,301,764	2,301,704	2,301,764	2,301,764	2,501,764	2,301,704	2,301,764	2,301,704	2,301,704
TOTAL COGS	1,955,122	1,952,547	1,955,101	2,205,994	2,349,461	2,470,236	2,598,029	2,733,253	2,876,345	2,893,582	2.911.337	2,929,624	2.948.460	2,967,860	2,987,843	3,008,426	3,029,625	3,051,461	3,073,952	3,097,118
TOTAL COGS	1,555,122	1,332,347	1,333,101	2,203,334	2,343,401	2,470,230	2,330,023	2,733,233	2,070,343	2,093,302	2,311,337	2,323,024	2,340,400	2,507,000	2,567,645	3,000,420	3,023,023	3,031,401	3,073,332	3,037,110
GROSS MARGIN	5,769,596	6,469,223	7,132,810	7,862,408	7,989,877	8,362,911	8,752,922	9,160,676	9,586,976	10,055,238	10,542,013	11,048,034	11,574,063	12,120,895	12,689,354	13,280,298	13,894,619	14,533,244	15,197,137	15,887,300
OPERATING																				
OUTSIDE PLANT	767,704	416,247	413.105	465,648	488.931	513.377	539.046	565.998	594,298	612,127	630.491	649.406	668.888	688,955	709.623	730.912	752.839	775.424	798,687	822.648
NETWORK OPS	504,855	558,059	547,064	579,396	608,366	638.784	670,723	704,259	739,472	761,656	784,506	808,041	832,283	857,251	882,969	909,458		964,844	993,789	1,023,603
SALES	130,958	128,815	139,575	146,945	154,293	162,007	170,108	178,613	187,544	193,170	198,965	204,934	211,082	217,414	223,937	230,655		244,702	252,043	259,604
CUSTOMER SVC	584,740	537,972	485,201	556,538	584,365	613,583	644,263	676,476	710,300	731,608	753,557	776,163	799,448	823,432	848,135	873,579		926,780	954,583	983,221
ADMIN	584,090	532,497	528,104	524,573	550.802	578.342	607.259	637.622	669,503	689,588	710.276	731,584	753,532	776,138	799,422	823,405	848.107	873,550	899,756	926,749
BUSINESS	752,672	719,064	637,433	605,550	635,828	667,619	701,000	736,050	772,852	796,038	819,919	844,517	869,852	895,948	922,826	950,511	979,026	1,008,397	1,038,649	1,069,808
LEGAL & REGULATORY	224,547	203,149	152,291	149,000	156,450	164,273	172,486	181,110	190,166	195,871	201,747	207,799	214,033	220,454	227,068	233,880		248,123	255,567	263,234
SERVICE SUPPORT/HELP DESK	260,662	296.157	354.163	359,788	377,777	396,666	416,499	437,324	459,190	472,966	487.155	501,770	516.823	532,328	548,297	564,746		599.139	617.114	635.627
MARKETING	176,826	184,892	219,634	234,361	246,079	258,383	271,303	284,868	299,111	308,084	317,327	326,847	336,652	346,752	357,154	367,869	378,905	390,272	401,980	414,040
OTHER	,	27,800	77,088	40,697	42,732	44,868	47,112	49,468	51,941	53,499	55,104	56,757	58,460	60,214	62,020	63,881	65,797	67,771	69,804	71,898
Additional Costs (Assumption Page)		,	,	-,	125,000	130,000	135,250	140,763	146,551	150,197	153,953	157,822	161,806	165,910			-		-	
SUPPORT FOR REVENUE TASK				154,043	161,745	169,832	178,324	187,240	196,602	202,500	208,575	214,832	221,277	227,915	234,753	241,795	249,049	256,521	264,216	272,143
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TOTAL OPERATING	3,987,054	3,604,650	3,553,658	3,816,540	4,132,367	4,337,735	4,553,372	4,779,790	5,017,530	5,167,306	5,321,575	5,480,472	5,644,136	5,812,711	5,816,204	5,990,690	6,170,411	6,355,523	6,546,189	6,742,575
EBITDA	1,782,542	2,864,573	3,579,152	4,045,868	3,857,510	4,025,176	4,199,550	4,380,886	4,569,446	4,887,933	5,220,438	5,567,562	5,929,927	6,308,185	6,873,150	7,289,608	7,724,208	8,177,721	8,650,948	9,144,726
Memorial Auditorium					500,000	500,000				I										
Startup costs					375,000															
MAINTENANCE CAP (post 2018)	966,702	1,508,125	2,050,000	2,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,030,000	1,060,900	1,092,727	1,125,509	1,159,274	1,194,052	1,229,874	1,266,770	1,304,773	1,343,916	1,384,234
CAPITAL INSTALL LABOR		357,973	401,918	507,117	532,473	559,096	587,051	616,404	647,224	666,641	686,640	707,239	728,456	750,310	772,819	796,004	819,884	844,481	869,815	895,909
CASH FLOW PRE-DEBT SERVICE	815,840	998,474	1,127,233	1,538,751	1,450,038	1,966,080	2,612,499	2,764,482	2,922,222	3,191,292	3,472,898	3,767,595	4,075,962	4,398,601	4,906,279	5,263,730	5,637,554	6,028,467	6,437,216	6,864,582
MFC Loan Service	279,266	558,532	558,532	558,532	800.000	800,000	1.400.000	1,400,000	1,400,000	2,585,136	2,585,136	2,585,136	2,585,136	2,585,136	10.000.000		_			
VEDA Loan Service	2,3,230	550,532	330,332	330,332	134,912	134,912	134,912	134,912	134,912	134,912	134,912	134,912	134,912	134,912	134,912	134,912	134,912	134,912	134,912	
notes					250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	6,250,000	,	,,	
Preferred equity dividends					40,000	40,000	40,000	40,000	40,000	40.000	40,000	40,000	40.000	40,000	40,000	40,000	40,000	40,000	40.000	40,000
Cash Added During Deal					1,000,000	12,200	12,200	,500	,	1	,	,	,	,000	,000	,000	12,000	,000	,000	.5,500
Member Capital Contributions					384,038	418,950	453,863	488,775	139,650	169,575	199,500	229,425	259,350	289,275			_		_	
Cash Flow after Financing				980,219	1,609,163	1,160,118	1,241,449	1,428,345	1,236,960	350,819	662,350	986,972	1,325,264	1,677,828	(5,518,633)	4,838,818	(787,358)	5,853,555	6,262,304	6,824,582
Cumulative Cash Available After Financi	ing			.,	1,609,163	2,769,281	4,010,730	5,439,075	6,676,034	7,026,853	7,689,203	8,676,176	10,001,440	11,679,267	6,160,634	10,999,452	10,212,094	16,065,649	22,327,954	29,152,536
Debt Service Coverage Ratio					2.00	1.61	1.43	1.51	1.60	1.06	1.15	1.25	1.35	1.46	0.47	12.39	0.88	34.47	36.80	171.61
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Assumed Depreciation & Amortization					676,624	754,578.47	833,931.03	914,751.23	997,112.43	581,944.47	669,321.47	759,319.78	852,018.04	947,497.25	1,045,840.84	1,147,134.73	1,251,467.44	1,358,930.13	1,469,616.70	1,583,623.87

Member Capital Contributions account for member payments modeled on Assumptions Page

Cash Flow after Financing is the cash available after all maintenance capital expenditures have been met as well as all expected expenses of the Telecom have been met. This cash is available for expansion or for other projects.

Cumulative Cash Available After Financing is the cumulative amount of internally generated funds available for use in expansion or other projects.

Grey Section comes directly from BT's FY17-FY23 BT Plan Summary
*See Capital Spending Breakout Page to understand the One-Time Charges

	201	9 Projected	202	0 Projected	20	21 Projected	20	22 Projected	20	23 Projected	20	24 Projected	20	25 Projected	202	6 Projected	202	27 Projected	202	28 Projected
MFC Loan**	\$	10,600,000	\$	11,200,000	\$	11,500,000	\$	11,700,000	\$	11,900,000	\$	10,520,000	\$	9,140,000	\$	7,760,000	\$	6,380,000	\$	5,000,000
VEDA Loan	\$	1,500,000	\$	1,500,000	\$	1,500,000	\$	1,500,000	\$	1,500,000	\$	1,500,000	\$	1,500,000	\$	1,500,000	\$	1,500,000	\$	1,500,000
Total Debt	\$	12,100,000	\$	12,700,000	\$	13,000,000	\$	13,200,000	\$	13,400,000	\$	12,020,000	\$	10,640,000	\$	9,260,000	\$	7,880,000	\$	6,500,000
Preferred shares	\$	1,000,000	\$	1,000,000	\$	1,000,000	\$	1,000,000	\$	1,000,000	\$	1,000,000	\$	1,000,000	\$	1,000,000	\$	1,000,000	\$	1,000,000
Notes	\$	5,000,000	\$	5,000,000	\$	5,000,000	\$	5,000,000	\$	5,000,000	\$	5,000,000	\$	5,000,000	\$	5,000,000	\$	5,000,000	\$	5,000,000
Capital Contributions	\$	384,038	\$	802,988	\$	1,256,850	\$	1,745,625	\$	1,885,275	\$	2,054,850	\$	2,254,350	\$	2,483,775	\$	2,743,125	\$	3,032,400
Retained Capital	\$	-	\$	(13,411)	\$	(59,755)	\$	(34,936)	\$	65,261	\$	(335,440)	\$	(541,911)	\$	(543,684)	\$	(329,788)	\$	111,267
Total Equity and Retained Member	\$	6,384,038	\$	6,789,577	\$	7,197,095	\$	7,710,689	\$	7,950,536	\$	7,719,410	\$	7,712,439	\$	7,940,091	\$	8,413,337	\$	9,143,667
**MFC Principal Balance Annual Averag	e																			
Debt/Equity Ratio		65%		65%		64%		63%		63%		61%		58%		54%		48%		42%

