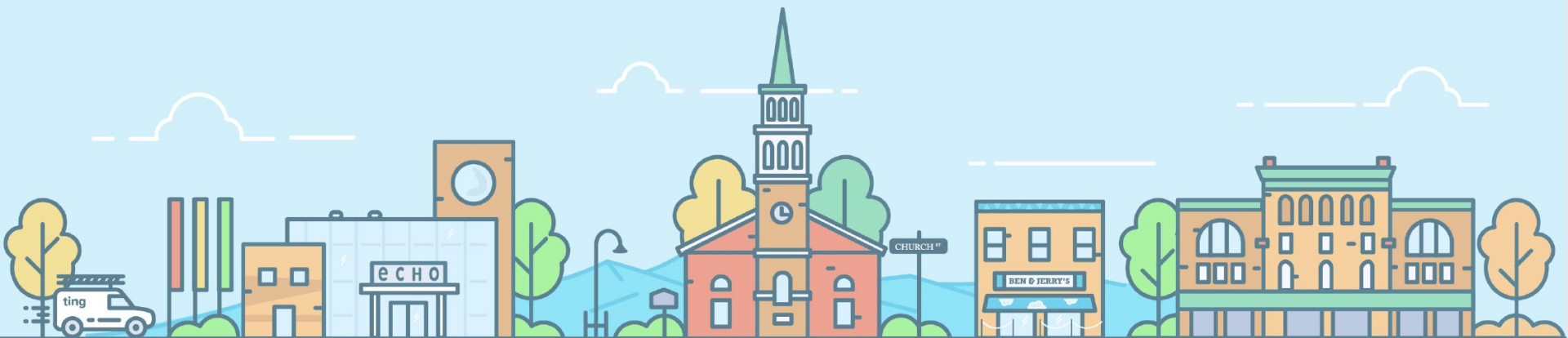


Hello Burlington!

Here's our proposal to be the new steward of BT.

ting crazy fast
fiber Internet



About Tucows and Ting

ting About Tucows and Ting



tucows

ting

- Tucows is Ting's parent company
- Founded in 1993 as freeware/software sharing platform
- Expanded into domain registration, wholesale Internet services, mobile, and gigabit fiber networks
- Company built on the premise of delivering superior value and industry-defining customer experience
- Today: 500 employees, \$280M yearly revenue
- 7 US offices, 5 US Ting Internet cities

ting What we care about



tucows

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- Delivering outstanding value and an unparalleled customer experience
- We lobby, agitate, educate and support grassroots work to protect an open Internet around the world, including net neutrality and consumer privacy issues
- Increasing access to the power of the Internet
- Driving innovation in our business, for our customers, and in our local Ting Internet communities

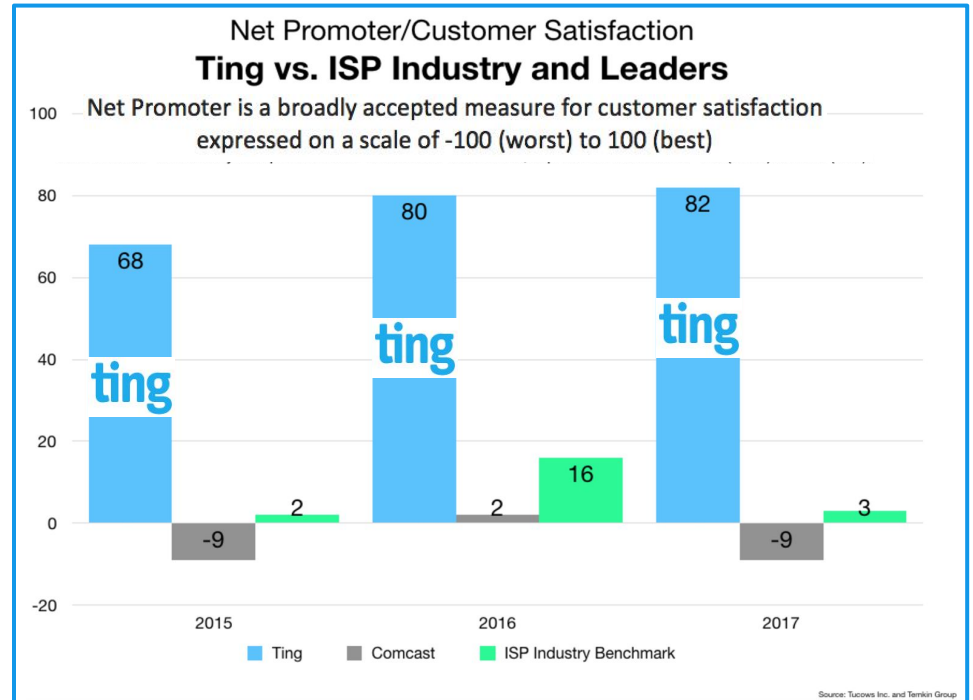
ting Ting's track record

Our focus on service and value has disrupted traditional telecom

PROVIDER	READER SCORE	SURVEY RESULTS					
		VALUE	VOICE	TEXT	WEB PROBLEMS	4G	DATA
Ting	91%	●	○	○	○	-	●
Consumer Cellular	90%	●	○	○	○	○	●
Verizon Wireless	69%	●	●	●	●	●	○
AT&T	66%	●	○	○	●	●	○
Sprint	59%	●	○	○	●	●	●

Better ● ● ○ ● ● Worse

Source: 2016 Consumer Reports



ting What we bring to Burlington



- Shared values and mission with the BT team
- Demonstrated history of supporting local programs, causes, institutions and initiatives important to individual towns
- Culture of exceptional customer service
- Deep operational experience
- Offer that provides:
 - Upfront cash to satisfy the terms of lender agreements
 - Significant capital reinvestment in BT that supports job growth
 - Concrete plans for local tech and innovation initiatives
 - Option of local ownership through City equity stake
 - Resale restriction and City repurchase option

Ting's Offer

ting Ting's offer: key terms



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Total value \$32.3 million

- **\$29.8 million cash** payable on closing
- **Additional \$2.5 million** to cover BT's capital spending up until close of the transaction
- Subject to final negotiation and a Definitive Agreement

ting Ting's offer: key terms



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Ongoing community impact funding

- **\$250,000 per year** to support economic development and entrepreneurship
 - \$60,000 yearly to BTV Ignite
 - \$50,000 yearly in premium (not CCTV) channels for local startups, community events
 - Remaining \$140,000 yearly to initiatives developed with community input



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Additional Local Support

- Zones of free gigabit-powered, state-of-the-art wifi
- Free service to select local non-profits
- Sponsorship of local events and programs
- Internship programs
- Additional public, educational and government (PEG) access channels



Investments in local economy & innovation

- BT to serve as eastern headquarters for video services
 - BT staff and systems to power all Ting cities in Eastern region (NC, VA, MD and all new Eastern markets)
- Initiate BT ambient connectivity R&D platform
- BT to serve as regional Ting hub
 - >\$50 million in capex investment over next 10 years
 - All investment is local, leading to jobs and support of local suppliers



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Option of local ownership through City Minority interest

- A percentage of the offer's value can be made available to the City for a stake in the operation
- The City can later divest this interest if it so chooses



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Resale restriction and limited right of repurchase

- To prevent a sale to a large, existing telecom provider in Burlington, Ting agreed to City stipulation that sale is precluded if, after such transaction, that party's market share in Burlington exceeds 75 per cent
- In the event Ting chooses to exit the fiber business or divest of BT, City has right to repurchase asset for up to 5 years post closing



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30 month customer rate guarantee

- Customers on existing pricing/packages will have those honored for a minimum of 30 months years, with **no price increase** (aside from any TV programming cost increases)
- Our long term view is generally that technology developments drive pricing downward and not upward
- We have not raised prices in the history of our mobile and fiber businesses



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Investment commitment

- Cash generated by the business will first be invested to support BT's expansion plans:
 - Completing New North End and Downtown
 - Completing remaining areas identified by BT within BTV
 - Embarking on expansion beyond Burlington
- \$57 million investment over 10 years



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BT staff retention and support of existing programs and plans

- BT staff retention
 - We need **everyone**
 - We expect to grow local headcount
- Committed to Lifeline and new digital divide programs, and Smart City initiatives
- Memorial Auditorium relocation
 - 18 month notice; terms to be negotiated

Our Track Record and Commitment to Local Presence

ting Our Commitment to BT and the City of Burlington

We believe actions speak louder than words

- We are an innovative Internet company, and do business fundamentally differently than a traditional telecom, cable, or media company
- Over the last 24 years, we've acquired companies of various sizes and types
- We have a proven track record of investing in these companies, keeping their local presence, and providing growth opportunities for employees
- Very few strategic buyers have our history of maintaining and growing acquisitions; we don't set timeframes on returns that other groups, such as financial institutions, may do
- We've **never** subsequently sold an asset we've acquired

A fiber business needs to be “hyper-local” to thrive

- We believe a deeply local operation is key to any successful ISP
- We want to make sure the jobs, operations, and facilities in Burlington not only remain, but prosper
- We believe BT is solid operationally, leaving no reason to make drastic organizational changes
- We want to retain all team members and see them as the local experts

Sales, support and account management staff

- Technical support for BT customers will continue to be provided by local staff in Burlington
- Sales and account management will also continue to be provided by local staff in Burlington
- In addition, staff will have the opportunity to support other markets, while being based locally in Burlington, as we expand the scope of our operation and introduce extended support hours to match national support levels

Outside plant (OSP), installation and engineering staff

- All Ting OSP functions are performed by local employees of Ting. We do not outsource any positions. We will not change this in Burlington
- All BT plant installation and construction will remain in Burlington
- Network design and engineering will continue to be led from Burlington
- Staff will have access to support and resources available from our national OSP, installation and engineering teams

Finance and marketing

- Finance positions will remain in Burlington, focused on the BT business but also supporting the larger Tucows organization as needed
- Sales and marketing will remain in Burlington, focused on growing the BT business, with additional support resources available
- All local facilities and stores will continue to be locally operated and maintained in Burlington

Plans for Enhanced Support

ting Provide Enhanced, Integrated Services

Your account

- Current Usage
- Usage Alerts
- Device Settings
- Billing History
- Refer Your Friends
- Account Activity

Account settings

Need to update your address? Subscribe to Ting news or device alerts? Change your password or cancel your account? You're in the right place.

Details

Account number	9588973210
Name	Adam Eisner
Contact number	416-535-0123
Email	adam@ting.com

Billing

Name on card	
Credit card	
Expiry date	/

Emails and updates

Ting news	On
Device alerts	On
Ting satisfaction surveys	On

We will improve ease of doing business with BT

- Our acclaimed user experience will be expanded to Burlington
- Expanded support hours and tools
- BT customers will be able to perform many new functions, including:
 - Checking service availability online
 - Ordering online
 - Manage account (billing, etc.) online

Our Commitment to Network Growth

Our commitment is to fund BT's efforts to reach more parts of Burlington, and beyond

- We have the ability and capacity to build large areas/neighborhood “footprints” at once, as opposed to small areas or individual streets (when applicable)
- Local staff would be responsible for managing build plans, scheduling and implementation. Our national field operations project team can assist, in co-ordination with local BT staff

Goal 1: Support ongoing BT construction projects, building “footprints” where applicable

- We pledge to continue to support and ensure completion of BT’s builds in New North End and Downtown in accordance with BT’s proposed schedule.

Goal 2: Continue building to new neighborhoods and buildings in key areas identified by BT

- The City has identified an additional ~1,190 addresses that could potentially be serviced. We would fund this build, and support BT's proposed timelines for completion
- We would support additional MDU opportunities, new builds, multi-year projects, greenfield areas, etc. as they present themselves

Goal 3: Support expansion projects beyond the City

- Our goal would be to also build key projects identified by the City, including:
 - Winooski
 - Essex
 - Williston
 - Chittenden County
- We can provide financial and operational resources and help to concurrently support these builds.
- Further evaluation of costs and methodologies will be necessary.

The Burlington Telecom Brand

We know the BT brand is meaningful to Burlingtonians

We will combine and communicate the best that each brand brings



Powered
by Ting

Accountability

Familiar faces, local presence and insight, years of easy (human) access and interactions, dedication and great service

Usability

Modern online tools for ordering and management, expanded support channels, improved product features

Documentation and Links

ting Links and Contact Information



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- Ting Burlington website, including copy of LOI: <https://www.tingburlington.com/>
- Hello Burlington video: <https://youtu.be/sEDxf75umcc>
- Tucows website: www.tucows.com
- Ting Internet website: www.ting.com/internet
- Ting YouTube channel: www.youtube.com/user/ting



96 Mowat Avenue
Toronto, Ontario, Canada M6K 3M1

November 19, 2017

Terry Dorman
Dorman & Fawcett
PO Box 1370
Quechee, VT 05059

Dear Terry:

Tucows (“We” or “Buyer”), through a wholly owned subsidiary of our choice, wishes to acquire through (the “Transaction”) all of the assets of City of Burlington d/b/a Burlington Telecom (“BT”), together with all of the Burlington Telecom System assets the City of Burlington conveyed to and then leased back from Blue Water Holdings, LLC (together, the “BT Business”).

Price

We will be providing **total consideration of \$32,300,000**, as follows:

- \$29,800,000, payable in cash upon the closing of this transaction.
- \$2,500,000, payable upon closing as reimbursement for BT’s additional capital expenditure planned in Fiscal 2018. Amounts in excess of this number would be subject to the approval of the Buyer.

For clarity, Tucows’ offer is for all of the assets required for the current operations of Burlington Telecom. It assumes a zero cash balance at closing.

City Equity Stake

We understand that given the unique history of BT and the City’s stake in BT’s future, that the City of Burlington may desire to retain a continuing interest in the BT Business. We are very comfortable having the City remain as a minority partner. Subject to discussion, The City would have the ability to retain a minority interest (the “Minority Interest”) of the transaction value up to the pro rata percentage of the proceeds that the City is entitled to receive on the closing date. This Minority Interest would be subject to typical commercial terms associated with such an interest, including a Right of First Refusal.

In the event that the City chooses to take a Minority Interest and subject to discussion and agreement, the City will have the right to sell all, but not less than all, of their Minority Interest to the Buyer at a valuation equal to the EBITDA multiple paid by the Buyer at the time of closing.

Resale Restriction

We also agree to a limited resale restriction on Tucows in the event of a subsequent sale of its equity or the BT Business assets purchased in the Transaction, without the written consent of the City, and to a buyer who is a then-existing telecom provider in the Burlington, Vermont market, if, after such transaction, that party's market share in Burlington exceeds 75 per cent.

City's Limited Right of Repurchase

In the event that Buyer elects either to (i) divest all or substantially of its fiber optic business located in the United States or (ii) discontinue or substantially reduce expansion of its fiber optic business in the United States, the City shall have an exclusive option to repurchase the then existing Telecom Business (the "Repurchase Option") for up to 5 years from the transaction closing date, by providing written notice (the "Repurchase Notice") to the Buyer. The Repurchase Option shall be exercisable at a price to be established by calculating the trailing twelve month EBITDA of the Telecom Business for the twelve month period prior to the Repurchase Notice times the Purchase Price Multiple. The "Purchase Price Multiple" shall be calculated at Closing of this Agreement by dividing the Purchase Price by the trailing 12 months EBITDA of the existing Telecom System prior to Closing.

BT Staff Retention

We believe BT is solid operationally, leaving no reason to make drastic organizational changes. We would need every current BT employee to continue running the operation, and we hope they stay. Our expectation is that the headcount and opportunities for Burlingtonians to grow over time as the network expands and gains more subscribers, and that employees would have access to expanded career options.

Smart City Initiatives

We are also comfortable working towards an arrangement with the City, as part of a final agreement, that supports the City's efforts on Smart City initiatives.

Completion of Burlington Footprint and Future Expansion

Tucows is also committed to expanding BT, and believe our resources and ability to execute concurrent builds will expedite completion of the network within Burlington, and potentially expand to outlying areas. Specifically, Tucows commits to completing the existing BT expansion plan that includes:

- Finishing New North End/downtown
- Finishing approximately 1,200 addresses within Burlington identified by the City
- Focusing sales and expansion efforts on multi-tenant units and businesses

We will also review plans for neighboring areas, including Winooski, Essex, Williston and South Burlington, and build there if warranted.

Memorial Auditorium Relocation

Tucows commits to working with the City to determine a mutually-acceptable solution for relocating BT facilities from Memorial Auditorium to another location. We will need time to more closely evaluate requirements of the relocation and plan for a seamless move, but we can commit to completing it within 18 months of the transaction closing.

Pricing and Customer Service

Tucows has built its reputation by providing our customers with fairly priced, competitive services backed by proactive and attentive customer support that is consistently ranked best-in-class. We believe our approach is extremely compatible with Burlington's customer-centric orientation, and that together we can integrate product, pricing, and support platforms to deliver a world-class experience to BT customers.

We recognize that affordability of services is extremely important to Burlington residents. Our long term view is that technology developments drive pricing downward and not upward. In the history of our Ting mobile and fiber businesses, we have never raised prices. In line with that philosophy and history, Tucows agrees to maintain all core BT Internet and VOIP pricing for 30 months, and restrict television price increases to content-driven costs only. To simplify the process of purchasing service from BT, some of the current packages may be streamlined.

Hyper-Local Approach

Ting's work in Westminster, Maryland, Charlottesville, Virginia, and Holly Springs, North Carolina, shows that we manage our business and satisfy our customers at a local level. This work also demonstrates that we operate, communicate, sell and support at a hyper-local level. Local staff are available on a face-to-face basis, to the people living in these communities to answer questions, hear their feedback, explain our services, address concerns and outline upcoming construction phases and service improvements. Our focus on the people, homes, neighborhoods, and local business - and our effort to participate in, and support these communities - is our greatest advantage over the national incumbents and the only way for us to succeed.

Community Support

As part of our hyper-local approach, we pledge to support initiatives that are deemed important by our communities. We would like to make a specific commitment of \$250,000 **per year** to programs in Burlington that support local economic development and entrepreneurship. This commitment includes:

- \$60,000 per year to maintain the City's commitment to BTV Ignite
- \$50,000 per year to free TV advertising on premium (not CCTV) channels for local startups and community events

The remaining \$140,000 would go to programs developed with local community involvement. We believe that there is tremendous energy in the Burlington community. This has been obvious to us throughout this process. We would look to harness this energy to help determine how best to spend the remainder of the above-noted funds. We believe Burlingtonians know best what their community needs.

The above commitment is **in addition** to contributions to the local community that Ting typically makes in its cities, including:

- Zones offering free gigabit-powered, state-of-the-art wifi
- Free service to select, local non-profits
- Sponsorship of local events and programs
- Internship programs

- Additional public, educational and government (PEG) access channels

Preservation of BT Lifeline Program

Ting also commits to continuing BT's support for the Federal Lifeline Broadband program. However, we do not think the Lifeline program is enough, and we have started to work on innovative approaches with local communities that provide more effective solutions to the digital divide, and we would expect to bring these lessons to Burlington.

BT as Regional Ting Hub

Our plan is for over \$50 million of capital investment to be deployed in the region over the next 10 years, which will bring significant local, well-paying jobs to Burlington, and provide demand for local services. We expect this expansion to increase the need for equipment, vehicles, staff and services both within the BT operation and the Burlington community more broadly. We expect headcount and opportunities for Burlingtonians will grow over time, as will BT's contribution to the local economy.

BT as Ting's Eastern Headquarters for Video Services

We are currently in the process of building a new, national video service from the ground up. Should Ting be the successful bidder for BT, we will pivot our strategy and make Burlington our new provider of video services for all of our Eastern markets. Current BT staff will be looked at to contribute as we roll out our video service nationally and we expect this to grow employment opportunities over time.

Burlington as Center for Research and Development

As the most developed fiber footprint within our business, we would naturally use Burlington as a hub for development of innovative technologies that integrate a robust wired infrastructure with newly-available radio spectrum to build a next generation wireless experience. We would want to make Burlington a model for cities all over the country and the world, in terms of ambient connectivity. This effort bolsters the BT business and creates a robust, reliable platform for local innovation and entrepreneurship to flourish.

Legal Details

This offer to purchase is an expression of intent only, it does not express the agreement of the Parties and is not meant to be binding on the Parties now or at any point in time in the future. The Parties acknowledge that the points set forth in this Letter of Intent ("Letter"), as well as points beyond the scope of this Letter, are subject to the completion of negotiation and execution of a final and binding "Definitive Agreement," which is satisfactory to each Party in its sole discretion. Accordingly, the Parties do not intend to be bound until they enter into a Definitive Agreement regarding the subject matter.

In the event that Tucows is the prevailing bidder, we will assume responsibility for our own internal costs and legal, accounting and other professional fees and expenses incurred in connection herewith, the negotiation, preparation and execution of the Definitive agreement, or otherwise relating to the proposed transaction. Tucows shall not incur any obligation for any finder's, broker's or agent's fee in connection with the transaction contemplated hereby.

We recognize that the consent of State and Federal government bodies may be required to consummate the Transaction and the parties agree to use commercially reasonable efforts to obtain such approvals.

This Letter shall be governed exclusively by applicable laws of the United States of America and the State of Vermont and all actions arising out of the subject matter of this Letter shall be brought and adjudicated solely in the courts of the State of Vermont or the federal court for the District of Vermont.

In summary, we are very excited about the opportunity to partner with the City of Burlington and grow the business in a way that honors the home-grown legacy of BT. We hope that you share our view that Ting's operational experience, track record, and progressive way of doing business would make for a compelling fit with Burlington Telecom and its employees and customers, and would meet the needs of all our respective stakeholders. If you have any questions on the content of this letter, please do not hesitate to contact me. We are delighted to have the opportunity to work with you and look forward to a successful transaction.

Very truly yours,



Elliot Noss
President, CEO, Tucows Inc.

Accepted by:

Terry Dorman
Partner, Dorman & Fawcett