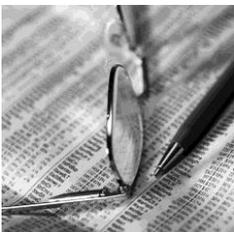


# Last Mile Finance Plan Summary Outline

(Town G.O./Qualified Bonds)

10/28/14

DRAFT FOR DISCUSSION ONLY

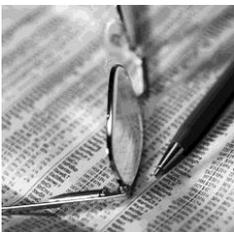


GREGORY A. SANDOMIRSKY

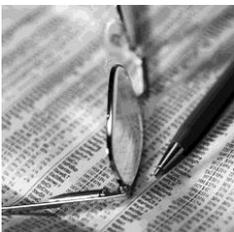
**MINTZ LEVIN**

MINTZ LEVIN COHN FERRIS GLOVSKY AND POPEO PC

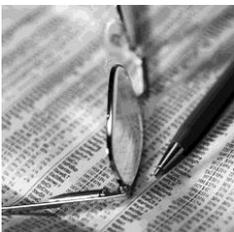
- 1. Each town would issue general obligation (G.O.) bonds under MGL c.44:8(8) to fund capex for its MLP's share of the project. Authorization requires a 2/3 town meeting vote.**
- 2. Each town would issue its G.O. bonds as it may choose, perhaps acting in concert as a group in a public or private sale.**
- 3. Each town could apply to have the State's Municipal Finance Oversight Board "qualify" the town's bonds under MGL c.44A to enhance the security and lower the rate, but some may not need or be able to.**
- 4. In the case of the "qualified bonds," the towns would agree that the State Treasurer can intercept each town's local aid to make its bond payments.**



5. **The G.O. bonds might be structured to pay interest only during construction and then amortize principal over approximately 20 years.**
6. **Bond anticipation notes or other techniques might be used to mitigate net interest costs during construction.**
7. **By agreement with WiredWest acting on behalf of the MLPs, MBI would design and build the system using the state grant and the town bond proceeds. Possibly, some early net operating revenues could provide "pay as you go" capital funding.**
8. **As components are completed, WiredWest would assume title and operating responsibility.**



9. **Towns would manage their tax levies and other resources to cover debt service on their bonds. If and when WiredWest has available net revenues, it would distribute money to its member MLPs to offset the debt service.**
10. **In the qualified bond scenario, the towns would set their budgets taking the local aid intercept into account.**
11. **The operating results of the WiredWest business over time are uncertain and will depend on take-up rates, pricing for various services, operating costs, competition, technology change and many other factors.**



- 12. Based on current projections, the towns would not be able to count on significant revenues coming back through their MLPs for several years.**
- 13. If WiredWest succeeds, when the towns set their tax levies and budgets in future years, they may be able to rely on distributions from WiredWest to offset the G.O. bond debt service or any local aid intercept in whole or in significant part.**
- 14. Towns would remain legally liable on the G.O. bonds regardless of WiredWest operating results.**

