

**Resolution Relating to**

APPROVING COMMITMENT LETTER FOR FINANCING  
OF BURLINGTON TELECOM

**RESOLUTION**\_\_\_\_\_

Sponsor(s):

Introduced: \_\_\_\_\_

Referred to: \_\_\_\_\_

Action: \_\_\_\_\_

Date: \_\_\_\_\_

Signed by Mayor: \_\_\_\_\_

**CITY OF BURLINGTON**

In the year Two Thousand Fourteen .....

Resolved by the City Council of the City of Burlington, as follows:

1 That WHEREAS, on February 18, 2014, the City Council approved a Mediated Settlement Agreement  
2 with Citibank, N.A. and McNeil Leddy & Sheahan, P.C., in the case of *Citibank, N.A. v. City of*  
3 *Burlington*, 2:11-cv-214-wks; and

4 WHEREAS, the Mediated Settlement Agreement provides that the City will obtain financing for  
5 the Burlington Telecom System (“the Telecom System”) from a special purpose municipal lender to  
6 implement a portion of the terms of the Mediated Settlement Agreement;

7 WHEREAS, Dorman & Fawcett, on behalf of the City, solicited proposals for financing, and the  
8 City has obtained commitment letters from two lenders willing to provide the \$6 million in cash financing  
9 to the City under a sale-leaseback arrangement; and

10 WHEREAS, both proposals for the lease financing provide that the lease payments due shall be  
11 subject to appropriation and only payable from the revenues of the Telecom System; and

12 WHEREAS, both proposals call for the City and Citibank, N.A. to convey to the lessor all of the  
13 assets of the Telecom System, with the City leasing back the assets of the Telecom System, and for all  
14 revenues from the Telecom System to be held in a segregated account or accounts; and

15 WHEREAS, this financing shall be subject to receipt of all necessary regulatory approvals from  
16 the Vermont Public Service Board (the “PSB”);

17 NOW THEREFORE, BE IT RESOLVED that

18 1) The City Council hereby approves the terms of the financing as set forth in the commitment  
19 letter submitted by Pecor/Merchants Bank in a maximum principal amount not to exceed  
20 \$6,000,000; and

21  
22 2) The Mayor and Chief Administrative Officer (the “Authorized Officers”) are, and each of  
23 them is, hereby authorized and empowered to (A) execute and accept the Commitment Letter,  
24 in substantially the form presented, and (B) negotiate and finalize the terms of the transaction  
25 documents for the lease financing set forth in the Commitment Letter, which documents are  
26 expected to include: (i) instruments of conveyance in order for the City to convey, to the  
27 lessor, the assets of the Telecom System; (ii) a lease agreement with the lessor, with payments  
28 to be subject to annual appropriation by the City Council, (iii) a deposit trust agreement  
29 pursuant to which the revenues from the operation of the Telecom System shall be held in a  
30 segregated account; and (iv) a management and sale agreement to provide for the allocation of  
31 net proceeds from a sale of the Telecom System; such documents shall be subject to further  
32 approval by the City Council.  
33