

## LETTER OF INTENT AGREEMENT

This Letter of Intent Agreement (or Agreement), made and entered into this 8<sup>th</sup> day of December, 2009 by and between the City of Burlington, a Vermont municipal corporation (City) and Piper Jaffray & Co. a Minnesota corporation with principal place of business in Minneapolis, Minnesota (Piper Jaffray);

WHEREAS, the City is exploring the desirability of issuing Certificates of Participation (COP) for the purpose of financing and re-financing the assets of Burlington Telecom, a division of the City engaged in the provision of telecom services (BT); and

WHEREAS, the exploration relates to the possible issuance of COP by the City with a preliminary par amount of \$60,650,000.00 as fixed rate certificates sold in one or more terms and as more fully described in the "Summary of Terms" which is attached hereto and incorporated herein as Exhibit A; and

WHEREAS, the City and Piper Jaffray wish to work together between the date of this Agreement and January 15, 2010 for the purpose of allowing the City to make a determination as to whether it wishes to move forward with the COP program; and

WHEREAS, if the City should make the determination to move forward with the COP program it will then commit to utilize Piper Jaffray as its exclusive broker/underwriter with regard to the preparation for and issuance of the COP;

NOW THEREFORE IT IS AGREED by and between the City and Piper Jaffray as follows:

1. Between the date of this Agreement and January 15, 2010 Piper Jaffray and the City shall consult concerning the best possible financing structure, financing time table, the

pertinent legislative action prior to the issuance of the COP; preparation and distribution of appropriate marketing materials to Piper Jaffray's sales team to use in marketing the COP to potential investors; the conducting of an offering of the COP to appropriate investors and the negotiation of a price for the COP acceptable to the City; and the preparation of closing instructions and coordination of the settlement process concerning the COP.

4. In consideration for the services to be rendered by Piper Jaffray as detailed above, and if the COP are issued and purchased, the City shall pay Piper Jaffray an underwriting fee of 1.25% of the par value of the COP.

5. If for any reason the COP are not issued, the City agrees to pay those expenses that have been incurred by Piper Jaffray through the date of determination not to issue the COP. Such expenses shall not exceed \$2,500 prior to January 15, 2010, the date City shall officially advise Piper Jaffray whether it has made the requisite commitment to move forward to the possible completion of the COP transaction. Such expenses shall include appropriate costs of issuance associated with the financing, including but necessarily limited to underwriter's counsel fee (for which there shall be a "not to exceed" amount committed by Piper Jaffray in advance); registration or filing fees with various states; fees of the PSA\*, CUSIP\* and DTC\*; cost of printing the Final Official Statement\*; fees and disbursements to the trustee and paying agent; fees and expenses of the Issuer; fees and disbursements of Bond Counsel and any other out of pocket expenses of the City or of its representatives. Those expenses listed above that are marked with an asterisk shall be paid by Piper Jaffray and reimbursed by the City.

6. This Letter of Intent with the attached "Summary of Terms" does not constitute an offer to buy or sell securities. A formal offer to purchase the securities will only be made

By: \_\_\_\_\_  
Duly Authorized

PIPER JAFFRAY & CO.

By: \_\_\_\_\_  
Duly Authorized

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