

EXHIBIT B

Docket No. 21-2586-01

Docket No. 21-2628-02

New York Petition

**BEFORE THE STATE OF NEW YORK
PUBLIC SERVICE COMMISSION**

Joint Petition of :
:
ExteNet Asset Entity, LLC, Assignee, :
:
and : Case No. _____
:
ExteNet Systems, Inc., Assignor, :
:
For Approval for Assignee to Acquire the :
Customers and Certain Assets of Assignor :

JOINT PETITION

ExteNet Asset Entity, LLC (“EAE”) and ExteNet Systems, Inc. (“ESI”) (together, “Petitioners”) respectfully request approval by the New York Public Service Commission (“Commission”), to the extent required pursuant to N.Y. Pub. Serv. L. §§ 99, 100 and 101, (1) for EAE to acquire certain assets, including customer contracts and related telecommunications network infrastructure, of its indirect parent, ESI (the “Transaction”), and (2) for EAE to participate in certain financing arrangements in connection with the Transaction.

As a result of the Transaction, EAE will become the service provider for those customers transferred. As described below, the Transaction is part of a plan to expand the ExteNet family of authorized operating companies to better align their businesses with current and future customer focus and growth and to obtain additional debt financing. The Transaction will be seamless to customers with respect to the services that those customers receive and the rates and terms of those services. The Transaction will not cause confusion or disruption to customers since EAE will market and perform its services under the “ExteNet” brand with which customers are familiar, will maintain the same rates and terms of service, and will use ESI’s same customer service, technical, operational and managerial personnel.

Due to certain business considerations associated with securing debt financing, Petitioners urge that the Commission promptly approve the Transaction and related financing arrangements to permit the transfer of the New York customers and assets at the earliest possible time.

In support of this filing, Petitioners provide the following information:

I. DESCRIPTION OF ESI AND EAE

EAE is a newly formed Delaware limited liability company and direct, wholly owned subsidiary of ExteNet Issuer, LLC, which in turn is wholly owned by ExteNet Guarantor, LLC, which in turn is wholly owned by ESI. ESI is a privately held Delaware corporation and a direct, wholly owned subsidiary of Odyssey Acquisition, LLC (“Odyssey”), a Delaware limited liability company. Odyssey is an indirect, wholly owned subsidiary of Mount Royal Holdings, LLC (“Parent”), a Delaware limited liability company. Parent has executive offices located at 750 Park of Commerce Drive, Suite 200, Boca Raton, Florida 33487. Parent has no majority owner, but rather is owned by multiple private equity firms and certain individuals in management of ESI.¹

Founded in 2002, ESI and its subsidiaries (collectively, “ExteNet”) design, build, own and operate distributed networks for use by national and regional wireless service providers (“WSPs”) in key strategic markets in North America. Using fiber-fed distributed antenna systems (“DAS”), small cells, Wi-Fi and other technologies, ExteNet deploys distributed networks to enhance coverage and capacity and enable superior wireless service in both outdoor and indoor environments. Primary markets addressed by ExteNet include outdoor distributed networks in a variety of densely occupied or heavily traveled settings, and venues used for sports and entertainment events, the hospitality industry, commercial buildings, and

¹ Additional information regarding the ownership of Parent was provided in Matter No. 15-01660 and is incorporated by reference.

healthcare facilities. With its recent acquisitions of Hudson Fiber Network and assets of Axiom, ExteNet also provides private lines or IP-based transport services to other carrier customers.

Collectively, ExteNet holds authorizations to provide intrastate telecommunications services in the District of Columbia and every state except Alaska, Iowa, Maine, Montana, North Dakota, Vermont, and Wyoming.² In New York, ESI is authorized to operate as a facilities-based provider and reseller of telephone service, without authority to provide local exchange service pursuant to a Certificate granted in Case No. 05-C-1428. A subsidiary of ESI, ExteNet Systems (New York), Inc., is also authorized to operate as a reseller of telephone services without authority to provide local exchange service pursuant to a Certificate granted in Case No. 15-01449. EAE is concurrently filing a petition to operate as a facilities-based provider and reseller of telephone service, without authority to provide local exchange service in the State of New York (the “Certification Petition”). ESI also holds authorization from the FCC to provide domestic (interstate) telecommunications services.

II. CONTACTS

Questions or any correspondence, orders, or other materials pertaining to this filing should be directed to the following:

² ESI also anticipates seeking authorization to provide telecommunications services in Vermont. ESI subsidiaries that are authorized to provide intrastate telecommunications services in one or more states are: ESI Advanced Wireless Networks, LLC, ExteNet Systems (California) LLC, ExteNet Systems (New York), Inc., ExteNet Systems (Virginia) LLC, Hudson Fiber Network, Inc. and Telecommunication Properties, Inc.

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With a copy to:
H. Anthony Lehv
S.V.P. & General Counsel
ExteNet Systems, Inc.
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III. DESCRIPTION OF THE TRANSACTION

The Transaction is part of a plan to expand the ExteNet family of authorized operating companies to better align their businesses with current and future customer focus and growth and to obtain additional debt financing. As a result of the Transaction, certain contracts and related network assets will be assigned from ESI to EAE, including ESI's customer accounts and contracts, antennas, fiber, and other telecommunications equipment. Following this intra-corporate Transaction, EAE will primarily provide service and networks targeted to WSPs. ESI will continue to operate under its existing certificate and will continue to develop, sell, and construct new distributed networks, along with providing "lit" services to commercial users and new services. A depiction of the Transaction is included as Exhibit A.

To assure seamless and uninterrupted service, all of the customers assigned to EAE will continue to receive service from EAE under the same rates, terms and conditions of services as governed their existing contracts with ESI. EAE will offer point-to-point telecommunications services to WSPs, other telecommunications carriers and communications providers. Future changes in the rates, terms and conditions of service to the affected customers will be undertaken pursuant to customer contracts and the applicable federal and state notice and tariff requirements.

The Transaction will not cause confusion or disruption to customers since EAE will market and perform its services under the "ExteNet" brand with which customers are familiar,

will provide existing customers with the same rates and terms of service, and will operate through the same customer service, technical, operational and managerial personnel, who shall remain employed by ESI.

IV. DESCRIPTION OF FINANCING TRANSACTION

EAE seeks approval to enter into, or to otherwise participate in, financing arrangements up to an aggregate amount of \$780 million (the “Financing Arrangements”).³ In order to maintain flexibility to respond to market conditions and requirements and to respond to new acquisition and other business and financing opportunities (including the modification or refinancing of then-existing financing arrangements), EAE seeks approval to enter into, or to otherwise participate in, the Financing Arrangements, substantially consistent with the following parameters:

Aggregate Amount: Up to \$780 million (the “Aggregate Amount”).

Borrower: Although ExteNet Issuer, LLC (“ExteNet Issuer”) currently is expected to be the borrower under the Financing Arrangements, in order to maintain flexibility, approval is sought for EAE to be a borrower or co-borrower under the Financing Arrangements.

Debt Instruments: The Financing Arrangements may include one or more of the following forms of debt instruments: notes or debentures (including notes convertible into equity and private notes that may be exchanged for public notes); conventional credit facilities, such as revolving credit facilities and term loans; letters of credit; and bridge loans; or a combination thereof.

Maturity: The maturity period will be consistent with the maturity period for similar debt instruments and will not be determined until the Financing Arrangement(s) are finalized. While it is expected that the maturity may be up to ten (10) years after issuance or amendment depending on the type of facility, to maintain flexibility approval is sought for Financing Arrangements that have a maturity period consistent with then current market conditions.

Interest: Interest rates will be the market rate for similar debt instruments and will not be determined until the Financing Arrangement(s) are finalized. Depending on the type

³ ESI is currently authorized to enter into, or to participate in, financing arrangements in an aggregate amount of up to \$750 million, with flexibility within that aggregate amount to negotiate particular market-based terms within the range described in its Petition, *see* Matter No. 17-01954, and will not participate in the Financing Arrangements described herein.

of debt instrument, interest will accrue at a rate(s) that may be fixed (typically set at signing or closing based on then current market conditions) or floating (consisting of a base rate, which will float with a rate index such as LIBOR or Federal Funds Rate, plus an applicable margin), or a combination of fixed rates and floating rates.

Security: Some or all of the Financing Arrangements may be secured facilities, which may include a grant of a security interest in the assets of ExteNet Guarantor, LLC (“ExteNet Guarantor”) and its subsidiaries, including EAE. A portion of the Financing Arrangements may be unsecured facilities. For secured facilities, the equity of ExteNet Guarantor and its subsidiaries may be pledged as additional security.

Guarantees: Subject to certain exceptions, ExteNet Guarantor and its subsidiaries, including EAE, are expected to be guarantors for some or all of the Financing Arrangements. In order to maintain flexibility, approval is sought for EAE to participate as a guarantor or co-guarantor in Financing Arrangements up to the Aggregate Amount.

Purpose: The Financing Arrangements may be used may be used to pay off existing financing arrangements of ESI and for other permitted purposes of ESI and its subsidiaries, including EAE.

Accordingly, and to the extent necessary, EAE requests Commission authorization to participate in the Financing Arrangements as a borrower or guarantor and to pledge its assets as security for the Financing Arrangements in an aggregate amount of up to \$780 million substantially consistent with the parameters outlined above.

V. PUBLIC INTEREST CONSIDERATIONS

Petitioners respectfully submit that the proposed Transaction serves the public interest. The Transaction will result in the assignment of ESI customers and assets to an affiliated company that will continue to provide telecommunications services to such assigned customers without interruption. Following grant of requested authority, EAE will offer services at the same rates and on the same terms and conditions as previously provided by ESI (subject to future changes pursuant to applicable law and contract provisions). Given that EAE and ESI share the same management team, EAE’s customers will benefit from that team’s knowledge and experience in the New York market. EAE expects to offer customers a wide array of services, thus providing New York consumers greater choice for innovative and technologically advanced telecommunications services, high quality customer service, and competitive prices.

EAE will operate its networks and offer services designed to meet the individual needs of its WSP customers in providing high quality services to their end-user customers in an efficient and cost-effective manner. In accordance with the terms of their service contracts, ESI will promptly and properly notify its customers of the proposed transaction and the change in such customers' telecommunications provider from ESI to EAE. A sample of the notice that will be sent to applicable affected customers is provided in Exhibit B.

Approval of the Financing Arrangements serves the public interest by promoting competition among telecommunications carriers by providing ESI and its subsidiaries, including EAE, with access to greater financial resources that will allow ExteNet to deploy additional communications infrastructure and compete more effectively. The participation of EAE in the Financing Arrangements is necessary and appropriate, is consistent with its provision of services to WSP customers who in turn will be enabled to improve its services provided directly to the public, will not impair its ability to perform such services, and will promote the purposes of ESI and EAE. The Financing Arrangements will be transparent to the WSP customers of EAE and will not disrupt service or cause customer confusion or inconvenience.

VII. CONCLUSION

WHEREFORE, for the reasons set forth above, Petitioners request the Commission grant all authority necessary for EAE: (1) to acquire certain assets of ESI as described herein; and (2) to participate in the Financing arrangements, all as described herein. Further, Petitioners request that the Commission expeditiously act on this Petition, in light of Petitioner's debt financing considerations and so that ESI's customer contracts can be assigned to EAE at the earliest possible closing.

Respectfully submitted,



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Counsel for Petitioners

Dated: November 2, 2018

LIST OF EXHIBITS

Exhibit A Depiction of Transaction

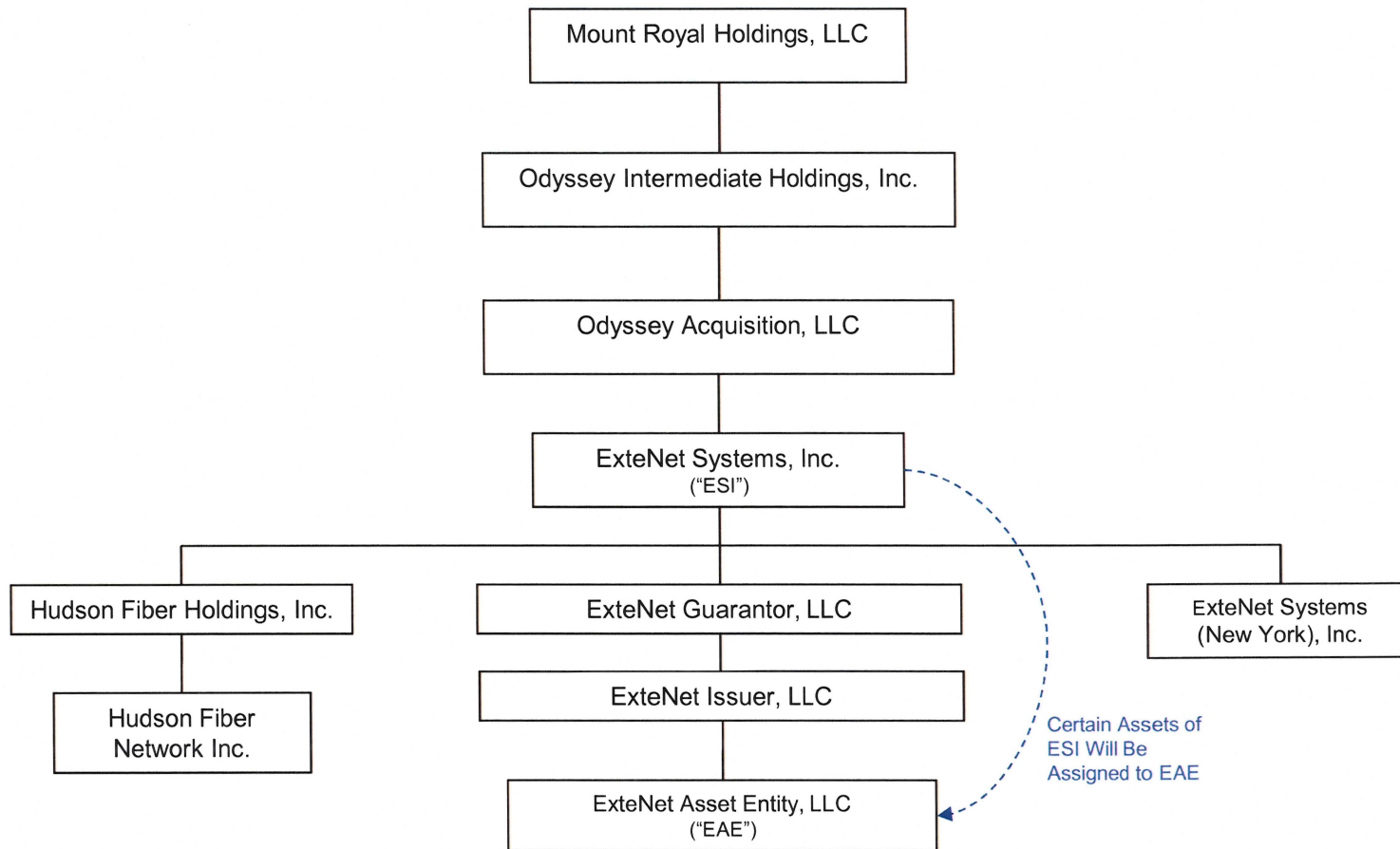
Exhibit B Sample Customer Notice

Verification

EXHIBIT A

Depiction of Transaction

Depiction of Transaction*



All ownership percentages depicted are 100%.

* The entities listed herein include only those entities that (1) hold authorization to provide intrastate telecommunications services in this jurisdiction or (2) are in the chain of ownership of those entities. The chart excludes all other subsidiaries of ESI.

EXHIBIT B

Sample Customer Notice



<Counter-Party Name>
<Counter-Party Address>

Re: <Contract Title>, effective as of <MM DD, YYYY> (the "**Agreement**")

Dear Valued Customer:

We are writing, pursuant to <§__ of the Agreement/§__ of the Master Agreement (as defined in the Agreement)> to provide you formal notice that, effective as of <Date>, as a result of an intra-corporate transfer and assignment, ExteNet Asset Entity, LLC ("**EAE**"), a newly formed, wholly owned affiliate of <ExteNet Systems, Inc. ("**ESI**")>, will provide you the services previously provided to you by ESI. The transfer is part of a plan to expand the ExteNet family of authorized operating companies to better align their businesses with current and future customer focus and growth objectives.

Your existing Agreement remain unchanged, the transfer and assignment will have no impact on your services or your rates, and all rights and obligations under the Agreement, which will be assumed without change by EAE, will continue unaffected. We will notify you of any changes to your billing or payment address.

If you have any questions, please contact <E-mail address> or <phone>.

Sincerely,
<ExteNet Systems, Inc.>

VERIFICATION

STATE OF ILLINOIS
COUNTY OF DU PAGE

§
§
§


VERIFICATION

I, H. Anthony Lehv, am Senior Vice President and General Counsel of ExteNet Systems Inc. (“ESI”); that I am authorized to make this Verification on behalf of ESI and its subsidiaries (collectively, the “Company”); that the foregoing filing was prepared under my direction and supervision; and that the contents with respect to the Company are true and correct to the best of my knowledge, information, and belief.



H. Anthony Lehv
Senior Vice President and General Counsel
ExteNet Systems, Inc.

Sworn and subscribed before me this 19th day of October, 2018.


Notary Public

My commission expires 9/27/2020

