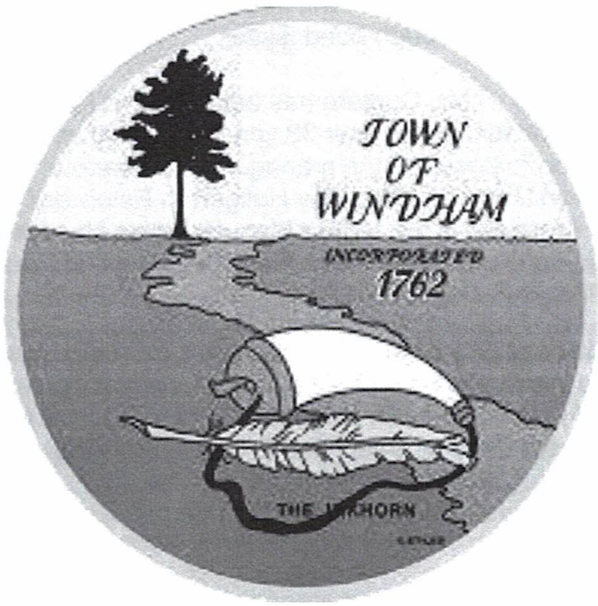
MOORS & CABOT
INVESTMENTS
Banking & Advisory Group



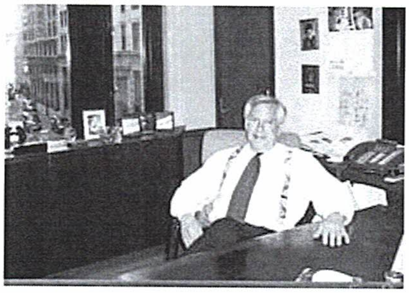
In Consideration of a Municipal Advisor…

MOORS & CABOT, INC.

Established 1890

Banking & Advisory Group
One Federal Street
Boston, Massachusetts 02110
Member FINRA, NYSE and SIPC

July 14, 2020



Joseph P. Cuetara is a Senior Vice President with Moors & Cabot's Capital Markets Division. His responsibilities include management of fixed-income sales, trading and underwriting. Furthermore, he has established the *Banking and Advisory Group* that provides consultative and advisory services to local municipalities for debt management, fiscal advice and access to debt markets through bond issues.

Mr. Cuetara has been involved with the origination, sale and distribution of fixed-income securities for over 30 years. He started his career at the Federal Reserve Bank of Boston followed by the management of various bond departments in Boston, including Blyth Eastman Dillon and Moseley Hallgarten Estabrook & Weeden. He served as the National Sales Manager at the former Manufacturers Hanover Trust Company in New York City and as the head of Public Finance at Fleet Securities, in Portland, Maine and in Boston. Mr. Cuetara joined Moors & Cabot in 1998.

Mr. Cuetara received a Bachelor of Arts Degree in Economics from the University of Maine (Orono) in 1971 and attended the Graduate School at Clark University (Worcester, Massachusetts) as a Doctoral Candidate in Economics. He is registered with the Financial Industry Regulatory Authority as a General Securities Principal and Registered Representative (FINRA Series 7, 24, 63) and is registered with the Municipal Securities Rulemaking Board as a Municipal Advisor, Municipal Principal and Registered Representative (MSRB Series 50, 52, 53).

Moors & Cabot, Inc. ("Moors & Cabot") is a brokerage firm established in 1890. Its corporate headquarters are located at 111 Devonshire Street in Boston, Massachusetts. The firm is a 125-plus years old, privately held, Massachusetts corporation and member of the New York and Boston Stock Exchanges.

In January 1998, Moors & Cabot made a strategic decision to significantly expand its fixed-income activities by enlisting Joseph P. Cuetara to serve as a Senior Vice President & Manager in its Capital Markets Division. Mr. Cuetara enjoys over 45 years of securities market experience, of which the last 31 years have been focused on financial advisory. His responsibilities include management of all fixed-income sales, trading and underwriting. Through his creation of its *Banking & Advisory Group*, Moors & Cabot provides consultative and advisory services to local municipal entities for debt management, fiscal advice and access to the debt markets. The firm is now recognized as the *"preeminent distributor"* of Maine local tax-exempt obligations and the *"point of inquiry"* for local Maine municipal debt.

Our focus is to serve local municipal and quasi-municipal entities in the State of Maine. Our commitment is to provide local municipal entities with comprehensive advisory services to suit *its* unique needs. We develop a market strategy that optimizes *when* the debt should be sold. Considerations as to the technical as well as the fundamental aspects of the market become instrumental in developing these strategies. In summary, *we structure the financing and its timing to the issuer's benefit*.

Moors & Cabot has participated in fixed-income activities since its inception. Our 125-plus years longevity and continued existence demonstrates that Moors & Cabot has made a serious capital commitment to *the securities business ... as our only business*. Our familiarity and experience with local Maine financings *continues the tradition*, committed to providing continued market access to Maine communities.

Scope of Services

Our proposed services encompass coordination of and assistance with all facets of structuring, originating, marketing, sale and closing of the issue. These services include our responsibility to:

- ✓ Structure the issue;
- ✓ Determine sale timing;
- ✓ **We** prepare the Preliminary and final Official Statement;
- ✓ Conduct due diligence meetings in preparation of sale;
- ✓ Arrange for the timely production and delivery of the financing documents to all parties including prospective bidders, KISI, *The Bond Buyer* and Bloomberg;
- ✓ Adequately advertise the sale;
- ✓ Secure CUSIP numbers for the issue in a timely manner;
- ✓ Act as liaison and coordinate sale activities with pertinent state agencies, credit rating agencies, Bond Counsel, paying agent and others associated with the sale;
- ✓ Coordinate bid opening and/or pricing, verify pricing and notification of sale results and details;
- ✓ Work with Bond Counsel to assure timely availability of bonds at settlement;
- ✓ Coordinate closing with purchaser;
- ✓ Arrange for certification of the issue and delivery of the bonds for pre-closing;
- ✓ Prepare the calculation and assist in the preparation of the IRS Form 8038-G;
- ✓ Forward a sufficient supply of final Official Statements to the purchaser; and
- ✓ File any Event Filings or Continuing Disclosure, as required, to EMMA.

Driving the Process.

We typically provide our standard form of **Chronology** for each financing. This will identify all of the aspects of the financing process and provide the Town with comfort that the financing(s) are proceeding on schedule. We find this to be a convenient tool in that it enables us to: (i) plan our respective schedules well in advance; (ii) provide the issuer with a total overview of the process; and (iii) allow us to continually monitor the process, thus keeping on schedule throughout the financing.

In addition to the Chronology, we prepare a **Distribution List** of all parties who will be involved in the financing. This allows everyone to: (i) know who the responsible parties are; (ii) prevent inadvertently forgetting parties who should be informed; and (iii) have the correct addresses, telephone and facsimile numbers of all parties, for all parties. The entire Distribution receives notification of the proposed sale and a copy of the Chronology at the outset of the financing. As the financing process matures, all salient parties are notified as prescribed by the Chronology. Thus, all parties receive its respective instructions, requests and financing documents, including Official Statements, in a timely manner.

March 2018						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

April 2018						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

May 2018						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

Chronology Relating to the Sale of:
Town of Kennebunk, Maine
$5,645,000 2018 General Obligation Bonds

DATE	Revised	ACTION
Mar 15		Notify Bond Counsel, Paying Agent, Rating Agencies, CUSIP and DTC.
Apr 6		First draft of Preliminary Official Statement ("POS").
Apr 13		Second draft of POS.
Mar 30		Good Friday (Market Closed).
Apr 23		***Due diligence at Bond Counsel's office.***
Apr 23		Receive draft of legal opinion.
	Apr 24	Town approves Curent Refunding of 2007 Bonds.
	Apr 27	Final draft of POS.
	Apr 30	Draft POS and final information to Rating Agencies.
	Apr 30	POS to printer.
	May 4	Post sale on "Bond Buyer", Bloomberg, *ipreo prospectus* and *ipreo Parity*.
	May 4	POS and NOS to bidders
	May 10	Last day for Rating Call.
	May 11	Assignment of ratings.
	May 15	***Bond Sale***
	May 15	Award to lowest bidder.
	May 15	Notify Bond Counsel, Paying Agent, CUSIP and DTC.
	May 15	Information to market.
	May 15	Draft of IRS Form 8038-G.
	May 22	Signing by municipal officials. Forward to Bond Counsel.
	May 28	Memorial Day (National Holiday).
	May 29	Receipt from Bond Counsel. Forward to paying agent.
	May 30	Escrow for DTC *FAST* closing.
	May 30	***DTC releases; Settlement w/purchaser.***

Our Approach to the Rating Process …

If the Issuer wishes to sell its debt in the public market it is *imperative that you are rated*. This is consistent with industry standard for a public market issuer, such as the Issuer, and is especially appropriate as, due to the consolidations of many banks into a few, (a) its portfolios are being managed at its corporate headquarters (in most instances out of state); as well as (b) the consolidations of portfolio managers in its trust departments (again, in most instances out of state). This is exacerbated by (c) the shift of purchases of municipal debt from professional institutional money managers (having been the next largest purchases of bonds) to individual ("retail") investors.

The above fundamental changes have been a catalyst for the *trend of seeking two ratings!* Other prospective Municipal Advisors may advise application to only one rating agency … *"to save money"*. But we contend, and are able to prove quantitatively, that this is poor advice that will cost greater interest expense, that far outweighs the rating fee. Thus, despite the extra expense of a second rating, it has been our experience that there are benefits.

THE BOND BUYER

Market Values Moody's Ratings More than S&P's, Study Says

by Robert Slavin
DEC 12, 2011 6:58pm ET

Bond buyers place more weight on Moody's Investors Service ratings than on Standard & Poor's ratings, according to a recent Loop Capital Markets study.

Loop Capital also looked at bonds with a rating from only one of the two rating firms. The firm found that missing a Moody's rating had more than twice the impact on what the market would demand for yield as did missing a rating from S&P.

Loop Capital Markets examined 99,444 trades completed this year in its study. It created a multiple regression model with Moody's and Standard & Poor's letter ratings converted into numbers as independent variables. It also included the return on the S&P 500, a measure of volatility, coupon size, years to worst yield, and years to worst squared as independent interval variables. Finally, whether or not the bond was missing either a Moody's or S&P rating was included as a categorical independent variable.

The dependent variable was the trading spread relative to Municipal Market Data's triple-A scale.

The un-standardized coefficient for the Moody's rating was 16.77 whereas for the Standard & Poor's rating it was 10.90. In other words, for each one-notch decrease in the Moody's rating there was an additional 16.77 basis point increase in the spread. The figures indicate that a one-notch shift from Moody's rating has 54% more impact than a one-notch shift from S&P.

The coefficient for missing Moody's rating is 13.61 as compared with a coefficient for missing S&P rating of 5.66. The statistics indicate that missing a Moody's rating, with all other factors held constant, has 140% more impact on the spread than missing a S&P rating.

The "p" values for these four independent variables are all below .0001. In other words, the statistical model says there is less than a one in 10,000 chance that these variables do not impact the dependent variable. The adjusted "R" square for the model is 0.66.

"It's better for issuers to be rated by both rating agencies, but if you're only going to have one you're better with Moody's," said Chris Mier, chief strategist for Loop Capital Markets.

"We're not trying to impugn S&P. ... This general perception is already found in the marketplace. ... The question for [research associate Nick Larson] and I was if it holds up to statistical scrutiny. ... And the second thing was to see if these differences are large or small."

Loop is doing this study in part because the muni market hasn't had much statistical analysis, Mier said. "We feel it's important to bring a stronger quantitative edge to studying the market."

Asked to comment on the study, Moody's spokesman David Jacobson said, "This gets into the market pricing aspect, which is beyond what we cover or discuss, so we'll have to pass on this."

"We have not had the opportunity to review the full research, so we cannot comment on it," said S&P spokesman Olayinka Fadahunsi.

SOURCEMEDIA

THE BOND BUYER

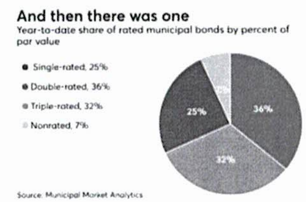
Rise in single-rated municipal bonds spurs investor concerns

By Christine Albano

June 12 2018, 4:34pm EDT

A trend toward single-rated municipal bonds has accelerated this year, raising concern among investors who were accustomed to two or three rating agency opinions to support their purchasing decisions.

Single-rating transactions represent about a quarter of new sales by par value so far this year, a 17.5% increase from the rate in all of 2017, according to a report this month from independent research firm Municipal Market Analytics.



The trend, driven by the need for cost savings as underwriting spreads narrow, has been underway since the financial crisis. That in turn has heightened the competition to provide ratings, as a fourth agency — Kroll Bond Rating Agency — made inroads in serving muni issuers along with Moody's Investors Service, S&P Global Ratings, and Fitch Ratings.

"If rating agencies lower their standards to appeal to issuer 'rating shoppers,' they essentially risk diluting their reputation and relevance," Richard Ciccarone, chief executive officer and president of Merritt Research Services, said this week.

Perhaps the most concerning aspect of the trend, buy-side experts said, is that issuers have an incentive to opt for the highest single rating, which cuts down on transaction costs, but can deny investors comprehensive credit research, disclosure, transparency, and surveillance that was the norm for decades. The trend toward single opinions also reduces issuers' accountability, the experts said.

"Since rating criteria [are] more transparent than ever, it is easier to pick a rating that might favor a borrower based on how it stacks up with agency criteria, pre-screening and existing ratings," Ciccarone said. "Having one rather than two or more ratings becomes a risk especially to less sophisticated investors if issuers are shopping for only the ratings that cast them in the best light."

According to MMA analysts Matt Fabian and Lisa Washburn, the single-rated market has increased by 17.5% to 25% of the par issued year to date — up from 21.1% in all of 2017 and 13.4% in 2007.

Fees & Expenses

We will provide Advisory Services to the Town at a rate per $1,000 of par value of bonds issued by issue size as summarized in the below table; with a complete schedule to the right:

Fee Breakpoint Summary

Issue Size	(per 000)	(plus $)
Up to $10,000,000	$2.00	$0
$10,000,001 to $20,000,000	$1.50	$5,000
$20,000,001 to $32,000,000	$1.25	$10,000
$32,000,001 to $50,000,000	flat $50,000	
$50,000,001 and greater	$1.00	$0

Advisory Expenses (Example)

Printing Official Statement	$2,000.00
pdf POS	800.00
i-Deal Prospectus (maximum)	1,500.00
Computer	300.00
Postage to Bidders	0.00
Overnight Mail	200.00
Advertising to Bidders	0.00
Bond printing; Transportation, Other	0.00
Total Advisory Expenses	$4,800.00

Bond Anticipation Notes

Our scale fee to originate and sell Bond Anticipation Notes ("BANs") is 50¢/000 plus expenses. We waive this fee(s) conditioned on our being the originator and seller of bond issues that provide permanent financing(s) for the BANs. We would advise if the application of a rating(s) for BANs is to the Town's economic advantage.

Moors & Cabot Fee Schedule
for
Financial Advisory Services for Bond Issues

Deal Size (000)	@$2.00/000	@$1.50/000 $5,000	@$1.25/000 $10,000	flat $50,000	@$1.00/000
1,000	2,000	6,500	11,250	50,000	28,250
2,000	4,000	8,000	12,500	50,000	29,000
3,000	6,000	9,500	13,750	50,000	29,750
4,000	8,000	11,000	15,000	50,000	30,500
5,000	10,000	12,500	16,250	50,000	31,250
6,000	12,000	14,000	17,500	50,000	32,000
7,000	14,000	15,500	18,750	50,000	32,750
8,000	16,000	17,000	20,000	50,000	33,500
9,000	18,000	18,500	21,250	50,000	34,250
10,000	20,000	20,000	22,500	50,000	35,000
11,000	22,000	21,500	23,750	50,000	35,750
12,000	24,000	23,000	25,000	50,000	36,500
13,000	26,000	24,500	26,250	50,000	37,250
14,000	28,000	26,000	27,500	50,000	38,000
15,000	30,000	27,500	28,750	50,000	38,750
16,000	32,000	29,000	30,000	50,000	39,500
17,000	34,000	30,500	31,250	50,000	40,250
18,000	36,000	32,000	32,500	50,000	41,000
19,000	38,000	33,500	33,750	50,000	41,750
20,000	40,000	35,000	35,000	50,000	42,500
21,000	42,000	36,500	36,250	50,000	43,250
22,000	44,000	38,000	37,500	50,000	44,000
23,000	46,000	39,500	38,750	50,000	44,750
24,000	48,000	41,000	40,000	50,000	45,500
25,000	50,000	42,500	41,250	50,000	46,250
26,000	52,000	44,000	42,500	50,000	47,000
27,000	54,000	45,500	43,750	50,000	47,750
28,000	56,000	47,000	45,000	50,000	48,500
29,000	58,000	48,500	46,250	50,000	49,250
30,000	60,000	50,000	47,500	50,000	50,000
31,000	62,000	51,500	48,750	50,000	50,750
32,000	64,000	53,000	50,000	50,000	51,500
33,000	66,000	54,500	51,250	50,000	50,000
34,000	68,000	56,000	52,500	50,000	50,000
35,000	70,000	57,500	53,750	50,000	50,000
36,000	72,000	59,000	55,000	50,000	50,000
37,000	74,000	60,500	56,250	50,000	50,000
38,000	76,000	62,000	57,500	50,000	50,000
39,000	78,000	63,500	58,750	50,000	50,000
40,000	80,000	65,000	60,000	50,000	50,000
41,000	82,000	66,500	61,250	50,000	50,000
42,000	84,000	68,000	62,500	50,000	50,000
43,000	86,000	69,500	63,750	50,000	50,000
44,000	88,000	71,000	65,000	50,000	50,000
45,000	90,000	72,500	66,250	50,000	50,000
46,000	92,000	74,000	67,500	50,000	50,000
47,000	94,000	75,500	68,750	50,000	50,000
48,000	96,000	77,000	70,000	50,000	50,000
49,000	98,000	78,500	71,250	50,000	50,000
50,000	100,000	80,000	72,500	50,000	50,000
51,000	102,000	81,500	73,750		51,000
60,000	120,000	95,000	85,000		60,000
75,000	150,000	117,500	103,750		75,000
80,000	160,000	125,000	110,000		80,000
85,000	170,000	132,500	116,250		85,000
90,000	180,000	140,000	122,500		90,000
95,000	190,000	147,500	128,750		95,000
100,000	200,000	155,000	135,000		100,000

Town of Windham, Maine		
$4,960,000		
2020 General Obligation Bonds		
Projected Costs of Issuance		
	$4,960,000	
Fees and Expenses	Totals	
Advisory Fees		
@$2.00/000	9,920	9,920
Advisory Expenses		
Printing Official Statement	2,000	
pdf OS	800	
Computer	300	
Postage to Bidders	0	
Overnight Mail	0	
Advertising to Bidders	0	
Bond printing; Transportation, Other	0	
Total Advisory Expenses	3,100	3,100
Total M&C		**13,020**
Other Costs of Issuance		
Moody's Rating (Scale)	13,000	
S&P Rating (Scale)	13,500	
i-prio OS listing	1,000	
Bond Counsel		
Paying Agent (20 years)	3,000	
Rounding		
Total Other Costs of Issuance	30,500	**30,500**
Total Fees, Expenses and C of I		**43,520**
Miminum Bid Premium (financed):		**101.008774**

Why Moors & Cabot?

- *A difference in the delivery* of services.
- *Answering the question before it is asked … or to answer the question that has not been thought of asking!*
- Do not "learn on our client's dime" … we *innovate and find the solution*.
- Proven experience … both the *regional and the national marketplace*.
- Demonstrated *exacting standards in the quality of the product that is delivered* to the rating agencies.
- Extensive *knowledge and experience* … State Rules and policy, the requirements of federal tax law, Maine statute and regulations.
- *Your best advocate* for your impression on the ratings agencies' debt, management and economic characteristics.
- A ***difference with a distinction*** in the quality of the delivery of investment banking services.
- The selection and appointment of Moors & Cabot as its Municipal Advisor for its financings is in the *best interests of our clients*.

We hope that you consider retaining our services