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DELAWARE P.S.C.

July 31, 2015

BY FEDERAL EXPRESS

Donna Nickerson, Secretary
Delaware Public Service Commission
861 Silver Lake Boulevard
Cannon Building, Suite 100
Dover, DE 19904

PSC Docket No.
15-1261

Re: Joint Application of Odyssey Acquisition, LLC and ExteNet Systems, Inc. for Approval (1) of the Transfer of Indirect Control of ExteNet Systems, Inc. to Odyssey Acquisition, LLC and (2) for ExteNet Systems, Inc. to Participate in Certain Financing Arrangements

PSC Docket No. _____

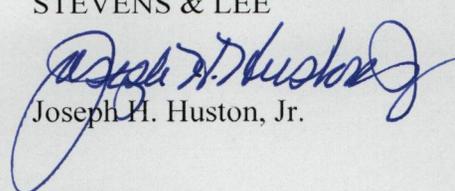
Dear Ms. Nickerson:

On behalf of Odyssey Acquisition, LLC and ExteNet Systems, Inc., enclosed for filing with the Commission are an original plus ten (10) copies of the above-referenced Application.

Please date-stamp the extra copies of this filing and return them to us in the enclosed self-addressed stamped envelope. If you have any question, please contact me by any of the means listed above. Thank you.

Sincerely,

STEVENS & LEE



Joseph H. Huston, Jr.

JHH:slfo
Enclosures

cc: Brett P. Ferenchak, Esquire
Michael A. Gruin, Esquire

Philadelphia • Reading • Valley Forge • Lehigh Valley • Harrisburg • Lancaster • Scranton
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A PROFESSIONAL CORPORATION

ORIGINAL

BEFORE THE
DELAWARE PUBLIC SERVICE COMMISSION

Joint Application of

Odyssey Acquisition, LLC
and
ExteNet Systems, Inc.

for Approval (1) of the Transfer of Indirect Control of ExteNet Systems, Inc. to Odyssey Acquisition, LLC and (2) for ExteNet Systems, Inc. to Participate in Certain Financing Arrangements

Docket No. _____

ABC Docket No.

15-1261

APPLICATION

Odyssey Acquisition, LLC (“Buyer”) and ExteNet Systems, Inc. (“ESI”) (together, the “Applicants”) request approval, to the extent necessary pursuant to 26 Del. C. § 215(a), (c) and (d) and the regulations of the Commission for (1) the transfer of indirect control of ESI to Buyer (the “ExteNet Transaction”) and (2) ESI to participate in financing arrangements in an aggregate amount of up to \$475 million.

For similar transactions, the Commission has allowed applications to be approved by operation of law by declining to take action thereon within 30 days after filing. *See* 26 Del. C. § 215(d) (“In the absence of any such action within such period of time, any such proposed merger, mortgage, transfer, issue or assumption shall be deemed approved.”). The Applicants suggest that the same approach is warranted here – especially because neither Applicant provides telecommunications services in Delaware at this time -- and therefore request that the Commission either (i) take no action on this Application, which will result in statutory approval of the ExeNet Transaction and ESI’s participation in the Financing Arrangements, within 30 days after the filing, pursuant to 26 Del. C. §215(d); or (ii) in the alternative, act expeditiously to grant the approval requested at the earliest available Commission Meeting.

In support, the Applicants state:

I. DESCRIPTION OF THE APPLICANTS

A. Odyssey Acquisition, LLC

Buyer is a Delaware limited liability company with executive offices at 750 Park of Commerce Drive, Suite 200, Boca Raton, Florida 33487. Buyer is a wholly owned direct subsidiary of Odyssey Intermediate Holdings, Inc. (“Holdco”), a Delaware corporation and itself a wholly owned direct subsidiary of Mount Royal Holdings, LLC (“Parent”), a Delaware limited liability company. The following entities own 10 percent or more of Parent:

Digital Bridge Small Cell Holdings, LLC (“Digital Bridge”): Digital Bridge currently owns 50 percent of Parent. Digital Bridge will be owned by Digital Bridge Holdings, LLC (“DB-Holdings”), affiliates of DB-Holdings, and other institutional investors. DB-Holdings is expected to control Digital Bridge. DB-Holdings is a communications infrastructure investment platform based in Boca Raton, Florida. It was formed in 2013 by a team of successful investors including Ben Jenkins (former Senior Managing Director at Blackstone and Head of Blackstone’s Hong Kong Office) and Marc Ganzi (former founder and CEO of Global Tower Partners) and owns interests in a broad range of communications infrastructure companies including Vertical Bridge and Mexico Tower Partners.

Stonepeak Communication Holdings LLC (“Stonepeak”): Stonepeak currently owns 50 percent of Parent. Stonepeak will be owned by (i) Stonepeak Infrastructure Fund (Odyssey AIV) LP, which will be owned by existing limited partners of other Stonepeak funds, and (ii) Stonepeak Communication Holdings LP, which will be owned by existing limited partners and other co-investors that seek a larger interest in Parent.¹ Stonepeak is managed by Stonepeak Infrastructure Partners, a North America focused private equity firm focused on infrastructure investing. Stonepeak Infrastructure Partners invests primarily in businesses comprised of hard assets with leading market positions primarily in the following sectors: Energy, Power and Renewables, Transportation, Utilities, Water and Communications. Stonepeak manages approximately \$1.7 billion of capital.

¹ Upon closing of the ExteNet Transaction, the following existing limited partners of the Stonepeak funds may have a 10 percent or greater ownership in Parent through Stonepeak: (i) TIAA-CREF and its affiliated funds, (ii) the Teacher Retirement System of Texas and (iii) the Virginia Retirement System (“VRS”), whose 10 percent ownership includes the interest VRS will hold through Digital Bridge.

Buyer was formed to acquire, own, construct and operate distributed network systems and other communications infrastructure assets. The ExteNet Transaction is part of this strategy. Buyer is managed by the Executive Team of DB-Holdings, which has more than 100 years of combined investing and operating experience in the communications infrastructure space. Their biographies can be found at <http://www.digitalbridgellc.com/overview/executive-team>. Through the equity investments by Digital Bridge and Stonepeak, Buyer will have the financial qualifications to own and control ESI. Further, the financing arrangements described below will provide additional capital for the operations of ESI.

B. ExteNet Systems, Inc.

ESI is a privately-held, Delaware corporation and a wholly owned direct subsidiary of ExteNet Holdings, Inc. (“ExteNet Holdings”), a Delaware corporation. The executive office of ESI and ExteNet Holdings is at 3030 Warrenville Rd., Suite 340, Lisle, Illinois 60532.

ESI designs, builds, owns and operates distributed networks for use by national and regional wireless service providers (“WSPs”) in key strategic markets in North America. Using distributed antenna systems (DAS); small cells, Wi-Fi and other technologies, ESI and its subsidiaries (collectively, “ExteNet”) deploy 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 healthcare facilities.

ESI is a “carrier’s carrier” providing point-to-point telecommunications services to its WSP customers, and does not provide services directly to retail consumers. Its distributed networks facilitate the WSPs’ delivery of high-bandwidth mobile data and voice service utilizing

the customer's FCC licensed spectrum across all technologies including 3G and 4G/LTE. ESI's networks are architected to easily and cost-effectively integrate future technologies and enable more efficient use of shared infrastructure and FCC licensed spectrum.

Founded in 2002, ExteNet is authorized in Delaware to provide local exchange and competitive intrastate telecommunications services, pursuant to Findings and Order No. 7231 issued in Docket No. 07-151 on July 24, 2007. ExteNet is authorized to provide services in 34 states and operates distributed networks in Alabama, Arizona, California, Connecticut, District of Columbia, Florida, Illinois, Indiana, Kansas, Louisiana, Massachusetts, Michigan, Nevada, New York, Pennsylvania, Rhode Island, Texas, Virginia and Wisconsin. .

II. DESIGNATED CONTACTS

Questions, correspondence or other communications concerning this filing should be directed to:

Joseph H. Huston, Jr.
STEVENS & LEE, P.C.
1105 N. Market Street, 7th Floor
Wilmington, DE 19801
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With copies for ExteNet to:

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and:

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and

Brian Kirk
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Bkirk@extenetsystems.com

III. DESCRIPTION OF THE TRANSACTION

Pursuant to the terms of the Agreement and Plan of Merger (the “Agreement”) dated as of July 17, 2015, by and among Buyer, Odyssey Merger Sub, Inc. (“Merger Sub”),² ExteNet Holdings, and EHI Seller Rep, LLC as representative of the equity holders of ExteNet Holdings, Merger Sub will merge with and into ExteNet Holdings, whereupon the separate existence of Merger Sub will cease and ExteNet Holdings will be the surviving entity. Upon closing of the ExteNet Transaction, ExteNet Holdings will be a direct wholly owned subsidiary of Buyer. Because ESI will remain a direct, wholly owned subsidiary of ExteNet Holdings, ESI will become an indirect wholly owned subsidiary of Buyer.

Immediately prior to the closing of the ExteNet Transaction, certain members of the existing management of ExteNet, including its CEO, Ross W. Manire, will exchange a portion of their equity interests in ExteNet Holdings for equity interests in Parent. The aggregate amount of

² Merger Sub, a Delaware corporation, is a direct wholly owned subsidiary of Buyer created for the purposes of the ExteNet Transaction.

equity interests of Parent issued to members of the ESI executive management team will constitute less than 10 percent of the outstanding equity interests of Parent. In addition, an additional investor in Parent, Delta-v Capital MRH LP (with its affiliates), is expected to directly own up to 15 percent of Parent at closing. Upon closing of the ExteNet Transaction, therefore, no person or entity will own or control a majority of the equity interests of Parent.

For the Commission's reference, Exhibit A depicts the current and post-closing entity ownership structure of Applicants.

IV. DESCRIPTION OF THE FINANCING ARRANGEMENTS

In connection with the ExteNet Transaction, Buyer expects that Merger Sub will enter into certain financing arrangements. Therefore, Buyer seeks Commission approval for ESI, following closing of the ExteNet Transaction, to participate in new, amended and future financing arrangements in an aggregate amount of up to \$475 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), Buyer seeks authorization for ESI to participate in Financing Arrangements that are substantially consistent with the following parameters:

Aggregate Amount: Up to \$475 million (the "Aggregate Amount").

Borrower: Merger Sub is expected to be the initial borrower under the Financing Arrangements. Upon closing of the ExteNet Transaction, ExteNet Holdings is expected to become the borrower as the surviving entity from its merger with Merger Sub. In order to maintain flexibility, Buyer seeks approval for ESI, following completion of the ExteNet Transaction, to be a borrower under the Financing Arrangements up to the Aggregate Amount.

³ At closing of the ExteNet Transaction, the outstanding long-term indebtedness for which ESI is a borrower, guarantor or pledgor will be repaid.

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 Buyer expects that the maturity may be up to ten (10) years after issuance or amendment depending on the type of facility, to maintain flexibility, Buyer seeks authorization for ESI, following completion of the ExteNet Transaction, to participate in 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 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. To maintain flexibility, Buyer seeks authorization for ESI, following completion of the ExteNet Transaction, to participate in Financing Arrangements at an interest rate(s) at the then current market conditions.

Security: The borrower and its subsidiaries are expected to be required to pledge their assets as security for some or all of the new financing arrangements and may be required to pledge their assets as security for some or all of any amended or future financing arrangements. To the extent necessary, therefore, Buyer seeks authorization for ESI, following completion of the ExteNet Transaction, to provide a security interest in its assets for the full Aggregate Amount of the Financing Arrangements. For the secured facilities, the equity of the borrower and its subsidiaries, including ESI and its subsidiaries following the ExteNet Transaction, may be pledged as additional security.

Guarantees: Subject to certain exceptions, the borrower's direct parent and subsidiaries are expected to be guarantors for the new financing arrangements and may be guarantors for amended or future amended financing arrangements. Buyer seeks approval for ESI, following completion of the ExteNet Transaction, to participate as a guarantor or co-guarantor in Financing Arrangements up to the Aggregate Amount.

Purpose: The Financing Arrangements will be used, in part, to fund the consideration for the ExteNet Transaction. The Financing Arrangements may also be used for other acquisitions, refinancing of then current outstanding debt, working capital requirements (including the development and expansion of distributed network systems) and general corporate purposes of Buyer and its subsidiaries, including ESI and its subsidiaries.

Accordingly and to the extent necessary, Buyer requests Commission authorization for ESI, following completion of the ExteNet Transaction, to participate as a borrower or guarantor and by pledging its assets as security for Financing Arrangements in an aggregate amount of up to \$475 million substantially consistent with the parameters outlined above.

V. PUBLIC INTEREST CONSIDERATIONS

The ExteNet Transaction is in the public interest. The financial and managerial resources that Buyer brings will enhance the ability of ExteNet to compete in the telecommunications marketplace. Since ExteNet is not providing services in Delaware, the ExteNet Transaction will have no adverse impact on the carrier customers of ESI and its subsidiaries. In those states where it operates, ExteNet will provide services at the same rates and on the same terms and conditions that are in effect. The only change upon closing of the ExteNet Transaction will be that Buyer will become the new indirect owner of ESI.

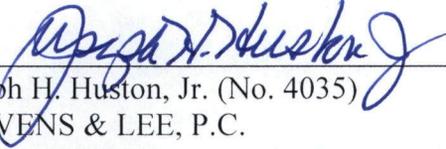
Approval of the Financing Arrangements serves the public interest by promoting competition among telecommunications carriers by providing Buyer and its subsidiaries with access to greater financial resources that will allow Buyer's subsidiaries, such as ESI, to deploy additional communications infrastructure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

The ExteNet Transaction and Financing Arrangements are being done in accordance with law and for a proper purpose.

VI. CONCLUSION

For the foregoing reasons, Applicants submit that the public interest, convenience, and necessity would be furthered by granting this Application and thus authorizing (1) the transfer of indirect control of ESI to Buyer and (2) ESI to participate in the Financing Arrangements in an aggregate amount of up to \$475 million.

Respectfully submitted,



Joseph H. Huston, Jr. (No. 4035)
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and

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mag@stevenslee.com
(Admission *pro hac vice* pending)

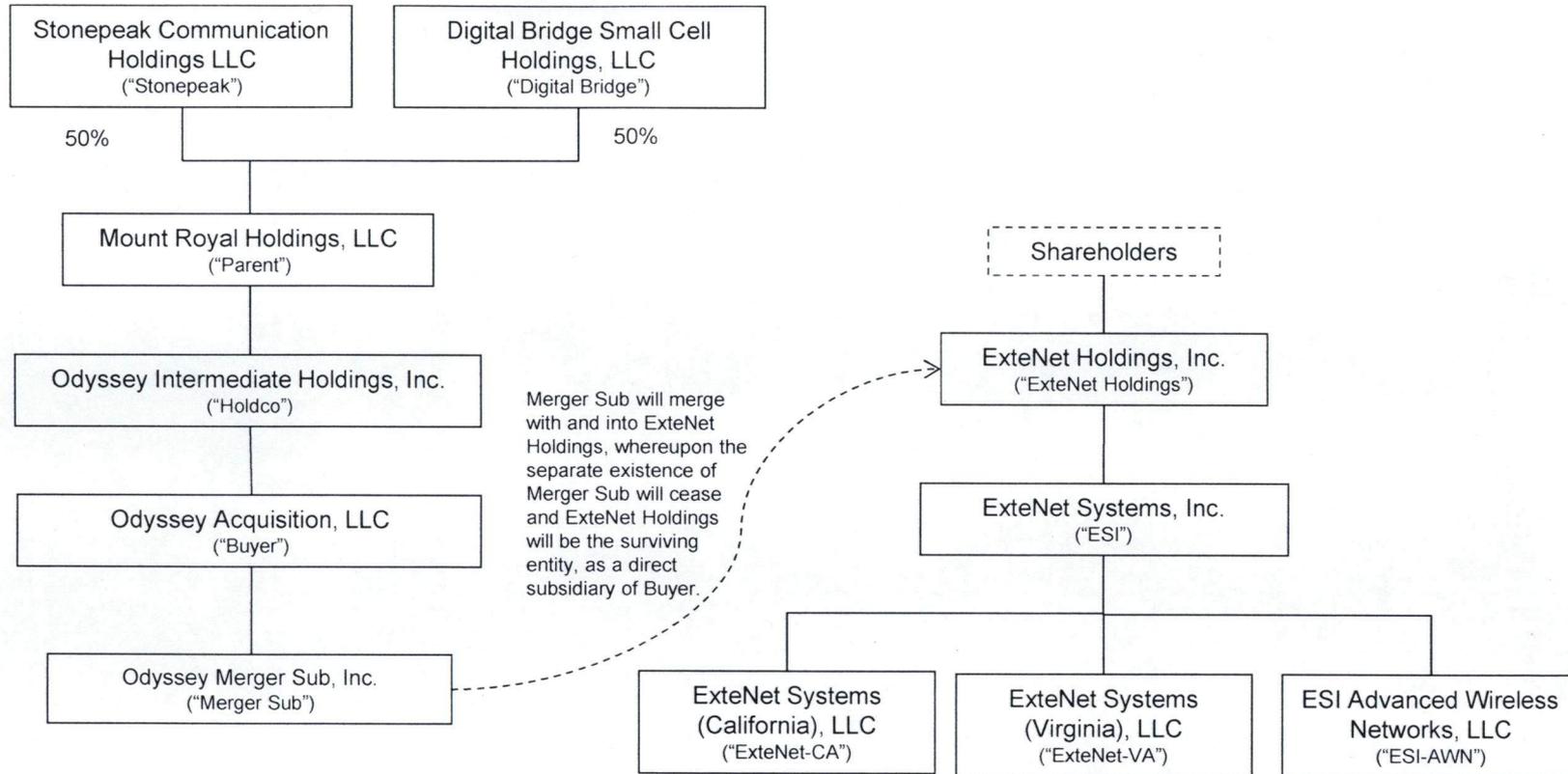
Counsel for the Applicants

Dated: July 31, 2015

EXHIBIT A

Current and Post-Closing Entity Structure

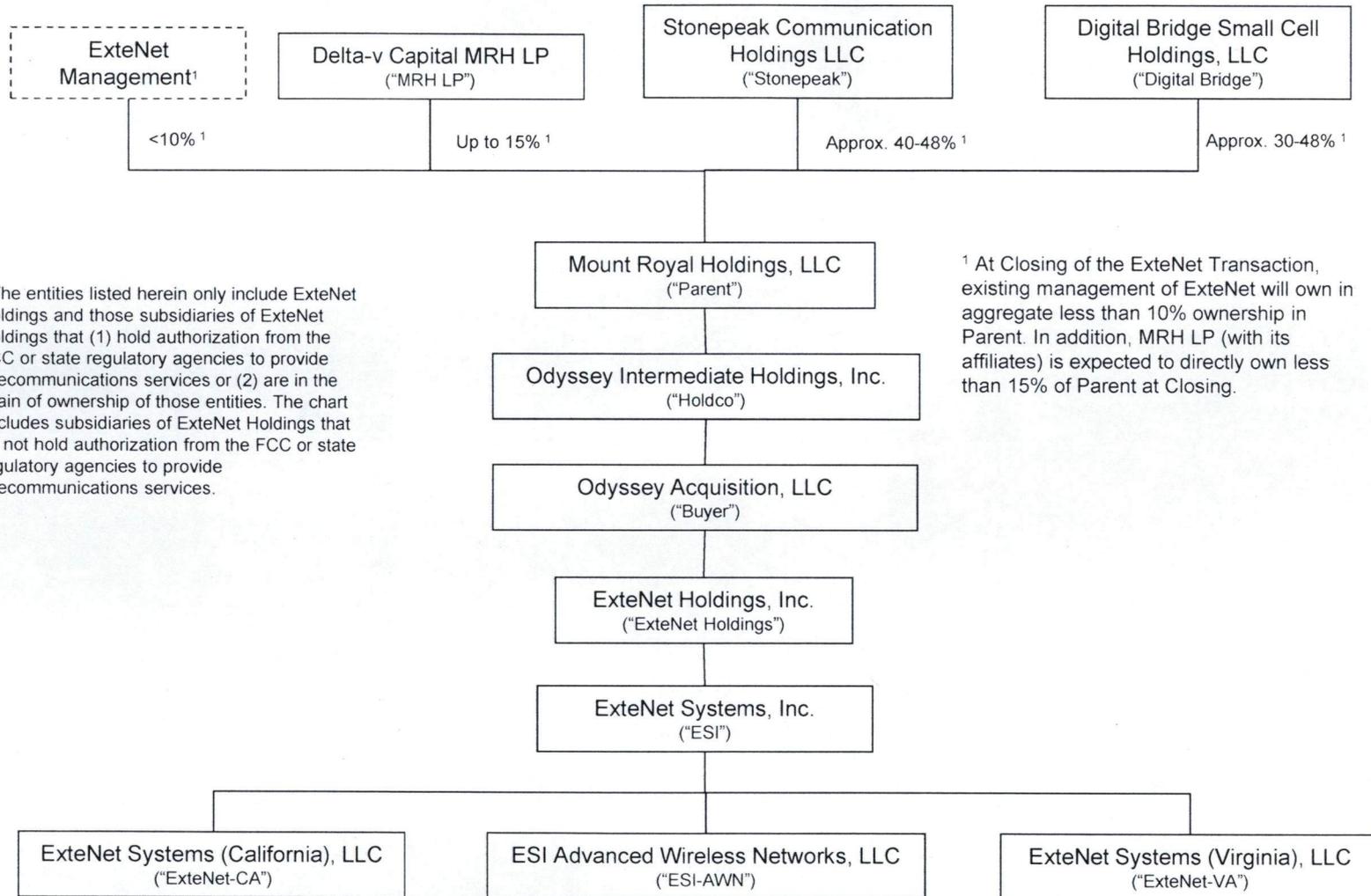
Current Entity Structure of Buyer and ExteNet*



Unless other indicated, all ownership percentages are 100%.

* The entities listed herein only include ExteNet Holdings and those subsidiaries of ExteNet Holdings that (1) hold authorization from the FCC or state regulatory agencies to provide telecommunications services or (2) are in the chain of ownership of those entities. The chart excludes subsidiaries of ExteNet Holdings that do not hold authorization from the FCC or state regulatory agencies to provide telecommunications services.

Post-Closing Entity Structure of Buyer and ExteNet*



* The entities listed herein only include ExteNet Holdings and those subsidiaries of ExteNet Holdings that (1) hold authorization from the FCC or state regulatory agencies to provide telecommunications services or (2) are in the chain of ownership of those entities. The chart excludes subsidiaries of ExteNet Holdings that do not hold authorization from the FCC or state regulatory agencies to provide telecommunications services.

¹ At Closing of the ExteNet Transaction, existing management of ExteNet will own in aggregate less than 10% ownership in Parent. In addition, MRH LP (with its affiliates) is expected to directly own less than 15% of Parent at Closing.

Unless otherwise indicated, all ownership percentages are 100%.

Verifications

STATE OF FLORIDA
COUNTY OF PALM BEACH

§
§
§

VERIFICATION

I, Marc Ganzi, state that I am President and Treasurer of Odyssey Acquisition, LLC (the “Company”); that I am authorized to make this Verification on behalf of 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.

Marc Ganzi
President and Treasurer
Odyssey Acquisition, LLC

Sworn and subscribed before me this 22nd day of July, 2015.

Notary Public

My commission expires 04/09/19

CHARLEEN MORGAN
NOTARY PUBLIC-STATE OF NEW YORK
No. 01MO6163995
Qualified in Kings County
My Commission Expires April 09, 2019



STATE OF ILLINOIS
COUNTY OF DUPAGE

§
§
§

VERIFICATION

I, George A. Vinyard, state that I am Vice President, General Counsel and Secretary of ExteNet Holdings, Inc. (“Holdings”) and ExteNet Systems, Inc. (“ESI”), Vice President and Secretary of ExteNet Systems (California), LLC (“ExteNet-CA”), and Vice President of ESI Advanced Wireless Networks LLC (“ESI-AWN”) and ExteNet Systems (Virginia), LLC (“ExteNet-VA”) (Holdings, ESI, ExteNet-CA, ESI-AWN and ExteNet-VA collectively, the “Company”); that I am authorized to make this Verification on behalf of the Company; that the foregoing filing was prepared under my direction and supervision; and that the contents are true and correct to my knowledge, information, and belief.



George A. Vinyard
Vice President, General Counsel and Secretary of
ExteNet Holdings, Inc.
ExteNet Systems, Inc.
Vice President and Secretary of
ExteNet Systems (California), LLC
Vice President of
ESI Advanced Wireless Networks LLC
ExteNet Systems (Virginia), LLC

Sworn and subscribed before me this ____ day of July, 2015.



Notary Public

My commission expires Oct 22, 2017

