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Peter Frazier
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Hans Larsen
Executive Director
Town Hall
525 Washington Street
Wellesley, MA 02482

RE: Wellesley, Massachusetts – Status of the Municipal Bond Market

Dear Mr. Larsen:

Thank you for sharing the recent USA Today article on the municipal bond market. Without question, the equity markets and certain parts of the municipal bond market are experiencing unprecedented turmoil and volatility. However, market access and interest rates for highly-rated fixed rate general obligation municipal bond issuers (like Wellesley) have improved considerably over the last several weeks.

I have attached weekly calendars of local bond and note sales since the crisis started in September, for your reference. As you will see, in the first few weeks, bond issues were postponed due to the lack of liquidity and market access and the note issues that had to come to market (renewal issues and revenue anticipation notes) were sold on a private (as opposed to competitive) sale basis. Over the last several weeks buyers and sellers have returned to the market as buyers seek safe investment alternatives to equities and the Federal Reserve has aggressively lowered short term rates. I direct your attention to the following sales:

10/29/08 - Needham, MA (AAA rated) – \$5,600,000, 19 year bonds – 6 bids - TIC - **4.53%**
11/5/08 - Braintree, MA (AA- rated) – \$122,215,000, 1 year BANs – Private Sale - TIC – **1.855%**
11/12/08 – Dover, NH (A1/AA rated) – \$9,970,000, 20 year bonds – 9 bids TIC - **4.09%**
11/25/08 – Danvers, MA (AA+ rated) – \$7,430,000, 8 month BANs – 5 bids - TIC – **1.2186%**

Although no one can say definitively what the future will bring, currently, the Town of Wellesley would have no difficulty accessing the debt markets at historically attractive interest rates.

Please call me if you have any questions concerning this material.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Peter Frazier'.

Peter Frazier
Senior Vice President