BT EXHIBIT RESPONSE
DPS 3-111

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Burlington Telecom

Business Analysis

Report and Recommendations

Creative Telecom Ventures LLC

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I. Executive Summary

Over the past four weeks I have had face to face meetings with the BT management and staff members to better understand the business operation, financial situation, product and pricing, sales efforts, staffing and personnel. I am impressed by the enthusiasm of the staff and their knowledge of the business and dedication to making BT the pride of Burlington. All of the staff and management appear knowledgeable about their particular area of the business and many have good ideas about how to improve their department as well as the entire operation.

My primary objective has been to evaluate the current state of the business, baseline the financial condition and make recommendations I think are necessary to help the company become cash flow positive. With the support of the company management, I have assembled a baseline financial model to establish the current financial status of the company. I have analyzed the company's product structure and pricing policies and completed a comparison to Comcast. I have also evaluated the company's sales and marketing efforts for both residential and commercial sales. Finally, I have reviewed the overall staffing and organizational structure.

In summary, based on the updated financial model, the company will exhaust the available funds under the current $33mn credit facility in March of 2008. The capital expenditures that have already been committed and the capex required to operate the business going forward will use $8.5mn of the remaining $9.5mn of the credit facility by March 2008. My understanding is that the remaining $1mn cannot be drawn down. The model does not include the additional $5.5mn that was planned for the build out of the remainder of the City. Based on the current financial condition and expense over run, I do not recommend completing this section of build unless there are other political or regulatory requirements. The financial model with the revised residential and commercial sales projections indicates that the company will be cash flow positive sometime in 2013. . A significant portion of the operating income will go towards principal and interest payment beginning in August of 2010. The company will require additional funding to support the growth capex and to cover the operating losses beginning in March of 2008.

Unfortunately there is no way to turn back the clock on the current financial situation. I think the attached financial projections are accurate and reasonable and that the worst is behind you. The projections for capex and operating costs have been carefully reviewed and analyzed and there should not be any more "surprises".

Now that the construction of the network is nearly complete, the company needs to focus on the transition to an operating company with particular attention paid to sales and marketing. The projections in the model for residential and commercial sales are achievable with the right sales and marketing approach. I have made recommendations for residential sales, product packaging and pricing as well as commercial sales in this document and it will be up to management to execute.

The network and infrastructure that the company has constructed is of the highest quality and BT will be in position to support the increasing demand for bandwidth and any future changes in technology or service requirements. The network design and technology are far superior to that of Comcast or Verizon and is a very valuable asset for the City of Burlington. As consumers and businesses utilize more applications that require large amounts of bandwidth, the BT network will be the provider of choice and necessity. Industry experts predict that bandwidth utilization will dramatically increase as music, video and gaming applications over the internet evolve. The choke point will be the last mile and fiber based networks will be an absolute requirement.

The following is a summary of the financial model in Appendix 1.

			5 YEAR FINANCIAL SUMMARY			
FISCAL YEAR	2008	2009	2010	2011	2012	2013
SUBSCRIBERS	3544	5362	5922	6049	6146	6235
% PENETRATION	23%	35%	38%	39%	40%	40%
BUSINESS SUBS	141	283	403	491	565	590
% PENETRATION	6%	11%	16%	20%	23%	24%
RESI NET ADDS	1460	1818	560	127	97	89
RESI ARPU	$ 85.89	$ 87.01	$ 88.16	$ 89.34	$ 90.56	$ 91.82
BUSINESS ARPU	$ 328.57	$ 328.57	$ 328.57	$ 328.57	$ 328.57	$ 328.57
CONSOLIDATED	$ 95.18	$ 99.12	$ 103.48	$ 107.31	$ 110.60	$ 112.29
RESI REVENUE	$ 2,530,948.20	$ 4,885,161.95	$6,046,887.49	$ 6,359,496.67	$6,565,438.02	$6,797,447.57
BUSINESS REVENUE	$ 402,886.72	$ 873,674.81	$1,387,562.51	$ 1,782,178.32	$2,097,279.54	$2,282,923.12
OTHER	$ 586,254.22	$ 589,837.26	$ 592,290.98	$ 594,830.37	$ 597,458.74	$ 560,179.10
TOTAL	$ 3,520,089.14	$ 6,348,674.02	$8,026,740.98	$ 8,736,505.36	$9,260,176.30	$9,640,549.79
PROVISIONING COST	$ 911,315.32	$ 1,621,972.51	$2,080,963.98	$ 2,101,050.07	$2,160,084.84	$2,204,002.46
GROSS MARGIN	$ 2,608,773.82	$ 4,726,701.51	$5,945,777.00	$ 6,635,455.29	$7,100,091.46	$7,436,547.33
% GM	74%	74%	74%	76%	77%	77%
DEBT TAX	$ 1,865,175.25	$ 1,987,503.00	$1,987,503.00	$ 3,268,385.24	$3,268,385.24	$3,268,388.26
TOTAL OP EXP	$ 2,858,957.75	$ 3,086,781.79	$3,086,781.79	$ 3,066,069.79	$3,066,069.76	$3,066,069.76
CAPEX	$ 7,899,200.33	$ 2,513,700.00	$1,303,050.00	$ 868,350.00	$ 856,800.00	$ 809,550.00
FCF	$(10,054,559.51)	$ (2,861,283.28)	$ (351,557.90)	$ (567,349.71)	$ (91,163.54)	$ 292,542.34

The following overview and recommendations are based on the analysis and review of the information provided to me by BT management and staff. Industry data and comparisons to Comcast and other cable operators have come from publicly available information.

II. Financial Model

The financial model in ***Appendix 1*** is a baseline model that starts with the capital and operating expenditures as of 10/31/07. The five year projections are based on assumptions for residential and commercial growth, capital required for network upgrades and customer installations and operating expenses. The key drivers of the financial model are:

- Residential and Commercial sales growth
- Achievable market penetration
- Customer ARPU
- Provisioning and operating costs
- Capital cost for network upgrades and success based capital
- Debt repayment of principal and interest

The residential sales projections assume a reasonable market penetration by 2013 and annual increases to the residential ARPU resulting from price increases. I did not project the ARPU impact of an increase in the take rate of bundled products as it would take extensive modeling to calculate the impact of new customers coming on at a higher ARPU and existing customers churning off at the lower rate.

The model includes all of the capital cost required to complete the fiber network in the City of Burlington except for the remaining 7% of the city. The $5.5mn projected cost to complete the remaining 7% of the homes in Burlington is not included. A decision will have to be made as to whether the additional build is justifiable and or required because of regulatory or political reasons.

The residential sales assumptions are based on historical take rates once a new section of the network is turned up. The total market penetration at the end of the modeling period is reasonable compared to other cable over builders.

Industry Average Penetration for Non-incumbent Provider
Average Market Penetrations by Age of Market

0-1	1-2	2-3	3-4	4-5	5-6	6+
26%	30%	35%	36%	39%	45%	48%

BT Projected Penetration

0-1	1-2	2-3	3-4	4-5	5-5	6+
23%	35%	38%	39%	40%	41%	41%

Prior to the turn up of new markets, there is pre sales activity that generates a customer backlog. As the customers are processed for installation, they are scheduled using the available time slots for the installation group. There is a limited capacity to turn up customers on a daily basis so the backlog can only be cleared over a period of time. The company must strike a balance of speed to installing the backlog versus capacity for quality installations.

Customer installations and ARPU drive the revenue model. The ARPU used in the model is the current customer ARPU for video, internet and voice services. I have included a comparison of the BT customer ARPU to that of other cable providers in ***Appendix 2*** below. As you will see from the chart, the total ARPU for BT customers is below the average of other cable companies. The BT ARPU for voice and internet is in line with other companies however the video ARPU is well below the average. Possible reasons why the video ARPU may be lower than the other cable companies are; Demographics of the Burlington market- The average income of the Burlington population is lower than many other areas of the state and country and the average age of the population is also lower.

Median Income per Household		Per Capita Income
Burlington	$33,070	$19,011
Vermont	$49,808	$32,770
National	$44,334	$21,587

Median Age	
Burlington	32.1
Vermont	40.7
National	37.6

There is a large population of student and single households that may take lower priced products. I did not analyze the ARPU by section of the city but my assumption is that the ARPU in the area where many college students live and the area of the city where the average income is lower will have a lower ARPU. As the city expands into the more affluent parts of the city I would expect the customers to take more bundled product and higher priced services. Another reason for the lower average ARPU is the number of customers taking single products and Basic Cable service. In the sales section of this report I will make recommendation for product pricing and bundling that should encourage more people to take a bundled product resulting in higher ARPU. Single products, in particular the low end products are not profitable for the company and should be discouraged either through price increases or limiting the service offering. In particular the Basic Cable, Fast Internet and Basic Dial Tone products should never be sold as standalone products. If the company is required to offer Basic Cable and cannot increase the rates, I suggest reducing the number of channels provided with this service.

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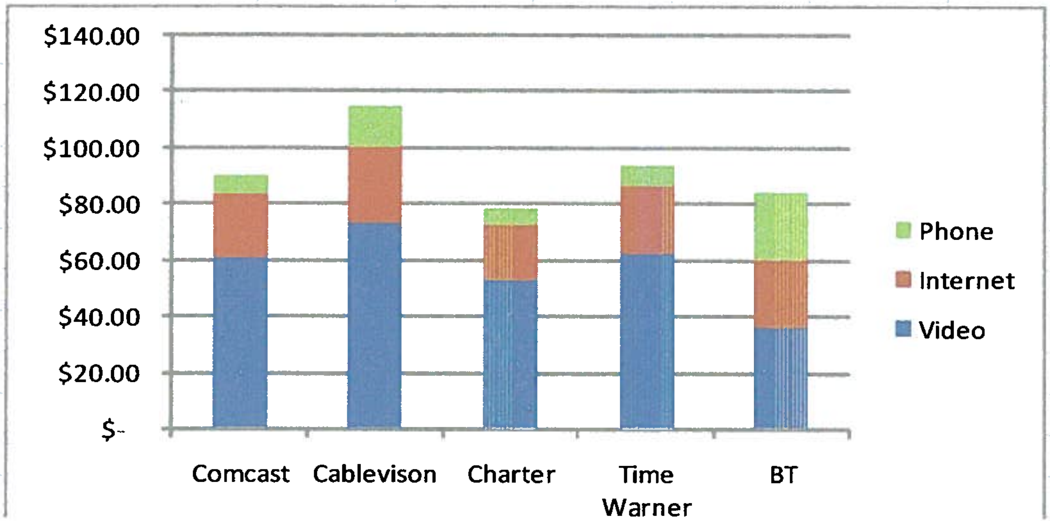
Appendix 2

	Comcast	Cableviso	Charter	Time Warı	BT
Video	$ 60.92	$ 73.56	$ 52.66	$ 62.66	$ 35.76
Internet	$ 22.46	$ 27.12	$ 19.94	$ 23.61	$ 24.40
Phone	$ 6.50	$ 14.73	$ 5.85	$ 7.72	$ 23.77



Monthly ARPU

It is difficult to predict what will happen to pricing and product packaging in the future. The current FCC is pushing for ala cart packaging and is concerned about overall cable pricing. Changes in federal policy could have an adverse impact on ARPU and overall revenue.

The cost section of the financial model includes the current provisioning costs for providing service as well as the current SG&A. There are no escalators in the SG&A or provisioning costs. As the company achieves more scale the provisioning costs per customer should come down and as the company becomes more operationally efficient the SG&A costs should remain constant. The interest and principal payments are modeled based on the current debt repayment schedule and the payment in lieu of taxes payment to the City is also included.

The capital expenditures required to complete the committed network build, network upgrades and new customer installs is included in the model. The timing of the expenditure of success based capital is based on projected installs and available equipment inventory. Also included in the capital expenditures is the cost to provide HD/DVR service. It is my opinion that providing HD/DVR service is a competitive requirement that can be justified by the increase in customer take rate and ARPU and the reduction in customer churn. The national average take rate for HD service is 23% and projected to increase. The take rate for DVR is over 30%. The company risks a decline in customer sales and an increase in customer churn if it does not offer HD/DVR service. In my opinion if the company increases sales or decreases customer churn by an average of 46 customers per month at $83.50 in APRU, the $650,000 expense for the HD/DVR equipment will be paid back in 26 months (46x $83.50x78x 2.15=$650,000).

The financial model projects monthly cash generation (use) on a monthly and annual basis. Based on the current projections, the company will not be cash flow positive until 2013 and will require additional funding beyond the available debt. The company will exceed it borrowing capacity under the current debt facility in March of 2008 and will require an additional source of funding. The projections indicate that there is an approximately $5mn shortfall that will be require to fund the operation of the business as projected.

III. Sales and Marketing

Residential Sales

The residential sales to date have consisted of direct mail, advertising and a limited amount of door to door brochure drop offs. The direct mail and drop offs have been timed to coincide with the turn up of new sections of the city. This pre-marketing sales approach has been effective in generating the early adopter customers. The customer take rate indicates that the market is receptive to an alternative to Adelphia now Comcast. During my visits to the BT office I observed several walk in customers coming in to sign up for service. I think the local presence is positive for the company and word of mouth recommendations and referrals have been positive. In my opinion BT has also benefited from the turmoil with Adelphia and their reputation for poor service. There has been a window of opportunity to take advantage of the Adelphia situation. The market dynamic has changed now that Comcast has acquired Adelphia. Comcast is a more aggressive competitor with a better reputation for service and sales and product packaging and pricing will become more important to the success of the company.

The initial outreach to customers has been the marketing materials and brochures. I conducted a small focus group to gauge the impact and response to the marketing material and have determined that the material needs to be revised. My general conclusion is that while the material is eye catching and creative, it is confusing, lacks a clear message and too busy for the average consumer. Some of the focus group comments include:

- The product brochure has too many pages and is confusing
- Difficult to find product and pricing to compare to Comcast
- The material made the viewer feel like “they were being screamed at”
- Street sign poster looks like a real estate ad
- Confusing message
- A lot of information but not the information they were looking for
- Unsure what business the company is in.

The biggest issue I see with the material is the product and pricing brochure. The booklet is over powering with colors and pictures that blur the message. The consumer must search through too many pages to find the service they are interested in and compare the product and price to Comcast. This is the most critical direct mail piece the company has and it should be simple and informative for the consumer. I would strongly recommend that a one or two page product and pricing brochure be created

immediately. Not only will a simpler brochure make it easier for the customer to decide what product to buy, the cost to produce the brochure will be significantly less expensive than the multi color multi page brochure in place today. I would also recommend a more simple and focused message to catch the attention of the customer. The company is competing with an enormous amount of junk mail and other "call to action" type mailings. The consumer must quickly grasp what the company offers and what value it brings to them.

After the initial direct mail blitz, there has not been any meaningful attempt to sell new customers. The company has hired part time outside residential sales reps to distribute door hangers however, in my estimation the effort has not been consistent or effective. A more consistent attempt to sell new customers in all markets will be critical to achieving the market penetration in the forecast. I recommend that the company attack the market with the following sales and marketing approach.

- Create new marketing material and simplify the message and content
- Continue direct mail to all non BT customers.
- Establish an ACT database of potential customers who have signed up with Comcast under a promotion price and contact the customer once their promo pricing expires.
- Maintain a database of BT customers who have disconnected service and moved to Comcast for the promo pricing and contact them the month before the promo price expires.
- Contact existing customer with single products to up sell them on the bundled packages
- Create an outside sales team of 2 sales reps responsible for going door to door to sell your service rather than simply leave a door hanger.
- Create more public awareness by sponsoring community events and sponsorship of charitable organizations.
- Set up a kiosk in the mall and any other high traffic area.
- Market your service through affinity groups such as the local church and charities and other community organizations. Offer an affinity group discount or contribute a percentage of the customer revenue to the community organization.
- Approach local employers about offering their employees a discount or free month of service.
- Approach local retailers about offering their customers a discount or free month of service.

Unless the company deploys an outside sales team, the new customer sales will slow down after the initial direct mail blitz. I recommend a team of two sales people canvassing the markets as well as making phone calls to potential customers who are not on a do not call list. The residential sales team plan should include:

- Divide the sales reps into defined territories and provide them with addresses of non BT customers
- Assign a daily quota for contacts, presentations and sales
- Assign the sales reps a monthly new revenue quota
- Provide the sales reps with a list of existing customers on single or double products

- In addition to a new sales quota the reps should have a quota for up selling current customers on bundled products
- Compensate the sales reps by paying a commission of 75% of the first month of new customer revenue once the customer is installed
- Assign the sales manager a new sales revenue quota
- Compensate the sales manager by paying 10%of new revenue generated each month
- Sales manager should be responsible for organizing community events and indirect and affinity sales channels

Commercial Sales

The company has a significant opportunity to sell voice and data services to commercial customers in the Burlington market. The ability to provide high speed internet, voice and data services over fiber optics is a significant competitive advantage over Verizon and the other CLEC's. The sale of Verizon to Fairpoint will create market turmoil and create an opportunity to capture a lot of disgruntled Verizon customers.

To effectively sell to the commercial market the company must:

- Create a direct sales team of two sales reps
- Create and indirect sales agent program
- Develop a set of competitive standard products to compete with Verizon and the CLEC's
- Create an off-net product utilizing Verizon unbundled loops

BT has the advantage of delivering service over its own fiber facilities directly into commercial buildings. The fiber allows BT to control the product, pricing and service delivery and is not dependant on Verizon to connect the customer to the network. This is a significant competitive advantage over the other CLEC's. The fiber also allows BT to sell high bandwidth circuits that other CLEC's can't provide over copper loops. As business customers demand higher bandwidth then a typical copper loop can deliver, the BT network becomes the only alternative. As customer needs and technology change, the BT network will be able to support any type of new application, product or technology.

Creating a standard product set will allow the sales team and sales agents to target commercial customers without having to create special products and pricing for every customer. There will be some situations where special configuration and pricing will be required and can be treated on a case by case basis but most sales should be of standard products. Simplicity for the sales reps and customers will be important to the success of the commercial sales effort. I have proposed a set of standard core products attached in ***Appendix 3.*** The proposed product set will appeal to all customer sizes from small and medium to large enterprise customers. The non standard customer applications can be handled on a case by case basis. The company should maintain a competitive pricing and product matrix comparing

BT commercial pricing to all competitors in the market. Maintaining this data will allow the company to intelligently price and package products.

The commercial sales team should leverage the fiber network and focus sales on-network however there are a significant amount of businesses in the core business district that will not be on network or may be prohibitively expensive to access. The company should create an off-net product delivering service via Verizon unbundled loops. The company is collocated with Verizon allowing for access to UNE and special access loops to connect to the customers. Although the customer economics are not as good as on net and the copper loops will limit the service offering, this is a good way to build market share in the core business district to later justify building fiber into the customer buildings.

In the financial model I have projected two sales people selling $4500.00 per month in commercial business. One of the sales reps should be a senior rep focused on large enterprise, government and education customers as well as the wholesale market. The senior sales rep should have outside sales experience with a background in telecom sales and have experience selling to larger customers dealing with telecom managers at the executive level. The junior sales rep should focus on the small and medium size customers. The profile of the junior sales rep is one to two years of outside sales experience in a door to door sales environment with extensive cold calling experience.

The suggested quota for the sales reps is as follow:

- Senior Account Manager- $3000.00 in new monthly revenue
- Account Executive- $1500.00 in new monthly revenue

The net new revenue can come from new customers or upgrades or service adds from an existing customer. Only net new revenue should count towards quota. I suggest that the sales territory be divided by customer revenue. The Senior Account Manager should be responsible for customers with monthly revenue of $500 and greater and the Account Executive responsible for customers with monthly revenue under $500.00. To encourage the Account Executive to funnel larger sales leads the SAM, the AE could be awarded a referral commission of 10% of the customer revenue if the deal closes.

Each month the SAM and AE should submit a Sales Forecast report based on the sale funnel and probability of close report. The sales funnel should track the following sales activity:

- Prospects identified
- Customer appointments
- Qualified customers
- Presentations of proposals
- Verbal order
- Written order

The probability of close is based on the stage of the customer lead:

- Appointment with qualified customer= 50% close probability
- Proposal presented and objections addressed= 75% close probability
- Customer gives verbal order= 90%

- Written order for service = 100%

The sales activity objectives for the sales reps should be as follows:

- Cold Calls and prospects indentified= 30/week
- Appointments with qualified prospects= 15/week
- Proposals to qualified prospects = 10/week
- Sales orders written = 2/week

The suggested compensation and commission plan is as follows:

- SAM base salary of $50,000 plus 75% of first month net new revenue from customers sold
- AE base salary of $30,000 plus 75% of first month net new revenue from customers sold
- Commissions should be paid after the customers first bill
- If the customer cancels service in the first six months the sales rep should be charged back a prorated amount of the commission paid
- Lead pass commission split should be 90% to selling rep and 10% to referring rep

Sales Manager Objectives and compensation:

- Sales manager salary of $65,000
- Commission paid based on total new revenue generated from sales and agent sales
- Commission of 15% of all net new customer revenue

The base salary and commission examples are suggestions based on the typical compensation for telecom sales reps. Recruiting experienced sales reps will depend on an attractive comp plan and product set. The company will be competing with other CLEC's in the market for quality sales reps. Once the sales reps are hired it will take them 90 days to ramp up to full productivity.

The commercial sales effort will require sales engineering support for complex products and customer site survey review. I think the company can support the sale engineering requirements with existing staff however as sales volume starts to increase there may be a need for an additional headcount for sales engineering. I did not include any budget money for sales engineering headcount because I think as the company transforms from a construction company to an operating company some of the current staff or budgeted headcount can be reallocated to a sales engineer headcount.

In addition to selling to local businesses, I recommend that the company create a wholesale product set geared toward other CLEC's. The company can leverage the fiber network and collocation to connect with other CLEC's to sell lit capacity in the form of DS1, DS3, Ethernet and internet pipes. In addition, the company should utilize capacity on the soft switch to sell originating and terminating PRI's to carriers.

An indirect sales channel or Agent program is an excellent way to reach more customers without the expense of additional dedicated sales reps. Some larger customers rely on their VAR or equipment vendor to select their voice and data service provider and the only way to penetrate those accounts is through the vendor. The profile of a successful sales Agent includes:

- Systems Integrators
- Value Added Resellers (VAR's) for Cisco, Alcatel etc
- Telephone equipment (CPE) vendors
- Long Distance sales Agents
- Communications consultants
- Realtors and Relocation Specialists
- Office Supply and furniture vendors
- Business Consultants

The Agents sales channel program should be managed by the sales manager directly. The manager will be responsible for signing up Agents and managing the relationship. There may be channel conflicts between the direct sales team and an Agent and the manager will have to referee any disputes about ownership of an account. The commissions paid to indirect sales agents can be in the form of one time upfront payments, ongoing residual commissions or a combination. The attached ***Appendix 4*** has a sample Agent sales agreement.

IV. Product and Pricing

Residential Product and Pricing

I have assembled a side by side comparison of current BT residential pricing to Comcast pricing and some suggested price changes as shown in ***Appendix 5***.The comparison indicates that there are some BT products priced far below the Comcast base price and some more expensive. The comparison chart also shows the current customer take rate by product. You will see that a large percentage of the customer base takes the lower end cable and internet products. This tends to support the ARPU comparison in ***Appendix 2.*** You will see from the graph that overall ARPU is lower than the other cable providers particularly in the video segment.

The company should have a consistent pricing philosophy when compared to Comcast and price individual products and bundles to steer customers towards the desired products. To increase the customer APRU the company should package and price bundles to encourage customers to take all three services. The pricing comparison indicates that some of the BT products with the highest take rate are also the ones priced significantly below Comcast and the least popular products are priced above Comcast. This may indicate that consumers are aware of pricing and making decisions based on price or these particular products are the best fit for the Burlington demographics. In either case the company should revisit all pricing and develop a consistent pricing policy. I have also included my recommendations for pricing changes and bundled offers in ***Appendix 5***.

I have created a Product Profitability Report that calculates the recoverable and unrecoverable costs to install a customer compared to the contribution margin to determine payback (***see Appendix 6***). The product bundles highlighted in green have a high take rate as individual products and when bundled together have the quickest payback. Currently 19% of the video customers buy basic cable at $15.00 per month with a pay back of 6.5 years. The payback for a voice customer buying Basic Dial Tone at $16.00 is 18 years. The low end internet product at $17.00 has a breakeven of 5 years. I strongly recommend that you do not sell the bottom two voice and internet products as standalone products and require that the customer take more than one service when ordering these low end products (see other pricing/product recommendations below). I would encourage the company to maintain this spreadsheet with new product and cost information and make product pricing decisions based on the product economics.

Pricing and Product Recommendations

I recommend the following product changes be made subject to your regulatory restrictions and political considerations (See ***Appendix 6***):

- Increase the price of Basic Cable to $17.50 and eliminate the discount on double and triple product pricing
- Reduce the number of channels offered with the Basic Cable product to make it less attractive
- Increase the pricing for Fast internet to $25.00, eliminate the discount for double and triple product pricing
- Increase the price of Basic Dial Tone to $25.00, eliminate the discount for double and triple product pricing
- Do not sell any single service of Basic Cable, Fast Internet or Basic Dial Tone. Require any customer who orders these products to take at least one additional product

- Create bundled packages with similar product offering as Comcast and price 5% below Comcast. Provide introductory promotion pricing for new customers similar to Comcast (as long as the billing system can automatically change the rate at the end of the promo period).
- The bundles that match up to Comcast are
    - 1) Standard Cable, Faster Internet and USA 1000 for $94.05 for six months and $112.59 after twelve months.
    - 2) Premium Cable, Faster internet and USA Unlimited for $123.49 for twelve months and $166.25 after twelve months.
- Create two new bundles
    - 1) Standard Plus Cable, Fastest Internet and Unlimited USA for $125.60
    - 2) Standard Plus Cable, Faster Internet and Community Unlimited for $108.99
- Include voicemail and 3 features in all bundled telephone services
- Create an internet and voice bundle of Fastest Internet and USA Unlimited for $69.00
- Create an HD/DVR product and only offer to Standard, Standard Plus and Premium customers. Charge $5.99 for an HD set top and $9.99 for a HD/DVR set top box.
- Other pricing increase and decreases suggestions are in ***Appendix 6***

Commercial Product and Pricing

The commercial products and pricing should be priced to compete with Verizon. The primary product offering should be an Integrated Voice and Data product bundling voice and internet access on one pipe.

The Burlington market has a high percentage of small and medium businesses so the target market should be a simple integrated product in three flavors of small, medium and large.

Integrated Voice and Data:

On-Net Pricing

1) Starter Package*-4 voice lines plus 2000 minutes of anywhere calling plus 1.5 meg internet for $418.00
2) Intermediate Package*- 8 voice lines plus 5000 minutes of anywhere calling plus 2.0 meg internet for $612.00
3) Advanced Package*- 16 voice lines plus 8000 minutes of anywhere calling plus 3.0 Meg internet for $924.00

*Each additional voice line is $24.00 plus $.02/min local and $.039/min LD
*Additional Bandwidth priced at $100/meg
** Voice line includes EUCL, PICC, and LNP

Off-Net Pricing

1) Starter Package*-4 voice lines plus 2000 anywhere minutes plus up to 1.2meg internet for $472.00
2) Intermediate Package*-8 voice lines plus 5000 anywhere minutes plus up to 768kps internet for $657.00
3) Advanced Package*-16 voice lines plus 9000 anywhere minutes plus up to 768kps internet for $1078.00

*Each additional voice line is $28.00 plus $.02/min local and $.039/min LD
** Voice line includes EUCL, PICC, and LNP

Please see ***Appendix 3*** for all other commercial products and pricing.

V. Organization and Staffing

The objective of the organization and management structure is to create an efficient organization without multiple layers of management and a structure that will promote cross functional cooperation and communication. To achieve this I am a proponent of a flat management structure will all department heads reporting the senior executive. The current organizational structure is staffed for a company in the construction mode. Now that the business is transforming into an operating company some minor changes to the organization are recommended.

General Manager

Direct Reports:
Manager Network Planning/Outside Plant/Installations
Manager Technical Ops/Repair/Help Desk/
Manager Sales and Marketing/Inside Sales/Outside Sales/Agent
Manager Finance and Administration/IS
Manager Legal/Regulatory
Manager Customer Service/Provisioning/CSR

Network Planning/Outside Plant- I would evaluate the need for the two outside plant foreman now that the construction is almost complete. I think a greater need is for an installation tech to be in the field responding to trouble calls at installation and to manage the installation contractor. Trouble calls at installation can be devastating to the customer relationship as the installation is the first impression with the customer. A field installation specialist should manage the contractor and make the decision to call back the contractor or go to the trouble call directly. Once the customer base reaches a certain size, the company should evaluate employing technicians to hand repair calls.

Technical Operations- This department should have responsibility for all network monitoring, repair and help desk functions. Currently the help desk function reports to the manager of sales and customer service. I think the help desk is more of a front line repair function and should report to the technical operations group. My sense is that the combined network operations and help desk could eliminate one position and transfer the headcount to sales engineer. I would recommend that the sales engineer report to the technical operations team.

Sales and Marketing- The manager of sales and marketing should be responsible for all customer acquisition activity including inside sales, outside sales, agent sales and one marketing specialist. The inside sales group should be responsible for taking inbound customer sales calls and walk-ins. They should be cross trained to handle customer service issues in the event of an outage or other event that results in a flood of calls to customer care. The inside sales staff should be sized to handle the current flow of inbound sales calls and be reevaluated as the level of inbound sales calls drops off. The outside sales team should consist of two outside canvassing reps responsible for proactive residential sales. I suggest hiring outside reps on a contract basis and not as direct employees. Hiring college students may be an effective source of sales reps. The outside sales reps should be following up on mailings and knocking on doors to introduce BT and attempt to sell the product. The outside commercial sales team should consist of two sales reps, one senior and one junior, responsible for cold calling and selling to new and existing customers. The senior sales rep should also have responsibility for wholesale customers. The sales manager should also have responsibility for cultivating Agent relationships and supporting their sales efforts.

Finance and Administration- The finance manager should have responsibility for bookkeeping, monthly reporting of financial statements and MD&A, customer billing, credit and collections and IS. A new position should be created with responsibility for reporting and analysis, billing operations, Crystal reports, MACC and the ACD. This person could move over from the help desk without having to add an additional headcount.

Legal and Regulatory- This area should continue to manage contract administration, regulatory compliance and reporting and government and external affairs.

Customer Service and Provisioning- This department should have responsibility for new order processing, provisioning and installation scheduling as well as moves add and changes. The provisioning team should be cross trained to support customer calls if there is an overflow of calls. The customer service department should also have CSR's responsible for reactive customer service calls such as billing and service questions so that non technical calls do not end up with the Help Desk. This department should be staffed to support the anticipated flow of orders from new market turn up and be reevaluated as the flow of orders decreases. As the customer base grows the CSR function may shift more towards customer base support and moves, add and changes.

Management Assessment

In my opinion the weakness I see in the management organization is the Sales Manager position and the lack of a Customer Service manager. I have a high opinion of Richard Donnelly based on his work ethic, enthusiasm, knowledge of the business operations of the company and his willingness to step up and take on added responsibility. Based on my interaction with Richard I do not think he is the right person to lead the sales organization. This position requires an experienced sales manager with a background in direct and indirect sales. The ideal candidate would be someone with experience in both consumer and commercial sales and marketing. If BT is unable to find a candidate with both consumer and commercial sales experience the priority should be commercial sales experience.

I think that Richard could fill the position of Manager of Customer Service. He has product knowledge, understands the business and appears to have good management skills. In my opinion the change in sales management and placement of a manager in Customer Service is immediate. Comcast will continue to aggressively target customers in Burlington and Fairpoint and the CLECs will continue to lock up commercial customers. The current structure with sales, marketing and customer service under one manager is not workable. One or the other functional areas will suffer from a lack of focus and attention and currently sales and marketing is the function that is being neglected. Neither of these important functional areas can afford a lack of focus and attention.

In summary, the organizational changes I would recommend are:

- Hire a new sales manager and a Manager of Customer Service immediately.
- Hire two outside sales reps immediately
- Train a CSR on circuit design and ASR ordering from Verizon
- Move help desk under Network Operations
- Dedicate one of the network operations technicians to sales engineering.
- Create a reporting and analysis position under John Van Vught and move Chris Lachance from help desk into that position.
- Transition the outside plant foreman to installation technicians and determine if two people are required
- Move Karen Chagnon under John Van Vught to focus on collections and AR.

VI. Monthly Reporting

Establishing monthly reporting and analysis is the only way to maintain accountability and measure the success of the company against its goals and objectives. In ***Appendix7*** I have included sample reports for:

- Monthly Key Metrics Report
- Monthly churn report
- Sales and installation activity

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Appendix 1 Baseline Financial Model and Projections

		10/07	11/07	12/07	01/08	02/08	03/06	04/08	05/06	06/08	FY08
HOMES PASSED			9037	12603	15418	15418	15416	15416	15416	15416	
NEW HOMES PASSED (ACTIVATED)				3568	2813	0	0				
SUBSCRIBERS (EOP)			2203	2320	2485	2673	2858	3090	3319	3544	
% PENETRATION OF HOMES PASSED			24%	18%	16%	17%	19%	20%	22%	23%	
BUSINESSES PAST					2500	2500	2500	2500	2500	2500	
SUBSCRIBERS (EOP)					93	97	105	117	129	141	
% PENETRATION OF BUSINESSES					4%	4%	4%	5%	5%	8%	
NEW CUSTOMERS											
- RESIDENTIAL	100.00%		150	150	200	225	225	275	275	275	1775
- BUSINESS	0.00%		0	0	3	5	9	14	14	14	
TOTAL	100.00%		150	150	203	230	234	289	289	269	1775
DISCONNECTS											
- RESIDENTIAL	1.50%		-31	-33	-35	-37	-40	-43	-48	-50	-316
- BUSINESS	1.5%		-1	-1	-1	-1	-1	-2	-2	-2	
TOTAL											
Churn Rate			-1.41%	-1.42%	-1.41%	-1.38%	-1.40%	-1.39%	-1.39%	-1.41%	
RECAPTURED DISCONNECTS	50.00%		18	17	18	19	20	22	23	25	160
NET ADDS											
RESIDENTIAL			119	117	185	188	185	232	229	225	1460
BUSINESS			-1	-1	2	4	8	12	12	12	
CUMMULATIVE CUSTOMERS											
- RESIDENTIAL		2084	2203	2320	2485	2673	2858	3090	3319	3544	
- BUSINESS		93	92	91	93	97	105	117	129	141	
TOTAL		2177	2295	2411	2578	2770	2963	3207	3448	3685	
ARPU											
- RESIDENTIAL		$ 83.39	$ 83.39	$ 83.39	$ 83.39	$ 83.39	$ 83.39	$ 85.89	$ 85.89	$ 85.89	
- VOICE	3%	$ 24.19	$ 24.19	$ 24.19	$ 24.19	$ 24.19	$ 24.19	$ 24.92	$ 24.92	$ 24.92	
- INTERNET	3%	$ 20.41	$ 20.41	$ 20.41	$ 20.41	$ 20.41	$ 20.41	$ 21.02	$ 21.02	$ 21.02	
- VIDEO	3%	$ 36.15	$ 38.15	$ 36.15	$ 38.15	$ 36.15	$ 36.15	$ 37.23	$ 37.23	$ 37.23	
- OTHER	3%	$ 2.64	$ 2.64	$ 2.64	$ 2.64	$ 2.64	$ 2.64	$ 2.72	$ 2.72	$ 2.72	
- BUSINESS		$ 322.21	$ 322.21	$ 322.21	$ 322.21	$ 322.21	$ 322.21	$ 328.57	$ 328.57	$ 328.57	
- VOICE	3%	$ 79.44	$ 79.44	$ 79.44	$ 79.44	$ 79.44	$ 79.44	$ 81.82	$ 81.82	$ 81.82	
- INTERNET	3%	$ 129.88	$ 129.88	$ 129.88	$ 129.88	$ 129.88	$ 129.88	$ 133.78	$ 133.78	$ 133.78	
- VIDEO	3%	$ 2.77	$ 2.77	$ 2.77	$ 2.77	$ 2.77	$ 2.77	$ 2.85	$ 2.85	$ 2.85	
- SPECIAL CIRCUITS		$ 110.12	$ 110.12	$ 110.12	$ 110.12	$ 110.12	$ 110.12	$ 110.12	$ 110.12	$ 110.12	
CONSOLIDATED			$ 92.96	$ 92.40	$ 92.01	$ 91.75	$ 91.85	$ 94.75	$ 94.97	$ 95.18	
REVENUE											
- RESIDENTIAL		$ 630,440.90	$ 183,708.17	$ 193,464.80	$ 207,224.15	$ 222,901.47	$ 238,328.82	$ 265,405.35	$ 285,074.55	$ 304,400.18	$ 2,630,948.20
- BUSINESS		$ 121,712.71	$ 29,643.32	$ 29,321.11	$ 29,965.53	$ 31,254.37	$ 33,832.05	$ 38,443.01	$ 42,385.88	$ 46,328.75	$ 402,886.72
TOTAL		$ 752,153.81	$ 213,351.49	$ 222,785.91	$ 237,189.88	$ 254,155.84	$ 272,160.87	$ 303,848.36	$ 327,460.43	$ 350,728.94	$ 2,933,834.93
SCHOOLS CONNECTIVITY		$ 19,000.00	$ 4,750.00	$ 4,750.00	$ 4,750.00	$ 4,750.00	$ 4,750.00	$ 4,750.00	$ 4,750.00	$ 4,750.00	$ 57,000.00
SCHOOLS CENTREX		$ 17,987.60	$ 4,800.00	$ 4,800.00	$ 4,800.00	$ 4,800.00	$ 4,800.00	$ 4,800.00	$ 4,800.00	$ 4,800.00	$ 56,387.60
PHASE I COST ALLOCATIONS										$ 405,134.00	$ 405,134.00
BUILDING RENT		$ 17,284.95	$ 10,773.30	$ 5,611.65	$ 5,611.65	$ 5,611.65	$ 5,611.65	$ 5,611.65	$ 5,808.08	$ 5,808.08	$ 67,732.62
ESCROW INVESTMENT		$ -									$ -
TOTAL REVENUES		$ 808,426.16	$ 233,874.79	$ 237,947.56	$ 252,351.33	$ 269,317.49	$ 287,322.32	$ 319,010.01	$ 342,818.49	$ 771,220.99	$ 3,520,089.14

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Appendix 1 Baseline Financial Model and Projections

			10/07	11/07	12/07	01/08	02/08	03/08	04/08	05/08	06/08	FY08
HOMES PASSED				9037	12603	15416	15416	15416	15416	15416	15416	
NEW HOMES PASSED (ACTIVATED)					3566	2813	0	0				
SUBSCRIBERS (EOP)				2203	2320	2485	2673	2858	3090	3319	3544	
% PENETRATION OF HOMES PASSED				24%	18%	16%	17%	19%	20%	22%	23%	
BUSINESSES PAST						2500	2500	2500	2500	2500	2500	
SUBSCRIBERS (EOP)						93	97	105	117	129	141	
% PENETRATION OF BUSINESSES						4%	4%	4%	5%	5%	6%	
PROVISIONING COSTS												
- VOICE	34.30%	88.00%	$ 92,582.00	$ 20,785.47	$ 21,095.50	$ 21,802.52	$ 22,650.42	$ 23,475.29	$ 25,362.91	$ 26,389.86	$ 27,255.86	$ 281,399.84
- INTERNET	$ 3.73	88.00%	$ 27,334.80	$ 6,995.00	$ 7,913.87	$ 8,462.03	$ 9,092.25	$ 9,725.75	$ 10,526.66	$ 11,317.72	$ 12,095.64	$ 103 463.71
- VIDEO	$ 24.58	73.80%	$ 118,446.00	$ 39,962.51	$ 42,084.89	$ 45,076.00	$ 48,488.33	$ 51,844.23	$ 56,052.72	$ 60,206.79	$ 64,288.30	$ 526,451.78
TOTAL PROVISIONING			$ 238,362.80	$ 67,742.98	$ 71,094.26	$ 75,342.55	$ 80,230.99	$ 85,045.28	$ 91,942.29	$ 97,914.37	$ 103,639.80	$ 911,315.32
SALARIES, WAGES, & BEN			$ 579,201.00	$ 167,810.50	$ 187,810.50	$ 187,810.50	$ 167,810.50	$ 187,810.50	$ 187,810.50	$ 167,810.50	$ 187,810.50	$ 2,081,685.00
PARKING			$ 5,400.00	$ 2,446.88	$ 2,446.88	$ 2,446.88	$ 2,446.88	$ 2,446.88	$ 2,446.88	$ 2,446.88	$ 2,446.84	$ 24,975.00
TRAVEL			$ 11,601.31	$ 2,796.43	$ 2,796.43	$ 2,796.43	$ 2,796.43	$ 2,796.43	$ 2,796.43	$ 2,796.43	$ 2,796.43	$ 34,172.75
LEGAL			$ 3,906.00	$ 5,142.50	$ 5,142.50	$ 5,142.50	$ 5,142.50	$ 5,142.50	$ 5,142.50	$ 5,142.50	$ 5,142.50	$ 45,046.00
AUDITS			$ -			$ 4,120.00						$ 4,120.00
BILLING SVCS				$ 12,500.00	$ 12,500.00	$ 12,500.00	$ 12,500.00	$ 12,500.00	$ 12,500.00	$ 12,500.00	$ 12,500.00	$ 100,000.00
OTHER PROF			$ 102,657.00	$ 2,749.25	$ 2,749.25	$ 2,749.25	$ 2,749.25	$ 2,749.25	$ 2,749.25	$ 2,749.25	$ 2,749.25	$ 124,651.00
RENT			$ 2,550.00	$ 850.00	$ 850.00	$ 850.00	$ 850.00	$ 850.00	$ 850.00	$ 650.00	$ 1,700.00	$ 10,200.00
JANITORIAL			$ 1,553.85	$ 432.77	$ 432.77	$ 432.77	$ 432.77	$ 432.77	$ 432.77	$ 432.77	$ 432.76	$ 5,016.00
BANK CHARGES			$ 1,328.17	$ 497.98	$ 497.96	$ 497.98	$ 497.98	$ 497.98	$ 497.98	$ 497.98	$ 497.97	$ 5,312.00
VEHICLES			$ 1,300.24	$ 487.47	$ 487.47	$ 487.47	$ 487.47	$ 487.47	$ 487.47	$ 487.47	$ 487.47	$ 5,200.00
INSURANCE			$ 14,490.00	$ 7,597.13	$ 7,597.13	$ 7,597.13	$ 7,597.13	$ 7,597.13	$ 7,597.13	$ 7,597.13	$ 7,597.09	$ 75,267.00
ADVERTISING			$ 18,018.00	$ 1,762.50	$ 1,762.50	$ 1,762.50	$ 1,762.50	$ 1,762.50	$ 1,762.50	$ 1,762.50	$ 1,762.50	$ 32,118.00
POLE RENTAL			$ -					$ 22,540.00				$ 22,540.00
CABLE MAINTENANCE			$ 3,600.00	$ 1,200.00	$ 1,200.00	$ 1,200.00	$ 1,200.00	$ 1,200.00	$ 1,200.00	$ 1,200.00	$ 2,400.00	$ 14,400.00
PRINTING			$ 2,987.00	$ 1,121.25	$ 1,121.25	$ 1,121.25	$ 1,121.25	$ 1,121.25	$ 1,121.25	$ 1,121.25	$ 1,121.25	$ 11,957.00
TELEPHONE			$ 5,405.00	$ 945.88	$ 945.88	$ 945.88	$ 945.88	$ 945.88	$ 945.88	$ 945.88	$ 945.84	$ 12,972.00
PAGERS			$ 2,021.33	$ 505.21	$ 505.21	$ 505.21	$ 505.21	$ 505.21	$ 505.21	$ 505.21	$ 505.20	$ 6,063.00
SERVICE CREDITS			$ 4,126.00	$ 187.50	$ 187.50	$ 187.50	$ 187.50	$ 187.50	$ 187.50	$ 187.50	$ 187.50	$ 5,626.00
WATER/SEWAGE			$ 127.28	$ 48.72	$ 48.72	$ 48.72	$ 48.72	$ 48.72	$ 48.72	$ 48.72	$ 48.68	$ 517.00
ELECTRICITY			$ 13,996.82	$ 3,250.40	$ 3,250.40	$ 3,250.40	$ 3,250.40	$ 3,250.40	$ 3,250.40	$ 3,250.40	$ 3,250.38	$ 40,000.00
GAS			$ (1,913.00)	$ 892.38	$ 892.38	$ 892.38	$ 892.38	$ 892.38	$ 892.38	$ 892.38	$ 892.34	$ 6,226.00
OFFICE SUPPLIES			$ 7,298.00	$ 962.75	$ 962.75	$ 962.75	$ 962.75	$ 962.75	$ 962.75	$ 962.75	$ 962.75	$ 15,000.00
COPYING			$ 763.88	$ 191.02	$ 191.02	$ 191.02	$ 191.02	$ 191.02	$ 191.02	$ 191.02	$ 190.98	$ 2,292.00
POSTAGE			$ 8,515.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 20,515.00
MATERIALS			$ 12,535.00	$ 1,633.75	$ 1,633.75	$ 1,633.75	$ 1,633.75	$ 1,633.75	$ 1,633.75	$ 1,633.75	$ 1,633.75	$ 25,605.00
ADMIN FEE			$ 34,508.00	$ 12,940.50	$ 12,940.50	$ 12,940.50	$ 12,940.50	$ 12,940.50	$ 12,940.50	$ 12,940.50	$ 12,940.50	$ 138,032.00
OTHER			$ 16,607.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 20,607.00
REGULATORY			$ 4,843.00	$ 625.00	$ 625.00	$ 625.00	$ 625.00	$ 625.00	$ 625.00	$ 625.00	$ 625.00	$ 9,843.00
TOTAL OPEX			$ 857,625.88	$ 251,577.77	$ 251,577.77	$ 255,697.77	$ 251,577.77	$ 274,117.77	$ 251,577.77	$ 251,577.77	$ 253,627.48	$ 2,898,957.75
												$ -
LEASE INTEREST			$ 284,346.00	$ 386,673.75			$ 386,673.75			$ 386,673.75		$ 1,424,367.25
PILOT			$ 110,202.00	$ 110,202.00			$ 110,202.00			$ 110,202.00		$ 440,808.00
TOTAL LEASE&PILOT			$ 374,548.00	$ 496,875.75	$ -	$ -	$ 496,875.75	$ -	$ -	$ 496,875.75	$ -	$ 1,865,175.25
TOTAL EXPENSES			$ 1,470,536.68	$ 816,196.50	$ 322,672.03	$ 331,040.32	$ 828,684.51	$ 359,163.05	$ 343,520.06	$ 846,367.89	$ 357,267.28	$ 5,675,448.32

Appendix 1 Baseline Financial Model and Projections

		10/07	11/07	12/07	01/08	02/08	03/08	04/08	05/08	06/08	FY08
HOMES PASSED			9037	12603	15416	15416	15416	15416	15416	15416	
NEW HOMES PASSED (ACTIVATED)				3566	2813	0	0				
SUBSCRIBERS (EOP)			2203	2320	2485	2673	2858	3090	3319	3544	
% PENETRATION OF HOMES PASSED			24%	18%	16%	17%	19%	20%	22%	23%	
BUSINESSES PAST					2500	2500	2500	2500	2500	2500	
SUBSCRIBERS (EOP)					93	97	105	117	129	141	
% PENETRATION OF BUSINESSES					4%	4%	4%	5%	5%	6%	
CAPITAL EXPENDITURES											
- FIBER PASS			$ 684,698.92	$ 371,700.36	$ 371,700.36	$ 371,230.69					$ 1,799,530.33
- ENGINEERING			$ 121,833.70	$ 42,000.00	$ 42,000.00	$ 40,999.60					$ 246,833.30
- REMOTE FACILITIES			$ 65,862.00	$ 150,000.00	$ 77,744.00						$ 293,606.00
- CUSTOMER HOOKUPS			$ 276,251.75	$ 129,956.00	$ 324,876.70	$ 175,000.00	$ 108,784.00	$ 168,122.25	$ 100,000.00	$ 100,000.00	$ 1,362,990.70
HEADEND UPGRADE/HD							$ 670,000.00				
TOTAL CAPITAL EXPENDITURES		$ 3,506,240.00	$ 1,146,846.37	$ 693,656.36	$ 816,321.06	$ 587,230.29	$ 778,784.00	$ 168,122.25	$ 100,000.00	$ 100,000.00	$ 7,899,200.33
TOTAL EXPENDITURES		$ 4,976,776.68	$ 1,965,042.87	$ 1,016,328.39	$ 1,147,361.38	$ 1,415,914.80	$ 1,137,947.05	$ 511,642.31	$ 946,367.69	$ 457,267.28	$ 13,574,648.65
											$ 13,574,648.65
CASH GEN/(USE)		$ (4,170,350.52)	$ (1,731,368.08)	$ (778,380.83)	$ (895,010.05)	$ (1,146,597.31)	$ (850,624.73)	$ (192,632.30)	$ (603,549.40)	$ 313,953.71	$ (10,054,559.51)
CASH AVAILABLE	$ 8,500,000.00	$ 4,329,649.48	$ 2,598,281.40	$ 1,819,900.57	$ 924,890.52	$ (221,706.79)	$ (1,072,331.62)	$ (1,264,963.82)	$ (1,868,513.22)	$ (1,554,559.61)	$ (1,554,559.51)
Cust Hookup Capex/Gross Add			$ 1,841.68	$ 866.37	$ 1,624.38	$ 777.78	$ 483.48	$ 611.35	$ 363.64	$ 363.64	
Cumulative Cash Need			$ (5,901,718.60)	$ (6,680,099.43)	$ (7,575,109.48)	$ (8,721,706.79)	$ (9,572,331.52)	$ (9,764,963.62)	$ (10,368,513.22)	$ (10,054,559.51)	$ (10,054,559.51)
Budgeted Cash Need											
Operating Cash Flow		$ (289,562.52)	$ (85,645.96)	$ (84,724.47)	$ (78,688.99)	$ (62,491.27)	$ (71,840.73)	$ (24,510.05)	$ (6,673.65)	$ 413,953.71	$ (290,183.93)
Cash Flow after Debt Pmt		$ (664,110.52)	$ (582,521.71)	$ (64,724.47)	$ (78,688.99)	$ (559,367.02)	$ (71,840.73)	$ (24,510.05)	$ (503,549.40)	$ 413,953.71	$ (2,155,359.18)
Capex		$ 3,506,240.00	$ 1,148,846.37	$ 693,656.36	$ 816,321.06	$ 587,230.29	$ 778,784.00	$ 168,122.25	$ 100,000.00	$ 100,000.00	$ 7,899,200.33
Free Cash Flow		$ (4,170,350.52)	$ (1,731,368.08)	$ (778,380.83)	$ (895,010.05)	$ (1,146,597.31)	$ (850,624.73)	$ (192,632.30)	$ (603,549.40)	$ 313,953.71	$ (10,054,559.51)
OPERATING MARGIN		-36%	-37%	-36%	-31%	-23%	-25%	-8%	-2%	54%	-8%

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Appendix 1 Baseline Financial Moc

	07/08	08/08	09/08	10/08	11/08	12/08	01/09	02/09	03/09	04/09	05/09	06/09	FY09
HOMES PASSED	15418	15416	15418	15416	15416	15418	15416	15416	15416	15416	15416	15418	15416
NEW HOMES PASSED (ACTIVATED)													
SUBSCRIBERS (EOP)	3766	3985	4200	4412	4621	4827	4920	5011	5101	5189	5276	5362	
% PENETRATION OF HOMES PASSED	24%	26%	27%	29%	30%	31%	32%	33%	33%	34%	34%	35%	
BUSINESSES PAST	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	
SUBSCRIBERS (EOP)	153	167	181	195	207	218	229	240	251	262	273	283	
% PENETRATION OF BUSINESSES	6%	7%	7%	8%	8%	9%	9%	10%	10%	10%	11%	11%	
NEW CUSTOMERS													
- RESIDENTIAL	275	275	275	275	275	275	165	165	165	165	165	165	
- BUSINESS	14	14	14	14	14	14	14	14	14	14	14	14	
TOTAL	289	289	289	289	289	289	179	179	179	179	179	179	
DISCONNECTS													
- RESIDENTIAL	-53	-56	-60	-63	-66	-69	-72	-74	-75	-77	-78	-79	-80
- BUSINESS	-2	0	0	0	-2	-3	-3	-3	-3	-3	-3	-4	
TOTAL													
Churn Rate													
RECAPTURED DISCONNECTS	27	28	30	32	33	35	36	37	38	39	39	40	
NET ADDS													
RESIDENTIAL	222	219	215	212	209	208	93	91	90	88	87	86	-80
BUSINESS													
CUMMULATIVE CUSTOMERS													
- RESIDENTIAL	3766	3985	4200	4412	4621	4827	4920	5011	5101	5189	5276	5362	
- BUSINESS	153	167	181	195	207	218	229	240	251	262	273	283	
TOTAL	3919	4152	4381	4607	4828	5045	5149	5251	5352	5451	5549	5645	
ARPU													
- RESIDENTIAL	$ 85.89	$ 85.89	$ 85.89	$ 85.89	$ 85.89	$ 85.89	$ 85.89	$ 85.89	$ 85.89	$ 87.01	$ 87.01	$ 87.01	
- VOICE	$ 24.92	$ 24.92	$ 24.92	$ 24.92	$ 24.92	$ 24.92	$ 24.92	$ 24.92	$ 24.92	$ 24.92	$ 24.92	$ 24.92	
- INTERNET	$ 21.02	$ 21.02	$ 21.02	$ 21.02	$ 21.02	$ 21.02	$ 21.02	$ 21.02	$ 21.02	$ 21.02	$ 21.02	$ 21.02	
- VIDEO	$ 37.23	$ 37.23	$ 37.23	$ 37.23	$ 37.23	$ 37.23	$ 37.23	$ 37.23	$ 37.23	$ 38.35	$ 38.35	$ 38.35	
- OTHER	$ 2.72	$ 2.72	$ 2.72	$ 2.72	$ 2.72	$ 2.72	$ 2.72	$ 2.72	$ 2.72	$ 2.72	$ 2.72	$ 2.72	
- BUSINESS	$ 328.57	$ 328.57	$ 328.57	$ 328.57	$ 328.57	$ 328.57	$ 328.57	$ 328.57	$ 328.57	$ 328.57	$ 328.57	$ 328.57	
- VOICE	$ 81.82	$ 81.82	$ 81.82	$ 81.82	$ 81.82	$ 81.82	$ 81.82	$ 81.82	$ 81.82	$ 81.82	$ 81.82	$ 81.82	
- INTERNET	$ 133.78	$ 133.78	$ 133.78	$ 133.78	$ 133.78	$ 133.78	$ 133.78	$ 133.78	$ 133.78	$ 133.78	$ 133.78	$ 133.78	
- VIDEO	$ 2.85	$ 2.85	$ 2.85	$ 2.85	$ 2.85	$ 2.85	$ 2.85	$ 2.85	$ 2.85	$ 2.85	$ 2.85	$ 2.85	
- SPECIAL CIRCUITS	$ 110.12	$ 110.12	$ 110.12	$ 110.12	$ 110.12	$ 110.12	$ 110.12	$ 110.12	$ 110.12	$ 110.12	$ 110.12	$ 110.12	
CONSOLIDATED	$ 95.37	$ 95.65	$ 95.92	$ 96.16	$ 96.30	$ 96.38	$ 96.68	$ 96.98	$ 97.27	$ 98.82	$ 98.89	$ 99.12	
REVENUE													
- RESIDENTIAL	$ 323,468.14	$ 342,278.42	$ 360,745.14	$ 378,954.18	$ 396,905.55	$ 414,599.24	$ 422,587.16	$ 430,403.31	$ 438,133.56	$ 451,488.33	$ 459,058.09	$ 468,540.84	
- BUSINESS	$ 50,271.62	$ 54,871.64	$ 59,471.66	$ 64,071.68	$ 68,014.55	$ 71,628.85	$ 75,243.15	$ 78,857.45	$ 82,471.75	$ 86,088.05	$ 89,700.35	$ 92,986.07	
TOTAL	$ 373,739.77	$ 397,150.07	$ 420,216.80	$ 443,025.86	$ 464,920.09	$ 486,228.08	$ 497,830.31	$ 509,260.76	$ 520,605.31	$ 537,574.37	$ 548,758.43	$ 559,526.91	
SCHOOLS CONNECTIVITY	$ 4,750.00	$ 4,750.00	$ 4,750.00	$ 4,750.00	$ 4,750.00	$ 4,750.00	$ 4,750.00	$ 4,750.00	$ 4,750.00	$ 4,750.00	$ 4,750.00	$ 4,750.00	
SCHOOLS CENTREX	$ 4,800.00	$ 4,800.00	$ 4,800.00	$ 4,800.00	$ 4,800.00	$ 4,800.00	$ 4,800.00	$ 4,800.00	$ 4,800.00	$ 4,800.00	$ 4,800.00	$ 4,800.00	
PHASE I COST ALLOCATIONS												$ 405,134.00	
BUILDING RENT	$ 5,808.06	$ 5,808.06	$ 5,808.06	$ 5,808.06	$ 5,808.06	$ 5,808.08	$ 5,808.06	$ 5,808.06	$ 5,808.06	$ 5,808.08	$ 6,011.34	$ 8,011.34	
ESCROW INVESTMENT													
TOTAL REVENUES	$ 389,097.82	$ 412,508.12	$ 435,574.86	$ 458,383.91	$ 480,278.15	$ 501,588.14	$ 513,188.37	$ 524,618.81	$ 535,963.37	$ 552,932.43	$ 564,319.77	$ 980,222.25	$ 6,348,674.02

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Appendix 1 Baseline Financial Moc

	07/08	08/08	09/08	10/08	11/08	12/08	01/09	02/09	03/09	04/09	05/09	06/09	FY09
HOMES PASSED	15416	15416	15416	15416	15418	15416	15418	15418	15416	15416	15416	15418	15416
NEW HOMES PASSED (ACTIVATED)													
SUBSCRIBERS (EOP)	3786	3985	4200	4412	4821	4827	4920	5011	5101	5189	5276	5362	
% PENETRATION OF HOMES PASSED	24%	26%	27%	29%	30%	31%	32%	33%	33%	34%	34%	35%	
BUSINESSES PAST	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	
SUBSCRIBERS (EOP)	153	167	181	195	207	218	229	240	251	262	273	283	
% PENETRATION OF BUSINESSES	6%	7%	7%	8%	8%	9%	9%	10%	10%	10%	11%	11%	
PROVISIONING COSTS													
- VOICE	$ 27,970.44	$ 28,577.25	$ 29,027.79	$ 30,589.71	$ 32,093.70	$ 33,559.65	$ 34,341.43	$ 35,111.10	$ 35,874.72	$ 38,626.23	$ 37,371.89	$ 38,091.21	
- INTERNET	$ 12,883.73	$ 13,628.52	$ 14,380.19	$ 15,122.02	$ 15,847.43	$ 16,559.71	$ 18,901.08	$ 17,235.88	$ 17,587.40	$ 17,892.36	$ 18,214.04	$ 18,529.15	
- VIDEO	$ 88,315.39	$ 72,288.06	$ 76,188.17	$ 80,033.88	$ 83,825.12	$ 87,561.97	$ 89,249.00	$ 90,899.74	$ 92,532.34	$ 94,128.87	$ 95,706.85	$ 97,266.89	
TOTAL PROVISIONING	$ 109,149.55	$ 114,493.83	$ 119,596.16	$ 125,745.59	$ 131,788.28	$ 137,681.33	$ 140,491.50	$ 143,246.73	$ 145,974.47	$ 148,647.26	$ 151,292.58	$ 153,887.25	$ 1,621,972.51
SALARIES, WAGES, & BEN	$ 187,810.50	$ 187,810.50	$ 187,810.50	$ 187,810.50	$ 187,810.50	$ 187,810.50	$ 187,810.50	$ 187,810.50	$ 187,810.50	$ 187,810.50	$ 187,810.50	$ 187,810.50	
PARKING	$ 2,448.88	$ 2,448.88	$ 2,448.88	$ 2,448.88	$ 2,446.88	$ 2,448.88	$ 2,448.88	$ 2,446.84	$ 2,446.84	$ 2,448.84	$ 2,448.84	$ 2,448.84	
TRAVEL	$ 2,796.43	$ 2,796.43	$ 2,798.43	$ 2,796.43	$ 2,796.43	$ 2,798.43	$ 2,796.43	$ 2,798.43	$ 2,798.43	$ 2,796.43	$ 2,796.43	$ 2,796.43	
LEGAL	$ 5,142.50	$ 5,142.50	$ 5,142.50	$ 5,142.50	$ 5,142.50	$ 5,142.50	$ 5,142.50	$ 5,142.50	$ 5,142.50	$ 5,142.50	$ 5,142.50	$ 5,142.50	
AUDITS			$ 4,120.00										
BILLING SVCS	$ 12,500.00	$ 12,500.00	$ 12,500.00	$ 12,500.00	$ 12,500.00	$ 12,500.00	$ 12,500.00	$ 12,500.00	$ 12,500.00	$ 12,500.00	$ 12,500.00	$ 12,500.00	
OTHER PROF	$ 2,749.25	$ 2,749.25	$ 2,749.25	$ 2,749.25	$ 2,749.25	$ 2,749.25	$ 2,749.25	$ 2,749.25	$ 2,749.25	$ 2,749.25	$ 2,749.25	$ 2,749.25	
RENT	$ 850.00	$ 850.00	$ 850.00	$ 850.00	$ 850.00	$ 850.00	$ 850.00	$ 1,700.00	$ 1,700.00	$ 1,700.00	$ 1,700.00	$ 1,700.00	
JANITORIAL	$ 432.77	$ 432.77	$ 432.77	$ 432.77	$ 432.77	$ 432.77	$ 432.77	$ 432.76	$ 432.76	$ 432.76	$ 432.76	$ 432.76	
BANK CHARGES	$ 497.98	$ 497.98	$ 497.98	$ 497.98	$ 497.98	$ 497.98	$ 497.98	$ 497.97	$ 497.97	$ 497.97	$ 497.97	$ 497.97	
VEHICLES	$ 487.47	$ 487.47	$ 487.47	$ 487.47	$ 487.47	$ 487.47	$ 487.47	$ 487.47	$ 487.47	$ 487.47	$ 487.47	$ 487.47	
INSURANCE	$ 7,597.13	$ 7,597.13	$ 7,597.13	$ 7,597.13	$ 7,597.13	$ 7,597.13	$ 7,597.13	$ 7,597.09	$ 7,597.09	$ 7,597.09	$ 7,597.09	$ 7,597.09	
ADVERTISING	$ 1,762.50	$ 1,762.50	$ 1,762.50	$ 1,762.50	$ 1,762.50	$ 1,782.50	$ 1,762.50	$ 1,762.50	$ 1,762.50	$ 1,762.50	$ 1,762.50	$ 1,782.50	
POLE RENTAL					$ 22,540.00				$ 22,540.00				
CABLE MAINTENANCE	$ 2,400.00	$ 2,400.00	$ 2,400.00	$ 2,400.00	$ 2,400.00	$ 2,400.00	$ 2,400.00	$ 2,400.00	$ 2,400.00	$ 2,400.00	$ 2,400.00	$ 2,400.00	
PRINTING	$ 1,121.25	$ 1,121.25	$ 1,121.25	$ 1,121.25	$ 1,121.25	$ 1,121.25	$ 1,121.25	$ 1,121.25	$ 1,121.25	$ 1,121.25	$ 1,121.25	$ 1,121.25	
TELEPHONE	$ 945.88	$ 945.88	$ 945.88	$ 945.88	$ 945.88	$ 945.88	$ 945.88	$ 945.84	$ 945.84	$ 945.84	$ 945.84	$ 945.84	
PAGERS	$ 505.21	$ 505.21	$ 505.21	$ 505.21	$ 505.21	$ 505.21	$ 505.21	$ 505.20	$ 505.20	$ 505.20	$ 505.20	$ 505.20	
SERVICE CREDITS	$ 187.50	$ 187.50	$ 187.50	$ 187.50	$ 187.50	$ 187.50	$ 187.50	$ 187.50	$ 187.50	$ 187.50	$ 187.50	$ 187.50	
WATER/SEWAGE	$ 48.72	$ 48.72	$ 48.72	$ 48.72	$ 48.72	$ 48.72	$ 48.72	$ 48.68	$ 48.68	$ 48.68	$ 48.68	$ 46.68	
ELECTRICITY	$ 3,250.40	$ 3,250.40	$ 3,250.40	$ 3,250.40	$ 3,250.40	$ 3,250.40	$ 3,250.40	$ 3,250.38	$ 3,250.38	$ 3,250.38	$ 3,250.38	$ 3,250.38	
GAS	$ 892.38	$ 892.38	$ 892.38	$ 892.38	$ 892.38	$ 892.38	$ 892.38	$ 892.34	$ 892.34	$ 892.34	$ 892.34	$ 892.34	
OFFICE SUPPLIES	$ 962.75	$ 982.75	$ 962.75	$ 982.75	$ 962.75	$ 962.75	$ 982.75	$ 962.75	$ 962.75	$ 962.75	$ 962.75	$ 962.75	
COPYING	$ 191.02	$ 191.02	$ 191.02	$ 191.02	$ 191.02	$ 191.02	$ 191.02	$ 190.98	$ 190.98	$ 190.98	$ 190.98	$ 190.98	
POSTAGE	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	
MATERIALS	$ 1,633.75	$ 1,633.75	$ 1,833.75	$ 1,633.75	$ 1,633.75	$ 1,833.75	$ 1,633.75	$ 1,833.75	$ 1,633.75	$ 1,633.75	$ 1,633.75	$ 1,833.75	
ADMIN FEE	$ 12,940.50	$ 12,940.50	$ 12,940.50	$ 12,940.50	$ 12,940.50	$ 12,940.50	$ 12,940.50	$ 12,940.50	$ 12,940.50	$ 12,940.50	$ 12,940.50	$ 12,940.50	
OTHER	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	
REGULATORY	$ 825.00	$ 625.00	$ 625.00	$ 625.00	$ 625.00	$ 625.00	$ 625.00	$ 825.00	$ 625.00	$ 825.00	$ 625.00	$ 825.00	
TOTAL OPEX	$ 252,777.77	$ 252,777.77	$ 256,897.77	$ 252,777.77	$ 275,317.77	$ 252,777.77	$ 252,777.77	$ 253,627.48	$ 278,167.48	$ 253,827.48	$ 253,827.48	$ 253,627.48	$ 3,086,781.79
LEASE INTEREST		$ 388,873.75			$ 388,873.75			$ 388,673.75			$ 388,673.75		$ 1,546,695.00
PILOT		$ 110,202.00			$ 110,202.00			$ 110,202.00			$ 110,202.00		$ 440,808.00
TOTAL LEASE&PILOT	$ -	$ 496,875.75	$ -	$ -	$ 496,875.75	$ -	$ -	$ 498,875.75	$ -	$ -	$ 496,875.75	$ -	$ 1,987,503.00
TOTAL EXPENSES	$ 381,927.32	$ 884,147.35	$ 378,493.93	$ 378,523.38	$ 903,959.78	$ 390,459.10	$ 393,269.27	$ 893,749.98	$ 422,141.95	$ 402,274.74	$ 901,795.81	$ 407,514.73	$ 6,696,257.30

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Appendix 1 Baseline Financial Moc

	07/08	08/08	09/08	10/08	11/08	12/08	01/09	02/09	03/09	04/09	05/09	06/09	FY09
HOMES PASSED	15416	15416	15418	15416	15416	15416	15416	15416	15416	15416	15416	15416	15416
NEW HOMES PASSED (ACTIVATED)													
SUBSCRIBERS (EOP)	3766	3985	4200	4412	4621	4827	4920	5011	5101	5189	5278	5362	
% PENETRATION OF HOMES PASSED	24%	26%	27%	29%	30%	31%	32%	33%	33%	34%	34%	35%	
BUSINESSES PAST	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	
SUBSCRIBERS (EOP)	153	167	181	195	207	218	229	240	251	262	273	283	
% PENETRATION OF BUSINESSES	6%	7%	7%	8%	8%	9%	9%	10%	10%	10%	11%	11%	
CAPITAL EXPENDITURES													
- FIBER PASS													
- ENGINEERING													
- REMOTE FACILITIES													
- CUSTOMER HOOKUPS	$ 275,100.00	$ 274,050.00	$ 271,950.00	$ 269,850.00	$ 268,800.00	$ 266,700.00	$ 150,150.00	$ 149,100.00	$ 148,050.00	$ 147,000.00	$ 147,000.00	$ 145,950.00	$ 2,514,750.00
HEADEND UPGRADE/HD													
TOTAL CAPITAL EXPENDITURES	$ 275,100.00	$ 274,050.00	$ 271,950.00	$ 269,850.00	$ 268,800.00	$ 266,700.00	$ 150,150.00	$ 149,100.00	$ 148,050.00	$ 147,000.00	$ 147,000.00	$ 145,950.00	$ 2,513,700.00
TOTAL EXPENDITURES	$ 637,027.32	$ 1,138,197.35	$ 648,443.93	$ 648,373.36	$ 1,172,759.78	$ 657,159.10	$ 543,419.27	$ 1,042,849.96	$ 570,191.95	$ 549,274.74	$ 1,048,795.81	$ 553,464.73	$ 9,209,957.30
CASH GEN/(USE)	$ (247,929.50)	$ (725,689.23)	$ (212,869.07)	$ (189,989.44)	$ (692,481.62)	$ (155,572.96)	$ (30,230.90)	$ (518,231.14)	$ (34,228.59)	$ 3,657.69	$ (484,476.04)	$ 426,757.52	$ (2,861,283.28)
CASH AVAILABLE	$ (1,802,489.02)	$ (2,528,178.24)	$ (2,741,047.31)	$ (2,931,036.75)	$ (3,623,518.38)	$ (3,779,091.33)	$ (3,809,322.24)	$ (4,327,553.38)	$ (4,361,781.96)	$ (4,358,124.28)	$ (4,842,800.31)	$ (4,415,842.80)	$ (4,415,842.80)
Cust Hookup Capex/Gross Add													
Cumulative Cash Need	$ (10,302,489.02)	$ (11,028,178.24)	$ (11,241,047.31)	$ (11,431,036.75)	$ (12,123,518.38)	$ (12,279,091.33)	$ (12,309,322.24)	$ (12,827,553.38)	$ (12,861,781.96)	$ (12,858,124.28)	$ (13,342,600.31)	$ (12,915,842.80)	$ (12,915,842.80)
Budgeted Cash Need													
Operating Cash Flow	$ 27,170.50	$ 45,236.52	$ 59,080.93	$ 79,860.56	$ 73,194.13	$ 111,127.04	$ 119,919.10	$ 127,744.61	$ 113,821.41	$ 150,657.89	$ 159,399.71	$ 572,707.52	$ 1,639,919.72
Cash Flow after Debt Pmt	$ 27,170.50	$ (451,639.23)	$ 59,080.93	$ 79,860.56	$ (423,681.82)	$ 111,127.04	$ 119,919.10	$ (369,131.14)	$ 113,821.41	$ 150,657.89	$ (337,476.04)	$ 572,707.52	$ (347,563.28)
Capex	$ 275,100.00	$ 274,050.00	$ 271,950.00	$ 269,850.00	$ 268,800.00	$ 266,700.00	$ 150,150.00	$ 149,100.00	$ 148,050.00	$ 147,000.00	$ 147,000.00	$ 145,950.00	$ 2,513,700.00
Free Cash Flow	$ (247,929.50)	$ (725,689.23)	$ (212,869.07)	$ (189,989.44)	$ (692,481.62)	$ (155,572.96)	$ (30,230.90)	$ (518,231.14)	$ (34,228.59)	$ 3,857.69	$ (484,476.04)	$ 426,757.52	$ (2,861,283.28)
OPERATING MARGIN	7%	11%	14%	17%	15%	22%	23%	24%	21%	27%	28%	58%	26%

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Appendix 1 Baseline Financial Moc	07/09	08/09	09/09	10/09	11/09	12/09	01/10	02/10	03/10	04/10	05/10	06/10	FY10
HOMES PASSED	15416	15416	15416	15416	15416	15416	15416	15416	15416	15416	15416	15416	15416
NEW HOMES PASSED (ACTIVATED)													
SUBSCRIBERS (EOP)	5447	5530	5612	5693	5773	5851	5863	5875	5887	5899	5911	5922	
% PENETRATION OF HOMES PASSED	35%	36%	36%	37%	37%	38%	38%	38%	38%	38%	38%	38%	
BUSINESSES PAST	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	
SUBSCRIBERS (EOP)	293	303	317	331	341	350	359	366	377	388	395	403	
% PENETRATION OF BUSINESSES	12%	12%	13%	13%	14%	14%	14%	15%	15%	15%	16%	16%	
NEW CUSTOMERS													
- RESIDENTIAL	165	165	165	165	165	165	100	100	100	100	100	100	
- BUSINESS	14	14	14	14	14	14	14	14	14	14	14	14	
TOTAL	179	179	179	179	179	179	114	114	114	114	114	114	
DISCONNECTS													
- RESIDENTIAL	-80	-82	-83	-84	-85	-87	-86	-88	-88	-88	-88	-89	
- BUSINESS	-4	-4	0	0	-4	-5	-5	-5	-5	-5	-5	-6	
TOTAL													
Churn Rate													
RECAPTURED DISCONNECTS	40	41	42	42	43	44	44	44	44	44	44	45	
NET ADDS													
RESIDENTIAL	85	83	82	81	80	78	12	12	12	12	12	11	
BUSINESS													
CUMMULATIVE CUSTOMERS													
- RESIDENTIAL	5447	5530	5612	5693	5773	5851	5863	5875	5887	5899	5911	5922	
- BUSINESS	293	303	317	331	341	350	359	366	377	388	395	403	
TOTAL	5740	5833	5929	6024	6114	6201	6222	6243	6264	6285	6306	6325	
ARPU													
- RESIDENTIAL	$ 87.01	$ 87.01	$ 87.01	$ 87.01	$ 87.01	$ 87.01	$ 87.01	$ 87.01	$ 87.01	$ 88.16	$ 88.16	$ 88.16	
- VOICE	$ 24.92	$ 24.92	$ 24.92	$ 24.92	$ 24.92	$ 24.92	$ 24.92	$ 24.92	$ 24.92	$ 24.92	$ 24.92	$ 24.92	
- INTERNET	$ 21.02	$ 21.02	$ 21.02	$ 21.02	$ 21.02	$ 21.02	$ 21.02	$ 21.02	$ 21.02	$ 21.02	$ 21.02	$ 21.02	
- VIDEO	$ 38.35	$ 38.35	$ 38.35	$ 38.35	$ 38.35	$ 38.35	$ 38.35	$ 38.35	$ 38.35	$ 39.50	$ 39.50	$ 39.50	
- OTHER	$ 2.72	$ 2.72	$ 2.72	$ 2.72	$ 2.72	$ 2.72	$ 2.72	$ 2.72	$ 2.72	$ 2.72	$ 2.72	$ 2.72	
- BUSINESS	$ 328.57	$ 328.57	$ 328.57	$ 328.57	$ 328.57	$ 328.57	$ 328.57	$ 328.57	$ 328.57	$ 328.57	$ 328.57	$ 328.57	
- VOICE	$ 81.82	$ 81.82	$ 81.82	$ 81.82	$ 81.82	$ 81.82	$ 81.82	$ 81.82	$ 81.82	$ 81.82	$ 81.82	$ 81.82	
- INTERNET	$ 133.78	$ 133.78	$ 133.78	$ 133.78	$ 133.78	$ 133.78	$ 133.78	$ 133.78	$ 133.78	$ 133.78	$ 133.78	$ 133.78	
- VIDEO	$ 2.85	$ 2.85	$ 2.85	$ 2.85	$ 2.85	$ 2.85	$ 2.85	$ 2.85	$ 2.85	$ 2.85	$ 2.85	$ 2.85	
- SPECIAL CIRCUITS	$ 110.12	$ 110.12	$ 110.12	$ 110.12	$ 110.12	$ 110.12	$ 110.12	$ 110.12	$ 110.12	$ 110.12	$ 110.12	$ 110.12	
CONSOLIDATED	$ 99.34	$ 99.56	$ 99.92	$ 100.28	$ 100.48	$ 100.64	$ 100.95	$ 101.25	$ 101.55	$ 102.92	$ 103.22	$ 103.46	
REVENUE													
- RESIDENTIAL	$ 473,936.58	$ 481,158.30	$ 488,293.02	$ 495,340.73	$ 502,301.43	$ 509,088.11	$ 510,132.21	$ 511,176.32	$ 512,220.42	$ 520,051.60	$ 521,109.51	$ 522,079.28	
- BUSINESS	$ 96,271.80	$ 99,557.53	$ 104,157.55	$ 108,757.56	$ 112,043.29	$ 115,000.45	$ 117,957.60	$ 120,914.75	$ 123,871.91	$ 126,829.06	$ 129,786.22	$ 132,414.80	
TOTAL	$ 570,208.38	$ 580,715.83	$ 592,450.57	$ 604,098.29	$ 614,344.72	$ 624,088.55	$ 628,089.81	$ 632,091.07	$ 636,092.33	$ 646,880.66	$ 650,895.73	$ 654,494.08	
SCHOOLS CONNECTIVITY	$ 4,750.00	$ 4,750.00	$ 4,750.00	$ 4,750.00	$ 4,750.00	$ 4,750.00	$ 4,750.00	$ 4,750.00	$ 4,750.00	$ 4,750.00	$ 4,750.00	$ 4,750.00	
SCHOOLS CENTREX	$ 4,800.00	$ 4,800.00	$ 4,800.00	$ 4,800.00	$ 4,800.00	$ 4,800.00	$ 4,800.00	$ 4,800.00	$ 4,800.00	$ 4,800.00	$ 4,800.00	$ 4,800.00	
PHASE I COST ALLOCATIONS	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 405,134.00	
BUILDING RENT	$ 6,011.34	$ 6,011.34	$ 8,011.34	$ 8,011.34	$ 6,011.34	$ 6,011.34	$ 6,011.34	$ 8,011.34	$ 6,011.34	$ 6,011.34	$ 6,221.74	$ 6,221.74	
ESCROW INVESTMENT													
TOTAL REVENUES	$ 585,769.72	$ 596,277.17	$ 608,011.91	$ 619,659.63	$ 629,906.08	$ 639,649.89	$ 643,651.15	$ 647,652.41	$ 651,653.67	$ 662,442.00	$ 666,667.46	$ 1,075,399.80	$ 8,026,740.88

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Appendix 1 Baseline Financial Moc	07/09	08/09	09/09	10/09	11/09	12/09	01/10	02/10	03/10	04/10	05/10	06/10	FY10
HOMES PASSED	15416	15416	15418	15416	15418	15416	15416	15418	15418	15418	15418	15416	15418
NEW HOMES PASSED (ACTIVATED)													
SUBSCRIBERS (EOP)	5447	5530	5612	5693	5773	5851	5883	5875	5887	5899	5911	5922	
% PENETRATION OF HOMES PASSED	35%	38%	36%	37%	37%	38%	38%	38%	38%	38%	38%	38%	
BUSINESSES PAST	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	
SUBSCRIBERS (EOP)	293	303	317	331	341	350	359	368	377	386	395	403	
% PENETRATION OF BUSINESSES	12%	12%	13%	13%	14%	14%	14%	15%	15%	15%	16%	18%	
PROVISIONING COSTS													
- VOICE	$ 38,804.67	$ 39,506.03	$ 40,280.86	$ 41,049.64	$ 41,732.83	$ 42,384.03	$ 42,635.63	$ 42,887.23	$ 43,138.84	$ 43,390.44	$ 43,642.04	$ 43,887.70	
- INTERNET	$ 18,840.98	$ 19,146.24	$ 19,481.35	$ 19,773.18	$ 20,068.59	$ 20,354.16	$ 20,423.09	$ 20,492.02	$ 20,560.95	$ 20,629.88	$ 20,698.81	$ 20,781.18	
- VIDEO	$ 98,808.80	$ 100,314.42	$ 101,801.90	$ 103,271.25	$ 104,722.45	$ 106,137.37	$ 106,355.05	$ 108,572.74	$ 108,790.42	$ 107,008.10	$ 107,225.78	$ 107,425.32	
TOTAL PROVISIONING	$ 156,454.45	$ 158,988.69	$ 161,544.12	$ 164,094.07	$ 168,523.88	$ 168,875.57	$ 169,413.78	$ 169,951.99	$ 170,490.20	$ 171,028.42	$ 171,568.63	$ 172,054.20	$ 2,000,963.98
SALARIES, WAGES, & BEN	$ 187,810.50	$ 187,810.50	$ 187,810.50	$ 187,810.50	$ 187,810.50	$ 187,810.50	$ 187,810.50	$ 187,810.50	$ 187,810.50	$ 187,810.50	$ 187,810.50	$ 187,810.50	
PARKING	$ 2,446.88	$ 2,446.88	$ 2,446.88	$ 2,448.88	$ 2,446.88	$ 2,446.88	$ 2,448.88	$ 2,446.84	$ 2,448.64	$ 2,448.84	$ 2,446.84	$ 2,446.84	
TRAVEL	$ 2,796.43	$ 2,798.43	$ 2,796.43	$ 2,798.43	$ 2,796.43	$ 2,796.43	$ 2,798.43	$ 2,796.43	$ 2,796.43	$ 2,796.43	$ 2,796.43	$ 2,798.43	
LEGAL	$ 5,142.50	$ 5,142.50	$ 5,142.50	$ 5,142.50	$ 5,142.50	$ 5,142.50	$ 5,142.50	$ 5,142.50	$ 5,142.50	$ 5,142.50	$ 5,142.50	$ 5,142.50	
AUDITS			$ 4,120.00										
BILLING SVCS	$ 12,500.00	$ 12,500.00	$ 12,500.00	$ 12,500.00	$ 12,500.00	$ 12,500.00	$ 12,500.00	$ 12,500.00	$ 12,500.00	$ 12,500.00	$ 12,500.00	$ 12,500.00	
OTHER PROF	$ 2,749.25	$ 2,749.25	$ 2,749.25	$ 2,749.25	$ 2,749.25	$ 2,749.25	$ 2,749.25	$ 2,749.25	$ 2,749.25	$ 2,749.25	$ 2,749.25	$ 2,749.25	
RENT	$ 850.00	$ 850.00	$ 850.00	$ 850.00	$ 850.00	$ 850.00	$ 850.00	$ 1,700.00	$ 1,700.00	$ 1,700.00	$ 1,700.00	$ 1,700.00	
JANITORIAL	$ 432.77	$ 432.77	$ 432.77	$ 432.77	$ 432.77	$ 432.77	$ 432.77	$ 432.78	$ 432.78	$ 432.76	$ 432.78	$ 432.76	
BANK CHARGES	$ 497.98	$ 497.98	$ 497.98	$ 497.98	$ 497.98	$ 497.98	$ 497.98	$ 497.97	$ 497.97	$ 497.97	$ 497.97	$ 497.97	
VEHICLES	$ 487.47	$ 487.47	$ 487.47	$ 487.47	$ 487.47	$ 487.47	$ 487.47	$ 487.47	$ 487.47	$ 487.47	$ 487.47	$ 487.47	
INSURANCE	$ 7,597.13	$ 7,597.13	$ 7,597.13	$ 7,597.13	$ 7,597.13	$ 7,597.13	$ 7,597.13	$ 7,597.09	$ 7,597.09	$ 7,597.09	$ 7,597.09	$ 7,597.09	
ADVERTISING	$ 1,762.50	$ 1,762.50	$ 1,762.50	$ 1,762.50	$ 1,762.50	$ 1,782.50	$ 1,762.50	$ 1,762.50	$ 1,782.50	$ 1,762.50	$ 1,762.50	$ 1,762.50	
POLE RENTAL					$ 22,540.00				$ 22,540.00				
CABLE MAINTENANCE	$ 2,400.00	$ 2,400.00	$ 2,400.00	$ 2,400.00	$ 2,400.00	$ 2,400.00	$ 2,400.00	$ 2,400.00	$ 2,400.00	$ 2,400.00	$ 2,400.00	$ 2,400.00	
PRINTING	$ 1,121.25	$ 1,121.25	$ 1,121.25	$ 1,121.25	$ 1,121.25	$ 1,121.25	$ 1,121.25	$ 1,121.25	$ 1,121.25	$ 1,121.25	$ 1,121.25	$ 1,121.25	
TELEPHONE	$ 945.88	$ 945.88	$ 945.88	$ 945.88	$ 945.88	$ 945.88	$ 945.88	$ 945.84	$ 945.84	$ 945.84	$ 945.84	$ 945.84	
PAGERS	$ 505.21	$ 505.21	$ 505.21	$ 505.21	$ 505.21	$ 505.21	$ 505.21	$ 505.20	$ 505.20	$ 505.20	$ 505.20	$ 505.20	
SERVICE CREDITS	$ 187.50	$ 187.50	$ 187.50	$ 187.50	$ 187.50	$ 187.50	$ 187.50	$ 187.50	$ 187.50	$ 187.50	$ 187.50	$ 187.50	
WATER/SEWAGE	$ 48.72	$ 48.72	$ 48.72	$ 48.72	$ 48.72	$ 48.72	$ 48.72	$ 48.68	$ 48.88	$ 48.68	$ 48.68	$ 48.68	
ELECTRICITY	$ 3,250.40	$ 3,250.40	$ 3,250.40	$ 3,250.40	$ 3,250.40	$ 3,250.40	$ 3,250.40	$ 3,250.38	$ 3,250.38	$ 3,250.38	$ 3,250.38	$ 3,250.38	
GAS	$ 892.38	$ 892.38	$ 892.38	$ 892.38	$ 892.38	$ 892.38	$ 892.38	$ 892.34	$ 892.34	$ 892.34	$ 892.34	$ 892.34	
OFFICE SUPPLIES	$ 962.75	$ 962.75	$ 962.75	$ 962.75	$ 962.75	$ 962.75	$ 982.75	$ 962.75	$ 962.75	$ 962.75	$ 962.75	$ 962.75	
COPYING	$ 191.02	$ 191.02	$ 191.02	$ 191.02	$ 191.02	$ 191.02	$ 191.02	$ 190.98	$ 190.98	$ 190.98	$ 190.98	$ 190.98	
POSTAGE	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	
MATERIALS	$ 1,833.75	$ 1,633.75	$ 1,633.75	$ 1,833.75	$ 1,633.75	$ 1,633.75	$ 1,833.75	$ 1,633.75	$ 1,633.75	$ 1,633.75	$ 1,633.75	$ 1,833.75	
ADMIN FEE	$ 12,940.50	$ 12,940.50	$ 12,940.50	$ 12,940.50	$ 12,940.50	$ 12,940.50	$ 12,940.50	$ 12,940.50	$ 12,940.50	$ 12,940.50	$ 12,940.50	$ 12,940.50	
OTHER	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	
REGULATORY	$ 625.00	$ 625.00	$ 625.00	$ 625.00	$ 825.00	$ 625.00	$ 625.00	$ 625.00	$ 625.00	$ 625.00	$ 625.00	$ 625.00	
TOTAL OPEX	$ 252,777.77	$ 252,777.77	$ 256,897.77	$ 252,777.77	$ 275,317.77	$ 252,777.77	$ 252,777.77	$ 253,627.48	$ 278,167.48	$ 253,627.48	$ 253,827.48	$ 253,627.48	$ 3,086,781.79
LEASE INTEREST		$ 386,673.75			$ 386,673.75			$ 388,673.75			$ 386,873.75		$ 1,546,695.00
PILOT		$ 110,202.00			$ 110,202.00			$ 110,202.00			$ 110,202.00		$ 440,808.00
TOTAL LEASE&PILOT		$ 496,875.75			$ 496,875.75			$ 496,875.75			$ 496,875.75		$ 1,987,503.00
TOTAL EXPENSES	$ 409,232.22	$ 908,620.21	$ 418,441.89	$ 416,871.84	$ 938,717.40	$ 421,653.34	$ 422,191.55	$ 920,455.22	$ 446,657.68	$ 424,655.90	$ 922,069.86	$ 425,681.68	$ 7,075,248.77

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Appendix 1 Baseline Financial Moc

	07/09	08/09	09/09	10/09	11/09	12/09	01/10	02/10	03/10	04/10	05/10	06/10	FY10
HOMES PASSED	15416	15416	15416	15416	15416	15416	15416	15416	15416	15416	15416	15416	15416
NEW HOMES PASSED (ACTIVATED)													
SUBSCRIBERS (EOP)	5447	5530	5612	5693	5773	5851	5863	5875	5887	5899	5911	5922	
% PENETRATION OF HOMES PASSED	35%	36%	36%	37%	37%	38%	38%	38%	38%	38%	38%	38%	
BUSINESSES PAST	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	
SUBSCRIBERS (EOP)	293	303	317	331	341	350	359	368	377	386	395	403	
% PENETRATION OF BUSINESSES	12%	12%	13%	13%	14%	14%	14%	15%	15%	15%	16%	16%	
CAPITAL EXPENDITURES													
- FIBER PASS													
- ENGINEERING													
- REMOTE FACILITIES													
- CUSTOMER HOOKUPS	$ 145,950.00	$ 144,900.00	$ 143,850.00	$ 143,850.00	$ 142,800.00	$ 141,750.00	$ 73,500.00	$ 73,500.00	$ 73,500.00	$ 73,500.00	$ 73,500.00	$ 72,450.00	$ 1,303,050.00
HEADEND UPGRADE/HD													
TOTAL CAPITAL EXPENDITURES	$ 145,950.00	$ 144,900.00	$ 143,850.00	$ 143,850.00	$ 142,800.00	$ 141,750.00	$ 73,500.00	$ 73,500.00	$ 73,500.00	$ 73,500.00	$ 73,500.00	$ 72,450.00	$ 1,303,050.00
TOTAL EXPENDITURES	$ 555,182.22	$ 1,053,520.21	$ 562,291.89	$ 560,721.84	$ 1,081,517.40	$ 563,403.34	$ 495,691.55	$ 993,955.22	$ 520,157.68	$ 498,155.90	$ 995,569.86	$ 498,131.68	$ 8,378,298.77
CASH GEN/(USE)	$ 30,587.50	$ (457,243.04)	$ 45,720.02	$ 58,937.80	$ (451,611.34)	$ 76,246.56	$ 147,959.60	$ (346,302.81)	$ 131,495.99	$ 164,286.10	$ (328,902.40)	$ 577,268.12	$ (351,557.90)
CASH AVAILABLE	$ (4,385,265.29)	$ (4,842,498.33)	$ (4,796,778.31)	$ (4,737,840.51)	$ (5,189,451.85)	$ (5,113,205.29)	$ (4,965,245.69)	$ (5,311,548.50)	$ (5,180,052.52)	$ (5,015,766.41)	$ (5,344,668.81)	$ (4,767,400.69)	$ (4,767,400.69)
Cust Hookup Capex/Gross Add													
Cumulative Cash Need	$ (12,885,255.29)	$ (13,342,498.33)	$ (13,296,778.31)	$ (13,237,840.51)	$ (13,689,451.85)	$ (13,613,205.29)	$ (13,465,245.69)	$ (13,811,548.50)	$ (13,680,052.52)	$ (13,515,766.41)	$ (13,844,668.81)	$ (13,267,400.69)	$ (13,267,400.69)
Budgeted Cash Need													
Operating Cash Flow	$ 176,537.50	$ 184,532.71	$ 189,570.02	$ 202,787.80	$ 188,064.41	$ 217,996.56	$ 221,459.60	$ 224,072.94	$ 204,995.99	$ 237,786.10	$ 241,473.35	$ 649,718.12	$ 2,938,995.10
Cash Flow after Debt Pmt	$ 176,537.50	$ (312,343.04)	$ 189,570.02	$ 202,787.80	$ (308,811.34)	$ 217,996.56	$ 221,459.60	$ (272,802.81)	$ 204,995.99	$ 237,786.10	$ (255,402.40)	$ 649,718.12	$ 951,492.10
Capex	$ 145,950.00	$ 144,900.00	$ 143,850.00	$ 143,850.00	$ 142,800.00	$ 141,750.00	$ 73,500.00	$ 73,500.00	$ 73,500.00	$ 73,500.00	$ 73,500.00	$ 72,450.00	$ 1,303,050.00
Free Cash Flow	$ 30,587.50	$ (457,243.04)	$ 45,720.02	$ 58,937.80	$ (451,611.34)	$ 76,246.56	$ 147,959.60	$ (346,302.81)	$ 131,495.99	$ 164,286.10	$ (328,902.40)	$ 577,268.12	$ (351,557.90)
OPERATING MARGIN	30%	31%	31%	33%	30%	34%	34%	35%	31%	36%	36%	60%	37%

Appendix 1 Baseline Financial Moc

	07/10	08/10	09/10	10/10	11/10	12/10	01/11	02/11	03/11	04/11	05/11	06/11	FY 11
HOMES PASSED	15416	15416	15416	15416	15416	15416	15416	15416	15416	15416	15416	15416	
NEW HOMES PASSED (ACTIVATED)													
SUBSCRIBERS (EOP)	5933	5944	5955	5966	5977	5987	5997	6007	6017	6027	6037	6046	
% PENETRATION OF HOMES PASSED	38%	39%	39%	39%	39%	39%	39%	39%	39%	39%	39%	39%	
BUSINESSES PAST	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	
SUBSCRIBERS (EOP)	411	419	427	435	442	449	456	463	470	477	484	491	
% PENETRATION OF BUSINESSES	16%	17%	17%	17%	18%	18%	18%	19%	19%	19%	19%	20%	
NEW CUSTOMERS													
- RESIDENTIAL	100	100	100	100	100	100	100	100	100	100	100	100	
- BUSINESS	14	14	14	14	14	14	14	14	14	14	14	14	
TOTAL	114	114	114	114	114	114	114	114	114	114	114	114	
DISCONNECTS													
- RESIDENTIAL	-89	-89	-89	-89	-89	-90	-90	-90	-90	-90	-90	-91	
- BUSINESS	-6	-6	-8	-8	-7	-7	-7	-7	-7	-7	-7	-7	
TOTAL													
Churn Rate													
RECAPTURED DISCONNECTS	45	45	45	45	45	45	45	45	45	45	45	46	
NET ADDS													
RESIDENTIAL	11	11	11	11	11	10	10	10	10	10	10	9	
BUSINESS													
CUMMULATIVE CUSTOMERS													
- RESIDENTIAL	5933	5944	5955	5966	5977	5987	5997	6007	6017	6027	6037	6046	
- BUSINESS	411	419	427	435	442	449	456	463	470	477	484	491	
TOTAL	6344	6363	6382	6401	6419	6436	6453	6470	6487	6504	6521	6537	
ARPU													
- RESIDENTIAL	$ 88.16	$ 88.16	$ 88.16	$ 88.16	$ 88.16	$ 88.16	$ 88.16	$ 88.16	$ 88.16	$ 89.34	$ 89.34	$ 89.34	
- VOICE	$ 24.92	$ 24.92	$ 24.92	$ 24.92	$ 24.92	$ 24.92	$ 24.92	$ 24.92	$ 24.92	$ 24.92	$ 24.92	$ 24.92	
- INTERNET	$ 21.02	$ 21.02	$ 21.02	$ 21.02	$ 21.02	$ 21.02	$ 21.02	$ 21.02	$ 21.02	$ 21.02	$ 21.02	$ 21.02	
- VIDEO	$ 39.50	$ 39.50	$ 39.50	$ 39.50	$ 39.50	$ 39.50	$ 39.50	$ 39.50	$ 39.50	$ 40.69	$ 40.69	$ 40.69	
- OTHER	$ 2.72	$ 2.72	$ 2.72	$ 2.72	$ 2.72	$ 2.72	$ 2.72	$ 2.72	$ 2.72	$ 2.72	$ 2.72	$ 2.72	
- BUSINESS	$ 328.57	$ 328.57	$ 328.57	$ 328.57	$ 328.57	$ 328.57	$ 328.57	$ 328.57	$ 328.57	$ 328.57	$ 328.57	$ 328.57	
- VOICE	$ 61.82	$ 81.82	$ 81.82	$ 81.82	$ 81.62	$ 81.82	$ 81.82	$ 81.82	$ 81.82	$ 81.82	$ 81.82	$ 81.82	
- INTERNET	$ 133.78	$ 133.78	$ 133.78	$ 133.78	$ 133.78	$ 133.78	$ 133.78	$ 133.78	$ 133.78	$ 133.78	$ 133.78	$ 133.78	
- VIDEO	$ 2.85	$ 2.85	$ 2.85	$ 2.85	$ 2.85	$ 2.85	$ 2.85	$ 2.85	$ 2.85	$ 2.85	$ 2.65	$ 2.85	
- SPECIAL CIRCUITS	$ 110.12	$ 110.12	$ 110.12	$ 110.12	$ 110.12	$ 110.12	$ 110.12	$ 110.12	$ 110.12	$ 110.12	$ 110.12	$ 110.12	
CONSOLIDATED	$ 103.73	$ 103.99	$ 104.24	$ 104.50	$ 104.71	$ 104.93	$ 105.15	$ 105.36	$ 105.56	$ 106.89	$ 107.10	$ 107.31	
REVENUE													
- RESIDENTIAL	$ 523,049.01	$ 524,018.77	$ 524,988.52	$ 525,958.27	$ 526,928.02	$ 527,809.62	$ 528,691.21	$ 529,572.80	$ 530,454.39	$ 538,476.36	$ 539,371.80	$ 540,175.90	
- BUSINESS	$ 135,043.38	$ 137,671.96	$ 140,300.54	$ 142,929.12	$ 145,229.13	$ 147,529.14	$ 149,629.15	$ 152,129.16	$ 154,429.17	$ 156,729.18	$ 159,029.19	$ 161,329.20	
TOTAL	$ 658,092.39	$ 661,690.73	$ 665,289.06	$ 668,887.40	$ 672,157.16	$ 675,338.76	$ 678,520.36	$ 681,701.96	$ 684,883.56	$ 695,207.54	$ 698,400.99	$ 701,505.10	
SCHOOLS CONNECTIVITY	$ 4,750.00	$ 4,750.00	$ 4,750.00	$ 4,750.00	$ 4,750.00	$ 4,750.00	$ 4,750.00	$ 4,750.00	$ 4,750.00	$ 4,750.00	$ 4,750.00	$ 4,750.00	
SCHOOLS CENTREX	$ 4,800.00	$ 4,800.00	$ 4,800.00	$ 4,800.00	$ 4,800.00	$ 4,800.00	$ 4,800.00	$ 4,800.00	$ 4,800.00	$ 4,800.00	$ 4,800.00	$ 4,800.00	
PHASE I COST ALLOCATIONS	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 405,134.00	
BUILDING RENT	$ 6,221.74	$ 6,221.74	$ 6,221.74	$ 6,221.74	$ 6,221.74	$ 6,221.74	$ 6,221.74	$ 6,221.74	$ 6,221.74	$ 6,221.74	$ 6,439.50	$ 6,439.50	
ESCROW INVESTMENT													
TOTAL REVENUES	$ 673,864.13	$ 677,462.46	$ 881,060.80	$ 684,659.13	$ 687,928.89	$ 691,110.49	$ 694,292.10	$ 697,473.70	$ 700,655.30	$ 710,979.27	$ 714,390.49	$ 1,122,628.59	$ 8,736,505.36

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Appendix 1 Baseline Financial Moc

	07/10	08/10	09/10	10/10	11/10	12/10	01/11	02/11	03/11	04/11	05/11	06/11	FY 11
HOMES PASSED	15416	15416	15416	15418	15416	15416	15416	15416	15418	15416	15416	15416	
NEW HOMES PASSED (ACTIVATED)													
SUBSCRIBERS (EOP)	5933	5944	5955	5966	5977	5987	5997	6007	6017	6027	6037	6046	
% PENETRATION OF HOMES PASSED	38%	39%	39%	39%	39%	39%	39%	39%	39%	39%	39%	39%	
BUSINESSES PAST	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	
SUBSCRIBERS (EOP)	411	419	427	435	442	449	456	463	470	477	484	491	
% PENETRATION OF BUSINESSES	16%	17%	17%	17%	18%	18%	18%	19%	19%	19%	19%	20%	
PROVISIONING COSTS													
- VOICE	$ 44,093.37	$ 44,319.03	$ 44,544.69	$ 44,770.36	$ 44,978.14	$ 45,175.87	$ 45,375.59	$ 45,575.32	$ 45,775.05	$ 45,974.77	$ 46,174.50	$ 46,368.17	
- INTERNET	$ 20,823.55	$ 20,885.91	$ 20,948.28	$ 21,010.64	$ 21,089.73	$ 21,125.53	$ 21,181.33	$ 21,237.13	$ 21,292.93	$ 21,348.73	$ 21,404.53	$ 21,457.05	
- VIDEO	$ 107,624.86	$ 107,824.40	$ 108,023.94	$ 108,223.48	$ 108,423.02	$ 108,604.42	$ 108,785.82	$ 108,967.22	$ 109,148.82	$ 109,330.02	$ 109,511.42	$ 109,674.68	
TOTAL PROVISIONING	$ 172,541.77	$ 173,029.34	$ 173,518.91	$ 174,004.48	$ 174,468.88	$ 174,905.81	$ 175,342.74	$ 175,779.67	$ 178,216.59	$ 176,653.52	$ 177,090.45	$ 177,499.90	$ 2,101,050.07
SALARIES, WAGES, & BEN	$ 187,810.50	$ 187,810.50	$ 187,810.50	$ 187,810.50	$ 187,810.50	$ 187,810.50	$ 187,810.50	$ 187,810.50	$ 187,810.50	$ 187,810.50	$ 187,810.50	$ 187,810.50	
PARKING	$ 2,446.84	$ 2,446.84	$ 2,446.84	$ 2,446.84	$ 2,446.84	$ 2,446.84	$ 2,446.84	$ 2,446.84	$ 2,446.84	$ 2,446.84	$ 2,446.84	$ 2,446.84	
TRAVEL	$ 2,796.43	$ 2,796.43	$ 2,796.43	$ 2,796.43	$ 2,796.43	$ 2,796.43	$ 2,798.43	$ 2,796.43	$ 2,796.43	$ 2,796.43	$ 2,796.43	$ 2,798.43	
LEGAL	$ 5,142.50	$ 5,142.50	$ 5,142.50	$ 5,142.50	$ 5,142.50	$ 5,142.50	$ 5,142.50	$ 5,142.50	$ 5,142.50	$ 5,142.50	$ 5,142.50	$ 5,142.50	
AUDITS													
BILLING SVCS	$ 12,500.00	$ 12,500.00	$ 12,500.00	$ 12,500.00	$ 12,500.00	$ 12,500.00	$ 12,500.00	$ 12,500.00	$ 12,500.00	$ 12,500.00	$ 12,500.00	$ 12,500.00	
OTHER PROF	$ 2,749.25	$ 2,749.25	$ 2,749.25	$ 2,749.25	$ 2,749.25	$ 2,749.25	$ 2,749.25	$ 2,749.25	$ 2,749.25	$ 2,749.25	$ 2,749.25	$ 2,749.25	
RENT	$ 1,700.00	$ 1,700.00	$ 1,700.00	$ 1,700.00	$ 1,700.00	$ 1,700.00	$ 1,700.00	$ 1,700.00	$ 1,700.00	$ 1,700.00	$ 1,700.00	$ 1,700.00	
JANITORIAL	$ 432.76	$ 432.78	$ 432.78	$ 432.78	$ 432.78	$ 432.76	$ 432.76	$ 432.76	$ 432.78	$ 432.76	$ 432.76	$ 432.78	
BANK CHARGES	$ 497.97	$ 497.97	$ 497.97	$ 497.97	$ 497.97	$ 497.97	$ 497.97	$ 497.97	$ 497.97	$ 497.97	$ 497.97	$ 497.97	
VEHICLES	$ 487.47	$ 487.47	$ 487.47	$ 487.47	$ 487.47	$ 487.47	$ 487.47	$ 487.47	$ 487.47	$ 487.47	$ 487.47	$ 487.47	
INSURANCE	$ 7,597.09	$ 7,597.09	$ 7,597.09	$ 7,597.09	$ 7,597.09	$ 7,597.09	$ 7,597.09	$ 7,597.09	$ 7,597.09	$ 7,597.09	$ 7,597.09	$ 7,597.09	
ADVERTISING	$ 1,762.50	$ 1,762.50	$ 1,762.50	$ 1,762.50	$ 1,762.50	$ 1,762.50	$ 1,762.50	$ 1,762.50	$ 1,762.50	$ 1,762.50	$ 1,762.50	$ 1,782.50	
POLE RENTAL									$ 22,540.00				
CABLE MAINTENANCE	$ 2,400.00	$ 2,400.00	$ 2,400.00	$ 2,400.00	$ 2,400.00	$ 2,400.00	$ 2,400.00	$ 2,400.00	$ 2,400.00	$ 2,400.00	$ 2,400.00	$ 2,400.00	
PRINTING	$ 1,121.25	$ 1,121.25	$ 1,121.25	$ 1,121.25	$ 1,121.25	$ 1,121.25	$ 1,121.25	$ 1,121.25	$ 1,121.25	$ 1,121.25	$ 1,121.25	$ 1,121.25	
TELEPHONE	$ 945.84	$ 945.84	$ 945.84	$ 945.84	$ 945.84	$ 945.84	$ 945.84	$ 945.84	$ 945.84	$ 945.84	$ 945.84	$ 945.84	
PAGERS	$ 505.20	$ 505.20	$ 505.20	$ 505.20	$ 505.20	$ 505.20	$ 505.20	$ 505.20	$ 505.20	$ 505.20	$ 505.20	$ 505.20	
SERVICE CREDITS	$ 187.50	$ 187.50	$ 187.50	$ 187.50	$ 187.50	$ 187.50	$ 187.50	$ 187.50	$ 187.50	$ 187.50	$ 187.50	$ 187.50	
WATER/SEWAGE	$ 48.68	$ 48.68	$ 48.68	$ 48.68	$ 48.68	$ 48.68	$ 48.68	$ 48.68	$ 48.68	$ 48.68	$ 48.68	$ 48.68	
ELECTRICITY	$ 3,250.38	$ 3,250.38	$ 3,250.38	$ 3,250.38	$ 3,250.38	$ 3,250.38	$ 3,250.38	$ 3,250.38	$ 3,250.38	$ 3,250.38	$ 3,250.38	$ 3,250.38	
GAS	$ 892.34	$ 892.34	$ 892.34	$ 892.34	$ 892.34	$ 892.34	$ 892.34	$ 892.34	$ 892.34	$ 892.34	$ 892.34	$ 892.34	
OFFICE SUPPLIES	$ 962.75	$ 962.75	$ 962.75	$ 962.75	$ 962.75	$ 962.75	$ 962.75	$ 962.75	$ 962.75	$ 962.75	$ 962.75	$ 962.75	
COPYING	$ 190.98	$ 190.98	$ 190.98	$ 190.98	$ 190.98	$ 190.98	$ 190.98	$ 190.98	$ 190.98	$ 190.98	$ 190.98	$ 190.98	
POSTAGE	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	
MATERIALS	$ 1,633.75	$ 1,633.75	$ 1,633.75	$ 1,633.75	$ 1,633.75	$ 1,633.75	$ 1,633.75	$ 1,633.75	$ 1,633.75	$ 1,833.75	$ 1,633.75	$ 1,633.75	
ADMIN FEE	$ 12,940.50	$ 12,940.50	$ 12,940.50	$ 12,940.50	$ 12,940.50	$ 12,940.50	$ 12,940.50	$ 12,940.50	$ 12,940.50	$ 12,940.50	$ 12,940.50	$ 12,940.50	
OTHER	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	
REGULATORY	$ 625.00	$ 625.00	$ 625.00	$ 625.00	$ 825.00	$ 625.00	$ 625.00	$ 625.00	$ 625.00	$ 625.00	$ 625.00	$ 625.00	
TOTAL OPEX	$ 253,827.48	$ 253,627.48	$ 253,627.48	$ 253,827.48	$ 253,627.48	$ 253,627.48	$ 253,627.48	$ 253,827.48	$ 276,167.48	$ 253,627.48	$ 253,627.48	$ 253,627.48	$ 3,066,069.76
LEASE INTEREST		$ 706,894.31			$ 706,894.31			$ 706,894.31			$ 706,894.31		$ 2,827,577.24
PILOT		$ 110,202.00			$ 110,202.00			$ 110,202.00			$ 110,202.00		$ 440,808.00
TOTAL LEASE&PILOT		$ 817,096.31			$ 817,096.31			$ 817,096.31			$ 817,096.31		$ 3,268,385.24
TOTAL EXPENSES	$ 426,189.25	$ 1,243,753.13	$ 427,144.39	$ 427,631.96	$ 1,245,192.67	$ 428,533.29	$ 428,970.22	$ 1,246,503.48	$ 452,384.07	$ 430,281.00	$ 1,247,814.24	$ 431,127.38	$ 8,435,505.07

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Appendix 1 Baseline Financial Moc

	07/10	08/10	09/10	10/10	11/10	12/10	01/11	02/11	03/11	04/11	05/11	06/11	FY 11
HOMES PASSED	15416	15416	15416	15416	15416	15416	15418	15418	15416	15416	15416	15416	
NEW HOMES PASSED (ACTIVATED)													
SUBSCRIBERS (EOP)	5933	5944	5955	5966	5977	5987	5997	6007	6017	6027	6037	6046	
% PENETRATION OF HOMES PASSED	38%	39%	39%	39%	39%	39%	39%	39%	39%	39%	39%	39%	
BUSINESSES PAST	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	
SUBSCRIBERS (EOP)	411	419	427	435	442	449	456	463	470	477	484	491	
% PENETRATION OF BUSINESSES	16%	17%	17%	17%	18%	18%	18%	19%	19%	19%	19%	20%	
CAPITAL EXPENDITURES													
- FIBER PASS													
- ENGINEERING													
- REMOTE FACILITIES													
- CUSTOMER HOOKUPS	$ 72,450.00	$ 72,450.00	$ 72,450.00	$ 72,450.00	$ 72,450.00	$ 72,450.00	$ 72,450.00	$ 72,450.00	$ 72,450.00	$ 72,450.00	$ 72,450.00	$ 71,400.00	$ 868,350.00
HEADEND UPGRADE/HD													
TOTAL CAPITAL EXPENDITURES	$ 72,450.00	$ 72,450.00	$ 72,450.00	$ 72,450.00	$ 72,450.00	$ 72,450.00	$ 72,450.00	$ 72,450.00	$ 72,450.00	$ 72,450.00	$ 72,450.00	$ 71,400.00	$ 868,350.00
TOTAL EXPENDITURES	$ 498,619.25	$ 1,316,203.13	$ 499,594.39	$ 500,081.96	$ 1,317,642.67	$ 500,983.29	$ 501,420.22	$ 1,318,953.46	$ 524,834.07	$ 502,731.00	$ 1,320,264.24	$ 502,527.38	$ 9,303,855.07
CASH GEN/(USE)	$ 175,244.88	$ (638,740.66)	$ 181,466.41	$ 184,577.17	$ (629,713.78)	$ 190,127.20	$ 192,871.88	$ (621,479.76)	$ 175,821.23	$ 208,248.27	$ (605,873.75)	$ 620,101.21	$ (587,349.71)
CASH AVAILABLE	$ (4,592,155.81)	$ (5,230,896.47)	$ (5,049,430.07)	$ (4,864,852.89)	$ (5,494,566.67)	$ (5,304,439.47)	$ (5,111,567.59)	$ (5,733,047.35)	$ (5,557,226.13)	$ (5,348,977.86)	$ (5,954,851.61)	$ (5,334,750.40)	$ (5,334,750.40)
Cust Hookup Capex/Gross Add													
Cumulative Cash Need	$(13,092,155.81)	$ (13,730,896.47)	$(13,549,430.07)	$(13,364,852.89)	$(13,994,566.67)	$(13,804,439.47)	$(13,611,567.59)	$(14,233,047.35)	$ (14,057,226.13)	$(13,848,977.86)	$ (14,454,851.61)	$(13,834,750.40)	$(13,834,750.40)
Budgeted Cash Need													
Operating Cash Flow	$ 247,694.88	$ 250,805.65	$ 253,918.41	$ 257,027.17	$ 259,832.53	$ 262,577.20	$ 265,321.88	$ 268,066.55	$ 248,271.23	$ 280,698.27	$ 283,872.56	$ 691,501.21	$ 3,569,385.53
Cash Flow after Debt Pmt	$ 247,694.88	$ (566,290.66)	$ 253,918.41	$ 257,027.17	$ (557,263.78)	$ 262,577.20	$ 265,321.88	$ (549,029.76)	$ 248,271.23	$ 260,698.27	$ (533,423.75)	$ 691,501.21	$ 301,000.29
Capex	$ 72,450.00	$ 72,450.00	$ 72,450.00	$ 72,450.00	$ 72,450.00	$ 72,450.00	$ 72,450.00	$ 72,450.00	$ 72,450.00	$ 72,450.00	$ 72,450.00	$ 71,400.00	$ 868,350.00
Free Cash Flow	$ 175,244.88	$ (638,740.66)	$ 181,466.41	$ 184,577.17	$ (629,713.78)	$ 190,127.20	$ 192,871.88	$ (621,479.76)	$ 175,821.23	$ 208,248.27	$ (605,873.75)	$ 620,101.21	$ (587,349.71)
OPERATING MARGIN	37%	37%	37%	38%	38%	38%	38%	38%	35%	39%	40%	62%	41%

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Appendix 1 Baseline Financial Moc

	07/11	08/11	09/11	10/11	11/11	12/11	01/12	02/12	03/12	04/12	05/12	06/12	FY12
HOMES PASSED	15418	15418	15418	15416	15416	15418	15416	15416	15418	15418	15418	15416	15416
NEW HOMES PASSED (ACTIVATED)													
SUBSCRIBERS (EOP)	6055	6064	6073	6082	8091	8100	6108	6116	6124	8132	6140	6148	
% PENETRATION OF HOMES PASSED	39%	39%	39%	39%	40%	40%	40%	40%	40%	40%	40%	40%	0%
BUSINESSES PAST	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500
SUBSCRIBERS (EOP)	498	505	511	517	523	529	535	541	547	553	559	565	
% PENETRATION OF BUSINESSES	20%	20%	20%	21%	21%	21%	21%	22%	22%	22%	22%	23%	
NEW CUSTOMERS													
- RESIDENTIAL	100	100	100	100	100	100	100	100	100	100	100	100	
- BUSINESS	14	14	14	14	14	14	14	14	14	14	14	14	
TOTAL	114	114	114	114	114	114	114	114	114	114	114	114	
DISCONNECTS													
- RESIDENTIAL	-91	-91	-91	-91	-91	-91	-92	-92	-92	-92	-92	-92	
- BUSINESS	-7	-7	-8	-8	-8	-8	-8	-8	-8	-8	-8	-8	
TOTAL													
Churn Rate													
RECAPTURED DISCONNECTS	48	46	48	48	46	46	48	46	48	48	46	46	
NET ADDS													
RESIDENTIAL	9	9	9	9	9	9	8	8	8	8	8	8	
BUSINESS													
CUMMULATIVE CUSTOMERS													
- RESIDENTIAL	6055	8064	6073	6082	6091	6100	8108	6116	6124	6132	6140	6148	
- BUSINESS	498	505	511	517	523	529	535	541	547	553	559	565	
TOTAL	6553	6569	6584	6599	6614	6629	6643	6657	8871	6685	6699	8713	
ARPU													
- RESIDENTIAL	$ 89.34	$ 89.34	$ 89.34	$ 89.34	$ 89.34	$ 89.34	$ 89.34	$ 89.34	$ 89.34	$ 90.58	$ 90.56	$ 90.56	
- VOICE	$ 24.92	$ 24.92	$ 24.92	$ 24.92	$ 24.92	$ 24.92	$ 24.92	$ 24.92	$ 24.92	$ 24.92	$ 24.92	$ 24.92	
- INTERNET	$ 21.02	$ 21.02	$ 21.02	$ 21.02	$ 21.02	$ 21.02	$ 21.02	$ 21.02	$ 21.02	$ 21.02	$ 21.02	$ 21.02	
- VIDEO	$ 40.89	$ 40.69	$ 40.89	$ 40.89	$ 40.69	$ 40.89	$ 40.89	$ 40.69	$ 40.69	$ 41.91	$ 41.91	$ 41.91	
- OTHER	$ 2.72	$ 2.72	$ 2.72	$ 2.72	$ 2.72	$ 2.72	$ 2.72	$ 2.72	$ 2.72	$ 2.72	$ 2.72	$ 2.72	
- BUSINESS	$ 328.57	$ 328.57	$ 328.57	$ 328.57	$ 328.57	$ 328.57	$ 328.57	$ 328.57	$ 328.57	$ 328.57	$ 328.57	$ 328.57	
- VOICE	$ 81.82	$ 81.82	$ 81.82	$ 81.82	$ 81.82	$ 81.82	$ 81.82	$ 81.82	$ 81.82	$ 81.82	$ 81.82	$ 81.82	
- INTERNET	$ 133.78	$ 133.78	$ 133.78	$ 133.78	$ 133.78	$ 133.78	$ 133.78	$ 133.78	$ 133.78	$ 133.78	$ 133.78	$ 133.78	
- VIDEO	$ 2.85	$ 2.85	$ 2.85	$ 2.85	$ 2.85	$ 2.85	$ 2.85	$ 2.85	$ 2.85	$ 2.85	$ 2.85	$ 2.85	
- SPECIAL CIRCUITS	$ 110.12	$ 110.12	$ 110.12	$ 110.12	$ 110.12	$ 110.12	$ 110.12	$ 110.12	$ 110.12	$ 110.12	$ 110.12	$ 110.12	
CONSOLIDATED	$ 107.52	$ 107.74	$ 107.91	$ 108.09	$ 108.26	$ 108.43	$ 108.81	$ 108.79	$ 108.96	$ 110.25	$ 110.43	$ 110.60	
REVENUE													
- RESIDENTIAL	$ 540,980.00	$ 541,784.10	$ 542,588.20	$ 543,392.30	$ 544,196.40	$ 545,000.50	$ 545,715.25	$ 546,430.00	$ 547,144.76	$ 555,344.32	$ 558,068.84	$ 558,793.36	
- BUSINESS	$ 163,629.20	$ 185,929.21	$ 167,900.85	$ 169,872.09	$ 171,843.52	$ 173,814.98	$ 175,788.39	$ 177,757.83	$ 179,729.27	$ 181,700.70	$ 183,672.14	$ 185,643.58	
TOTAL	$ 704,609.20	$ 707,713.31	$ 710,488.85	$ 713,264.38	$ 716,039.92	$ 718,815.45	$ 721,501.64	$ 724,187.84	$ 726,874.03	$ 737,045.02	$ 739,740.98	$ 742,438.94	
SCHOOLS CONNECTIVITY	$ 4,750.00	$ 4,750.00	$ 4,750.00	$ 4,750.00	$ 4,750.00	$ 4,750.00	$ 4,750.00	$ 4,750.00	$ 4,750.00	$ 4,750.00	$ 4,750.00	$ 4,750.00	
SCHOOLS CENTREX	$ 4,800.00	$ 4,800.00	$ 4,800.00	$ 4,800.00	$ 4,800.00	$ 4,800.00	$ 4,800.00	$ 4,800.00	$ 4,800.00	$ 4,800.00	$ 4,800.00	$ 4,800.00	
PHASE I COST ALLOCATIONS												$ 405,134.00	
BUILDING RENT	$ 6,439.50	$ 6,439.50	$ 6,439.50	$ 6,439.50	$ 8,439.50	$ 6,439.50	$ 6,439.50	$ 6,439.50	$ 6,439.50	$ 6,439.50	$ 6,664.88	$ 8,664.88	
ESCROW INVESTMENT													
TOTAL REVENUES	$ 720,598.70	$ 723,702.81	$ 728,478.35	$ 729,253.88	$ 732,029.42	$ 734,804.95	$ 737,491.14	$ 740,177.33	$ 742,863.52	$ 753,034.52	$ 755,955.86	$ 1,163,785.82	$ 9,260,176.30

Appendix 1 Baseline Financial Moc

	07/11	08/11	09/11	10/11	11/11	12/11	01/12	02/12	03/12	04/12	05/12	06/12	FY12
HOMES PASSED	15418	15416	15418	15416	15416	15418	15418	15416	15416	15418	15418	15416	15416
NEW HOMES PASSED (ACTIVATED)													
SUBSCRIBERS (EOP)	8055	6064	6073	6082	8091	8100	6106	6116	6124	6132	8140	6148	
% PENETRATION OF HOMES PASSED	39%	39%	39%	39%	40%	40%	40%	40%	40%	40%	40%	40%	0%
BUSINESSES PAST	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500
SUBSCRIBERS (EOP)	498	505	511	517	523	529	535	541	547	553	559	565	
% PENETRATION OF BUSINESSES	20%	20%	20%	21%	21%	21%	21%	22%	22%	22%	22%	23%	
PROVISIONING COSTS													
- VOICE	$ 48,561.84	$ 46,755.51	$ 46,929.30	$ 47,103.09	$ 47,276.88	$ 47,450.67	$ 47,618.40	$ 47,766.14	$ 47,953.87	$ 48,121.81	$ 48,289.34	$ 48,457.08	
- INTERNET	$ 21,509.57	$ 21,562.09	$ 21,811.32	$ 21,880.56	$ 21,709.79	$ 21,759.03	$ 21,804.98	$ 21,850.94	$ 21,896.89	$ 21,942.84	$ 21,988.80	$ 22,034.75	
- VIDEO	$ 109,837.94	$ 110,001.20	$ 110,164.46	$ 110,327.72	$ 110,490.96	$ 110,854.24	$ 110,799.36	$ 110,944.48	$ 111,089.60	$ 111,234.73	$ 111,379.85	$ 111,524.97	
TOTAL PROVISIONING	$ 177,909.35	$ 178,316.80	$ 178,705.09	$ 179,091.37	$ 179,477.66	$ 179,863.94	$ 160,222.75	$ 180,581.56	$ 180,940.37	$ 181,299.18	$ 161,657.98	$ 182,016.79	$ 2,160,084:84
SALARIES, WAGES, & BEN	$ 187,610.50	$ 187,810.50	$ 167,810.50	$ 187,810.50	$ 187,810.50	$ 187,610.50	$ 187,810.50	$ 187,810.50	$ 187,810.50	$ 187,810.50	$ 167,810.50	$ 187,810.50	
PARKING	$ 2,448.84	$ 2,448.84	$ 2,446.84	$ 2,448.84	$ 2,446.84	$ 2,448.84	$ 2,446.84	$ 2,446.84	$ 2,446.84	$ 2,446.84	$ 2,448.84	$ 2,446.84	
TRAVEL	$ 2,796.43	$ 2,796.43	$ 2,798.43	$ 2,796.43	$ 2,796.43	$ 2,798.43	$ 2,796.43	$ 2,796.43	$ 2,796.43	$ 2,796.43	$ 2,796.43	$ 2,796.43	
LEGAL	$ 5,142.50	$ 5,142.50	$ 5,142.50	$ 5,142.50	$ 5,142.50	$ 5,142.50	$ 5,142.50	$ 5,142.50	$ 5,142.50	$ 5,142.50	$ 5,142.50	$ 5,142.50	
AUDITS													
BILLING SVCS	$ 12,500.00	$ 12,500.00	$ 12,500.00	$ 12,500.00	$ 12,500.00	$ 12,500.00	$ 12,500.00	$ 12,500.00	$ 12,500.00	$ 12,500.00	$ 12,500.00	$ 12,500.00	
OTHER PROF	$ 2,749.25	$ 2,749.25	$ 2,749.25	$ 2,749.25	$ 2,749.25	$ 2,749.25	$ 2,749.25	$ 2,749.25	$ 2,749.25	$ 2,749.25	$ 2,749.25	$ 2,749.25	
RENT	$ 1,700.00	$ 1,700.00	$ 1,700.00	$ 1,700.00	$ 1,700.00	$ 1,700.00	$ 1,700.00	$ 1,700.00	$ 1,700.00	$ 1,700.00	$ 1,700.00	$ 1,700.00	
JANITORIAL	$ 432.76	$ 432.76	$ 432.76	$ 432.78	$ 432.78	$ 432.76	$ 432.76	$ 432.78	$ 432.76	$ 432.76	$ 432.76	$ 432.76	
BANK CHARGES	$ 497.97	$ 497.97	$ 497.97	$ 497.97	$ 497.97	$ 497.97	$ 497.97	$ 497.97	$ 497.97	$ 497.97	$ 497.97	$ 497.97	
VEHICLES	$ 487.47	$ 487.47	$ 487.47	$ 487.47	$ 487.47	$ 487.47	$ 487.47	$ 487.47	$ 467.47	$ 487.47	$ 487.47	$ 487.47	
INSURANCE	$ 7,597.09	$ 7,597.09	$ 7,597.09	$ 7,597.09	$ 7,597.09	$ 7,597.09	$ 7,597.09	$ 7,597.09	$ 7,597.09	$ 7,597.09	$ 7,597.09	$ 7,597.09	
ADVERTISING	$ 1,782.50	$ 1,782.50	$ 1,762.50	$ 1,762.50	$ 1,762.50	$ 1,762.50	$ 1,782.50	$ 1,762.50	$ 1,762.50	$ 1,782.50	$ 1,762.50	$ 1,762.50	
POLE RENTAL									$ 22,540.00				
CABLE MAINTENANCE	$ 2,400.00	$ 2,400.00	$ 2,400.00	$ 2,400.00	$ 2,400.00	$ 2,400.00	$ 2,400.00	$ 2,400.00	$ 2,400.00	$ 2,400.00	$ 2,400.00	$ 2,400.00	
PRINTING	$ 1,121.25	$ 1,121.25	$ 1,121.25	$ 1,121.25	$ 1,121.25	$ 1,121.25	$ 1,121.25	$ 1,121.25	$ 1,121.25	$ 1,121.25	$ 1,121.25	$ 1,121.25	
TELEPHONE	$ 945.84	$ 945.84	$ 945.84	$ 945.84	$ 945.84	$ 945.84	$ 945.84	$ 945.84	$ 945.84	$ 945.84	$ 945.84	$ 945.84	
PAGERS	$ 505.20	$ 505.20	$ 505.20	$ 505.20	$ 505.20	$ 505.20	$ 505.20	$ 505.20	$ 505.20	$ 505.20	$ 505.20	$ 505.20	
SERVICE CREDITS	$ 187.50	$ 187.50	$ 187.50	$ 187.50	$ 187.50	$ 187.50	$ 187.50	$ 187.50	$ 187.50	$ 187.50	$ 187.50	$ 187.50	
WATER/SEWAGE	$ 48.68	$ 48.68	$ 48.68	$ 46.68	$ 48.68	$ 48.66	$ 48.68	$ 48.68	$ 48.68	$ 48.68	$ 48.68	$ 48.68	
ELECTRICITY	$ 3,250.38	$ 3,250.38	$ 3,250.38	$ 3,250.38	$ 3,250.38	$ 3,250.38	$ 3,250.38	$ 3,250.38	$ 3,250.38	$ 3,250.38	$ 3,250.38	$ 3,250.38	
GAS	$ 892.34	$ 892.34	$ 892.34	$ 892.34	$ 892.34	$ 892.34	$ 892.34	$ 892.34	$ 892.34	$ 892.34	$ 892.34	$ 892.34	
OFFICE SUPPLIES	$ 962.75	$ 962.75	$ 962.75	$ 962.75	$ 962.75	$ 982.75	$ 982.75	$ 962.75	$ 962.75	$ 962.75	$ 962.75	$ 962.75	
COPYING	$ 190.98	$ 190.98	$ 190.98	$ 190.98	$ 190.98	$ 190.98	$ 190.98	$ 190.98	$ 190.98	$ 190.96	$ 190.98	$ 190.98	
POSTAGE	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	
MATERIALS	$ 1,633.75	$ 1,633.75	$ 1,633.75	$ 1,833.75	$ 1,633.75	$ 1,833.75	$ 1,833.75	$ 1,633.75	$ 1,633.75	$ 1,833.75	$ 1,633.75	$ 1,633.75	
ADMIN FEE	$ 12,940.50	$ 12,940.50	$ 12,940.50	$ 12,940.50	$ 12,940.50	$ 12,940.50	$ 12,940.50	$ 12,940.50	$ 12,940.50	$ 12,940.50	$ 12,940.50	$ 12,940.50	
OTHER	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	
REGULATORY	$ 625.00	$ 625.00	$ 625.00	$ 625.00	$ 625.00	$ 625.00	$ 825.00	$ 625.00	$ 625.00	$ 825.00	$ 625.00	$ 625.00	
TOTAL OPEX	$ 253,627.46	$ 253,827.48	$ 253,627.46	$ 253,627.48	$ 253,627.46	$ 253,827.48	$ 253,627.48	$ 253,827.48	$ 276,187.48	$ 253,627.46	$ 253,627.48	$ 253,627.48	$ 3,066,069.76
LEASE INTEREST		$ 708,894.31			$ 706,694.31			$ 708,894.31			$ 708,894.31		$ 2,827,577.24
PILOT		$ 110,202.00			$ 110,202.00			$ 110,202.00			$ 110,202.00		$ 440,808.00
TOTAL LEASE&PILOT		$ 817,096.31			$ 817,096.31			$ 817,096.31			$ 817,096.31		$ 3,268,385.24
TOTAL EXPENSES	$ 431,536.63	$ 1,249,042.59	$ 432,332.57	$ 432,718.85	$ 1,250,201.45	$ 433,491.42	$ 433,850.23	$ 1,251,305.35	$ 457,107.85	$ 434,928.66	$ 1,252,381.77	$ 435,644.27	$ 8,494,539.84

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Appendix 1 Baseline Financial Moc

	07/11	08/11	09/11	10/11	11/11	12/11	01/12	02/12	03/12	04/12	05/12	06/12	FY12
HOMES PASSED	15416	15416	15416	15416	15416	15416	15416	15416	15416	15416	15418	15416	15416
NEW HOMES PASSED (ACTIVATED)													
SUBSCRIBERS (EOP)	6055	6064	6073	6082	6091	6100	6108	6116	6124	6132	8140	6146	
% PENETRATION OF HOMES PASSED	39%	39%	39%	39%	40%	40%	40%	40%	40%	40%	40%	40%	0%
BUSINESSES PAST	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500
SUBSCRIBERS (EOP)	498	505	511	517	523	529	535	541	547	553	559	565	
% PENETRATION OF BUSINESSES	20%	20%	20%	21%	21%	21%	21%	22%	22%	22%	22%	23%	
CAPITAL EXPENDITURES													
- FIBER PASS													
- ENGINEERING													
- REMOTE FACILITIES													
- CUSTOMER HOOKUPS	$ 71,400.00	$ 71,400.00	$ 71,400.00	$ 71,400.00	$ 71,400.00	$ 71,400.00	$ 71,400.00	$ 71,400.00	$ 71,400.00	$ 71,400.00	$ 71,400.00	$ 71,400.00	$ 856,800.00
HEADEND UPGRADE/HD													
TOTAL CAPITAL EXPENDITURES	$ 71,400.00	$ 71,400.00	$ 71,400.00	$ 71,400.00	$ 71,400.00	$ 71,400.00	$ 71,400.00	$ 71,400.00	$ 71,400.00	$ 71,400.00	$ 71,400.00	$ 71,400.00	$ 856,800.00
TOTAL EXPENDITURES	$ 502,936.83	$ 1,320,442.59	$ 503,732.57	$ 504,118.85	$ 1,321,601.45	$ 504,891.42	$ 505,250.23	$ 1,322,705.35	$ 528,507.85	$ 506,326.66	$ 1,323,781.77	$ 507,044.27	$ 9,351,339.84
CASH GEN/(USE)	$ 217,661.87	$ (596,739.78)	$ 222,745.78	$ 225,135.03	$ (589,572.03)	$ 229,913.53	$ 232,240.91	$ (582,528.02)	$ 214,355.68	$ 248,707.87	$ (567,825.91)	$ 656,741.54	$ (91,163.54)
CASH AVAILABLE	$ (5,117,088.53)	$ (5,713,828.31)	$ (5,491,082.53)	$ (5,265,947.50)	$ (5,855,519.53)	$ (5,625,606.01)	$ (5,393,365.10)	$ (5,975,893.11)	$ (5,761,537.44)	$ (5,514,829.57)	$ (6,082,655.48)	$ (5,425,913.94)	$ (5,517,077.48)
Cust Hookup Capex/Gross Add													
Cumulative Cash Need	$ (13,617,088.53)	$ (14,213,828.31)	$ (13,991,082.53)	$ (13,765,947.50)	$ (14,355,519.53)	$ (14,125,606.01)	$ (13,893,365.10)	$ (14,475,893.11)	$ (14,261,537.44)	$ (14,014,829.57)	$ (14,562,655.48)	$ (13,925,913.94)	$ (13,925,913.94)
Budgeted Cash Need													
Operating Cash Flow	$ 289,061.87	$ 291,756.53	$ 294,145.78	$ 296,535.03	$ 298,924.26	$ 301,313.53	$ 303,640.91	$ 305,968.29	$ 285,755.68	$ 318,107.87	$ 320,670.40	$ 726,141.54	$ 4,034,021.70
Cash Flow after Debt Pmt	$ 289,061.87	$ (525,339.78)	$ 294,145.78	$ 296,535.03	$ (518,172.03)	$ 301,313.53	$ 303,640.91	$ (511,128.02)	$ 285,755.68	$ 318,107.87	$ (496,425.91)	$ 726,141.54	$ 765,636.46
Capex	$ 71,400.00	$ 71,400.00	$ 71,400.00	$ 71,400.00	$ 71,400.00	$ 71,400.00	$ 71,400.00	$ 71,400.00	$ 71,400.00	$ 71,400.00	$ 71,400.00	$ 71,400.00	$ 856,800.00
Free Cash Flow	$ 217,661.87	$ (598,739.78)	$ 222,745.78	$ 225,135.03	$ (589,572.03)	$ 229,913.53	$ 232,240.91	$ (582,526.02)	$ 214,355.68	$ 246,707.87	$ (567,825.91)	$ 656,741.54	$ (91,163.54)
OPERATING MARGIN	40%	40%	40%	41%	41%	41%	41%	41%	38%	42%	42%	63%	44%

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Appendix 1 Baseline Financial Moc

	07/12	08/12	09/12	10/12	11/12	12/12	01/13	02/13	03/13	04/13	05/13	06/13	FY13
HOMES PASSED	15416	15416	15416	15416	15416	15418	15416	15416	15416	15416	15416	15416	
NEW HOMES PASSED (ACTIVATED)													
SUBSCRIBERS (EOP)	6156	6164	8172	6179	6186	6193	8200	6207	6214	6221	6228	6235	
% PENETRATION OF HOMES PASSED	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	
BUSINESSES PAST	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	
SUBSCRIBERS (EOP)	568	570	572	574	576	578	580	582	584	586	588	590	
% PENETRATION OF BUSINESSES	23%	23%	23%	23%	23%	23%	23%	23%	23%	23%	24%	24%	
NEW CUSTOMERS													
- RESIDENTIAL	100	100	100	100	100	100	100	100	100	100	100	100	
- BUSINESS	11	11	11	11	11	11	11	11	11	11	11	11	
TOTAL	111	111	111	111	111	111	111	111	111	111	111	111	
DISCONNECTS													
- RESIDENTIAL	-92	-92	-92	-93	-93	-93	-93	-93	-93	-93	-93	-93	
- BUSINESS	-8	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	
TOTAL													
Churn Rate													
RECAPTURED DISCONNECTS	46	46	46	47	47	47	47	47	47	47	47	47	
NET ADDS													
RESIDENTIAL	8	8	8	7	7	7	7	7	7	7	7	7	
BUSINESS													
CUMMULATIVE CUSTOMERS													
- RESIDENTIAL	6156	6164	6172	8179	6186	8193	6200	8207	6214	6221	6228	6235	
- BUSINESS	568	570	572	574	576	578	580	562	584	586	568	590	
TOTAL	6724	6734	6744	6753	6782	6771	8780	6789	6798	6807	6816	6825	
ARPU													
- RESIDENTIAL	$ 90.56	$ 90.56	$ 90.56	$ 90.56	$ 90.56	$ 90.56	$ 90.56	$ 90.56	$ 90.56	$ 91.82	$ 91.82	$ 91.82	
- VOICE	$ 24.92	$ 24.92	$ 24.92	$ 24.92	$ 24.92	$ 24.92	$ 24.92	$ 24.92	$ 24.92	$ 24.92	$ 24.92	$ 24.92	
- INTERNET	$ 21.02	$ 21.02	$ 21.02	$ 21.02	$ 21.02	$ 21.02	$ 21.02	$ 21.02	$ 21.02	$ 21.02	$ 21.02	$ 21.02	
- VIDEO	$ 41.91	$ 41.91	$ 41.91	$ 41.91	$ 41.91	$ 41.91	$ 41.91	$ 41.91	$ 41.91	$ 43.16	$ 43.16	$ 43.16	
- OTHER	$ 2.72	$ 2.72	$ 2.72	$ 2.72	$ 2.72	$ 2.72	$ 2.72	$ 2.72	$ 2.72	$ 2.72	$ 2.72	$ 2.72	
- BUSINESS	$ 328.57	$ 328.57	$ 328.57	$ 328.57	$ 328.57	$ 328.57	$ 328.57	$ 328.57	$ 328.57	$ 328.57	$ 328.57	$ 328.57	
- VOICE	$ 81.82	$ 81.82	$ 81.82	$ 81.82	$ 81.82	$ 81.82	$ 81.82	$ 81.82	$ 81.82	$ 81.82	$ 81.82	$ 81.82	
- INTERNET	$ 133.78	$ 133.78	$ 133.78	$ 133.78	$ 133.78	$ 133.78	$ 133.78	$ 133.78	$ 133.78	$ 133.76	$ 133.78	$ 133.76	
- VIDEO	$ 2.85	$ 2.85	$ 2.85	$ 2.85	$ 2.85	$ 2.85	$ 2.85	$ 2.85	$ 2.85	$ 2.85	$ 2.85	$ 2.85	
- SPECIAL CIRCUITS	$ 110.12	$ 110.12	$ 110.12	$ 110.12	$ 110.12	$ 110.12	$ 110.12	$ 110.12	$ 110.12	$ 110.12	$ 110.12	$ 110.12	
CONSOLIDATED	$ 110.67	$ 110.71	$ 110.75	$ 110.80	$ 110.84	$ 110.88	$ 110.93	$ 110.97	$ 111.01	$ 112.20	$ 112.25	$ 112.29	
REVENUE													
- RESIDENTIAL	$ 557,517.88	$ 558,242.40	$ 558,968.92	$ 559,600.87	$ 560,234.83	$ 560,868.78	$ 561,502.74	$ 562,136.69	$ 582,770.65	$ 571,225.85	$ 571,868.60	$ 572,511.36	
- BUSINESS	$ 188,629.29	$ 187,266.44	$ 187,943.58	$ 188,600.73	$ 169,257.88	$ 189,915.02	$ 190,572.17	$ 191,229.31	$ 191,866.46	$ 192,543.60	$ 193,200.75	$ 193,857.89	
TOTAL	$ 744,147.17	$ 745,526.84	$ 748,910.50	$ 748,201.60	$ 749,492.70	$ 750,783.80	$ 752,074.90	$ 753,366.00	$ 754,657.10	$ 763,789.45	$ 765,069.35	$ 788,369.25	
SCHOOLS CONNECTIVITY	$ 4,750.00	$ 4,750.00	$ 4,750.00	$ 4,750.00	$ 4,750.00	$ 4,750.00	$ 4,750.00	$ 4,750.00	$ 4,750.00	$ 4,750.00	$ 4,750.00	$ 4,750.00	
SCHOOLS CENTREX	$ 4,800.00	$ 4,600.00	$ 4,800.00	$ 4,800.00	$ 4,800.00	$ 4,800.00	$ 4,800.00	$ 4,800.00	$ 4,800.00	$ 4,800.00	$ 4,800.00	$ 4,800.00	
PHASE I COST ALLOCATIONS												$ 405,134.00	
BUILDING RENT	$ 6,664.88	$ 6,664.88	$ 6,664.88	$ 6,664.88	$ 8,664.88	$ 6,664.88	$ 6,664.88	$ 6,864.88	$ 6,664.88	$ 6,664.88	$ 6,898.15	$ 6,898.15	
ESCROW INVESTMENT													
TOTAL REVENUES	$ 780,362.05	$ 761,743.72	$ 763,125.38	$ 764,416.48	$ 765,707.58	$ 766,998.68	$ 768,289.78	$ 769,580.88	$ 770,871.98	$ 779,984.33	$ 781,517.50	$ 1,187,951.40	$ 9,640,549.79

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Appendix 1 Baseline Financial Moc

	07/12	08/12	09/12	10/12	11/12	12/12	01/13	02/13	03/13	04/13	05/13	06/13	FY13
HOMES PASSED	15416	15418	15418	15418	15416	15416	15418	15416	15416	15416	15416	15416	
NEW HOMES PASSED (ACTIVATED)													
SUBSCRIBERS (EOP)	6156	8164	6172	6179	6186	8193	6200	6207	8214	6221	6228	6235	
% PENETRATION OF HOMES PASSED	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	
BUSINESSES PAST	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	
SUBSCRIBERS (EOP)	588	570	572	574	578	578	580	582	584	588	588	590	
% PENETRATION OF BUSINESSES	23%	23%	23%	23%	23%	23%	23%	23%	23%	23%	24%	24%	
PROVISIONING COSTS													
- VOICE	$ 48,565.18	$ 48,653.36	$ 48,741.56	$ 48,823.71	$ 48,905.86	$ 48,988.01	$ 49,070.16	$ 49,152.30	$ 49,234.45	$ 49,318.80	$ 49,398.75	$ 49,480.89	$ -
- INTERNET	$ 22,070.86	$ 22,103.68	$ 22,138.51	$ 22,166.05	$ 22,195.59	$ 22,225.13	$ 22,254.67	$ 22,284.21	$ 22,313.76	$ 22,343.30	$ 22,372.84	$ 22,402.38	$ -
- VIDEO	$ 111,870.09	$ 111,815.21	$ 111,960.33	$ 112,087.31	$ 112,214.29	$ 112,341.27	$ 112,488.25	$ 112,595.23	$ 112,722.21	$ 112,849.19	$ 112,976.17	$ 113,103.15	$ -
TOTAL PROVISIONING	$ 182,306.10	$ 182,572.25	$ 182,838.40	$ 183,077.07	$ 183,315.74	$ 183,554.41	$ 183,793.08	$ 184,031.74	$ 184,270.41	$ 184,509.08	$ 184,747.75	$ 184,986.42	$ 2,204,002.46
SALARIES, WAGES, & BEN	$ 187,810.50	$ 187,810.50	$ 187,810.50	$ 187,810.50	$ 187,810.50	$ 187,810.50	$ 187,610.50	$ 187,810.50	$ 187,810.50	$ 187,810.50	$ 187,810.50	$ 187,810.50	
PARKING	$ 2,446.84	$ 2,446.84	$ 2,446.84	$ 2,448.84	$ 2,446.84	$ 2,446.84	$ 2,446.84	$ 2,446.84	$ 2,446.84	$ 2,446.84	$ 2,446.84	$ 2,446.84	
TRAVEL	$ 2,796.43	$ 2,796.43	$ 2,796.43	$ 2,796.43	$ 2,796.43	$ 2,796.43	$ 2,796.43	$ 2,796.43	$ 2,796.43	$ 2,796.43	$ 2,796.43	$ 2,796.43	
LEGAL	$ 5,142.50	$ 5,142.50	$ 5,142.50	$ 5,142.50	$ 5,142.50	$ 5,142.50	$ 5,142.50	$ 5,142.50	$ 5,142.50	$ 5,142.50	$ 5,142.50	$ 5,142.50	
AUDITS													
BILLING SVCS	$ 12,500.00	$ 12,500.00	$ 12,500.00	$ 12,500.00	$ 12,500.00	$ 12,500.00	$ 12,500.00	$ 12,500.00	$ 12,500.00	$ 12,500.00	$ 12,500.00	$ 12,500.00	
OTHER PROF	$ 2,749.25	$ 2,749.25	$ 2,749.25	$ 2,749.25	$ 2,749.25	$ 2,749.25	$ 2,749.25	$ 2,749.25	$ 2,749.25	$ 2,749.25	$ 2,749.25	$ 2,749.25	
RENT	$ 1,700.00	$ 1,700.00	$ 1,700.00	$ 1,700.00	$ 1,700.00	$ 1,700.00	$ 1,700.00	$ 1,700.00	$ 1,700.00	$ 1,700.00	$ 1,700.00	$ 1,700.00	
JANITORIAL	$ 432.76	$ 432.76	$ 432.78	$ 432.76	$ 432.78	$ 432.76	$ 432.78	$ 432.76	$ 432.76	$ 432.78	$ 432.76	$ 432.78	
BANK CHARGES	$ 497.97	$ 497.97	$ 497.97	$ 497.97	$ 497.97	$ 497.97	$ 497.97	$ 497.97	$ 497.97	$ 497.97	$ 497.97	$ 497.97	
VEHICLES	$ 487.47	$ 487.47	$ 487.47	$ 487.47	$ 487.47	$ 487.47	$ 487.47	$ 487.47	$ 487.47	$ 487.47	$ 487.47	$ 487.47	
INSURANCE	$ 7,597.09	$ 7,597.09	$ 7,597.09	$ 7,597.09	$ 7,597.09	$ 7,597.09	$ 7,597.09	$ 7,597.09	$ 7,597.09	$ 7,597.09	$ 7,597.09	$ 7,597.09	
ADVERTISING	$ 1,762.50	$ 1,762.50	$ 1,762.50	$ 1,762.50	$ 1,762.50	$ 1,762.50	$ 1,762.50	$ 1,762.50	$ 1,762.50	$ 1,762.50	$ 1,762.50	$ 1,762.50	
POLE RENTAL									$ 22,540.00				
CABLE MAINTENANCE	$ 2,400.00	$ 2,400.00	$ 2,400.00	$ 2,400.00	$ 2,400.00	$ 2,400.00	$ 2,400.00	$ 2,400.00	$ 2,400.00	$ 2,400.00	$ 2,400.00	$ 2,400.00	
PRINTING	$ 1,121.25	$ 1,121.25	$ 1,121.25	$ 1,121.25	$ 1,121.25	$ 1,121.25	$ 1,121.25	$ 1,121.25	$ 1,121.25	$ 1,121.25	$ 1,121.25	$ 1,121.25	
TELEPHONE	$ 945.84	$ 945.84	$ 945.84	$ 945.84	$ 945.84	$ 945.84	$ 945.84	$ 945.84	$ 945.84	$ 945.84	$ 945.84	$ 945.84	
PAGERS	$ 505.20	$ 505.20	$ 505.20	$ 505.20	$ 505.20	$ 505.20	$ 505.20	$ 505.20	$ 505.20	$ 505.20	$ 505.20	$ 505.20	
SERVICE CREDITS	$ 187.50	$ 187.50	$ 187.50	$ 187.50	$ 187.50	$ 187.50	$ 187.50	$ 187.50	$ 187.50	$ 187.50	$ 187.50	$ 187.50	
WATER/SEWAGE	$ 48.68	$ 48.68	$ 48.68	$ 48.68	$ 48.68	$ 46.68	$ 48.68	$ 48.68	$ 48.68	$ 48.68	$ 48.68	$ 48.68	
ELECTRICITY	$ 3,250.38	$ 3,250.38	$ 3,250.38	$ 3,250.38	$ 3,250.38	$ 3,250.38	$ 3,250.38	$ 3,250.38	$ 3,250.38	$ 3,250.38	$ 3,250.38	$ 3,250.38	
GAS	$ 892.34	$ 892.34	$ 892.34	$ 892.34	$ 892.34	$ 892.34	$ 892.34	$ 892.34	$ 892.34	$ 892.34	$ 892.34	$ 892.34	
OFFICE SUPPLIES	$ 962.75	$ 962.75	$ 962.75	$ 962.75	$ 962.75	$ 962.75	$ 962.75	$ 962.75	$ 962.75	$ 962.75	$ 962.75	$ 962.75	
COPYING	$ 190.98	$ 190.98	$ 190.98	$ 190.98	$ 190.98	$ 190.98	$ 190.98	$ 190.98	$ 190.98	$ 190.98	$ 190.98	$ 190.98	
POSTAGE	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	
MATERIALS	$ 1,633.75	$ 1,633.75	$ 1,633.75	$ 1,633.75	$ 1,633.75	$ 1,833.75	$ 1,633.75	$ 1,833.75	$ 1,633.75	$ 1,633.75	$ 1,633.75	$ 1,633.75	
ADMIN FEE	$ 12,940.50	$ 12,940.50	$ 12,940.50	$ 12,940.50	$ 12,940.50	$ 12,940.50	$ 12,940.50	$ 12,940.50	$ 12,940.50	$ 12,940.50	$ 12,940.50	$ 12,940.50	
OTHER	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	
REGULATORY	$ 625.00	$ 625.00	$ 625.00	$ 625.00	$ 625.00	$ 625.00	$ 625.00	$ 625.00	$ 625.00	$ 625.00	$ 625.00	$ 625.00	
TOTAL OPEX	$ 253,827.48	$ 253,627.48	$ 253,827.48	$ 253,627.48	$ 253,627.48	$ 253,627.48	$ 253,627.48	$ 253,627.48	$ 276,187.48	$ 253,627.48	$ 253,627.48	$ 253,627.48	$ 3,066,089.76
LEASE INTEREST		$ 706,894.31			$ 708,894.31			$ 706,894.31			$ 708,894.31		$ 2,827,577.24
PILOT		$ 110,202.00			$ 110,202.00			$ 110,202.00			$ 110,202.00		$ 440,808.00
TOTAL LEASE&PILOT		$ 817,096.31			$ 817,096.31			$ 817,096.31			$ 817,096.31		$ 3,268,385.24
TOTAL EXPENSES	$ 435,933.58	$ 1,253,296.04	$ 436,465.88	$ 436,704.55	$ 1,254,039.53	$ 437,181.89	$ 437,420.56	$ 1,254,755.53	$ 460,437.89	$ 438,136.56	$ 1,255,471.54	$ 438,813.90	$ 8,538,457.46

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Appendix 1 Baseline Financial Moc	07/12	08/12	09/12	10/12	11/12	12/12	01/13	02/13	03/13	04/13	05/13	06/13	FY13
HOMES PASSED	15416	15418	15416	15416	15416	15416	15416	15416	15416	15416	15416	15416	
NEW HOMES PASSED (ACTIVATED)													
SUBSCRIBERS (EOP)	6156	6164	6172	6179	6186	6193	6200	6207	6214	6221	6226	6235	
% PENETRATION OF HOMES PASSED	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	
BUSINESSES PAST	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	
SUBSCRIBERS (EOP)	568	570	572	574	576	578	580	562	584	586	588	590	
% PENETRATION OF BUSINESSES	23%	23%	23%	23%	23%	23%	23%	23%	23%	23%	24%	24%	
CAPITAL EXPENDITURES													
- FIBER PASS													
- ENGINEERING													
- REMOTE FACILITIES													
- CUSTOMER HOOKUPS	$ 68,250.00	$ 68,250.00	$ 68,250.00	$ 67,200.00	$ 67,200.00	$ 67,200.00	$ 67,200.00	$ 67,200.00	$ 67,200.00	$ 67,200.00	$ 67,200.00	$ 67,200.00	$ 809,550.00
HEADEND UPGRADE/HD													
TOTAL CAPITAL EXPENDITURES	$ 66,250.00	$ 68,250.00	$ 66,250.00	$ 67,200.00	$ 67,200.00	$ 67,200.00	$ 67,200.00	$ 67,200.00	$ 67,200.00	$ 67,200.00	$ 67,200.00	$ 67,200.00	$ 809,550.00
TOTAL EXPENDITURES	$ 504,183.58	$ 1,321,546.04	$ 504,715.88	$ 503,904.55	$ 1,321,239.53	$ 504,381.89	$ 504,620.56	$ 1,321,955.53	$ 527,637.89	$ 505,336.56	$ 1,322,671.54	$ 505,813.90	$ 9,348,007.46
CASH GEN/(USE)	$ 256,178.47	$ (559,802.32)	$ 258,409.51	$ 260,511.94	$ (555,531.94)	$ 262,616.60	$ 263,669.23	$ (552,374.65)	$ 243,234.09	$ 274,647.77	$ (541,154.04)	$ 682,137.50	$ 292,542.34
CASH AVAILABLE	$ (5,260,899.01)	$ (5,820,701.33)	$ (5,562,291.83)	$ (5,301,779.89)	$ (5,857,311.83)	$ (5,594,695.03)	$ (5,331,025.80)	$ (5,883,400.46)	$ (5,640,166.37)	$ (5,365,518.60)	$ (5,906,672.64)	$ (5,224,535.15)	$ (5,224,535.15)
Cust Hookup Capex/Gross Add													
Cumulative Cash Need	$ (13,669,735.47)	$ (14,229,537.79)	$ (13,971,128.29)	$ (13,710,616.35)	$ (14,266,148.29)	$ (14,003,531.49)	$ (13,739,862.26)	$ (14,292,236.91)	$ (14,049,002.62)	$ (13,774,355.06)	$ (14,315,509.10)	$ (13,633,371.60)	
Budgeted Cash Need													
Operating Cash Flow	$ 324,428.47	$ 325,543.99	$ 326,659.51	$ 327,711.94	$ 328,764.37	$ 329,816.60	$ 330,869.23	$ 331,921.66	$ 310,434.09	$ 341,847.77	$ 343,142.27	$ 749,337.50	$ 4,370,477.58
Cash Flow after Debt Pmt	$ 324,426.47	$ (491,552.32)	$ 326,659.51	$ 327,711.94	$ (466,331.94)	$ 329,616.80	$ 330,669.23	$ (485,174.65)	$ 310,434.09	$ 341,847.77	$ (473,954.04)	$ 749,337.50	$ 1,102,092.34
Capex	$ 66,250.00	$ 68,250.00	$ 66,250.00	$ 67,200.00	$ 67,200.00	$ 87,200.00	$ 67,200.00	$ 67,200.00	$ 67,200.00	$ 67,200.00	$ 67,200.00	$ 67,200.00	$ 809,550.00
Free Cash Flow	$ 256,178.47	$ (559,602.32)	$ 258,409.51	$ 260,511.94	$ (555,531.94)	$ 262,616.60	$ 263,669.23	$ (552,374.65)	$ 243,234.09	$ 274,647.77	$ (541,154.04)	$ 682,137.50	$ 292,542.34
OPERATING MARGIN	43%	43%	43%	43%	43%	43%	43%	43%	40%	44%	44%	63%	45%

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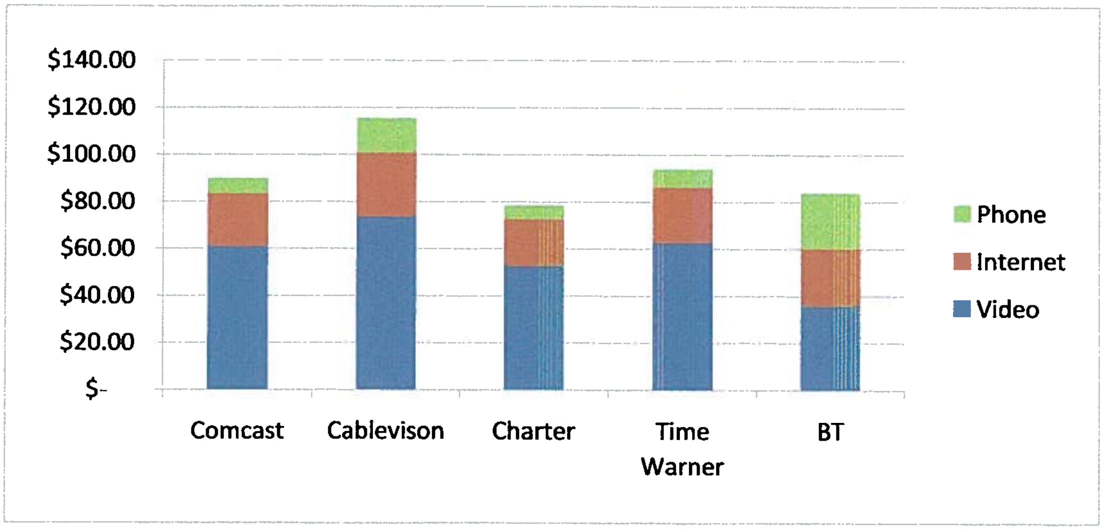
Appendix 2

	Comcast	Cablevison	Charter	Time Warner	BT
Video	$ 60.92	$ 73.56	$ 52.66	$ 62.66	$ 35.76
Internet	$ 22.46	$ 27.12	$ 19.94	$ 23.61	$ 24.40
Phone	$ 6.50	$ 14.73	$ 5.85	$ 7.72	$ 23.77



does not include an average of $3.50 per sub for advertising revenue for all companies except BT

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Bundled Core Products					
4 voice lines plus 1.5 bandwidth plus 1500 mins toll/LD	$500.00		$	418.00	
8 voice lines plus 3m bandwidth plus 3000 mins toll/LD	$500.00		$	612.00	
16 voice lines plus 5m bandwidth plus 8000 mins toll/LD	$500.00		$	924.00	
each additional voice line $24.00 plus usage or $39.00 unlimited					
Voice Lines					
Measured Lines	$20.00		$	24.00	month
PRI T-1 Voice FULL	$250.00		$	450.00	month
DID (20 numbers)	$10/block-20		$	20.00	month
DID (100-199 numbers) - 15%	$50.00		$	85.00	month
DID (200+ numbers) - 20%	$100.00		$	160.00	month
PRI T-1 Voice Flex line charge	$250.00		$	150.00	month
PRI T-1 Voice Flex channels per	$20.00		$	12.50	month
Telephone Rates					
Local minutes	$0.00		$	0.02	min
In State LD	$0.00		$	0.05	min
Out State LD	$0.00		$	0.04	min
toll free #	$15.00		$	3.00	month
toll free in state	$0.00		$	0.05	min
toll free Alaska/offshore Canada	$0.00		$	0.25	min
toll free interstate	$0.00		$	0.05	min
toll free canada	$0.00		$	0.05	min
toll-free instate only #	$75.00		$	0.07	min
toll free directory assistance	$18.00		$	25.00	month
LD super rate (>10,000 min)	$0.00		$	0.03	min
Telephone Features					
single VM box	$10.00		$	5.50	month
multiple VM 2-4	$15.00		$	4.50	per box
multiple VM 5-8	$20.00		$	3.50	per box
multiple VM 9-X	$2X #		$	3.50	per box
auto attendant	$25.00		$	10.00	month
VM w/Unified single	$10.00		$	8.00	month
multiple VM w/Unified 2-4	$15.00		$	6.50	per box
multiple VM w/Unified 5-10	$20.00		$	5.00	per box
multiple VM w/Unified 11+	$2X #		$	3.50	per box
VM w Call Attend IP	$25.00			?	month
Hunting	$3.00			Incl	month
Call Forward	$3.00			Incl	month
Caller ID w Name/Number	$3.00	$60 (PRI Set-Up Fees)		Incl	month
Call Waiting	$3.00			Incl	month
Call Waiting w/Call ID	$3.00			Incl	month
Call Forward Variable	$3.00			Incl	month
Call Forward Busy	$3.00			Incl	month
Call Forward Fixed	$3.00			Incl	month
Call Forward No Answer	$3.00			Incl	month
Call Forward Selective	$3.00			Incl	month
Call Forward Remote	$3.00			Incl	month
3-Way Calling	$3.00			Incl	month
Speed Dial 8	$3.00			Incl	month
Caller ID Block	$3.00			Incl	month
Distinctive Ring	$3.00		$	5.00	month
Call Transfer	$3.00		$	1.50	month
Call Return (*69)	$3.00		$	2.25	month
Speed Dial 30	$3.00		$	3.50	month
Anonymous Call Rejection	$3.00		$	2.25	month
Call Block	$3.00		$	2.25	month
2nd Directory Listing - White Pages	$10.00		$	2.00	month
Non-published Directory	$10.00		$	4.00	month
Non-listed Directory	$10.00		$	2.00	month
Directory Assistance (per call)			$	0.65	call
International Rates				Call	min
Ad Hoc Conferencing	?		$	5.00	per use
Ad Hoc Conferencing			$	15.00	per month
Account Codes	$10.00	Block of 100	$	3.00	month/account
Internet Services		MAC			
DNS Hosting	$50.00	$5.00	$	-	month
static IP	$25.00			1st incl. addl @$2	month
static IP bloc 32	$25.00		$	32.00	
class C IP bloc 128	$50.00		$	128.00	
email hosting	$2 per email address	$5.00	$	-	month
back-up mx	$25.00		$	5.00	
Broadband Unbundled					
1M/1M	$75.00		$	130.00	month
2M/2M	$75.00		$	260.00	month
3M/3M	$75.00		$	300.00	month
5M/5M	$75.00		$	420.00	month
8M/8M	$75.00		$	700.00	month
Point-to-Point Fiber					
100mb dark			$	800.00	month
100mb lit			$	850.00	month
1Gb dark			$	850.00	month
1Gb lit			$	950.00	month
Colocations services					
Full Rack			$	100.00	month
Shelf 5U			$	20.00	month/shelf
Term Plan Options					
1year	50% discount			3.000%	month
2year	100% discount			6.000%	month
3-year	100% discount			9.000%	month
Wholesale Rates				TBD	
DS3 (45m)				TBD	
5mbs				TBD	
8mbs				TBD	
10mbs				TBD	
20mbs				TBD	
100mbs				TBD	
GigE				TBD	
PRI				TBD	

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SALES AGENT AGREEMENT

This sets forth the Agreement made as of this_______, by and between________________, a _______ company with offices at____________(Company) and _______________, a corporation formed under the laws of the State ____ with offices at _______________, and whose EIN/TIN is _______(Agent).

1. Appointment and Acceptance. Subject to the terms and conditions of this Agreement, Company authorizes Agent to serve as a non-exclusive independent contractor to procure customers for Company's complete product offering of telecommunications products and services within the geographic area described on Exhibit B attached hereto (the "Territory"). Agent accepts such appointment and represents to Company that it has all licenses, consents, approvals, authorizations, qualifications, and/or registrations necessary to lawfully procure customers for Company in the Territory pursuant to the terms of this Agreement, and that it is not prohibited in any way from entering into or performing this Agreement by any other agreement, commitment, law, or regulation. Agent agrees to use its best efforts to solicit and procure orders on behalf of Company, and shall diligently promote and sell the services of Company in the Territory during the term of this Agreement. Agent expressly acknowledges that it is granted no right, privilege, or authority to offer for sale any of Company's products or services outside of the Territory. Company may modify the Territory upon notice to Agent; any such change to the Territory shall take effect upon such notice.

2. Term and Termination.

(a) This Agreement shall commence on the date set forth at the beginning and shall continue in full force and effect until terminated (i) by either party on thirty (30) days prior written notice to the other or (ii) as provided below.

(b) If either party breaches any provision of this Agreement, the other party may give written notice of such breach. If the breach is not cured within ten (10) days of receipt of the notice, the non-breaching party may immediately terminate this Agreement without liability for such termination.

(c) Notwithstanding clause (b) of this Section 2, Company shall have the right to terminate this Agreement immediately upon written notice to Agent in the event of (i) any misrepresentation made by Agent to any customer or prospective customer relating to Company's products or services; (ii) any fraudulent activity on the part of Agent, (iii) filing of any petition regarding Agent under the Federal Bankruptcy Code or any state receivership or similar law, or admission by Agent of its inability to pay its debts when due, or (iv) pursuant to Section 5 or Section 6 below.

3. Acceptance of Orders. All orders procured by Agent for Company products and services shall be subject to the written acceptance of Company in its sole discretion before such orders shall become final and binding. Agent shall have no signatory authority to bind Company to any agreement, and Company reserves the right to reject any order submitted by Agent. Agent shall advise all customers and prospective customers of the restrictions described in this paragraph. All services shall be provided by Company solely pursuant to written agreements prepared and supplied by Company and executed by the customer and Company. All billing shall be rendered directly to the customer by Company.

4. Pricing/Terms of Service. The prices and terms and conditions of sale of Company's products and services shall be set by Company. Company expressly reserves the right to change the prices, terms, and conditions of sale, and/or to expand, reduce, or modify the products and services it offers, at any time without prior notice to Agent. Agent shall not offer any discounts or adjustments or make any allowances in accounts without prior written approval of Company. Agent shall not impose any direct or indirect charge on customers relating to Company's products and services without Company's prior written consent. Agent further agrees that it will make no warranties or representations concerning Company's products and services other than those specifically authorized by Company.

5. Compliance With Law. Agent shall at all times comply with applicable laws and regulations in pursuit of its activities under this Agreement. Without limiting the foregoing, Agent shall not engage or permit and sub-agent or employee to engage in any slamming or similar practices. If Company determines that Agent has violated applicable law in its activities hereunder Company may immediately terminate this Agreement without giving notice under Section 2(b), and such termination shall be deemed a termination based on breach of this Agreement.

6. Customers; Non-solicitation. All customers accepted by Company under this Agreement shall be and shall remain customers of Company with respect to Company services. Agent shall not terminate, attempt to terminate, or otherwise interfere in any way with Company's relationship with any such customer without the prior written consent of Company. Agent further agrees that, throughout the term of this Agreement and any renewals of the term of this Agreement, and for a period of 12 months after termination of this Agreement, Agent shall not (i) solicit in competition with Company any customer that was procured by Agent for Company, or (ii) attempt to induce any Company customer (whether or not procured by Agent) to cease obtaining any service from Company or to not renew a service agreement with Company; nor shall Agent cause or permit its employees and sub-agents to do any of the foregoing. If Agent violates this Section 6 during the term of this Agreement, Company may terminate this Agreement pursuant to Section 2(c) above. If Agent violates this prohibition after this Agreement has been terminated, then, without limiting Company's other remedies, any obligation of Company to pay commissions to Agent shall immediately and irrevocably terminate.

7. Commissions.

(a) Agent shall be paid commissions under the terms and conditions set forth below and on the attached Schedule A within thirty (30) days following the month in which customers procured hereunder are invoiced by Company. Commission payments shall be based on "Net Billed Revenue" (as defined on Schedule A) and may be accrued until such time as the total payment exceeds $100.00.

(b) Agent shall be entitled to receive commissions for products and services provided by Company to customers procured by Agent under this Agreement. Such commissions shall be paid throughout the term of this Agreement, and such commissions shall continue to be paid following termination of this Agreement for a period of twelve (12) months from the date of termination (in any case, however, only so long as such customers remain customers of Company). No commissions shall be payable following termination of this Agreement, however, if termination occurs pursuant to Section 2(b) or 2(c) of this Agreement.

(c) A commission report will be provided to Agent with each commission payment and will (i) reflect those customers procured by Agent for Company during the term of this Agreement and (ii) reflect Net Billed Revenue for such customer for the applicable month.

(d) If Agent is paid a commission in respect of a service sold to a customer and that customer either (i) discontinues payment for that service prior to making six (6) monthly payments at the required monthly rate or (ii) fails to make at least six (6) monthly payments for the service at the required monthly rate together with any installation charges, then the commissions so paid in respect of the discontinued service(s) will be deemed not earned, and the amount thereof will be subtracted from commissions payable pursuant to this Agreement in the subsequent month (or multiple months if the chargeback exceeds the commission payable in the subsequent month). Further, if a commission payment is made to Agent in respect of a monthly billing rendered by Company and any part of the billing is not actually paid by the customer and received by Company within 90 days of the invoice due date, or if payment is received by Company but subsequently Company is required to return the payment or any part thereof to the customer or to a trustee in bankruptcy, receiver or similar representative, then commissions paid by Company to Agent in respect of the billings for which payment was not received by Company or was returned by Company will be deemed not earned by Agent and charged back against future commissions payable to Agent.

(e) The commission percentages set forth on Schedule A are valid only on standard Company products and services. Company reserves the right to adjust Commissions on non-standard products and services on a case-by-case basis.

(f) Any dispute by Agent concerning payment of commissions by Company must be presented to Company by Agent within thirty (30) days after Agent's report is mailed or emailed to Agent; if no such dispute is submitted to Company within said 30 days then the report shall be deemed correct and Agent may make no claim for additional commissions for the time period covered by the report.

8. **Independent Contractors; Employment of Additional Personnel.** The relationship created by this Agreement shall be that of independent contractor and not of employer and employee or partners. As independent contractors, the parties shall not have, or hold themselves out as having, the power or authority to bind or create liability for the other by their intentional or negligent acts. Agent shall be solely responsible for and shall pay all its expenses incurred in connection with the performance of its duties under this Agreement and shall not be entitled to receive any fringe benefits or other benefits of any kind provided by Company to its employees. Agent shall be solely responsible for the payment of all taxes (including estimated taxes) payable with respect to commissions earned by it pursuant to this Agreement. Agent shall provide Company with a completed IRS form W-9 indicative of Agent's tax status. Subject to the terms hereof, Agent may hire salesmen or sub-agents to assist Agent in its performance of this Agreement, provided that in so doing Agent shall act individually and not as agent for Company. In no event shall such personnel be considered Company employees, nor shall Company be responsible for their compensation, payroll taxes, withholding, direction or control. If Agent does engage sub-agents, Agent shall be responsible for ensuring that the sub-Agents comply with all provisions of this Agreement, including without limitation paragraphs 5, 6 and 9 hereof, and any action by a sub-agent, including any violation of this Agreement by a sub-agent, shall be deemed an action and/or violation by Agent.

9. **Confidentiality.** As used herein, the term "Confidential Information" shall include all material information and data furnished by Company to the Agent or any agent, employee, director, or other representative of the Agent (a "receiving party"), whether in oral, written, graphic or machine-readable form, including but not limited to, financial information, customer information, business plans, marketing plans. All copies of any Confidential Information that are made by the Agent or other receiving party shall also be considered Confidential Information for purposes of this Agreement. "Confidential Information" does not include information that is or becomes generally available to the public other than as a result of a wrongful disclosure by the Agent. Agent agrees to hold the Confidential Information received or acquired from, or on behalf of, Company in confidence and not to show or disclose it to any third party without the express written consent of Company, unless such disclosure is required by an order of a court or governmental agency of the United States or any state or political subdivision thereof; provided that if disclosure is required by a court or governmental agency the Agent will notify Company as promptly as possible to enable Company to attempt to intervene in the case or action and/or seek injunctive relief. In protecting the confidentiality of the Confidential Information, the Agent will use a standard of care at least equal to that used to protect its own confidential and proprietary information. The Confidential Information shall be used by the Agent for the sole purpose of performing its duties under the Agency Agreement. If this Agency Agreement is terminated for any reason, then the Agent will return all Confidential Information in written form, including any copies thereof, to Company upon the request of Company. The provisions of this Agreement with respect to the non-disclosure, misuse and/or misappropriation of the Confidential Information shall remain in full force and effect for a period of three (3) years following the return of the Confidential Information to Company. The parties acknowledge that Company may be irreparably harmed if the Agent's obligations under this Section 9 of this Agreement or under Section 6 above ("Non-Solicitation") are not specifically enforced and that Company would not have an adequate remedy at law in the event of an actual or threatened violation by the Agent of its obligations hereunder. Therefore, the parties agree that Company shall be entitled to an injunction or any appropriate decree of specific performance for any actual or threatened violations or breaches of this Agreement by the Agent, its employees, advisors or agents, without the necessity of Company showing actual damages or that monetary damages would not afford an adequate remedy.

10. **Intellectual Property/Approval of Advertising.** Agent agrees that Company is the exclusive owner of all trademarks and tradenames relating to the products and services provided by Company. Agent may use such trademarks and tradenames only for the purpose of advertising and promoting Company's products and services, and Agent shall acquire no proprietary or other rights with respect to such tradenames, trademarks or other intellectual property of Company. All advertising by Agent regarding Company's products and services is subject to Company's prior written approval.

11. **Indemnification; Limitation of Liability; Exclusion of Warranties.**

(a) Company makes no warranty to Agent or anyone claiming through Agent with respect to products or services provided to Company customers (including customers procured by Agent) and Company shall not be liable under any circumstances to Agent or anyone claiming through Agent for any loss, liability or damages of any kind based on actions or inaction by Company or its employees, subcontractors or agents. Company may in its absolute discretion change or discontinue products or services, or change pricing, without any liability or obligation whatsoever to Agent or anyone claiming under or affiliated with Agent. All implied warranties, including without limitation warranties of merchantability and fitness for a particular purpose, are disclaimed.

(b) In no event shall Company be liable to Agent or to any customer procured by Agent for any indirect, special, incidental, or consequential damages, nor shall Company be liable for damages in excess of those which could be awarded to a customer of Company under Company's tariffs or service contracts.

(c) Agent shall indemnify, exonerate, defend and hold harmless Company and its employees, directors, successors and assigns from any claims, demands, actions, losses, damages, assessments, charges, liabilities, costs and expenses (including without limitation interest, penalties, attorneys reasonable fees and disbursements) which Company may at any time suffer or incur or which may be asserted against Company or its employees, directors, successors and assigns, directly or indirectly, on account or in connection with Agent's default under any provision of this Agreement or any misrepresentation or deceit on the part of Agent or any tort or injury to any third party by Agent or Agent's employees or subagents.

12. **Insurance.** Agent Agrees to carry all insurance required to be carried under the laws of the state in which Agent's main office is located; without limiting the foregoing, (i) Agent shall maintain workers compensation insurance as required by law in all states in which Agent has employees, in each case with companies authorized to provide such insurance, and (ii) Agent shall maintain general comprehensive liability insurance with a per incident limit of not less than $500,000.

13. **Assignment.** The rights and obligations of Company under this Agreement shall inure to the benefit of and shall be binding upon the successors and assigns of Company. Agent may not assign its rights or obligations hereunder without the prior written consent of Company, and any purported assignment without such prior consent shall be void.

14. **Notices.** All notices under this Agreement shall be in writing and shall be given by personal delivery, or by registered or certified mail or overnight courier, return receipt requested, to the addresses set forth at the beginning of this Agreement (or another address designated by notice), and shall be deemed given upon receipt.

15. **Modification of Agreement.** This Agreement, including its Schedule(s), may only be amended, modified, or supplemented by a separate written document duly executed by authorized representatives of both parties.

16. **Waiver.** No term or provision of this Agreement shall be waived, and no breach or default excused, unless such waiver or excuse is in writing and signed by the party to which it is attributed. No consent by a party to, or waiver of, a breach or default, by the other, whether expressed or implied, shall constitute a consent to or waiver of any subsequent breach or default.

17. **Partial Invalidity.** If any provision of this Agreement shall be held to be invalid or unenforceable, the validity or enforceability of the remaining provisions shall not in any way be affected or impaired thereby, but rather this Agreement shall be construed as if not containing the invalid or unenforceable provision. However, if such provision is an essential element of this Agreement, the parties shall promptly attempt to negotiate a substitute therefor.

18. **Governing Law/Jurisdiction/Venue.** The laws of the State of Vermont shall govern the interpretation, enforcement, and validity of this Agreement. Both parties agree that any dispute resolution proceedings, legal suit, action or proceeding in equity, arising out of or relating to this agreement shall be governed by the substantive law of the State of Vermont. Both parties also agree that in the event of a dispute Company and Agent agree to use commercially reasonable efforts to resolve the said dispute within forty five (45) days; if the dispute is not resolved within such period both parties agree to binding arbitration before a single arbitrator in Worcester, Vermont, under the Commercial Arbitration Rules of the American Arbitration Association. The arbitrator shall have no power to award punitive or consequential damages. Judgment on the arbitration award in accordance with this Agreement may be entered in any state or federal court of competent jurisdiction. .

19. **Rules of Construction.** No rule of construction requiring interpretation against the draftsman shall apply in the interpretation of this Agreement. This Agreement shall be deemed to have been drafted by both parties and, in the event of a dispute, shall not be construed against either party.

20. **Severability;**. Wherever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

21. **Counterparts**. This Agreement may be executed in several counterparts, each of which shall constitute an original, but all of which shall constitute one and the same agreement.

22. **Entire Agreement.** This Agreement, together with the attached Schedule(s), represents the entire agreement of the parties with respect to the subject matter hereof and supersedes all other agreements, written or oral, between the parties with respect to its subject matter.

The assent of the parties to this Agreement as of the date set forth at the beginning is established by the following signatures of their duly authorized representatives.

Agent	**Company**
By: ______________________	By: ______________________
Print Name: ______________________	Print Name: ______________________
Title: ______________________	Title: ______________________

Schedule A

Commission

Agent and Company agree that all commissions are paid on Net Billed Revenue. Except as provided in the Sales Agent Agreement, and subject to chargeback's as provided in the Sales Agent Agreement, Agent is paid a commission in respect of Net Billed Revenue billed to customers procured by Agent during the term of the Sales Agent Agreement. "Net Billed Revenue" means all charges billed by Company to the customer for services procured for Company by Agent and installed during the term of the Sales Agent Agreement, *excluding the following:* (i) non-recurring charges, (ii) late fees, (iii) discounts, credits and allowances granted to the customer, (iv) EUCL and PICC charges, or successor charges assessed in lieu of, or in replacement of, or in substitution of the current EUCL and/or PICC charge, and (v) sales tax, use tax, excise tax, usf charges, E911 charges, number portability charges, or other pass-through charges and taxes billed to the customer.

Net Billed Revenue	Commission Percentage For Voice Services	Commission Percentage For Data Services

Appendix 5 Price Change and Bundle Recommendations

Proposed Bundles	BT Promo Price 12 month	After Promo Price	Unbundled Price	Promo vs Unbundled	After Promo vs Unbundled	Comcast Promo Price	AftPromo	BTvsCom	
std, faster, UU	$ 94.05	$ 112.59	$ 107.06	88%	105%	$ 99.00	$ 120.00	95%	
prem, faster, UU	$ 123.49	$ 166.25	$ 158.18	78%	105%	$ 129.99	$ 175.00	95%	
std+,fastest,UU	$ 125.60	$ 125.60	$ 133.68	94%	94%	n/a	n/a	n/a	n/a
std+,faster,CU	$ 108.99	$ 108.99	$ 116.08	94%	94%	n/a	n/a	n/a	n/a

Current Pricing		BT Single	BT Double	BT Triple	Comcast Base Price	Comcast Promo	Difference vs. single	vs.dbl	vs.triple	vs promo	Current Take Rate	
Cable												
Basic	27 channel	$ 16.00	$ 15.20	$ 14.40	$ 17.50		91%	87%	82%	0%	19%	305
Standard	85	$ 40.00	$ 38.00	$ 36.00	$ 41.24	$ 33.00	97%	92%	87%	109%	46%	756
Standard Plus	141	$ 54.00	$ 51.30	$ 48.60	$ 68.69	$ 39.00	79%	75%	71%	125%	25%	531
Standard Plus+HBO		$ 68.00	$ 65.30	$ 62.60	$ 68.69	$ 39.00	99%	95%	91%	161%	0%	0
Standard Plus+HBO+Stz		$ 80.00	$ 77.30	$ 74.60	$ 76.69	$ 49.00	104%	101%	97%	152%	0%	0
Total Premium	180	$ 98.00	$ 93.10	$ 88.20	$ 92.69	$ 79.00	106%	100%	95%	112%	2%	40
Internet												
Fast	1mb sym	$ 17.00	$ 16.15	$ 15.30	n/a	n/a	n/a	n/a	n/a	n/a	48%	882
Faster	3mb sym	$ 30.00	$ 28.50	$ 27.00	$ 42.95	$ 19.99	70%	66%	63%	135%	36%	651
Fastest	5mb sym	$ 42.00	$ 39.90	$ 37.80	$ 42.95	$ 19.99	98%	93%	88%	189%	13%	234
Crazy 8's	8mb sym	$ 80.00	$ 76.00	$ 72.00	$ 52.95	$ 29.99	151%	144%	136%	240%	0%	0
Telephone												
Basic Dial tone	.02/min	$ 16.00	$ 15.20	$ 14.40	$ 39.95	$ 24.95	40%	38%	36%	58%	11%	158
Community 1000	1k min local	$ 25.00	$ 23.75	$ 22.50	$ 39.95	$ 24.95	63%	59%	56%	90%	36%	491
Community Unlimited	unlim local	$ 36.00	$ 34.20	$ 32.40	$ 39.95	$ 24.95	90%	86%	81%	130%	6%	87
USA 1000	1k min usa	$ 42.00	$ 39.90	$ 37.80	$ 39.95	$ 24.95	105%	100%	95%	152%	40%	549
USA Unlimited	unlim usa	$ 50.00	$ 47.50	$ 45.00	$ 39.95	$ 24.95	**125%**	**119%**	**113%**	180%	6%	89
											100%	**1374**

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Proposed Price Change

		BT			Comcast		Difference				Current Take Rate	
Cable		Single	Double	Triple	Base Price	Promo	vs. single	vs.dbl	vs.triple	vs promo		
Basic	27 channel	$ 17.50	$ 17.50	$ 17.50	$ 17.50		100%	100%	100%	0%	19%	305
Standard	85	$ 41.20	$ 39.14	$ 37.08	$ 41.24	$ 33.00	100%	95%	90%	112%	46%	756
Standard Plus	141	$ 62.10	$ 59.00	$ 55.89	$ 68.69	$ 39.00	[illegible]	[illegible]	[illegible]	143%	25%	531
Standard Plus+HBO		$ 74.10	$ 71.00	$ 67.89	$ 68.69	$ 39.00	108%	103%	99%	174%	0%	0
Standard Plus+HBO+Stz		$ 84.10	$ 81.00	$ 77.89	$ 76.69	$ 49.00	110%	106%	102%	159%	0%	0
Total Premium	180	$ 98.00	$ 93.10	$ 88.20	$ 92.69	$ 79.00	106%	100%	95%	112%	2%	40
Internet												
Fast	1mb sym	$ 25.00	$ 25.00	$ 25.00	n/a	n/a	n/a	n/a	n/a	n/a	48%	882
Faster	3mb sym	$ 36.00	$ 33.99	$ 29.99	$ 42.95	$ 19.99	[illegible]	[illegible]	[illegible]	150%	36%	651
Fastest	5mb sym	$ 42.00	$ 39.90	$ 37.80	$ 42.95	$ 19.99	98%	93%	88%	189%	13%	234
Crazy 8's	8mb sym	$ 80.00	$ 76.00	$ 72.00	$ 52.95	$ 29.99	151%	144%	136%	240%	0%	0
Telephone												
Basic Dial tone	.02/min	$ 25.00	$ 25.00	$ 20.00	n/a	n/a	n/a	n/a	n/a	n/a	11%	158
Community 1000	1k min local	$ 27.50	$ 26.13	$ 23.63	$ 39.95	$ 24.95	69%	65%	59%	95%	36%	491
Community Unlimited	unlim local	$ 36.00	$ 32.20	$ 30.20	$ 39.95	$ 24.95	90%	81%	76%	121%	6%	87
USA 1000	1k min usa	$ 40.99	$ 36.99	$ 32.99	$ 39.95	$ 24.95	103%	93%	83%	132%	40%	549
USA Unlimited	unlim usa	$ 47.59	$ 44.50	$ 39.99	$ 39.95	$ 24.95	119%	111%	100%	160%	6%	89
											100%	**1374**

Price Change Impact by Product

Cable		Single	Double	Triple
Basic	27 channel	109%	115%	122%
Standard	85	103%	103%	103%
Standard Plus	141	115%	115%	115%
Standard Plus+HBO		109%	109%	108%
Standard Plus+HBO+Stz		105%	105%	104%
Total Premium	180	100%	100%	100%
Internet				
Fast	1mb sym	147%	155%	163%
Faster	3mb sym	120%	119%	111%
Fastest	5mb sym	100%	100%	100%
Crazy 8's	8mb sym	100%	100%	100%
Telephone				
Basic Dial tone	.02/min	156%	164%	139%
Community 1000	1k min local	110%	110%	105%
Community Unlimited	unlim local	100%	94%	93%
USA 1000	1k min usa	98%	93%	87%
USA Unlimited	unlim usa	95%	94%	89%

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Appendix 6 Product Profitablity Report

CURRENT PRODUCTS

		Basic Cable	Standard	Standard+	Premium	Avg Telephone	BDT	Comm 1k	Comm Ultd	USA 1k	USA Ultd	Fast	Faster	Fastest	Crazy 8	B,F,BDT	S+,F,U1k	P,8,Uultd
Unrecoverable Turn Up Cost																		
Commission	100%	$ 16.00	$ 40.00	$ 54.00	$ 98.00	$ 34.27	$ 16.00	$ 25.00	$ 36.00	$ 42.00	$ 50.00	$ 17.00	$ 30.00	$ 42.00	$ 80.00	$ 43.20	$ 99.00	$ 205.20
ONU	$ 350.10	$ 350.10	$ 350.10	$ 350.10	$ 350.10	$ 350.10	$ 350.10	$ 350.10	$ 350.10	$ 350.10	$ 350.10	$ 350.10	$ 350.10	$ 350.10	$ 350.10	$ 350.10	$ 350.10	$ 350.10
UPS	$ 46.00	$ 46.00	$ 46.00	$ 46.00	$ 46.00	$ 46.00	$ 46.00	$ 46.00	$ 46.00	$ 46.00	$ 46.00	$ 46.00	$ 46.00	$ 46.00	$ 46.00	$ 46.00	$ 46.00	$ 46.00
PWR CORD	$ 20.00	$ 20.00	$ 20.00	$ 20.00	$ 20.00	$ 20.00	$ 20.00	$ 20.00	$ 20.00	$ 20.00	$ 20.00	$ 20.00	$ 20.00	$ 20.00	$ 20.00	$ 20.00	$ 20.00	$ 20.00
ENC	$ 36.00	$ 36.00	$ 36.00	$ 36.00	$ 36.00	$ 36.00	$ 36.00	$ 36.00	$ 36.00	$ 36.00	$ 36.00	$ 36.00	$ 36.00	$ 36.00	$ 36.00	$ 36.00	$ 36.00	$ 36.00
INSIDE WIRE	$ 220.00	$ 220.00	$ 220.00	$ 220.00	$ 220.00	$ 220.00	$ 220.00	$ 220.00	$ 220.00	$ 220.00	$ 220.00	$ 220.00	$ 220.00	$ 220.00	$ 220.00	$ 220.00	$ 220.00	$ 220.00
NO/NAP	$ 85.00	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NAP	$ 192.83	$ 192.83	$ 192.83	$ 192.83	$ 192.83	$ 192.83	$ 192.83	$ 192.83	$ 192.83	$ 192.83	$ 192.83	$ 192.83	$ 192.83	$ 192.83	$ 192.83	$ 192.83	$ 192.83	$ 192.83
Total Unrecoverable		$ 880.93	$ 904.93	$ 918.93	$ 962.93	$ 899.20	$ 880.93	$ 889.93	$ 900.93	$ 906.93	$ 914.93	$ 881.93	$ 894.93	$ 906.93	$ 944.93	$ 864.93	$ 864.93	$ 864.93
Recoverable																		
Set Top Box	$ 125.00	$ 125.00	$ 125.00	$ 125.00	$ 125.00	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 125.00	$ 125.00	$ 125.00
Remote	$ 8.95	$ 8.95	$ 8.95	$ 8.95	$ 8.95	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 8.95	$ 8.95	$ 8.95
IP SW 5 PT	$ 12.00	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
IP SW 8 PT	$ 20.00	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Recoverable		$ 133.95	$ 133.95	$ 133.95	$ 133.95	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 133.95	$ 133.95	$ 133.95
Revenue		$ 16.00	$ 40.00	$ 54.00	$ 98.00	$ 34.27	$ 16.00	$ 25.00	$ 36.00	$ 42.00	$ 50.00	$ 17.00	$ 30.00	$ 42.00	$ 80.00	$ 43.20	$ 99.00	$ 205.20
Cost of Sales																		
Video		$ 2.77	$ 24.56	$ 34.09	$ 66.80	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Internet		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1.90	$ 5.70	$ 9.50	$ 15.20	$ 16.41	$ 38.20	$ 93.74
Telephone		$ -	$ -	$ -	$ -	$ 11.74	$ 11.74	$ 11.74	$ 11.74	$ 11.74	$ 11.74	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total COS		$ 2.77	$ 24.56	$ 34.09	$ 66.80	$ 11.74	$ 11.74	$ 11.74	$ 11.74	$ 11.74	$ 11.74	$ 1.90	$ 5.70	$ 9.50	$ 15.20	$ 16.41	$ 38.20	$ 93.74
Gross Margin		$ 13.23	$ 15.44	$ 19.91	$ 31.20	$ 22.53	$ 4.26	$ 13.26	$ 24.26	$ 30.26	$ 38.26	$ 15.10	$ 24.30	$ 32.50	$ 64.80	$ 26.79	$ 60.80	$ 111.46
Operating Expense																		
Bad Debt 1.2%	1.20%	$ 0.19	$ 0.48	$ 0.65	$ 1.18	$ 0.41	$ 0.19	$ 0.30	$ 0.43	$ 0.50	$ 0.60	$ 0.20	$ 0.36	$ 0.50	$ 0.96	$ 0.52	$ 1.19	$ 2.46
Billing Expense		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Operating Expense		$ 0.19	$ 0.48	$ 0.65	$ 1.18	$ 0.41	$ 0.19	$ 0.30	$ 0.43	$ 0.50	$ 0.60	$ 0.20	$ 0.36	$ 0.50	$ 0.96	$ 0.52	$ 1.19	$ 2.46
Contribution		$ 13.04	$ 14.96	$ 19.26	$ 30.02	$ 22.12	$ 4.07	$ 12.96	$ 23.83	$ 29.76	$ 37.66	$ 14.90	$ 23.94	$ 32.00	$ 63.84	$ 26.27	$ 59.61	$ 109.00
Contribution margin		81%	37%	36%	31%	65%	25%	52%	66%	71%	75%	88%	80%	76%	80%	61%	60%	53%
Incremental Payback																		
Unrecoverable Turn Up		68	60	48	32	41	217	69	38	30	24	59	37	28	15	33	15	8
Recoverable Turn Up		10	9	7	4	0	0	0	0	0	0	0	0	0	0	5	2	1
Total		78	69	55	37	41	217	69	38	30	24	59	37	28	15	38	17	9

PROPOSED BUNDLES

	Promo	Aft Promo	Promo	Aft Promo		
	S,F+,UU	S,F+,UU	P,FF,UU	P,FF,UU	S+,FF,Uultd	S+,F+CU
Unrecoverable Turn Up Cost						
Commission	# $ 94.20	$ 112.66	$ 123.98	$ 165.30	$ 125.96	$ 105.48
ONU	$ 350.10	$ 350.10	$ 350.10	$ 350.10	$ 350.10	$ 350.10
UPS	$ 46.00	$ 46.00	$ 46.00	$ 46.00	$ 46.00	$ 46.00
PWR CORD	$ 20.00	$ 20.00	$ 20.00	$ 20.00	$ 20.00	$ 20.00
ENC	$ 36.00	$ 36.00	$ 36.00	$ 36.00	$ 36.00	$ 36.00
INSIDE WIRE	$ 220.00	$ 220.00	$ 220.00	$ 220.00	$ 220.00	$ 220.00
NO/NAP	$ -	$ -	$ -	$ -	$ -	$ -
NAP	$ 192.83	$ 192.83	$ 192.83	$ 192.83	$ 192.83	$ 192.83
Total Unrecoverable	$ 959.13	$ 977.59	$ 864.93	$ 864.93	$ 864.93	$ 864.93
Recoverable						
Set Top Box	$ 125.00	$ 125.00	$ 125.00	$ 125.00	$ 125.00	$ 125.00
Remote	$ 8.95	$ 8.95	$ 8.95	$ 8.95	$ 8.95	$ 8.95
IP SW 5 PT	$ -	$ -	$ -	$ -	$ -	$ -
IP SW 8 PT	$ -	$ -	$ -	$ -	$ -	$ -
Other	$ -	$ -	$ -	$ -	$ -	$ -
Total Recoverable	$ 133.95	$ 133.95	$ 133.95	$ 133.95	$ 133.95	$ 133.95
Revenue	$ 94.20	$ 112.66	$ 123.98	$ 165.30	$ 125.96	$ 105.48
Cost of Sales						
Video	$ -	$ -	$ -	$ -	$ -	$ -
Internet	$ 42.00	$ 42.00	$ 88.04	$ 88.04	$ 55.33	$ 51.53
Telephone	$ -	$ -	$ -	$ -	$ -	$ -
Total COS	$ 42.00	$ 42.00	$ 88.04	$ 88.04	$ 55.33	$ 51.53
Gross Margin	$ 52.20	$ 70.66	$ 35.94	$ 77.26	$ 70.63	$ 53.95
Operating Expense						
Bad Debt 1.2%	$ 1.13	$ 1.13	$ 1.49	$ 1.49	$ 1.51	$ 1.27
Billing Expense	$ -	$ -	$ -	$ -	$ -	$ -
Total Operating Expense	$ 1.13	$ 1.13	$ 1.49	$ 1.49	$ 1.51	$ 1.27
Contribution	$ 51.07	$ 69.52	$ 34.45	$ 75.77	$ 69.12	$ 52.68
Contribution margin	54%	62%	28%	46%	55%	50%
Incremental Payback						
Unrecoverable Turn Up	19	14	25	11	13	16
Recoverable Turn Up	3	2	4	2	2	3
Total	21	16	29	13	14	19

Appendix 7

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Monthly Sales and Installation Report Jan-08

Residential

Installations by Product	Subscribers	Revenue	ARPU
insert products and bundles			
Total Install			

Business

New Sales by Sales Rep	Customers	Revenue	ARPU
SAM			
AE			
Total Sales			

Installations by Sales Rep	Customers	Revenue	ARPU
SAM			
AE			
Total Installations			

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MONTHLY CHURN REPORT BY REASON CODE

	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC
MOSA												
QUALITY ISSUE												
PRICING												
NON PAY												
TOTAL CUSTOMERS												
% MONTHLY CHURN												

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KEY METRICS						Fiscal Year						
	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Revenue												
Cable												
Internet												
Telephone												
Install												
Service Discount												
Total Revenue												
Cost of Services												
Video												
Internet												
Telephone												
Transport												
Other												
Total Cost of Service												
Gross Profit												
% of Sales												
Homes Passed												
New Homes Passed												
BOP Residential Subs												
Gross Adds												
Disconnects												
Churn %												
Net Adds												
EOP Residential Subs												
ARPU (Gross)												
ARPU (NET)												
Bad Debt as % of Sales												
Business Subscribers												
BOP Business Subscribers												
Gross Adds												
Disconnects												
Churn %												
Net Adds												
EOP Business Customers												
ARPU												
Bad Debt as % of Sales												

Capital Expenditures
Free Cash Flow