

BOARD OF FINANCE

13 February, 2013

BURLINGTON TELECOM/GARY EVANS – CONSULTING AGREEMENT

BT wishes to avail itself of an opportunity to utilize the services of Gary Evans. Mr. Evans is the recently retired longtime CEO and co-founder of Hiawatha Broadband Communications, a successful and early over builder in Winona Minnesota, which has recently undertaken additional fiber builds into a number of neighboring communities.

In January 2010 HBC was one of several entities asked to advise the BTAB concerning BT's future viability. BT engaged HBC and specifically Mr. Evans as a consultant from June 2010 until December 2011. During 2012 while no formal or financial relationship remained, BT continued to reach out to HBC from time to time for advice and input on a number of issues.

In late December 2012 Mr. Evans, at the request of the BTAB authored a further report providing insight and context into the future potential of Burlington's FTTH network.

Mr. Evans will lead three key initiatives for BT covering commercial sales, customer service and fostering the wider understanding of the future potential of the Burlington fiber lay within the community. The proposed agreement between the parties envisions Mr. Evans spending two weeks a month in Burlington. In addition, he retains a role and a seat on the Board at HBC and leads/advises on several FTTH initiatives within Minnesota and beyond.

We are fortunate indeed to have this opportunity to benefit from the advice and wisdom of someone with proven operational and financial success in this space over many years; who is a known and sought after player both within Minnesota and more broadly.

Gary possesses a consistent and unshakable belief in the potential of Burlington's fiber network and has long made it clear that he would relish an opportunity to advance those strongly held convictions within this community, through real improvements and changes within BT and more broadly locally.

The agreement for which I am asking for your support envisages a six month initial commitment renewable in further 6 month increments. The cost to BT will be \$10,000 a month, including all travel and accommodation expenses. This is meaningfully less than the cost incurred in retaining Gary while in his then role of CEO of HBC.

It would be hard for me to over emphasize the potential benefit from Gary's involvement in the areas that he and I have agreed, He is uniquely qualified for this role, and I am genuinely excited by the possibility of the potential going forward. The value to BT and more widely locally of the wisdom and knowledge, the experiences and the contacts shared is very significant in the context of the overall cost.

BT has the full cost of this agreement covered within its FY 2013 budget. For the first six months of FY 2013 BT performed ahead of budgeted revenues, below its budgeted costs and has generated \$183,000 more than its budgeted cash flow pre debt service.

I strongly recommend approval of this proposal.

Sincerely,

Stephen Barraclough
Interim General Manager
Burlington Telecom

CONSULTING AGREEMENT

This Consulting Agreement (the "Agreement") is made and entered into, effective March 1, 2013, by and between Gary W. Evans, 4820 8th St., Winona, MN 55987, hereinafter called "Consultant", and Burlington Telecom, a Vermont telecommunications provider, hereinafter called the "Contractor".

WHEREAS, Contractor is engaged in the communications business and maintains business premises at 200 Church Street, Burlington, VT 05401

WHEREAS, Contractor is willing to contract with Consultant and Consultant is willing to be engaged by Contractor, on the terms, conditions and covenants set forth in the Agreement;

NOW, THEREFORE, in consideration of the promises and covenants hereinafter contained, the engagement of Consultant by Contractor, and other good and valuable consideration, the receipt of which is hereby acknowledged, Contractor and Consultant agree and covenant as follows:

1. Contractor agrees to engage Consultant, and Consultant accepts and agrees to such engagement. Consultant shall be responsible for providing commercial sales direction and mentoring commercial sales personnel; providing instruction and assistance in improving Contractor's customer service processes; planning and directing efforts to make the value of Burlington Telecom's potential known and understood within the community, and such other duties as assigned by the Contractor's agent and agreed to by the Consultant.

2. Consultant hereby accepts such assignment and agrees to devote a minimum of two weeks per month (10 work days), over the course of an Initial Term or a subsequent Renewal Term, of his time and best efforts, skill and attention to the business and interests of Contractor. This shall not preclude other business interests that do not compete with the business of Contractor nor interfere with performance of service hereunder.

3. Contractor shall pay Consultant for services and expenses hereunder as follows:

a. Consultant's retainer shall be \$7,000.00 per month, payable in monthly installments or as otherwise agreed to by the parties. Such payments will be made solely from Burlington Telecom's revenues and consultant shall have no broader recourse to the City of Burlington for payment.

b. Consultant shall further be compensated in the amount of \$2,000 per month for lodging while in Burlington and in the amount of \$1,000 per month for travel to and from Burlington.

c. Consultant agrees to invoice Contractor for such services and expenses at or after the end of each monthly period for payment during the next regular Burlington Telecom payment period. Consultant acknowledges that the dollar amounts set forth in (a) and (b) above are the sole amounts owed to Consultant in a calendar month.

4. The term of Consultant's engagement under this Agreement shall commence on January 1, 2013, and shall continue for a period of six (6) months ("Initial Term), unless sooner terminated by agreement of the parties or by the Contractor for cause, consisting of incompetence or misconduct related to employment hereunder. Thereafter this Agreement shall continue for successive periods of six (6) months each ("Renewal Term"), unless terminated by either party on written notice given at least 30 days prior to the Renewal Term date.

5. For purposes of this engagement, Stephen Barraclough, Burlington Telecom interim general manager shall assign and direct the tasks assigned to the Consultant.

6. This agreement shall be binding upon and shall inure to the benefit of the parties hereto, their successors or heirs and representatives, and assigns. This agreement shall be governed by Vermont law.

7. The parties acknowledge that this Agreement and the Non-Disclosure Agreement ("NDA") attached hereto contains the entire agreement between the parties and that there are no representations, inducements, arrangements, promises, or agreements outstanding between them, either oral or in writing, other than those herein contained. Any and all prior engagement agreements that Consultant may have had from time to time with Contractor are hereby superseded by this Agreement. No provision of this Agreement shall be changed or modified except by a written instrument executed by both parties hereto.

8. No waiver by Contractor of any breach of this Agreement by Consultant shall constitute a waiver of any subsequent breach by Consultant.

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the day and year first above written.

BURLINGTON TELECOM

GARY W. EVANS

CONTRACTOR

CONSULTANT

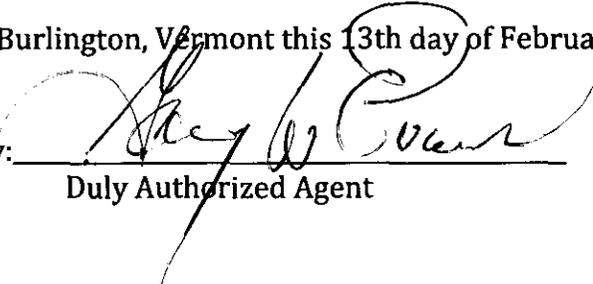
STEPHEN BARRACLOUGH

GARY W. EVANS

Certification of Compliance with the City of Burlington's Livable Wage Ordinance

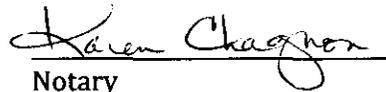
I, Gary W. Evans, on behalf of myself (contractor/vendor/grantee) and in connection with Burlington Telecom (City contract/project/grant), hereby certify under oath that (1) as a condition of entering into this contract or grant, I confirm that all covered employees as defined by Burlington's Livable Wage Ordinance shall be paid a livable wage for the term of the contract as determined and adjusted annually by the City of Burlington's Chief Administrative Officer, (2) a notice regarding the applicability of the Livable Wage Ordinance shall be posted in the workplace or other location where covered employees work, and (3) payroll records or other documentation, as deemed necessary by the Chief Administrative Officer, shall be provided within ten (10) business days from receipt of the City's request.

Dated at Burlington, Vermont this 13th day of February, 2013.

By: 

Duly Authorized Agent

Subscribed and sworn to before me:


Notary