

BT EXHIBIT 5

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MOU") is made as of this 29th day of July 2008, and effective as of October 11, 2005, by and between two departments of the City of Burlington, Burlington Telecom ("BT") and the office of the Chief Administrative Officer ("CAO"), for the purpose of satisfying a condition contained in the certificate of public good ("CPG") issued to BT by the Vermont Public Service Board in Docket 7044.

WITNESSETH

WHEREAS, Section 65 of the Burlington City Charter provides in part that the "electric light department, the water division and the waste water division shall every year make a contribution to the city in lieu of taxes in the form of a cash payment . . . in an amount equaling the amount of money which would be received by the city in ad valorem real estate taxes and personal property inventory taxes were such divisions and department privately owned utilities;

WHEREAS, the City testified in Docket 7044 that it intended to apply Section 65 to BT;

WHEREAS, condition 61 of the CPG issued in Docket 7044 requires BT to "make payments in lieu of local and state taxes in an amount consistent with such taxes imposed on other private cable operators' businesses in Burlington";

WHEREAS, on October 11, 2005, the City Council adopted a resolution subjecting Burlington Telecom to the provisions of Section 65 of the City Charter regarding payments in lieu of taxes; and

WHEREAS, the parties enter into this MOU for the purpose of satisfying condition 61 of the CPG.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and promises herein contained, the parties hereby covenant and agree as follows:

1. BT's obligation to make payments in lieu of taxes: BT shall every year make a contribution to the City in lieu of taxes in the form of a cash payment in an amount equaling the amount of money which would be received by the City in ad valorem real estate taxes and personal property inventory taxes were BT a privately owned cable company.
2. Property Valuation Methodology: BT's land, buildings and personal property shall be valued as assessed by the City Assessor per standard City practices and state law.
3. Tax Rates and Applicability: BT's assets shall be taxed at the same rate that would apply if such assets were held by a privately owned utility. Rates will apply to those assets as defined in 32 V.S.A. for each of the three (3) categories of BT's business (telephone, Cable TV, and Internet).
4. Relationship of the Parties: The parties understand that, as departments of the City of Burlington, they are not separate political entities, and therefore lack the capacity to sue or be sued. The CAO understands that BT's financial obligations hereunder are payable from BT funds, and are not backed by the full faith and credit of the City of Burlington.

Dated as of the day and date first above written.

A. L. Thibault
Witness

BURLINGTON TELECOM
By: [Signature]
Duly Authorized Agent

Jessica J. Frank
Witness

OFFICE OF THE CHIEF ADMINISTRATIVE
OFFICER
By: [Signature]
Duly Authorized Agent

APPROVED BY BURLINGTON CITY COUNCIL

Barbara L. James
Witness

By: [Signature]
Mayor Bob Kiss

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