

POLE ATTACHMENT AGREEMENT

BETWEEN

**NEW HAMPSHIRE OPTICAL SYSTEMS,
LLC**

AND

UNITIL ENERGY SYSTEMS, INC.

AND

**TDS TELECOMMUNICATIONS CORP.
(NH COMPANIES)**

POLE ATTACHMENT AGREEMENT

DATED March 31, 2011

BETWEEN

TDS TELECOMMUNICATIONS CORPORATION, (LICENSOR)

AND

UNITIL ENERGY SYSTEMS, INC., (LICENSOR)

AND

NEW HAMPSHIRE OPTICAL SYSTEMS, LLC (LICENSEE)

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POLE ATTACHMENT AGREEMENT

THIS AGREEMENT, made as of this 31st day of March, 2011, between the TDS TELECOMMUNICATIONS CORPORATION subsidiaries or affiliates identified on Appendix I, (collectively "TDS TELECOM"), a company organized and existing under the laws of the State of Delaware, having a place of business at 525 Junction Road, Madison, WI 53717 and UNITIL ENERGY SYSTEMS, INC. ("UES"), an electric public utility company organized and existing under the laws of the State of NEW HAMPSHIRE, having its principal office at 6 LIBERTY LANE WEST, HAMPTON, NEW HAMPSHIRE (either or both hereinafter called "Licensor") and NEW HAMPSHIRE OPTICAL SYSTEMS, LLC, organized and existing under the laws of the State of NEW HAMPSHIRE, having its principal office at 75 SKI HILL DRIVE, NORTHFIELD, NH 03276 (hereinafter called "Licensee").

WITNESSETH

WHEREAS, Licensee for its own use desires to place and maintain cables, equipment, and facilities on poles of Licensor, specifically in the State of NEW HAMPSHIRE; and

WHEREAS, Licensor is willing to permit, to the extent it may lawfully do so, the placement of cables, equipment, and facilities by Licensee on Licensor's poles subject to the terms of this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions herein contained, the parties agree as follows:

ARTICLE I - DEFINITIONS

- 1.1 Anchor. A facility consisting of an assembly of a rod secured to a fixed object or plate designed to resist the pull of guy strand, or strands.
- 1.2 Anchor Attachment. A guy strand attached to an anchor solely owned or jointly owned by Licensor or for which Licensor is responsible for authorizing attachments.
- 1.3 Attachment. Any of Licensee's facilities in direct contact with or supported by a utility pole, and/or any article of equipment attached to a point on a pole not normally occupied by a strand attachment (e.g., power supplies, equipment, cabinets, terminals, etc.). Attachments, for purposes of this Agreement, shall not include any antenna or related equipment used for wireless telecommunication services. For billing purposes an Attachment is counted for each guy strand and cable supported by a through-bolt and for each article of equipment attached to a Utility Pole.
- 1.4 Attachment Fee. A specified amount revised periodically, invoiced individually by each Licensor as set forth in Appendix I.

- 1.5 Attachment Fees and Charges. The Attachment Fee and the other charges payable by Licensee pursuant to Article III.
- 1.6 Guy Strand. A metal cable of high tensile strength which is attached to a pole and anchor or another pole for the purpose of reducing pole stress.
- 1.7 Joint Owner. A person, corporation or other legal entity having an ownership interest in a pole and/or anchor.
- 1.8 Joint User. A party to whom use of the pole or anchor has been extended by the owner of the facility. The term "Joint User" shall not include Licensees.
- 1.9 Licensee's Facilities. The cable and all associated equipment and hardware owned by the Licensee.
- 1.10 Licensee's Maintenance Work. Work performed by Licensee on its facilities and attachments for repair, replacement and daily servicing of its plant, not associated with any significant overlash or rebuild project.
- 1.11 Make-ready Work. All work, including, but not limited to rearrangement and/or transfer of existing facilities, replacement of a pole or any other changes required to accommodate the attachment of licensee's facilities to a pole or anchor.
- 1.12 Overlash. The act of attaching any cable owned by Licensee to same Licensee's existing strand, hardware, cable, wires and/or apparatus.
- 1.13 Periodic Inspection. Licensor's inspection of Licensee's facilities performed to determine that attachments are authorized and are maintained in conformance with the required specifications in Article VI of this Agreement.
- 1.14 Pre-construction Survey. There are two elements of the Pre-construction Survey: 1.) field inspection of the existing pole and anchor facilities to determine any necessary Make-ready Work, and 2.) administrative effort required to process the application and to prepare the charges for Make-ready Work, if applicable.
- 1.15 Post-construction Inspection. Inspection performed to measure and/or to visually observe Licensee's Facilities, during or shortly after completion of construction to ensure the attachment and the installation of the Licensee's Facilities conform to the standards required by this Agreement.
- 1.16 Rebuild. Work other than Licensee's Maintenance Work performed by Licensee to replace, add to or alter its existing attachments or facilities attached to Licensor's poles.
- 1.17 Subsequent Inspections. Inspections performed to confirm the correction of non-conforming conditions, which were observed during Periodic or Post-construction Inspections.

- 1.18 Suspension Strand (Messenger). A metal cable of high tensile strength attached to a pole and used to support facilities.
- 1.19 Unit Cost. A dollar amount subject to periodic revision by Licensor, associated with Pre-construction Surveys, Make-ready Work and Inspections applicable to specific work operations and functions.
- 1.20 Utility Pole. A pole solely owned, jointly owned, or jointly used by the Licensor and used to support its facilities and/or the facilities of an authorized Licensee.

ARTICLE II – SCOPE OF AGREEMENT

- 2.1 Subject to the provisions of this Agreement, Licensor agrees to issue to Licensee for any lawful purpose, revocable, non-exclusive licenses authorizing the attachment of Licensee's Facilities to Licensor's poles. This Agreement governs the fees, charges, terms and conditions under which Licensor issues such licenses to Licensee. Licensee must obtain separate authorization from, and pay all applicable fees and charges to, each Licensor and any Joint Owner or Joint User of any Utility Pole. This Agreement is not in and of itself a license, and before making any attachment to any Utility Pole, Licensee must apply for and obtain a license.
- 2.2 This Agreement supersedes all previous aerial agreements between Licensor and Licensee with respect to the subject matter contained herein. This Agreement shall govern all existing licenses between Licensee and Licensor as well as all licenses issued subsequent to execution of this Agreement.
- 2.3 No use, however extended, of Licensor's poles or payment of any fees or charges required under this Agreement shall create or vest in Licensee any ownership or property rights in such poles. Licensee's rights herein shall be and remain a license.
- 2.4 Nothing contained in this Agreement shall be construed to require Licensor to construct, retain, extend, place, or maintain any pole or other facilities not needed for Licensor's own service requirements.
- 2.5 Nothing contained in this Agreement shall be construed as a limitation, restriction, or prohibition against Licensor entering into agreements with other parties regarding the poles covered by this Agreement. The rights of the Licensee shall at all times be subject to any existing agreement(s) or arrangement(s) between Licensor and any Joint Owner(s) or Joint User(s) of Licensor's poles.
- 2.6 Nothing contained in this Agreement shall be construed to require Licensor to grant a license where Licensor believes that placement of Licensee's Facilities would interfere with Licensor's existing service requirements, or the use of Licensor's facilities by other parties, or create a hazardous or unsafe condition.

ARTICLE III – FEES AND CHARGES

3.1 General

3.1.1 Licensee agrees to pay to Licensor the applicable Attachment Fees and Charges as specified in and in accordance with the terms and conditions of subpart 3.2 of this Agreement and of APPENDIX I, attached hereto and made a part hereof.

3.1.2 The Licensor may change the amount of Attachment Fees and Charges specified in APPENDIX I by giving the Licensee not less than sixty (60) days written notice prior to the date the change is to become effective. Notwithstanding any other provision of this Agreement, Licensee may terminate this Agreement at the end of such sixty (60) day notice period if the change in Attachment Fees and Charges is not acceptable to Licensee.

Upon termination, Licensee shall thereafter remove its facilities and attachments in accordance with the process set forth in Article X, subpart 10.3 of this Agreement.

3.1.3 Changes in the amount of Attachment Fees and Charges specified in APPENDIX I shall become effective on the date specified by Licensor, subject to the sixty (60) day advance written notice. Licensee shall have the right to challenge the increase to the Attachment Fees and Charges by submitting the issue to the regulatory body asserting jurisdiction over this Agreement for decision. Licensee shall pay the existing Attachment Fees and Charges during the time that the issue is being reviewed by said regulatory body, subject to true-up based on the final determination of rates by said regulatory body plus any interest prescribed by said regulatory body.

3.1.4 Licensor shall provide licensee with an updated APPENDIX I following the effective date of the new Attachment Fees and Charges.

3.2 Attachment Fees

3.2.1 Licensees shall pay an Attachment Fee for each Attachment made to Licensor's Utility Poles. For the purpose of computing the Attachment Fees due hereunder, the Fee shall be based upon the number of attachments for which licenses have been issued.

3.2.2 Attachment Fees are calculated from the first day of the month following the date a license is issued. Fees shall be payable semi-annually or annually in advance, unless otherwise provided. Payment is due within the later of thirty (30) days, from the first day of January and the first day of July or thirty (30) days from the date the bill is issued.

3.3 Pre-construction Survey, Make-ready Work and Inspection Charges

- 3.3.1 Licensee shall calculate and pay to Licensor the applicable Pre-construction Survey Charge with its License Application. The License Application forms are set forth in APPENDIX III, attached hereto and made a part hereof. The Pre-construction Survey Charge shall be calculated based on the rates and formulas set forth in FORM 2.
- 3.3.2 Licensee shall make an advance payment of the applicable charge to Licensor prior to any performance by Licensor of any Pre-construction Survey, Make-ready Work, Post-construction Inspection or Subsequent Inspection. Where the work to be performed by Licensor is covered by a Unit Cost as described in subpart 3.3.4, the Licensor shall use the Unit Cost for the charge. Where the work to be performed by Licensor is not covered by a Unit Cost, in whole or in part, the charge will be based on an estimate of charges. For any charges based on an estimate, the Licensee shall be credited for any amount paid in excess of the Licensor's estimated charges, or shall be billed for any amount in addition to Licensor's estimated charges, as compared to the actual charges as finally computed.
- 3.3.3 Licensee shall make payment to the Licensor within thirty (30) days following the invoice date for Periodic Inspections according to subpart 3.3.4 of this Agreement.
- 3.3.4 Pre-construction Survey, Make-ready Work, and Inspection (Post-construction Inspection, Periodic Inspection and Subsequent Inspection) Charges are based upon Unit Costs, where available. Pre-construction survey costs are set forth in APPENDIX III of this Agreement and are subject to change from time to time; provided however, the Unit Costs shall not change more frequently than once every twelve (12) months. Any changes in Unit Cost shall not vary by more than five percent (5%) per annum from the existing Unit Cost; provided that in the case of a significant and unforeseen change in circumstances affecting Licensor's costs, Licensor may adjust Unit Cost in excess of 5%. Sixty (60) days prior to any change in Unit Cost in excess of 5%, Licensor shall provide to Licensee a written explanation of the significant and unforeseen change in circumstance for the increase. A significant and unforeseen change in circumstances affecting Licensor's costs includes changes in tax laws, accounting changes, and regulatory, judicial or legislative changes that affect the Licensor's costs. Available Unit Costs are set forth in APPENDIX III and changes thereto shall be published at the time of such change.
- 3.3.5 For work where Unit Costs are not available, such as cable splicing, such costs will be billed on an actual time and material basis plus an amount equal to ten percent (10%) of such costs.

3.4 Payment Requirements

- 3.4.1 For any bill rendered by Licensor to Licensee hereunder, except where advance payment is required, payment is due within thirty (30) days from the date of the bill. Late payment of any bill is subject to a late fee of 1.5% per month applied to the outstanding balance from the due date of the bill. Licensor, at its sole discretion, may change this late fee from time to time during the term of this Agreement to reflect prevailing market conditions.
- 3.4.2 Non-payment of any amount due hereunder shall constitute a default of this Agreement, and subject this Agreement to termination under the provisions of Article X.
- 3.4.3 For any bill rendered by Licensor to Licensee for advance payment of Pre-construction Survey charges or Make-ready Work charges, hereunder, payment shall be made within thirty (30) days of the bill date. If such advance payment is not received within thirty (30) days, Licensor shall have the right to issue a letter of cancellation no sooner than fifteen (15) days thereafter, which will cancel the Licensee's application for the license. Thereafter, if Licensee wishes to proceed, Licensee shall submit a new application for a license, as if it had never submitted the initial application.

3.5 Billing Disputes

- 3.5.1 Where Licensee in good faith disputes a bill or invoice rendered by Licensor, Licensee shall make payment of all portions of said bill or invoice not in dispute as provided in Article III. Where the cumulative amount of all of Licensee's bills or portions(s) of bills in dispute is in excess of \$10,000.00, Licensee shall deposit said cumulative disputed amounts in an interest-bearing escrow account until such time as the disputes are resolved. The disputed amount deposited together with the proportional interest, shall be distributed immediately to Licensor and/or Licensee in accordance with and upon resolution of the dispute. Where the cumulative amount of all of Licensee's bills or portions of bills in dispute is less than or equal to \$10,000.00, Licensee shall make payment to Licensor and shall be rebated an appropriate amount (including interest computed at the prime rate at a bank mutually agreed to by the parties) based on the resolution of the dispute.
- 3.5.2 Where Licensee fails to pay an amount due and owing under this Agreement (including amounts in dispute that are less than or equal to \$10,000) or fails to establish an escrow account for disputed amounts more than \$10,000, or fails to invoke the dispute-resolution procedures set forth in subpart 15.10 of this Agreement within six (6) months of the establishment of amounts disputed in good faith, in addition to all other

remedies available to Licensor including termination under provisions of Article X of this Agreement, Licensor may refuse to perform any survey, inspection or Make-ready Work for Licensee and may refuse to issue any license to Licensee until such time as the amount is paid or is deposited in an escrow account.

ARTICLE IV - APPLICATION FOR AND ISSUANCE OF LICENSES

- 4.1 Before Licensee makes an Attachment to any pole, Licensee shall make application for and have received a license therefore in the forms attached in APPENDIX III. Licensor may update these forms from time to time during the term of the Agreement.
- 4.2 Licensee agrees to limit the filing of applications for pole attachment licenses to include not more than 200 poles on any one application. Licensor reserves the right to limit the filing for pole attachments to no more than 2,000 poles on all applications that are pending approval by Licensor at any one time. Licensee further agrees to designate a desired priority of completion of the Pre-construction Survey and Make-ready Work for each application relative to all other of its applications on file with Licensor at the same time.
- 4.3 Properly completed license applications received by Licensor on the same day from two or more licensees for attachment accommodations on the same pole(s), shall be processed together. All Pre-construction Survey or Make-ready Work required to accommodate the applicants will be completed simultaneously for the benefit of all applicants. All applicants will be rebated with the pro rata share of costs based on the number of applicants.

ARTICLE V – PRE-CONSTRUCTION SURVEY and MAKE-READY WORK

- 5.1 A Pre-construction Survey is required for each Utility pole and Anchor for which an Attachment is requested to determine the adequacy of the Utility Pole and Anchor to accommodate Licensee's Attachments and facilities. The Pre-construction Survey will be performed jointly by representatives of Licensor, Joint Owner and/or Joint User, and Licensee unless otherwise agreed to by all parties.
- 5.2 Licensor will process all requests for access to Utility Poles on a non-discriminatory basis in the order such requests are received.
- 5.3 Within forty-five (45) days of receipt of written notification in the form of a complete license application and the correct Pre-construction Survey fee payment, Licensor shall perform or have performed a Pre-construction Survey and present the Pre-construction Survey results. The Pre-construction Survey results will contain one of the following statements:
 - (a) If no Make-ready Work is required, a license shall be issued for the Attachment.

- (b) If Licensor determines that the Utility Pole or Anchor to which Licensee desires to make Attachments is inadequate or otherwise needs rearrangement of the existing facilities thereon to accommodate the Licensee's Facilities, in accordance with the specifications set forth in Article VI, Licensor will provide Licensee with an itemized invoice for such anticipated Make-ready Work. The Make-ready Work will be performed following receipt by Licensor of advance payment (provided that this Agreement has been fully executed by both the Licensee and Licensor). Upon receipt of the advance payment, Licensor will provide the Licensee with the estimated start and estimated construction completion date of the Make-ready Work.
- (c) If Licensor determines that the Utility Pole may not reasonably be rearranged or replaced to accommodate Licensee's Facilities for reasons of capacity, safety, reliability or engineering, the Licensor may refuse to grant a license for the Attachment. Licensor shall provide the specific reason(s) for such denial. Licensor shall not unreasonably exercise the right reserved under this subpart 5.3(c).

- 5.4 Licensor shall make commercially reasonable efforts to complete Make-ready Work within six (6) months of receipt of payment for Make-ready Work from Licensee, except for reasons beyond Licensor's control. For applications consisting of six (6) or fewer Utility Poles requiring Make-ready Work, and where TDS TELECOM is the only party required to perform make-ready work, TDS TELECOM will complete the make-ready work within 45 days.
- 5.5 To the extent practicable, Licensor shall provide Licensee, no less than sixty (60) days prior written notice of any modification of Utility Poles (such as pole replacement or relocation) other than routine maintenance, or modifications in response to emergencies, or to a request from a governmental authority.

ARTICLE VI - SPECIFICATIONS AND LEGAL REQUIREMENTS

- 6.1 Licensee's Facilities shall be placed and maintained in accordance with the requirements and specifications of the latest editions of the "Blue Book - Manual of Construction Procedures" (Blue Book), published by Telcordia Technologies Inc.; the Rural Utilities Service (RUS), the "National Electrical Code" (NEC), published by the National Fire Protection Association, Inc.; the "National Electrical Safety Code" (NESC), published by the Institute of Electrical and Electronics Engineers, Inc.; and rules and regulations of the U.S. Department of Labor issued pursuant to the "Federal Occupational Safety and Health Act of 1970", as amended, (OSHA) or any governing authority having jurisdiction over the subject matter. Where a difference in specifications may exist, the more stringent shall apply.
- 6.2 Licensee shall be responsible for obtaining from the appropriate public and/or private authority any required authorization to construct, operate and/or maintain

Licensee's Facilities on public and private property at the location of Licensor's Utility Poles. Licensee shall be responsible for obtaining permission from any Joint Owner(s) or Joint User(s) of the Utility Pole before making any Attachment thereto. This permission shall be in the form of a license or other writing.

- 6.3 No license granted under this Agreement shall extend to any of the Licensor's Utility Poles where the placement of Licensee's Attachments would result in a forfeiture of the rights of Licensor, Joint Owner(s), or Joint User(s) to occupy the property on which such Utility Poles are located. The Licensor does not warrant the validity or apportionability of any rights it may hold to place facilities on public or private property. The Licensor will, upon written request by the Licensee, provide available information and copies of any documents in its files pertinent to the nature of the rights the Licensor possesses over private property. The cost of providing such information and reproducing documents shall be borne by Licensee.

ARTICLE VII - CONSTRUCTION AND MAINTENANCE OF ATTACHMENTS

7.1 General Provisions

- 7.1.1 Licensee shall, at its own expense, construct and maintain its Attachments and facilities on Licensor's Utility Poles in a safe condition and in a manner acceptable to Licensor. Licensee shall construct and maintain its Attachments and facilities so as not to conflict with the use of Licensor's Utility Poles by Licensor or by other authorized users of Licensor's Utility Poles, nor electrically interfere with Licensor's facilities attached thereto.
- 7.1.2 Licensor shall specify the point of attachment on each of Licensor's Utility Poles to be occupied by Licensee's Attachment. Where multiple Licensees' Attachments are involved, Licensor shall attempt, to the extent practical, to designate the same relative position on each Utility Pole for each Licensee's Attachments.
- 7.1.3 Licensee shall provide written notice to the Licensor of the actual dates of attachment within thirty (30) days of the date of attachment so that Licensor may promptly schedule a Post-construction Inspection.
- 7.1.4 Licensee may attach its Guy Strand to Licensor's existing Anchor rod at no charge where Licensor determines that adequate capacity is available; provided that Licensee agrees to secure any necessary right-of-way thereof from the appropriate property owner. Should Licensor, Joint Owner(s) or Joint User(s), if any, for its own service requirements, need to increase its load on the Anchor rod to which Licensee's guy is attached, Licensee will either arrange its Guy Strand on the Anchor rod or transfer it to a replacement Anchor as determined by Licensor.

- 7.1.5 Should Licensor, Joint Owner(s), Joint User(s), or other Licensee need to attach additional facilities to any of Licensor's Utility Poles, to which Licensee is attached, Licensee will upon written notice from the Licensor either rearrange its Attachments on the Utility Pole or transfer them to a replacement Utility Pole as reasonably determined by Licensor so that the additional facilities of Licensor, Joint Owner(s) Joint User(s) or other Licensee may be attached provided that, except to the extent such relocation is required to accommodate the needs of Licensor, Joint Owner(s) or Joint User(s), such rearrangement does not materially reduce, impair or otherwise diminish Licensee's operations from the property and subject to receipt of all necessary government permits and approvals for such rearrangement or transfer. Licensee shall not be required to bear any of the costs of rearranging its facilities if such rearrangement is required as a result of an additional occupancy by any entity including Licensor or other Licensees. Any rearrangement costs shall be borne by the entity or entities requesting rearrangement. Licensee shall be solely responsible for collecting any rearrangement costs incurred pursuant to this paragraph. Licensor's sole responsibility shall be limited to reimbursement of its pro rata share of such costs caused by its own additional occupancies.
- 7.1.6 If Licensee does not rearrange or transfer its Attachments within fifteen (15) days after receipt of written notice from Licensor requesting such rearrangement or transfer and indicating that such Utility Pole is ready for rearrangement or transfer by Licensee, Licensor, Joint Owner(s) or Joint User(s) may perform or have performed such rearrangement or transfer, and, notwithstanding the provisions of subpart 7.1.7, Licensee agrees to pay the cost thereof.
- 7.1.7 Licensee shall not be required to bear any of the costs of rearranging or replacing its Attachment if such rearrangement or replacement is necessitated solely as a result of an additional attachment or modification of an existing attachment sought by another party (including the Licensor, Joint Owner(s) or Joint User(s)) and should be paid for any work it performs to accommodate such request. Where multiple parties join in a modification, each party's proportionate share of the total cost will be based on a ratio of the amount of new space occupied by that party to the total amount of new space occupied by all parties joining in the modification. Licensor shall not be required to use revenue that may result from the use of any additional space resulting from such replacement or rearrangement to compensate parties that paid for the modification.
- 7.1.8 Unless otherwise governed by law, all tree trimming made necessary, in the opinion of the Licensor, by reason of the Licensee's proposed Attachments at the time of attachment (provided the owner(s) of such trees grant permission to the Licensor) shall be performed by contractors

approved by and under the direction of Licensor, at the sole expense of the Licensee.

- 7.1.9 Any such tree trimming that may be required on Licensee's customer's premises, to clear Licensee's cable drop, shall be performed by the Licensee at its expense.
- 7.1.10 Tree trimming needed as a result of adverse weather conditions such as wind, snow or ice storms, shall be performed by Licensor or its approved contractors. Since such tree trimming benefits Licensor, Licensee and other parties that may be lawfully attached to Licensor's Utility Poles, Licensee agrees to negotiate in good faith with the Licensor, on a case-by-case basis, to establish an appropriate sharing of costs associated with the tree trimming projects.
- 7.1.11 For each new facility attached by Licensee to Licensor's Utility Poles, on or after the date of execution of this Agreement, Licensee shall place identification tags on cables located on Utility Poles and identification apparatus tags on any associated items of Licensee's Facilities. Licensee shall also place these identification tags when engaged in an Overlash or Rebuild project. Overlashed bundles require one tag per bundle, per Licensee. The requirements for identification tags are set forth in the Blue Book.
- 7.1.12 When Licensor deems it an immediate threat to safety and/or an emergency exists, it may rearrange, transfer, or remove Licensee's Attachments to Licensor's Utility Poles at Licensee's expense. Licensor shall make reasonable efforts to contact Licensee as circumstances permit.

7.2 Licensee's Routine Maintenance, Overlash, Rebuild Work and Placement of Power Supplies

- 7.2.1 Licensee shall work cooperatively with the local TDS TELECOM and UES Engineer when performing routine Maintenance Work on its facilities and/or Attachments. Cooperative practices shall include a system of notification by phone, facsimile, answering system, or otherwise for scheduling purposes. Any work, which involves six or fewer adjacent spans, shall be presumed to be routine Maintenance Work. Significant simultaneous maintenance activity within a geographic area may be deemed by Licensor to be Rebuild activity.
- 7.2.2 Licensee shall follow the procedures set forth in APPENDICES IV, V hereof, in performing Rebuild or Overlash work.

ARTICLE VIII - INSPECTION OF LICENSEE'S FACILITIES

- 8.1 The Licensor reserves the right to make Post-construction, Subsequent, and Periodic Inspections of any part or all of Licensee's facilities attached to Licensor's Utility Poles and/or Anchors. Licensor shall provide Licensee with a copy of any written report of such inspection within thirty (30) days following the inspection. Charges and billing for inspections as set forth in Article III shall apply, provided that Licensor commences Post-construction and Subsequent Inspections within 90 days after notification from Licensee that the work is complete.
- 8.2 Except as provided in Appendix V, Post-construction Inspections shall consist of a 10 percent sample of the Utility Poles to which the Licensee has attached facilities after completion of work. If Licensor determines that the Licensee is not in compliance at greater than 2 percent of the sampled locations, Licensor may inspect and bill Licensee to inspect all Utility Poles involved in the project. Within ten (10) days of the completion of a Post-construction Inspection, the Licensor shall notify the Licensee in writing of the date of completion of Post-construction inspection and its findings.
- 8.3 Where Post-construction Inspection by the Licensor has been completed and non-complying conditions have been identified, Licensee shall correct any non-complying conditions within thirty (30) days of the date of the written notice from the Licensor. If after said 30-day period Licensee has not corrected all such non-complying conditions, Licensor may notify Licensee that if all such non-complying conditions are not corrected within an additional 30-day period, no further attachment authorizations shall be issued to Licensee until Licensee's Facilities are brought into compliance. If corrections are not made by Licensee within 30 days from the second notification by Licensor, the Licensor may perform or have performed such corrections and Licensee shall pay to the Licensor the cost of performing such work.
- 8.4 Licensor may undertake Subsequent Inspections to determine if appropriate corrective action has been taken by Licensee. If the Subsequent Inspection finds continued non-complying conditions, Licensor may perform or have performed corrective action at the sole expense of the Licensee or Licensor may terminate the license pursuant to Article X.
- 8.5 The making of Post-construction, Subsequent and/or Periodic Inspections or the failure to do so shall not operate to relieve Licensee of any responsibility, obligation, or liability specified in this Agreement.
- 8.6 Licensor reserves the right to make Periodic Inspections of all or any part of the Attachments or facilities of Licensee at the expense of Licensee, upon sixty (60) days prior written notice to the Licensee. Periodic Inspections of the entire plant of the Licensee will not be made more often than once every five years unless, in Licensor's judgment, such inspections are required for reasons involving safety or

because of an alleged violation by Licensee of the terms of this Agreement. Licensor shall make a reasonable effort to coordinate its Periodic Inspections with any Joint Owner and Licensee.

ARTICLE IX - UNAUTHORIZED ATTACHMENTS

- 9.1 If any of Licensee's Facilities are attached to Licensor's poles without being licensed, Licensor, may recover fees as specified in subpart 9.2, without prejudice to its other rights or remedies under this Agreement, including termination, or otherwise, and require Licensee to submit in writing, within thirty (30) days after receipt of written notification from Licensor of the unauthorized attachment, a pole attachment application. If such application is not received within the specified time period, Licensee shall remove its unauthorized attachments within thirty (30) days of the final date for submitting the required application, or Licensor may remove Licensee's Attachments or facilities without liability at the Licensee's expense.
- 9.2 Upon discovery of an unauthorized Attachment, Licensee agrees to pay an amount equal to five times the current applicable annual Attachment Fee specified in APPENDIX I times the number of unauthorized Attachments. The unauthorized attachment fee shall be in addition to all other amounts due and owing to Licensor under this Agreement.

ARTICLE X - TERMINATION

10.1 60-Day Termination

In addition to rights of termination provided to the Licensor under other provisions of this Agreement, the Licensor shall have the right to terminate Licensee's license, authorizations and/or rights granted under provisions of this Agreement where:

- (a) the Licensee's Facilities are maintained or used in violation of any law or in aid of an unlawful act or undertaking;
- (b) the Licensee ceases to have authority to construct and operate its facilities on public or private property at the location of the particular Utility Pole or Anchor covered by the authorization;
- (c) the Licensee fails to comply with any of the terms and conditions of this Agreement or defaults in any of its obligations thereunder;
- (d) the Licensee attaches to a Utility Pole and/or Anchor without having first been issued authorization therefore;
- (e) the Licensee, subject to provisions specified in Article II, ceases to provide its services;

- (f) the Licensee sublets or apports part of the licensed assigned space or otherwise permits its assigned space to be used by an entity or an affiliate not authorized pursuant to Article 11.2.
- (g) except in circumstances in which Licensor has accepted evidence of self-insurance in accordance with Article XIV, the Licensee's insurance carrier shall at any time notify the Licensor that the policy or policies of insurance as required in Article XIV will be or have been cancelled or amended so that those requirements will no longer be satisfied;
- (h) the Licensee shall fail to pay any sum due or deposit any sum required under this Agreement, or shall fail to maintain satisfactory surety as required in Article XII;
- (i) any authorization that may be required by any governmental or private authority for the construction, operation and maintenance of the Licensee's facilities on a pole or anchor is denied, revoked or cancelled.

10.1.1 The Licensor will notify the Licensee in writing of any instances cited in this subpart. The Licensee shall take corrective action as necessary to eliminate the non-compliance and shall confirm in writing to the Licensor within sixty (60) days following such written notice that the non-compliance has ceased or been corrected. If Licensee fails to discontinue or correct non-compliance and fails to give the required written confirmation to the Licensor within the time stated above, the Licensor may terminate the license(s), authorization and/or rights granted hereunder for the poles and/or anchors at which such non-compliance has occurred.

10.2 General

- 10.2.1 In the event of termination of any of the Licensee's licenses, authorization and/or rights hereunder, the Licensee shall remove Licensee's Facilities from the Utility Poles and Anchors within sixty (60) days of the effective date of the termination; provided, however, that Licensee shall be liable for and pay all fees and charges pursuant to provisions of this Agreement to the Licensor until Licensee's Facilities are actually removed from the Utility Pole(s) and Anchor(s). If the Licensee fails to remove Licensee's Facilities within the specified period, the Licensor shall have the right to remove Licensee's Facilities at the Licensee's expense and without liability on the part of the Licensor for damage or injury to Licensee's Facilities or interruption of Licensee services.
- 10.2.2 When Licensee's Facilities are removed from a Utility Pole or Anchor, no Attachment to the same Utility Pole or Anchor shall be made until the Licensee has first complied with all of the provisions of this Agreement as

though no such Utility Pole or Anchor Attachment had been made previously and all outstanding charges due to the Licensor for such Utility Pole or Anchor have been paid in full.

10.2.3 Any license issued under this Agreement shall automatically terminate when Licensee ceases to have authority to construct, operate and/or maintain its attachments on the public or private property at the location of the particular Utility Pole covered by the license. Such automatic termination shall be stayed if the Licensee has sought judicial or regulatory review of the decision that: (1) has acted to terminate such authority or (2) has declared that the Licensee lacks such authority.

10.3 Licensee's Removal of Attachments

10.3.1 Licensee may at any time remove its Attachments from a Utility Pole or Anchor after first giving Licensor written notice of such removal. Licensee shall complete and provide to Licensor the Notification of Discontinuance of Use of Poles as contained in APPENDIX III hereto. Licensor shall verify and execute such form within thirty (30) days of submission. Billing for the Attachment shall cease as of the last day of the month in which verification occurs. Licensor may update this form from time to time during the term of this Agreement.

10.3.2 Following such removal, no Attachment shall again be made to such Utility Pole until Licensee shall have complied first with all of the provisions of this Agreement as though no such Attachment had been made previously.

ARTICLE XI - ASSIGNMENT OF RIGHTS

11.1 Licensee shall not assign or transfer any license or any authorization granted under this Agreement, and such licenses and authorizations shall not inure to the benefit of Licensee's successors or assigns, without the prior written consent of Licensor, which shall be in the form of an assignment agreement satisfactory to the Licensor. Licensor shall not unreasonably withhold, condition, or delay such consent.

11.2 In the event such consent or consents are granted by Licensor, then the provisions of this Agreement shall apply to and bind the successors and assigns of Licensee. Licensee may, however, assign this Agreement without Licensor's consent to an entity controlling, controlled by, or under common control with Licensee or to an entity acquiring fifty-one percent (51%) or more of Licensee's stock or assets provided that any such assignment shall be subject to the assignee's being capable of assuming all of the obligations of Licensee hereunder. Any such assignment shall impose no obligations upon or be effective against Licensor, and Licensor shall have no liability to any assignee of such assignment, until Licensor has received prior written notice of any such assignment. Licensee may also assign

this Agreement, without Licensor's consent and without prior notice to TDS TELECOM, to an institutional mortgagee or lender providing financing to Licensee with respect to Licensee's Facilities in the event such institutional mortgagee or lender exercises its foreclosure right against Licensee and operates the Licensee Facilities on the Right of Way; provided such institutional mortgagee or lender is capable of assuming all of the obligations of the Licensee hereunder and further provided that such assignment shall not be effective against Licensor unless and until written notice of such assignment and exercise of rights is provided to Licensor. Anything herein to the contrary notwithstanding, Licensee shall not be relieved of any of its obligations hereunder without Licensor's prior written consent.

- 11.3 All notice of such assignments shall include any change to the notice address provided in subpart 15.3. Within thirty (30) days of the assignment, Licensor and assignee shall execute an assignment agreement.

ARTICLE XII - SURETY REQUIREMENTS

- 12.1 Licensee shall furnish a surety bond or irrevocable letter of credit satisfactory to the Licensor according to the following criteria:

Poles	Security
1 - 50	\$10,000
51 - 500	\$75,000
501 - 2000	\$300,000
2001 - 3000	\$450,000
3,000 +	\$500,000

- 12.2 The maximum security limit required is \$500,000.
- 12.3 If the financial security is in the form of a bond, irrevocable letter of credit, or other security as deemed acceptable by Licensor, such instrument shall be issued by a surety company or bank satisfactory to the Licensor and shall guarantee Licensee's obligations under the agreement. The Licensee is obligated to maintain the security in the full amount for the terms of the agreement.
- 12.4 The amount of the bond or the financial security shall not operate as a limitation upon the obligations of the Licensee.

ARTICLE XIII - LIABILITY AND DAMAGES

- 13.1 Licensor reserves to itself, its successors and assigns, the right to locate and maintain its poles and to operate its facilities in conjunction therewith in such a manner as will best enable it to fulfill its own service requirements. Licensor shall not be liable to Licensee for any interruption of Licensee's service nor for interference with the operation of Licensee's communications services arising in

any manner, except from Licensor's negligence, out of the use of Licensor's poles.

- 13.2 Licensor shall exercise reasonable care to avoid damaging Licensee's Facilities attached to Utility Poles under this Agreement, and shall make an immediate report to Licensee of the occurrence of any such damage caused by Licensor's employees, agents or contractors. Licensor agrees to reimburse Licensee for all reasonable costs incurred by Licensee for the physical repair of damage to such Licensee's facilities proximately caused by the negligence of Licensor; however, Licensor shall not be liable to Licensee for any loss of Licensee's revenue or profits resulting from any interruption of Licensee's service caused by such damage or interference with the operation of Licensee's Facilities caused by such damage.
- 13.3 Licensee shall exercise reasonable care to avoid damaging the facilities of Licensor and of others attached to Licensor's poles, and shall make an immediate report of damage to the owner of facilities so damaged. Licensee assumes all responsibility for any and all direct loss from damage caused by Licensee's employees, agents or contractors; however, Licensee shall not be liable to Licensor for any loss of Licensor's revenue or profits resulting from any interruption of Licensor's service caused by such damage or interference with the operation of Licensor's facilities caused by such damage.
- 13.4 Licensee shall indemnify, protect and save harmless Licensor from and against any and all claims, demands, causes of actions and costs, including attorneys' fees, for damages to property and injury or death to Licensee's employees or other persons, including but not limited to, payments under any Workers Compensation law or under any plan for employee's disability and death benefits, which may arise out of or be caused by the erection, maintenance, presence, use or removal of Licensee's Facilities or by their proximity to the facilities of all parties attached to Licensor's poles, or by any act or omission of the Licensee's employees, agents or contractors on or in the vicinity of Licensor's poles. The foregoing indemnity, hold harmless and defense provisions shall not apply in the case of claims, which solely arise from the negligence, misconduct or other fault of Licensor. It shall apply, however, if a claim is the result of the joint negligence, joint misconduct or joint fault of Licensee and Licensor, but in such case the amount of the claim for which Licensor is entitled to indemnification shall be limited to that portion of such claim attributable to the negligence, misconduct or other fault of Licensee.
- 13.5 The Licensee shall indemnify, protect and save harmless Licensor from any and all claims, demands, causes of action and costs, including attorneys' fees, which arise directly or indirectly from the construction, attachment or operation of Licensee's Facilities on Licensor's Utility Poles, including but not limited to damages, costs and expense of relocating poles due to the loss of right-of-way or property owner consents, taxes, special charges by others, claims and demands for damages or loss from infringement of copyright, for libel and slander, for

unauthorized use of television or radio broadcast programs and other program material, and from and against all claims, demands and costs, including attorneys' fees, for infringement of patents with respect to the manufacture, use and operation of Licensee's Facilities in combination with Utility Poles or otherwise. The foregoing indemnity shall not apply in the case of claims, which solely arise from the negligence, misconduct or other fault of Licensor. It shall apply, however, if a claim is the result of the joint negligence, joint misconduct, or joint fault of Licensee and Licensor, but in such case the amount of the claim for which Licensor is entitled to indemnification shall be limited to that portion of such claim attributable to the negligence, misconduct or other fault of Licensee.

- 13.6 Licensor and Licensee shall promptly advise each other of all claims relating to damage to property or injury to or death of persons, arising or alleged to have arisen in any manner by the erection, maintenance, repair, replacement, presence, use or removal of facilities governed by this License Agreement. Copies of all accident reports and statements made to a Licensor's or Licensee's insurer by the other Licensor or Licensee or affected entity shall be furnished promptly to the Licensor or Licensee.
- 13.7 Unless expressly provided for otherwise herein, neither Licensor nor Licensee shall be liable to the other for any special, consequential or other indirect damages arising under this Agreement.
- 13.8 The provisions of this Article shall survive the expiration or earlier termination of this Agreement or any license issued hereunder.

ARTICLE XIV - INSURANCE

- 14.1 Licensee shall secure and maintain (and ensure its subcontractors, if any, secure and maintain) all insurance and/or bonds required by law or this Agreement including without limitation:
- (a) Commercial General Liability insurance (including, but not limited to, premises-operations; explosion, collapse and underground hazard; broad form property damage; products/completed operations; contractual liability; independent contractors; personal injury) with limits of at least \$2,000,000 combined single limit for each occurrence.
 - (b) Commercial Automobile Liability insurance with limits of at least \$2,000,000 combined single limit for each occurrence. Notwithstanding, if the Licensee does not own or operate any vehicles or automobiles associated with the Licensee's business or associated with the work related to this Agreement, then Licensee must only provide satisfactory evidence that its subcontractor(s) have purchased and maintained Commercial Automobile Liability insurance in such amount.
 - (c) Workers' Compensation insurance as required by statute and Employer's Liability insurance with limits of not less than \$1,000,000 per occurrence.

- 14.2 The above limits may be satisfied by a combination of underlying/primary and excess/umbrella insurance. All policies provided by the Licensee shall be deemed primary and non-contributory to all other applicable coverages. The Licensee shall waive its right of subrogation for all insurance claims. The Commercial General Liability and Commercial Auto Liability policies must name Licensor, its subsidiaries and affiliates as additional insureds. The Licensee's insurance companies must be licensed to do business in the applicable state(s) and must meet or exceed an A.M. Best rating of A-X or its equivalent.
- 14.3 All insurance must be in effect before Licensor will authorize Licensee to make attachment to Licensor's Utility Poles and shall remain in force until such facilities have been removed from all such Utility Poles. For all insurance, the Licensee must deliver an industry-recognized certificate of insurance evidencing the amount and nature of the coverage, the expiration date of the policy and the waiver of subrogation and stating that the policy of insurance issued to Licensee will not be cancelled or changed without thirty (30) days written notice to Licensor. Such certificate of insurance shall evidence the name of the Licensor as an additional insured. The Licensee shall submit such certificates of insurance annually to the Licensor as evidence that it has maintained all required insurance. Licensee will provide copies of the applicable insurance policies to Licensor upon request.
- 14.4 Licensee is responsible for determining whether the above minimum insurance coverages are adequate to protect its interests. The above minimum coverages shall not constitute limitations upon Licensee's liability.
- 14.5 The minimum insurance coverages are subject to review and revision by Licensor in the event Licensor determines that they are not adequate to protect Licensor's interests.

ARTICLE XV - GENERAL PROVISIONS

15.1 Authorization Not Exclusive

Nothing herein contained shall be construed as a grant of any exclusive authorization, right or privilege to Licensee. Licensor shall have the right to grant, renew and extend rights and privileges to others not parties to this Agreement, by contract or otherwise, to use any pole covered by this Agreement.

15.2 Failure to Enforce

Failure of Licensor or Licensee to enforce or insist upon compliance with any of the terms or conditions of this Agreement or to give notice or declare this Agreement or any authorization granted hereunder terminated shall not constitute a general waiver or relinquishment of any term or condition of this Agreement, but the same shall be and remain at all times in full force and effect.

15.3 Notices

APPENDIX II sets forth where written notices required under this Agreement shall be sent to Licensor and Licensee. Notice shall be acceptable in the following forms: first class mail, or if time-sensitive, facsimile followed by first class mail or overnight mail with receipt. Licensee shall complete the CUSTOMER PROFILE page and submit it to Licensor with this Agreement.

15.4 Severability

If any of the provisions of this Agreement shall be invalid or unenforceable, such invalidity or unenforceability shall not invalidate or render unenforceable the entire Agreement, but rather the entire Agreement shall be construed as if not containing the particular invalid or unenforceable provision or provisions. If the invalid or unenforceable provision or provisions shall be considered an essential element of this Agreement, the parties shall promptly attempt to negotiate a substitute thereof.

15.5 Choice of Law

The construction, interpretation and performance of this Agreement shall be governed by and construed in accordance with the laws of the State where the Licensor's poles are located, as set forth in this Agreement, without regard to the principles of conflicts of law. All actions under this Agreement shall be brought in a court of competent subject-matter jurisdiction of the county of the capital of such State or a regulatory agency with subject-matter jurisdiction, and both parties agree to accept and submit to the personal jurisdiction of such court or regulatory agency. Licensee also agrees to submit to the jurisdiction of any court in the United States wherein an action is commenced against Licensor based on a claim for which Licensee has indemnified Licensor hereunder.

15.6 Compliance with Laws

The parties hereto shall at all times observe and comply with, and the provisions of this Agreement are subject to, all laws, ordinances, and regulations which in any manner affect the rights and obligations of the parties hereto under this Agreement, so long as such laws, ordinances, or regulations remain in effect. Either Party may, upon written notice, require the other Party to engage in good-faith negotiations to amend the Agreement to comport with regulatory changes or obligations.

15.7 Survival

All rights and obligations hereunder granted or incurred prior to and which by their nature would continue beyond the cancellation, termination, or expiration of this Agreement shall survive such cancellation, termination, or expiration.

15.8 Use of Information

Licensee may provide to Licensor license applications and business plans of its future needs for pole attachments. Such information will allow Licensor to better forecast personnel and equipment requirements. However, as to business plans, such information shall be deemed for use as advance planning purposes only, and no obligation shall be created that Licensor hire personnel or purchase equipment, or Licensee submit license applications for the pole attachments. Such information shall be used only by such employees or contractors of Licensor who have responsibilities relating to the administration of, or to work to be performed under, this Agreement and said employees shall treat such information as Licensor treats its own confidential information of similar type and value. Licensor's obligations hereunder shall not extend to any information that are now available to the public or become available by reason of acts or omissions not attributable to Licensor.

15.9 Dispute Resolution

In the case where Licensee claims that a term or condition is unjust or unreasonable or any dispute arises between the parties relating to this agreement, Licensee shall submit a complaint to the project manager who handled the original pole application submission, specifying all information and its argument relied on to justify its claim. Licensor shall provide a written response to such complaint within 10 business days after receipt of the complaint. Such response shall specifically address all contentions made by Licensee. If Licensee continues to have issues, it may request a meeting with the project manager to discuss such issues. Such meeting shall be held within five (5) business days. If the Licensee is not satisfied with the results of such meeting, it may file a complaint with the regulatory body of competent jurisdiction.

15.10 Emergency Conditions

All parties shall work cooperatively in the case of an emergency to restore service to their respective customers.

ARTICLE XVI - TERM OF AGREEMENT

The initial term of this Agreement shall be for five (5) years commencing on the date stated in the first paragraph of this Agreement. Thereafter, the term of this Agreement shall be automatically renewed annually unless notice of termination is given by either Licensor or Licensee not fewer than 120 days prior to the end of the then expiring term. This Agreement may be terminated by Licensee by written notice of termination not fewer than 30 days prior to the effective date of such termination. Any termination by Licensee shall not become effective until the Licensee has discontinued all existing licenses and has removed any and all facilities. This Agreement may be terminated upon written notice by the Licensor if, within one year from the date of this Agreement, the Licensee has placed no Licensee's Facilities on the Licensor's Utility Poles in accordance with the Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in multiple originals on the day and year first above written.

TDS TELECOMMUNICATIONS CORPORATION (Licensor)

By: Katherine Barnekow

(Print Name) Katherine Barnekow

(Title) Director, Carrier Relations

(Date) 3/31/2011

UNITIL ENERGY SYSTEMS, INC. (Licensor)

By: Keigh W.W. Teti

(Print Name) Keigh W.W. Teti

(Title) Manager, Operations Services

(Date) 3/16/11

NEW HAMPSHIRE OPTICAL SYSTEMS, LCC (Licensee)

By: James R. Cummings

(Print Name) James R. Cummings

(Title) President

(Date) 3/21/11

POLE ATTACHMENT LICENSE APPLICATION CHECKLIST

Please check each item to ensure they have been fully completed. Please enclose all required Application documentation and mail/email to:

TDS Telecom - Northfield
24 Depot Square – Unit 2
Northfield, VT 05663
Phone: 802-485-9758
Fax: 802-485-6070
terri.steele@tdstelecom.com

APPLICATION CHECKLIST

Type of Business – Please Choose One

- Authorized Telecom Provider
 - CATV – Cable Television
 - Independent Telephone Company
 - Other
-
- Enclosed -Completed License Application Forms - Appendix III Forms as applicable.
 - Check for Pre-construction Survey

**POLE ATTACHMENT
AGREEMENT CHECKLIST**

Please check each item to insure they have been fully completed. Please enclose all required agreement documentation and mail to:

New Hampshire

Mary Doherty
TDS Telecom Carrier Relations
P. O. Box 70
136 Lincoln Street
Valders, WI 54245
920-775-9998
mary.doherty@tdstelecom.com

AGREEMENT CHECKLIST

Type of Business – Please Choose One

- Authorized Telecom Provider
 - CATV – Cable Television
 - Independent Telephone Company
 - Other
- Agreement Check - \$425 new agreement.
 - Required Certificates of Insurance and Bond Requirements for the applicable TDS Telecommunications Corporation Company and Unitil Energy Systems, Inc.
 - Customer Profile Sheet complete with all requested name and address information.
 - Name, Address and Telephone number of **person negotiating this Agreement: (This person will receive the fully executed Agreement)**

Name:	James R. Carmichael
Address:	14 Kidder Rd, Chelmsford, MA 01824
Telephone Number:	978-670-0000 ext 155
Fax Number:	978-670-4495

Corporate Title: (Name in which Agreement will be issued must match exactly). Please note that Insurance must be issued in the exact same name as the Agreement. All applications must be issued in the exact same name as the Agreement.

Corporate Title: New Hampshire Optical Systems
Legal Address:
75 Ski Hill Drive
Northfield, NH 03276
State of Incorporation: New Hampshire
Municipality of Principal Office: Northfield

Municipality and State for which Agreement is being requested.

Municipality: All

State: New Hampshire

DATE: March 2, 2010

Customer Profile

Person Negotiating Agreement James R. Carmichael
(Name of person we may contact if there are questions)

LICENSEE NAME: New Hampshire Optical Systems, Inc State of Corporation: NH
(Legal company name in which you are registered in the state to do business)

Municipality(ies) for which contacts below apply:

All Municipalities

(Please use multiple pages as required)

Address where <u>Legal Notices</u> are to be sent:	Address where <u>Insurance Notices</u> are to be sent:
Contact Name James R Carmichael	Contact Name Jackie Hayes
Title President	Title CFO
Address 14 Kidder Rd	Address 14 Kidder Rd
City, State, Zip Chelmsford, MA 01824	City, State, Zip Chelmsford, MA 01824
Attention:	Attention:
Tel # (978) 670-0000 x155 Fax # (978) 670-4495 E-mail address - rcarmichael@waveguidefiber.com	Tel # (978) 670-0000 x112 Fax # (978) 670-4495 E-mail address - jackie@waveguidefiber.com
Address where <u>Automatic License Requests</u> are to be sent:	Address where <u>Poles/ Conduit Rental Bills</u> are to be sent:
Contact Name Jay Dunn	Contact Name Jay Dunn
Title Project Manager	Title Project Manager
Address 14 Kidder Rd	Address 14 Kidder Rd
City, State, Zip Chelmsford, MA 01824	City, State, Zip Chelmsford, MA 01824
Attention:	Attention:
Tel # (978) 670-0000 x153 Fax # (978) 670-4495 E-mail address - jdunn@waveguidefiber.com	Tel # (978) 670-0000 x153 Fax # (978) 670-4495 E-mail address - jdunn@waveguidefiber.com
Address where <u>Transfer Notices</u> are to be sent:	<u>Person to notify in emergency</u> of damaged plant:
Contact Name Jay Dunn	Contact Name Bob Brown
Title Project Manager	Title COO
Address 14 Kidder Rd	Address 14 Kidder Rd
City, State, Zip Chelmsford, MA 01824	City, State, Zip Chelmsford, MA 01824
Tel # (978) 670-0000 x153 Fax # (978) 670-4495 E-mail address - jdunn@waveguidefiber.com	Tel # (978) 670-0000 x113 Cell # (978) 423-8208 E-mail address - bbrown@waveguidefiber.com

Please utilize this form to update as necessary, and send to:
This form has been completed by: Jay Dunn
Telephone No.: (978) 670-0000 x153

Fairpoint Communication - NNE
License Administration Group
615 Odlin Rd
Bangor, ME 04401
Tel: (207) 990-5280, Fax : (207) 941-1952

APPENDIX I

**ATTACHMENT FEES and CHARGES
TDS TELECOMMUNICATIONS CORPORATION**

1. Attachment Fees

Annual Attachment Fees are as follows:

NEW HAMPSHIRE COMPANY	JO/JU	SO
Merrimack County Telephone Company	\$7.00	\$12.00
Hollis Telephone Company	\$7.00	\$12.00
Kearsarge Telephone Company	\$7.00	\$12.00
Wilton Telephone Company	\$7.00	\$12.00
Union Telephone Company	\$7.00	\$12.00

Fees shall be payable with thirty (30) days upon receipt of monthly invoice.

APPENDIX II

NOTICE ADDRESSES

Licensors – TDS TELECOMMUNICATIONS CORPORATION

All notices are to be sent to:

**TDS Telecommunications Corporation
Attn: Carrier Relations
P. O. Box 5158
525 Junction Road
Madison, WI 53705 - 0158
Tel: (608) – 664-4800
Fax: (608) – 830-5569**

With a copy to:

**TDS Telecom Regulatory & Legal Counsel
P. O. Box 5366
525 Junction Road
Madison, WI 53705-0366**

Licensors – UNITIL ENERGY SYSTEMS, INC.

For work in the following towns:

**Allenstown, Boscawen, Bow, Canterbury, Chichester,
Concord, Dunbarton, Epsom, Hopkinton, Loudon,
Pembroke, Salisbury, Webster**

All Notices are to be sent to:

**Unitil Energy Systems, Inc.
Capital DOC
One McGuire St.
Concord, N.H. 03301
Attention: Jon Shannon
Title: Operations Services Specialist
Tel: 603-227-4546
Fax: 603-227-4646**

For work in the following towns:

**Atkinson, Brentwood, Danville, Derry, East Kingston,
Exeter, Greenland, Hampstead, Hampton, Hampton
Falls, Kensington, Kingston, Newton, North Hampton,
Plaistow, Seabrook, South Hampton, Stratham**

All Notices are to be sent to:

**Unitil Energy Systems, Inc.
Seacoast DOC
114 Drinkwater Road
Kensington, N.H. 03833
Attention: Kimberly Gilman-Markson
Title: Plant Asset Specialist
Tel: 603-777-5525
Fax: 603-777-5625**

Licensee -

All Notices will be sent to the contacts as listed in the attached Customer Profile Form

A blank form may also be utilized to provide TDS TELECOMMUNICATIONS CORPORATION and UNITIL ENERGY SYSTEMS, INC. with updated notice addresses as necessary. Please use address information above.

7/1/10

APPENDIX III

Index of License Application Forms

Application and Pole Attachment License.....1

Authorization for Field Survey Work.....2

Itemized Pole Make-Ready Charges.....3

Authorization for Pole-Make Ready Work.....4

Notification of Discontinuance of Use of Poles.....5

APPLICATION AND POLE ATTACHMENT LICENSE

Licensee _____
Street Address _____
City, State and Zip _____
Date _____

In accordance with the terms and conditions of the Pole Attachment Agreement, application is hereby made for licensee to make _____ attachments to poles in the municipality of _____ in the state of _____.

This request will be designated as Pole Attachment Application Number _____. Attached are power supply specifications (if applicable). The cable's strand size is _____ and weight per foot of cable is _____.

Licensee Name (Print) _____

Signature _____

Title _____

Telephone# _____ Fax# _____

Date _____ Email _____

*******For Licensor Use, Do Not Write Below This Line*******
Pole Attachment License Application Number _____ is hereby granted to make the attachments described in this application to _____ attachments on jointly owned poles (A pole in which TDS and Power Company has ownership interest), _____ attachments to fully owned/solely owned poles, (A pole that is solely owned by TDS or the Power Company), and _____ attachments to jointly used poles, (A party to whom use of the pole has been extended by the owner of the facility. The term "joint user" shall not include Licensee), and _____ power supplies located in the municipality of _____ in the state of _____ as indicated on attached Form 3.

Licensor's Name (Print) _____

Signature _____

Title _____

Telephone# _____ Fax# _____

Date _____ Email _____

The Licensee shall submit an original copy of this application to TDS Telecommunications Corp. and the appropriate Power Company.

TDS TELECOMMUNICATIONS CORPORATION
AUTHORIZATION FOR FIELD SURVEY WORK

Licensee _____

In accordance with Article III and Appendix I of the Pole Attachment Agreement, the following is a summary of the charges which will apply to complete a field survey covering Pole Attachment Application Number _____ in the municipality of _____ in the state of _____.

FIELD SURVEY CHARGES

Field Survey	#Poles	Unit Rate	Total
Field Survey 1-10 Poles		\$250.00	\$
Field Survey 11-200 Poles		\$9.00 Per Pole	\$
Additional Travel Time*		\$200.00 Per Day	\$
Total Charges			\$

*Based on average of 75 poles surveyed per day, add \$200 travel time for each additional day required to complete the survey.

Please note, if you calculate the cost incorrectly, your check will be returned and a new check for the correct amount must be received by us in order to schedule the survey.

The required field survey covering Pole Attachment License Application# _____ is authorized. Advance payment in the amount of _____ is enclosed.

Licensee's Name (Print) _____

Signature _____

Title _____

Address _____

Telephone Number _____

Date _____

AUTHORIZATION FOR FIELD SURVEY WORK

Licensee:

In accordance with Article III & Appendix 1 of the Pole Attachment Agreement, Following is a summary of the charges which will apply to complete a field survey covering Pole Attachment License Application Number _____ in the municipality of _____ in the State of New Hampshire,

FIELD SURVEY CHARGES

<u>Field Survey</u>	<u># of Poles</u>	<u>Unit Rate</u>	<u>Total</u>
---------------------	-------------------	------------------	--------------

Total Charges		\$20.00/Pole	
---------------	--	--------------	--

Based on 4 poles surveyed per hour = \$80.00/Hour or \$20.00/Pole

The required field survey covering Pole Attachment License Application # _____, is authorized. I am enclosing an advance payment in the amount of \$ _____.

Licensee's Name (Print) _____

Signature: _____

Title: _____

Address: _____

Tel. No. _____

TDS TELECOMMUNICATIONS CORPORATION, INC. (TDS) AND UNITIL ENERGY SYSTEMS, INC.
Pole Make Ready Work Charges

Date of Survey _____

Total Pole Surveyed _____ Total Poles Requiring Make Ready Work: TDS _____ UNITIL _____

FIELD SURVEY / MAKE READY WORK FORM

LICENSEE INFORMATION			TDS INFORMATION					UNITIL INFORMATION		
<i>Application #</i>			<i>Work Order #</i>					<i>Work Order #</i>		
<i>Company Name</i>			<i>Application #</i>					<i>ALA#</i>		
<i>Address</i>			<i>Exchange Code</i>					<i>AWC</i>		
			<i>Municipal Code</i>							
			<i>State Code</i>							
Street	Telephone		Electric		Pole	Pole	*ATT	Ownership	Make Ready	
Pole Location	RTE	Pole	RTE	Pole	SIZE	BIRTHMARK	F/C P.S. RISER	JO / JU / FO	Yes/No	Comments

Licensee to complete bold italicized areas only
* ATT: F=Fiber C= Copper or Coaxial PS= Power Supply R=Riser Pole

AUTHORIZATION FOR POLE MAKE-READY WORK

Licensee _____
 Field survey work associated with your License Application No. _____ dated _____
 _____, for attachment to poles in the municipality of _____
 State of _____ has been completed. Following is a
 summary of the make-ready charges which will apply:

TASK#	QUANTITY	UNIT COST	TOTAL COST
Custom Work Order Preparation			
Miscellaneous			

Included is an itemized list of required make-ready work and associated charges. If you wish for us to complete the required make-ready work, please sign this copy below and return with an advance payment in the amount of \$_____.

Licensors Name (Print) _____

Signature _____

Title _____

Address _____

Telephone Number _____

Date _____

The replacements and rearrangements included in Pole Attachment License Application No. _____ are authorized and the costs therefore will be paid to Licensors in accordance with Appendix I to Pole Attachment License Agreement. A check is attached.

Licensee's Name (Print) _____

Signature _____

Title _____

Telephone Number _____ Date _____

Additional Sheet

Licensee _____

Field survey work associated with your License Application No. _____
dated _____, for attachment to poles, in the municipality
of _____, state of _____
has been completed. Following is a summary of the make-ready charges which will
apply:

TASK#	QUANTITY	UNIT COST	TOTAL COST
Custom Work Order Preparation			
Miscellaneous			

NOTIFICATION OF DISCONTINUANCE OF USE OF POLES

This form is to be completed and mailed to the appropriate TDS Telecommunications Company at the addresses listed below and the appropriate Power Company:

For Kearsarge, Hollis, Wilton and Union Telephone Companies:
TDS Telecom
7 Central Street
Farmington, NH 03835

For Merrimack County Telephone Company:
TDS Telecom
11 Kearsarge Avenue
Contoocook, NH 03229

Licensee _____
 Street Address _____
 City and State _____

In accordance with the terms of the Pole Attachment License Agreement dated _____, this serves as written notification from Licensee that attachment(s) to the following pole(s) in the municipality of _____, state of _____, are being discontinued (removed) on _____. These attachments are covered by Pole Attachment License Application Number _____.

Pole Number	Location	Attachment

Total Number of attachments to jointly owned poles to be discontinued _____.
 Total number of attachments to fully owned/solely owned poles to be discontinued _____.
 Total number of attachments to jointly used poles to be discontinued _____.
 Total number of Power Supplies/Other Equipment to be discontinued _____.

Said license is to be canceled in its entirety / partially as above.

(Circle one)

Licensee _____ Print Name _____

Signature _____ Tel. No. _____ Fax _____

Title _____ Date _____
 Application # _____

Licensee Name _____

Municipality _____

State _____

.....
To be completed by Licensor(s):

It has been verified by Licensor(s) that the number of attachments to be discontinued have been removed from Licensor's poles and the number of attachments have been adjusted as appropriate on the preceding page.

Licensor(s) (Print) _____

Signature(s) _____

Title(s) _____

Telephone Number(s) _____

Date of Removal _____

APPENDIX IV
Procedure of Existing Licensee's Aerial Attachments
(Commonly known as Rebuild)

1-SCOPE

In the process of replacing its existing facilities, it may be necessary for the Licensee to conduct a Rebuild project that may involve placing new facilities while keeping existing facilities in operation.

2-DEFINITIONS

- a) **Rebuild** – The act of a Licensee replacing existing facilities, for other than maintenance purposes, accomplished in the following manner:
 - 1) The lowering or raising of facilities by a licensee to a temporary location thereby clearing previously licensed spaced for a new installation.
 - 2) The placement and activation of new facilities by a Licensee that replace existing Licensee facilities.
 - 3) The transfer of a Licensee's existing customer facilities to Licensee's new facilities being placed.
 - 4) The deactivation and removal of Licensee's replaced facilities.

- b) **Post-construction Inspection** – A TDS inspection consisting of a ten (10) percent sample of the poles after completion of Licensee's Rebuild project. Licensee shall pay for the Post-construction Inspection based on the Unit Pricing Schedule.

- c) **Post-construction Subsequent Inspection** – An inspection, subsequent to the Post-Construction Inspection, required as the result of finding greater than 2% non-compliance after the Post-construction Inspection of the 10% sample performed by TDS. Licensee shall pay for the Post-construction Subsequent Inspection based on the Unit Pricing Schedule.

- d) **Subsequent Make-ready Work** – Rearrangement of TDS' facilities by TDS as determined by the Licensee's Self-Pre-survey to provide for clearance and separation requirements for all pole attachments relative to RUS specifications and the latest edition of the NESC.

- f) **Charges** – TDS' costs in the Unit Pricing Schedule is based on current TDS unit pricing methodology, for any Post-Construction Inspections, Post-construction Subsequent Inspections and Subsequent Make-ready Work performed by TDS and is payable to TDS by Licensee.

4 – NOTIFICATION

Licensee shall provide ten (10) days advance notice in writing to TDS and Coordinate its rebuild work with the local TDS field personnel to avoid any scheduling conflicts with any TDS construction or maintenance work. Licensee shall submit written notification within thirty (30) days to TDS after the Rebuild work has been completed. TDS will facilitate the Post-construction inspection.

APPENDIX V

Procedure for Placing an Additional Licensee's Cable on Same Licensee's Previously Licensed Aerial Pole Attachments (Commonly Known as Overlash)

DEFINITION: The act of attaching any cable owned by Licensee to same Licensee's existing strand and/or cable. A predetermined, limited amount of overlashing, that is not a substantial increase to the existing facilities shall be allowed.

1. All Attachers shall notify Pole Owners of any overlashing activity when as soon as it is known along with associated work dates.
2. An analysis shall be conducted by the Attacher whose facilities are being overlashed, and provided to the Pole Owner.
3. An Attacher, whose facility has a pre-existing NESC calculated span tension of no more than 1,750 lbs., shall be allowed to overlash a pre-determined maximum load of not more than 20% to the existing communications facility. Existing facilities with an NESC calculated span tension of less than 1,000 lbs. shall be allowed a pre-determined overlash of up to 40% of such pre-existing facilities.
4. When the analysis determines that the addition of equipment and loading is greater than the pre-determined limits, further assessment of the overlashed facility for its impact on the overall pole loading is required to assure that poles limits are not exceeded.
5. Overlashed facilities that are added to an already licensed pole attachment do not place any additional space requirements on a pole and therefore shall not be considered an additional and separate attachment.
6. The Pole Owner may not charge for overlashed cable, except for any make-ready charges that may be necessary to accommodate the Licensee's overlashed cable.
7. Attachers are obligated to install and operate their facilities in compliance with all relevant safety codes and in compliance with the NESC. All overlashed facilities shall be in compliance with the NESC.

THE FOLLOWING APPENDICES APPLY ONLY
TO UNITIL ENERGY SYSTEMS INC. AND
THE ATTACHING COMPANY

APPENDICES

UNITIL ENERGY SYSTEMS, INC.

- I. SCHEDULE OF FEES AND CHARGES**
- II. INDEMNIFICATION/INSURANCE REQUIREMENTS**
- III. PRE-CONSTRUCTION, SURVEY, MAKE-READY AND INSPECTION CHARGES**
- IV. APPLICATION FOR AND ISSUANCE OF LICENSES**

Schedule of Fees and Charges
POLE ATTACHMENTS

(A) Attachments

1. General

The licensee shall pay the Licensor as rental for use of each and every pole covered by this Agreement, any portion of which is occupied or reserved at the Licensee's request for its attachment during a calendar year or any portion thereof, an attachment fee as herein specified. Such fee shall be payable to the respective Licensor as detailed below:

2. Annual Attachment Fee

Electric Company:

The Licensee shall pay to Unitil Energy Systems, Inc., as rental for the use of each and every pole covered by this Agreement, any portion of which is occupied or reserved at the Licensee's request for its attachments, an Annual Attachment Fee for each attachment for each calendar year or any portion thereof. Such fees shall be payable quarterly on May 1, August 1, November 1, and February 1 of each year for each pole occupied or reserved at any time during any calendar year while this Agreement is in effect. For poles jointly owned or occupied by the Telephone Company and Unitil Energy Systems, Inc., fees shall be paid as herein provided with a portion paid to each Company in accordance with the agreed upon rate.

* \$38.28 per solely owned Unitil Energy Systems, Inc. pole.

* \$8.50 per attachment per jointly owned or used Telephone Company and Electric Company pole.

3. Unauthorized Attachment Fee

For each pole on which the Licensee has made an unauthorized attachment, payment shall be made by the Licensee to Licensor as follows:

Solely owned pole * \$204.99

Jointly owned pole * \$45.54

(B) Other Charges

Computation

All charges for field survey, inspections, removal of Licensee's facilities from Licensor's poles and any other work performed for Licensee shall be based upon the full cost and expense to Licensor of such work or for having such work performed by an authorized representative plus, unless waived by Licensor or either of them, an amount equal to ten (10%) percent of Licensor's full cost.

(C) Cost of Facility Modifications or Additions

1. Modifications or Additions Benefiting Only Licensee

After Licensee's initial attachment, if a modification benefits Licensee in that it thereby adds to, adjusts or modifies its attachments, Licensee shall be obligated to assume any costs associated with the modification to Licensor's facilities.

2. Modification or Addition Benefiting Multiple Parties

After Licensee's initial attachment, if a modification or addition benefits multiple parties, including Licensee, by allowing the parties to obtain access to the facility or add to, adjust or modify existing attachments, Licensee shall pay a proportionate share of all costs associated with the modification.

- A. Each party's proportionate share of the total cost shall be based on the ratio of the amount of new space occupied by a party to the total amount of new space occupied by all of the parties joining in the modification.

3. Modifications or Additions Initiated or Requested by Licensee

After Licensee's initial attachments, if Licensee seeks to add to, adjust or modify its attachment in any way, any costs associated with modifying a facility shall be borne by the Licensee.

- A. Licensee shall reimburse Licensor on an actual cost basis for any labor or administrative costs incident to providing maps, plats and other data in response to inquiries regarding access.
- B. In the event that a modification or addition by Licensee results in excess capacity that permits additional parties to attach, Licensee may request such parties to reimburse Licensee for costs of the modification to the extent allowed by law.

- C. In the event that a modification or addition by Licensee results in excess capacity that permits additional parties to attach, Licensor shall not be required to maintain any records regarding the modification or to otherwise facilitate any collection of reimbursement for Licensee from attaching parties.
- D. In the event that a modification or addition by Licensee results in excess capacity that permits additional parties to attach, Licensor shall not be required to apply any after-earned revenues from excess capacity to reimburse Licensee.

(D) Payment Date and Interest Charges

Failure to pay all fees and charges within thirty (30) days after presentment of the bill therefore or on the specified payment date, whichever is later, shall constitute a default of this Agreement.

Interest – Electric Company

Unitil Energy Systems, Inc. will include an interest charge of one and one-half percent (1 ½%) per month (equivalent to an eighteen percent (18%) annual rate) on all charges outstanding beyond thirty (30) days after the payment date as defined above. The payment of any such interest charge shall not cure or excuse any default by Licensee under this agreement. Licensor, at its sole discretion, may change this late fee from time to time during the term of this Agreement to reflect prevailing market conditions.

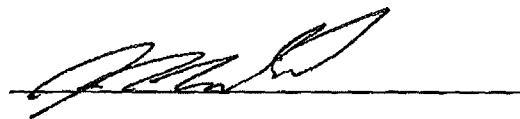
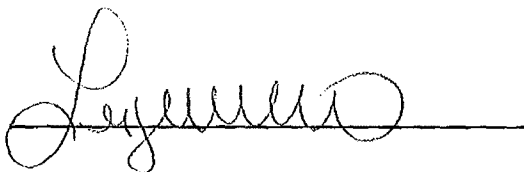
(E) Fee Revisions - Electric Company*

The Annual Attachment Fee(s) set forth in (A) 2 and the Unauthorized Attachment Fee(s) set forth in (A) 3 payable to Unitil Energy Systems, Inc. shall be computed in accordance with the formulas attached hereto as Exhibit A and Exhibit B, respectively. The fees will be calculated annually, based on data for the preceding calendar year.

* The rates on this Original Appendix I become effective May 1, 2011.

UNITIL ENERGY SYSTEMS, INC.

NEW HAMPSHIRE OPTICAL
SYSTEMS, LLC



**UNITIL ENERGY SYSTEMS, INC.
CALCULATION OF ANNUAL POLE RENTAL FEES
FOR LICENSEE ATTACHMENTS**

1. Net Investment in Bare Poles. Net investment in bare poles for solely and jointly owned poles may be expressed as gross pole investment minus depreciation reserve minus accumulated deferred income taxes. Gross pole investment is the appropriate portion of A/C 364 represented by poles, anchors, stubs, and pushbraces based on the Company's Pole Accountability Reporting (A/C 364). The percentage of gross pole investment to the total of A/C 364 has been allocated to the depreciation reserve for A/C 364. The percentage of gross pole investment less depreciation reserve to gross plant investment less depreciation reserve has been allocated to the total accumulated deferred income tax.

	<u>Sole Investment</u>	<u>Joint Investment</u>
Gross Pole Investment	\$8,489,154	\$19,450,460
Less: Depreciation Reserve	\$3,498,386	\$8,015,548
Less: <u>Accumulated Deferred Income Taxes</u>	<u>\$777,230</u>	<u>\$1,780,798</u>
= Net Investment in Bare Pole	\$4,213,538	\$9,654,114

2. Net Investment Per Bare Pole. Net investment per bare pole for solely and jointly owned poles may be expressed as the quotient of net investment in bare poles divided by the number of poles.

	<u>Sole Investment</u>	<u>Joint Investment</u>
Net Investment in Bare Pole	\$4,213,538	\$9,654,114
÷ <u>Number of Poles</u>	<u>6,102</u>	<u>49,718</u>
= Net Investment Per Bare Pole	\$690.52	\$194.18

3. Average Number of Attaching Entities. The average number of attaching entities is determined by comparing the total existing attachments to poles including electric and telephone, plus an estimate of expected attachments during the year, to total number of poles.

Average Number of Attaching Entities Solely Owned Pole =	3.0
Average Number of Attaching Entities Jointly Owned Pole =	4.0

	<u>Sole Investment</u>	<u>Joint Investment</u>
Net Investment Per Bare Pole	\$690.52	\$194.18
÷ <u>Average Number of Attaching Entities:</u>	<u>3.00</u>	<u>4.00</u>
= Net Investment Per Average Number of Attaching Entities:	\$230.17	\$48.54

4. Carrying Charge. The carrying charge consists of maintenance expense, depreciation, administrative and amortization expense, normalized taxes, and cost of capital.

a. Maintenance Expense. Maintenance expense for poles may be expressed as a percentage of net investment by dividing overhead lines (A/C 593) by the net investment in pole (A/C 364), in overhead conductors (A/C 365), and in services (A/C 369). Net pole investment is gross pole investment less depreciation reserve less accumulated deferred income taxes. Net conductor and services investment is gross investment in conductors and services less depreciation less accumulated deferred income taxes. The percentage of gross investment in Accounts 364, 365, 369 less depreciation to gross plant investment less depreciation reserve has been allocated to total accumulated deferred income tax.

Overhead Lines	\$1,847,780
Gross Pole Investment	\$41,581,969
Less: Depreciation Reserve	\$17,135,957
<u>Less: Accumulated Deferred Income Taxes</u>	<u>\$3,807,062</u>
= Net Pole Investment	20,638,950
Gross Conductor Investment	\$53,979,528
Less: Depreciation Reserve	\$16,892,428
<u>Less: Accumulated Deferred Income Taxes</u>	<u>\$5,775,702</u>
= Net Overhead Conductor Investment	\$31,311,398
Gross Services Investment	\$16,672,823
Less: Depreciation Reserve	\$8,835,758
<u>Less: Accumulated Deferred Income Taxes</u>	<u>\$1,220,493</u>
= Net Services Investment	\$6,616,572
Total Net Investment (Pole + Conductor + Services)	\$58,566,919
Maintenance Expense = Overhead Lines / Total Net Investment	3.15%

b. Depreciation. The depreciation rate may be adjusted for application to net by multiplying by the ratio of gross to net pole investment.

Depreciation Rate for Gross Pole Investment	4.200%
Gross Pole Investment	\$41,581,969
Less: Depreciation Reserve	\$17,135,957
<u>Less: Accumulated Deferred Income Taxes</u>	<u>\$3,807,062</u>
Net Pole Investment	\$20,638,950
Depreciation Expense	
= Depreciation Rate * Gross Pole Investment / Net Pole Investment	8.46%

c. Administrative and FAS 109 Amortization Expense. The administrative and FAS 109 amortization expense may be expressed as a percentage of net plant investment by dividing the total administrative and general expense plus FAS 109 amortization expense by the net plant investment. Net plant investment equals gross plant investment less depreciation reserve less accumulated deferred income taxes.

Administrative and General Expense	\$7,886,749
<u>Plus: FAS 109 Amortization Expense</u>	<u>\$548,220</u>
Total Administrative & Amortization Expense	\$8,434,969

Gross Plant Investment	\$220,295,795
Less: Plant Depreciation Reserve	\$70,213,231
<u>Less: Accumulated Deferred Income Taxes</u>	<u>\$23,372,876</u>
Net Plant Investment	\$126,709,689

Administrative and Amortization Expense
= Total Administrative & Amortization Expense / Net Plant Investment 6.66%

d. Normalized Taxes. Normalized Taxes may be expressed as a percentage of net plant by dividing taxes other than income taxes (A/C 408.1) plus federal income taxes and other income taxes (A/C 409.1) plus provision for deferred income tax (A/C 410.1) plus investment tax credit adjustment (A/C 411.4) less provision for deferred income tax credit (A/C 411.1) by net plant investment.

Taxes Other Than Income Taxes	\$3,753,475
Plus: Federal Income Taxes	(\$2,319,153)
Plus: Other Income Taxes	(\$408,999)

Plus: Provision for Deferred Income Tax + Investment Tax Credit	
<u>Adjustment - Provision for Deferred Income Tax Credit</u>	<u>\$5,575,264</u>
Total Tax	\$6,600,587

Gross Plant Investment	\$220,295,795
Less: Plant Depreciation Reserve	\$70,213,231
<u>Less: Accumulated Deferred Income Taxes</u>	<u>\$23,372,876</u>
Net Plant Investment	\$126,709,689

Normalized Taxes = Total Tax / Net Plant Investment 5.21%

e. Cost of Capital. Cost of Capital (return on equity and interest on debt) shall be the embedded cost of capital.
Cost of Capital = 9.01%

f. Total Carrying Charge. Adding the various percentage components, the appropriate carrying charge is:

Maintenance Expense	3.15%
Plus: Depreciation	8.46%
Plus: Administrative & Amortization Expense	6.66%
Plus: Normalized Taxes	5.21%
<u>Plus: Cost of Capital</u>	<u>9.01%</u>
TOTAL CARRYING CHARGE	32.49%

5. Use Ratio. The use ratio may be expressed as the quotient of the space occupied per pole by cable and the average usable space per pole. (Exhibit A-1)

$$\frac{\text{Space Per Pole Occupied by CATV}}{\text{Average Usable Space Per Pole}} = \text{Use Ratio} \quad \frac{1 \text{ Foot}}{13.02 \text{ Feet}} = 7.68\%$$

6. Usable Space by Pole Height. The usable space by pole height may be expressed as the quotient of total usable space and pole height. (Exhibit A-1)

$$\frac{\text{Total Usable Space}}{\text{Pole Height}} = \text{Usable Space by Pole Height} \quad \frac{13.02 \text{ Feet}}{36.69 \text{ Feet}} = 35.49\%$$

7. Unusable Space by Pole Height. The unusable space by pole height may be expressed as the quotient of total unusable space and pole height. (Exhibit A-1)

$$\frac{\text{Total Unusable Space}}{\text{Pole Height}} = \text{Unusable Space by Pole Height} \quad \frac{23.67 \text{ Feet}}{36.69 \text{ Feet}} = 64.51\%$$

8. Calculated Pole Usable Space Factor. The calculated pole usable space factor is the product of net investment per bare pole times carrying charge times use ratio times usable space by pole height.

Solely Owned Pole:	\$690.52	x	32.49%	x	7.68%	x	35.49%	=	\$6.12
Jointly Owned Pole:	\$194.18	x	32.49%	x	7.68%	x	35.49%	=	\$1.72

9. Calculated Pole Unusable Space Factor. The calculated pole unusable space factor is the product of a set factor of 2/3 (per Telecommunications Act of 1996) to apportion costs times carrying charge times net investment per bare pole per average number of attaching entities times unusable space by pole height.

Solely Owned Pole:	2/3	x	32.49%	x	\$230.17	x	64.51%	=	\$32.16
Jointly Owned Pole:	2/3	x	32.49%	x	\$48.54	x	64.51%	=	\$6.78

10. Maximum Pole Rate = Usable Space Factor + Unusable Space Factor

Maximum Solely Owned Pole Rate =	\$6.12	+	\$32.16	=	\$38.28
Maximum Jointly Owned Pole Rate =	\$1.72	+	\$6.78	=	\$8.50

**UNITIL ENERGY SYSTEMS, INC.
CALCULATION OF AVERAGE USABLE SPACE PER POLE**

The average usable space is calculated by multiplying the number of poles of a given height (actual survey count) by the pole height and dividing the resulting total footage by the total number of poles. Average usable space is then determined by deducting clearance and setting depth, as follows:

POLE HEIGHT	X	NUMBER OF POLES WITH ATTACHMENTS	=	TOTAL POLE HEIGHT
25	X	869	=	21,725
30	X	9,638	=	289,140
35	X	22,116	=	774,060
40	X	17,517	=	700,680
45	X	4,724	=	212,580
50	X	714	=	35,700
55	X	84	=	4,620
60	X	145	=	8,700
65	X	13	=	845
		55,820		2,048,050
Average pole height (feet)		36.69		total pole height / total # poles with attachments
Clearance (feet)		18.00		
Setting (feet)		5.67		
Average usable space (feet)		13.02		Average pole height - clearance - setting
Average unusable space (feet)		23.67		Average pole height - usable space

**UNITIL ENERGY SYSTEMS, INC.
PROCEDURE FOR CALCULATION OF
UNAUTHORIZED ATTACHMENT FEES**

Calculation of the Unauthorized Attachment Fee:

The unauthorized attachment per pole fee to be paid to Unitil Energy Systems, Inc. by the Licensee for unauthorized attachment to Unitil Energy Systems, Inc.'s pole plant will be calculated for the two categories of pole ownership; sole and joint. The fees will be calculated annually to be effective for the period May 1 through April 30, based on data of the preceding calendar year. The fees are the product of (a) times (b) plus (c) where (a) equals the annual rental fee for the appropriate pole ownership category, (b) equals a three year rental compound factor and (c) equals an inspection and administration fee. The three year rental compound factor shall be determined by the following formula:

$$b = (1+d) + (1+d)^2 + (1+d)^3$$

wherein (d) equals the fixed charge Rate of Return herein.

The inspection and administration fee (c) shall be 50% of the product of (a) times (b).

Computations of the Unauthorized Attachment Fees in implementation of this Exhibit are shown on Exhibit B-1 attached hereto.

**UNITIL ENERGY SYSTEMS, INC.
CALCULATION OF PER POLE
UNAUTHORIZED ATTACHMENT FEES**

Sole Owned Pole

(a) Annual Rental Fee	=	\$38.28
(b) Rate of Return Compound Factor (1 + d) + (1 + d) ² + (1+d) ³	=	3.57
(a) x (b)	=	\$136.66
Plus		
(c) <u>.50 (a x b)</u>	=	<u>\$68.33</u>
Sole Owned Pole Unauthorized Attachment Fee	=	\$204.99

Joint Owned Pole

(a') Annual Rental Fee	=	\$8.50
(b') Rate of Return Compound Factor (1 + d) + (1 + d) ² + (1+d) ³	=	3.57
(a') x (b')	=	\$30.36
Plus		
(c') <u>.50 (a' x b')</u>	=	<u>\$15.18</u>
Joint Owned Pole Unauthorized Attachment Fee	=	\$45.54

APPENDIX II

Indemnification/Insurance Requirements
POLE ATTACHMENTS

The following provisions shall apply to Licensee in connection with the use of each and every pole owned by Unitil Energy Systems, Inc. (the "Licensor") in place of Articles XIII (Liability and Damages) and XIV (Insurance) of the Pole Attachment Agreement (the "Agreement") to which this Unitil Energy System, Inc. Appendix II is attached:

Liability and Damages

The Liability and Damages provisions of the Agreement (Article XIII) are hereby deleted and replaced with the following new provisions:

1. Licensor reserves to itself, its successors and assigns, the right to locate and maintain its poles and to operate its facilities in conjunction therewith in such a manner as will best enable it to fulfill its own service requirements. Licensor shall not be liable to Licensee for any interruption of Licensee's service or for interference with the operation Licensee's communications services arising in any manner, except from Licensor's sole negligence, out of the use of Licensor's poles.

2. Licensee shall exercise precaution to avoid damaging the facilities of Licensor and of others attached to Licensor's poles, and Licensee assumes all responsibility for any and all loss from such damage caused by Licensee's employees, agents or contractors. Licensee shall make an immediate report to Licensor and any other user of the occurrence of any such damage and agrees to reimburse the respective parties for all costs incurred in making repairs.

3. Licensor shall exercise precaution to avoid damaging the facilities of Licensee. Licensor shall make an immediate report to Licensee of the occurrence of any such damage and agrees to reimburse the respective parties for reasonable, direct costs incurred in making repairs.

4. Except to the extent as may be caused by the sole negligence of Licensor, Licensee shall defend, indemnify and save harmless Licensor against and from any and all liabilities, claims, suits, fines, penalties, damages, losses, fees, costs and expenses arising from or in connection with this Agreement (including reasonable attorneys' fees) including, but not limited to, those which may be imposed upon, incurred by or asserted against Licensor, by reason of:

(a) any worker or action done upon the poles licensed hereunder or any part thereof performed by Licensee or any of its agents, contractors, servants, or employees;

APPENDIX II

(b) any use, occupation, condition, operation of said poles or any part thereof by Licensee or any of its agents, contractors, servants, or employees;

(c) any act or omission on the part of Licensee or any of its agents, contractors, servants, or employees, for which Licensor may be found liable;

(d) any accident, injury (including death) or damage to any person or property occurring upon said poles or any part thereof arising out of any use thereof by Licensee or any of its agents, contractors, servants, or employees;

(e) any failure on the part of Licensee to perform or comply with any of the covenants, agreements, terms or conditions contained in this Agreement;

(f) payments made under any Workers' Compensation Law or under any plan for employees disability and death benefits arising out of any use of the poles by Licensee or any of its agents, contractors, servants, or employees;

(g) the erection, maintenance, presence, use, occupancy or removal of Licensee's Facilities by Licensee or any of its agents, contractors, servants, or employees or by their proximity to the facilities of other parties attached to Licensor's poles; provided that Licensee shall defend, indemnify, and save harmless Licensor against and from any and all such liabilities, claims, suits, fines, penalties, damages, losses, fees, costs and expenses brought, made or asserted by any of Licensee's agents, contractors, servants, or employees of any of Licensee's contractors or agents; or by

(h) any and all such liabilities, claims, suits, fines, penalties, damages, losses, fees, costs and expenses brought, made or asserted by any of Licensee's agents, contractors, servants, or employees of any of Licensee's contractors or agents.

5. Licensee shall indemnify, save harmless and defend Licensor from any and all claims and Demands of whatever kind which arise directly or indirectly from the operation of Licensee's attachments, including taxes, special charges by others, claims and demands for damages or loss for infringement of copyright, for libel and slander, for unauthorized use of television broadcast programs, and for unauthorized use of other program material, and from and against all claims and demands for infringement of patents with respect to the manufacture, use and operation of Licensee's poles, or otherwise.

APPENDIX II
Insurance

The Insurance provisions of the Agreement (Article XIV) are hereby deleted and replaced with the following new provisions:

1. Licensee agrees to purchase and maintain during the term hereof, and shall cause all of its subcontractors, if any, to purchase and maintain during the term hereof, all insurance and/or bonds required by law or this Agreement including without limitation:

(a) Commercial General Liability Insurance (including, but not limited to, premises-operations, explosion and collapse, underground hazard, broad form property damage, products/completed operations, contractual liability, independent contractors, personal injury/death) written on an occurrence basis with a combined single limit amount of Five Million Dollars (\$5,000,000).

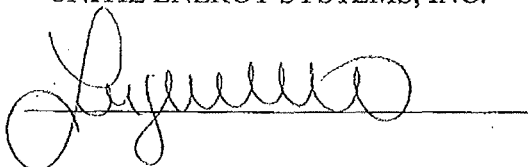
(b) Commercial Automobile Liability Insurance with limits of at least Two Million Dollars (\$2,000,000) combined single limit for each occurrence.

(c) Workers' Compensation Insurance as required by Statute, and Employer's Liability Insurance with limits of not less than One Million Dollars (\$1,000,000) per occurrence.

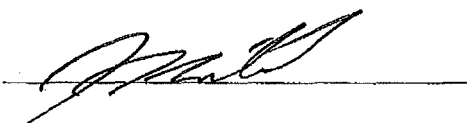
2. All insurance must be in effect before Licensor will authorize Licensee to make attachment to Licensor's pole(s) and shall remain in force until such Attachments have been removed from all such poles.

3. Licensor shall be named as an additional insured with respect to each of the insurance policies described in Paragraph 1, above. Further, such insurance shall be placed with an insurance company authorized to do business in New Hampshire, and shall include a provision requiring written notice to Licensor at least thirty (30) days prior to the cancellation, non-renewal, or material modification of any such policies as evidenced by return receipt of United States certified mail. The insurance coverage afforded under the policies required herein shall be primary to any insurance carried independently by Licensor. Licensee shall deliver a copy of the declaration sheet with respect to each of the insurance policies described in Paragraph 1, above to Licensor upon the execution of this Agreement, and annually shall deliver copies of all renewal declaration sheets to such insurance policies to Licensor upon the effective dates of such policies, together with copies of all endorsements evidencing the Licensor's status as a named additional insured on each of the policies affording such coverage to Licensor.

UNITIL ENERGY SYSTEMS, INC.



New Hampshire Optical Systems, LLC



Unitil Energy Systems, Inc.

New Hampshire Optical Systems, LLC.

Appendix III

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Effective May 1, 2011

Pre-Construction, Survey, Make-Ready Work and Inspection Charges
POLE ATTACHMENTS

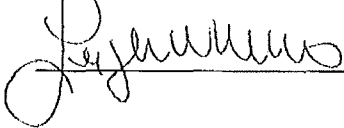
The following provisions shall apply to Licensee in connection with the use of each and every pole owned by Unitil Energy Systems, Inc. (the "Licensor") in place of Article III Section 3.3 of the Pole Attachment Agreement (the "Agreement") to which this Unitil Energy Systems, Inc. Appendix III is attached:

The Pre-Construction, Survey, Make-Ready Work and Inspection Charges provisions of the Agreement (Article III, Section 3.3) are hereby deleted and replaced with the following new provisions:

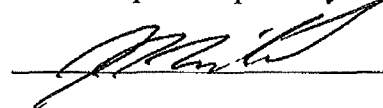
Pre-construction Survey, Make-ready Work and Inspection Charges

Licensee shall pay to Licensor the applicable Pre-construction Survey Charge, as determined by Licensor, with its License Application. The License Application forms are set forth in Appendix 3, Form 1, attached hereto and made a part hereof. Further, Licensee shall, prior to any performance by Licensor of any Pre-construction Survey, Make-ready Work, or Inspections (Post-construction Inspection, Periodic Inspection and Subsequent Inspection), make an advance payment to Licensor of the estimated Charge relating to such Make-ready Work, and Inspections based upon an estimate of the work to be performed, as prepared by Licensor. All work to be performed by Licensor will be based on an actual time and material basis plus an amount equal to ten percent (10%) of such costs. At the conclusion of Licensor's work, Licensee shall be credited for any amount paid in excess of the Licensor's actual Charge as finally computed, as compared to the estimate. In the event the actual Charge exceeds the estimate, Licensee shall make payment of the difference to the Licensor within thirty (30) days following Licensor's invoice therefor.

UNITIL ENERGY SYSTEMS, INC.



New Hampshire Optical Systems, LLC



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Appendix IV

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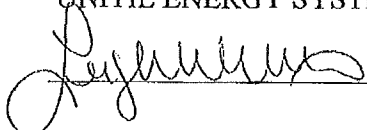
Application For And Issuance Of Licenses

The following provision shall apply to Licensee in connection with poles owned in whole or in part by Unitil Energy Systems, Inc in the Pole Attachment Agreement to which this Appendix IV is attached:

Article IV - Application For And Issuance of Licenses, Section 4.2 of the Agreement is hereby deleted and replaced with the following new provision:

4.2 Licensee agrees to limit the filing of applications for pole attachment licenses to include not more than 200 poles on any one application. Licensor reserves the right to limit the filing for pole attachments to no more than 900 poles on all applications that are pending approval by Licensor at any one time within a single Distribution Operations Center of the Licensor. Licensee further agrees to designate a desired priority of completion of the Pre-Construction Survey and Make-Ready Work for each application relative to all other of its applications on file with the Licensor at the same time.

UNITIL ENERGY SYSTEMS, INC.



New Hampshire Optical Systems, LLC

